

**PROPOSED RESTRUCTURING  
OF  
CANADIAN THIRD-PARTY STRUCTURED  
ASSET-BACKED COMMERCIAL PAPER**

**INFORMATION  
FOR  
NOTEHOLDERS**

**PREPARED BY  
THE PAN-CANADIAN INVESTORS COMMITTEE  
FOR  
THIRD-PARTY STRUCTURED ASSET-BACKED COMMERCIAL PAPER**

**March 20, 2008**

This information statement concerns a plan of compromise and arrangement (the “**Plan**”) proposed and supported by the Pan-Canadian Investors Committee for Third-Party Structured Asset-Backed Commercial Paper pursuant to the *Companies’ Creditors Arrangement Act* (Canada) in respect of all of the outstanding third-party debt obligations of the Issuer Trustees, including asset-backed commercial paper, floating rate notes, liquidity notes and subordinated notes (collectively, the “**Affected ABCP**”). This information statement is being sent to holders of Affected ABCP in connection with a meeting that has been called to consider and vote on the Plan that has been scheduled for April 25, 2008 at 10:00 a.m. at The Fairmont Royal York, 100 Front Street West in Toronto, Ontario, Canada.

***These materials require your immediate attention. You are urged to review these materials carefully. You should consult your professional advisors in connection with the content of these materials. If you have any questions regarding voting or if you wish to obtain additional copies of these materials, you may contact Ernst & Young Inc., the Monitor, by telephone at 1 (888) 373-6213 or by e-mail at: [canadian.commercialpaper@ca.ey.com](mailto:canadian.commercialpaper@ca.ey.com). Copies of these materials are also available on the Monitor’s website at: [www.ey.com/ca/commercialpaper](http://www.ey.com/ca/commercialpaper).***



## LETTER TO NOTEHOLDERS FROM PURDY CRAWFORD, C.C., Q.C.

March 20, 2008

Dear Noteholder,

I am writing to you in my capacity as the Chairman of the Pan-Canadian Investors Committee for Third-Party Structured Asset-Backed Commercial Paper (the “**Investors Committee**”). After many months of your patience and the hard work of many people, we are bringing forward for your consideration a plan for the restructuring of the third-party asset-backed commercial paper which you own. Please find attached a Notice of Proceedings and Meeting and accompanying Information Statement in respect of the plan of compromise and arrangement (the “**Plan**”) proposed and supported by the Investors Committee pursuant to the *Companies’ Creditors Arrangement Act* (Canada) in respect of the third-party asset-backed commercial paper debt obligations of the issuer trustees for 20 of the 22 trusts covered by the Montreal Accord.

The Plan provides for the comprehensive restructuring of all of the outstanding third-party debt obligations, including asset-backed commercial paper, floating rate notes, liquidity notes and subordinated notes (collectively, the “**Affected ABCP**”) in respect of the ABCP trust conduits listed on page 27 of the attached Information Statement.

Noteholders will be asked to approve the Plan at a meeting to be held at 10:00 a.m. on April 25, 2008 at The Fairmont Royal York, 100 Front Street West, Toronto, Ontario, Canada.

The Information Statement helps explain the terms of the Plan and why the Investors Committee supports the Plan. In my view, the proposed restructuring gives you, and all other holders of the Affected ABCP, an opportunity to maximize the value of your investment. The restructuring will allow those investors who hold restructured notes to maturity of the underlying assets to potentially maximize the return of their principal investment and will also reduce the risk that external events affecting credit markets in general will have a significant adverse impact on the restructured notes.

The Plan has been approved and is being supported by the institutions represented by members of the Investors Committee, certain of the dealer bank asset providers and the ABCP sponsors. The institutions and organizations represented by members of the Investors Committee, all of which have agreed to vote in favour of the Plan, are holders of approximately 66.25% of the outstanding Affected ABCP.

As described in more detail in the Information Statement, key highlights of the Plan include the following:

- The notes representing the Affected ABCP will be exchanged for longer-term floating rate notes that are designed to match the maturity of the underlying pool of assets. The new Class A-1 and Class A-2 notes are expected to receive a rating of AA from DBRS;
- Solutions are being provided for Affected ABCP based on the type and quality of underlying assets. Where the ABCP is backed by assets that the Investors Committee considers to be “ineligible” for pooling, these assets will be separated from higher quality assets. Where the ABCP is backed by assets that are exclusively “traditional”, these assets will also be segregated and Noteholders will receive longer-term notes tracking the returns on those assets;
- Noteholders that satisfy the MAV1 Eligibility Requirements (as described in the Information Statement) may elect to participate in MAV1, which includes a “self-funded” facility in which Noteholders will provide specified amounts of committed funding for margin call requirements. Noteholders who either do not satisfy the MAV1 Eligibility Requirements or elect not to participate in MAV1 will participate in MAV2 and receive margin call support from a group of third-party lenders and may, if eligible, also participate in such margin funding facility up to an amount of less than their *pro rata* share;
- Certain parties will receive comprehensive and fully effective releases as a condition to their participation and completion of the restructuring and the implementation of the Plan. For more detail regarding these releases, see the section entitled “Releases” in the Information Statement;
- Transparency in the market is being created through the release of information contained in the Information Statement and JPMorgan’s Report on Restructuring as well as through access to additional information regarding the assets underlying the Affected ABCP that will be made available through a dedicated website to Noteholders who agree to keep such information confidential. Following the restructuring BlackRock (Institutional)

Canada, Ltd., which will be the Administrator and Asset Manager of each of the MAVs, will also publish periodic reports regarding the Managed Assets described in this Information Statement, which reports are expected to facilitate the development of a market for the MAV2 notes.

The Plan is the result of an extensive review of various available alternatives by the Investors Committee, with the advice of its financial advisor, JPMorgan, and Goodmans LLP, the Investors Committee's legal advisor. I sincerely believe that this restructuring offers Noteholders the best available alternative in the circumstances and affords a much more desirable outcome for all Noteholders than would the failure to approve and implement this Plan. JPMorgan has also advised the Investors Committee that it believes that the restructuring proposal improves the potential for value recovery over time. You should carefully review and consider JPMorgan's detailed report which is included as Exhibit D to the Information Statement.

If the Plan is not implemented, likely alternatives include a forced sale or liquidation of some or all of the ABCP Conduits as well as the incurrence of substantial mark-to-market termination payments on synthetic assets which could lead to substantial losses for Noteholders.

The accompanying Information Statement provides a detailed description of the Plan and includes certain additional information to assist you in considering how to vote on the Plan and in making your election to participate in MAV1 or MAV2. You are urged to read this information and the accompanying forms carefully and, if you require assistance, you should consult your own legal, tax, financial or other professional advisors. You may also contact the court-appointed Monitor, Ernst & Young Inc., at 1 (888) 373-6213 or by e-mail at: [canadian.commercialpaper@ca.ey.com](mailto:canadian.commercialpaper@ca.ey.com) if you have questions regarding the Plan.

Your vote at the Meeting is important. In order to vote at the Meeting, you are required to complete and deliver either a Voter Identification Form or a Voter Confirmation Form. Furthermore, if you are unable to be present in person at the Meeting, I encourage you to take the time to properly complete and return the enclosed Form of Proxy which will ensure that you are represented at the Meeting in accordance with your instructions.

Subject to obtaining Noteholder approval, final court approval and required regulatory approval, it is anticipated that the Plan will be implemented on or about May 23, 2008.

The negotiations involved in arriving at this Plan have been long and difficult. The results that have been achieved flow from the art of the possible and not from some finely tuned, but impractical, measurement of the value of "gives" and "takes".

I want to assure all investors that are not in a position or that do not wish to hold the restructured notes for the long term that I, the Investors Committee and its advisors have had their interests very much in mind. I am hopeful that an over-the-counter market will develop for the restructured notes.

Arriving at the restructuring proposal contemplated by the Plan and described in the Information Statement has been a formidable task. I am very proud to have been involved and remain optimistic that, with your support, a successful result can be achieved for the benefit of all Noteholders. I wish to thank you for your continued support and patience during this highly complex restructuring process and hope we can count on your participation in the voting process.

Respectfully,

A handwritten signature in black ink, appearing to read "Purdy Crawford". The signature is fluid and cursive, with the first name "Purdy" and last name "Crawford" clearly distinguishable.

Purdy Crawford, C.C., Q.C.

Chairman  
Pan-Canadian Investors Committee for  
Third-Party Structured Asset-Backed Commercial Paper

**NOTICE OF PROCEEDINGS AND MEETING  
AND INFORMATION STATEMENT  
WITH RESPECT TO A  
PLAN OF COMPROMISE AND ARRANGEMENT  
PURSUANT TO THE  
*COMPANIES' CREDITORS ARRANGEMENT ACT (CANADA)***

**INVOLVING:**

**METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS II CORP.,  
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS III CORP.,  
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS V CORP.,  
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS XI CORP.,  
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS XII CORP.,  
4446372 CANADA INC. AND  
6932819 CANADA INC.**

**TRUSTEES OF THE FOLLOWING CONDUITS:**

**APOLLO TRUST  
APSLEY TRUST  
ARIA TRUST  
AURORA TRUST  
COMET TRUST  
ENCORE TRUST  
GEMINI TRUST  
IRONSTONE TRUST  
MMAI-I TRUST  
NEWSHORE CANADIAN TRUST  
OPUS TRUST  
PLANET TRUST  
ROCKET TRUST  
SELKIRK FUNDING TRUST  
SILVERSTONE TRUST  
SLATE TRUST  
STRUCTURED ASSET TRUST  
STRUCTURED INVESTMENT TRUST III  
SYMPHONY TRUST  
WHITEHALL TRUST**

**March 20, 2008**

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## QUESTIONS AND ANSWERS

*Certain terms are defined in the section “Glossary of Terms”.*

### ABOUT THE INFORMATION STATEMENT

#### 1. Why did I receive this Information Statement?

You have received this Information Statement because you are either a registered holder or are identified in your broker’s records as being a beneficial holder of third-party asset-backed commercial paper (“**ABCP**”), floating rate notes, liquidity notes or subordinated notes (collectively, the “**Affected ABCP**”) issued by one or more of the 20 Conduits that are the subject of the proposed plan of compromise and arrangement (the “**Plan**”) under the *Companies’ Creditors Arrangement Act* (Canada) (“**CCAA**”). If so, you are entitled to receive notice that the Pan-Canadian Investors Committee for Third-Party Structured Asset-Backed Commercial Paper (the “**Investors Committee**”) has filed the Plan with the Ontario Superior Court of Justice. Furthermore, pursuant to an order of the Court, a meeting of Noteholders will be held for the purpose of considering and, if thought advisable, approving, with or without variation, the Plan. Accordingly, you have received this Information Statement to provide you with information regarding the Meeting and the Plan so that you can make an informed decision regarding your vote.

#### 2. What am I being asked to vote on?

You are being asked to approve the resolution (the “**Restructuring Resolution**”) which approves and authorizes the implementation of the Plan. If the Plan is approved at the Meeting and subsequently sanctioned by a final court order, your Affected ABCP will be restructured and you will receive new longer-term floating rate notes in exchange for your existing Affected ABCP.

#### 3. How does the Investors Committee recommend I vote?

The Investors Committee makes no recommendation on how you should vote. However, the investors represented on the Investors Committee unanimously support the Plan and intend to vote in favour of the Restructuring Resolution.

#### 4. Who can I contact if I need more information or have questions?

If you have questions about the information contained in the Information Statement or require assistance in completing the enclosed forms, including the Voter Identification Form, the Form of Proxy, or the Form of Election, or require assistance in completing the Voter Confirmation Form received separately from this package, please contact the Monitor, Ernst & Young Inc., at: 1 (888) 373-6213, or by e-mail at: [canadian.commercialpaper@ca.ey.com](mailto:canadian.commercialpaper@ca.ey.com).

### ABOUT THE MEETING

#### 5. When and where is the Meeting of Noteholders?

The Meeting of Noteholders will be held at 10:00 a.m. on April 25, 2008 at The Fairmont Royal York, 100 Front Street West, in Toronto, Ontario.

#### 6. Who is entitled to vote at the Meeting?

Only holders of Affected ABCP (“**Noteholders**”) as of February 29, 2008 (the “**Record Date**”), that properly complete and deliver either a Voter Identification Form (printed on blue paper) or a Voter Confirmation Form (printed on pink paper), together with the required supporting information to the Monitor prior to 5:00 p.m. (Toronto time) on April 22, 2008, or their respective proxy holders, are entitled to vote at the Meeting. Noteholders with deficiencies in the completion of their forms or their supporting information will be permitted to vote at the Meeting but their votes will be marked as “unconfirmed” by the Monitor. In the event that the aggregate “unconfirmed” votes would influence the outcome of the vote on the Plan, these “unconfirmed” votes may be submitted by the Monitor to the Court for direction as to their eligibility.

#### 7. How many votes do I have?

You will receive ONE vote at the Meeting. Your vote will count towards each of the two thresholds that must be met in order for the Plan to be approved under the CCAA. First, your vote will count towards the number of Noteholders that vote at the Meeting, either in person or by proxy, in order to determine if a majority in number of such



Noteholders have voted in favour of the Plan. Second, your vote will count, based upon the Canadian dollar principal amount of Affected ABCP that you hold, towards the total principal amount of Affected ABCP held by Noteholders that vote at the Meeting, either in person or by proxy, in order to determine whether Noteholders holding at least 66⅔% of the total principal amount of the Affected ABCP held by Noteholders voting, have voted in favour of the Plan.

**8. Do I have to attend the meeting in order to vote?**

No. Any Noteholder who properly completes and delivers either a Voter Identification Form or a Voter Confirmation Form may vote by properly completing and delivering the accompanying Form of Proxy (printed on green paper) in accordance with the instructions to the proxy.

**9. How will my proxy be voted?**

On your Form of Proxy, you may indicate how you wish your proxy holder to vote. You may direct the proxy holder to either vote FOR or AGAINST the Restructuring Resolution and the implementation of the Plan. If you do not specify a choice on your Form of Proxy, your holdings of Affected ABCP will be voted FOR the Restructuring Resolution and the implementation of the Plan.

**PRIOR TO THE MEETING — VOTER IDENTIFICATION/CONFIRMATION**

**10. I have received more than one Voter Identification Form. Do I need to complete and submit them all?**

Noteholders must only complete and submit one Voter Identification Form (printed on blue paper). In order to ensure that all Noteholders have the opportunity to vote at the Meeting, copies of the information package including this Information Statement and a Voter Identification Form have been distributed to Noteholders through several different channels, and therefore Noteholders may receive more than one copy of the package.

**11. What should I do if I receive a Voter Confirmation Form?**

Noteholders for whom E&Y has previously obtained satisfactory confirmation of Affected ABCP holdings, have been sent a Voter Confirmation Form (printed on pink paper) directly by the Monitor. Noteholders who receive a Voter Confirmation Form directly from the Monitor, and who also receive a Voter Identification Form from another source, should properly complete and deliver to the Monitor only the Voter Confirmation Form. However, if in addition to your holdings of Affected ABCP as of February 29, 2008, you have also been assigned a right to vote at the Meeting by virtue of the acquisition of additional Affected ABCP since February 29, 2008, you and the assignor from whom you acquired additional Affected ABCP are required to jointly complete and deliver a Voter Identification Form or Voter Confirmation Form with respect to this assigned right to vote at the Meeting.

**12. Where do I send the Voter Identification Form or Voter Confirmation Form?**

Noteholders must properly complete and deliver the Voter Identification Form (printed on blue paper) or the Voter Confirmation Form (printed on pink paper) to the Monitor, Ernst & Young Inc., by mail or courier to the following address: Ernst & Young Inc., Attention: ABCP, 222 Bay Street, Suite 1600, P.O. Box 251, Toronto-Dominion Centre, Toronto, Ontario M5K 1J7. Noteholders may also send a copy of the completed Voter Identification Form or the Voter Confirmation Form to the Monitor by facsimile at (416) 943-2850.

**13. What is the deadline for submitting the Voter Identification Form or Voter Confirmation Form?**

You are required to deliver either the Voter Identification Form *or* the Voter Confirmation Form to the Monitor at any time prior to **5:00 p.m. (Toronto time) on April 22, 2008**.

**14. What supporting information will I need to return with my Voter Identification Form?**

In order to verify your holdings of Affected ABCP, you must deliver to the Monitor, together with a completed Voter Identification Form or Voter Confirmation Form, one of the following:

- (a) a statement from your broker, investment dealer, bank, trust company or other nominee or custodian indicating your holdings of Affected ABCP as of February 29, 2008;
- (b) a statement from your broker, investment dealer, bank, trust company or other nominee or custodian indicating your holdings of Affected ABCP as of a date prior to February 29, 2008, accompanied by a sworn statement (i.e.

a statutory declaration) from you that there have been no changes in your holdings of Affected ABCP since the date of the statement; or

- (c) a letter from your broker, investment dealer, bank, trust company or other nominee or custodian confirming your holdings of Affected ABCP as of February 29, 2008, provided that such letter includes a signature guarantee stamp.

**Please note that in order for the supporting documentation to be acceptable to the Monitor (in its sole discretion), the statement or letter provided MUST clearly indicate: (i) the principal amount of your holdings for each of the Series listed in Part C of the Voter Identification Form (to the extent you hold more than one) or (ii) the principal amount of your holdings in respect of each issued security (by CUSIP).**

**15. What should I do if I purchased my Affected ABCP after February 29, 2008 and was assigned a right to vote at the Meeting?**

If you have been assigned a right to vote at the Meeting by virtue of the acquisition of Affected ABCP since February 29, 2008, you must ensure that the Noteholder that assigned this right to you completes and delivers the same Voter Identification Form or Voter Confirmation Form as you with respect to the transferred Affected ABCP and the assigned right to vote at the Meeting, together with supporting evidence of their holdings of Affected ABCP as of February 29, 2008 as instructed herein and that Section E of the Voter Identification Form or Section D of the Voter Confirmation Form, as applicable, is properly completed. If the Noteholder that assigned this right to you does not properly complete and deliver a Voter Identification Form or Voter Confirmation Form identifying you as the assignee with respect to the assigning Noteholder's Affected ABCP as of February 29, 2008, you will not be entitled to vote at the Meeting. If you were assigned the right to vote at the Meeting, even if you did not purchase all of the other Noteholder's Affected ABCP, you will be entitled to vote at the Meeting with respect to the full amount of the assigning Noteholder's Affected ABCP as of February 29, 2008.

**PRIOR TO THE MEETING — PROXY SOLICITATION**

**16. Where do I send the Form of Proxy?**

Noteholders must properly complete and deliver the Form of Proxy (printed on green paper) to the Monitor, Ernst & Young Inc., by mail or courier to the following address: Ernst & Young Inc., Attention: ABCP, 222 Bay Street, Suite 1600, P.O. Box 251, Toronto-Dominion Centre, Toronto, Ontario M5K 1J7. Noteholders may also send a copy of the completed Form of Proxy to the Monitor by facsimile at (416) 943-2850.

**17. What is the deadline for submitting the Form of Proxy?**

In order for your proxy holder to vote at the Meeting on your behalf, you are required to submit the Form of Proxy at any time prior to **5:00 p.m. (Toronto time)** on the last Business Day before the Meeting or any adjournment thereof, or, at the discretion of the Monitor, to the chair of the Meeting prior to the commencement of the Meeting or any adjournment thereof.

**18. What if I change my mind and want to revoke my proxy?**

A Noteholder who has given a proxy may revoke it by an instrument in writing, including another proxy, executed by the Noteholder or its attorney duly authorized in writing or, if the Noteholder is not an individual, by a duly authorized officer or attorney, and delivered to the Monitor, Ernst & Young Inc., Attention: ABCP, 222 Bay Street, Suite 1600, P.O. Box 251, Toronto-Dominion Centre, Toronto, Ontario M5K 1J7 or by facsimile at (416) 943-2850 by 5:00 pm (Toronto time) on or by the last Business Day prior to the date of the Meeting or the date of any adjournment of the Meeting or, at the discretion of the Monitor, to the chair of the Meeting prior to the commencement of the Meeting or the day of any adjournment thereof, before any vote is taken on approval of the Restructuring Resolution.

**19. What happens if I have submitted a Form of Proxy and there are amendments to the Plan or other matters are brought before the Meeting?**

The enclosed Form of Proxy gives the persons named on it authority to use their discretion in voting on amendments or variations to matters identified in the Notice of Meeting. If other matters properly come before the Meeting, the

persons named on the enclosed Form of Proxy will vote on them in accordance with their judgment, pursuant to the discretionary authority conferred to them by the Form of Proxy with respect to such matters.

**20. What is the purpose of the additional information I am being asked to provide on the Form of Proxy?**

The additional information is for informational purposes only. Although, if implemented the Plan will be binding on all Noteholders, and therefore contemplates a single voting class, it is proposed that the votes be tabulated by Series so that the Court may be informed of the results, both on a global basis and on a Series by Series basis, as though Noteholders had voted in separate classes representing a different class for each Series of Affected ABCP.

**FORM OF ELECTION**

**21. What is the Form of Election?**

The Form of Election (printed on yellow paper) is the form by which a Noteholder may elect to participate in MAV1 or MAV2 in accordance with the terms of the Plan. Any Noteholder who fails to properly complete and deliver the Form of Election or is determined not to be eligible to participate in MAV1, will be deemed to have elected to participate in MAV2.

**22. Who is required to complete the Form of Election?**

Only Noteholders that wish to participate in MAV1.

**23. If I am a Noteholder wanting to participate in MAV1, how must I complete and deliver the Form of Election?**

All Noteholders who wish to participate in MAV1 are required to properly complete and deliver the Form of Election, together with supporting documentation, to the Monitor by no later than 5:00 p.m. (Toronto Time) on the Business Day following the Meeting where the Restructuring Resolution is passed. The Monitor, acting in its sole discretion, will provide those Noteholders who properly complete and deliver the Form of Election and that satisfy the MAV1 Eligibility Requirements, with a notice of acceptance. Only Noteholders that receive a notice of acceptance from the Monitor will be permitted to participate in MAV1. Please note, your election is irrevocable. If you are granted a notice of acceptance you will participate in MAV1. Noteholders that receive a notice of acceptance will also at that time receive instructions regarding the process of tendering Affected ABCP in exchange for Plan Notes.

**24. Who is eligible to participate in MAV1?**

Only Noteholders who satisfy the MAV1 Eligibility Requirements can participate in MAV1 under the Plan. These requirements include that: (i) a Noteholder either (a) has and maintains a long-term debt rating of AA(low) or higher from DBRS or, in the case of the issuance of the Plan Notes pursuant to the Plan, is otherwise approved by the Asset Providers and DBRS, or (b) posts cash or other prescribed securities to fund its commitment under the MAV1 Margin Funding Facility for the duration thereof; (ii) the Noteholder is a MAV1 Eligible Person; and (iii), in the case of the issuance of the Plan Notes pursuant to the Plan, the Noteholder held Affected ABCP as of December 23, 2007. Any Noteholder who is entitled to MAV1 Notes, MAV2 Notes or MAV3 Notes under the terms of the Plan who does not satisfy the applicable requirements will be required to participate in MAV2. Noteholders that hold one or more Series of Affected ABCP that is backed exclusively by specified traditional assets, will only receive TA Tracking Notes issued by MAV3 and will therefore not participate in either of MAV1 or MAV2, in respect of such Series of Affected ABCP. See the section of the Information Statement entitled “Eligibility and Election to Participate in MAV1”.

**25. Who determines if I satisfy the MAV1 Eligibility Requirements?**

If the Plan is approved, the Monitor will be responsible for determining whether Noteholders satisfy the MAV1 Eligibility Requirements in order to participate in MAV1.

**26. Can I divide my holdings and participate in both MAV1 and MAV2?**

No. You must make the election with respect to the entirety of your holdings of Affected ABCP and you may not divide your holdings in order to participate in both MAV1 and MAV2.

**27. Can I elect to participate in MAV1 and still decline to vote, or vote against the Restructuring Resolution?**

Yes. Your election to participate in MAV1 is independent from your vote on the Plan. However, if you elect to participate in MAV1 and the Restructuring Resolution is subsequently approved, you will be required to participate in MAV1 whether you have voted FOR or AGAINST the Restructuring Resolution, or even if you decline to vote on the Restructuring Resolution.

**28. What is the Deadline for submitting the Form of Election?**

The Form of Election, together with supporting documentation, must be received by the Monitor no later than **5:00 p.m. (Toronto time) on the Business Day following the Meeting where the Restructuring Resolution is passed**, by mail, courier or facsimile, in order for the Monitor to determine eligibility in MAV1.

**29. How do I get my new Plan Notes?**

Instructions regarding the tender of Affected ABCP in exchange for Plan Notes will be made available prior to the Meeting.

**ABOUT THE PLAN OF COMPROMISE AND ARRANGEMENT**

**30. What is being proposed under the Plan?**

In general terms, the Plan proposes to replace the Affected ABCP with new longer-term floating rate notes with maturities that are designed to more closely correspond to the maturities of the underlying assets. The Plan also provides, in certain circumstances, for the pooling of certain assets as well as the establishment of new margin funding facilities to support any collateral calls that may occur in the future. Please see the section of the Information Statement entitled “The Restructuring Plan”.

**31. What are the benefits to Noteholders of the Plan?**

In summary, the Investors Committee believes that the benefits to Noteholders include improved potential for value recovery over time, a lower risk of unfunded margin calls as a result of the restructuring of margin call triggers within the new Master Asset Vehicles (or MAVs) and the establishment of committed margin funding facilities, an expected AA credit rating for the new Class A-1 Notes and the new Class A-2 Notes and improved transparency with regard to the underlying assets. Although no assurances can be made in this regard, together these benefits are expected to promote improved liquidity in the new notes. Noteholders will also avoid costly and lengthy litigation that may otherwise be required in order to advance claims of an uncertain value.

**32. What will I receive in exchange for the Affected ABCP I currently own?**

Depending on (a) the particular Series of Affected ABCP that you hold and (b) your election, deemed election, or Monitor’s determination to participate in MAV1 or MAV2, you will receive, in exchange for your Affected ABCP, one or more of the following securities from either of MAV1 or MAV2: (i) a Class A-1 Note; (ii) a Class A-2 Note; (iii) a Class B Note; (iv) a Class C Note; and/or (v) IA Tracking Notes. You may also receive one or more TA Tracking Notes, MAV3 IA Tracking Notes or SN Tracking Notes from MAV3 if you hold a Series of Affected ABCP that is supported in whole by Exclusively Traditional Assets. For a more specific breakdown of the securities you can expect to receive, please see the section of the Information Statement entitled “Allocation of Plan Notes in Exchange for Affected ABCP”.

**33. How was the allocation established for new classes of notes for each Series of Affected ABCP?**

Because the Plan involves the pooling of assets (other than Ineligible Assets and Exclusively Traditional Assets) within MAV1 and MAV2, a method was required to ensure that the new notes reflect the relative values of the assets underlying the Affected ABCP that are being exchanged. JPMorgan, the Investors Committee’s financial advisor, conducted an indicative asset valuation as of March 4, 2008, of the ABCP Conduits and each of the 47 Series of Affected ABCP. To promote the equitable treatment of all Noteholders, the Plan will use a “relative contribution analysis” whereby indicative valuations of the assets to be contributed to the new MAVs will be used to determine the amount and type of new notes to be issued to Noteholders. Depending on which Series of Affected ABCP you own, and the indicative values of the underlying assets of each such Series, you will receive a combination of different classes of notes and/or Tracking Notes. Each Noteholder will receive notes that total the full amount of the Affected ABCP held by such Noteholder. The allocation of the different classes of notes and/or Tracking Notes will vary

depending on the Series you hold, with a higher percentage of Class A-1 Notes being allocated to Series with underlying assets that have a higher indicative value. The full text of the JPMorgan Report on Restructuring can be found at Exhibit D to the Information Statement.

**34. When can I expect repayment to occur on the new restructured notes?**

The anticipated maturity and repayment of the Plan Notes, other than in the case of Tracking Notes, is generally expected to occur within nine years although the restructured notes will have a legal final maturity that is significantly longer than that. The longer maturity dates are designed to avoid the potential illiquidity that would result from an obligation to repay notes prior to receipt of sufficient amortization of principal on the underlying assets. In addition, for the first five years, principal amortization and any sale proceeds will generally be reinvested in substitute assets in accordance with the Eligibility Criteria. The first payment of principal on the Class A-1 Notes is expected to occur in 2013.

**35. What is a “Tracking Note” and will I receive one?**

A “Tracking Note” is a security with a return that is designed to “track” the economic performance of a particular asset or group of assets. As part of the Plan, there are four types of Tracking Notes that will be issued to holders of Affected ABCP: (i) the TA Tracking Notes (to be issued by MAV3) will be linked to the returns on certain pools of specified Exclusively Traditional Assets; (ii) the SN Tracking Notes (to be issued by MAV3) will be linked to the returns on particular traditional assets that were funded, in part, by particular Series of Subordinated ABCP; (iii) the MAV3 IA Tracking Notes (to be issued by MAV3) will track the returns on individual assets that have been determined to be “ineligible” for pooling purposes; and (iv) the IA Tracking Notes (to be issued by each of MAV1 and MAV2) will track the returns on individual assets that have been determined to be “ineligible” for pooling purposes. You will therefore only receive a Tracking Note if you hold certain specified Series of Affected ABCP. Please see the Section of the Information Statement entitled “Allocation of Plan Notes in Exchange for Affected ABCP” to determine whether you will receive any tracking notes.

**36. Will the new notes be rated?**

It is expected that the Class A-1 Notes and Class A-2 Notes will be rated AA by DBRS. Ratings will also be sought on the TA Tracking Notes and the SN Tracking Notes, which ratings will reflect DBRS’ view and risk assessment of their underlying assets. The Class B Notes, the Class C Notes, the MAV3 IA Tracking Notes and the IA Tracking Notes will not be rated.

**37. What if my holdings of ABCP are denominated in U.S. dollars?**

Holders of Affected ABCP that is denominated in U.S. dollars will receive U.S. dollar denominated notes in exchange therefor and holders of Canadian dollar denominated Affected ABCP will receive Canadian dollar denominated notes in exchange therefor. For purposes of determining the Canadian dollar equivalent of any Affected ABCP that is denominated in U.S. dollars, the Monitor will use the noon spot rate as published by the Bank of Canada on and as of the Record Date.

**38. Why am I being offered a choice between two Master Asset Vehicles?**

The allocation of assets into two separate Master Asset Vehicles (or MAVs) affords eligible Noteholders the opportunity to elect whether or not they wish to “self-insure” with regard to the posting of additional collateral in the event that margin calls are made in the future with respect to certain underlying assets held in MAV1 or MAV2. Noteholders who elect to participate in MAV1 (and with respect to which a proportionate share of applicable underlying assets will be transferred to MAV1) will be required to provide specific amounts of margin funding commitments in certain prescribed forms. Noteholders that are unable or unwilling to make such commitments will be deemed to have elected to participate in MAV2 (and with respect to which a proportionate share of applicable assets will be transferred to MAV2) and will avail themselves of the margin funding facility being made available by certain third-party lenders and such Noteholders may, if eligible, also choose to participate as lenders in the MAV2 margin funding facility.



**39. Are there any other differences between MAV1 and MAV2?**

Yes. The returns on the Plan Notes issued by MAV1 are expected to be higher than those issued by MAV2 due to the costs associated with the third-party margin funding facility required for MAV2. Holders in MAV1 will be subject to certain restrictions on the transfer of their Notes. On the other hand, Noteholders participating in MAV2 may, subject to applicable securities laws and market conditions, sell their new notes when they choose. The governance structures will also be somewhat different for MAV1 and MAV2.

**40. Why are the margin funding facilities required?**

The margin funding facilities are needed to satisfy possible collateral posting obligations that may be required with respect to the Leveraged Super Senior trades. Participants in MAV1 will provide their own margin funding commitments proportionate to their participation in MAV1 and participants in MAV2 will avail themselves of a third-party margin funding facility. These margin funding facilities are also important to enable the AA credit rating of the new Class A-1 Notes and the Class A-2 Notes that are expected to be issued upon implementation of the Plan. The establishment of committed margin funding facilities was also an essential condition for the Asset Providers to agree to move from “mark-to-market” margin call triggers to “spread-loss” triggers.

**41. If I want to, can I participate as a lender in the margin funding facility for MAV2?**

Yes. A Noteholder that meets the eligibility requirements for participation in the MAV2 Margin Funding Facility and that may be interested in becoming a lender in the MAV2 margin funding facility should contact the Monitor for further information. Noteholders choosing to participate in this margin funding facility can contribute any amount up to that portion of the entire margin funding facility equal to their proportionate holdings in MAV2.

**42. What is the benefit of moving from “mark-to-market” margin call triggers to “spread-loss” triggers?**

In many cases, Conduits that issued Affected ABCP (or their Satellite Trusts) entered into credit default swaps with Asset Providers as counterparties. Under the credit default swaps, a Conduit (or the applicable Satellite Trust) receives regular fixed payments and, in return, agrees to pay the counterparty an amount calculated by reference to the amount that a holder of a portfolio of debt obligations would lose if, for example, it attempted to sell those obligations in the market after one or more of the issuers of those debt obligations became insolvent or failed to make payments on those debt obligations. To provide security for their liabilities under the credit default swaps, Conduits used the proceeds of note issuances to acquire investments that they pledged to the Asset Providers.

So far, none of the portfolios on which the credit default swaps are based has suffered any losses requiring any Conduits to pay any cash settlement amounts. However, due to events in the credit markets, perceptions of potential credit risks have increased and the market value of these credit default swaps to the counterparties, also referred to as the “mark-to-market” value, has increased. As a result of these increases in the mark-to-market value, which are determined by the counterparties, the counterparties are entitled to make margin calls- that is, to require that the Conduits provide more collateral. If more collateral is not provided, the credit default swaps stipulate that the counterparties may terminate these transactions and take from the collateral already pledged the mark-to-market value of the credit default swaps or the actual loss suffered by the counterparty in unwinding the credit default swaps. In most cases, such a realization would result in substantial losses to Noteholders.

Under the Plan, if approved, it is proposed that the ability for the counterparties to make margin calls be based not on the mark-to-market value as determined by the counterparty, but on a combination of the average credit spreads calculated for a specified index portfolio of investment-grade companies and the actual losses experienced following insolvency or similar credit events on debt obligations of the companies in the underlying index portfolio. Margin calls would only be made if the relevant pairing of average credit spread and actual loss exceeds predetermined thresholds. This proposed “spread-loss” method provides two distinct advantages to Noteholders: (i) the “spread-loss” triggers are based on six uniform and verifiable indices of spreads and losses; and (ii) credit spreads would have to increase from their current levels before margin calls can be made, unless the underlying portfolios experience actual losses. After the restructuring, if these new spread-loss triggers are hit, then from that time forward counterparties will be permitted to make margin calls based on the mark-to-market value as determined by the counterparty but the amount of collateral over and above the current mark-to-market value of all of the Leveraged Super Senior trades entered into by the relevant counterparty will be limited to approximately 20% of the sum of the initial funded amounts of the relevant trades which is a significant improvement from the current average collateral

cushion of 44% which the counterparties are currently entitled to (generally, a 44% cushion is referred to as a 56% mark-to-market trigger as the first collateral call can be made once the mark-to-market value of the trade equals 56% of the initial funded amount).

**43. Is there any continuing risk of margin calls under Leveraged Super Senior Swaps?**

While the risks associated with margin calls occurring under LSS swaps will be reduced, such risks have not been eliminated. If actual portfolio losses are incurred and/or credit spreads significantly increase, swap counterparties may be permitted to require the applicable MAV to provide additional collateral. The committed margin funding arrangements under the restructuring are intended to enable the MAV to fund such requirements. However, the amount of collateral required to be provided may exceed the committed funding available to a MAV. Unless additional funding is obtained by the MAV in such circumstances, the swap counterparty may seek to terminate the swaps, in which case significant losses may be suffered by its Noteholders. See “Risk Factors — Risk Factors Relating to the Plan Notes”.

**44. Why are parties being released as part of the Plan?**

The releases are an essential element of the Plan. A number of key participants, that are under no obligation to co-operate or otherwise participate in the restructuring, have made comprehensive releases a condition of their co-operation and participation. While some parties are contributing more to the restructuring than others, the parties involved in the Plan are making substantial contributions or agreeing to significant concessions, with many foregoing their own legal rights and taking on additional risk. For example, the Asset Providers require comprehensive, effective releases in return for their agreement to: (i) enter into Credit Default Swaps with spread-loss triggers; (ii) provide additional margin funding to participants in MAV2; and (iii) disclose information concerning the Leveraged Super Senior trades to facilitate the development of a market for the new restructured notes. The Schedule I Canadian banks require comprehensive, effective releases in return for their participation in the margin funding facilities. The Asset Providers and the Schedule I Canadian banks further require, as a condition of the compromises and contributions they are making, assurance that no claims will remain following implementation of the Plan that could lead to claims against them for contribution and indemnity. This would defeat the finality and certainty that these releases are intended to provide. Therefore, the releases are a necessary part of the restructuring of the Affected ABCP and the implementation of the Plan.

**45. Do these releases mean I will lose my right to sue for damages relating to my ABCP holdings?**

Yes. These releases will prevent Noteholders and others from being able to pursue litigation claims on account of any losses they may incur or have incurred, or damages they may suffer or have suffered, in connection with their holdings of Affected ABCP.

**46. What is happening to the cash that has accumulated in the ABCP Conduits since August 13, 2007?**

The assets underlying the Affected ABCP have continued to generate revenues since August 13, 2007. Those revenues have been deposited in the trust accounts of the ABCP Conduits, the ABCP Sponsors or certain issuer trustees for the benefit of the ABCP Programs. Some ABCP Programs’ documentation include specific provisions for the payment of interest after maturity of Affected ABCP while others are silent in this respect. Also, some of the ABCP Conduits’ documentation includes specific provisions for the payment of certain fees and expenses in priority to any interest payment to Noteholders. All of these factors will have an influence on the payment of interest, if any, to Noteholders.

The Investors Committee, with the assistance of the Monitor, will review the amounts accumulated in the applicable trust accounts (by Series) and the amount of such monies required to be pledged as collateral for the MAVs (including collateral required to supplement margin funding commitments as a consequence of Noteholder elections to participate in MAV1) or for the payment of administrative, restructuring and other applicable costs to estimate surplus funds available by Series and may make amendments to the Plan, prior to the Meeting of Noteholders to provide for the appropriate payment of interest to Noteholders on implementation of the Plan out of such surplus.

If sufficient amounts are not available for a Series, the Noteholders of such Series will have no claim for interest on their Affected ABCP to the extent of any shortfall. If sufficient amounts are determined to be available to Noteholders of any Series, such payment received shall be in full and final satisfaction of any amount claim of a Noteholder for interest on their Affected ABCP.

**47. What is the expected date for the completion of the restructuring process and distribution of the new notes?**

Subject to the receipt of the required approvals, including approval of Noteholders and the Court, the anticipated date for implementation of the Plan is May 23, 2008. The distribution of the new notes will occur as soon as practicable thereafter.

**48. What additional information is being made available through the Noteholder Data Room?**

The Investors Committee and the Monitor have sought to provide complete transparency by posting all of the documents reviewed and considered by the Investors Committee and its advisors in formulating the Plan in a newly established Noteholder Data Room. These documents include: (i) the constating documents of the ABCP Conduits; (ii) documents governing the Credit Default Swaps entered into by the ABCP Conduits; (iii) the liquidity agreements; and (iv) documents relating to the acquisition and maintenance of Traditional Assets held by the ABCP Conduits. This disclosure will provide Noteholders with significantly more information regarding the Affected ABCP than has been previously available.

**49. What information will I receive about the new restructured notes if the Plan is approved?**

If the Plan is approved, BlackRock (Institutional) Canada, Ltd., a subsidiary of BlackRock, Inc. or another subsidiary of BlackRock, Inc. ("**BlackRock Canada**") will become the administrator and the asset manager for the new MAVs. As part of its mandate, BlackRock Canada will agree to provide holders of the new notes with regular updates, available through a dedicated website, as well as information concerning the performance of the Managed Assets.

**50. What will happen if the restructuring is not completed?**

If the Plan is not approved, the standstill arrangements that are currently in place may expire. If the standstill arrangements are not extended, all of the Affected ABCP will be in default under the provisions of the trust indentures under which these notes have been issued which means that Noteholders could cause the liquidation of these Conduits and Asset Providers could place them in default. In addition, in respect of those Conduits which have leveraged exposure, Asset Providers will likely be in a position to make margin calls that the Conduits are unlikely to be able to fund. In the event that Noteholders or Asset Providers place the Conduits in default or margin calls are not met, the assets which underly the Affected ABCP would likely be unwound in a market environment where these assets are not highly valued. If this happens, it is reasonable to conclude that Noteholders would suffer very significant if not total losses on their holdings of Affected ABCP.

**ABOUT THE CCAA PROCESS**

**51. Why did the Applicants seek a court process under the CCAA?**

The Applicants chose court proceedings under the CCAA because the issuer trustees of the Conduits, as currently structured, are insolvent because they cannot satisfy their liabilities as they become due. The CCAA process allows meaningful efficiencies by restructuring all of the Affected ABCP simultaneously while also providing stakeholders, including Noteholders, with more certainty that the Plan will be implemented. In addition, the CCAA provides a process to obtain comprehensive releases, which releases bind Noteholders and other parties that are not directly affected by the Plan. The granting of these comprehensive releases is a condition of participation by certain key parties.

**52. What percentage approval is required under the CCAA?**

To become effective, the Plan must be approved by Noteholders (i) constituting a majority in number of Noteholders who are present and voting at the Meeting, either in person or by proxy, and (ii) representing not less than 66⅔% of the total aggregate principal amount of Affected ABCP of the Noteholders voting, either in person or by proxy, at the Meeting.

**53. What happens if the requisite approval levels are not met?**

If the Plan does not receive the required levels of Noteholder approval, the Plan will not be approved by the Court and the Plan will not be implemented.



**54. What is the Monitor's role?**

The Monitor has been appointed by the Court as an officer of the Court to assist in the restructuring process. The Monitor's role will include, but is not limited to, administering the voter identification and proxy processes, assisting with the Meeting, tabulating the results of the vote at the Meeting and reporting to the Court.

**GENERAL**

**55. Are other consents or approvals required, beyond the court sanction?**

In addition to Noteholder approval and court sanction, the implementation of the Plan is subject to the receipt of a tax ruling from the Canada Revenue Agency and certain other conditions precedent. The consent of certain third-party participants including margin funding lenders and certain asset "originators" are also conditions to the full implementation of the restructuring Plan.

**56. Why is Devonshire Trust not included in the restructuring Plan?**

Devonshire Trust has entered into two Credit Default Swap contracts with Barclays. The parties involved in the restructuring of Third-Party ABCP continue to work diligently to come to an agreement to restructure the terms of these CDS contracts in a manner consistent with the other CDS contracts included in the restructuring Plan. It is anticipated that Devonshire Trust will be reorganized separately in a manner acceptable to Devonshire, its noteholders and Barclays.

**57. What provisions are there for Noteholders requiring immediate liquidity? Will there be a market for the restructured notes?**

Since its work began, the Investors Committee and its financial advisor have considered a variety of proposals designed to promote liquidity in the new restructured notes. For example, a number of Canadian and international financial institutions were canvassed regarding the possible establishment of a lending "repo" facility. A number of parties were also contacted to solicit interest in other "market making" initiatives to assist Noteholders in need of immediate liquidity. Although at this time there are no specific "market making" measures in place that will provide Noteholders with an assurance of immediate liquidity, the Investors Committee believes that certain benefits of the Plan (including, among others, the DBRS ratings and the improved transparency with regard to the underlying assets) will encourage the development of a secondary market for the MAV2 Notes. However, there can be no assurance that an active trading market will develop. The Investors Committee continues to pursue and consider proposals to create a market for some or all of the restructured notes. It is more likely that a market will develop for MAV2 Notes due to the transfer restrictions associated with the MAV1 Notes.

**58. If the Plan is approved, will I be able to pledge my new restructured notes?**

Subject to compliance with applicable securities laws, there will be no restrictions on the ability to pledge your MAV2 Notes; however, certain additional transfer restrictions on the MAV1 Notes may limit a holder's ability to pledge such notes. It is expected that the AA rated Class A-1 Notes and Class A-2 Notes may also be eligible for "repo" facilities. See "Important Information".

**59. Who is paying the costs of the Investors Committee?**

Each of the 17 members represented on the Investors Committee is paying its own costs.

**60. Who is paying the costs of the Investors Committee's advisors?**

JPMorgan and Goodmans (until the court filing), Broadridge Financial Solutions and E&Y (until appointed Monitor by the Court) are being paid in the first instance by the 17 members of the Investors Committee on a *pro rata* basis, based on the amount of their holdings of Affected ABCP. These costs, however, will be recouped on successful implementation of the Plan and, subject to Court order, are to be allocated among, and paid from, the assets held in each of the ABCP Conduits. Therefore they will ultimately be borne by all Noteholders. Similarly, although not appointed in the contemplated capacities of Administrator and Asset Manager of the MAVs until the Plan Implementation Date, certain expenses of BlackRock, Inc. and its subsidiaries incurred in connection with the Plan and development of the Administration and Management Agreement will be so paid on implementation of the Plan. In connection with the restructuring of the Skeena Capital Trust which was completed in December of 2007,

Skeena paid approximately \$2.6 million of these costs. See “The Restructuring Plan — Other Aspects of the Plan — Costs of the Restructuring”.

**61. Who is paying the other costs associated with this restructuring?**

Certain costs of the Original Issuer Trustees, the Existing Note Indenture Trustees and the ABCP Sponsors incurred in connection with the restructuring have been paid from the cash accumulated in the ABCP Conduits, allocated among, and paid from, the assets held in each of the ABCP Conduits based on the principal amount of their Affected ABCP that is issued and outstanding, on a Series by Series basis or in certain cases, allocated to a particular Series. Therefore they will ultimately be borne by Noteholders. The Monitor’s costs and other costs incurred during the Court proceedings also will be paid from accumulated cash. Therefore, these costs will ultimately be borne by all Noteholders. See “The Restructuring Plan — Other Aspects of the Plan — Costs of the Restructuring”.

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,**

**R.S.C. 1985, c. C-36, as amended**

**AND IN THE MATTER OF THE  
PLAN OF COMPROMISE AND ARRANGEMENT**

**involving**

**METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS II CORP.,  
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS III CORP.,  
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS V CORP.,  
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS XI CORP.,  
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS XII CORP.,  
4446372 CANADA INC. AND  
6932819 CANADA INC.**

**(the "Respondents")  
trustees of the following conduits:**

**APOLLO TRUST  
APSLEY TRUST  
ARIA TRUST  
AURORA TRUST  
COMET TRUST  
ENCORE TRUST  
GEMINI TRUST  
IRONSTONE TRUST  
MMAI-I TRUST  
NEWSHORE CANADIAN TRUST  
OPUS TRUST  
PLANET TRUST  
ROCKET TRUST  
SELKIRK FUNDING TRUST  
SILVERSTONE TRUST  
SLATE TRUST  
STRUCTURED ASSET TRUST  
STRUCTURED INVESTMENT TRUST III  
SYMPHONY TRUST  
WHITEHALL TRUST**

**(collectively, with the Respondents, the "CCAA Parties")**

**which Plan is being filed by and on behalf of  
the Pan-Canadian Investors Committee for Third-Party Structured Asset-Backed Commercial Paper  
(the "Investors Committee")**

## NOTICE OF PROCEEDINGS AND MEETING

**NOTICE IS HEREBY GIVEN** that the Investors Committee has filed with the Ontario Superior Court of Justice (the **“Court”**) a plan of compromise and arrangement dated March 17, 2008 (as amended from time to time, the **“Plan”**) pursuant to the *Companies’ Creditors Arrangement Act* (Canada) (the **“CCAA”**).

A copy of the Plan (without Schedules attached) is set out as Exhibit B to the Information Statement dated March 20, 2008 with respect to the Meeting and the Plan (the **“Information Statement”**). A copy of the Plan with all Schedules is available on the Monitor’s website. Unless otherwise indicated, terms defined in the section of the Information Statement entitled “Glossary of Terms” have the same meaning in this Notice.

The Plan contemplates the restructuring of the third-party debt obligations, including applicable asset-backed commercial paper, floating rate notes, liquidity notes and subordinated notes (collectively, the **“Affected ABCP”**), of the CCAA Parties, as listed below, and the amendment of rights and claims of, among others, the holders of the Affected ABCP (as defined in the Plan, **“Noteholders”**):

- Apollo Trust — Series A
- Apollo Trust — Series E
- Apollo Trust — Series H
- Apsley Trust — Series A
- Aria Trust — Series A
- Aria Trust — Series E
- Aurora Trust — Series A
- Aurora Trust — Series B
- Aurora Trust — Series C
- Aurora Trust — Series E
- Aurora Trust — Series F
- Comet Trust — Series A
- Comet Trust — Series E
- Comet Trust — Series F
- Encore Trust — Series A
- Encore Trust — Series E
- Gemini Trust — Series A
- Gemini Trust — Series E
- Gemini Trust — Series F
- Ironstone Trust — Series A
- Ironstone Trust — Series B
- MMAI-I Trust — Series A
- Newshore Canadian Trust — Series A
- Newshore Canadian Trust — Series 2001-1
- Opus Trust — Series A
- Opus Trust — Series E
- Planet Trust — Series A
- Planet Trust — Series E
- Planet Trust — Series F
- Planet Trust — Series L8
- Rocket Trust — Series A
- Rocket Trust — Series B
- Rocket Trust — Series D
- Rocket Trust — Series E
- Rocket Trust — Series F
- Selkirk Funding Trust — Series A
- Silverstone Trust — Series A
- Slate Trust — Series A-1
- Slate Trust — Series E-1
- Structured Asset Trust — Series A-1
- Structured Asset Trust — Series E-1
- Structured Asset Trust — Series L1
- Structured Investment Trust III — Series A
- Structured Investment Trust III — Series E
- Symphony Trust — Series A
- Symphony Trust — Series E
- Whitehall Trust — Series A

**NOTICE IS ALSO HEREBY GIVEN** that a Meeting of the Noteholders will be held on April 25, 2008 at 10:00 a.m. at The Fairmont Royal York, 100 Front Street West, Toronto, Ontario for the purpose of considering and, if thought advisable, voting to approve, with or without variation, the Restructuring Resolution concerning the Plan, and to transact such other business as may properly come before the Meeting. The Meeting is being held pursuant to the Order made on March 17, 2008 by Mr. Justice Campbell of the Ontario Superior Court of Justice (the **“Meeting Order”**). A copy of the Meeting Order is set out as Exhibit C to the Information Statement.

To become effective, the Plan must be approved by Noteholders (i) constituting a majority in number of Noteholders who are present and voting at the Meeting, either in person or by proxy, and (ii) representing not less than 66⅔% of the aggregate principal amount of Affected ABCP of the Noteholders voting, either in person or by proxy, at the Meeting.

The Plan must also be sanctioned by a final order of the Court under the CCAA. Subject to satisfaction or waiver of the conditions to implementation of the Plan, all Noteholders will then receive the treatment set out in the Plan unless otherwise ordered by the Court.

In order to be eligible to vote at the Meeting, a Noteholder as of the record date of February 29, 2008 (the **“Record Date”**) must properly complete and deliver either a voter identification form (printed on blue paper) (the **“Voter**

**Identification Form**”) or a voter confirmation form (printed on pink paper) (the “**Voter Confirmation Form**”), together with the required supporting information, in accordance with the instructions accompanying the forms. The Voter Confirmation Form is not included with this Notice and only Noteholders that have previously provided E&Y with evidence of their Affected ABCP holdings will receive this form directly from the court-appointed Monitor. If a Noteholder receives a Voter Confirmation Form, they must properly complete and deliver the Voter Confirmation Form and not a Voter Identification Form. In order to be eligible to vote at the Meeting, the Voter Identification Form or the Voter Confirmation Form must be received by the court-appointed Monitor, Ernst & Young Inc. at the following address: Ernst & Young Inc., Attention: ABCP, 222 Bay Street, Suite 1600, P.O. Box 251, Toronto-Dominion Centre, Toronto, Ontario M5K 1J7 or received by facsimile at: (416) 943-2850 by no later than **5:00 p.m. (Toronto time) on April 22, 2008**. These forms must be received by the Monitor by the time and date specified in order to ensure sufficient time for the Monitor to ensure the fairness and adequacy of the voting procedures.

Noteholders that were assigned the right to vote at the Meeting by virtue of the acquisition of Affected ABCP after February 29, 2008, are required to jointly with the assignor from whom they acquired the additional Affected ABCP complete and deliver a Voter Identification Form or Voter Confirmation Form together with supporting documentation with respect to this assigned right to vote at the Meeting. For greater certainty these Noteholders must ensure that the Noteholder that assigned the right to vote at the Meeting properly completes and delivers the same Voter Identification Form or Voter Confirmation Form with respect to the transferred Affected ABCP as of the Record Date and the assigned right to vote at the Meeting. Noteholders that were assigned the right to vote at the Meeting, even if they did not acquire all of the assigning Noteholder’s holdings of Affected ABCP, will be entitled to vote at the Meeting with respect to the full amount of the assigning Noteholder’s Affected ABCP as of the Record Date.

Noteholders that properly complete the Voter Identification Form or Voter Confirmation Form and provide all required supporting information to the Monitor prior to 5:00 p.m. (Toronto time) on April 22, 2008 will be entitled to vote at the Meeting. Noteholders with deficiencies in the completion of their forms or their supporting information will also be permitted to vote at the Meeting but their votes will be marked as “unconfirmed” by the Monitor. In the event the aggregate “unconfirmed” votes would influence the outcome of the vote, these “Unconfirmed” votes may be submitted by the Monitor to the Court for direction as to their eligibility.

Any Noteholder who is entitled to vote at the Meeting may vote in person by attending the Meeting or by properly completing and delivering the accompanying Form of Proxy (printed on green paper) in the return envelope provided in accordance with the instructions to the proxy. In order to be used at the Meeting, a proxy must be received by the court-appointed Monitor, Ernst & Young Inc., at the following address: Ernst & Young Inc., Attention: ABCP, 222 Bay Street, Suite 1600, P.O. Box 251, Toronto-Dominion Centre, Toronto, Ontario M5K 1J7 or received by facsimile at: (416) 943-2850 at any time prior to **5:00 p.m. (Toronto time) on the last Business Day before the Meeting** or any adjournment thereof, or, at the discretion of the Monitor, with the chair of the Meeting prior to the commencement of the Meeting or any adjournment thereof.

A Noteholder who has given a proxy may revoke it by an instrument in writing, including another proxy, executed by the Noteholder or its attorney duly authorized in writing or, if the Noteholder is not an individual, by a duly authorized officer or attorney, and delivered to the above described office of the court-appointed Monitor on or by the last Business Day prior to the date of the Meeting or the date of any adjournment thereof, or, at the discretion of the Monitor, to the chair of the Meeting prior to the commencement of the Meeting or adjournment thereof, before any vote is taken on approval of the Restructuring Resolution.

Noteholders wishing to participate in Master Asset Vehicle 1 (“**MAV1**”) whereby they will be required to provide margin funding to MAV1 must properly complete and deliver the form of election (printed on yellow paper) (the “**Form of Election**”) indicating whether such Noteholder is electing, with respect to the entirety of its holdings of Affected ABCP, to participate in MAV1, to the Monitor, Ernst & Young Inc. at the following address: Ernst & Young Inc., Attention: ABCP, 222 Bay Street, Suite 1600, P.O. Box 251, Toronto-Dominion Centre, Toronto, Ontario M5K 1J7 or received by facsimile at: (416) 943-2850 at any time prior to **5:00 p.m. (Toronto time) on the Business Day following the Meeting where the Restructuring Resolution is passed**. The Monitor acting in its sole discretion, will provide those Noteholders who properly complete and deliver the Form of Election and that satisfy the MAV1 Eligibility Requirements with a notice of acceptance. Only Noteholders that receive such notice of acceptance from the Monitor will be permitted to participate in MAV1. Such Noteholders will also at that time receive instructions regarding the process of tendering Affected ABCP in exchange for Plan Notes. **Any Noteholder who fails to properly complete or deliver the Form of Election or who is determined not to be eligible to participate in MAV1, will be deemed to have elected to participate in MAV2.**

**NOTICE IS HEREBY ALSO GIVEN** that if the Plan is approved at the Meeting, the Investors Committee intends to bring a motion before the Court on or about May 2, 2008 at 10:00 a.m. (Toronto time) at 330 University Avenue, Toronto, Ontario, M5G 1R7, or on such other date as may be ordered by the Court, or as may be adjourned. The motion will be for an Order sanctioning the Plan under the CCAA and ancillary relief consequent upon such sanction including the relief described in the Plan. Any interested party who wishes to appear or be represented, and to present evidence or arguments supporting or opposing the motion, at the Court hearing seeking sanction of the Plan must file with the Court a Notice of Appearance and a notice setting out the basis for such support or opposition and a copy of the materials to be used and serve such Notice of Appearance, notice and materials on the Applicants' solicitors, Goodmans LLP, at the following address: Goodmans LLP, 250 Yonge Street, Suite 2400, Toronto, Ontario, M5B 2M6 (Attention: Fanny Paquette) and by facsimile to (416) 979-1234 as well as a copy to the Monitor's solicitors, Borden Ladner Gervais LLP, Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3Y4 (Attention: Craig Hill), at least three days before the date of the motion.

The Order of the Court sanctioning the Plan will, if made, form the basis for an exemption from the registration requirements of the *United States Securities Act of 1933*, as amended, in respect of certain securities to be issued pursuant to the Plan.

March 20, 2008

## THE MEETING

### PROCEDURE FOR MEETING

Pursuant to the Meeting Order, the Meeting of Noteholders has been called to consider and vote on the Restructuring Resolution concerning the Plan. The Meeting will be held at 10:00 a.m. on April 25, 2008 at The Fairmont Royal York, 100 Front Street West in Toronto, Ontario, Canada.

The Meeting will be held and conducted in accordance with the provisions of the Meeting Order, notwithstanding the provisions of any other agreement or instrument.

An officer of the Monitor will act as the chair of the Meeting and decide all matters relating to the conduct of the Meeting. The only Persons entitled to attend the Meeting are Noteholders of the Affected ABCP as of the Record Date set out in the Meeting Order and their proxy holders, representatives of the Applicants, the ABCP Sponsors and the CCAA Parties, the Monitor and the Persons appointed to act as scrutineers at the Meeting, and their respective legal counsel and advisors. Any other Person may be admitted on invitation of the Applicants or the chair of the Meeting. The quorum for the Meeting is two Noteholders entitled to vote at the Meeting as of the Record Date present at the Meeting in person or by proxy.

A vote by written ballot will be taken on the approval of the Restructuring Resolution. On a poll on any matter that may come before the Meeting, each Noteholder will be entitled to one vote for the aggregate principal amount of its outstanding Affected ABCP.

The Restructuring Resolution must be approved by Noteholders (i) constituting a majority in number of the Noteholders who are present and at the Meeting, either in person or by proxy, and (ii) representing not less than 66 $\frac{2}{3}$ % of the aggregate principal amount of Affected ABCP of the Noteholders voting either, in person or by proxy, at the Meeting.

If the Meeting is adjourned by the chair in its sole discretion or is postponed or otherwise rescheduled, the Meeting will be adjourned, postponed or otherwise rescheduled by the chair to such date, time and place as may be decided by the chair. The Applicants will not be required to deliver any notice of adjournment of the Meeting other than announcing the adjournment at the Meeting.

## VOTING AT THE MEETING

### Classification

For the purposes of considering and voting on the Plan and the Restructuring Resolution, there will be a single Class of Noteholders of all of the Affected ABCP, with each Noteholder having a single vote, although for the information of the Court, Noteholders will be permitted to additionally indicate their preferences on a Series by Series basis, and tabulations will be made as if the voting were conducted on a Series by Series basis for each of the 47 Series of Affected ABCP as set forth below:

Series of Affected ABCP
Apollo Trust — Series A
Apollo Trust — Series E
Apollo Trust — Series H
Apsley Trust — Series A
Aria Trust — Series A
Aria Trust — Series E
Aurora Trust — Series A
Aurora Trust — Series B
Aurora Trust — Series C
Aurora Trust — Series E
Aurora Trust — Series F
Comet Trust — Series A
Comet Trust — Series E
Comet Trust — Series F
Encore Trust — Series A
Encore Trust — Series E
Gemini Trust — Series A
Gemini Trust — Series E
Gemini Trust — Series F
Ironstone Trust — Series A
Ironstone Trust — Series B
MMAI-I Trust — Series A
Newshore Canadian Trust — Series A
Newshore Canadian Trust — Series 2001-1
Opus Trust — Series A
Opus Trust — Series E
Planet Trust — Series A
Planet Trust — Series E
Planet Trust — Series F
Planet Trust — Series L8
Rocket Trust — Series A
Rocket Trust — Series B
Rocket Trust — Series D
Rocket Trust — Series E
Rocket Trust — Series F
Selkirk Funding Trust — Series A
Silverstone Trust — Series A
Slate Trust — Series A-1
Slate Trust — Series E-1
Structured Asset Trust — Series A-1
Structured Asset Trust — Series E-1
Structured Asset Trust — Series L1
Structured Investment Trust III — Series A
Structured Investment Trust III — Series E
Symphony Trust — Series A
Symphony Trust — Series E
Whitehall Trust — Series A



## **Voter Eligibility Requirements**

Only Noteholders as of the Record Date that have properly completed and delivered either a Voter Identification Form (printed on blue paper) or a Voter Confirmation Form (printed on pink paper), together with the required supporting information, to the Monitor, or their respective proxy holders, will be allowed to vote at the Meeting. Voter Identification Forms or Voter Confirmation Forms must be returned to the Monitor at the following address: Ernst & Young Inc., Attention: ABCP, 222 Bay Street, Suite 1600, P.O. Box 251, Toronto-Dominion Centre, Toronto, Ontario M5K 1J7, or received by facsimile to the Monitor at: (416) 943-2850, by no later than **5:00 p.m. (Toronto time) on April 22, 2008**.

Noteholders that properly complete the Voter Identification Form or Voter Confirmation Form and provide all required supporting information to the Monitor prior to 5:00 p.m. (Toronto time) on April 22, 2008, will be entitled to vote at the Meeting. Noteholders with deficiencies in the completion of their forms or their supporting information will also be permitted to vote at the Meeting but their votes will be marked as “unconfirmed” by the Monitor. In the event the aggregate “unconfirmed” votes would influence the outcome of the vote, these “unconfirmed” votes may be submitted by the Monitor to the Court for direction as to their eligibility.

In order to ensure that all Noteholders have the opportunity to vote at the Meeting, copies of the package including this Information Statement have been distributed to Noteholders through several different channels, and therefore Noteholders may receive more than one copy of the package. Noteholders are only required to submit one Voter Identification Form or Voter Confirmation Form in order to be eligible to vote at the Meeting.

Noteholders for which E&Y has previously obtained satisfactory confirmation of Affected ABCP holdings have been sent a Voter Confirmation Form directly by the Monitor listing the Noteholder’s holdings as previously confirmed by the E&Y. Noteholders who receive a Voter Confirmation Form are required to properly complete and deliver to the Monitor **only** the Voter Confirmation Form which will include a statutory declaration that their holdings of Affected ABCP have not changed from that previously confirmed, or providing details of any applicable changes. All other Noteholders should properly complete and deliver the Voter Identification Form, which was included in the package that was sent to them together with this Information Statement.

Noteholders that were assigned the right to vote at the Meeting by virtue of the acquisition of Affected ABCP after February 29, 2008, are required to jointly with the assignor from whom they acquired the additional Affected ABCP complete and deliver a Voter Identification Form or Voter Confirmation Form together with supporting documentation with respect to this assigned right to vote at the Meeting. For greater certainty, these Noteholders must ensure that the Noteholder that assigned the right to vote at the Meeting properly completes and delivers the same Voter Identification Form or Voter Confirmation Form with respect to the transferred Affected ABCP as of the Record Date and the assigned right to vote at the Meeting. Noteholders that were assigned the right to vote at the Meeting, even if they did not acquire all of the assigning Noteholder’s holdings of Affected ABCP, will be entitled to vote at the Meeting with respect to the full amount of the assigning Noteholders Affected ABCP as of the Record Date.

Noteholders will be required to provide one of the following as evidence of their holdings of Affected ABCP:

- (a) a statement from their broker, investment dealer, bank, trust company, or other nominee or custodian indicating their holdings of Affected ABCP as of February 29, 2008;
- (b) a statement from their broker, investment dealer, bank, trust company, or other nominee or custodian indicating their holdings of Affected ABCP as of a date prior to February 29, 2008, accompanied by a sworn statement (i.e. a statutory declaration) from you that there have been no changes to such holdings of Affected ABCP since the date of the statement; or
- (c) a letter from their broker, investment dealer, bank, trust company, or other nominee or custodian confirming their holdings of Affected ABCP as of February 29, 2008, provided that such letter includes a signature guarantee stamp.

**Please note that in order for the supporting documentation to be acceptable to the Monitor (in its sole discretion), the statement or letter provided MUST clearly indicate: (i) the principal amount of your holdings for each of the series listed in Part C (to the extent you hold in more than one) or (ii) the principal amount of your holdings in respect of each issued security (by CUSIP).**

## Voting by Proxy

Each Noteholder entitled to vote at the Meeting may vote at the Meeting in person or by proxy. A Form of Proxy (printed on green paper) for use at the Meeting accompanies this Information Statement.

A Noteholder may use the enclosed Form of Proxy to appoint its proxy holder and may appoint any Person (who does not have to be a Noteholder) to act on its behalf at the Meeting by inserting that Person's name in the blank space provided on the Form of Proxy enclosed with this Information Statement. If no name has been inserted in the space provided, the Noteholder will be deemed to have appointed Michael P. Dean of Ernst & Young Inc., in its capacity as the Monitor or failing him, Sharon S. Hamilton of Ernst & Young Inc., in its capacity as the Monitor or such other representative of the Monitor, as the Noteholder's proxy holder. A proxy must be signed by the Noteholder or its attorney duly authorized in writing or, if the Noteholder is not an individual, by its duly authorized officer or attorney. A Form of Proxy signed by a Person acting as attorney, or in some other representative capacity, should indicate such Person's capacity and should be accompanied by the appropriate instrument evidencing qualification and authority to act. Proxies must be returned to the court-appointed Monitor, at the following address: Ernst & Young Inc., Attention: ABCP, 222 Bay Street, Suite 1600, P.O. Box 251, Toronto-Dominion Centre, Toronto, Ontario M5K 1J7, or by facsimile at: (416) 943-2850, by no later than **5:00 p.m. (Toronto time) on the last Business Day prior to the date of the Meeting** or the date of any adjournment of the Meeting or, at the discretion of the Monitor, to the chair of the Meeting prior to the commencement of the Meeting or any adjournment thereof.

A Noteholder may indicate on the Form of Proxy how it wishes its proxy holder to vote. Proxies in favour of officers of the Monitor will be voted on any ballot that may be called for and, when the Noteholder has specified a choice, will be voted in accordance with that specification. **In the absence of any specification on the Form of Proxy, the proxy will be voted FOR approval of the Restructuring Resolution and approval of Plan and on any other resolution placed before the Meeting as the proxy holder may determine in its discretion.**

The Form of Proxy enclosed with this Information Statement confers discretionary authority upon the Persons named therein with respect to amendments or variations to the Plan and with respect to any other matter that may properly come before the Meeting. The Investors Committee may at any time and from time to time before the Plan Implementation Date amend the Plan, in a written document filed with the Court, with the prior written consent of certain parties, provided that: (i) prior to or during the Meeting, any such amendment must be communicated to the Noteholders in such manner as may be agreed by the Monitor, or as may be ordered by the Court; (ii) after the Meeting, an amendment may be made if it concerns a matter which, in the opinion of Monitor, acting reasonably, or as declared by the Court, is of an administrative nature required to better give effect to the implementation of the Plan and/or to the Sanction Order and is not materially prejudicial to the interests of the Noteholders and certain other parties; (iii) after the Meeting, any other amendment may only be made if approved by the Court; (iv) any amendment that materially alters the effect of Section 10.1 or Section 10.2 of the Plan or the terms of any of the Approved Agreements must be approved by certain parties affected by the proposed amendment, modification or supplement; and (v) any supplementary plan or plans of compromise or arrangement filed by the Investors Committee with the Court and, if required by Section 10.1 of the Plan, approved by the Court, shall, for all purposes be a part of and incorporated in to Plan.

With the consent of the Monitor at anytime prior to the Plan Implementation Date, the Investors Committee may exclude any of the parties under the Plan and proceed with the Plan, which will thereafter be applicable to any remaining parties to the Plan only. Without delay after obtaining the consent of the Plan participants and the Monitor, the Investors Committee will: (a) file a notice regarding the exclusion of the party with the Court; (b) request that the Monitor post the notice on its website; and (c) send a copy of the notice by regular pre-paid mail to all known Noteholders holding ABCP of the excluded party.

## Revocation of Proxies

A Noteholder who has given a proxy may revoke it by an instrument in writing, including another proxy, executed by the Noteholder or its attorney duly authorized in writing or, if the Noteholder is not an individual, by a duly authorized officer or attorney, and delivered to the above described office of the Monitor on or by the last Business Day prior to the date of the Meeting or the date of any adjournment of a Meeting or, at the discretion of the Monitor, to the chair of the Meeting prior to the commencement of the Meeting or any adjournment thereof before any vote is taken on approval of the Restructuring Resolution.

### **Additional Information in Form of Proxy**

Although the Plan must be binding on all Noteholders, and therefore contemplates a single voting class, it is intended that the votes will be tabulated by Series so that the Court may be informed of the results both on an aggregate basis and as though the investors had voted in separate classes representing a different class for each Series. It is important to note that an indication of significant rejection by one Series may jeopardize the Plan as a whole and, as such, it is important to consider seriously the additional information Noteholders are being asked to provide.

### **Form of Election**

The Form of Election must only be completed by Noteholders wishing to participate in MAV1.

Noteholders wishing to participate in MAV1 must properly complete and deliver the Form of Election (printed on yellow paper) indicating whether such Noteholder is electing, with respect to the entirety of its holdings of Affected ABCP, to participate in MAV1, to the Monitor, Ernst & Young Inc. at the following address: Ernst & Young Inc., Attention: ABCP, 222 Bay Street, Suite 1600, P.O. Box 251, Toronto-Dominion Centre, Toronto, Ontario M5K 1J7 or received by facsimile at: (416) 943-2850 at any time prior to **5:00 p.m. (Toronto time) on the Business Day following the Meeting where the Restructuring Resolution is passed.** Delivery to the Monitor of a Form of Election, properly completed and accepted, shall constitute an irrevocable election to participate in MAV1. The Monitor acting in its sole discretion, will provide those Noteholders who properly complete and deliver the Form of Election and that satisfy the MAV1 Eligibility Requirements with a notice of acceptance (the “**Notice of Acceptance**”). Only Noteholders that receive a Notice of Acceptance from the Monitor will be permitted to participate in MAV1. **Any Noteholder who fails to properly complete or deliver the Form of Election or who is determined not to be eligible to participate in MAV1, will be deemed to have elected to participate in MAV2.**

A Noteholder may not apportion its holdings of Affected ABCP and may elect to participate in MAV1 only with regard to the entirety of its holdings of Affected ABCP, whether or not such holdings are in one or more Series of Affected ABCP.

Noteholders that receive a Notice of Acceptance will also at that time receive instructions regarding the process of tendering Affected ABCP in exchange for Plan Notes.

Instructions regarding the tender of Affected ABCP in exchange for Plan Notes will be made available prior to the Meeting.

# INFORMATION STATEMENT

## IMPORTANT INFORMATION

This Information Statement is furnished in connection with the Meeting of Noteholders to be held on April 25, 2008 and at any reconvening of the Meeting following any adjournment(s) or postponement(s) of the Meeting and for the purposes set forth herein. This Information Statement contains important information that should be read before any decision is made with respect to the matters referred to herein. All summaries of and references to the Plan in this Information Statement are qualified in their entirety by references to the full text of the Plan, which is set out in Exhibit B to this Information Statement. All summaries of and references to other documents entered into in connection with the Plan are qualified in their entirety by the definitive documentation in respect thereof and the terms of the documents may, in accordance with their terms and the Plan, be amended or supplemented. The information and disclosure contained in this Information Statement may not be sufficient or otherwise adequate and Noteholders should review and consider copies of the supporting documentation, including the information that is available through the Noteholder Data Room. Capitalized terms, except as otherwise defined herein, are defined in the section “Glossary of Terms”.

Information in this Information Statement is provided as at March 20, 2008 unless otherwise indicated. Neither the delivery of this Information Statement nor any distribution of the securities issued pursuant to the Plan will, under any circumstances, create any implication that there has been no change in the information set forth herein since the date of this Information Statement.

This Information Statement is a public document and a copy is available on the Monitor’s website at [www.ey.com/ca/commercialpaper](http://www.ey.com/ca/commercialpaper). Certain information pertaining to the assets underlying the Affected ABCP which was used in the formation of the Plan and the development of this Information Statement has been posted in an on-line Noteholder Data Room maintained by the Monitor and accessible through a link on the Monitor’s website. The Noteholder Data Room is not available to the public and may only be accessed by Noteholders that agree to certain confidentiality arrangements. Holders of Affected ABCP who previously provided details of their holdings to E&Y and obtained access to the electronic data room previously maintained by E&Y will have access to the Noteholder Data Room without needing to take any further action. Other holders of Affected ABCP may gain access to the Noteholder Data Room by contacting the Monitor at 1-888-373-6213 and providing their contact information together with either (a) the reference number on the mailing label of a copy of this Information Statement received by them in the mail, or (b) a properly completed Voter Identification Form with all necessary supporting documentation.

Before accessing the information in the Noteholder Data Room, Noteholders will also be required to agree to the specific terms of use and confidentiality posted on the Noteholder Data Room, including an acknowledgment that the information will be accessed for the sole purpose of making an informed decision as to whether the Noteholder should vote for the Restructuring Resolution with respect to Affected ABCP held by the Noteholder for its own account on February 29, 2008.

No person has been authorized to give information or to make any representation in connection with the Plan other than those contained or incorporated by reference in this Information Statement and, if given or made, any such information or representations should not be relied upon in making a decision as to how to vote on the Restructuring Resolution or be considered to have been authorized by any of the CCAA Parties, the Investors Committee, the ABCP Sponsors, the Original Issuer Trustees, the Asset Providers or participants in the Margin Funding Facilities. Statements in this Information Statement regarding agreements or their legal effect are not and are not intended to be dispositive. Summaries are qualified in their entirety by their particular terms and conditions. Reference is made to the Noteholder Data Room, which provides access to certain relevant agreements.

**THE APPLICANTS, BEING NOTEHOLDERS, ARE CREDITORS OF THE CCAA PARTIES AND NOT ISSUERS OF ANY OF THE AFFECTED ABCP. NONE OF THE APPLICANTS WILL BE ISSUERS OF ANY OF THE PLAN NOTES PROPOSED TO BE ISSUED UNDER THE PLAN. ALL INFORMATION RELATING TO THIRD-PARTY ABCP, THE AFFECTED ABCP, THE CCAA PARTIES, THE ABCP SPONSORS, THE ASSET PROVIDERS, THE ASSET ORIGINATORS, PARTICIPANTS IN THE MARGIN FUNDING FACILITIES OR ANY OF THEIR RESPECTIVE AFFILIATES CONTAINED IN THIS INFORMATION STATEMENT HAS BEEN OBTAINED FROM THOSE PARTIES, THE RATING AGENCY, MEDIA PUBLICATIONS OR OTHER THIRD-PARTY AND PUBLIC SOURCES. THE APPLICANTS HAVE RELIED UPON THIS INFORMATION WITHOUT HAVING MADE, AND IN MANY CASES, WITHOUT HAVING THE ABILITY TO MAKE INDEPENDENT ENQUIRIES AS TO THE ACCURACY OR COMPLETENESS THEREOF. ACCORDINGLY, THE APPLICANTS ASSUME NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS INFORMATION STATEMENT AND MAKE NO REPRESENTATION OR WARRANTY WITH REGARD THERETO.**

**THIS INFORMATION STATEMENT HAS NOT BEEN PREPARED OR APPROVED BY ANY OF THE CCAA PARTIES, THE ABCP SPONSORS, THE ASSET PROVIDERS, THE ASSET ORIGINATORS, PARTICIPANTS IN THE MARGIN FUNDING FACILITIES OR ANY OF THEIR RESPECTIVE AFFILIATES.**

This Information Statement does not constitute an offer to sell, or a solicitation of an offer to purchase, the securities described in this Information Statement in any jurisdiction in which such an offer or solicitation is not authorized, or to or from any Person to or from whom it is unlawful to make such offer or solicitation of an offer.

Noteholders should not construe the contents of this Information Statement as investment, legal or tax advice. The Applicants, in their respective capacities as Noteholders, have agreed to support the Plan on the basis of the information and advice they have received and their own assessments regarding the Plan. Noteholders must, however, make a decision on how to vote based upon their own assessment of the Plan and the potential consequences of a failure to implement the Plan. **Noteholders should consult their own counsel, accountants and other advisors as to legal, tax, business, financial and related aspects of the Plan including with regard to Noteholders' election to participate in MAV1 or MAV2. There are numerous risks related to the restructuring contemplated by the Plan. See "Risk Factors".**

All Noteholders (other than those who will receive only TA Tracking Notes, IA Tracking Notes, SN Tracking Notes or MAV3 IA Tracking Notes) may, subject to certain eligibility criteria, elect to participate in either MAV1 or MAV2. If the Plan is implemented, all Noteholders will receive new Plan Notes in exchange for their holdings of Affected ABCP whether or not they vote FOR or AGAINST the Restructuring Resolution and the Plan. Any Noteholder that fails to properly complete and deliver the Form of Election (printed on yellow paper) enclosed with this Information Statement or that does not properly elect to participate in MAV1 (or is not eligible) with regard to its holdings of Affected ABCP, will be deemed to have elected to participate in MAV2.

The issuance of the Plan Notes will be exempt from the prospectus and registration requirements under Canadian securities legislation. As a consequence of these exemptions, certain protections, rights and remedies provided by Canadian securities legislation, including statutory rights of action for rescission or damages against the issuer of securities, will not be available in respect of the new securities to be issued under the Plan. Any resale of the Plan Notes must be made in accordance with applicable securities laws and will require resales to be made in accordance with exemptions from registration and prospectus requirements. Noteholders are advised to seek legal advice prior to any resale of the Plan Notes.

**THIS INFORMATION STATEMENT IS NOT AN OFFERING MEMORANDUM OR OFFERING CIRCULAR OR PROSPECTUS AND SHOULD NOT BE TREATED OR CONSIDERED TO CONSTITUTE OFFERING MATERIAL OF ANY SORT AND IS FOR INFORMATIONAL PURPOSES ONLY. THE PLAN HAS NOT BEEN APPROVED OR DISAPPROVED BY ANY SECURITIES REGULATORY AUTHORITY NOR HAS ANY**



**SECURITIES REGULATORY AUTHORITY PASSED UPON THE FAIRNESS OR MERITS OF THE PLAN OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS INFORMATION STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.**

If you hold Affected ABCP through a broker, investment dealer, bank, trust company or other intermediary, you should contact your intermediary for instructions and assistance in voting and surrendering the Affected ABCP that you beneficially own.

**NOTICE TO UNITED STATES NOTEHOLDERS**

This Information Statement has been prepared for Noteholders resident in Canada in accordance with general disclosure practices applicable in Canada. Noteholders should be aware that such practices are different from those in the United States. Noteholders outside of Canada should also be aware that the receipt or exchange of securities pursuant to or otherwise in connection with the Plan may have tax consequences both in the United States and in Canada. Such consequences for Noteholders who are residents in, or citizens of, the United States, are not described in this Information Statement.

The Plan Notes to be issued to the Noteholders by MAV1, MAV2 and MAV3 pursuant to the Plan will not be registered under the United States Securities Act of 1933, as amended (the “**1933 Act**”). Such securities will instead be issued in reliance upon the exemption provided by Section 3(a)(10) of the 1933 Act. Section 3(a)(10) exempts only securities issued in exchange for one or more bona fide outstanding securities from the general requirement of registration where the terms and conditions of the issuance and exchange of the securities have been approved by a court of competent jurisdiction, after a hearing upon the fairness of the terms and conditions of the issuance and exchange at which all persons to whom the securities will be issued have the right to appear. The Court will conduct a hearing to determine the fairness of the terms and conditions of the Plan, including the proposed issuance of the Plan Notes. In addition, Plan Notes issued outside the United States will be issued in reliance on Regulation S under the 1933 Act.

The Plan Notes are subject to restrictions on transfer and resale in the United States or to or for the account of a U.S. person (as defined in Regulation S under the 1933 Act) (a “**U.S. person**”). **NO TRANSFER OF ANY PLAN NOTE MAY BE MADE WHICH WOULD CAUSE MAV1, MAV2 OR MAV3 TO BECOME SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE U.S. INVESTMENT COMPANY ACT OF 1940.** See “Transfer Restrictions” below.

Plan Notes issued to U.S. persons will either be certificated or will be evidenced by one or more Section 3(c)(7) global notes deposited with CDS as custodian and registered in the name of its nominee. Transfers of Plan Notes to U.S. persons will be restricted to transfers to persons who are both (i) “qualified institutional buyers” (“**QIBs**”) as defined in Rule 144A under the 1933 Act and (ii) “qualified purchasers” under the U.S. Investment Company Act of 1940. Beneficial interests in the Regulation S BE Certificates may not be held by U.S. persons at any time. See “Transfer Restrictions”.

The offer of the Plan Notes is currently being made in the United States only in the States of California, Illinois, New York and Texas (together with any other U.S. jurisdictions in which the offer is subsequently qualified, the “**Eligible Jurisdictions**”). If any U.S. Noteholder resides in another U.S. jurisdiction, they should contact Ernst & Young Inc., in its capacity as Monitor, to determine whether, and under what conditions, they may be issued Plan Notes. If it is determined that a U.S. Noteholder is not eligible to have Plan Notes issued to such U.S. Noteholder directly (“**Non-Qualified Parties**”), the Plan Notes otherwise issuable to such U.S. Noteholder will instead be issued to a specified broker-dealer or other financial institution acting as agent for such U.S. Noteholder (any such agent being hereinafter designated as a “**Selling Agent**”). Each Selling Agent shall, as expeditiously as is commercially reasonable thereafter, endeavor to sell such Plan Notes and pay the net proceeds of such sale, after deduction of commissions and any other related expenses or any applicable withholding taxes, to such Non-Qualified Party. Until such Plan Notes are sold, the Selling Agent shall collect and pay over to the Non-Qualified Party any payments of principal or interest with respect to such U.S. Noteholder’s Plan Notes, after deduction of any applicable withholding taxes. This Information Statement is not, and under no circumstances is to be construed as, an offering in the United States of any Plan Notes in any jurisdiction outside the Eligible Jurisdictions.

**Transfer Restrictions**

**Because of the following restrictions, Noteholders are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Plan Notes in the United States or to or for the account of U.S. persons.**

Unless the New Indenture Trustee is provided by the Plan Implementation Date with evidence reasonably satisfactory to it, including an opinion of counsel, that MAV1, MAV2 and MAV3 are eligible for the exemption from registration under the United States Investment Company Act of 1940 (the “**1940 Act**”) contained in Section 3(c)(7) of the 1940 Act (the “**3(c)(7) Exemption**”), Plan Notes issued to Noteholders in the United States upon consummation of the Plan or upon subsequent transfer will be issued in fully registered certificated form (“**U.S. Definitive Notes**”) and in order for the MAVs to qualify for the exemption under the 1940 Act contained in Section 3(c)(1) thereof, transferees will be required to provide a certificate as to the beneficial ownership of the U.S. Definitive Note and their status as a “Qualified Purchaser” (as defined below). The New Indenture Trustee for the MAVs will not register any transfer of a U.S. Definitive Note to a U.S. person if the number of beneficial owners of the MAVs in the aggregate which are U.S. persons would exceed 100. In addition, transfers of U.S. Definitive Notes must be in minimum denominations of U.S. \$200,000 (or, if less, the entire amount held by a transferring U.S. holder).

If the New Indenture Trustee receives such evidence that the MAVs are eligible for the 3(c)(7) Exemption, Plan Notes will not be in certificated form but instead will be evidenced by one or more Section 3(c)(7) global notes deposited with CDS as custodian and registered in the name of its nominee (the “**U.S. Global Notes**”). U.S. Definitive Notes or interests in U.S. Global Notes may not be offered, sold, pledged or otherwise transferred, except (a) to a QIB who is a “qualified purchaser” as defined in Section 2(a)(51) of the 1940 Act (a “**Qualified Purchaser**”) and is either purchasing for its own account or for the account of a QIB who is a Qualified Purchaser and otherwise in compliance with the terms of the Indenture or (b) to a non-U.S. person in an offshore transaction in accordance with Rule 903 or Rule 904 (as applicable) of Regulation S under the 1933 Act and otherwise in compliance with the terms of the Trust Indentures. Each transferee of a U.S. Definitive Note will, and each transferee of an interest in a U.S. Global Note may be required to deliver a transfer certificate to the foregoing effect. In addition, each transferee of a U.S. Definitive Note must provide, if requested, any additional information that may be required to determine whether it is a U.S. person, to substantiate its status as a QIB and a Qualified Purchaser or to otherwise determine its eligibility to acquire Plan Notes. Certificates representing the U.S. Definitive Notes and the U.S. Global Notes will bear a restrictive legend to the foregoing effect.

Upon transfer of a U.S. Definitive Note or an interest in a U.S. Global Note to a non-U.S. person in an offshore transaction in accordance with Rule 903 or Rule 904 (as applicable) of Regulation S under the 1933 Act, the transferee will take delivery by acquiring beneficial ownership of the applicable Plan Note represented by an interest in the applicable BE Certificate.

Each person who becomes a beneficial owner of a Plan Note represented by an interest in a BE Certificate shall be deemed to have represented and agreed as follows:

The owner is aware that the transfer of such Plan Note to it is being made in reliance on the exemption from registration under the 1933 Act provided by Regulation S thereunder. The Plan Notes so represented may not at any time be held by or for the account of U.S. persons. The owner is not, and will not be, a U.S. person. Before any interest in a Plan Note represented by a BE Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of a U.S. Definitive Note or an interest in a U.S. Global Note, the transferee will be required to provide the Trustee with a written certification satisfactory to the Trustee.

#### **Forced Sale on Failure to Comply with Restriction or to Ensure Compliance with U.S. Investment Company Act**

Any transfer of a Plan Note or interest therein to a U.S. person who is determined not to have been both a QIB and a Qualified Purchaser at the time of acquisition of the Plan Note or interest therein will be null and void and any such proposed transfer of which the New Indenture Trustee has notice may be disregarded by the New Indenture Trustee for all purposes. In addition, if the New Indenture Trustee is not provided evidence satisfactory to it that the MAVs are eligible for the 3(c)(7) Exemption, it may take such action as it deems appropriate in order for the MAVs to be exempt from the requirement to register as an investment company under the 1940 Act on the basis that it at no time has more than 100 U.S. persons (using the principles for counting set forth in Section 3(c)(1) of the 1940 Act) who are beneficial owners of Plan Notes.

If the New Indenture Trustee determines that any holder of a Plan Note has not satisfied the requirement to be both a QIB and a Qualified Purchaser described in the preceding paragraph (any such person a “**Non-Permitted Holder**”), then the New Indenture Trustee will promptly after discovery that such person is a Non-Permitted Holder by the Trustee, send notice to such Non-Permitted Holder demanding that such Non-Permitted Holder transfer its interest to a person that is not a Non-Permitted Holder within 30 days of the date of such notice. If such Non-Permitted Holder fails to so transfer its Plan

Note or interest therein, the Trustee shall have the right, without further notice to the Non-Permitted Holder, to sell such Plan Notes or interest therein to a purchaser selected by the New Indenture Trustee that is not a Non-Permitted Holder on such terms as the New Indenture Trustee may choose. The New Indenture Trustee may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Plan Note, and selling such Plan Notes to the highest such bidder. However, the New Indenture Trustee may select a purchaser by any other means determined by it in its sole discretion. The holder of such Plan Note, the Non-Permitted Holder and each other person in the chain of title from the holder to the Non-Permitted Holder, by its acceptance of an interest in the Plan Note, agrees to cooperate with the New Indenture Trustee to effect such transfers. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale will be remitted to the Non-Permitted Holder. The terms and conditions of any such sale will be determined in the sole discretion of the New Indenture Trustee, and the New Indenture Trustee will not be liable to any person having an interest in the Plan Note sold as a result of any such sale or exercise of such discretion. In addition, if notwithstanding the provisions of the immediately preceding paragraph, the New Indenture Trustee determines that more than 100 U.S. persons are beneficial owners of Plan Notes (and the MAVs are not eligible for the 3(c)(7) Exemption), the New Indenture Trustee may send a notice to U.S. persons holding interests in Plan Notes, chosen in inverse order to the order of acquisition or in any other manner as the New Indenture Trustee may consider equitable and practical, demanding that such U.S. persons transfer their interests in Plan Notes to non-U.S. persons on the same basis as if such U.S. persons were Non-Permitted Holders.

## FORWARD-LOOKING STATEMENTS

Certain statements in this Information Statement may constitute “forward-looking” statements that involve known and unknown risks, uncertainties and other factors that may cause the actual returns and values of the Plan Notes to be materially different from any future returns or values expressed or implied by such forward-looking statements. Forward-looking statements typically include words such as “may”, “will”, “expect”, “believe”, “plan”, “intend” and other similar terminology. These statements reflect current expectations regarding future events and speak only as of the date of this Information Statement. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or returns, and will not necessarily be accurate indications of whether or not such returns will be achieved. A number of factors could cause actual results, returns or events to differ materially from those discussed in the forward-looking statements, including, but not limited to, the risks discussed under “Risk Factors”. Although the forward-looking statements contained in this Information Statement are based upon what the Applicants and its advisors believe are reasonable assumptions, the Applicants cannot assure Persons that actual results, returns or events will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this Information Statement, and the Applicants assume no obligation to update or revise them to reflect new events or circumstances.

## ELIGIBILITY FOR INVESTMENT

If the Plan is approved, the Class A-1 Notes and the Class A-2 Notes issued upon implementation of the Plan will, on the date of issue, be “qualified investments” under the *Income Tax Act* (Canada) (the “**Tax Act**”) for a trust governed by a registered retirement savings plan, a registered retirement income fund, a deferred profit sharing plan, a registered education savings plan or a registered disability savings plan (collectively “**deferred plans**”) provided that at the time of acquisition by the trust such notes had an investment grade rating with certain rating agencies and such notes were issued as part of an issuance of at least \$25,000,000. JPMorgan has advised that it expects that, on the date of issue, each of the MAV1 Class A-1 Notes, MAV1 Class A-2 Notes, MAV2 Class A-1 Notes and the MAV2 Class A-2 Notes will be part of an issuance of at least \$25,000,000 of such notes.

Consideration is being given to seeking to list the Plan Notes on a designated stock exchange (for the purposes of the Tax Act). If a Plan Note is listed on a designated stock exchange at the time of issue it will be a qualified investment for deferred plans. No assurance can be given that the Plan Notes will be listed on a designated stock exchange at the time of issue, or ever.



The Plan Notes, other than the Class A-1 Notes and Class A-2 Notes, will not, on the date of issue, be qualified investments for deferred plans if they do not have such an investment grade rating and they are not listed on a designated stock exchange.

## CURRENCY

In this Information Statement, except where otherwise expressly indicated, all dollar amounts are expressed in Canadian dollars. References to “\$” or “Cdn\$” are to Canadian dollars and references to “U.S.\$” or “U.S. dollars” are to United States dollars.

## EXCHANGE RATE INFORMATION

The following table sets forth, for each period indicated, the high and low exchange rates<sup>(1)</sup> for Canadian dollars expressed in U.S. dollars, the average of such exchange rates during such period, and the exchange rate at the end of such period, based upon the noon spot rates as published by the Bank of Canada:

<u>Canadian Dollars per U.S. Dollar</u>	<u>Six months Ended</u>	<u>Year Ended December 31</u>		
	<u>February 29, 2008</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
High .....	1.0755	1.2704	1.1726	1.1853
Low .....	0.9170	1.1507	1.0990	0.9170
Average .....	0.9967	1.2116	1.1340	1.0748
Period End .....	0.9798	1.1659	1.1653	0.9881

On the Business Day prior to the Filing Date, the noon spot rate published by the Bank of Canada was Cdn.\$0.9870 per U.S. dollar and the inverse of the noon spot rate was U.S.\$1.0132 per Canadian dollar. On February 29, 2008, the noon spot rate was Cdn.\$0.9798 per U.S. dollar and the inverse of the noon spot rate was U.S.\$1.0206 per Canadian dollar.

(1) Source: Bank of Canada.

## BACKGROUND ON SECURITIZATIONS AND ASSET-BACKED COMMERCIAL PAPER

### Introduction

Asset-backed commercial paper is a short-term debt instrument backed by a variety of financial assets or other exposures. A conduit (“**Conduit**”) is a special-purpose entity, typically in the form of a trust, structured to be legally separate from its sponsor. A Conduit acquires assets or exposure to assets through various types of transactions including asset purchases and financial derivatives contracts. Some common assets or exposures to assets that are acquired by Conduits include trade receivables, auto and equipment loans and leases, credit-card receivables, mortgages and collateralized debt obligations (“**CDOs**”). ABCP is generally issued with a term of 30, 60 or 90 days, and may be extendible with a term up to 364 days, and is generally issued on either a discount or interest-bearing basis. Conduits also issue longer term notes to fund the acquisition of assets or exposure to assets.

### Asset Securitizations

Securitization involves repackaging cash flows from financial assets into securities that are purchased by investors in the capital markets. In a securitization transaction, financial assets are purchased from operating or finance companies that sell or “originate” those assets. Examples of companies that sell or originate those assets are mortgage companies, banks, credit unions, loan and leasing companies, insurance companies, credit card companies and specialty finance companies.

The financial assets or exposures to financial assets are acquired by a special purpose vehicle (“**SPV**”) which funds the purchase price payable by the SPV by issuing and selling asset-backed securities (“**ABS**”). The ABS are obligations of an issuer trustee on behalf of the SPV, not the Asset Originator, and are secured by the underlying financial assets purchased by the SPV. The ABS investors and the SPV’s sponsor expect that the principal and interest payments payable by the SPV on the ABS will be funded from the cash flows generated by the underlying financial assets.

Securitization requires the separation of the financial assets from the originator so that certain events related to the originator do not impair the SPV’s right to receive the cash flow from the underlying financial assets. If an originator enters bankruptcy, the obligors of the financial assets (e.g., the mortgagor in a residential mortgage) are still required to continue to pay their obligations. By structurally isolating the financial assets from the originator, the ABS secured by the underlying cash flows are typically rated much higher than the general debt of the originator.

The ABS of the SPVs are typically rated by rating agencies. Rating agencies base their ratings for ABS on their assessment of the risks that can affect the ability of the SPV to repay the ABS. The primary focus of their analysis is the credit risk associated with the underlying asset pool that backs the ABS. In assessing that credit risk, the rating agencies consider concepts such as underlying asset quality, diversification and structural features including credit enhancement. For a single financial asset, the probability of default can vary immensely. For example, in the case of an individual’s residential mortgage, the probability of default will depend on factors such as the individual’s employment, the individual’s expense patterns, as well as the price, quality and location of the home. As a result, it is very difficult to predict the long-term payment patterns for a single financial asset. However, when hundreds or thousands of mortgages that are diversified across many parameters (such as geographic location, borrower demographics and borrower incomes) are pooled together, the payment patterns of the pool as a whole are often more predictable over a long period of time. Once the default patterns of an underlying pool of assets and expected loss levels are determined, other structural features, called “enhancements”, can be used to provide further comfort that ABS investors will be repaid. Credit enhancement may take a variety of forms including cash reserve accounts, over-collateralization, excess spread, subordination, letters of credit and insurance wraps. The level and type of credit enhancement will depend on the inherent risk in the assets (e.g., loss history, concentration risk, and credit standing of obligors) as well as the desired rating for the ABS.

### Securitization Asset Classes

#### *Traditional Asset Securitizations*

Most traditional securitization transactions are conducted through a multi-seller, multi-asset trust, SPV or Conduit that is designed to acquire a broad range of assets from sellers from different industries. The Conduit’s sponsor or securitization agent is responsible for establishing and managing the ABCP program. Investors in ABS or an ABCP program have no legal recourse to the sponsor or the securitization agent for non-performance of the securities issued by the issuer trustees on behalf of the Conduit issuers.

The sponsor or securitization agent will establish credit enhancement levels sufficient to satisfy the rating criteria requirements set out by the rating agency required to achieve the desired ratings for the ABS to be issued (R-1 (high) or R-1 (middle) in the case of ABCP rated by DBRS). Modeling for credit enhancement may involve actuarial analysis of stressed default or loss rates and/or simulations of stressed credit ratings transitions. Obligor concentration, historical performance and servicer risk constitute some of the criteria used in determining the total enhancement levels for any given rating level. Credit enhancement may take a variety of forms, including cash reserve accounts, over-collateralization, excess spread, subordination, letters of credit and insurance wraps. The minimum credit standards for third-party credit enhancers is generally AA (low) (depending on the nature of the enhancement being provided) or better under DBRS ratings.

### *Credit Arbitrage Securitizations*

Over time, different forms of structured finance transactions have been introduced to the securitization market involving credit arbitrage opportunities, often through the use of credit default swaps and credit linked notes. Unlike the securitization of traditional asset classes, these derivative transactions are designed to transfer credit default risk from one party to another.

The first credit arbitrage transactions involved the use of securitization technology to securitize a lender's economic interest in a portfolio of long term loans. In these transactions, a bank or a similar financial institution transferred a portfolio of loans made by the bank to highly rated corporate borrowers to a trust or other SPV whose business was strictly limited to the purchase of such assets. The purchase price for the loan portfolio was funded through the issuance of a series of rated short term securities. The payment of principal and interest on those securities was dependent upon the cash flow generated by the underlying loan portfolio. The bank was often retained by the SPV to administer the loan portfolio on its behalf. These transactions did not involve synthetic exposure to underlying credit risk.

In more recent years, the exposure available through credit derivative transactions has evolved beyond loans to investment-grade corporate borrowers to a broad array of asset classes and asset exposures including fixed income assets such as corporate bonds, asset-backed securities, commercial or residential mortgage-backed securities and emerging market debt. The reference credit obligations underlying credit derivative transactions may be static, in which case the underlying pool of reference obligations is constant for the term of the transaction, or managed, in which case an asset manager is engaged to trade or actively manage the underlying synthetic exposures or pool of reference obligations subject to pre-defined investment restrictions.

### *Leveraged Super Senior Transactions*

A more recent development in the Credit Default Swap market, in response to spread (i.e., risk premium) compression, has been the emergence of "leveraged super senior" ("**LSS**") transactions. A LSS transaction provides investors with a leveraged exposure to the super senior portion of a pool of reference assets. A 'super senior' tranche has an attachment point (i.e., the threshold level of losses that must be experienced in the pool before payment obligations are triggered) that exceeds the level of losses consistent with a 'R-1 (high)' or 'AAA' rating. The credit risk that actual portfolio losses will exceed the attachment point is therefore generally considered to be remote. Owing to their low credit risk, super-senior CDO tranches generally offer protection sellers a low risk premium when compared to unleveraged transactions.

The 'leverage' in an LSS transaction reflects the fact that the cash collateral posted is less than the notional amount of risk assumed in the super senior tranche. For example, a \$10 million investment may be leveraged ten times through credit linkage to a super senior tranche with a notional amount of \$100 million. This leveraged exposure supports a return on the synthetic asset sufficient for the Conduit to pay a market return to its ABCP investors on its ABCP with the required rating (e.g., R-1 (high)). However, if the value of the transaction decreases or a pre-determined 'trigger' is reached (for example, due to the widening of relevant credit spreads), the protection buyer has the right to 'de-lever' the transaction by requiring that more collateral be posted as security for the obligations of the protection seller under the Credit Default Swap. In LSS transactions in the Canadian ABCP Conduit market, the additional collateral is typically funded by the investors in the ABCP Conduit through the purchase of additional notes. If the investors are unable or unwilling to provide additional funds to the protection seller, the trade may be unwound at the then prevailing mark-to-market or replacement cost. Such an unwind will likely cause a loss to the protection seller and, indirectly, its investors, even though the actual portfolio losses may not have reached the attachment point of the super senior tranche. In some circumstances, the loss to the

protection seller and, indirectly, its investors may include all of the collateral it has provided to the protection buyer and therefore may be significant.

LSS transactions may differ, based on the type of margin trigger used for an additional collateral call. For example, a LSS trade with a “loss trigger” may require additional collateral only when realized losses arising from “credit events” in the underlying reference portfolio reach a particular level. An LSS trade with a ‘mark-to-market’ trigger may require additional collateral based on an agreed change in the mark-to-market exposure of the protection buyer (i.e., an increase in the amount the protection buyer would be required to pay to a third party in the market in consideration for a replacement transaction that would have the effect of preserving, for the protection buyer, the economic equivalent of all payments or deliveries under the existing transaction). A LSS trade with a “spread-loss” trigger may require the posting of additional collateral by the protection seller where there is an increase in a specified index spread level which exceeds pre-determined spread trigger levels, which are delineated for at various realized loss levels in respect of the underlying reference portfolio or portfolio. Most of the LSS transactions funded by the Affected ABCP have mark-to-market triggers.

## Overview of the Canadian Securitization Market

In Canada, the first securitization transactions were completed in the late 1980s. By August 31, 2007, the Canadian industry had grown substantially, with approximately \$176.7 billion of ABS outstanding.<sup>(2)</sup>

Both traditional securitization and credit arbitrage transactions have typically been funded through the issuance of ABS. ABS in Canada can be categorized into two basic subsets. The first is shorter-term ABCP and the second is “term ABS” or “term notes”. ABCP is issued for terms of up to one year (usually 30, 60 or 90 days) and, in Canada, has until recently only been rated by DBRS. Some of the ABCP Conduits have also issued Floating Rate Notes with terms of one to five years, securities that have also been rated by DBRS. Term notes are asset-backed securities with an initial term to maturity of greater than one year.

According to DBRS, as of August 31, 2007, of the total amount of Canadian ABCP outstanding of approximately \$116.8 billion (excluding medium-term and floating rate notes), approximately \$83.8 billion was issued by Canadian Schedule I bank-administered Conduits and approximately \$33 billion was issued by non-bank administered conduits).<sup>(3)</sup> All of the Affected ABCP was issued by non-Schedule I bank-administered Conduits. As of August 31, 2007, DBRS was the only rating agency that was rating Third-Party ABCP in Canada although some other ratings had been awarded to underlying assets. In ABCP structures, the Conduit funds investments in long-term assets primarily with ABCP. To mitigate interest rate risk on maturity mismatches, the Conduit often uses interest rate swaps, caps and/or other hedging arrangements. Depending on the nature of the hedging arrangement and the importance of hedging to the overall structure, minimum rating requirements for applicable counterparties of assets may apply.

ABCP programs have been used to fund the acquisition of long-term assets, such as mortgages and auto loans. Even when funding short-term assets such as trade receivables, ABCP issuers still face the inherent timing mismatch between cash generated by the underlying assets and the cash needed to repay maturing ABCP. Maturing ABCP is typically repaid with the proceeds of newly issued ABCP, a process commonly referred to as “rolling”. Because ABCP is a highly rated commercial obligation with a long history of market acceptance, market participants in Canada formed the view that, absent a “general market disruption”, ABCP would readily be saleable without the need for extraordinary funding measures. However, to protect investors in case of a market disruption, ABCP programs typically have provided liquidity back-up facilities, usually in amounts that correspond to the amount of the ABCP outstanding. In the event that an ABCP issuer is unable to issue new ABCP, it may be able to draw down on the liquidity facility to ensure that proceeds are available to repay any maturing ABCP. As discussed below, there have been important distinctions between different kinds of liquidity agreements as to the nature and scope of drawing conditions which give rise to an obligation of a liquidity provider to fund.

Some of the ABCP Conduits have also issued extendible commercial paper (“**Extendible Notes**”). Extendible Notes are a subset of ABCP that provide for the automatic extension of the notes for a period that, when combined with the initial term of the ABCP, can be up to 364 days in the event of a disruption in the normal operations of the ABCP market. The investor is, in effect, assuming liquidity (refinancing) risk and receives a premium interest yield for investing in Extendible Notes. Additionally, in the event of an extension, the investor is typically paid a premium interest rate during the extension period.

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(2) Source: DBRS.

(3) Source: DBRS.

## Liquidity Support in ABCP Programs

Liquidity facilities are usually provided by commercial banks and other financial institutions in the form of a loan or purchase agreement. However, liquidity back-stop facilities have also been provided by non-bank counterparties. Alternative liquidity sources have included letters of credit, derivative contracts and other funding commitments from bank and non-bank financial institutions. Liquidity commitments are commonly specific to particular transactions in an ABCP program, although some programs have liquidity facilities that cover a particular group of assets or are available program-wide. In the case of Third-Party ABCP Conduits, it is often the case that the “asset provider” also provides a liquidity facility.

As a general rule, DBRS has required liquidity facilities to cover 100% of the outstanding non-extendible ABCP issued with an “R-1 (high)” rating. Liquidity facilities in Canada have typically been structured as liquidity lines with an initial term of 364 days, which can be renewed on a regular basis (daily, monthly or quarterly) at the request of the ABCP issuer. The facility provider often has the right not to renew the facility following receipt of a renewal request from the issuer and often also has an option not to renew the facility if the credit rating of the ABCP deteriorates. The Conduit pays annual “stand-by” fees to the liquidity provider for making the facility available. These fees commonly range from 2 to 13 basis points (“bps”), for example, an annual fee for a \$1 billion facility could range from \$200,000 to \$1.3 million. If the liquidity facility is used, the issuer also pays draw fees to the liquidity provider.

As noted above, in the cases of Extendible Notes, no liquidity facilities are required as liquidity support as the liquidity is effectively provided by the noteholders themselves.

As of September 14, 2007, the aggregate principal amount of Extendible Notes and FRNs, on the one hand, and liquidity-backed ABCP, on the other hand, comprising the Third-Party ABCP market in Canada was approximately \$16,039,000,000 and \$18,812,000,000, respectively.<sup>(4)</sup>

### “Canadian-style” Liquidity Arrangements

In the U.S. and many other jurisdictions, funding under liquidity agreements (“global-style” liquidity agreements) is not predicated upon the satisfaction of “market disruption” conditions, although funding is generally not required in respect of defaulted assets. By contrast, Canadian liquidity arrangements in the ABCP market have traditionally been structured such that funding is made available to issuers only in the case of a general disruption in the Canadian ABCP market. In a typical “Canadian-style” Third Party ABCP liquidity facility, there are a number of conditions that must be satisfied before the facility provider is obligated to advance. Two key conditions are (a) the rating agency must affirm the original credit rating of the outstanding ABCP, and (b) the issuer’s inability to sell new ABCP must result from a general disruption in the Canadian commercial paper market. In combination, these conditions are designed to ensure that the inability to issue new ABCP relates to a general disruption in the Canadian commercial paper market rather than the creditworthiness of the issuer, its assets or its ABCP.

Each Canadian-style liquidity agreement contains its own definition of a “Market Disruption Event”. These agreements often provide that the ABCP issuer has the right to access the liquidity facility only when a “general market disruption” has occurred resulting in the inability of the ABCP issuer to issue and sell ABCP in the Canadian commercial paper market. It has, for some time, been suggested that the lack of a more objective definition of “general market disruption” could result in a disagreement between an ABCP issuer and a Liquidity Provider on whether the liquidity facility may be accessed in particular circumstances.

In 2006, DBRS changed its rating criteria to require a more objective test in the satisfaction of “general market disruption” conditions in Canadian-style liquidity agreements in order to achieve a rating of R-1 (high). Accordingly, Canadian-style liquidity agreements entered into after June 2006 reflected more objectively determined drawdown conditions relating to “general market disruptions”.

On September 12, 2007, DBRS changed its rating criteria and announced that all ABCP issued, for the purpose of purchasing new assets must adopt “global-style” liquidity language in its liquidity arrangements in order to achieve a rating of R-1 (high).

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(4) These figures include the outstanding notes issued by Skeena Capital Trust which was restructured on December 20, 2007.



## BACKGROUND TO THE RESTRUCTURING

### Deterioration of the Credit Markets and Investor Concerns

Throughout the spring and summer of 2007, there was an increasing level of concern about the North American credit markets. In particular, there was substantial and growing focus on U.S. sub-prime mortgage loans and related mortgage-backed securities which, as an asset class, were increasingly regarded as being at risk of default as a result of the deteriorating housing market and relaxed mortgage underwriting practices.

As a result, in Canada, some investors began to question whether the Third-Party ABCP in the market was supported by assets which had material exposure to U.S. sub-prime mortgage loans. Although there was some information in DBRS publications, there was incomplete information in the market in respect of much of the Affected ABCP and the nature of the assets underlying this ABCP. To a large extent this was due to confidentiality restrictions associated with the underlying transactions, limited disclosure about the ABCP Conduits and reliance on credit ratings.

In response to these concerns, one of the ABCP Sponsors provided information to the investment dealers which distributed its ABCP. This information, made available in late July 2007, provided detail on the amount of U.S. sub-prime assets underlying the ABCP issued by these Conduits. This disclosure updated information provided to dealers in February, and to ABCP investors generally in April. Notwithstanding that the updated disclosure showed a declining percentage of exposure to U.S. sub-prime assets (down from approximately 6% as of the end of February to approximately 4% of the total assets supporting its outstanding ABCP), it appeared to heighten concerns among holders of the Affected ABCP, generally, as well as throughout the broader ABCP market in Canada.

In addition, in late July and early August, domestic and international credit markets were impacted by two events involving funds operated by Bear Stearns and BNP Paribas. Two Bear Stearns funds with considerable exposure to U.S. sub-prime mortgages filed for bankruptcy protection on July 31, 2007, while a third fund with little sub-prime exposure halted investor redemptions in response to liquidity concerns. BNP Paribas announced on August 9, 2007, that it had frozen three investment funds it operated due to uncertainties regarding the value of U.S. sub-prime mortgage assets in which these funds were invested. The sub-prime mortgage investments were described as carrying AA and higher ratings.

In the ordinary course, a portion of the outstanding ABCP for each Conduit can be expected to mature on each business day. The amount of maturing ABCP on any given day will vary based upon the maturities of the ABCP issued previously by that Conduit. When maturing ABCP is replaced by a corresponding amount of new ABCP for a given Conduit, the maturing ABCP is described as “rolling over” into new ABCP.

Despite the deteriorating credit markets in the U.S. and, to a lesser degree, in Canada, ABCP continued to trade normally throughout the month of July. In August, however, pricing began to widen in ABCP markets as the effects of these credit market events began to impact the trading of certain Third-Party ABCP, although this ABCP did successfully rollover through to the end of the trading day on Friday, August 10, 2007. The process for finding buyers for this commercial paper, thereby allowing the ABCP to “rollover”, was, however, taking longer than normal on each of the trading days in August. As evidenced by the slowing rollover process, it was becoming apparent that investors were increasingly concerned about the credit-worthiness of the Third-Party ABCP, primarily as a result of uncertainties about the nature and quality of the assets supporting it. It should be noted that the assets supporting the Third-Party ABCP continued to have their ratings unaffected by downgrades or “credit watches”. Similarly, throughout this period, the ratings on the Third-Party ABCP remained unchanged.

Throughout this period and prior to the events of August 13 and 14, 2007, some of the Asset Providers to Third-Party ABCP Conduits determined that they were entitled to receive additional collateral to support the obligations owed to them by the Third-Party ABCP Conduits under LSSs and gave notice to certain of the Third-Party ABCP Conduits that the Third-Party ABCP Conduits were required to post additional collateral. A number of the Third-Party ABCP Conduits disputed the right of their Asset Providers to call for additional collateral and in some instances additional collateral was posted.

### The Events of August 13 and 14, 2007

On Monday, August 13, 2007, many of the ABCP Conduits had ABCP which was maturing that day in the ordinary course. While several of the ABCP Conduits succeeded in rolling over some of their ABCP, for the first time since the formation of these Conduits, many of them were unable to rollover all of their maturing ABCP. In response to this

inability, certain of these Third-Party ABCP Conduits made demands on their Liquidity Providers. However, in many cases, the Liquidity Providers declined to provide liquidity proceeds required to permit the repayment of the full amounts owing on maturing ABCP.

Market participants attempted to seek a return to normal trading of the Third-Party ABCP on Tuesday, August 14, 2007, but as had been the case on the prior trading day, there was a general shortfall in the funding necessary to allow for the repayment of maturing Third-Party ABCP due to an insufficient demand for newly issued Third-Party ABCP. Again, many ABCP Conduits made demands on Liquidity Providers for funding under liquidity facilities supporting certain of this Third-Party ABCP but, for the most part, no liquidity funding was provided.

DBRS issued a news release on August 14, 2007 stating, in part:

“...[DBRS] received notifications from a number of Canadian ABCP Issuers that a disruption had occurred in the Canadian market and some ABCP Issuers claimed a ‘market disruption event’ had occurred. As part of the notification procedure to the applicable liquidity providers, DBRS confirmed the applicable outstanding ratings on the basis of the underlying credit quality of the assets held by the ABCP Issuers. DBRS provided these confirmations as it is of the opinion that the assets held by the Issuers requesting ratings confirmations continue to perform in a manner that is consistent with the ratings that were originally assigned. As at close of business on Monday, August 13, 2007, certain ABCP [Conduits] had delivered a funding request under MDE liquidity facilities. DBRS has not yet received notification that these Issuers are in receipt of all funds from liquidity providers in response to these funding requests. Failure to receive funding in a timely manner through the placement of ABCP, or funding under the MDE liquidity facilities may result in an event of default under the ABCP Issuers’ trust indenture after applicable grace periods have expired.”

On or after August 13, 2007, certain of the Asset Providers under programs which involved leveraged assets gave notice to certain of the ABCP Conduits that they were required to post additional collateral to support the obligations owed to them by the Conduits. If collateral was in fact required, the relevant ABCP Conduits would have had a relatively short time period (generally between 24 and 48 hours) to begin posting this additional collateral. In addition, the existing margin call triggers created a liquidity problem as the ABCP Conduits did not have an efficient or dedicated way to fund margin calls other than through the issuance of additional ABCP. In circumstances where the Conduits were unable to rollover their outstanding ABCP, they would have little practical ability to post this collateral and a failure to post collateral when required would allow an Asset Provider to liquidate the assets posted as collateral for their trades. A number of the Third-Party ABCP Conduits disputed the right of their Asset Providers to require the additional posting of collateral on the basis that such posting requirements are typically suspended upon the occurrence of a market disruption.

### **The Montreal Accord**

Following the events of August 13 and 14, 2007, representatives of CDPQ and National Bank met in Montreal in the evening of August 14 to discuss the issues facing the Third-Party ABCP market. The immediate priority was to develop interim solutions which would avoid any default occurring in respect of the Third-Party ABCP or the agreements governing the assets which supported this commercial paper. Given the volatile market conditions, it was believed that a default would result in holders of Third-Party ABCP suffering substantial losses. Working together, CDPQ and National Bank developed a series of proposals to address both the short term issues facing the Third-Party ABCP as well as longer term solutions for this market. These proposals were intended to be shared and discussed with a broader group of market participants.

A meeting was convened at the offices of CDPQ during the afternoon and evening of August 15, 2007. In attendance were representatives of many of the Asset Providers, Liquidity Providers, certain ABCP investors, including CDPQ, Desjardins Group, PSP Investments and National Bank, as well as certain other financial market participants. The CDPQ/ National Bank proposals were presented for discussion at this meeting.

This group developed an agreement which came to be known as the “Montreal Accord”, which further refined the initial proposals. The agreement was announced in a press release issued on August 16, 2007 and provided, among other things, that the signatories would work together in good faith to implement a restructuring of all outstanding Third-Party ABCP by converting it into term floating rate notes and to observe a 60-day standstill period to allow all relevant stakeholders to focus on the restructuring. A copy of this press release is available on the Monitor’s website.<sup>(5)</sup> The original signatories to the Montreal Accord were ABN AMRO, Barclays, CDPQ, Desjardins Group, Deutsche Bank,

(5) The full text of this and all other press releases issued by the Investors Committee are available, in English and French, on the Monitor’s website at: [www.ey.com/ca/commercialpaper](http://www.ey.com/ca/commercialpaper).

HSBC, Merrill Lynch, National Bank, PSP Investments and UBS. Bank of America, Citibank and Swiss Re would also later join this group.

The purpose of the Montreal Accord, as stated in the August 16 press release, was to help re-establish normal operations in the Canadian Third-Party ABCP market. The basic principles established by the Montreal Accord, which would serve to define the framework for a restructuring of the Third-Party ABCP, were the following:

1. All outstanding Third-Party ABCP, including Extendible Notes, would be converted into term floating rate notes maturing no earlier than the scheduled termination of the corresponding underlying assets;
2. Existing liquidity facilities, no longer being necessary, would be cancelled and all outstanding liquidity calls would be revoked;
3. Interest on floating rates notes would be payable monthly or quarterly, as applicable, to match the fixed payment dates underlying the assets; and
4. Margin call provisions would be revised to create renewed stability, thereby reducing the likelihood of near term margin calls.

In connection with the Montreal Accord, certain significant investors retained Ernst & Young Inc. to establish a process for identifying other holders of Third-Party ABCP. On August 19, 2007, a further press release was issued requesting that holders of Third-Party ABCP contact E&Y to evidence their holdings and inviting interested parties to participate in the restructuring process. Over the next several weeks, dozens of holders of Third-Party ABCP contacted E&Y and many elected to sign an adhering agreement to the Montreal Accord. Parties adhering to this interim agreement committed, among other things, to continue to roll their ABCP during the Standstill Period and to refrain from taking any action “that would precipitate a default” by any of the affected ABCP issuers. By October 11, 2007, a total of 99 parties, representing approximately 85.09% of the total outstanding Third-Party ABCP, had signed on to the terms of the Montreal Accord.

As of August 16, 2007, approximately \$35.1 billion of outstanding Affected ABCP issued by the ABCP Conduits was outstanding.<sup>(6)</sup> The inability of the Third-Party ABCP issuers to place sufficient new Third-Party ABCP or to draw on liquidity facilities to fund the repayment of previously issued maturing ABCP, which began on August 13, 2007, continues to this date.

### **The Pan-Canadian Investors Committee for Third-Party Structured Asset-Backed Commercial Paper**

During the week of August 27, 2007, representatives from CDPQ and National Bank contacted Mr. Purdy Crawford, a prominent and highly respected business leader, lawyer and corporate director, to gauge his interest in chairing a committee of ABCP investors. This committee was designed to bring together investors from across the country representing a broad array of organizations including large pension funds and other institutional holders, crown corporations and smaller corporate holders. Later that week, Mr. Crawford contacted the law firm of Goodmans LLP to request advice in connection with the Montreal Accord, the proposed organization of the Investors Committee and the potential role of Mr. Crawford in chairing the Investors Committee.

Mr. Crawford and his counsel met with the representatives from CDPQ and National Bank on September 4, 2007 at which meeting Mr. Crawford was formally asked to serve as chairman of what became known as the Pan-Canadian Investors Committee for Third-Party Structured Asset-Backed Commercial Paper (the “**Investors Committee**”). Mr. Crawford formally accepted the chairmanship on September 5, 2007 and a formal announcement was made regarding the formation of the Investors Committee on the following day. A draft mandate was prepared for the Investors Committee and separate sub-committees were proposed to assist the Investors Committee through the restructuring process.

The Investors Committee first convened on September 10, 2007 in Toronto. The members of the Investors Committee present at this first meeting included representatives from each of the following organizations: ATB Financial, CDPQ, Canaccord Capital Corporation, Canada Mortgage and Housing Corporation, Canada Post Corporation, Credit Union Central Alberta Limited, Credit Union Central of British Columbia, Credit Union Central of Canada, Credit Union Central of Ontario, Credit Union Central of Saskatchewan, Desjardins Group, National Bank, NAV Canada, Northwater Capital Management Inc. and PSP Investments.<sup>(7)</sup> All of the organizations whose

(6) Source: DBRS, *Canadian Short-Term Debt Market summary report as at November 30, 2007*.

(7) Magna International Inc. joined the Investors Committee on October 9, 2007 and the University of Alberta joined on November 9, 2007. The Ontario Financing Authority and JTI-Macdonald were initially both Members of the Investors Committee, but later resigned.



representatives are members of the Investors Committee are Noteholders and some, including Canaccord Capital Corporation and National Bank, have also acted as participants in other capacities in the Third-Party ABCP market. This group represented, in aggregate, approximately 66.25% of the outstanding Third-Party ABCP and held significant positions of ABCP in each of the ABCP Conduits. Representatives from the Canadian federal Department of Finance and from DBRS were also invited to participate in the Investors Committee's process as observers. At this initial meeting, Goodmans was formally engaged as legal advisor to the Investors Committee. At this same meeting, the Investors Committee authorized a press release to all holders of Third-Party ABCP, which informed those holders that they would be able to access certain available documents through a virtual data room being established by E&Y.

The Investors Committee met again on three occasions during the month of September, 2007. During this initial period the Investors Committee addressed a variety of significant issues including access to confidential information, the need for liquidity and transparency to result from any restructuring proposal, the adoption of extraordinary resolutions under each of the Affected ABCP trust indentures in order to enforce the Montreal Accord standstill and proposals for the separate restructuring of certain individual Conduits. The Investors Committee, working with E&Y, obtained the 66⅔% approval required to have extraordinary resolutions adopted for each of the 42 Series of Affected ABCP which resolutions empowered the Investors Committee to extend the Standstill Period to no later than March 14, 2008. Following meetings with a number of prospective independent financial advisors, the Investors Committee retained JPMorgan as the Investors Committee's financial advisor. The Investors Committee's progress, including the engagement of JPMorgan, was communicated in a press release dated September 27, 2007. That same day the Chairman held a conference call for investors and a press briefing for members of the media.

The Investors Committee held a total of eight meetings during the month of October. Access to highly confidential information continued to present challenges for a number of parties involved, including the Asset Providers, the ABCP Sponsors and the Investors Committee. During this period the Investors Committee and its advisors began to develop a timeline for the restructuring and began discussions directed at seeking an extension of the Standstill Period. An *ad hoc* legal sub-committee was also formed to consider and assess the many complex legal issues in greater detail. On October 12, 2007, the Investors Committee, following agreement with the Asset Providers, approved an extension of the Standstill Period until December 14, 2007 and issued a press release on October 15 explaining that additional time was necessary to allow the Investors Committee to present concrete restructuring proposals that would provide liquidity to certain investors and would promote fairness for all investors. Throughout this period the Chairman also received and responded to numerous letters, e-mails and other communications from Noteholders and other stakeholders.

As discussions progressed, access to full information (subject to confidentiality restrictions) was granted by the Asset Providers and the ABCP Sponsors to JPMorgan in mid-October, 2007. With this heightened access, JPMorgan was able to begin the detailed review necessary to understand the complex nature of the underlying assets. The Investors Committee and its legal advisors were granted access to this level of information several weeks later. A legal due diligence review of the relevant documentation was then initiated with a view to guiding the Investors Committee through the feasibility analysis required to properly assess any restructuring proposals. Dialogue with the large Canadian chartered banks also began in mid-October with a view to assessing how these institutions might be of assistance in the restructuring process. On October 19, 2007, Mr. Crawford, certain members of the Investors Committee and the Investors Committee's advisors met with the Chief Accountant of the Ontario Securities Commission and representatives from each of the large four accounting firms to discuss accounting and reporting issues related to holdings of the Affected ABCP. Mr. Crawford also met with members of the media in Toronto and Montreal in late October 2007 and again in early November 2007 to discuss the Investors Committee's progress and ongoing work.

By late October, with access to information and a detailed due diligence process now underway, the Investors Committee, with the assistance of its financial and legal advisors, began to more thoroughly develop and consider a variety of possible restructuring scenarios. Embedded in this analysis was the consideration of certain elements that were considered critical to a successful outcome. These elements included, among others, the optimization of risk, fairness to all investors and the liquidity needs for shorter term investors. As the Investors Committee's understanding of the ABCP Conduits and their underlying assets grew, the Investors Committee also began to address the possibility of pooling certain assets. Over the course of its six meetings during the month of November, as the process of restructuring proposal development continued, the Investors Committee received and carefully reviewed a number of restructuring proposals from committee members, Asset Providers, third parties, JPMorgan and a variety of other stakeholders. On November 16, 2007, JPMorgan reported to the Investors Committee on the preliminary indicative valuations for each of the Series of Affected ABCP.

By mid-November, the restructuring efforts intensified and, in total, over ten written proposals were initially tabled for the Investors Committee's consideration. The Investors Committee and its advisors conducted a detailed review of each of the proposals that had been submitted. By the end of November, the Investors Committee and its advisors had narrowed their focus to a short list of leading proposals. On November 26, 2007, the Investors Committee reached a preliminary consensus in support of one proposal, and authorized Goodmans and JPMorgan to negotiate with other stakeholders on the basis of that proposal. The proposal, which would eventually form the basis for the restructuring Plan, was a hybrid proposal, containing certain elements of several of the proposals presented to the Investors Committee on November 16, 2007. This comprehensive proposal contemplated the pooling of assets, the issuance of both senior and subordinated notes, the revamping of margin call triggers and the establishment of a margin funding facility to address collateral calls. Once consensus had been achieved among the various stakeholders regarding the viability of this proposal, it was then made the subject of review and analysis, as the mechanics were detailed (including the proposed treatment of traditional, synthetic and hybrid assets) and the legal implications of its implementation were assessed. Further refinements were made to the proposal as the restructuring process continued to advance.

The Investors Committee continued its efforts to balance the need to be as transparent as possible while addressing the complex confidentiality issues among the multiplicity of implicated parties and the highly sensitive nature of some of the information. Toward that end, an article written by the Chairman was published on November 22, 2007, in the *National Post* and *Le Devoir* to communicate with non-committee investors and the public regarding the work being performed by the Investors Committee. During this period, active efforts were being made by the Investors Committee, DBRS, and certain ABCP Sponsors to publish information regarding the underlying assets. However, due to concerns about the confidential and market-sensitive nature of such information, it could not be made available.

Further progress was made with the Canadian Schedule I banks during the first two weeks of December. A number of Canadian banks signed confidentiality agreements and were reviewing relevant information before deciding whether or not to participate in the restructuring. Representatives of the Bank of Canada and the federal Department of Finance were also engaged in the process, and the Investors Committee learned that they would meet with representatives of the Schedule I banks to discuss the banks' participation in a margin funding facility that would provide significant support to the restructured ABCP.

By mid-December, as the Investors Committee moved closer to an agreement on the restructuring framework with the Asset Providers, the margin funding lenders and the ABCP Sponsors, the final features of the plan were identified including the creation of two separate master conduits where investors could elect to participate in one or the other, depending on their ability and willingness to "self-insure" against future margin calls. A term sheet was also drafted setting forth the principal terms of this proposal. Due to the highly complex nature of the restructuring and the large number of parties involved, additional time was required to resolve a short list of outstanding issues. Consequently, the Standstill Period was extended to January 31, 2008. The Investors Committee announced this extension together with a framework for the restructuring in a press release on December 14, 2007. There were one-on-one media calls on December 15, 2007 and there was a further call with investors on December 17, 2007.

Seeking to capitalize on the significant momentum that had culminated in the December 14 announcement, the Investors Committee and its advisors continued negotiations with various stakeholders throughout the third and fourth weeks of December, resulting in the announcement on December 23, 2007 of an agreement in principle. Certain other lenders, including several of the large Canadian Schedule I banks had, at that point, indicated an interest in providing certain credit facilities to support the restructuring. The Chairman hosted further investor and media calls on December 24 to discuss and answer questions relating to this significant announcement. Copies of the Framework Agreement and related term sheets were also made public and posted on E&Y's website.

In January, 2008, an *ad hoc* committee of Noteholders, represented by the law firm of Miller Thomson LLP, sought funding from the Investors Committee to retain Miller Thomson and PricewaterhouseCoopers Inc., to assist it in starting to form a view on the restructuring. The Investors Committee agreed to fund up to \$1 million in fees and facilitated the entering into of confidentiality agreements among Miller Thomson, PwC, the Asset Providers, the Sponsors, JPMorgan and E&Y so that Miller Thomson and PwC could carry out their mandate. Chairman Crawford met with representatives of Miller Thomson and PwC, and the Committee's advisors answered questions and discussed the proposed restructuring with them.

The Investors Committee held four meetings during the month of January, 2008. During this period, as the Investors Committee began to further refine and develop the various elements of the proposal to ensure a timely implementation of

the restructuring, it also focused efforts on certain specific components of the Framework Agreement including the securing of commitments to fund the required third-party margin funding facility. The preparation of draft documentation relating to the restructuring also began during the month of January.

During this same period, the Investors Committee, with the advice of JPMorgan, conducted a thorough request for proposals process to select an asset manager and administrator that would be responsible for managing the assets underlying the restructured notes upon implementation of the Plan. Proposals were solicited from over 30 institutions and over ten proposals were received. Following a careful and comprehensive review of these proposals and consideration of such factors as the scope of services offered, fee structure and pricing, the Investors Committee identified over five candidates as finalists. Following in-person meetings with each of these candidates, the Investors Committee selected BlackRock as the most favourable candidate based on, among other things, experience, reputation, technical capacity and price.

Negotiations with the Schedule I Canadian banks continued throughout the month of January relating to the amount of their respective commitments and to the pricing of the margin funding facility. In addition to the amount previously committed by National Bank, on February 1, 2008, the Investors Committee received conditional commitments from each of Bank of Montreal, CIBC, Royal Bank of Canada and Scotiabank reflecting an agreement in principle to participate in a margin funding facility. This important development was announced in a press release on February 4, 2008, which also informed investors and the public that the Investors Committee and the Asset Providers had agreed to extend the Standstill Period until February 22, 2008. The Chairman again hosted separate conference calls with investors and members of the media later that day.

At a meeting held on February 1, 2008, and following completion of an on-site due diligence review of the systems and operations of BlackRock by certain members of the Investors Committee, the Investors Committee formally agreed to recommend BlackRock to Noteholders as asset administrator and manager under the Plan and entered into an engagement letter with BlackRock. During this time, the Investors Committee and its advisors also engaged in discussions with other rating agencies to pursue a second rating for certain of the Plan Notes. Unfortunately, due to the continuing market volatility and the widening of spreads in the credit markets throughout the month of February, the Investors Committee was unable to come to terms with a second rating agency for obtaining one or more additional ratings either at a cost, or within a timeframe, that was deemed to be acceptable.

The Investors Committee met four more times during the month of February, 2008. Negotiations with the Canadian Banks and other key stakeholders continued during this period as the Investors Committee sought to finalize the terms of the margin funding facilities, began to prepare the material required in connection with the CCAA Proceedings and negotiated with the Asset Providers and the ABCP Sponsors concerning an effective means of providing Noteholders with access to confidential information that would be required to permit Noteholders to make a fully informed decision concerning the Plan. The Chairman also had several discussions with Mr. Mark Carney, the newly appointed Governor of the Bank of Canada to keep him apprised of the status of the ongoing negotiations with the Canadian Banks. As the mechanics surrounding the restructuring were being further refined, it was also proposed that a third Master Asset Vehicle be established for the purpose of segregating and separately managing the Exclusively Traditional Assets. A press release was issued by the Investors Committee on February 29, 2008, providing an update on the status of the ongoing discussions and outlining an amended timeline for the delivery of information to Noteholders.

During the first two weeks of March, the Investors Committee and its advisors continued to negotiate with the various stakeholders to finalize the terms of the documentation required to bring the restructuring proposal forward in the form of a CCAA filing. Since the signing of the Framework Agreement on December 23, 2007, the continued deterioration of the credit markets has negatively impacted the assets in the ABCP Conduits and made the distance to the then agreed upon triggers less remote. As an example of the severity of the deterioration throughout the period of the Investors Committee's process, the CDX IG7 10Y index traded at 102 bps on August 13, 2007, at 97.5 bps on December 21, 2007 and had risen to 180 bps on March 11, 2008.

During the days leading up to the filing of the Plan with the Ontario Superior Court of Justice, the parties continued to negotiate the terms of the material documents including the support arrangements. Between March 11 and March 16, 2008, the Investors Committee, its advisors and various other stakeholders continued their efforts to finalize the form of the Information Statement. On the afternoon of March 14, 2008, the Investors Committee issued a press release indicating its intention to bring forth the CCAA Proceedings before the Court on Monday, March 17, 2008.

On March 17, 2008, the Investors Committee announced in a press release that it would file an application that day in the Ontario Superior Court of Justice under the CCAA in order to establish a procedure for Noteholder approval of the Plan. This press release stated that the decision to file under the CCAA followed an extensive review of alternatives and a determination that the process described in this Information Statement would be the most effective means to achieve both a timely restructuring and an opportunity for all Noteholders to consider the Plan.

Following a hearing on the application, Mr. Justice Colin Campbell granted the Initial Order, implementing among other things, a stay until and including April 16, 2008, pursuant to which no proceeding or enforcement process in any court or trial could be commenced against or in respect of the Existing Note Indenture Trustees or the ABCP Conduits. Justice Campbell also granted the Meeting Order, a copy of which is attached as Exhibit C to this Information Statement. Copies of both the Application Record and Initial Order are available on the Monitor's website. In a second press release later that afternoon, the Investors Committee announced the successful result of the application. Chairman Crawford also hosted separate conference calls for investors and media sources during which he answered questions relating to the Plan and to the granting of the Orders by the Court.

Over the course of March 18 and March 19, 2008, the Investors Committee and its advisors completed the Information Statement and completed the preparation required to effect the mailing to Noteholders.

### **Restructuring of Skeena Capital Trust**

Skeena Capital Trust was a trust established under the laws of Ontario by Computershare Trust Company of Canada, as issuer trustee, pursuant to a declaration of trust dated April 19, 2006. The administrative agent of Skeena was Dundee Securities Corporation, who together with Edenbrook Hill Capital Limited, also acted as co-financial arranger. As of August 13, 2007, Skeena had approximately \$1.502 billion outstanding Series A, Class A notes, approximately \$319 million outstanding Series A, Class E notes, approximately \$85 million outstanding Series A, Class F notes, approximately \$1 million outstanding Series A, Class S notes, and approximately \$29 million outstanding Series L liquidity notes.

Skeena Capital Trust was originally subject to the Montreal Accord as announced on August 16, 2007. Over the course of the Investors Committee's review and assessment of various restructuring proposals, Skeena was identified as a Conduit that, due to several unique factors including the nature of its underlying assets, the type of liquidity facility that Skeena had in place and the small number of counterparties involved, was well suited for a stand-alone restructuring. On September 19, 2007, a restructuring proposal for Skeena Capital Trust was brought forward to the Investors Committee by its administrative agent, Dundee Securities Corporation.

Throughout the month of September and early-October, 2007, representatives of Dundee Securities Corporation made several presentations to the Investors Committee, and working with their counsel and other stakeholders, continued to structure a proposal that would result in the liquidation of Skeena, the creation of a newly formed trust to assume its restructured Obligations and the delivery of comprehensive releases to a variety of interested parties. On October 16, 2007, a press release was issued announcing that the outstanding Skeena ABCP was expected to be redeemed and that Skeena noteholders were to receive a portion of their entitlements net of certain costs of the restructuring process. Negotiations among the various parties, including Skeena's administrative agent, its co-financial arrangers, the bank counterparties and the Investors Committee took several weeks with the resolution of all major issues occurring on December 3, 2007. A document package outlining the terms of the Skeena Restructuring was sent to all Skeena noteholders on December 12, 2007 soliciting endorsement of an extraordinary resolution to approve the implementation of this restructuring proposal. By the close of business on Monday, December 17, the extraordinary resolution had been signed by holders representing over 83% of the principal amount of the outstanding notes of Skeena Capital Trust.

In connection with the Skeena Restructuring, approximately \$550 million in proceeds were raised to fund the assumption by White Knight Investment Trust of the restructured Credit Default Swaps originally held by Skeena. These funds were raised through the issuance by White Knight of long term floating rate notes that were rated AAA by DBRS and Standard and Poor's. Certain of Skeena's investors, including certain institutions whose members were members of the Investors Committee, as well as ABN AMRO and Scotiabank, agreed to purchase the new term notes.

The Skeena Restructuring closed on December 20, 2007, with the former holders of Skeena notes each receiving approximately 98.7% of the aggregate amount of their accrued entitlement as of August 15, 2007.



## THE AFFECTED ABCP

The following is a list of each of the Series of Affected ABCP that are subject to the Plan, the relevant ABCP Sponsor, the relevant Issuer Trustee and the total principal amount of Affected ABCP for each such Series:

Series of Affected ABCP <sup>(8)</sup>	Issuer Trustee / Respondent	ABCP Sponsor	Principal Amount (\$) <sup>(9)</sup>
Apollo Trust — Series A	6932819 Canada Inc.	Coventree	\$37,195,732
Apollo Trust — Series E	6932819 Canada Inc.	Coventree	\$171,400,152
			U.S.\$407,885
Apollo Trust — Series H	6932819 Canada Inc.	Coventree	\$10,000,000
Apsley Trust — Series A	Metcalfe & Mansfield Alternative Investments V Corp.	Quanto	\$2,412,422,034
Aria Trust — Series A	6932819 Canada Inc.	Newshore	\$817,455,409
Aria Trust — Series E	6932819 Canada Inc.	Newshore	\$681,625,250
Aurora Trust — Series A	6932819 Canada Inc.	Coventree	\$1,538,227,373
Aurora Trust — Series B <sup>(10)</sup>	6932819 Canada Inc.	Coventree	\$5,436,700
Aurora Trust — Series C <sup>(10)</sup>	6932819 Canada Inc.	Coventree	\$9,032,797
Aurora Trust — Series E	6932819 Canada Inc.	Coventree	\$878,851,458
Aurora Trust — Series F	6932819 Canada Inc.	Coventree	\$270,000,000
Comet Trust — Series A	6932819 Canada Inc.	Coventree	\$1,148,879,952
			U.S.\$22,351,867
Comet Trust — Series E	6932819 Canada Inc.	Coventree	\$580,741,188
			U.S.\$44,811,848
Comet Trust — Series F	6932819 Canada Inc.	Coventree	\$85,000,000
Encore Trust — Series A	6932819 Canada Inc.	Newshore	\$603,278,708
Encore Trust — Series E	6932819 Canada Inc.	Newshore	\$846,436,585
Gemini Trust — Series A	6932819 Canada Inc.	Coventree	\$526,039,551
Gemini Trust — Series E	6932819 Canada Inc.	Coventree	\$697,897,823
Gemini Trust — Series F	6932819 Canada Inc.	Coventree	\$235,000,000
Ironstone Trust — Series A	Metcalfe & Mansfield Alternative Investments XII Corp.	NBF	\$498,404,991
Ironstone Trust — Series B	Metcalfe & Mansfield Alternative Investments XII Corp.	NBF	U.S.\$265,827,959
MMAI-I Trust — Series A	Metcalfe & Mansfield Alternative Investments XI Corp.	NBF	\$1,402,880,091
Newshore Canadian Trust — Series A	4446372 Canada Inc.	Newshore	\$200,000,000
Newshore Canadian Trust — Series 2001-1	4446372 Canada Inc.	Newshore	\$212,685,191

*(table continued on next page)*

(8) With regard to the Series of Affected ABCP, Series E notes are “Extendible Notes” and Series F notes are “Floating Rate Notes”.

(9) The principal amount as of September 14, 2007. Based on information provided to the Monitor by the ABCP Sponsors, the Issuing and Paying Agents and the CDS Clearing and Depository Services Inc.

(10) These notes are Subordinated ABCP.

Series of Affected ABCP	Issuer Trustee / Respondent	ABCP Sponsor	Principal Amount (\$)
Opus Trust — Series A	6932819 Canada Inc.	Newshore	\$958,482,332
Opus Trust — Series E	6932819 Canada Inc.	Newshore	\$735,637,522
Planet Trust — Series A	6932819 Canada Inc.	Coventree	\$808,163,389
			U.S.\$81,691,381
Planet Trust — Series E	6932819 Canada Inc.	Coventree	\$636,252,487
			U.S.\$46,561,048
Planet Trust — Series F	6932819 Canada Inc.	Coventree	\$230,000,000
Planet Trust — Series L8 <sup>(11)</sup>	6932819 Canada Inc.	Coventree	\$13,245,810
Rocket Trust — Series A	6932819 Canada Inc.	Coventree	\$923,992,181
			U.S.\$153,046,541
Rocket Trust — Series B <sup>(10)</sup>	6932819 Canada Inc.	Coventree	\$112,000,000
Rocket Trust — Series D <sup>(10)</sup>	6932819 Canada Inc.	Coventree	\$23,190,501
Rocket Trust — Series E	6932819 Canada Inc.	Coventree	\$2,063,700,485
Rocket Trust — Series F	6932819 Canada Inc.	Coventree	\$90,000,000
Selkirk Funding Trust — Series A	4446372 Canada Inc.	Securitus	\$150,613,274
Silverstone Trust — Series A	Metcalfe & Mansfield Alternative Investments II Corp.	NBF	\$2,013,169,199
Slate Trust — Series A-1	6932819 Canada Inc.	Coventree	\$32,675,776
			U.S.\$93,121,416
Slate Trust — Series E-1	6932819 Canada Inc.	Coventree	\$363,732,198
			U.S.\$72,341,043
Structured Asset Trust — Series A-1	4446372 Canada Inc.	Nereus	\$653,519,000
Structured Asset Trust — Series E-1	4446372 Canada Inc.	Nereus	\$718,205,000
Structured Asset Trust — Series L-1 <sup>(11)</sup>	4446372 Canada Inc.	Nereus	\$43,203,647
Structured Investment Trust III — Series A	4446372 Canada Inc.	Nereus	\$1,708,614,000
Structured Investment Trust III — Series E	4446372 Canada Inc.	Nereus	\$1,077,821,000
Symphony Trust — Series A	6932819 Canada Inc.	Newshore	\$1,084,524,245
Symphony Trust — Series E	6932819 Canada Inc.	Newshore	\$836,273,903
Whitehall Trust — Series A	Metcalfe & Mansfield Alternative Investments III Corp.	Quanto	\$2,508,805,963

## THE ABCP SPONSORS

The following is a summary of each of the ABCP Sponsors with a brief description of their respective businesses. Also set forth below is information concerning each such ABCP Sponsor's Series of Affected ABCP.

### *Information about the Structure Diagrams*

The structure diagrams below are graphic representations of the asset programs funded by the Affected ABCP of each of the ABCP Conduits. For illustrative purposes, trust relationships are represented in the charts by triangles, corporate entities are represented by rectangles and partnerships are represented by ovals. Each ABCP Conduit is represented by a single large coloured triangle. The smaller triangles, rectangles and ovals represent the asset programs funded by the various respective ABCP Conduits. Each asset program is identified by a program number (in a black circle) and the type of asset program funded (either a Collateralized Debt Obligation/Synthetic Asset program or type of Traditional Asset Program). Please note that program numbers start again at number 1 for each diagram.

Certain asset programs have been funded by more than one Series of Affected ABCP in which case multiple triangles, rectangles or ovals (in each case, matching the colour of the relevant ABCP Conduit(s)) enclose the asset

(10) These notes are Subordinated ABCP.

(11) These notes are Liquidity Notes.



program. For the most part, each asset program is funded by a single “trade” which is represented by a Trade ID number (in a white circle) over the Series funding that asset program. Where an asset program has been funded by more than a single “trade” there will be more than one Trade ID number corresponding to each program (in multiple white circles).

These structure diagrams should be read in conjunction with, and the program numbers correspond to, the more detailed descriptions of the asset programs in Appendix A “Description of Synthetic Asset Programs” and Appendix B “Description of Traditional Asset Programs”. The Trade ID numbers are used in the JPMorgan Report in the Appendix entitled “Valuation detail” to identify each “trade” entered into by the ABCP Conduits. The structure charts can therefore also be used to convert references between the Trade ID numbers used in the JPMorgan Report and the program numbers used in this Information Statement (and vice versa).

### **Coventree Capital Inc.**

Coventree Capital Inc. (“**Coventree**”) is a wholly-owned subsidiary of Coventree Inc. (“**COF**”), a financial services company that specializes in structured finance. COF was incorporated in 1998 and is based in Toronto, Ontario. COF completed an initial public offering in November of 2006 and is listed on the Toronto Stock Exchange under the symbol “COF”. Coventree provides services to ABCP programs sponsored by Coventree as well as by third parties. COF is also the owner of Nereus Financial Inc., another ABCP Sponsor, a securitization agent focused on the credit arbitrage market.<sup>(12)</sup>

Coventree is the Sponsor of the following ABCP Conduits and their respective Series of Affected ABCP: Apollo Trust — Series A, Apollo Trust — Series E, Apollo Trust — Series H, Aurora Trust — Series A, Aurora Trust — Series B, Aurora Trust — Series C, Aurora Trust — Series E, Aurora Trust — Series F, Comet Trust — Series A, Comet Trust — Series E, Comet Trust — Series F, Gemini Trust — Series A, Gemini Trust — Series E, Gemini Trust — Series F, Planet Trust — Series A, Planet Trust — Series E, Planet Trust — Series F, Planet Trust — Series L8, Rocket Trust — Series A, Rocket Trust — Series B, Rocket Trust — Series D, Rocket Trust — Series E, Rocket Trust — Series F, Slate Trust — Series A1 and Slate Trust — Series E-1. Please see the diagram on the back cover of this Information Statement which provides a graphic representation of the Coventree and Nereus ABCP Conduits and their respective Series of ABCP.

All of Coventree’s Affected ABCP was issued by, and is payable by the CCAA Party, 6932819 Canada Inc., as Issuer Trustee.

Attached on the back cover of this Information Statement is a diagram which provides a graphic representation of the asset programs funded by each of the Series of Affected ABCP of the Coventree and Nereus sponsored ABCP Conduits. For illustrative purposes, trust relationships are represented in the chart by triangles, corporate entities are represented by rectangles and partnerships are represented by ovals. Where a Series of more than one ABCP Conduit funded a particular asset program, multiple triangles, rectangles or ovals (in each case, matching the colour of the relevant ABCP Conduit(s)) enclose the asset program number and an indication of whether the funded asset program relates to Synthetic Asset(s) or Traditional Asset(s). The chart should be read in conjunction with, and the program numbers correspond to, the more detailed descriptions of the asset programs attached hereto as Appendix A and Appendix B.

### **Nereus Financial Inc.**

Nereus Financial Inc. (“**Nereus**”) is a specialized investment manager that focuses on structured investment products. Nereus originates, prices, analyses, structures and purchases structured investment products and manages portfolios of these instruments. Nereus is a Sponsor of, and provides services to, ABCP programs. Nereus is an indirect wholly-owned subsidiary of COF, and is based in Toronto, Ontario.

Nereus is the Sponsor of the following ABCP Conduits and their respective Series of Affected ABCP: Structured Asset Trust (“**SAT**”) — Series A-1, SAT — Series E-1 and Series L-1; and Structured Investment Trust III (“**SIT III**”) — Series A and SIT III — Series E. Please see the diagram on the back cover of this Information Statement which provides a graphic representation of the Coventree and Nereus ABCP Conduits and their respective Series of ABCP.

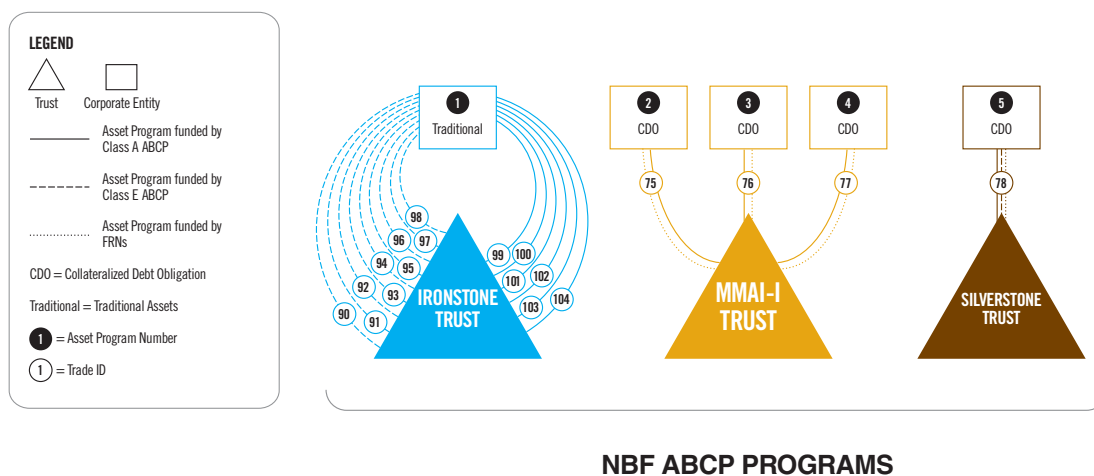
(12) In a press release dated February 12, 2008, COF indicated that a special committee established by COF’s board of directors had concluded that, regardless of whether the Investors Committee’s restructuring proposal is implemented or not, COF’s capital markets business unit is no longer viable, that it would continue to cooperate with and support the efforts of the Investors Committee to restructure the Third-Party ABCP market and continue to perform its responsibilities as administrator of the ABCP Conduits sponsored by Coventree and others, and that it is expected that COF will seek an orderly windup of its operations.

All of Nereus' Affected ABCP was issued by, and is payable by, the CCAA Party, 4446372 Canada Inc., as Issuer Trustee.

### National Bank Financial Inc.

National Bank Financial Inc. (“**NBF**”) is the investment banking division of National Bank. The business activities of NBF include retail advisory and brokerage services, institutional brokerage services, investment banking, corporate finance and securities clearing services for third parties. NBF also sponsors and provides financial services to ABCP programs. NBF has its head office in Montreal, Quebec and is the Sponsor of the following ABCP Conduits and their respective Series of Affected ABCP: Ironstone Trust — Series A and Ironstone Trust — Series B; MMAI-I Trust — Series A; and Silverstone Trust — Series A. Please see the diagram below which provides a graphic representation of NBF's ABCP Conduits and their respective Series of Affected ABCP.

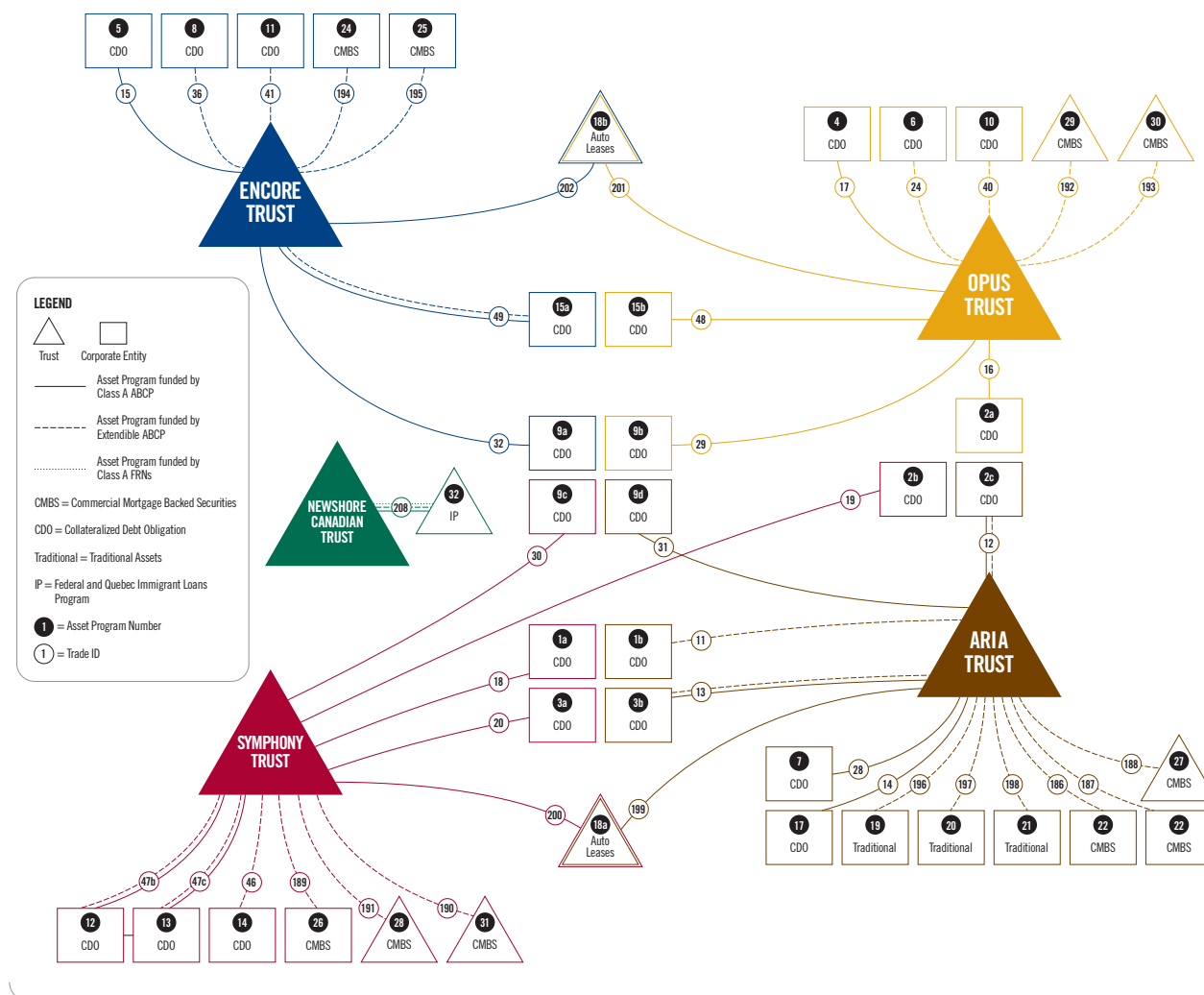
All of NBF's Affected ABCP was issued by, and is payable by the CCAA Parties Metcalfe & Mansfield Alternative Investments XII Corp., Metcalfe & Mansfield Alternative Investments XI Corp. and Metcalfe & Mansfield Alternative Investments II Corp. as Issuer Trustees.



## Newshore Financial Services Inc.

Newshore Financial Services Inc. (“**Newshore**”) is a wholly-owned subsidiary of Newshore Capital Group Inc., a privately held company based in Toronto, Ontario. Newshore is a Sponsor and provides financial and administrative services to the following ABCP Conduits and their respective Series of Affected ABCP: Aria Trust — Series A and Aria Trust — Series E; Encore Trust — Series A and Encore Trust — Series E; Newshore Canadian Trust — Series A and Newshore Canadian Trust — Series 2001-1; Opus Trust — Series A and Opus Trust — Series E; and Symphony Trust — Series A and Symphony Trust — Series E. Please see the diagram below which provides a graphic representation of Newshore’s ABCP Conduits and their respective Series of Affected ABCP.

All of Newshore’s Affected ABCP was issued by, and is payable by, the CCAA Parties 4446372 Canada Inc. and 6932819 Canada Inc., as Issuer Trustees.

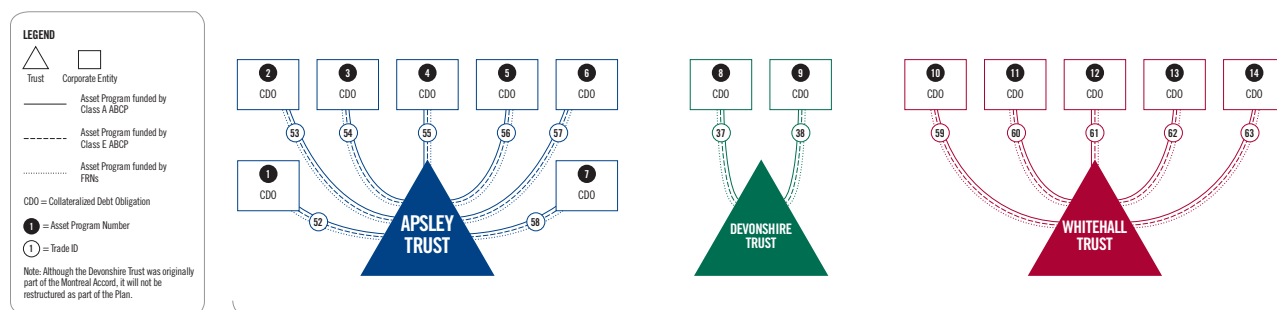


## NEWSHORE ABCP PROGRAMS

## Quanto Financial Corporation

Quanto Financial Corporation (“**Quanto**”) was formed in 2005. Quanto and its subsidiary, Metcalfe & Mansfield Capital Corporation (“**Metcalfe & Mansfield**”) are Sponsors and provide financial and administrative services to certain ABCP Conduits. Quanto and Metcalfe & Mansfield are based in Montreal, Quebec and are the Sponsors of the following ABCP Conduits and their respective Series of Affected ABCP: Apsley Trust — Series A; and Whitehall Trust — Series A. Please see the diagram below which provides a graphic representation of Quanto’s ABCP Conduits and their respective Series of Affected ABCP.

All of Quanto’s Affected ABCP was issued by, and is payable by, the CCAA Parties, Metcalfe & Mansfield Alternative Investments III Corp. and Metcalfe & Mansfield Alternative Investments V Corp. as Issuer Trustees.

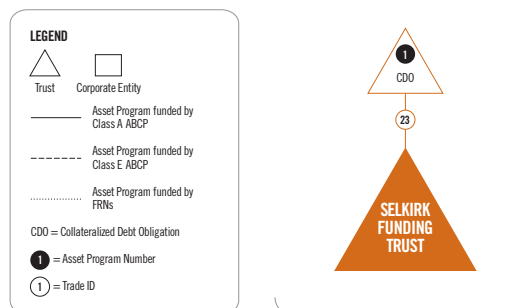


### QUANTO ABCP PROGRAMS

## Securitus Capital Corp.

Securitus Capital Corp. (“**Securitus**”) is a structured finance boutique specializing in creating securities backed by CDOs and Traditional Assets. Securitus was incorporated in 2006 and is a privately held company based in Toronto, Ontario. Securitus is the Sponsor of the following ABCP Conduit and Series of Affected ABCP: Selkirk Funding Trust — Series A. Please see the diagram below which provides a graphic representation of Securitus’ ABCP Conduit and its Series of Affected ABCP.

Securitus’ Affected ABCP was issued by, and is payable by, the CCAA Party, 4446372 Canada Inc., as Issuer Trustee.



### SECURITUS ABCP PROGRAMS

## THE ABCP CONDUITS

**THE FOLLOWING SUMMARIES OF THE ABCP CONDUITS WITH RESPECT TO THEIR ORGANIZATION, OUTSTANDING INDEBTEDNESS AND THEIR RESPECTIVE ASSET PROGRAMS ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE FULL TEXT OF THE CONSTATING DOCUMENTS, THE TRUST INDENTURES (AND ANY SUPPLEMENTS THERETO), THE TRADITIONAL ASSET PROGRAM DOCUMENTS AND CREDIT DEFAULT SWAP DOCUMENTS, COPIES OF WHICH ARE AVAILABLE THROUGH THE NOTEHOLDER DATA ROOM. THE APPLICANTS HAVE RELIED UPON THIS INFORMATION WITHOUT HAVING MADE, AND IN MANY CASES, WITHOUT HAVING THE ABILITY TO MAKE INDEPENDENT ENQUIRIES AS TO THE ACCURACY OR COMPLETENESS THEREOF. ACCORDINGLY, THE APPLICANTS ASSUME NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS INFORMATION STATEMENT AND MAKE NO REPRESENTATION OR WARRANTY WITH REGARD THERETO.**

Below are summary descriptions of the 20 ABCP Conduits that have issued Affected ABCP including information pertaining to the organization, outstanding indebtedness and assets of each such Conduit. Any action described as taken by a Conduit (for example, ABCP issued by a Conduit) or any action permitted to be taken by a Conduit (for example, a Conduit may issue ABCP) should be understood to be taken or permitted to be taken by the Issuer Trustee of such Conduit, in its capacity as trustee of such conduit, at the relevant time. **The summary information provided below with regard to the liquidity arrangements in place within the ABCP Conduits, if any, does not reflect any possible agreement expiry, termination or renewal that may have occurred since the information was made available to the Investors Committee and its advisors.** In certain instances, references to the asset programs funded by the issuance of affected ABCP may also include asset programs funded by Satellite Trusts of the applicable ABCP Conduits.

On August 16, 2007, when the Montreal Accord was entered into, a number of the ABCP Conduits had their ratings placed “Under Review — Developing” by the Rating Agency. According to the Rating Agency, the assets had been placed under review on the basis of their credit strength (such as the amount of subordination or overcollateralization available to the assets), which was in most cases consistent with AAA or AA rating levels, provided that the assets received the ongoing protection provided by the Montreal Accord in the form of the suspension of all margin calls from the Asset Providers. Ratings referenced in this section are as of March 10, 2008, and all are, according to the Rating Agency, generally at “Under Review — Developing” status.

As expected, upon the initiation of the CCAA Proceedings, on March 17, 2008, the Rating Agency reduced the ratings of the Affected ABCP to the ‘D’ level. This reduction was not based on a reduction in the credit quality of the underlying assets as a result of the filing, but instead is in recognition of the fact that the Affected ABCP will not be repaid in its current form, but will be restructured in the form contemplated by the Plan as described in this Information Statement. Furthermore, on March 19, 2008, the Rating Agency withdrew its ratings on all the Affected ABCP, other than Subordinated ABCP.

### Coventree Sponsored ABCP Conduits

On or about March 17, 2008, 6932819 Canada Inc. replaced BNY Trust Company of Canada (“**BNY**”) as the issuer trustee of the below-described Coventree sponsored ABCP Conduits in accordance with their respective declarations of trust, as amended. 6932819 Canada Inc. thereby assumed all the rights and obligations attributed to BNY, in its capacity as issuer trustee, in respect of each such trust. In the cases of Apollo Trust, Aurora Trust, Comet Trust, Gemini Trust and Rocket Trust, described in more detail below, BNY became the issuer trustee as successor to BMO Trust Company (formerly The Trust Company of Bank of Montreal) (“**BMO Trust**”).

Attached on the back cover of this Information Statement is a diagram which provides a graphic representation of the asset programs funded by each of the Series of Affected ABCP of the Coventree and Nereus sponsored ABCP Conduits. The diagram should be read in conjunction with, and the program numbers correspond to, the more detailed descriptions of the asset programs attached to this Information Statement as Appendix A and Appendix B.

## *Apollo Trust*

### *Organization*

Pursuant to an administration agreement dated November 1, 2002, as amended, BMO Trust, as issuer trustee, appointed Coventree Administration Corp. (formerly 1497643 Ontario Inc.), an indirect wholly-owned subsidiary of COF, as the administrative agent to provide administrative services to Apollo Trust.

Pursuant to a financial arrangement agreement also dated November 1, 2002, as amended, BMO Trust, as issuer trustee, appointed COF (then, Coventree Capital Group Inc.) to act as the securitization agent and to manage the activities of Apollo Trust in connection with the acquisition and management of its assets as well as the funding requirements of Apollo Trust. Subsequently, pursuant to an assignment and assumption agreement dated October 6, 2006, COF assigned its right, title and interest in the financial arrangement agreement to Coventree.

### *Outstanding Indebtedness*

In order to raise funds for the purpose of acquiring asset programs, Apollo Trust may issue ABCP pursuant to the terms of a second amended and restated trust indenture dated February 20, 2003 between BNY as trustee and National Bank Trust Inc., as indenture trustee, and amended by amendment agreements dated: May 30, 2003, August 13, 2007, and August 17, 2007 (the **“Apollo Trust Indenture”**). On June 28, 2004, National Bank Trust Inc. assigned its rights and obligations under the Apollo Trust Indenture to Natcan Trust Company (**“Natcan”**).

The aggregate principal amount of ABCP that may be issued by Apollo Trust is unlimited and it may enter into different Series and within the Series, different classes of notes and other forms of indebtedness. The Apollo Trust Indenture provides that the indenture trustee may convene a meeting of noteholders of a Series or class of ABCP at any time and the indenture trustee is required to provide at least 21 days notice thereof. NBCN Clearing Inc. has been appointed as issuing and paying agent with respect to the issuance of ABCP by Apollo Trust.

Pursuant to supplements to the Apollo Trust Indenture, Apollo Trust issued three Series of Affected ABCP, namely: Series A notes; Series E notes; and Series H notes. The Series A notes benefit from the availability of a liquidity facility which was entered into prior to June, 2006. This facility is provided by Deutsche Bank. The Series E notes are Extendible Notes and the Series H notes are Floating Rate Notes. Prior to the Rating Agency’s downgrade on March 17, 2008 and its subsequent withdrawal on March 19, 2008, the Series A notes and Series E notes had DBRS ratings of R-1 (middle) and the Series H notes had a DBRS rating of AA.<sup>(13)</sup> As of September 14, 2007 there was approximately \$37 million principal amount of outstanding Series A notes, approximately \$172 million principal amount of outstanding Series E notes, and \$10 million principal amount of outstanding Series H notes.

### *Assets*

The ABCP issued by Apollo Trust has funded 17 asset programs<sup>(14)</sup> consisting of one fully funded Synthetic Asset program and 16 other Traditional Asset programs. The Synthetic Asset program references a bespoke pool of investment grade corporate obligors. The other Traditional Asset programs include: nine CMBS<sup>(15)</sup> programs, three CMP programs, two RMP programs, one equipment leases program and one PLOC program. This Conduit was designed to issue notes rated R-1 (middle) and AA largely in order to hold lower-rated instruments, including in many cases, subordinated notes. Of the settlement amount of the Series A notes 98%<sup>(16)</sup> is backed by Synthetic Assets and 2% is backed by cash. Of the settlement amount of the Series E notes, 83% is backed by Traditional Assets with the remaining 17% being backed by cash. Of the settlement amount of the Series H notes, 100% is backed by Traditional Assets. None of the Affected ABCP issued by Apollo Trust is backed by assets that have been deemed to be Ineligible Assets. For further information on the

(13) Sources: All of the ratings cited in this section are from the DBRS website at [www.dbrs.com](http://www.dbrs.com). All of the ratings relating to the Affected ABCP as described in this section were downgraded to the ‘D’ level by DBRS on March 17, 2008 as a result of the initiation of the CCAA Proceedings. Other than with respect to the Subordinated ABCP, these ratings were subsequently withdrawn on March 19, 2008.

(14) The number of asset “programs” is distinct from, and should not be confused with, the number of “trades” the ABCP conduits entered into as described in the JPMorgan Report. The number of asset Programs corresponds to the structure diagrams and appendices contained in this Information Statement.

(15) The term “CMBS”, like the terms “RMBS” and “PLOC”, are general classifications of the type of Traditional Asset programs, and are used for convenience only and are not meant to supplement the specific Traditional Asset documents relating to such programs.

(16) In this section all settlement amounts have been calculated as of September 14, 2007 and the notional amounts of each asset program have been calculated as of January 31, 2008.



Synthetic Asset and Traditional Asset programs funded by Apollo Trust, please see Appendix A “Description of Synthetic Asset Programs” and Appendix B “Description of Traditional Asset Programs”.

### ***Aurora Trust***

#### *Organization*

Pursuant to an administration agreement dated February 28, 2003, as amended, BNY, as issuer trustee, appointed Coventree Administration Corp. (formerly 1497643 Ontario Inc.) as the administrative agent to provide administrative and management services to Aurora Trust.

Pursuant to a financial arrangement agreement also dated February 28, 2003, as amended, BNY, as issuer trustee, appointed COF (formerly Coventree Capital Group Inc.) to act as the securitization agent, to administer the activities of Aurora Trust in connection with the acquisition and management of the assets of Aurora Trust and the administration of the funding requirements of Aurora Trust. Subsequently, pursuant to an assignment and assumption agreement dated October 6, 2006, COF assigned its right, title and interest in the financial arrangement agreement to Coventree.

#### *Outstanding Indebtedness*

In order to raise funds for the purpose of acquiring asset programs, Aurora Trust may issue ABCP pursuant to the terms of a trust indenture between BNY, as trustee, and National Bank Trust Inc., as indenture trustee, dated February 28, 2003 and amended by amending agreements dated: May 30, 2003, August 13, 2007 and August 17, 2007 (the “**Aurora Trust Indenture**”). National Bank Trust Inc. subsequently assigned its rights and obligations under the Aurora Trust Indenture to Natcan.

The aggregate principal amount of ABCP that may be issued by Aurora Trust is unlimited and it may enter into different Series and within the Series, different classes of notes and other forms of indebtedness. The Aurora Trust Indenture provides that the indenture trustee may convene a meeting of noteholders of a Series or class of ABCP at any time and the indenture trustee is required to provide at least 21 days notice thereof. NBCN Clearing Inc. has been appointed as issuing and paying agent with respect to the issuance of any ABCP by Aurora Trust.

Pursuant to supplements to the Aurora Trust Indenture, Aurora Trust issued five Series of Affected ABCP, namely: Series A notes; Series B notes; Series C notes; Series E notes and Series F notes. The Series A notes benefit from the availability of liquidity facilities of which approximately 79% were entered into prior to June 2006. These liquidity facilities are provided by Bank of America, Citibank, Deutsche Bank, HSBC Bank USA and Swiss Re. The Series B and Series C notes are Subordinated ABCP. The Series E notes are Extendible Notes and the Series F notes are Floating Rate Notes. On August 16, 2007, the Series A notes and Series E notes each had a DBRS rating of R-1 (high) and the Series F notes had a DBRS rating of AAA. On February 15, 2008, DBRS announced a downgrade of the Series E notes to R-2 (high) from R-1 (high), and a downgrade of the Series F notes to BBB (high) from AAA. The Series B notes had a DBRS rating of A and the Series C notes had a DBRS rating of BBB. On March 17, 2008, all of the Series were downgraded by DBRS to the ‘D’ level and subsequently on March 19, 2008, these ratings were withdrawn. As of September 14, 2007 there was approximately \$1,538 million principal amount of outstanding Series A notes, approximately \$879 million principal amount of outstanding Series E notes and approximately \$270 million principal amount of outstanding Series F notes. As of September 14, 2007 there was \$5,436,700 principal amount of Series B subordinated notes outstanding and \$9,032,797 principal amount of Series C subordinated notes outstanding.

#### *Assets*

The ABCP issued by Aurora Trust has funded 17 programs consisting of 11 leveraged Synthetic Asset programs and six Traditional Asset programs. The Synthetic Asset programs reference the following: five bespoke pools of investment grade corporate obligors, two bespoke pools of investment grade corporate and sovereign obligors, three CDX indices and one iTraxx index. The Traditional Asset programs consist of four CMBS programs, one CMP program and one certificate referencing a RMBS CDO. Of the settlement amount of the Series A notes, 92% is backed by Synthetic Assets, 6% backed by Traditional Assets and 2% is backed by cash. Of the settlement amount of Series E notes, 72% is backed by Synthetic Assets with the remaining 28% being backed by Traditional Assets. Of the settlement amount of the Series F notes, 94% is backed by Synthetic Assets and 6% is backed by Traditional Assets. Assets that are deemed to constitute Ineligible Assets back 23.0% of the settlement amount of the Series E notes and 6% of the settlement amount of the Series F notes. For

further information on the Synthetic Asset and Traditional Asset programs funded by Aurora Trust, please see Appendix A “Description of Synthetic Asset Programs” and Appendix B “Description of Traditional Asset Programs”.

## ***Comet Trust***

### *Organization*

Pursuant to an administration agreement dated November 1, 2002, as amended, BMO Trust, as issuer trustee, appointed Coventree Administration Corp. (formerly 1497643 Ontario Inc.) as the administrative agent to provide administrative and management services to Comet Trust.

Pursuant to a financial arrangement agreement also dated November 1, 2002, as amended, BMO Trust, as issuer trustee, appointed COF (formerly Coventree Capital Group Inc.) as the securitization agent to administer the activities of Comet Trust in connection with the acquisition and management of the assets of Comet Trust and the funding requirements of Comet Trust. Subsequently, pursuant to an assignment and assumption agreement dated October 6, 2006, COF assigned its right, title and interest in the financial arrangement agreement to Coventree.

### *Outstanding Indebtedness*

In order to raise funds for the purpose of acquiring asset programs, Comet Trust may issue ABCP pursuant to the terms of an amended and restated trust indenture between BNY, as trustee, and National Bank Trust Inc., as indenture trustee, dated February 20, 2003 and amended on May 30, 2003, August 13, 2007 and August 17, 2007 (collectively, the “**Comet Trust Indenture**”). National Bank Trust Inc. subsequently assigned its rights and obligations under the Comet Trust Indenture to Natcan.

The aggregate principal amount of ABCP that may be issued by Comet Trust under the Comet Trust Indenture is unlimited and it may enter into different Series and within the Series, different classes of notes. The Comet Trust Indenture provides that the indenture trustee may convene a meeting of noteholders of a Series or class of ABCP at any time and the indenture trustee is required to provide at least 21 days notice thereof. NBCN Inc. (formerly NBCN Clearing Inc.) has been appointed as issuing and paying agent for the ABCP issued by Comet Trust.

Pursuant to supplements to the Comet Trust Indenture, Comet Trust issued three Series of Affected ABCP, namely: Series A notes; Series E notes; and Series F notes. The Series A notes benefit from the availability of liquidity facilities of which approximately 82% were entered into prior to June, 2006. These liquidity facilities are provided by Deutsche Bank. The Series E notes are Extendible Notes and the Series F notes are Floating Rate Notes. Prior to the Rating Agency’s downgrade on March 17, 2008 and its subsequent withdrawal on March 19, 2008, the Series A notes and Series E notes each had a DBRS rating of R-1 (high) and the Series F notes had a DBRS rating of AAA. As of September 14, 2007, there was approximately \$1,171<sup>(17)</sup> million principal amount of outstanding Series A notes, approximately \$626 million principal amount of outstanding Series E notes, and approximately \$85 million principal amount of outstanding Series F notes.

### *Assets*

The ABCP issued by Comet Trust has funded 12 programs consisting of three leveraged Synthetic Asset programs and nine Traditional Asset programs. The Synthetic Asset programs reference the following: two bespoke pools of investment grade corporate and sovereign obligors and one iTraxx index. The Traditional Asset programs consist of one CMBS program, three CMP programs, three U.S. RMBS programs, one RMP program and one seller receivables program. Of the settlement amount of Series A notes, 83% is backed by Synthetic Assets with the remaining 14% being backed by Traditional Assets and 3% is backed by cash. Of the settlement amount of Series E notes, 73% is backed by Traditional Assets with the remaining 27% being backed by cash. Of the settlement amount of Series F notes, 100% is backed by Traditional Assets. Assets that have been deemed to be Ineligible Assets back 35% of the settlement amount of Series E notes and 12% of the Series F notes. For further information on the Synthetic Asset and Traditional Asset

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(17) In this section, all references to principal amount outstanding for a Series of Affected ABCP having both Canadian and U.S. dollar denominated Notes, are expressed in Canadian dollars as a combined amount with an exchange rate of \$1.00 as presented in the E&Y report to the Investors Committee as of September 14, 2007.

programs, please see Appendix A “Description of Synthetic Asset Programs” and Appendix B “Description of Traditional Asset Programs”.

### ***Gemini Trust***

#### *Organization*

Pursuant to an administration agreement dated November 1, 2002, as amended, BMO Trust, as issuer trustee, appointed Coventree Administration Corp. (formerly 1497643 Ontario Inc.) as the administrative agent to provide administrative and management services to the Gemini Trust.

Pursuant to a financial arrangement agreement also dated November 1, 2002, as amended, BMO Trust, as issuer trustee, appointed COF (formerly Coventree Capital Group Inc.) as the securitization agent to administer the activities of Gemini Trust in connection with the acquisition and management of the assets of Gemini Trust and the funding requirements of Gemini Trust. Subsequently, pursuant to an assignment and assumption agreement dated October 6, 2006, COF assigned its right, title and interest in the financial arrangement agreement to Coventree.

#### *Outstanding Indebtedness*

In order to raise funds for the purpose of acquiring asset programs, Gemini Trust may issue ABCP pursuant to the terms of an amended and restated trust indenture between BNY, as issuer trustee, and National Bank Trust Inc., as indenture trustee, dated February 20, 2003 and amended by amendment agreements dated: May 30, 2003, August 13, 2007, and August 17, 2007 (collectively, the “**Gemini Trust Indenture**”). National Bank Trust Inc. subsequently assigned its rights and obligations under the Gemini Trust Indenture to Natcan.

The aggregate principal amount of ABCP that may be issued by Gemini Trust under the Gemini Trust Indenture is unlimited and it may enter into different Series and within the Series, different classes of notes. The Gemini Trust Indenture provides that the indenture trustee may convene a meeting of noteholders of a Series or class of notes at any time and the indenture trustee is required to provide at least 21 days notice thereof. NBCN Inc. has been appointed as issuing and paying agent with respect to the issuance of ABCP by Gemini Trust.

Pursuant to supplements to the Gemini Trust Indenture, Gemini Trust issued three Series of ABCP, namely: Series A notes; Series E notes; and Series F notes. The Series A notes benefit from the availability of liquidity facilities all of which were entered into prior to June 2006. These liquidity facilities are provided by HSBC Bank Canada and Scotiabank. The Series E notes are Extendible Notes and the Series F notes are Floating Rate Notes. Prior to the Rating Agency’s downgrade on March 17, 2008 and its subsequent withdrawal on March 19, 2008, the Series A notes and Series E notes each had a DBRS rating of R-1 (high) and the Series F notes had a DBRS rating of AAA. As of September 14, 2007 there was approximately \$526 million principal amount of outstanding Series A notes, approximately \$698 million principal amount of outstanding Series E notes, and approximately \$235 million principal amount of outstanding Series F notes.

#### *Assets*

The ABCP issued by Gemini Trust has funded ten asset programs all of which are Traditional Asset programs. These programs consist of: five CMBS programs, two seller receivable programs, one CMP program, one RMP program and one PLOC program. Of the settlement amount of the Series A notes, 94% is backed by Traditional Assets and the remaining 6% is backed by cash. Of the settlement amount of the Series E notes, 75% is backed by Traditional Assets with the remaining 25% being backed by cash. Of the settlement amount of the Series F notes, 95% is backed by Traditional Assets with the remaining 5% being backed by cash. None of the Affected ABCP issued by Gemini Trust is backed by assets that are deemed to be Ineligible Assets. For further information on these asset programs, please see Appendix B “Description of Traditional Asset Programs”.

### ***Planet Trust***

#### *Organization*

Pursuant to an administration agreement dated February 28, 2003, as amended, BNY, as issuer trustee, appointed Coventree Administration Corp. (formerly 1497643 Ontario Inc.) as the administrative agent to provide administrative and management services to Planet Trust.

Pursuant to a financial arrangement agreement also dated February 28, 2003, as amended, BNY, as issuer trustee, appointed 2025744 Ontario Inc. as the securitization agent to administer the activities of Planet Trust in connection with the acquisition and management of the assets and the funding requirements of Planet Trust. Subsequently, pursuant to an

assignment, assumption and termination agreement dated as of October 1, 2006, 2025744 assigned to COF; and pursuant to an assignment and assumption agreement dated October 6, 2006, COF assigned its right, title and interest in the financial arrangement agreement to Coventree.

#### *Outstanding Indebtedness*

In order to raise funds for the purpose of acquiring asset programs, Planet Trust may issue ABCP pursuant to the terms of a trust indenture between BNY, as trustee, and National Bank Trust Inc., as indenture trustee, dated February 28, 2003 and amended by amending agreements dated: May 30, 2003, August 13, 2007, and August 17, 2007 (the “**Planet Trust Indenture**”). National Bank Trust Inc. subsequently assigned its rights and obligations under the Planet Trust Indenture to Natcan.

The aggregate principal amount of ABCP that may be issued by Planet Trust under the Planet Trust Indenture is unlimited and it may enter into different Series and within the Series, different classes of notes. The Planet Trust Indenture provides that the indenture trustee may convene a meeting of noteholders of a Series or class of notes at any time and the indenture trustee is required to provide at least 21 days notice thereof. NBCN Inc. has been appointed as issuing and paying agent with respect to the issuance of ABCP by Planet Trust.

Pursuant to supplements to the Planet Trust Indenture, Planet Trust issued four Series of Affected ABCP, namely: Series A notes; Series E notes; Series F notes; and Series L8 notes. Series A notes benefit from the availability of liquidity facilities of which approximately 23% were entered into prior to June 2006 including one Global Agreement. These liquidity facilities are provided by Citibank Canada, Danske, Deutsche Bank and UBS. These L8 notes were issued to Danske in connection with its funding of Liquidity on the CCLT Stamford Series 2006-1 CDO program. The Series E notes are Extendible Notes and the Series F notes are Floating Rate Notes. On August 16, 2007, the Series A notes and Series E notes each had a DBRS rating of R-1 (high) and the Series F notes had a DBRS rating of AAA. On February 15, 2008, DBRS downgraded the Series E notes to R-2 (high) from R-1 (high). On March 17, 2008, all of the Series were downgraded by DBRS to the ‘D’ level and subsequently on March 19, 2008, these ratings were withdrawn. DBRS has not rated the Series L8 notes. As of September 14, 2007, there was approximately \$890 million principal amount of outstanding Series A notes, approximately \$683 million principal amount of outstanding Series E notes, approximately \$230 million principal amount of outstanding Series F notes, and U.S. \$13 million principal amount of outstanding Series L8 notes.

#### *Assets*

The ABCP issued by Planet Trust has funded 14 programs consisting of six leveraged Synthetic Asset programs, two fully funded Synthetic Asset programs and six Traditional Asset programs. The Synthetic Asset programs reference the following: three bespoke pools of investment grade corporate obligors; two iTraxx indices; one CDX index; and two synthetic CDOs. The Traditional Asset programs consist of three certificates referencing CDO programs, two U.S. RMBS programs and one CMP program. Of the settlement amount of the Series A notes, 97% is backed by Synthetic Assets, 1% being backed by Traditional Assets and the remaining 2% being backed by cash. Of the settlement amount of the Series E notes, 40% is backed by Synthetic Assets, 51% is backed by Traditional Assets, and 9% is backed by cash. Of the settlement amount of the Series F notes, 30% is backed by Synthetic Assets, 48% is backed by Traditional Assets and 22% is backed by cash. Ineligible Assets back 51% of the settlement amount of the Series A notes and 37% of the settlement amount of the Series E notes. For further information on the Synthetic Asset and Traditional Asset programs, please see Appendix A “Description of Synthetic Asset Programs” and Appendix B “Description of Traditional Asset Programs”.

#### ***Rocket Trust***

##### *Organization*

Pursuant to an administration agreement dated November 11, 2002, as amended, BMO Trust, as issuer trustee, appointed Coventree Administration Corp. (formerly 1497643 Ontario Inc.) as the administrative agent to provide administrative and management services to the Rocket Trust.

Pursuant to a financial arrangement agreement also dated November 1, 2002, as amended, BMO Trust, as issuer trustee, appointed COF (then, Coventree Capital Group Inc.) as its securitization agent to administer the activities of Rocket Trust in connection with the acquisition and management of the assets and the funding requirements of Rocket Trust. Subsequently, pursuant to an assignment and assumption agreement dated October 6, 2006, COF assigned its right, title and interest in the financial arrangement agreement to Coventree.

### *Outstanding Indebtedness*

In order to raise funds for the purpose of acquiring asset programs, Rocket Trust may issue ABCP pursuant to the terms of a third amended and restated trust indenture between BNY, as trustee, and National Bank Trust Inc., as indenture trustee, dated February 20, 2003 and amended by amending agreements dated: May 30, 2003, August 13, 2007, and August 17, 2007 (the “**Rocket Trust Indenture**”). National Bank Trust Inc. subsequently assigned its rights and obligations under the Rocket Trust Indenture to Natcan.

The aggregate principal amount of ABCP that may be issued by Rocket Trust is unlimited and it may enter into different Series and within the Series, different classes of notes. The Rocket Trust Indenture provides that the indenture trustee may convene a meeting of noteholders of a Series or class of notes at any time and the indenture trustee is required to provide at least 21 days notice thereof. NBCN Inc. has been appointed as issuing and paying agent with respect to the issuance of ABCP by Rocket Trust.

Pursuant to the Rocket Trust Indenture, Rocket Trust issued five Series of Affected ABCP, namely: Series A notes; Series B notes; Series D notes; Series E notes; and Series F notes. The Series A notes benefit from the availability of liquidity facilities all of which were entered into prior to June 2006. These liquidity facilities are provided by Deutsche Bank, HSBC Bank Canada and Royal Bank. The Series B and Series D notes are Subordinated ABCP. The Series E notes are Extendible Notes and the Series F notes are Floating Rate Notes. Prior to the Rating Agency’s downgrade on March 17, 2008 and its subsequent withdrawal on March 19, 2008, the Series A notes and Series E notes each had a DBRS rating of R-1 (high) and the Series F notes had a DBRS rating of AAA. The Series B and Series D notes have not been rated by DBRS. As of September 14, 2007, there was approximately \$1,077 million principal amount of outstanding Series A notes, approximately \$2,064 million principal amount of outstanding Series E notes, approximately \$23 million principal amount of outstanding Series D subordinated notes and approximately \$90 million principal amount of outstanding Series F notes. As of September 14, 2007, there was \$112 million principal amount of Series B subordinated notes outstanding.

### *Assets*

The ABCP issued by Rocket Trust has funded 13 programs consisting of three fully funded Synthetic Asset programs, two leveraged Synthetic Asset programs and eight Traditional Asset programs. The Synthetic Asset programs reference the following: two bespoke pools of investment grade corporate and sovereign obligors, two bespoke pools of investment grade corporate obligors and one bespoke pool of AAA CMBS. The Traditional Asset programs include: two seller receivable programs, two CMP programs, one RMP program, one PLOC program, one equipment leases program and one note referencing a synthetic CDO. Of the settlement amount of the Series A notes, 35% is backed by Synthetic Assets, 64% notes being backed by Traditional Assets and the remaining 1% being backed by cash. Of the settlement amount of the Series E notes, 7% is backed by Synthetic Assets, 79% is backed by Traditional Assets and the remaining 14% being backed by cash. Of the settlement amount of the Series F notes, 11% is backed by Synthetic Assets, 88% is backed by Traditional Assets and the remaining 1% being backed by cash. Ineligible Asset back 13% of the settlement amount of the Series A notes. For further information on the Synthetic Asset and Traditional Asset programs of Rocket Trust, please see Appendix A “Description of Synthetic Asset Programs” and Appendix B “Description of Traditional Asset Programs”.

### *Slate Trust*

#### *Organization*

Pursuant to an administration agreement dated August 20, 2004, as amended, BNY, as issuer trustee, appointed Coventree Administration Corp. (formerly, Coventree Portfolio Management Corp.) as administrative agent to provide administrative and management services to Slate Trust.

Pursuant to a financial arrangement agreement also dated August 20, 2004, as amended, BNY, as issuer trustee, appointed COF (then, Coventree Capital Group Inc.) as the securitization agent to administer the activities of Slate Trust in connection with the acquisition and management of the assets and the funding requirements of Slate Trust. Subsequently, pursuant to an assignment and assumption agreement dated October 6, 2006, COF assigned its right, title and interest in the financial arrangement agreement to Coventree.



### *Outstanding Indebtedness*

In order to raise funds for the purpose of acquiring asset programs, Slate Trust may issue ABCP pursuant to the terms of a trust indenture between BNY, as trustee, and Natcan, as indenture trustee, dated August 20, 2004 as amended by amending agreements dated August 13, 2007 and August 17, 2007 (the “**Slate Trust Indenture**”).

The aggregate principal amount of ABCP that may be issued by Slate Trust is unlimited and it may enter into different Series and within the Series, different classes of notes. The Slate Trust Indenture provides that the indenture trustee may convene a meeting of noteholders of a Series or class of notes at any time and the indenture trustee is required to provide at least 21 days notice thereof.

Pursuant to supplements to the Slate Trust Indenture, Slate Trust issued two Series of Affected ABCP, namely: Series A-1 notes, and Series E-1 notes. The Series A-1 notes benefit from the availability of liquidity facilities all of which were entered into prior to June 2006. These liquidity facilities are provided by Deutsche Bank and Scotiabank. The Series E-1 notes are Extendible Notes. Prior to the Rating Agency’s downgrade on March 17, 2008 and its subsequent withdrawal on March 19, 2008, both the Series A-1 and Series E-1 notes had DBRS ratings of R-1 (high). As of September 14, 2007, there was approximately \$126 million principal amount of outstanding Series A-1 notes, and approximately \$436 million principal amount of outstanding Series E-1 notes.

### *Assets*

The ABCP issued by Slate Trust has funded 14 programs all of which are Traditional Asset programs consisting of nine U.S. RMBS programs and five CMP programs. Of the settlement amount of the Series A notes, 90% is backed by Traditional Assets and the remaining 10% being backed by cash. Of the settlement amount of the Series E notes, 83% is backed by Traditional Asset with the remaining 17% being backed by cash. Assets that have been deemed to be Ineligible Assets back 7.4% of the Series A-1 notes and 77.2% of the Series E-1 notes. For further information on the Traditional Asset programs of Slate Trust, please see Appendix B “Description of Traditional Asset Programs”.

## **NBF Sponsored ABCP Conduits**

### ***Ironstone Trust***

#### *Organization*

On or about March 17, 2008, Metcalfe & Mansfield Alternative Investments XII Corp. (“**Metcalfe & Mansfield XII**”) replaced Metcalfe & Mansfield Alternative Investments Corp. (“**Metcalfe & Mansfield I**”) as the issuer trustee of Ironstone Trust, a trust established under the laws of Ontario by Metcalfe & Mansfield I pursuant to a declaration of trust dated October 28, 2004 as amended December 15, 2006. Upon the replacement of Metcalfe & Mansfield I, Metcalfe & Mansfield XII assumed all of the rights and obligations attributed to Metcalfe & Mansfield I in the summary below.

Pursuant to an administration agreement dated October 28, 2004, Metcalfe & Mansfield I appointed National Bank the administrative agent to provide administrative services required to permit Ironstone Trust to carry out its activities.

Pursuant to a financial services agreement also dated October 28, 2004, Metcalfe & Mansfield I appointed NBF the financial services agent to Ironstone Trust to provide the financial, originating, structuring and analytical services required to permit Ironstone Trust to carry out its funding and acquisition activities.

### *Outstanding Indebtedness*

In order to raise funds for the purpose of acquiring asset programs, Ironstone Trust may issue ABCP pursuant to a trust indenture dated October 28, 2004 between Metcalfe & Mansfield I, as issuer trustee, CIBC Mellon Trust Company (“**CIBC Mellon**”), as indenture trustee, and NBCN Inc., as issuing and paying agent (the “**Ironstone Trust Indenture**”).

The aggregate principal amount of ABCP that may be issued by Ironstone Trust is unlimited and it may issue an unlimited number of Series and within each Series, one or more classes of notes. The Ironstone Trust Indenture provides that the indenture trustee may convene a meeting of noteholders of a Series or class of notes at any time and the indenture trustee is required to provide at least 15 days notice thereof.

Pursuant to supplements to the Ironstone Trust Indenture, Ironstone Trust has issued two Series of outstanding notes, namely: Series A notes and Series B notes. Each Series has three separate classes, namely: class A, class E and class F. The class A Series B notes benefit from the availability of a liquidity facility which was entered into prior to June 2006. This liquidity facility is provided by CIBC. The class E are Extendible Notes and the class F are Floating Rate Notes. On



August 16, 2007, the Series A, class A and Series B, class A notes were rated R-1 (high) by DBRS. The Series A, class F and Series B, class F notes were rated AAA. On February 15, 2008, DBRS downgraded the Series A, class A and Series A, class E notes to R-4 from R-1 (high) and downgraded the Series A, class F notes to BB (high) from AAA. The Series A, class F notes were downgraded to BB(high). On March 17, 2008, all of the Series were downgraded by DBRS to the 'D' level and subsequently on March 19, 2008, these ratings were withdrawn. As of September 14, 2007 there was approximately \$498 million principal amount of outstanding Series A notes and approximately U.S.\$266 million principal amount of outstanding Series B notes. There are also PSF Notes outstanding that will be repaid prior to the Plan Implementation Date. See "The Restructuring Plan — Other Aspects of the Plan — Repayment of PSF Notes".

#### *Assets*

The ABCP issued by Ironstone Trust has funded notes issued by a CDO. The underlying reference portfolio of this CDO consists mainly of U.S. RMBS and CMBS. Of the settlement amount of the Series A notes, 98% is backed by Traditional Assets with the remaining 2% being backed by cash. Of the settlement amount of the Series B notes, 96% is backed by Traditional Assets with the remaining 4% being backed by cash. All of the settlement amount of both Series A and Series B notes are backed by assets that have been deemed to be Ineligible Assets. For further information on the Traditional Asset programs of Ironstone Trust, please see Appendix B "Description of Traditional Asset Programs".

### ***MMAI-I Trust***

#### *Organization*

On or about March 17, 2008, Metcalfe & Mansfield Alternative Investments XI Corp. ("**Metcalfe & Mansfield XI**") replaced Metcalfe & Mansfield I as the issuer trustee of MMAI-I Trust, a trust established under the laws of Ontario by Metcalfe & Mansfield I pursuant to a declaration of trust dated August 27, 2004 as amended December 15, 2006. Upon the replacement of Metcalfe & Mansfield I, Metcalfe & Mansfield XI, assumed all of the rights and obligations attributed to Metcalfe & Mansfield I in the summary below.

Pursuant to an administration agreement dated October 28, 2004, Metcalfe & Mansfield I appointed National Bank the administrative agent to provide administrative and management services required to permit MMAI-I Trust to carry out its activities.

Pursuant to a financial services agreement also dated October 28, 2004, Metcalfe & Mansfield I appointed NBF the financial services agent to MMAI-I Trust to provide the financial, originating, structuring and analytical services required to permit MMAI-I Trust to carry out its funding and acquisition activities.

#### *Outstanding Indebtedness*

In order to raise funds for the purpose of acquiring asset programs MMAI-I Trust may issue ABCP pursuant to a trust indenture dated August 27, 2004 between Metcalfe & Mansfield I, as issuer trustee, CIBC Mellon, as indenture trustee, and NBCN Inc., as Issuing and Paying Agent (the "**MMAI-I Trust Indenture**").

The aggregate principal amount of ABCP that may be issued by MMAI-I Trust under the MMAI-I Trust Indenture is unlimited and it may issue an unlimited number of Series and within each Series, one or more classes of notes. The MMAI-I Trust Indenture provides that the indenture trustee may convene a meeting of noteholders of a Series or class of notes at any time and the indenture trustee is required to provide at least 15 days notice thereof.

Pursuant to the Series A Supplemental Trust Indenture dated September 9, 2004, MMAI-I Trust issued Series A notes. The Series A notes have three separate classes, namely: class A, class E and class F. The class A notes benefit from the availability of liquidity facilities all of which were entered into prior to June 2006. These liquidity facilities are provided by Deutsche Bank. The class E are Extendible Notes and the class F are Floating Rate Notes. Prior to the Rating Agency's downgrade on March 17, 2008 and its subsequent withdrawal on March 19, 2008, the class A and class E notes each had a DBRS rating of R-1 (high) and the class F notes had a DBRS rating of AAA. As of September 14, 2007, there was approximately \$1,068 million principal amount of class A notes, approximately \$335 million principal amount of class F notes outstanding and no class E notes outstanding. There are also PSF Notes outstanding that will be repaid prior to the Plan Implementation Date. See "The Restructuring Plan — Other Aspects of the Plan — Repayment of PSF Notes".

#### *Assets*

The ABCP issued by MMAI-I Trust has funded three asset programs all of which consist of fully funded Synthetic Assets referencing ABS and CDS portfolios. All of the settlement amount of the Series A notes is backed by Synthetic

Assets. None of the Affected ABCP issued by MMAI-I is backed by Ineligible Assets. For further information on the Synthetic Asset programs of MMAI-I Trust, please see Appendix A “Description of Synthetic Asset Programs”.

MMAI-I Trust is also a party to back to back swap arrangements with Deutsche Bank AG, Canada Branch and Global Diversified Investment Grade Income Trust and Global Diversified Investment Grade Private Trust which were not funded by Affected ABCP. These arrangements will be terminated prior to the Plan Implementation Date. See “The Restructuring Plan — Other Aspects of the Plan — Global Digit Trusts”.

### ***Silverstone Trust***

#### *Organization*

Metcalf & Mansfield Alternative Investments II Corp. (“**Metcalf & Mansfield II**”) is the issuer trustee of Silverstone Trust, a trust established under the laws of Ontario by Metcalf & Mansfield II pursuant to a declaration of trust dated February 23, 2005 as amended on December 15, 2006.

Pursuant to an administration agreement dated February 23, 2005, Metcalf & Mansfield II appointed National Bank the administrative agent to provide the administrative and management services required to permit Silverstone Trust to carry out its activities.

Pursuant to a financial services agreement dated February 23, 2005, Metcalf & Mansfield II appointed NBF the financial services agent to Silverstone Trust to provide the financial, originating, structuring and analytical services required to permit Silverstone Trust to carry out its funding and acquisition activities.

#### *Outstanding Indebtedness*

In order to raise funds for the purpose of acquiring asset programs, Silverstone Trust may issue ABCP pursuant to a trust indenture dated February 23, 2005 between Metcalf & Mansfield II, as issuer trustee, CIBC Mellon, as indenture trustee, and NBCN Inc., as Issuing and Paying Agent (the “**Silverstone Trust Indenture**”).

The aggregate principal amount of ABCP that may be issued by Silverstone Trust under the Silverstone Trust Indenture is unlimited and it may issue an unlimited number of Series and within each Series, one or more classes of notes. The Silverstone Trust Indenture provides that the indenture trustee may convene a meeting of noteholders of a Series or class of notes at any time and the indenture trustee is required to provide at least 15 days notice thereof.

Pursuant to the Series A Supplemental Trust Indenture dated February 23, 2005, Silverstone Trust issued Series A notes. The Series A notes have three separate classes, namely: class A, class E and class F. The class A notes benefit from the availability of a liquidity facility which was entered into prior to June 2006. This liquidity facility is provided by Deutsche Bank. The class E notes are Extendible Notes and the class F notes are Floating Rate Notes. Prior to the Rating Agency’s downgrade on March 17, 2008 and its subsequent withdrawal on March 19, 2008, the class A and class E notes each had a DBRS rating of R-1 (high) and the class F notes had a DBRS rating of AAA. As of September 14, 2007, there was approximately \$2,013 million principal amount of outstanding Series A notes, approximately \$1,223 million principal amount of outstanding Series A, class A notes, approximately \$615 million principal amount of outstanding Series A, class E notes and approximately \$175 million principal amount of outstanding Series A, class F notes outstanding. There are also PSF Notes outstanding that will be repaid prior to the Plan Implementation Date. See “The Restructuring Plan — Other Aspects of the Plan — Repayment of PSF Notes”.

Silverstone Trust is also a party to back-to-back swap arrangements with Deutsche Bank AG, Canada Branch and Global Diversified Investment Grade Income Trust II which were not funded by Affected ABCP. These arrangements will be terminated prior to the implementation of the Plan. See “The Restructuring Plan — Other Aspects of the Plan — Global Digit Trusts”.

#### *Assets*

The ABCP issued by Silverstone Trust has funded one program which consists of a leveraged Synthetic Asset referencing an ABS and a static pool of corporate obligors. All of the settlement amount of the Series A notes is backed by Synthetic Assets. None of the Affected ABCP issued by Silverstone Trust is backed by assets that have been deemed to be Ineligible Assets. For further information on the Synthetic Asset program of Silverstone Trust, please see Appendix A “Description of Synthetic Asset Programs”.

## **Nereus Sponsored ABCP Conduits**

On or about March 17, 2008, 4446372 Canada Inc. replaced Computershare Trust Company of Canada (“**Computershare**”) as the issuer trustee of the below-described Nereus sponsored ABCP Conduits in accordance with their respective declarations of trust, as amended. 4446372 Canada Inc. thereby assumed all the rights and obligations attributed to Computershare, in its capacity as issuer trustee, in respect of each such trust. Computershare replaced the original issuer trustee of these Nereus sponsored ABCP Conduits, The Canada Trust Company (“**Canada Trust**”), effective May 1, 2007.

### ***Structured Asset Trust (“SAT”)***

#### *Organization*

Pursuant to an administration agreement dated October 13, 2005, as amended, Canada Trust, as issuer trustee, appointed 1614723 Ontario Inc. the administrative agent to SAT to provide administrative and management services required to permit SAT to carry out its activities.

Pursuant to a financial arrangement agreement dated October 13, 2005, as amended, Canada Trust, as issuer trustee, appointed Nereus the financial agent to SAT to provide the financial, originating, structuring and analytical services required to permit SAT to carry out its funding and acquisition activities.

#### *Outstanding Indebtedness*

In order to raise funds for the purpose of acquiring asset programs, SAT may issue ABCP under a trust indenture dated October 13, 2005 between Canada Trust, as issuer trustee, and CIBC Mellon, as indenture trustee (the “**SAT Trust Indenture**”).

The aggregate principal amount of ABCP that may be issued by SAT under the SAT Trust Indenture is unlimited and it may issue an unlimited number of Series and within each Series, one or more classes of notes. The SAT Trust Indenture provides that the indenture trustee may convene a meeting of noteholders of a Series or class of notes at any time and the indenture trustee is required to provide at least 21 days notice thereof.

Pursuant to supplements to the SAT Trust Indenture, SAT issued three Series of outstanding notes, namely: Series A-1 notes, Series E-1 notes and Series L-1 notes. Series A-1 notes benefit from the availability of liquidity facilities all of which were entered into during or after June 2006. These liquidity facilities were provided by ABN AMRO, Citibank and Merrill Lynch. The Series E notes are Extendible Notes and the Series L-1 notes are Liquidity Notes. Prior to the Rating Agency’s downgrade on March 17, 2008 and its subsequent withdrawal on March 19, 2008, the Series A notes and Series E notes each had a DBRS rating of R-1 (high) and the Floating Rate Notes issued in Series E-1 had a DBRS rating of AAA. The Series L-1 notes were not rated by DBRS. As of September 14, 2007, there was approximately \$654 million principal amount of outstanding Series A notes, approximately \$718 million principal amount of outstanding Series E notes, and approximately \$43 million principal amount of outstanding Series L-1 notes.

#### *Assets*

The ABCP issued by SAT has funded six programs all of which consist of leveraged Synthetic Asset programs referencing the following: three bespoke pools of investment grade corporate obligors, one iTraxx index, one CDX index and one bespoke pool of A (or higher) rated CMBS. Two of the programs have been cross-collateralized. Of the settlement amount of the Series A-1 notes, 93% is backed by Synthetic Assets with the remaining 7% being backed by cash. Of the settlement amount of the Series E-1 notes, 97% is backed by Synthetic Assets with the remaining 3% being backed by cash. None of the Affected ABCP issued by SAT is backed by assets that have been deemed to be Ineligible Assets. For further information on the Synthetic Asset programs of SAT, please see Appendix A “Description of Synthetic Asset Programs”.

### ***Structured Investment Trust III Trust (the “SIT III”)***

#### *Organization*

Pursuant to an amended and restated administration agreement dated October 31, 2003, as amended, Canada Trust, as issuer trustee, appointed 1614723 Ontario Inc. the administrative agent to SIT III to provide the administrative and management services required to permit SIT III to carry out its activities.

Pursuant to an amended and restated financial arrangement agreement dated October 31, 2003, as amended, Canada Trust, as issuer trustee, appointed Nereus the financial agent to SIT III to provide the financial, originating, structuring and analytical services required to permit SIT III to carry out its funding and acquisition activities.

#### *Outstanding Indebtedness*

In order to raise funds for the purpose of acquiring asset programs, SIT III may issue ABCP under a trust indenture dated October 31, 2003 between Canada Trust, as the issuer trustee, and CIBC Mellon, as indenture trustee, and amended by an amending agreement on September 15, 2004 (the “**SIT III Trust Indenture**”).

The aggregate principal amount of ABCP that may be issued by SIT III under the SIT III Trust Indenture is unlimited and it may issue an unlimited number of Series and within each Series, one or more classes of notes. The SIT III Trust Indenture provides that the indenture trustee may convene a meeting of noteholders of a Series or class of notes at any time and the indenture trustee is required to provide at least 21 days notice thereof.

Pursuant to supplements to the SIT III Trust Indenture, SIT III issued two Series of outstanding notes, namely: Series A notes and Series E notes. Series A notes benefit from the availability of liquidity facilities of which approximately 90% were entered into prior to June 2006. These liquidity facilities are provided by Bank of America, Deutsche Bank, HSBC Bank USA, Merrill Lynch and Royal Bank of Scotland. The Series E are Extendible Notes. Prior to the Rating Agency’s downgrade on March 17, 2008 and its subsequent withdrawal on March 19, 2008, the Series A notes and Series E notes each had a DBRS rating of R-1 (high). As of September 14, 2007, there was approximately \$1,709 million principal amount of outstanding Series A notes and approximately \$1,078 million principal amount of outstanding Series E notes.

#### *Assets*

The ABCP issued by SIT III has funded 11 programs consisting of six leveraged Synthetic Asset programs four fully funded Synthetic Asset programs and one Traditional Asset program. The Synthetic Asset programs reference six bespoke pools of investment grade corporate obligors, three other portfolios and one bespoke pool of investment grade corporate and sovereign obligors. The Traditional Asset program is a note referencing a static CDO. Of the settlement amount of the Series A notes, 70% is backed by Synthetic Assets, 6% is backed by Traditional Assets and the remaining 24% being backed by cash. Of the settlement amount of the Series E notes 81% is backed by Synthetic Assets with the remaining 19% being backed by cash. None of the Affected ABCP issued by SIT III is backed by assets that have been deemed to be Ineligible Assets. For further information on the Synthetic Asset and Traditional Asset programs of SIT III, please see Appendix A “Description of Synthetic Asset Programs” and Appendix B “Description of Traditional Asset Programs”.

### **Newshore Sponsored ABCP Conduits**

On or about March 17, 2008, 6932819 Canada Inc. replaced BNY as the issuer trustee of the below-described Newshore sponsored ABCP Conduits, other than Newshore Canadian Trust, in accordance with their respective declarations of trust, as amended. 6932819 Canada Inc. thereby assumed all the rights and obligations attributed to BNY, in its capacity as issuer trustee, in respect of each such trust.

#### *Aria Trust*

##### *Organization*

Pursuant to an administration agreement dated May 12, 2003, as amended, BNY, as issuer trustee, appointed Newshore the administrative agent to all services required by Aria Trust to carry out its funding and acquisition activities.

##### *Outstanding Indebtedness*

In order to raise funds for the purpose of acquiring asset programs, Aria Trust may issue ABCP under a trust indenture dated May 12, 2003 between BNY, as the issuer trustee and Computershare as successor to Canada Trust, as indenture trustee, and amended on August 31, 2005 (the “**Aria Trust Indenture**”).

The aggregate principal amount of ABCP that may be issued by Aria Trust under the Aria Trust Indenture is unlimited and it may issue an unlimited number of Series and within each Series, one or more classes of notes. The Aria Trust Indenture provides that the indenture trustee may convene a meeting of noteholders of a Series or class of notes at any time and the indenture trustee is required to provide at least 15 days notice thereof.

Pursuant to supplements to the Aria Trust Indenture, Aria Trust issued two Series of outstanding notes, namely: Series A notes and Series E notes. The Series A notes benefit from the availability of liquidity facilities of which approximately 47% were entered into prior to June 2006. These liquidity facilities are provided by Deutsche Bank USA, Merrill Lynch and a liquidity provider which has not consented to the use of its name. The Series E notes include Extendible Notes and FRN. Prior to the Rating Agency's downgrade on March 17, 2008 and its subsequent withdrawal on March 19, 2008, the Series E notes had a DBRS rating of R-1 (high) and the Series A notes had a DBRS rating of R-2(middle). As of September 14, 2007 there was approximately \$817 million principal amount of outstanding Series A notes and approximately \$682 million principal amount of outstanding Series E notes.

#### *Assets*

The ABCP issued by Aria Trust has funded 13 programs consisting of five leveraged Synthetic Asset programs, one fully funded Synthetic Asset program and seven Traditional Asset programs. The Synthetic Asset programs reference the following: two bespoke pools of investment grade corporate obligors, two CDX indices, one bespoke pool of investment grade corporate and sovereign obligors and one sub-prime portfolio. The Traditional Asset programs consist of three CMBS programs, three notes referencing certain collateral debt securities and one auto leases program. Of the settlement amount of the Series A notes 93% is backed by Synthetic Assets, 4% is backed by Traditional Assets, and the remaining 3% is backed by cash. Of the settlement amount of the Series E notes, 28% is backed by Synthetic Assets, 61% is backed by Traditional Assets and the remaining 11% is backed by cash. Assets that have been designated as Ineligible Assets back 10.6% of the settlement amount of the Series A notes. For further information on the Synthetic Asset and Traditional Asset programs of Aria Trust, please see Appendix A "Description of Synthetic Asset Programs" and Appendix B "Description of Traditional Asset Programs".

### ***Encore Trust***

#### *Organization*

Pursuant to an administration agreement dated October 15, 2005, as amended, BNY, as issuer trustee, appointed Newshore as the administrative agent to Encore Trust to provide all services required by Encore Trust to carry out its funding and acquisition activities.

#### *Outstanding Indebtedness*

In order to raise funds for the purpose of acquiring asset programs, Encore Trust may issue ABCP under a trust indenture dated October 15, 2005 between BNY, as the issuer trustee, and Computershare as successor to Canada Trust, as indenture trustee (the "**Encore Trust Indenture**").

The aggregate principal amount of ABCP that may be issued by Encore Trust under the Encore Trust Indenture is unlimited and it may issue an unlimited number of Series and within each Series, one or more classes of notes. The Encore Trust Indenture provides that the indenture trustee may convene a meeting of noteholders of a Series or class of notes at any time and the indenture trustee is required to provide at least 15 days notice thereof.

Pursuant to supplements to the Encore Trust Indenture, Encore Trust has issued two Series of outstanding notes, namely: Series A notes and Series E notes. The Series A notes benefit from the availability of liquidity facilities of which approximately 45% were entered into prior to June 2006. These liquidity facilities are provided by Deutsche Bank, HSBC Bank USA, Merrill Lynch and a liquidity provider which has not consented to the use of its name. The Series E are Extendible Notes. Prior to the Rating Agency's downgrade on March 17, 2008 and its subsequent withdrawal on March 19, 2008, both Series had DBRS ratings of R-1 (high). As of September 14, 2007 there was approximately \$603 million principal amount of Series A, class A notes and approximately \$846 million principal amount of outstanding Series E, class A notes.

#### *Assets*

The ABCP issued by Encore Trust has funded eight asset programs consisting of five leveraged Synthetic Asset programs and three Traditional Asset programs. The Synthetic Asset programs reference two bespoke pools of investment grade corporate obligors, the iTraxx index, the CDX index and the CDX.NA.IG.7 index. The Traditional Asset programs consist of two CMBS programs and one auto leases program. Of the settlement amount of the Series A notes 85% is backed by Synthetic Assets, 10% is backed by Traditional Assets, and the remaining 5% is backed by cash. Of the settlement amount of the Series E notes 57% is backed by Synthetic Assets, 24% is backed by Traditional Assets, and the



remaining 19% is backed by cash. None of the Affected ABCP issued by Encore Trust is backed by assets that are deemed to be Ineligible Assets. For further information on the Synthetic Asset and Traditional Asset programs of Encore Trust, please see Appendix A “Description of Synthetic Asset Programs” and Appendix B “Description of Traditional Asset Programs”.

### ***Newshore Canadian Trust***

#### *Organization*

On or about March 17, 2008, 4446372 Canada Inc. replaced Canada Trust as the issuer trustee of Newshore Canadian Trust in accordance with its declarations of trust, as amended. 4446372 Canada Inc. thereby assumed all rights and obligations attributed to Canada Trust, in its capacity as issuer trustee of Newshore Canadian Trust. Pursuant to an administration agreement dated December 1, 2006, as amended, Canada Trust, as issuer trustee, appointed Newshore the administrative agent to Newshore Canadian Trust to provide all services required by Newshore Canadian Trust to carry out its funding and acquisition activities.

#### *Outstanding Indebtedness*

In order to raise funds for the purpose of purchasing asset programs, Newshore Canadian Trust may issue ABCP under a trust indenture dated February 16, 2001 between Canada Trust, as issuer trustee, and BNY as successor to BMO Trust, as indenture trustee, as amended on July 31, 2002 and August 31, 2005 (the “**Newshore Canadian Trust Indenture**”).

The aggregate principal amount of ABCP that may be issued by Newshore Canadian Trust under the Newshore Canadian Trust Indenture is unlimited and it may issue an unlimited number of Series and within each Series, one or more classes of notes. The Newshore Canadian Trust Indenture provides that the indenture trustee may convene a meeting of noteholders of a Series or class of notes at any time and the indenture trustee is required to provide at least 15 days notice thereof.

Newshore Canadian Trust issued three series of outstanding notes, namely: Series A notes and Series 2001-1 notes. Prior to the Rating Agency’s downgrade on March 17, 2008 and its subsequent withdrawal on March 19, 2008, the Series A notes and the Series 2001-1, class B notes had a DBRS rating of R-1(middle) and the Series 2001-1, class FRN Notes had a DBRS rating of AA. The Series A Notes benefit from a liquidity facility which was entered into prior to June 2006 with Deutsche Bank as the liquidity provider. As of September 14, 2007 there was approximately \$200 million principal amount of outstanding Series A class B notes, \$163 million principal amount of outstanding Series 2001-1 class B notes and \$50 million principal amount of outstanding Series 2001-1 class FRN notes.

#### *Assets*

The ABCP issued by Newshore Canadian Trust has funded a single Traditional Asset program consisting of immigrant loans. Of the settlement amount of both the Series A notes and the Series 2001-1 notes, 100% is backed by Traditional Assets. None of the Affected ABCP issued by Newshore Canadian is backed by assets that have been deemed to be Ineligible Assets. For further information on the Traditional Asset program of Newshore Canadian Trust, please see Appendix B “Description of Traditional Asset Programs”.

### ***Opus Trust***

#### *Organization*

Pursuant to an administration agreement dated April 6, 2005, as amended, BNY, as issuer trustee, appointed Newshore as the administrative agent to Opus Trust to provide all services required by Opus Trust to carry out its funding and acquisition activities.

#### *Outstanding Indebtedness*

In order to raise funds for the purpose of acquiring asset programs, Opus Trust may issue ABCP under a trust indenture dated April 6, 2005 between BNY, as the issuer trustee, and Computershare as successor to Canada Trust, as indenture trustee (the “**Opus Trust Indenture**”). The aggregate principal amount of ABCP that may be issued by the trustee under the Opus Trust Indenture is unlimited and it may issue an unlimited number of Series and within each Series, one or more classes of notes. The Opus Trust Indenture provides that the indenture trustee may convene a meeting of



noteholders of a Series or class of notes at any time and the indenture trustee is required to provide at least 15 days notice thereof.

Pursuant to supplements to the Opus Trust Indenture, Opus Trust issued two Series of outstanding notes, namely: Series A notes and Series E notes. The Series E notes include Extendible Notes and FRN. The Series A notes benefit from the availability of liquidity facilities of which approximately 42% were entered into prior to June 2006. The liquidity facilities are provided by Deutsche Bank, HSBC Bank USA, Merrill Lynch and a liquidity provider which has not consented to the use of its name. The Series E are Extendible Notes. Prior to the Rating Agency's downgrade on March 17, 2008 and its subsequent withdrawal on March 19, 2008, both Series had DBRS ratings of R-1 (high). As of September 14, 2007, there was approximately \$958 million principal amount of outstanding Series A notes and approximately \$736 million principal amount of outstanding Series E notes.

#### *Assets*

The ABCP issued by Opus Trust has funded nine programs consisting of six leveraged Synthetic Asset programs and three Traditional Asset programs. The Synthetic Asset programs reference: three bespoke pools of investment grade corporate obligors, two CDX indices and the iTraxx index. The Traditional Asset programs consist of two CMBS programs and one auto leases program. Of the principal amount of the Series A notes, 87% is backed by Synthetic Assets, 12% is backed by Traditional Assets and the remaining 1% is backed by cash. Of the principal amount of the Series E notes, 48% is backed by Synthetic Assets, 33% is backed by assets that have been deemed to be Traditional Assets, and the remaining 19% is backed by cash. None of the Affected ABCP issued by Opus Trust is backed by Ineligible Assets. For further information on the Synthetic Asset and Traditional Asset programs of Opus Trust, please see Appendix A "Description of Synthetic Asset Programs" and Appendix B "Description of Traditional Asset Programs".

### ***Symphony Trust***

#### *Organization*

Pursuant to an administration agreement dated October 15, 2004, as amended, BNY, as issuer trustee, appointed Newshore the administrative agent to provide administrative and management services required by Symphony Trust to carry out its activities as well as provide all services required by Symphony Trust to carry out its funding and acquisition activities.

#### *Outstanding Indebtedness*

In order to raise funds for the purpose of acquiring asset programs, Symphony Trust may issue ABCP under a trust indenture dated October 15, 2004 between BNY, as the issuer trustee, and Computershare as successor to Canada Trust, as indenture trustee (the "**Symphony Trust Indenture**").

The aggregate principal amount of ABCP that may be issued by Symphony Trust under the Symphony Trust Indenture is unlimited and it may issue an unlimited number of Series and within each Series, one or more classes of notes. The Symphony Trust Indenture provides that the indenture trustee may convene a meeting of noteholders of a Series or class of notes at any time and the indenture trustee is required to provide at least 15 days notice thereof.

Pursuant to supplements to the Symphony Trust Indenture, Symphony Trust issued two Series of outstanding notes, namely: Series A notes and Series E notes. The Series A notes benefit from the availability of liquidity facilities of which approximately 87% were entered into prior to June 2006 and 7% have as of the date hereof not been made available for review. The liquidity facilities that have been reviewed are provided by Deutsche Bank, HSBC Bank USA, Merrill Lynch and a liquidity provider which has not consented to the use of its name. The Series E notes include Extendible Notes and FRN. Prior to the Rating Agency's downgrade on March 17, 2008 and its subsequent withdrawal on March 19, 2008, both Series of notes had DBRS ratings of R-1 (high). As of September 14, 2007 there was approximately \$1,085 million principal amount of outstanding Series A notes and approximately \$836 million principal amount of outstanding Series E notes.

#### *Assets*

The ABCP issued by Symphony Trust has funded 11 programs consisting of seven leveraged Synthetic Asset programs and four Traditional Asset programs. The Synthetic Asset programs reference five bespoke pools of investment grade corporate obligors and two CDX indices. The Traditional Asset programs consist of three CMBS programs and one auto leases programs. Of the settlement amount of the Series A notes, 80% is backed by Synthetic Assets, 4% is backed by

Traditional Assets, and the remaining 16% is backed by cash. Of the principal amount of the Series E notes, 42% is backed by Synthetic Assets, 42% is backed by Traditional Assets, and the remaining 16% is backed by cash. None of the Affected ABCP issued by Symphony Trust is backed by assets that are deemed to be Ineligible Assets. For further information on the Synthetic Asset and Traditional Asset programs of Symphony Trust, please see Appendix A “Description of Synthetic Asset Programs” and Appendix B “Description of Traditional Asset Programs”.

## **Quanto Sponsored ABCP Conduits**

### ***Apsley Trust***

#### *Organization*

Metcalfe & Mansfield Alternative Investments V Corp. (“**Metcalfe & Mansfield V**”) is the issuer trustee of Apsley Trust, a trust established under the laws of Ontario by Metcalfe & Mansfield V, pursuant to a settlement deed dated November 24, 2005.

Pursuant to an administration agreement dated November 24, 2005, Metcalfe & Mansfield V appointed Metcalfe & Mansfield the administrative agent to provide administrative and management services to permit Apsley Trust to carry out its activities.

Pursuant to a financial services agreement also dated November 24, 2005, Metcalfe & Mansfield V appointed Quanto the Financial Services Agent to Apsley Trust to provide certain structuring, arranging, analytical, credit assessment, originating and negotiation services to permit Apsley Trust to carry out its funding and acquisition activities.

#### *Outstanding Indebtedness*

In order to raise funds for the purpose of acquiring asset programs, Apsley Trust may issue ABCP under a trust indenture dated November 24, 2005 between Metcalfe & Mansfield V, as issuer trustee, CIBC Mellon as indenture trustee, and NBCN Inc., as issuing and paying agent (the “**Apsley Trust Indenture**”).

The aggregate principal amount of ABCP that may be issued by Apsley Trust under the Apsley Trust Indenture is unlimited and it may issue an unlimited number of Series and within each Series, one or more classes of notes. The Apsley Trust Indenture provides that the indenture trustee may convene a meeting of noteholders of a Series or class of notes at any time and the indenture trustee is required to provide at least 15 days notice thereof.

Pursuant to the Series A Supplemental Indenture dated November 24, 2005, Apsley Trust has issued one Series of outstanding notes, namely: Series A notes. The Series A notes have four separate classes, namely: class A, class E, class FRN-1 and class FRN-2. The class A notes benefit from the availability of liquidity facilities of which approximately 78% were entered into prior to June 2006. All of the liquidity facilities for Apsley Trust class A notes are provided by Deutsche Bank. The class E are Extendible Notes and the class FRN-1 and class FRN-2 notes are Floating Rate Notes. On August 16, 2007, the Series A, class A and Series A, class E notes each had been rated R-1 (high) by DBRS. The Series A, FRN-1 and FRN-2 notes had been rated AAA by DBRS. On November 6, 2007, both the class A and class E notes were downgraded to R-4 and the FRN-1 and FRN-2 notes were downgraded to BB. On February 15, 2008, the class A and class E notes were downgraded to R-5 and the FRN-1 and FRN-2 notes were downgraded to CCC. On March 17, 2008, all of the Series were downgraded by DBRS to the ‘D’ level and subsequently on March 19, 2008, these ratings were withdrawn. As of September 14, 2007, there was \$2,412 million principal amount of outstanding Series A notes with approximately \$963 million principal amount of outstanding class A notes, \$564 million principal amount of outstanding class E notes, \$610 million principal amount of outstanding class FRN-1 notes, and \$275 million principal amount of outstanding class FRN-2 notes.

#### *Assets*

The ABCP issued by Apsley Trust has funded seven programs, five of which are leveraged Synthetic Asset programs referencing bespoke pools of investment grade corporate obligors and ABS and two of which are fully funded programs referencing bespoke pools of ABS. None of the settlement amounts of the Series A notes is backed by cash. Assets that have been designated as Ineligible Asset back 37.5% of the settlement amount of Apsley Trust ABCP. For further information on the Synthetic Asset programs of Apsley Trust, please see Appendix A “Description of Synthetic Asset Programs”.

## **Whitehall Trust**

### *Organization*

Metcalf & Mansfield Alternative Investments III Corp. (“**Metcalf & Mansfield III**”) is the issuer trustee of Whitehall Trust, a trust established under the laws of Ontario by Metcalf & Mansfield III, pursuant to a settlement deed dated August 15, 2005.

Pursuant to an administration agreement dated August 15, 2005, Metcalf & Mansfield III appointed National Bank the administrative agent to provide administrative and management services to Whitehall Trust. On October 14, 2005, National Bank assigned the administration agreement to Quanto as part of the spin-off of NBF’s structured finance and securitization group to Quanto.

Pursuant to a financial services agreement also dated August 15, 2005, Metcalf & Mansfield III appointed NBF the Financial Services Agent to Whitehall Trust to provide certain structuring, arranging, analytical, credit assessment, originating and negotiation services to permit Whitehall Trust to carry out its funding and acquisition activities. On October 14, 2005, National Bank assigned the financial services agreement to Quanto as part of the spin-off of NBF’s structured finance and securitization group to Quanto.

### *Outstanding Indebtedness*

In order to raise funds for the purpose of acquiring asset programs, Whitehall Trust may issue ABCP under a trust indenture dated August 15, 2005 between Metcalf & Mansfield III, as issuer trustee, CIBC Mellon as indenture trustee, and NBCN Inc., as issuing and paying Agent (the “**Whitehall Trust Indenture**”).

Pursuant to the Whitehall Trust Indenture, Whitehall Trust may issue an unlimited aggregate principal amount of short-term and medium-term notes subject to terms and conditions of the supplemental indentures. Furthermore, Metcalf & Mansfield III may issue an unlimited number of Series and within each Series, one or more classes of notes. The Whitehall Trust Indenture provides that the indenture trustee may convene a meeting of noteholders of a Series or class of notes at any time and the indenture trustee is required to provide at least 15 days notice thereof.

Pursuant to the Series A Supplemental Indenture dated August 15, 2005, Whitehall Trust has issued one Series of short-term notes, namely: Series A notes. The Series A notes have four separate classes, namely: class A, class E, class FRN-1 and class FRN-2. The class A notes benefit from the availability of liquidity facilities all of which were entered into prior to June 2006. These liquidity facilities are provided by Deutsche Bank. The class E notes are Extendible Notes and the class FRN-1 and class FRN-2 notes are Floating Rate Notes. Prior to the Rating Agency’s downgrade on March 17, 2008 and its subsequent withdrawal on March 19, 2008, the class A and class E notes each had a DBRS rating of R-1 (high) and the class FRN-1 and class FRN-2 notes had DBRS ratings of AAA. As of September 14, 2007, there was approximately \$2,509 million principal amount of outstanding Series A notes with \$1,596 million principal amount of outstanding class A notes, \$342 million principal amount of outstanding class E notes, \$335 million principal amount of outstanding class F-1 notes and \$235 million principal amount of outstanding class FRN-2 notes.

### *Assets*

The ABCP issued by Whitehall Trust has funded five programs all of which consist of leveraged Synthetic Assets referencing bespoke pools of investment grade corporate obligors and ABS. None of the settlement amounts of the Series A notes is backed by cash. Further more, none of the Whitehall Trust ABCP is backed by assets that have been designated as Ineligible Assets. For further information on the Synthetic Asset programs of Whitehall Trust, please see Appendix A “Description of Synthetic Asset Programs”.

## **Securitus Sponsored ABCP Conduit**

On or about March 17, 2008, 4446372 Canada Inc. replaced The Montreal Trust Company of Canada (“**Montreal Trust**”) as the issuer trustee of the below-described Securitus sponsored ABCP Conduit in accordance with its declaration of trust, as amended. 4446372 Canada Inc. thereby assumed all the rights and obligations attributed to Montreal Trust, in its capacity as issuer trustee, in respect of such trust.

## ***Selkirk Funding Trust***

### *Organization*

Selkirk Funding Trust was established pursuant to the declaration of trust dated as of August 4, 2006 by Montreal Trust, as trustee. Pursuant to a financial services agreement dated August 4, 2006, as amended, Montreal Trust, as issuer trustee, appointed Securitrus as the financial services agent to provide Selkirk Funding Trust with certain financing and related services in order for the Selkirk Funding Trust to carry out its funding and acquisition activities.

### *Outstanding Indebtedness*

In order to raise funds for the purpose of acquiring asset programs, Selkirk Funding Trust may issue ABCP under a trust indenture dated August 4, 2006, between Montreal Trust, as issuer trustee, and Computershare, as indenture trustee (the “**Selkirk Funding Trust Indenture**”).

Pursuant to the Selkirk Funding Trust Indenture, Selkirk Funding Trust may issue an unlimited aggregate principal amount of notes subject to the terms and conditions of the supplemental indentures. Furthermore, the issuer trustee may issue an unlimited number of Series and within each Series, one or more classes of notes. The Selkirk Funding Trust Indenture provides that the indenture trustee may convene a meeting of noteholders of a Series or class of notes at any time and the indenture trustee is required to provide at least 21 days notice thereof.

Pursuant to the Series A Supplemental Indenture dated August 6, 2006, Selkirk Funding Trust issued one Series, namely: Series A notes. As of September 14, 2007 there were \$151 million principal amount of outstanding Series A notes. These notes benefit indirectly from the availability of liquidity support from Swiss Re which is described below. Prior to March 17, 2008, the Series A class A and class E notes had a DBRS rating of R-1 (high) and the Series A, medium term notes had a DBRS rating of AAA.

### *Assets*

The ABCP issued by Selkirk Funding Trust has funded contributions by it to the Coastal Mountain Base Trust Series 2006-1 (the “**Selkirk Satellite Trust**”) in the principal amount of \$150 million as at September 14, 2007, 2008. The contributions are represented by a certificate that evidences a fractional undivided beneficial ownership interest in the Selkirk Satellite Trust.

The Selkirk Sub-Trust was formed pursuant to the Series 2006-1 Base Trust Supplement dated as of October 20, 2006 between Securitrus (as settlor), 2115921 Ontario Inc. (as trustee), Montreal Trust (in its capacity as trustee of the Selkirk Funding Trust) and Swiss Re (as swap counterparty), in accordance with the Base Trust Agreement dated as of August 20, 2006 between Securitrus (as settlor) and 2115921 Ontario Inc. (as trustee) (the “**Base Trust Agreement**”). Pursuant to the Base Trust Agreement, Securitrus was appointed as the financial services agent of the Selkirk Satellite Trust.

Selkirk Satellite Trust and Swiss Re are parties to an Existing CDS and related agreements (the “**Selkirk Satellite Trust CDS**”), which include liquidity support for Selkirk Satellite Trust from Swiss Re entered into after June 2006, guaranteed by Swiss Reinsurance Company.

None of the Selkirk Funding Trust ABCP is backed by assets that have been designated as Ineligible Assets. For further information on the Synthetic Asset program of Selkirk Funding Trust, please see Appendix A “Description of Synthetic Asset Programs”.

## **THE ASSET PROVIDERS**

Below are descriptions of certain Asset Providers together with available information pertaining to their respective subsidiaries or affiliates that have transacted with the ABCP Conduits or a Satellite Trust of an ABCP Conduit. Where an ABCP Conduit may have engaged in more than a single swap transaction with more than a single subsidiary or affiliate of such Asset Provider, the number of Synthetic Asset programs for which the Asset Providers have acted as the counterparty, is provided on an aggregated basis for all such subsidiaries and affiliates. One or more of the Asset Providers may also have transacted with an ABCP Conduit in its capacity as a Liquidity Provider. See “Liquidity Arrangements of the ABCP Conduits — Liquidity Providers”.

### ***Bank of America***

Bank of America is one of the world's largest financial institutions, serving individual consumers, small and middle market businesses and large corporations with a full range of banking, investing, asset management and other financial and risk-management products and services. The company serves clients in 175 countries. Bank of America is believed to be an Asset Provider to one Synthetic Asset program.

### ***CIBC***

Canadian Imperial bank of Commerce ("**CIBC**") is a Canadian Schedule I chartered bank. According to its website, CIBC provides a full range of products and services to almost 11 million individual and small business clients and meets the financial needs of corporate and institutional clients through its 2 distinct business lines, CIBC Retail Markets and CIBC World Markets. As at October 31, 2007, CIBC had a regular workforce of over 40,000. CIBC is believed to be an Asset Provider to four Synthetic Asset programs.

### ***Citigroup***

The ABCP Conduits transacted with two subsidiaries of Citigroup Inc. ("**Citigroup**"), namely, Citibank N.A. and Citibank Canada. Citigroup is a diversified global financial services holding company whose businesses provide a broad range of financial services to consumer and corporate customers. According to its website, Citigroup has more than 200 million customer accounts and does business in over 100 countries. Citibank is believed to be an Asset Provider to three Synthetic Asset programs.

### ***Deutsche Bank***

Deutsche Bank AG ("**Deutsche Bank**") is a global investment bank with a strong presence in Germany and Europe, and growing interests in North America, Asia and key emerging markets. According to its website, Deutsche Bank has 77,920 employees in 75 countries and operates in three divisions: Corporate and Investment Bank; Private Clients and Asset Management, and Corporate Investments. The ABCP Conduits transacted with three Deutsche Bank branches namely: Canada, London and New York. Deutsche Bank is believed to be an Asset Provider to 37 Synthetic Asset programs.

### ***HSBC***

Headquartered in London, England, HSBC Holdings plc ("**HSBC plc**") is one of the largest banking and financial services organizations in the world. According to its website, HSBC's international network comprises over 10,000 offices in 83 countries. HSBC has share listings on the London, Hong Kong, New York, Paris and Bermuda stock exchanges. The ABCP Conduits transacted with HSBC Bank Canada and HSBC Bank USA National Association ("**HSBC Bank USA**"). HSBC Bank Canada is an indirect wholly-owned subsidiary of HSBC plc, and is among the largest international banks in Canada. HSBC Bank USA is the principal bank subsidiary of HSBC USA Inc., an indirectly-held, wholly-owned subsidiary of HSBC North America Holdings Inc. HSBC Bank USA is believed to be an Asset Provider to eight Synthetic Asset programs.

### ***Merrill Lynch***

Merrill Lynch & Co., Inc. ("**Merrill Lynch**") is a global wealth management, capital markets and advisory company with offices in 38 countries and territories. According to its website, Merrill Lynch offers a broad range of services to private clients, small businesses, institutions and corporations, organizing its activities into two interrelated business segments: Global Markets & Investment Banking and Global Wealth Management. The ABCP Conduits transacted with the Merrill Lynch International affiliate, a United Kingdom-based securities dealer. Merrill Lynch International is believed to be an Asset Provider to 14 Synthetic Asset programs. Merrill Lynch holds a 45% voting interest and an approximate 49% economic interest in BlackRock, Inc. See "Risk Factors — Risks Relating to BlackRock".

### ***Royal Bank***

Royal Bank of Canada ("**Royal Bank**") is a Canadian Schedule I chartered bank. According to its website it is the largest bank in Canada measured according to assets and market capitalization. With approximately 70,000 full-and part-time employees serving 15 million clients through offices in North America and 34 countries around the world, Royal Bank offers a full range of financial products and services of personal and commercial banking, wealth management



services, insurance, corporate and investment banking and transactions processing services on a global basis. Royal Bank is believed to be an Asset Provider to three Synthetic Asset programs.

### **Swiss Re**

Swiss Re Financial Products Corporation (“**Swiss Re**”) is a U.S. subsidiary of Swiss Reinsurance Company, a diversified global reinsurer. According to its website, Swiss Re operates in more than 25 countries and provides its expertise and services to clients throughout the world. Swiss Reinsurance Company offers traditional reinsurance products and related services for property and casualty as well as for life and health insurance. Swiss Reinsurance Company primary focus is on insurance-based corporate finance solutions and supplementary services for comprehensive risk management. Swiss Re is believed to be an Asset Provider to three Synthetic Asset programs.

### **UBS**

UBS AG (“**UBS**”) is a global wealth management firm, investment banking and securities firm, as well as global asset manager. Headquartered in Zurich and Basel, Switzerland, UBS operates in over 50 countries and from all major international centers. According to its website, UBS employs more than 80,000 people with 39% in the Americas, 35% in Switzerland, 16% in the rest of Europe and 10% in Asia Pacific. The ABCP Conduits transacted with UBS as well its London and Canadian branches. UBS is believed to be an Asset Provider to six Synthetic Asset programs.

### **Other Asset Providers**

The following parties have also acted as Asset Providers in connection with the Affected ABCP: Royal Bank of Scotland and Wachovia.

## **LIQUIDITY ARRANGEMENTS OF THE ABCP CONDUITS**

**THE FOLLOWING SUMMARY OF THE LIQUIDITY AGREEMENTS WITH RESPECT TO THE AFFECTED ABCP IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE COPIES OF THE LIQUIDITY AGREEMENTS THAT ARE AVAILABLE IN THE NOTEHOLDER DATA ROOM. IN PREPARING THIS SUMMARY, EACH OF THE INVESTORS COMMITTEE AND GOODMAN'S HAS RELIED UPON THIS DOCUMENTATION WITHOUT HAVING MADE INDEPENDENT ENQUIRIES AS TO THE ACCURACY OR COMPLETENESS THEREOF.**

**THE FOLLOWING SUMMARY DOES NOT REFLECT ANY POSSIBLE AGREEMENT EXPIRY, TERMINATION OR RENEWAL THAT MAY HAVE OCCURRED SINCE THE INFORMATION WAS MADE AVAILABLE TO THE INVESTORS COMMITTEE AND ITS ADVISORS.**

### **Categories of Liquidity Agreements**

In the context of the Canadian ABCP market, liquidity agreements in effect as of August 13, 2007, generally fell into two broad categories: “Canadian-style” market disruption event liquidity agreements (“**MDE Agreements**”) and “global-style” liquidity agreements (“**Global Agreements**”). Of the liquidity agreements falling within the broad category of Canadian-style liquidity agreements, the majority (approximately 79%) were entered into prior to June 2006, with the balance (approximately 21%) entered into thereafter and, accordingly, containing more objectively determinable criteria to establish market disruptions to funding.

Of the total Affected ABCP, approximately \$16.04 billion or 46% is believed to benefit from a form of liquidity support. Liquidity support for a Conduit may be included in a variety of different forms of agreements including loan agreements, credit support annexes, collateralization annexes, swap agreements and bond put and call option agreements. Extendible Notes (because their maturities may, by their terms, be extended within a specific period) and FRNs do not have the benefit of liquidity support. FRNs carry only long-term ratings and therefore do not require liquidity support or an extension feature since long-term ratings do not require an assurance of timely payment at maturity.

Since August 13, 2007, a number of the liquidity facilities then in place have expired or have not been renewed.



Based upon Goodmans' review of available documentation (which for greater certainty, is incomplete) of the Affected ABCP that is believed to have been supported by liquidity facilities (as at August 13, 2007), approximately \$15.37 billion was supported by MDE Agreements and only approximately \$10 million was supported by Global Agreements. A small remaining percentage of the liquidity arrangements believed to have been in place for the benefit of the Affected ABCP remained unavailable as of the date of the review.

## **Key Terms of Liquidity Agreements**

### ***MDE Agreements***

In order to satisfy funding requirements under MDE Agreements, a number of conditions must be satisfied. Each liquidity agreement is different and these conditions often differ between agreements. As discussed elsewhere in this Information Statement, those MDE Agreements entered into subsequent to June of 2006 prescribe more objectively determinable criteria to establish the satisfaction of a market disruption event and, arguably, less onerous criteria. For example, a Conduit may only be required to demonstrate that the existence of the general market disruption results in the Conduit and "at least one other" ABCP issuer being unable to issue ABCP.

Listed below are some of the more common conditions that are required to be satisfied before a Liquidity Provider is required to provide funding: (i) an MDE must have occurred and be continuing at the time when the Conduit requests a liquidity advance from the Liquidity Provider. The definition of MDE varies from one agreement to another. However, in most cases, an MDE is deemed to occur when there is a general market disruption in the Canadian ABCP market that results in the inability of Conduits to issue ABCP to "rollover" their respective Draw Amounts; (ii) the inability to issue ABCP to "rollover" the Draw Amount must not be attributable to a diminution of the Conduit's creditworthiness or a deterioration of its assets; (iii) the Liquidity Provider, the Conduit Sponsor and/or the ABCP dealers is unable to find bids in the market for the Conduit's Draw Amount that are less than or equal to a specified discount rate; (iv) there cannot be a ratings downgrade or withdrawal with respect to the Conduit's ABCP; (v) the Conduit cannot be in default as defined in the MDE Agreement, which definition typically includes cross-default to related program agreements (such as the trust indentures and swaps); and (vi) there must be a proper and effective delivery by the Conduit of a notice of a required liquidity advance prior to a specific expiration date and/or time. Notice will be deemed to be ineffective if any of the representations or warranties are untrue, if any conditions are not satisfied or if the Liquidity Providers are able to sell the Draw Amount that could not be rolled-over to one or more dealers (other than itself or its affiliates) that customarily operate in the Canadian ABCP market at purchase discount rates greater than advance rates.

### ***Global Agreements***

In order to satisfy funding requirements under Global Agreements, a number of conditions must also be met. Each liquidity agreement is different and these conditions often differ between the agreements. Listed below are some of the common conditions that are required to be satisfied before a Liquidity Provider is required to provide funding: (i) the Conduit cannot be in default as defined in the Global Agreement; (ii) prior to a specified expiration date, the Conduit must deliver notice in a specified form to the Liquidity Provider indicating that the Conduit intends to utilize its liquidity facility; (iii) after giving effect to the requested advances, the value of the collateral in respect of the ABCP will not have a negative value; and (iv) after giving effect to the requested advances, the outstanding advances can not exceed a specified amount.

### ***Value of the Liquidity Agreements***

As part of the Applicants' efforts to place a value on the Affected ABCP, Goodmans was instructed to and did review the liquidity agreements supporting the Affected ABCP. It is important to note that this review was not performed in contemplation of litigation and no attempt was made to place a specific value on individual liquidity agreements or on the merits of any potential claim(s) against any particular Liquidity Provider(s). Rather, this review was conducted in order to create a general framework for assessing and valuing the liquidity agreements as a whole. Even if a review had been conducted in contemplation of litigation, such a review could not place a specific value on any particular claim or on the likelihood of success since, at the time of such review, Goodmans did not have the relevant facts required to assess such matters as the quality of the Conduits' assets or the validity of any notice delivered to the Liquidity Providers by the ABCP Conduits on or about August 13, 2007. Finally, the analysis that has been undertaken disregarded the effect of the standstill arrangements implemented in connection with the Montreal Accord, as any potential claims would be valued at the time of potential breach of contract, which would have been on or about August 13, 2007. For the purpose of this analysis, both MDE Agreements and Global Agreements were reviewed. It is uncertain based upon such review, as to

whether Liquidity Providers were required to provide liquidity funding. The determination as to whether funding should have been advanced to a particular Conduit in relation to a particular transaction or not depends on the conditions precedent to funding that are required to be met for that Conduit and that transaction under the relevant liquidity agreement, including the time frame in which the particular liquidity requests were made, the manner in which the particular liquidity requests were made, the quality of the Conduit's assets and whether, under the specific language of the relevant liquidity agreement, an MDE existed in the Canadian ABCP market. It may reasonably be expected that the Liquidity Providers' position in any litigation relating to a liquidity agreement would be that one or more of the conditions precedent to funding pursuant to requests made prior to August 15, 2007 had not been satisfied. The prospects of succeeding in any litigation over the unfunded liquidity requests in any particular Conduit must be assessed with reference to the specific language in the particular liquidity agreement(s) and the factual circumstances surrounding such requests; however, it is reasonable to proceed on the basis that any such litigation would be, in all likelihood, protracted and expensive and have an uncertain outcome. In supporting the Plan, the Investors Committee is of the view that the settlement effectively represented by the terms of the proposed restructuring supported by Liquidity Providers constitutes on balance a reasonable commercial compromise contributing to the benefit of Noteholders on an overall basis.

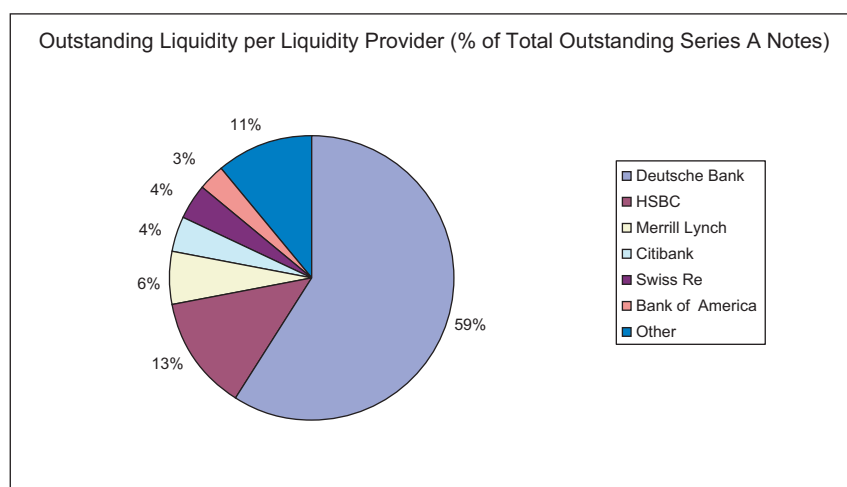
Due to the uncertainties described above, the value, if any, attributable to the liquidity agreements supporting the Affected ABCP has not been taken into account for purposes of the Relative Contribution Analysis. Moreover, inasmuch as the benefits, if any, of the liquidity agreements would not survive the restructuring, these benefits are of no value to the Plan Notes and do not make any contribution to that value.

### Liquidity Providers

The following parties, or in certain cases, their affiliates, acted as Liquidity Providers with respect to the Affected ABCP: ABN AMRO, Bank of America, CIBC, Citibank, Danske, Deutsche Bank, HSBC, Merrill Lynch, Royal Bank, Royal Bank of Scotland, Scotiabank, Swiss Re and UBS and a liquidity provider which has not consented to the use of its name. Many of these parties also acted as Asset Providers. In particular, for the majority of the LSS transactions which were funded by the issuance by ABCP Conduits of liquidity-backed commercial paper, the relevant liquidity provider was the relevant Asset Provider.

Of the total principal amount of outstanding Affected ABCP that is believed to have benefited from the availability of liquidity facilities as of August 2007, approximately 59% or \$9.2 billion was provided by Deutsche Bank, approximately 13% or \$1.98 billion was provided by HSBC, approximately 6% or \$990 million was provided by Merrill Lynch, approximately 4% or \$575 million was provided by Swiss Re, approximately 4% or \$663 million was provided by Citibank, approximately 3% or \$404 million was provided by Bank of America and approximately 11% or \$1.81 billion was provided, in the aggregate, by other Liquidity Providers.

### Liquidity Provider by Percentage of Principal Amount of Outstanding Series A Notes



## CASH ACCUMULATIONS WITHIN THE ABCP CONDUITS

On or about August 13, 2007, normal trading of Third-Party ABCP in the Canadian market ceased, and since such time ABCP Conduits have been unable to issue new ABCP to fund the repayment of maturing Affected ABCP nor to pay interest on Affected ABCP that had rolled-over. As a result, most Noteholders have not received payment of principal or interest (or yield in the case of discounted Affected ABCP) on any of their Affected ABCP. However, the underlying assets in the ABCP Conduits have continued to generate revenue throughout this period, which revenue has been, and continues to be, deposited in the trust accounts of the ABCP Conduits, many of which are controlled by the ABCP Sponsors, and/or other designated trust accounts, in each case for the benefit of the Issuer Trustees (collectively, the “Conduit Accounts”).

The following table sets forth: (i) the cash balances; (ii) the portion of such cash balances received as return of principal and expected to be pledged as collateral in MAV1 or MAV2 upon implementation of the Plan; and (iii) cash balances excluding cash expected to be posted as collateral, in each case, for each of the ABCP Conduits, all as of January 31, 2008. The information has been provided by the Monitor following a review of the relevant Conduit Accounts.

ABCP Conduit	ABCP Sponsor	Total <sup>(18)</sup> Cash Balance	Estimated <sup>(18)</sup> Cash Collateral	Estimated Cash <sup>(18)</sup> Net of Collateral
Apollo Trust	Coventree	\$ 36,091,051	\$ 30,143,740	\$ 5,947,311
Apsley Trust	Quanto	\$ 64,768,785	\$ 2,051,519	\$ 62,717,266
Aria Trust	Newshore	\$ 112,908,219	\$ 100,537,378	\$ 12,370,841
Aurora Trust	Coventree	\$ 90,955,636	\$ 23,409,878	\$ 67,545,758
Comet Trust	Coventree	\$ 254,925,394	\$ 206,031,415	\$ 48,893,979
Encore Trust	Newshore	\$ 220,874,518	\$ 186,211,349	\$ 34,663,169
Gemini Trust	Coventree	\$ 255,531,084	\$ 217,693,715	\$ 37,837,369
Ironstone Trust	NBF	\$ 47,090,694 <sup>(19)</sup>	\$ 22,018,999	\$ 25,071,695
MMAI-I Trust	NBF	\$ 42,069,238 <sup>(19)</sup>	\$ 0	\$ 42,069,238
Newshore Canadian Trust	Newshore	\$ 27,505,988	\$ 0	\$ 27,505,988
Opus Trust	Newshore	\$ 169,130,046	\$ 151,567,979	\$ 17,562,067
Planet Trust	Coventree	\$ 168,549,643	\$ 128,674,026	\$ 39,875,617
Rocket Trust	Coventree	\$ 369,035,803	\$ 293,207,752	\$ 75,828,051
Selkirk Funding Trust	Securitus	\$ 3,717,286	\$ 702	\$ 3,716,584
Silverstone Trust	NBF	\$ 66,462,545 <sup>(19)</sup>	\$ 0	\$ 66,462,545
Slate Trust	Coventree	\$ 83,929,551	\$ 76,714,690	\$ 7,214,861
Structured Asset Trust	Nereus	\$ 103,172,862	\$ 67,018,497	\$ 36,154,365
Structured Investment Trust III	Nereus	\$ 672,447,522	\$ 601,789,385	\$ 70,658,137
Symphony Trust	Newshore	\$ 309,671,760	\$ 301,561,872	\$ 8,109,888
Whitehall Trust	Quanto	\$ 68,402,997	\$ 0	\$ 68,402,997
<b>Total</b>		<b>\$3,167,240,622</b>	<b>\$2,408,632,896</b>	<b>\$758,607,726</b>

### Payment in Respect of Interest on Affected ABCP Prior to Restructuring

The Investors Committee, certain of its advisors and the Monitor have reviewed: (i) the agreements governing the payment of interest for each Series of Affected ABCP; (ii) the unpaid interest by Series under various calculation approaches; and (iii) the cash (if any) estimated to be available in the Conduit Accounts for each Series, after deduction of the amounts expected to be posted as collateral and after the payment of fees, disbursements and expenses (including estimated costs of the restructuring and payments due to ABCP Sponsors) ranking in priority to the Noteholders or otherwise authorized by the Initial Order or contemplated by the Plan (in each case the “Series Surplus”), that may be

(18) All data is at and as of January 31, 2008. Source: E&Y.

(19) Includes the accrued revenues through January 31, 2008 that were only reflected in the cash balance of the ABCP Conduits in early February, 2008.

used for the payment of interest. The actual Series Surplus amounts cannot currently be precisely determined and will depend on, among other factors: (i) the extent to which it is necessary to post some or all of the cash in the Conduit Accounts for each Series as additional collateral to supplement margin funding commitments; and (ii) the actual levels of fees, disbursements and expenses authorized by the Initial Order or contemplated by the Plan.

The applicable agreements generally include specific provisions for the payment of interest at maturity, although agreements governing a number of Series are silent regarding calculation of and entitlement to interest after the maturity date of the Affected ABCP. Despite the fact that the payment of interest may not be specifically contemplated in applicable documentation, the Plan provides, and the Investors Committees and the Monitor believe, that it may be equitable and practical, that interest on all Affected ABCP will accrue until the Plan Implementation Date and be paid to Noteholders on all Affected ABCP whether these instruments have matured or not and whether or not the applicable agreements specifically provide for the payment of interest after maturity, on a Series by Series basis to the extent of the applicable Series Surplus. For each Series, the portion of any Series Surplus paid as interest will be calculated by allocating the applicable Series surplus *pro rata* by CUSIP, for the period of time for which interest has accrued for that CUSIP and using the rate provided in the applicable agreements or, in the absence of specific provisions in the applicable agreements, at the rate (or based on the yield to maturity for discounted notes) that governed the Series prior to maturity (the “**Series Calculated Amount**”). If made, payment of interest would be made on the Plan Implementation Date or as soon as practicable thereafter and would be made through the mechanism for distribution of the exchange of Affected ABCP. Discount notes which have not matured as of the Plan Implementation Date will be valued as of such date based on their yield to maturity. Where there are insufficient funds to pay interest in accordance with the foregoing, any rights of the Noteholder to such amounts will be forfeited.

If the Plan is approved, the Series Surplus available for the payment of interest to Noteholders or allocated to supplement margin funding commitments will only be able to be calculated as of the Plan Implementation Date due to the various expenses and fees of the restructuring as well as the operational costs of the ABCP Conduits. The Series Surplus should not be interpreted to be the same as the cash accumulations in the ABCP Conduits as outlined in the table above.

## THE RESTRUCTURING PLAN

### Summary of the Restructuring Plan

The Plan being proposed by the Investors Committee forms part of the comprehensive restructuring of all of the Affected ABCP with the principal objective of preserving value for the benefit of all Noteholders. The Plan is submitted to Noteholders for their consideration on the basis that it has been designed to provide for the equitable treatment of Noteholders. In summary, the Plan contemplates that the Affected ABCP will be exchanged for longer-term Plan Notes that are designed to match the maturities of the underlying assets.

The Plan recognizes that existing Affected ABCP consists of three basic categories: (i) Affected ABCP backed solely by Traditional Assets, referred to as Exclusively Traditional Assets; (ii) Affected ABCP backed by LSS Assets or a combination of LSS Assets and Traditional Assets, referred to as the “Synthetic and Hybrid Assets”; and (iii) Affected ABCP backed, in whole or in part, by U.S. sub-prime assets or other home equity loans that the Investors Committee expects may be subject to significant risk of suffering losses, which are referred to as the “Ineligible Assets”.

Affected ABCP that is backed by Synthetic and Hybrid Assets will be restructured by dividing each such Synthetic and Hybrid Asset proportionally and pooling such proportionate shares of the assets of those Series of Affected ABCP in two of the newly created Master Asset Vehicles (or MAVs) in order to permit the cross-collateralization of the underlying LSS transactions within each of MAV1 and MAV2. The cross-collateralization of the underlying assets and the greater amount of assets in the collateral pool through inclusion of Traditional Assets as additional collateral will, among other things, serve to mitigate the risk of future margin calls. To the extent that Affected ABCP is supported by a combination of Synthetic and Hybrid Assets that include Ineligible Assets, the Synthetic and Hybrid Assets will be pooled and cross-collateralized, except for that portion consisting of Ineligible Assets. In addition, the existing mark-to-market margin call triggers that are embedded in many of the underlying Credit Default Swaps will be restructured into more remote and transparent spread-loss triggers. Margin Funding Facilities will also be established for each of MAV1 and MAV2 to further enhance the stability of the pooled assets by increasing the available additional collateral support which may potentially be called upon in the future.

Other than Noteholders holding only those Series of Affected ABCP that are backed by Exclusively Traditional Assets or Series of Subordinated ABCP, Noteholders will participate in either MAV1 or MAV2, depending on their ability

and willingness to “self-insure” against possible future margin calls. In the case of MAV1, participants will fund their own *pro rata* share of the margin funding facility pursuant to the terms of the MAV1 Margin Funding Facility Agreement. In order to be eligible to participate in MAV1, Noteholders must meet the MAV1 Eligibility Requirements. Participants in MAV1 will each be required to commit to fund this facility in an amount that is expected to be in the range of 50% to 55% of the aggregate amount of their holdings of Affected ABCP of a Series which is a Series of Synthetic and Hybrid Assets (excluding any such holdings supported by Ineligible Assets). Any Noteholder that fails to properly complete and deliver the Form of Election (printed on yellow paper) or that does not properly elect to participate in MAV1, will be deemed to have elected to participate in MAV2. See “Eligibility and Election to Participate in MAV1”.

In the case of MAV2, a third-party margin funding facility (referred to as the “MAV2 Margin Funding Facility”) will be established and funded by a group of third-party lenders and, potentially, certain Noteholders who desire to participate in the MAV2 Margin Funding Facility to an extent less than their *pro rata* share of such facility. The size and composition of the asset pools within MAV1 and MAV2 will be determined based on the number of Noteholders (and their respective holdings of Affected ABCP) that elect (or that are deemed to elect) to participate in each MAV and, therefore, will not be known until after the Meeting. The proportional amount of each asset will, however, be transferred to MAV1 or MAV2 depending on the elections or deemed elections to participate therein. For a description of the MAV1 Margin Funding Facility Agreement and the MAV2 Margin Funding Facility Agreement, please see “Margin Funding Facilities”.

Where the underlying assets of a particular Series of ABCP consist of Exclusively Traditional Assets, the Affected ABCP will be restructured and returns maximized by providing TA Tracking Notes of MAV3 that are tied exclusively to the applicable Traditional Assets of that Series. The Exclusively Traditional Assets will not be pooled in MAV1 and MAV2 in order to avoid exposing such assets to LSS risk. The TA Tracking Notes will be notes with interest rates based on net returns generated by the corresponding Traditional Assets and will bear maturities matching the maturities of the corresponding assets. The TA Tracking Notes will be repaid in part, from time to time, as assets mature or value can be realized through asset sales. See “Transfer of Traditional Assets” and “The Plan Notes — Description of the MAV3 Tracking Notes”.

Holders of Subordinated ABCP will be issued SN Tracking Notes in an aggregate amount equal to the amount of Subordinated ABCP transferred to MAV3. See “Other Aspects of the Plan — Treatment of Existing Subordinated Notes”.

The Plan identifies certain reference assets held by an ABCP Conduit that are considered to be “ineligible” for purposes of pooling due to uncertainties as to their credit quality and heightened volatility, as a result of exposure to U.S. residential mortgage market. These Ineligible Assets will be segregated within each of MAV1 or MAV2, as applicable, and Noteholders holding Affected ABCP backed by Ineligible Assets will receive corresponding IA Tracking Notes that will track the performance of each individual applicable asset. In some instances, where the Ineligible Assets are also Exclusively Traditional Assets, these assets will be transferred to MAV3 and MAV3 IA Tracking Notes will be issued. Each IA Tracking Note and MAV3 IA Tracking Notes will bear an interest rate based on net returns generated by the corresponding Ineligible Asset and the note’s maturity will match the maturity of the corresponding Ineligible Asset. The IA Tracking Notes and MAV3 IA Tracking Notes will also be repaid, from time to time, as assets mature or value can be realized through asset sales. See “The Plan Notes — Description of the IA Tracking Notes”.

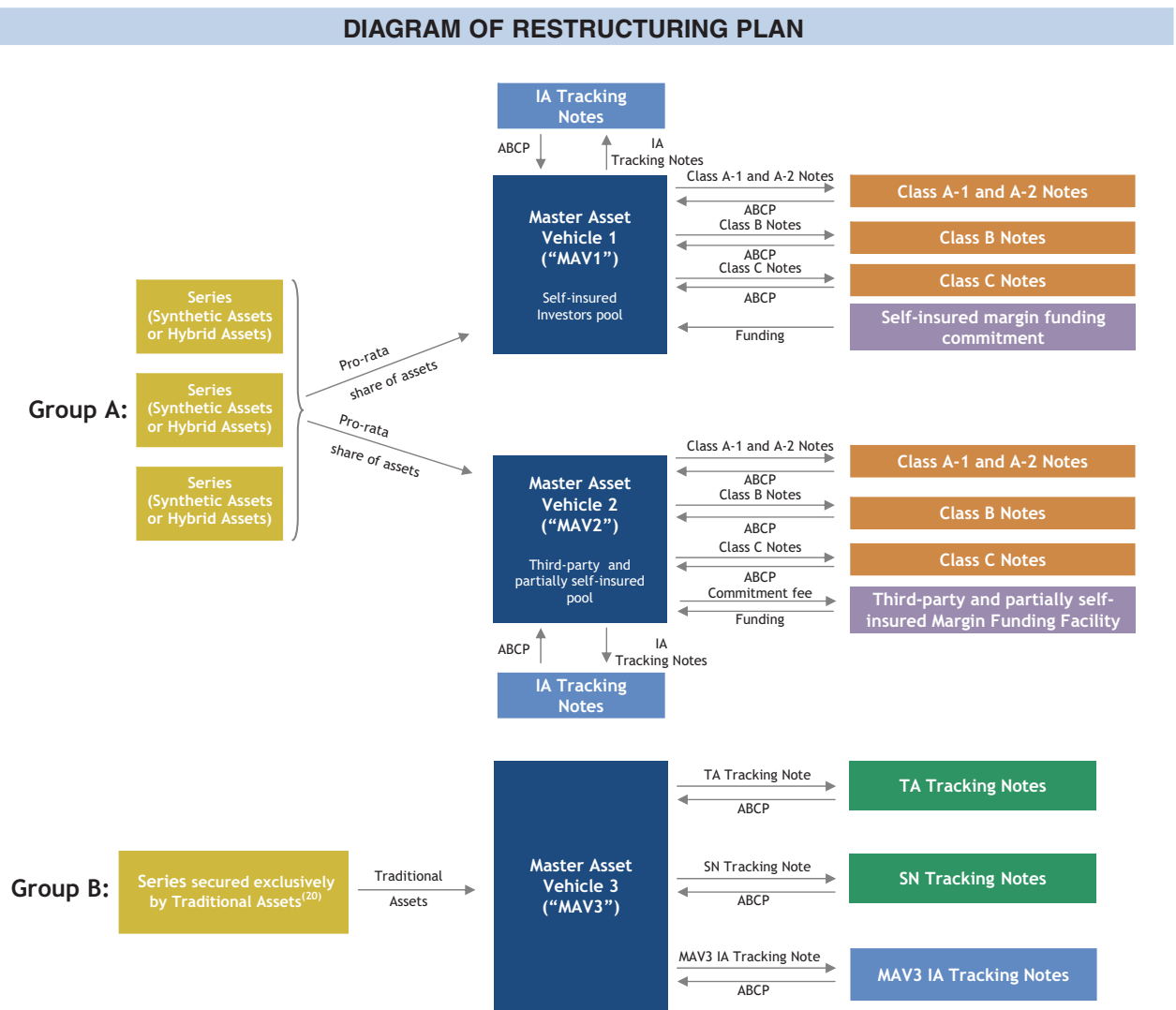
In some instances assets held in the ABCP Conduits are held indirectly through “sub trusts” or “satellite trusts”. In connection with the implementation of the Plan, the transfer of Traditional Assets that back Hybrid Series that are so held will generally be effected by transferring a proportionate co-ownership interest in the applicable Satellite Trust to each of MAV1 and MAV2. All Satellite Trusts that are transferred to the MAVs will remain in existence.

Depending on the Series of Affected ABCP held by a Noteholder, and the election made by a Noteholder to participate in either of MAV1 or MAV2, such Noteholder may receive one or more of Class A-1 Notes, Class A-2 Notes, Class B Notes, Class C Notes and IA Tracking Notes of MAV 1 or MAV 2, as applicable, MAV3 IA Tracking Notes and/or SN Tracking Notes and/or TA Tracking Notes of MAV3. The allocation of Plan Notes is determined based on the Relative Contribution Analysis and the nature of the assets supporting the Affected ABCP. See “Allocation of Plan Notes in Exchange for Affected ABCP”.

The different categories of Plan Notes that are to be issued in connection with the implementation of the Plan were designed to permit the ratings on the Class A-1 Notes and the Class A-2 Notes. DBRS is expected to rate the Class A-1 Notes and the Class A-2 Notes as AA. Ratings will also be sought on the TA Tracking Notes and the SN Tracking Notes. See “Ratings”.



The following diagram illustrates the assumption of the liabilities of the ABCP Conduits by, and the transfer of the related assets to, the MAVs and the issuance of Plan Notes to the holders of Affected ABCP.



### Sale of Traditional Assets at Par Value Prior to Implementation of the Plan

To the extent possible, certain Traditional Assets held in the ABCP Conduits may be sold back to the relevant Asset Originators where such originators are willing and able to purchase such assets on terms and at a price that would enable the repayment of all related Affected ABCP and other indebtedness incurred in connection with the assets, and accrued interest thereon to the date of such sale prior to the implementation of the Plan. The net proceeds of any such sales would be contributed to the new MAVs in the same proportions as would otherwise apply.

### Replacement of Certain Former Issuer Trustees

The Issuer Trustees of the ABCP Conduits are, as a matter of law, liable for all of the debts of the ABCP Conduits, including all of their liabilities to Noteholders. As a matter of contract, such liability is, in the case of each of the ABCP Conduits, limited to the trust property held for the benefit of the relevant Series of notes with no recourse to the Issuer Trustee's personal assets or assets held in other trusts by it and subject to an indemnity claim over against the applicable ABCP Conduit and its assets.

(20) Series that are backed by Exclusively Traditional Assets that have also been determined to be Ineligible Assets, will be assumed by, and the related assets transferred to, MAV3 and MAV3 IA Tracking Notes will be issued.



In order to facilitate the CCAA Proceedings and at the request of the Investors Committee, the Original Issuer Trustees agreed to resign as issuer trustees of certain of the ABCP Conduits, and the relevant ABCP Sponsors agreed to appoint special purpose corporations incorporated under the *Canada Business Corporations Act*. As a result, 6932819 Canada Inc., 4446372 Canada Inc., Metcalfe & Mansfield XI and Metcalfe & Mansfield XII were appointed to replace the Original Issuer Trustees in accordance with the amended and restated declaration of trust for each of the applicable ABCP Conduits. 6932819 Canada Inc. was created by BNY, 4446372 Canada Inc. was created by Computershare and Metcalfe & Mansfield XI and Metcalfe & Mansfield XII were each created by Metcalfe & Mansfield I.

The replacement of the Original Issuer Trustees was effected prior to the commencement of the CCAA Proceedings. 6932819 Canada Inc., 4446372 Canada Inc., Metcalfe & Mansfield XI and Metcalfe & Mansfield XII assumed all of the rights, powers, trusts and obligations and liabilities, respectively, of BNY, Computershare, Montreal Trust and Metcalfe & Mansfield I, in respect of the applicable ABCP Conduits. The original declarations of trust of certain ABCP Conduits were required to be amended and restated in order to facilitate the replacement of the Original Issuer Trustees, including, in particular, by removing the requirement that the applicable issuer trustee be a trust company. The Rating Agency, where required, has delivered its waiver of applicable notice provisions in relation to the resignation of the Original Issuer Trustees, as well as confirmations and/or consents related to such amendments to the original declarations of trust and to such replacement not affecting the rating of the affected ABCP Conduits.

As a result of the replacement of the Original Issuer Trustees by 6932819 Canada Inc., 4446372 Canada Inc., Metcalfe & Mansfield XI and Metcalfe & Mansfield XII, the liabilities of all of the ABCP Conduits are now, in the first instance, liabilities of a special purpose corporation that, in each case, is insolvent due to the insufficiency of the underlying assets of the ABCP Conduit, by which each such corporation is indemnified, to enable it to satisfy its liabilities as they become due. Given that all of the Issuer Trustees are insolvent corporations, it is possible to restructure their liabilities, including all of their liabilities to Noteholders, by way of proceedings under the CCAA.

### **Transaction Steps**

The following provides an overview of the principal transaction steps that will occur in connection with the restructuring of the Affected ABCP and the implementation of the Plan. For greater certainty, steps 5, 6, 7 and 8 will occur at the same time.

#### ***Formation of New Master Asset Vehicles***

1. MAV1 will be established under the laws of the Province of Ontario to assume Affected ABCP and related obligations from Noteholders participating in MAV1 (other than Affected ABCP backed by Exclusively Traditional Assets or the Series of Subordinated ABCP).
2. MAV2 will be established under the laws of the Province of Ontario to assume Affected ABCP and related obligations from Noteholders participating in MAV2 (other than Affected ABCP backed by Exclusively Traditional Assets or the Series of Subordinated ABCP).
3. MAV3 will be established under the laws of the Province of Ontario to assume the Series of Affected ABCP and related obligations that are backed by Exclusively Traditional Assets, certain Ineligible Assets and the Series of Subordinated ABCP.

#### ***Election by Noteholders to Participate in MAV1 or MAV2***

4. Under the terms of the Plan, Noteholders (other than Noteholders holding only Series of Affected ABCP backed by Exclusively Traditional Assets, exclusively by Ineligible Assets and/or Noteholders holding Series of Subordinated ABCP) will be entitled to elect (subject to the satisfaction of the MAV1 Eligibility Requirements and to the proper completion and timely delivery of a Form of Election described herein) to participate in either MAV1 or MAV2, failing which they will participate in MAV2:
  - (a) **MAV1:** A self-funding option whereby eligible Noteholders will provide specified amounts of committed funding for margin call requirements arising in relation to their proportionate share of the Transferred Synthetic and Hybrid Assets transferred to MAV1. The amount of committed funding may also need to be in certain prescribed forms and is anticipated to be in an amount within a range of 50% to 55% of a Noteholder's aggregate holdings of Affected ABCP of all Series of Synthetic and Hybrid Assets (excluding any such holdings supported by Ineligible Assets).

- (b) MAV2: A third-party funding option to which certain lenders, including the Canadian Banks, certain Asset Providers and potentially certain Noteholders (to a level less than their full proportionate share of the funding required for margin calls) will commit to provide specified amounts of funding for margin call requirements arising in relation to the Transferred Synthetic and Hybrid Assets transferred to MAV2.

Pursuant to the terms of the Plan, on the Plan Implementation Date, the following steps shall occur and shall be deemed to occur in the following order:

***Transfer of Synthetic and Hybrid Assets to MAV1 and MAV2***

5. Each ABCP Conduit will transfer to MAV1 a portion of its Synthetic and Hybrid Assets, such portion being based upon the percentage of the outstanding settlement amount of each Series of Affected ABCP held by Noteholders validly electing to participate in MAV1. The Synthetic and Hybrid Assets transferred will reflect a percentage of ownership in each such asset transferred to MAV1 and will not be comprised of different Synthetic and Hybrid Assets than those currently supporting the Series of Affected ABCP that will be assumed by MAV1 pursuant to the Plan. MAV1 will satisfy the purchase price for the transfer of such assets by assuming a proportionate amount of the respective ABCP Conduit's obligations (preserving the rank and priority of repayment of such obligations), including obligations under its Credit Default Swap contracts (by terminating and replacing those contracts as set out in paragraph 9 below) and by assuming a proportionate amount of the Affected ABCP of each ABCP Conduit held by Noteholders electing to participate in MAV1. The assets transferred to MAV1 will not be available to satisfy the obligations of MAV2.
6. Each ABCP Conduit will transfer to MAV2 a portion of its Synthetic and Hybrid Assets, such portion being based upon the percentage of the outstanding settlement amount of each Series of Affected ABCP held by Noteholders electing (or deemed to be electing) to participate in MAV2. The Synthetic and Hybrid Assets transferred will reflect a percentage of ownership in each such asset transferred to MAV2 and will not be comprised of different Synthetic and Hybrid Assets than those currently supporting the Series of Affected ABCP that will be assumed by MAV2 pursuant to the Plan. MAV2 will satisfy the purchase price for the transfer of such assets by assuming a proportionate amount of the respective ABCP Conduit's obligations (preserving the rank and priority of repayment of such obligations), including the obligations under its CDS contracts (by terminating and replacing those contracts as set out in paragraph 9 below) and by assuming a proportionate amount of the Affected ABCP of each ABCP Conduit held by Noteholders electing (or that are deemed to have elected) to participate in MAV2. The assets transferred to MAV2 will not be available to satisfy the obligations of MAV1.

***Transfer of Ineligible Assets***

7. Except for a Series of Affected ABCP that is supported by Exclusively Traditional Assets or the Series of Subordinated ABCP, each ABCP Conduit with a Series of Affected ABCP that is supported, in whole or in part, by Ineligible Assets will transfer to each of MAV1 and MAV2, as applicable, a portion of the Ineligible Assets, such portion being based upon the percentage of the outstanding amount of Affected ABCP that originally funded the acquisition of the Ineligible Assets held by Noteholders electing (or deemed to be electing) to participate in MAV1 or MAV2, as applicable. MAV1 and MAV2 will satisfy the purchase price for the respective Ineligible Assets by assuming a proportionate amount of the ABCP Conduits' obligations (preserving the rank and priority of repayment of such obligations), including the obligations under the Existing CDSs (by terminating and replacing those contracts as set out in paragraph 9 below) and by assuming a proportionate amount of the Affected ABCP of the ABCP Conduits that funded the acquisition of Ineligible Assets transferred to MAV1 or MAV2, as applicable.

***Transfer of Exclusively Traditional Assets***

8. Each ABCP Conduit with a Series of Affected ABCP that is supported in whole by Exclusively Traditional Assets will transfer its Exclusively Traditional Assets to MAV3. MAV3 will satisfy the purchase price for the Exclusively Traditional Assets by assuming the obligations (including, without limitation, Affected ABCP) that funded the acquisition of, or were incurred in connection with, the Exclusively Traditional Assets (and in so doing, will preserve the rank and priority of such related obligations).

***Restructuring of Credit Default Swaps***

9. Except for the Existing CDS contracts where RBS and Wachovia (and possibly CIBC) are the asset providers, all Existing CDS contracts entered into between the ABCP Conduits and the Asset Providers will be terminated without

any payments, including swap termination payments, being made under such Existing CDS contracts and will be replaced by the Credit Default Swap contracts described in paragraph 10 below. For a full description of the restructuring of the Existing CDS contracts, and any exceptions thereto, see “Restructuring of Credit Default Swaps”.

10. Each of MAV1 and MAV2 will enter into new Credit Default Swap contracts with the Asset Providers, except for RBS and Wachovia (and possibly CIBC), as counterparties, which contracts, except as set out in paragraph 11 below and described elsewhere in this Information Statement, will not in substance differ from the Credit Default Swap contracts that were terminated as set out in paragraph 9 above (in the case of MAV1, the “**MAV1 New CDSs**” and in the case of MAV2, the “**MAV2 New CDSs**” and collectively, the “**New CDSs**”). The respective obligations of MAV1 and MAV2 under the New CDSs will be secured by the Synthetic and Hybrid Assets transferred by the ABCP Conduits to the applicable MAV as set out in paragraphs 5 and 6 above.
11. The New LSS CDSs to be entered into by MAV1 and MAV2 as set out in paragraph 10 above, will differ from the Existing LSS CDSs originally entered into by the ABCP Conduits primarily in the following manners:
  - (a) the current mark-to-market margin call triggers (or, where applicable, spread-loss or loss-only triggers) will be changed<sup>(21)</sup> to new spread-loss triggers where default rates and spreads will generally be set at more remote levels as agreed to between the Asset Providers and the Investors Committee and in a form acceptable to the Rating Agency;
  - (b) an independent third party will be included as a Spread-Loss Calculation Agent with respect to the determination of the spread-loss margin triggers;
  - (c) the Traditional Assets and the New Unleveraged CDSs will be used as collateral to secure each of MAV1’s and MAV2’s respective obligations under the New LSS CDSs as more fully described under “Intercreditor Arrangements”;
  - (d) all collateral securing MAV1 and MAV2’s respective obligations under the New LSS CDSs will be cross-collateralized and pooled by Asset Provider in respect of its New LSS CDSs with the relevant MAV;
  - (e) upon a First Spread-Loss Trigger Event, the Required Collateral calculation for each Asset Provider for the Asset Provider’s trades that are subject to the First Spread-Loss Trigger Event, will be calculated on a mark-to-market basis, and if such Asset Provider’s Original Collateral is less than such Asset Provider’s Required Collateral, the Collateral Agent will re-allocate such Asset Provider’s Initial Collateral Amount to meet such deficiency;
  - (f) upon a Second Spread-Loss Trigger Event, all Asset Providers’ Required Collateral will be calculated on a mark-to-market basis. At such point, the Additional Collateral will no longer be siloed by Asset Provider and will be pooled amongst all Asset Providers.
12. All of the Synthetic and Hybrid Assets transferred to MAV1 will be pooled for purposes of funding the return on the MAV1 Notes.
13. All of the Synthetic and Hybrid Assets transferred to MAV2 will be pooled for purposes of funding the return on the MAV2 Notes.
14. The terms of all of the Affected ABCP, as assumed by each of the new MAVs, as applicable, will be amended to provide to Noteholders the right to exchange their Affected ABCP for MAV1 Notes, MAV2 Notes and/or MAV3 Notes as described below.

***Exchange of Affected ABCP by MAV1, MAV2 or MAV3***

15. Noteholders holding Affected ABCP (other than ABCP described in paragraphs 17 and 18 below) that is assumed by MAV1 as set out in paragraph 5 above will exchange such Affected ABCP for:
  - (a) a class A-1 note of MAV1 (“**MAV1 Class A-1 Note**”);
  - (b) a class A-2 note of MAV1 (“**MAV1 Class A-2 Note**”);
  - (c) a class B note of MAV1 (“**MAV1 Class B Note**”); and
  - (d) a class C note of MAV1 (“**MAV1 Class C Note**”).

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(21) The triggers applicable to the trades involving RBS and Wachovia shall remain unamended.

MAV1 Class A-1 Notes, MAV1 Class A-2 Notes, MAV1 Class B Notes and MAV1 Class C Notes are referred to collectively as the “**MAV1 Notes**”.

The aggregate principal amount of MAV1 Notes issued by MAV1 to Noteholders will equal the aggregate settlement amount of Affected ABCP assumed by MAV1 less the aggregate principal amount of the IA Tracking Notes issued by MAV1 to such Noteholders. The principal amount of a MAV1 Class A-1 Note issued to a Noteholder by MAV1 will reflect the Noteholder’s aggregated indirect relative contribution to the value of the Transferred Synthetic and Hybrid Assets (excluding Ineligible Assets) transferred to MAV1, as reflected in the Relative Contribution Analysis (with the balance of the principal amount of the Affected ABCP exchanged being represented by MAV1 Class A-2 Notes, the MAV1 Class B Notes, MAV1 Class C Notes and, if applicable, IA Tracking Notes).

The aggregate principal amount of IA Tracking Notes of MAV1 will equal the aggregate settlement amount of the Affected ABCP assumed by MAV1 as set out in paragraph 7 above. A separate IA Tracking Note will be issued by MAV1 for each individual Ineligible Asset that is transferred to MAV1.

16. Noteholders holding Affected ABCP (other than their Affected ABCP described in paragraphs 17 and 18 below) that is assumed by MAV2 as set out in paragraph 6 above will exchange such Affected ABCP for:
  - (a) a class A-1 note of MAV2 (“**MAV2 Class A-1 Note**”);
  - (b) a class A-2 note of MAV2 (“**MAV2 Class A-2 Note**”);
  - (c) a class B note of MAV2 (“**MAV2 Class B Note**”); and
  - (d) a class C note of MAV2 (“**MAV2 Class C Note**”).

MAV2 Class A-1 Notes, MAV2 Class A-2 Notes, MAV2 Class B Notes and MAV2 Class C Notes are referred to collectively as the “**MAV2 Notes**”.

The aggregate principal amount of MAV2 Notes issued by MAV2 to Noteholders will equal the aggregate settlement amount of Affected ABCP assumed by MAV2 less the aggregate principal amount of the IA Tracking Notes issued by MAV2 to such Noteholders. The principal amount of a MAV2 Class A-1 Note issued to a Noteholder by MAV2 will reflect the Noteholder’s aggregated indirect relative contribution to the value of the Transferred Synthetic and Hybrid Assets (excluding Ineligible Assets) transferred to MAV2, as reflected in the Relative Contribution Analysis (with the balance of the principal amount of the Affected ABCP exchanged being represented by MAV2 Class A-2 Notes, the MAV2 Class B Notes, MAV2 Third Class C Notes and, if applicable, IA Tracking Notes).

The aggregate principal amount of IA Tracking Notes of MAV2 will equal the aggregate settlement amount of the Affected ABCP assumed by MAV2 as set out in paragraph 7 above. A separate IA Tracking Note will be issued by MAV2 for each individual Ineligible Asset that is transferred to MAV2.

17. Noteholders holding a Series of Affected ABCP (other than a Series of Subordinated ABCP) assumed by MAV3 in connection with the transfer of Exclusively Traditional Assets will exchange their Affected ABCP of such Series for a note (the “**TA Tracking Note**”) issued by MAV3 in an aggregate principal amount equal to the aggregate settlement amount of such Affected ABCP assumed by MAV3 less the aggregate principal amount of the MAV3 IA Tracking Notes. Each TA Tracking Note will be secured by the specific Exclusively Traditional Assets that previously secured the Series of Affected ABCP assumed by MAV3 and the TA Tracking Notes will receive payments that will be based on the performance of such Exclusively Traditional Assets. A separate MAV3 IA Tracking Note will be issued by MAV3 for each individual Ineligible Asset that is transferred to MAV3.
18. Noteholders holding a Series of Subordinated ABCP assumed by MAV3 will exchange their Subordinated ABCP for a note (the “**SN Tracking Note**”) in an aggregate principal amount equal to the aggregate settlement amount of such Subordinated ABCP assumed by MAV3. Each SN Tracking Note will be secured by the particular Traditional Asset program that previously supported the Subordinated ABCP assumed by MAV3 and the SN Tracking Notes will receive payments depending on performance of such Traditional Asset program and the relevant entitlement. For the avoidance of doubt, following the implementation of the Plan, the right of holders of SN Tracking Notes to receive payments will remain dependent on the extent that monies are available from the relevant particular Traditional Asset program to satisfy payments owed to creditors that rank ahead of the SN Tracking Notes in priority of payment under the terms of the applicable securitization agreements.

### ***Termination of Liquidity Agreements***

19. All of the liquidity agreements in place for the benefit of one or more Series of Affected ABCP (excluding, for greater certainty, those which have terminated or expired in accordance with their terms) will be cancelled with no additional payments being made by or on behalf any of the parties thereto.

### ***Liquidation of ABCP Conduits***

20. Subsequent to the transfer of their respective assets to the MAVs and the assumption by the MAVs of their respective obligations, each of the ABCP Conduits and any Satellite Trusts not transferred under the Plan will be terminated in accordance with the terms of its governing documents or as may otherwise be approved by the Court.

### ***Collateral Posting***

21. Collateral posting across the Synthetic and Hybrid Assets transferred to MAV1 and MAV2 will be effected as described under “Intercreditor Arrangements”.

### ***Margin Funding Facilities***

22. Certain parties, including certain Asset Providers, the Canadian Banks and potentially, certain Noteholders participating in MAV2, will provide margin call support pursuant to the terms of the Margin Funding Facility Agreement pursuant to which they will agree to provide to MAV2 their committed share of the MAV2 Margin Funding Facility in the event a margin call is made by one or more Asset Providers under New CDSs collateralized by the Synthetic and Hybrid Assets transferred to MAV2 which cannot be met through existing collateral. Based on current estimates of participation by members of the Investors Committee in MAV1 and MAV2, respectively, it is estimated that the size of the MAV1 Margin Funding Facility will be approximately \$8.5 billion and the size of the MAV2 Margin Funding Facility is estimated to be approximately \$5.2 billion. The principal terms of the Margin Funding Facility Agreement are described below under “Margin Funding Facilities — The Margin Funding Facility Agreement”.
23. A Noteholder that has validly elected to participate in MAV1 will commit to provide margin call support pursuant to the terms of the MAV1 Margin Funding Facility Agreement pursuant to which it will agree to provide to MAV1 its proportionate share (based on the proportionate share of the MAV1 Notes held by such Noteholder) of the MAV1 Margin Funding Facility in the event a margin call is made by one or more Asset Providers under the New MAV1 CDSs collateralized by the Synthetic and Hybrid Assets transferred to MAV1 which cannot be met through existing collateral. The principal terms of the MAV1 Margin Funding Facility Agreement are described below under “Margin Funding Facilities — Collateral Funding Facility”.

### ***Other Aspects of the Plan***

#### ***Conditions Precedent***

The implementation of the Plan is conditional upon the receipt of various approvals and the completion of certain matters, including the following:

- (a) receipt of all the approvals contemplated under “Required Approvals”;
- (b) the entering into and execution of each of the Approved Agreements by each of the parties thereto;
- (c) settlement and execution of required legal documentation;
- (d) repayment of the PSF Notes;
- (e) the disengagement of the Global Digit Arrangements; and
- (f) the expiry of the appeal periods and any periods for leave to appeal with respect to the Sanction Order or upon a final determination denying leave to appeal the Sanction Order.

In accordance with the terms of the Plan, certain of these conditions precedent may be waived, in whole or in part, by the Investors Committee with the prior written approval of the Monitor and the Asset Providers.

#### ***Releases***

As a condition to participation by certain parties to the Plan, and the completion of the restructuring and the implementation of the Plan, such parties (including the ABCP Conduits, the ABCP Sponsors, the Satellite Trusts Parties,



the Administrative Agents, BlackRock, the Financial Services Agents, the Asset Providers, the Issuer Trustees, the Original Issuer Trustees, the Existing Note Indenture Trustees, the New Indenture Trustees, the Canadian Banks, the Liquidity Providers, Asset Originators, the ABCP Dealers, the Issuing and Paying Agents, the Noteholders (including, as applicable, in their capacities as members represented on the Investors Committee), the Rating Agency, the Applicants, as well as each of their respective affiliates, and each of their respective present and former officers, directors, employees, auditors, financial advisors, legal counsel, other professionals and agents and associated individuals), will receive comprehensive and fully effective releases, whether by participation in the Plan, order of the Court, through contractual arrangements and/or by operation of law, with respect to all matters concerning or otherwise relating to the Third-party ABCP market in Canada as it relates to the ABCP Conduits. See “Releases”.

#### ***Other Limitations on the Liability of Parties Involved in the Plan***

The Asset Providers, the ABCP Sponsors, the Respondents, the MAV1 MFF Lenders, the MAV2 MFF Lenders, the Applicants, the Original Issuer Trustees, the Administrative Agents, the Financial Services Agents, the Selkirk Satellite-Trust Parties, the Issuing and Paying Agents, the Existing Note Indenture Trustees, the Rating Agency, JPMorgan, National PR, Goodmans, E&Y, in its capacity as consultant to the Investors Committee prior to its appointment as Monitor and as the Monitor and BlackRock Canada, including in each case, their respective affiliates, directors, officers, employees, associated individuals, agents and representatives, and any of their respective professional advisors, shall have no liability or obligation to any Person for their role, or any act or omission, in connection with the standstill that has been observed since August 15, 2007, the CCAA Proceedings, activities undertaken in preparation for or anticipation of the CCAA Proceedings, the Plan or the property to be distributed under the Plan.

#### ***Repayment of PSF Notes***

PSF Notes of Ironstone Trust, MMAI-I and Silverstone Trust were issued to NBF at the request of NBF as compensation for certain services provided by NBF in its capacity as financial services agent of those ABCP Conduits. PSF Notes evidence unconditional limited recourse debts and obligations of those ABCP Conduits, payable and fully earned upon the funding of an asset program by the issuance of a Series of those ABCP Conduits. The PSF Notes rank as to the repayment of principal and interest *pari passu* with the interest payable by the issuing ABCP Conduit to holders of its ABCP and in priority to the payment of principal on such ABCP.

The PSF Notes were sold by NBF to certain third parties following the formation of Ironstone, MMAI-I and Silverstone Trusts in 2004 and 2005. Prior to the Plan Implementation Date, the holders of outstanding PSF Notes will receive the principal amount of their PSF Notes along with interest accrued thereon. The total amount of payments to be made by the Original Issuer Trustees or the Issuer Trustees of the relevant ABCP Conduits to the holders of outstanding PSF Notes is as follows: \$847,210 in respect of the Ironstone PSF Notes; \$10,603,618 in respect of the MMAI-I PSF Notes; and \$12,834,442 in respect of the Silverstone PSF Notes.<sup>(22)</sup>

#### ***Global Digit Trusts***

Each of MMAI-I Trust and Silverstone Trust is a party to Credit Default Swaps (the “**Bank Swaps**”) with Deutsche Bank. The Bank Swaps are mirrored by back-to-back Credit Default Swaps (the “**GD Swaps**”) between MMAI-I Trust and Global Diversified Investment Grade Income Trust and Global Diversified Investment Grade Private Trust and between Silverstone Trust and Global Diversified Investment Grade Income Trust II (Global Diversified Investment Grade Income Trust, Global Diversified Investment Grade Private Trust and Global Diversified Investment Grade Income Trust II are collectively referred to as the “**GD Trusts**”). To secure their obligations under the GD Swaps, the GD Trusts have each pledged collateral to the relevant Conduit. Each Conduit has, in turn, pledged the collateral received from a GD Trust to Deutsche Bank to secure its identical obligations under its Bank Swap.

The payment provisions under the Bank Swaps are mirrored by those of the GD Swaps, such that for each payment obligation of Deutsche Bank to the Conduits under the Bank Swaps, there is a corresponding payment obligation from the Conduits to the GD Trusts, and vice-versa. In certain circumstances, however, each of the Conduits has the right to withhold amounts received from Deutsche Bank. These rights were exercised by each of these Conduits in mid-August 2007. However, as a result of diverging views with respect to the right of each of the Conduits and the GD Trusts to the amounts received by Deutsche Bank, the amounts withheld were segregated in escrow pending determination of the respective rights of each party to such amounts.

<sup>(22)</sup> The amounts owing to the holders of PSF Notes listed above are as of January 31, 2008.



In order for the Plan to be implemented in respect of the two Conduits without undue complication, the Conduits will disengage from the foregoing arrangements prior to the Plan Implementation Date (or concurrently therewith). The result will be that: (i) the Conduits will release the collateral pledged to them by the GD Trusts and will be released from their pledges of collateral to Deutsche Bank; (ii) the Conduits will pay to the GD Trusts the escrowed funds, including any interest accrued thereon; (iii) the rights of each of the Conduits in the GD Swaps will be assigned to Deutsche Bank, which will also assume all of the obligations of the Conduits thereunder, thereby disengaging the Conduits from the structure and releasing them from any further obligation to the GD Trusts; (iv) upon termination of the GD Swaps, the GD Trusts will be paid by the Conduits the amounts accrued in respect of the residual amount that would otherwise have been payable to the GD Trusts at the maturity date of the GD Swaps, and the GD Trusts will acknowledge that they are no longer entitled to receive any further residual amount; and (v) the Bank Swaps will be terminated and the Conduits will be released from their obligations thereunder.

### ***Treatment of Existing Subordinated Notes***

Series of Subordinated ABCP were issued to provide credit enhancement for particular Traditional Asset programs. The recourse of holders of a Series of Subordinated ABCP is limited to the particular Traditional Asset program that Series was issued to fund and, furthermore, the holders of that Subordinated ABCP are entitled to payment only to the extent that monies are available from that particular Traditional Asset program to satisfy payments owed to creditors that rank ahead of such holders of Subordinated ABCP in priority of payment under the terms of a securitization agreement between, among others, the Issuer Trustee of the relevant ABCP Conduit and the Asset Originator.

MAV3 will assume the obligations under the Subordinated ABCP and the holders of such Subordinated ABCP will be issued a SN Tracking Note in exchange in an aggregate principal amount equal to the aggregate settlement amount of the Subordinated ABCP assumed by MAV3. Each SN Tracking Note will be secured by the particular Traditional Asset program that previously secured the Subordinated ABCP transferred to MAV3 and the SN Tracking Notes will receive payments depending upon the performance of such Traditional Asset program. For the avoidance of doubt, following the implementation of the Plan, the right of holders of SN Tracking Notes to receive payments will remain dependent on the extent that monies are available from the relevant particular Traditional Asset programs to satisfy payments owed to creditors that rank ahead of the SN Tracking notes in priority of payment under the terms of the relevant securitization agreements.

The consent of the Asset Originators of the Traditional Asset programs will be required as a condition to (i) making certain amendments to the terms of the relevant securitization agreements to better reflect the maturities and right to interest payments of the relevant Plan Notes; and (ii) effecting the transfer and assignment of the right to payment in respect of the relevant Plan Notes from the relevant ABCP Conduits to the relevant MAV. There can be no assurance that such consents will be obtained.

The vote by Noteholders of each Series of Subordinated ABCP will form a part of the **single Class** of Noteholders voting at the Meeting for purposes of approving the Plan, although the voting will be conducted and tabulated on a Series by Series basis. See “Voting at the Meeting”.

### ***Unpaid Interest***

It is anticipated that the payment of interest will be made to Noteholders on the Plan Implementation Date or as soon as possible thereafter out of the applicable Series Surplus to the extent that sufficient funds are available for such payment. In the absence of specific provisions in the applicable agreements, interest payments will be made at the rate (or based on the yield at maturity for discounted notes), that governed the Affected ABCP prior to maturity of the particular Series. The amount of interest to be paid to Noteholders will vary and will be based upon the amount of cash available in the Conduit Accounts, after the payment of fees, disbursements and expenses authorized by the Initial Order or contemplated by the Plan and amounts posted as additional collateral to supplement margin funding commitments. In the event of a deficiency in the MAV2 margin funding requirements that is not addressed through other means, the amount accumulated in the ABCP Sponsors’ accounts will be retained in MAV2 as collateral to address the deficiency. See “Payment of Interest on Affected ABCP Prior to Restructuring”.

### ***Remittance of Reserve Amounts***

Any amounts held by or on behalf of an ABCP Conduit in one or more reserve accounts funded by an ABCP Sponsor (as confirmed by the Monitor) in connection with unapplied credit enhancement for the Affected ABCP as of the date of

the Initial Order shall be held in such accounts and remitted to the applicable ABCP Sponsor on the Plan Implementation Date or as soon as practicable thereafter.

#### ***Asset Administration and Eligible Investments***

Upon the Plan Implementation Date, BlackRock Canada will be appointed to act as administrator and asset manager on behalf of each MAV with respect to its Transferred Synthetic and Hybrid Assets, Exclusively Traditional Assets and Ineligible Assets, as applicable. In such capacity BlackRock Canada will be responsible for monitoring the performance of the assets and taking appropriate actions (as permitted in accordance with the Administration and Management Agreements) with respect to the assets and for performing certain administrative services for the MAVs. See “Duties of Administrator and Asset Manager”.

#### ***Asset Sales; Reinvestment***

In performing its duties under each of the Administration and Management Agreements, BlackRock Canada may

- (a) sell, terminate or novate Managed Assets that are Par Sale Assets;
- (b) in its discretion, sell, terminate or novate Managed Assets where deemed necessary or advisable by BlackRock Canada in connection with a Managed Asset that is a Credit Risk Asset or a defaulted asset; or
- (c) sell, terminate or novate Managed Assets (including Co-Owned Assets) where deemed advisable by BlackRock Canada in its discretion in connection with portfolio diversification or to otherwise improve the risk/reward characteristics of the portfolio of Managed Assets of the MAVs;

provided, for the avoidance of doubt, that any sale, termination or novation pursuant to (b) or (c) may be made for a price below par or with a termination payment by each MAV.

All or a portion of the Sale Proceeds from any such Managed Asset sold may be reinvested, at the Asset Manager’s sole discretion, in one or more Eligible Investments; provided, that: (i) such reinvestment satisfies the Eligibility Criteria; (ii) the weighted average life of such Eligible Investment (or Eligible Investments) is within two years of the weighted average life of the Managed Asset sold; (iii) the rating or ratings assigned to such Eligible Investment is within two ratings notches of the rating or ratings assigned to the Eligible Investment sold; and (iv) discretionary sales, terminations or novations pursuant to clause (c) above (excluding sales of Co-Owned Assets) in any one year (with the first year beginning on the Plan Implementation Date) shall not exceed 50% of the par or notional amount of Managed Assets (excluding Co-Owned Assets) as of the first Business Day of such year. For the avoidance of doubt, BlackRock Canada will have complete discretion with respect to the Co-Owned Assets, subject to the restrictions in the Program Documents. The Administration and Management Agreements are expected to include rating agency notification and confirmation provisions in a manner satisfactory to the Rating Agency.

#### ***Consultation***

An advisory committee of Noteholders (in the case of MAV1, the “**MAV1 Advisory Committee**” and in the case of MAV2, the “**MAV2 Advisory Committee**” and collectively, the “**Advisory Committee**”) will be established pursuant to the applicable Trust Indenture for MAV1 or MAV2, to liaise with, to be available for consultation with and, with respect to MAV1 only, to provide advice to, BlackRock Canada as the Administrator and Asset Manager to provide a forum for consultation regarding strategies to be pursued by, and actions to be taken by, BlackRock Canada with respect to the management of the assets held by such MAV and the administration of its affairs. In connection with the performance of its duties under the Administration and Management Agreements, BlackRock Canada will periodically consult with each Advisory Committee with regard to the Managed Assets.

#### ***Costs of the Restructuring***

The combined fees, costs and expenses in connection with the Plan, including financial advisors’ fees, Rating Agency fees, legal fees, the Monitor’s fees, fees of the Original Issuer Trustees and printing and mailing costs, are estimated to be approximately \$80-100 million. JPMorgan and Goodmans (until the court filing), Broadridge Financial Solutions, E&Y (until appointed Monitor by the Court) and PwC and Miller Thomson (up to \$1 million, incurred before the court filing) are being paid in the first instance by the 17 members of the Investors Committee on a *pro rata* basis, based on the amount of their holdings of Affected ABCP. These costs, however, will be recouped upon successful implementation of the Plan and, subject to Court order, are to be allocated among, and paid from, the assets held in each of the ABCP Conduits. Certain costs of the Original Issuer Trustees, the Existing Note Indenture Trustees and Sponsors

incurred in connection with the restructuring have been paid from the cash accumulated in the ABCP Conduits, allocated among, and paid from, the assets held in each of the ABCP Conduits based on the principal amount of their Affected ABCP that is issued and outstanding, on a Series by Series basis. The Monitor's costs and other costs incurred during the Court proceedings and approved for payment therefrom will also be paid from accumulated cash. Therefore, all of these costs and expenses will ultimately be borne by Noteholders. In connection with the restructuring of the Skeena Capital Trust which was completed on December 20, 2007, Skeena paid approximately \$2.6 million of such costs.

## **BENEFITS OF THE RESTRUCTURING PLAN**

The Investors Committee has reviewed and carefully considered a broad variety of proposals to restructure the Affected ABCP with the benefit of expertise and advice from its financial advisor, JPMorgan and Goodmans, its legal advisor. The Plan described in this Information Statement incorporates elements from several of the proposals put forth to the Investors Committee for its consideration. The following is a summary of the principal benefits that are expected to result from the restructuring Plan.

### **1. The Plan promotes value preservation.**

By converting the Affected ABCP into long-term Plan Notes, the likelihood of default is reduced. This is a critical value enhancing benefit of the Plan as it prevents the forced liquidation of assets at depressed prices that would result in significant losses to Noteholders. Through its various credit enhancement measures, the Plan is intended to reduce the risk that external events affecting credit markets generally will have a significant adverse impact on the Plan Notes and provides Noteholders with an opportunity to receive maximum repayment of principal and interest. In addition, JPMorgan has advised the Investors Committee that the restructuring proposal improves the potential for value recovery over time.

### **2. The Plan promotes the equitable treatment of Noteholders.**

The Plan, and the structure through which it is to be implemented, promotes the equitable treatment of Noteholders. The allocation of assets (within the new Master Asset Vehicles) and Plan Notes based on the Relative Contribution Analysis is designed to reduce the impact of cross-subsidization among Noteholders and mitigates the degree to which any Noteholder may profit unfairly at the expense of any other Noteholder.

### **3. The Plan establishes an enhanced structure to manage the assets.**

The Plan establishes a new and enhanced structure to manage the underlying assets by providing distinct solutions for (i) Affected ABCP that is supported solely by Traditional Assets; (ii) Affected ABCP that is supported solely by Synthetic and Hybrid Assets; and (iii) Affected ABCP supported, to a significant extent, by assets with exposure to the U.S. sub-prime market. By segregating the assets in this manner, the Plan seeks to mitigate risk through pooling while facilitating the use of particular credit-enhancement measures to address distinctions among the underlying assets and, where possible, seeks to improve their overall creditworthiness. BlackRock Canada, the asset manager of the new MAVs, will also adhere to the established investment guidelines with a view to managing and/or liquidating assets in the interests of Noteholders generally.

### **4. The Plan mitigates default risk through a restructuring of the maturities of the Affected ABCP.**

Under the terms of the Plan, all of the Affected ABCP will be replaced with new long-term Plan Notes, which securities will bear maturities that are designed to more closely reflect the maturities of the underlying assets. Among other benefits, this removes the need for ongoing liquidity arrangements to support the repayment of maturing Affected ABCP.

### **5. The Plan mitigates default risk through the establishment of the Margin Funding Facilities.**

Pursuant to the terms of the Plan, the newly established Margin Funding Facilities will provide a dedicated structure to fund collateral calls made against one or both of MAV1 and MAV2 in the event that margin call triggers are breached and the amounts of posted collateral are deemed to be inadequate. In addition, the Margin Funding Facilities will be available to pay cash settlement amounts under the New LSS CDS to the extent necessary. A total of approximately \$13.6 billion in available margin funding will be made available by a combination of Asset Providers, Canadian Banks, and, potentially, other Noteholders. In the event of margin calls, access to this committed funding will reduce the likelihood of forced unwinds within the underlying trades. The Margin Funding Facilities are also being made available at a cost that is considered to be below prevailing market prices for these types of lending facilities. A further total of

\$8.5 billion of cash, Traditional Assets and Existing Unleveraged CDSs will also be pledged by the MAVs to further reduce the likelihood of forced unwinds.<sup>(23)</sup>

**6. The Plan mitigates margin call trigger risk by pooling the leveraged super senior assets.**

Through the pooling of the Synthetic and Hybrid Assets and the transfer of the related cash and Traditional Asset collateral to the new MAVs, the Plan reduces the likelihood of margin calls and the potential forced liquidation of assets at depressed prices. Asset Providers expecting a margin call have agreed to accept additional assets as collateral prior to requiring additional margin or forcing an unwind event under the terms of the swap transactions.

**7. The Plan mitigates margin call risk by moving the mark-to-market triggers to spread-loss triggers.**

The restructuring of the margin call triggers within the New LSS CDS is another critical component of the Plan. In their existing form, the triggers embedded within the Existing LSS CDS are predominantly mark-to-market based. Under the terms of the Plan, the triggers would be restructured to become spread-loss based, which triggers are generally considered preferable as they are based on observable metrics and because the levels proposed in the Plan are set such that the likelihood of a trigger event becomes substantially more remote. Furthermore, as the triggering of at least one of these spread-loss triggers is a necessary (but not sufficient) condition to margin calls, and are backed up by mark-to-market triggers, they allow larger market moves than the mark-to-market triggers in place prior to implementation of the Plan, and because they are further supported by substantial notionals of additional assets and committed margin funding, the Plan makes it less likely that trades would need to be unwound.

**8. The Plan promotes improved credit ratings.**

The Investors Committee has been advised that, absent the restructuring and implementation of the Plan, many of the Series of Affected ABCP could be subject to rating downgrades and that such downgrades would likely contribute to the further erosion of value and may also impair liquidity and trading of Affected ABCP. In connection with the implementation of the Plan, DBRS is expected to assign a rating of AA to the Class A-1 Notes and a rating of AA to the Class A-2 Notes. There can be no assurance that any such rating will be assigned or, if assigned, will not be withdrawn or lowered in the discretion of DBRS. Ratings will also be sought for the TA Tracking Notes and the SN Tracking Notes.

**9. The Plan significantly improves transparency.**

The Investors Committee and its Chairman have maintained their unwavering support for greater transparency in respect of the Affected ABCP. In connection with the CCAA Proceedings and the Noteholder approval process relating to the Plan, the parties to the restructuring, including the Asset Providers and the ABCP Sponsors, have agreed to share with Noteholders virtually all of the information relating to the Affected ABCP and its underlying assets. Copies of, among others, constating and organizational documents of the ABCP Conduits, asset acquisition documents, servicer reports, Existing CDS documents and liquidity agreements are available to Noteholders through the Website. Although there can be no assurance in this regard, this improved level of transparency with regard to the Affected ABCP is expected to promote improved liquidity in the Plan Notes and to engender further confidence in the overall quality of the MAVs' assets. By pooling a large amount of assets within two MAVs, the Plan also creates a larger class of uniform securities that both third-party investors and dealers may be incentivized to follow. Furthermore, under the terms of the proposed arrangements with BlackRock Canada, holders of Plan Notes and other stakeholders will receive ongoing access to information concerning the underlying assets as well as reporting on the performance of their respective Plan Notes.

**10. The Plan promotes improved liquidity for the Plan Notes.**

There are many factors, including several of the benefits listed above, that are expected to promote liquidity for the Plan Notes. Although there can be no assurance in this regard, the significant size of the two principal MAVs, the credit enhanced nature of the margin call triggers, the availability of the Margin Funding Facilities, the rating by DBRS, and the improved transparency into the nature, quality and diversity of the underlying assets are each factors that the Investors Committee believes will promote the creation of a market for Plan Notes. Due to the required holding period and eligibility requirements applicable to holders of transfer restrictions applicable with respect to the MAV1 Notes, it is more likely that a secondary market will develop in respect of the MAV2 Notes.

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(23) The amounts described in this paragraph represent estimates based upon assumptions about MAV1 participation levels by the organizations and institutions represented by the members of the Investors Committee. See "Anticipated Participation in MAV1 and MAV2".



## ANTICIPATED IMPACT IF PLAN NOT IMPLEMENTED

The Investors Committee believes, based on the advice of its financial advisor JPMorgan, that in the event the Plan is not implemented, certain factors may impact the return on investment of the Affected ABCP. The value of Affected ABCP going forward absent a restructuring cannot be predicted with any degree of certainty and the following summary may not address or adequately describe the potential consequences associated with the failure to implement the Plan.

A significant portion of the Affected ABCP has exposure to Leveraged Super Senior transactions. These transactions involve notional risk to each Asset Provider that is greater than the amount of collateral securing each swap. Asset Providers have the right to require additional collateral in the event that certain mark-to-market triggers are breached. If an ABCP Conduit cannot post the required collateral, the Asset Provider may unwind the trade and liquidate collateral to cover its losses, which would result in significant losses to Noteholders. JPMorgan has informed the Investors Committee that as of March 4, 2008 approximately 77% of the Existing LSS CDSs would have already reached margin call thresholds or would have been within 10% of such thresholds on that date.<sup>(24)</sup> Accordingly, approximately \$13.2 billion of collateral would have been at immediate risk of being seized and sold. Certain Asset Providers currently entitled to additional collateral may not be exercising their margin call rights as they are currently precluded from doing so in accordance with the terms of the standstill arrangements entered into in connection with the Montreal Accord. These standstill arrangements would, however, expire in the event a restructuring is not achieved in a timely manner.

Even if margin call triggers are not breached, or if ABCP Conduits are able to post sufficient collateral to prevent default in the event that such triggers are breached, there remains a risk that one or more of the ABCP Conduits will default on their obligation to repay Noteholders on the scheduled maturity dates of the Affected ABCP. The maturity dates for the majority of the Affected ABCP do not correspond with the maturity dates for the relevant underlying assets. In the past, maturing ABCP has typically been repaid with the proceeds of the sale of new ABCP. As occurred on August 13, 2007, if new ABCP cannot be sold in sufficient quantities, ABCP Conduits may not be able to obtain sufficient funding to repay Noteholders. The resulting defaults could cause Noteholder losses. In the event that either margin call or maturity defaults take place, the resulting liquidation of a significant amount of assets in a relatively short period of time could lead to significant market volatility. This volatility could increase the likelihood of further mark-to-market triggers being breached, and the resulting margin calls could cause further defaults. This so-called “domino effect” could adversely impact the value of the Affected ABCP.

The aforementioned default risks may harm the credit ratings currently assigned to Affected ABCP, which ratings are a key element of the value of the Affected ABCP. In the event that a restructuring is not achieved, some or all of the Affected ABCP may be subject to a ratings downgrade. A downgrade would likely decrease the value of Affected ABCP. Furthermore, it is possible that some Noteholders may be prohibited from holding downgraded ABCP due to regulatory restrictions or other limitations. Accordingly, any such Noteholder(s) may be forced to sell their downgraded Affected ABCP at depressed prices.

The value of Affected ABCP in the context of a forced or voluntary sale is uncertain. There is not currently a public market for the Affected ABCP and there is no generally accepted method for its valuation. Among other factors, negative publicity, market factors and the lack of transparency that is attributed to the Affected ABCP may limit the price at which a buyer would be willing to purchase the Affected ABCP. These factors would be expected to continue to limit the value and liquidity of the Affected ABCP in the event the Plan is not implemented. In addition, a significant portion of the liquidity agreements that were in place on August 13, 2007 will have expired or terminated in accordance with their terms and as such liquidity agreements would therefore no longer be available to support the relevant Series of Affected ABCP. Moreover, pursuant to the provisions of the Montreal Accord, ABCP Conduits are prohibited from making further liquidity calls under any outstanding liquidity agreements for 150 days following the end of the applicable Standstill Period under the Montreal Accord.

Preserving the value of these assets depends, to a certain extent, on decisions taken by the asset managers and administrative agents of each ABCP Conduit. On February 12, 2008, COF, the publicly traded company that controls Coventree, the largest of the ABCP Sponsors, announced that a special committee established by COF’s board of directors had concluded that, regardless of whether the Plan is implemented or not, that COF’s capital markets business unit was no

(24) These calculations are estimates, are provided for reference only and are based upon indicative mid-market swap mark-to-market values used in determining collateral posting, which is generally calculated by each Asset Provider.



longer viable, that it would continue to cooperate with, and support the efforts of the Investors Committee to restructure the Third-Party ABCP market and continue to perform its responsibilities as administrator of the ABCP Conduits sponsored by Coventree and others, and that it was expected that COF will seek an orderly wind-up of its operations. Without a restructuring of the Affected ABCP, the Coventree sponsored ABCP Conduits may suffer further uncertainty and potentially increased administration costs resulting from the impact the market disruption has had on Coventree.

In addition to the foregoing, Noteholders should review and carefully consider the matters addressed in the JPMorgan Report attached as Exhibit D to this Information Statement.

## ALLOCATION OF PLAN NOTES IN EXCHANGE FOR AFFECTED ABCP

The following table summarizes the proposed allocation to Noteholders of Plan Notes based upon the Relative Contribution Analysis of the Investors Committee’s financial advisor. Please see the JPMorgan Report at Exhibit D to this Information Statement for a detailed description of the Relative Contribution Analysis, a description of the valuation methodology and the relative values attributed to each Series of Affected ABCP and the assets underlying the Affected ABCP.

Holders of one or more Series of Affected ABCP that are backed by Synthetic and Hybrid Assets (disregarding the amount of such Affected ABCP secured by Ineligible Assets) will receive, from either MAV1 or MAV2, as applicable, a combination of Class A-1 Notes, Class A-2 Notes, Class B Notes and Class C Notes. Generally, the principal amount of Class A-1 Notes will reflect the “relative contribution” attributed to a particular Series of Affected ABCP assumed by the respective MAV less the value attributed to any Ineligible Assets in that particular Series of Affected ABCP. This relative contribution is expressed in the table below as a percentage and has been “grossed up”, evenly across all Series, by an amount which allows for holders of the Series of Affected ABCP with the second highest relative contribution to receive 97% Class A-1 Notes (in particular, Rocket Trust, Series A was determined to have the second highest relative contribution level after Apollo Trust, Series A which will also provide Noteholders with the highest percentage of Class A-1 Notes). The balance of the principal amount of each Series of Affected ABCP exchanged by a Noteholder will be represented by a combination of Class A-2 Notes, Class B Notes and Class C Notes, with three percent of such the MAV1 Notes or MAV2 Notes, as the case may be, allocated to each Noteholder being allocated in the form of Class C Notes. The ratio of Class A-2 Notes to Class B Notes will be determined based upon the level of subordination required by the Rating Agency to ensure the designated rating for each of the Class A-1 Notes and the Class A-2 Notes.

The following general example demonstrates the method for determining the allocation between Class A-1 Notes, Class A-2 Notes, Class B Notes and Class C Notes:

Assume:

<i>RelX</i> :	the relative contribution of a Series of Affected ABCP, expressed as a percentage (for purposes of this example, Series X)
<i>RelA</i> :	49.33%, the average relative contribution across all Series of Affected ABCP
<i>RatingSub</i> :	the level of subordination to be provided by Class B Notes and Class C Notes which is required by the Rating Agency in order to obtain the desired rating as for the Class A Notes

Noteholders will receive 3% of the aggregate allocation in the form of Class C Notes. In this case, for Noteholders holding Series X, the allocation of Class A-1 Notes, Class A-2 Notes, Class B Notes and Class C would be determined as follows:

Class A-1 Notes:	<i>RelX</i>
Class A-2 Notes:	$(100\% - RelX - 3\%) \times [(100\% - RelA - RatingSub) / (1 - RelA - 3\%)]$
Class B Notes:	$(100\% - RelX - 3\%) \times [(RatingSub - 3\%) / (100\% - RelA - 3\%)]$
Class C Notes:	3%

The table below identifies those Series of Affected ABCP whose holders will receive TA Tracking Notes, SN Tracking Notes, MAV3 IA Tracking Notes or IA Tracking Notes. Noteholders will receive a single TA Tracking Note for each Series of Affected ABCP held by such Noteholder that is backed by Exclusively Traditional Assets. Noteholders will receive a single SN Tracking Note for each Series of Subordinated ABCP that they hold. Noteholders will receive an IA Tracking Note for each individual underlying Ineligible Asset that backs an applicable Series of Affected ABCP.

Noteholders will receive a MAV3 IA Tracking Note for each individual underlying Ineligible Asset that backs an applicable Series of Affected ABCP. This will result in some instances, in Noteholders receiving more than one IA Tracking Note or MAV3 IA Tracking Note in exchange for their holdings in a single Series of Affected ABCP.

The required level of subordination has not yet been determined but for the purposes of this discussion and the table below, 10% has been assumed to be the required level. This table shows the allocation of Plan Notes based upon the Relative Contribution Analysis. For example, given that the relative value of Encore Trust Series E has been determined to be approximately 51.5% of the relative value of Apollo Trust, Series A, a holder of Encore Trust Series A will receive 50% (i.e., 51.5% times 97%) of the holder's settlement amount of Encore Trust Series A Notes in the form of Class A-1 Notes, 40% of such settlement amount in the form of Class A-2 Notes, 7% in the form of Class B Notes and 3% in the form of Class C Notes.

**THE ALLOCATIONS SET FORTH IN THE TABLE BELOW ARE BASED UPON THE RELATIVE CONTRIBUTION ANALYSIS FROM JPMORGAN'S INDICATIVE ASSET VALUATIONS AS AT MARCH 4, 2008. THESE ARE THE ALLOCATIONS WHICH ARE PROPOSED TO BE USED UNDER THE PLAN. THE ALLOCATIONS DO NOT, AND SHOULD NOT, BE CONSIDERED TO BE, ESTIMATES OF THE FAIR VALUE OR POTENTIAL MARKET VALUE OF ANY OF THESE SECURITIES.**

Series of Affected ABCP	<i>Subject to rounding, total of these four columns, per row = 100%<sup>(1)</sup></i>				IA Tracking Notes <sup>(2)</sup>	TA Tracking Notes <sup>(3)</sup>	MAV3 IA Tracking Notes <sup>(4)</sup>	SN Tracking Notes
	Class A-1 Notes	Class A-2 Notes	Class B Notes	Class C Notes				
Apollo Trust — Series A	97%	0%	0%	3%	No	No	No	No
Apollo Trust — Series E	—	—	—	—	No	Yes	No	No
Apollo Trust — Series H	—	—	—	—	No	Yes	No	No
Apsley Trust — Series A	7%	77%	13%	3%	2	No	No	No
Aria Trust — Series A	24%	62%	11%	3%	1	No	No	No
Aria Trust — Series E	83%	12%	2%	3%	No	No	No	No
Aurora Trust — Series A	31%	57%	10%	3%	No	No	No	No
Aurora Trust — Series B*	—	—	—	—	No	No	No	Yes
Aurora Trust — Series C*	—	—	—	—	No	No	No	Yes
Aurora Trust — Series E	14%	70%	12%	3%	1	No	No	No
Aurora Trust — Series F	14%	71%	12%	3%	1	No	No	No
Comet Trust — Series A	36%	52%	9%	3%	No	No	No	No
Comet Trust — Series E	—	—	—	—	No	Yes	3	No
Comet Trust — Series F	—	—	—	—	No	Yes	1	No
Encore Trust — Series A	20%	65%	11%	3%	No	No	No	No
Encore Trust — Series E	49%	41%	7%	3%	No	No	No	No
Gemini Trust — Series A	—	—	—	—	No	Yes	No	No
Gemini Trust — Series E	—	—	—	—	No	Yes	No	No
Gemini Trust — Series F	—	—	—	—	No	Yes	No	No
Ironstone Trust — Series A	—	—	—	—	No	No <sup>(5)</sup>	3	No
Ironstone Trust — Series B	—	—	—	—	No	No <sup>(5)</sup>	2	No
MMAI-I Trust — Series A	69%	24%	4%	3%	No	No	No	No
Newshore Canadian Trust — Series A	—	—	—	—	No	Yes	No	No
Newshore Canadian Trust — Series 2001-1	—	—	—	—	No	Yes	No	No
Opus Trust — Series A	33%	55%	9%	3%	No	No	No	No
Opus Trust — Series E	55%	36%	6%	3%	No	No	No	No
Planet Trust — Series A	30%	57%	10%	3%	3	No	No	No
Planet Trust — Series E	59%	32%	6%	3%	4	No	No	No
Planet Trust — Series F	74%	19%	3%	3%	No	No	No	No
Planet Trust — Series L8	65%	28%	5%	3%	No	No	No	No
Rocket Trust — Series A	97%	0%	0%	3%	1	No	No	No
Rocket Trust — Series B*	—	—	—	—	No	No	No	Yes
Rocket Trust — Series D*	—	—	—	—	No	No	No	Yes
Rocket Trust — Series E	90%	6%	1%	3%	No	No	No	No
Rocket Trust — Series F	72%	21%	4%	3%	No	No	No	No
Selkirk Funding Trust — Series A	17%	68%	12%	3%	No	No	No	No
Silverstone Trust — Series A	54%	36%	6%	3%	No	No	No	No
Slate Trust — Series A-1	—	—	—	—	No	Yes	1	No
Slate Trust — Series E-1	—	—	—	—	No	Yes	8	No
Structured Asset Trust — Series A-1	16%	69%	12%	3%	No	No	No	No
Structured Asset Trust — Series E-1	9%	75%	13%	3%	No	No	No	No
Structured Asset Trust — Series L1	23%	63%	11%	3%	No	No	No	No
Structured Investment Trust III — Series A	74%	19%	3%	3%	No	No	No	No
Structured Investment Trust III — Series E	56%	35%	6%	3%	No	No	No	No
Symphony Trust — Series A	61%	30%	5%	3%	No	No	No	No
Symphony Trust — Series E	69%	24%	4%	3%	No	No	No	No
Whitehall Trust — Series A	41%	48%	8%	3%	No	No	No	No

- (1) For those Series noted as receiving IA Tracking Notes, the percentage allocation excludes the allocation of IA Tracking Notes.
- (2) The IA Tracking Notes will be issued by either MAV1 or MAV2 and will be issued to Noteholders, as applicable, for each Ineligible Asset backing the exchanged Series of Affected ABCP.
- (3) The TA Tracking Notes will be issued by MAV3 and will be issued to Noteholders, as applicable, on a per Series basis.
- (4) The MAV3 IA Tracking Notes will be issued by MAV3 and will be issued to Noteholders, as applicable, for each Ineligible Asset backing the exchanged Series of Affected ABCP.
- (5) This Series is backed by Exclusively Traditional Assets that are also all Ineligible Assets.

## ELIGIBILITY AND ELECTION TO PARTICIPATE IN MAV1

Noteholders may make an election to participate in either MAV1 or MAV2. The purpose of the two separate MAVs is to permit Noteholders to elect whether or not they wish to “self insure” against any future collateral calls that may be made with respect to certain of the underlying assets. In summary, those Noteholders that elect to participate in MAV1 will fund their own collateral funding facility whereas Noteholders that elect to participate in MAV2 will rely on a third-party funded margin call facility.

Noteholders electing to participate in MAV1 must satisfy certain eligibility requirements (as described below) or will be required to post collateral in connection with the establishment of the MAV1 Margin Funding Facility that will be funded in its entirety by the participants of MAV1 on a *pro rata* basis, based on the amount of each such Noteholder’s respective holdings in MAV1. Any Noteholder that fails to properly complete and deliver the Form of Election enclosed with this Information Statement or that does not properly elect to participate in MAV1 with regard to its holdings of Affected ABCP in accordance with the instructions set out in the Form of Election, will be deemed to have elected to participate in MAV2. Noteholders who elect (or who are deemed to have elected) to participate in MAV2 will **not** be required to post additional collateral, however, the total returns on the Plan Notes issued to participants in MAV2 are expected to be lower due to the costs associated with the MAV2 Margin Funding Facility being made available by third-party lenders for the benefit of MAV2 Noteholders. Noteholders who desire to participate in the MAV2 Margin Funding Facility to an extent less than their *pro rata* share based on their amount of Affected ABCP and who satisfy the MAV2 eligibility criteria are asked to contact the Monitor.

MAV1 and MAV2 will be completely separate master asset vehicles. The Plan is intended to operate such that the economic benefits of, the risks associated with, the control of, the rights of enforcement in relation to and the governance of the assets transferred to MAV1 will apply exclusively in respect of and for the benefit of Noteholders who participate in MAV1 and vice versa.

A Noteholder must make the election to participate in MAV1 or MAV2 with respect to the entirety of its holdings of Affected ABCP, whether or not such holdings include more than a single Series of Affected ABCP.

### MAV1 Eligibility Requirements

In order for a Noteholder to be eligible to participate in MAV1, such Noteholder must satisfy the MAV1 participation eligibility requirements (the “**MAV1 Eligibility Requirements**”) which are as follows:

- (a) either:
  - (i) the long-term debt of the Noteholder must be rated AA (low) or higher by DBRS<sup>(25)</sup> or, in the case of the issuance of the Plan Notes pursuant to the Plan, is otherwise approved by the Asset Providers and DBRS; or
  - (ii) the Noteholder posts its *pro rata* share of cash or other prescribed securities to fund its commitment under the MAV1 Margin Funding Facility for the duration thereof.
- (b) the Noteholder is a MAV1 Eligible Person; and
- (c) in the case of the initial issuance of Plan Notes pursuant to the Plan, the Noteholder must have held Affected ABCP on December 23, 2007.

### *Election to Participate in MAV1*

Noteholders wishing to participate in MAV1 must properly complete and deliver the Form of Election (printed on yellow paper) indicating whether such Noteholder is electing, with respect to the entirety of its holdings of Affected ABCP, to participate in MAV1, to the court-appointed Monitor, Ernst & Young Inc. at the following address: Ernst & Young Inc., Attention: ABCP, 222 Bay Street, Suite 1600, P.O. Box 251, Toronto-Dominion Centre, Toronto, Ontario M5K 1J7 or received by facsimile at: (416) 943-2850 at any time prior to **5:00 p.m. (Toronto time) on the Business Day following the Meeting where the Restructuring Resolution is passed**. The Monitor acting in its sole discretion, will provide those Noteholders who properly complete and deliver the Form of Election and that satisfy the MAV1 Eligibility Requirements with a notice of acceptance. Only Noteholders that receive such notice of acceptance from the Monitor will

(25) In the case of National Bank, its senior unsecured debt must be rated at least A (low) (or its equivalent) by any two rating agencies.

be permitted to participate in MAV1. **Any Noteholder who fails to properly complete or deliver the Form of Election or who is determined not to be eligible to participate in MAV1, will be deemed to have elected to participate in MAV2.**

### **Process for Verifying MAV1 Eligibility Requirements**

In the first instance, the Monitor, will be responsible for determining whether Noteholders satisfy the MAV1 Eligibility Requirements. The Monitor will verify the accuracy and completeness of the information provided by Noteholders and may, in its sole discretion, request such additional information as it determines is necessary to confirm such eligibility. The time necessary to complete this process of eligibility verification will depend in part upon the number of Noteholders electing to participate in MAV1 and the aggregate amount of their holdings of Affected ABCP. Noteholders that failed to properly complete and deliver the Form of Election will be notified that they are deemed to have elected to participate in MAV2.

Following implementation of the Plan, no holder may transfer any MAV1 Note unless: (i) such holder shall have established to the satisfaction of the MAV1 Advisory Committee that the transferee thereof meets the MAV1 Eligibility Requirements; (ii) the transferee thereof shall agree to assume a proportional amount of the transferor's obligations under the MAV1 Margin Funding Facility; (iii) such holder transfers a proportional amount of each class of MAV1 Notes held by it to the transferee thereof; (iv) the transferee is approved by the requisite approval threshold of the members of the MAV1 Advisory Committee, and (v) the transferor is in compliance with all its obligations under the MAV1 Trust Documents.

## **ELIGIBILITY AND ELECTION TO PARTICIPATE IN MAV2 MARGIN FUNDING FACILITY**

Noteholders who elect, or are deemed to elect, to participate in MAV2 may participate in the MAV2 Margin Funding Facility. As is discussed above, the purpose of the two separate MAVs is to permit Noteholders to elect whether or not they wish to "self insure" against any future collateral calls that may be made with respect to certain of the underlying assets. A Noteholder must make the election to participate in MAV1 and MAV2 with respect to the entirety of its holdings of Affected ABCP, whether or not such holdings include more than a single Series of Affected ABCP. The total returns on the Plan Notes issued to participants in MAV2 are expected to be lower due to the costs associated with the MAV2 Margin Funding Facility being made available by third-party lenders for the benefit of MAV2 Noteholders. Noteholders who wish to "self-insure" up to an amount that is less than the full extent of their holdings may participate in MAV2 and in the MAV2 Margin Funding Facility. Noteholders that participate in the MAV2 Margin Funding Facility will receive, provided they are eligible, payments in their capacity as lenders that will partially offset their *pro rata* share of the cost of the MAV2 Margin Funding Facility.

MAV2 Noteholders who become MFF Lenders may, by virtue of the payments received in that capacity, achieve more favourable returns than MAV2 Noteholders generally, but such Noteholders also increase the risk associated with their participation in the Plan, and may lose more than the principal amount of their Affected ABCP in the event of a margin call. Noteholders who wish to participate in the MAV2 Margin Funding Facility must satisfy certain eligibility requirements (as described below) or will be required to post collateral in connection with the establishment of the MAV2 Margin Funding Facility, based on the amount of each such Noteholder's participation in the MAV2 Margin Funding Facility.

Participation in the MAV2 Margin Funding Facility will create a contractual relationship between each MAV2 MFF Lender and MAV2. Accordingly, funding obligations under the MAV2 Margin Funding Facility will be separate and independent obligations and will not be transferred upon the transfer of any MAV2 Notes. Noteholders who are also MAV2 MFF Lenders will remain MAV2 MFF Lenders after the transfer of their MAV2 notes unless such Noteholders assign their MAV2 Margin Funding Facility obligations, which obligations may only be assigned to parties whose eligibility to participate in the MAV2 Margin Funding Facility, based on the criteria discussed below, has been confirmed. Noteholders who wish to participate in the MAV2 Margin Funding Facility and who satisfy the MAV2 eligibility criteria are asked to contact the Monitor at, Ernst & Young Inc., Attention ABCP, 222 Bay Street, Suite 1600, P.O. Box 251, Toronto-Dominion Centre, Toronto, Ontario M5K 1J7 or by facsimile at (416) 943-2850.



## MAV2 Margin Funding Facility Eligibility Requirements

As of the Filing Date, the eligibility requirements for participation in the MAV2 Margin Funding Facility have not been determined. These requirements will be established as the final terms of the MAV2 Margin Funding Facility Agreement is negotiated between the Canadian Banks, the Asset Providers and other relevant parties.

## Process for Verifying Eligibility to Participate in the MAV2 Margin Funding Facility

Noteholders participating in MAV2, who wish to act as MAV2 MFF Lenders, will only be required to indicate such an intention after the Meeting. These Noteholders will be required to contact the Monitor to indicate their intention. If the Plan is approved, following the Meeting but prior to the Plan Implementation Date, the Monitor will contact Noteholders who have indicated their willingness to act as MAV2 MFF Lenders and will provide further information at that time. The process for confirming the eligibility requirements will be similar to the process of confirming MAV1 Eligibility Requirements.

## ANTICIPATED PARTICIPATION IN MAV1 AND MAV2

Each of the institutions represented by members of the Investors Committee have expressed their support for the Plan. The following table indicates such institutions' respective intentions with regard to their participation in MAV1.

Institution Represented by Member of the Investors Committee	Aggregate Principal Amount of Affected ABCP to be assumed by MAV1
ATB Financial <sup>(26)</sup>	\$20.1 billion
CDPQ	
Desjardins Group	
National Bank <sup>(27)</sup>	
PSP Investments	

## THE PLAN NOTES

Noteholders will receive one or more of the following securities in exchange for their Affected ABCP pursuant to their election (or deemed election) to participate in MAV1 or MAV2 or their participation in MAV3: (i) MAV1 Class A-1 Notes; (ii) MAV1 Class A-2 Notes; (iii) MAV1 Class B Notes; (iv) MAV1 Class C Notes; (v) MAV2 Class A-1 Notes; (vi) MAV2 Class A-2 Notes; (vii) MAV2 Class B Notes; (viii) MAV2 Class C Notes; (ix) TA Tracking Notes; (x) MAV3 IA Tracking Notes; (xi) IA Tracking Note of MAV1 or MAV2; and/or (xii) SN Tracking Notes. Each of the Plan Notes is described below.

There is currently no market through which the Plan Notes may be sold, and holders may not be able to resell such Plan Notes. Holders of U.S. dollar denominated Affected ABCP will receive U.S. dollar denominated securities in exchange therefor and holders of Canadian dollar denominated notes will receive Canadian dollar denominated securities in exchange therefor.

## Description of the MAV1 Notes

The MAV1 Notes will evidence limited recourse, secured debt obligations of MAV1. The MAV1 Notes will be issued pursuant to a trust indenture dated as of the Plan Implementation Date (the “**MAV1 Trust Indenture**”). The following is a description of certain material attributes and characteristics of the MAV1 Notes, the MAV1 Trust Indenture and certain

(26) ATB's participation in MAV1 is conditional upon ATB Financial's receipt of a regulatory amendment requested of the Province of Alberta to enable ATB Financial to fully participate in the ABCP Restructuring. To date, ATB Financial has received no indication that the requested regulatory amendment won't be forthcoming.

(27) As of March 19, 2008, National Bank had committed to provide up to \$815 million of margin funding in order to participate in MAV1 and was considering the request from the other Canadian Banks that a portion of this commitment be allocated to MAV2.

other arrangements contemplated or permitted by the MAV1 Trust Indenture. Reference is made to the full text of the MAV1 Trust Indenture and other agreements referred to below for the specific attributes and characteristics of the MAV1 Notes and the MAV1 Trust Indenture.

### ***The MAV1 Notes***

#### ***MAV1 Class A-1 Notes***

The MAV1 Class A-1 Notes will be created and issued on the Plan Implementation Date in an aggregate principal amount determined based on the Affected ABCP exchanged therefor and in accordance with the Relative Contribution Analysis. The MAV1 Class A-1 Notes will bear interest at the rate equal to the BA Rate plus 30 basis points per annum. The MAV1 Class A-1 Notes will be dated as of the Plan Implementation Date and will be issued in minimum denominations of \$1 or U.S.\$1.

The expected repayment date for the MAV1 Class A-1 Notes is December 20, 2016, subject to earlier repayment or later repayment in certain limited circumstances. The MAV1 Class A-1 Notes will be repaid as the MAV1 Additional Collateral liquidates and is released, and final repayment may occur later than such expected repayment date depending on certain factors, including the timing of releases, the return on any investments made with collateral proceeds, the actual rate of collections and the amount of collections available for distribution to MAV1 in respect of the MAV1 Additional Collateral (see “Intercreditor Arrangements — Intercreditor Arrangements for MAV1 — MAV1 Release of Collateral”). Outstanding principal amounts and all accrued and unpaid interest on the MAV1 Class A-1 Notes will be due and payable on the MAV1 Maturity Date, although it is anticipated that the Transferred Synthetic and Hybrid Assets securing payment of the MAV1 Class A-1 Notes will have matured and all available funds distributed significantly in advance of this date.

#### ***MAV1 Class A-2 Notes***

The MAV1 Class A-2 Notes will be created and issued on the Plan Implementation Date in an aggregate principal amount determined based on the Affected ABCP exchanged therefor and in accordance with the Relative Contribution Analysis. The MAV1 Class A-2 Notes will bear interest at a rate per annum equal to the interest rate on the MAV1 Class A-1 Notes. The MAV1 Class A-2 Notes will be dated as of the Plan Implementation Date and will be issued in minimum denominations of \$1 or U.S.\$1.

The expected repayment date for the MAV1 Class A-2 Notes is December 20, 2016, subject to earlier repayment or later repayment in certain limited circumstances. Repayment may occur earlier or later than such expected repayment date depending on certain factors, including the timing of releases (which is not expected to commence prior to the fifth anniversary of the Plan Implementation Date), the return on any investments made with collateral proceeds, the actual rate of collections and the amount of collections available for distribution to MAV1 in respect of the MAV1 Additional Collateral (see “Intercreditor Arrangements — Intercreditor Arrangements for MAV1 — MAV1 Release of Collateral”). Outstanding principal amounts and all accrued and unpaid interest on the MAV1 Class A-2 Notes will be due and payable on the MAV1 Maturity Date, although it is anticipated that the Transferred Synthetic and Hybrid Assets securing payment of the MAV1 Class A-2 Notes will have matured and all available funds distributed significantly in advance of this date.

#### ***MAV1 Class B Notes***

The MAV1 Class B Notes will be created and issued on the Plan Implementation Date in an aggregate principal amount determined based on the Affected ABCP exchanged therefor and in accordance with the Relative Contribution Analysis. The MAV1 Class B Notes will bear interest at a rate per annum equal to the interest rate on the MAV1 Class A-1 Notes. The MAV1 Class B Notes will be dated as of the Plan Implementation Date and will be issued in minimum denominations of \$1 or U.S.\$1.

The expected repayment date for the MAV1 Class B Notes is December 20, 2016, subject to earlier repayment or later repayment in certain limited circumstances. Repayment may occur later than such expected repayment date depending on certain factors, including the timing of releases, the return on any investments made with collateral proceeds, the actual rate of collections and the amount of collections available for distribution to MAV1 in respect of the MAV1 Additional Collateral (see “Intercreditor Arrangements — Intercreditor Arrangements for MAV1 — MAV1 Release of Collateral”). Outstanding principal amounts and all accrued and unpaid interest on the MAV1 Class B Notes will be due and payable on the MAV1 Maturity Date, although it is anticipated that the Transferred Synthetic and Hybrid Assets securing payment of the MAV1 Class A-2 Notes will have matured and all available funds distributed significantly in advance of this date.

### *MAV1 Class C Notes*

The MAV1 Class C Notes will be created and issued on the Plan Implementation Date in an aggregate principal amount determined based on the Affected ABCP exchanged therefor and in accordance with the Relative Contribution Analysis. The MAV1 Class C Notes will bear interest at a rate equal to 20% per annum. The MAV1 Class C Notes will be dated as of the Plan Implementation Date and will be issued in minimum denominations of \$1 or U.S.\$1.

The expected repayment date for the MAV1 Class C Notes is December 20, 2016. Repayment may occur later than such expected repayment date, or not at all, depending on certain factors, including the timing of releases, the return on any investments made with collateral proceeds, the actual rate of collections and the amount of collections available for distribution to MAV1 in respect of the MAV1 Additional Collateral (see “Intercreditor Arrangements — Intercreditor Arrangements for MAV1 — MAV1 Release of Collateral”). Outstanding principal amounts and all accrued and unpaid interest on the Class C Notes will be due and payable on the MAV1 Maturity Date, although it is anticipated that the Transferred Synthetic and Hybrid Assets securing payment of the MAV1 Class C Notes will have matured and all available funds distributed significantly in advance of this date.

### *Payment of Interest*

Subject to the terms provided below, prior to the MAV1 Class A-1 Note Termination Date, the MAV1 Class A-2 Note Termination Date, the MAV1 Class B Note Termination Date or the MAV1 Class C Note Termination Date, as applicable, interest will be calculated and payable on the outstanding principal amounts of the MAV1 Class A-1 Notes, the MAV1 Class A-2 Notes, the MAV1 Class B Notes and the MAV1 Class C Notes, respectively, quarterly in arrears on the 20<sup>th</sup> day of the applicable month, commencing in the third full month following the Plan Implementation Date.

The MAV1 Class A-1 Notes will receive interest *pro rata* on a priority basis to the extent that sufficient funds are available to pay interest. If sufficient funds are not available to pay interest on the MAV1 Class A-1 Notes on an interest payment date that would otherwise be then due and payable, the MAV1 Class A-1 Notes will accrue interest (on the principal as well as on any unpaid interest) until the next interest payment date on which there are sufficient funds to pay the accrued and unpaid interest, but in any event no later than the tenth anniversary of the issuance of the Notes, at which time all interest then accrued and unpaid on the MAV1 Class A-1 Notes will be due and payable.

The MAV1 Class A-2 Notes will accrue interest (on the principal as well as on any unpaid interest) but not be entitled to any payment of interest until the interest on the MAV1 Class A-1 Notes then due and payable has been paid in full, and then only to the extent that sufficient funds are available to pay interest. If sufficient funds are not available to pay interest on the MAV1 Class A-2 Notes on an interest payment date that would otherwise be then due and payable, the MAV1 Class A-2 Notes will accrue interest (on the principal as well as on any unpaid interest) until the next interest payment date on which there are sufficient funds to pay the accrued and unpaid interest, but in no event later than the tenth anniversary of the issuance of the Notes, at which time all interest then accrued and unpaid on the MAV1 Class A-2 Notes will be due and payable.

The MAV1 Class B Notes will accrue interest (on the principal as well as on any unpaid interest) but will not be entitled to any payment of interest until the MAV1 Class A-1 Notes and the MAV1 Class A-2 Notes have been repaid in full and then, only to the extent that sufficient funds are available to pay interest. If sufficient funds are not available to pay interest on the MAV1 Class B Notes on an interest payment date that would otherwise be then due and payable, the MAV1 Class B Notes will accrue interest (on the principal as well as on any unpaid interest) until the next interest payment date on which there are sufficient funds to pay the accrued and unpaid interest, but in any event no later than the maturity date of the Notes, at which time all principal and interest owing in respect of the MAV1 Class B Notes will be due and payable.

The MAV1 Class C Notes will accrue interest (on the principal as well as on any unpaid interest) but will not be entitled to any payment of interest until the MAV1 Class A-1 Notes, the MAV1 Class A-2 Notes and the MAV1 Class B Notes have been repaid in full and then, only to the extent that sufficient funds are available to pay interest. If sufficient funds are not available to pay interest on the MAV1 Class C Notes on an interest payment date that would otherwise be then due and payable, the MAV1 Class C Notes will accrue interest (on the principal as well as on any unpaid interest) until the next interest payment date on which there are sufficient funds to pay the accrued and unpaid interest, but in any event no later than the maturity date of the Notes, at which time all principal and interest owing in respect of the MAV1 Class C Notes will be due and payable.

Upon a realization of collateral following an Event of Default, the foregoing priorities will change such that the MAV1 Class A-2 Notes will not be entitled to receive any payments in respect of principal or interest until the MAV1 Class A-1 Notes have been repaid in full.

The record date for holders of MAV1 Notes entitled to receive interest on any interest payment date will be the date which is 15 days preceding such interest payment date or, if such date is not a Business Day, the next succeeding Business Day. Interest for any period will accrue from and including the previous interest payment date (or the Plan Implementation Date in the case of the initial payment of interest) to, but excluding, the next interest payment date and will be calculated on the basis of a 365 or 366-day year, as applicable.

#### *Repayment of MAV1 Notes*

The MAV1 Omnibus Agreement sets out a protocol for the release of collateral and the priority of payments to be made in respect of proceeds available for creditors of MAV1 derived from the assets of MAV1 (other than assets serving as collateral for the IA Tracking Notes) as follows:

##### *(a) Application of Proceeds from the Realization of MAV1 Original Collateral.*

Upon realization of the MAV1 Original Collateral, the monies or other proceeds arising from such realization will be applied to creditors of MAV1 in the following priority (with funds being distributed *pro rata* in proportion to the claims represented by each paragraph below, except as otherwise specifically provided below):

- (i) first, to the Asset Provider, whether or not it is a Defaulting Party, any Unpaid Amounts owed to it in respect of its swap agreement(s);
- (ii) second, if the Asset Provider is not a Defaulting Party, to the Asset Provider the amount of any termination payment(s) owed to it in respect of its swap agreement(s); and
- (iii) third, to the Collateral Agent, all remaining amounts, to be applied pursuant to paragraph (b) below.

##### *(b) Application of Proceeds from the Realization of MAV1 Collateral by the Collateral Agent.*

Upon realization of the MAV1 Collateral held by the Collateral Agent, the monies or other proceeds arising from such realization, together with any other monies or other proceeds then or thereafter in the hands of the Collateral Agent available for such purpose (including any amounts received pursuant to paragraph (a) above), will be applied to creditors of MAV1 in the following priority (with funds being distributed *pro rata* in proportion to the claims represented by each paragraph below, except as otherwise specifically provided below):

- (i) first, to (A) the payment of any GST exigible and then to (B) the New Indenture Trustee, the New Issuer Trustee, BlackRock Canada and/or its affiliates (in all their capacities) and the MAV1 Advisory Committee in respect of fees, expenses and reimbursements (and including in the case of BlackRock Canada and/or its affiliates and other applicable “indemnified persons” under the terms of the relevant BlackRock indemnity, any indemnified claims not paid in the ordinary course (excluding in respect of tax indemnities) up to a prescribed aggregate maximum amount<sup>(28)</sup>) and then to (C) other service providers including the Collateral Agent, etc. in respect of fees, expenses and reimbursements (excluding in respect of indemnities), in the case of each of sub-clauses (B) and (C), with funds being distributed *pro rata* in proportion to the claims represented by such respective sub-clause;
- (ii) second, to each LSS CDS Counterparty any Unpaid Amounts owed to it in respect of its swap agreement(s), to the extent not paid pursuant to paragraph (a) above;
- (iii) third, to each LSS CDS Counterparty that is not a MAV1 Breaching Asset Provider, an amount equal to the lesser of (A) any portion of such LSS CDS Counterparty’s Termination Payment not paid pursuant to paragraph (a) above and (B) such LSS CDS Counterparty’s collateral entitlement;
- (iv) fourth, to each LSS CDS Counterparty that is not a MAV1 Breaching Asset Provider, any unpaid portion of such LSS CDS Counterparty’s Termination Payment not yet paid in full;
- (v) fifth, to the MAV1 MFF Lenders, amounts due to the MAV1 MFF Lenders for principal and interest, ratably in accordance with the MAV1 Margin Funding Facility Agreement;

(28) The maximum amount will be equal to \$50 million multiplied by a fraction, the numerator of which is the settlement amount of Affected ABCP assumed by MAV1 and the denominator of which is the settlement amount of Affected ABCP assumed by both MAV1 and MAV2.

- (vi) sixth, in respect of all interest accrued and unpaid, if any, on the MAV1 Class A-1 Notes, on a *pro rata* basis among the holders of MAV1 Class A-1 Notes;
  - (vii) seventh, to the holders of MAV1 Class A-1 Notes, on a *pro rata* basis, on account of the aggregate outstanding principal amount of the MAV1 Class A-1 Notes, until the aggregate outstanding principal amount of the MAV1 Class A-1 Notes has been paid in full;
  - (viii) eighth, in respect of all interest accrued and unpaid, if any, on the MAV1 Class A-2 Notes on a *pro rata* basis among the holders of MAV1 Class A-2 Notes;
  - (ix) ninth, to the holders of the MAV1 Class A-2 Notes, on a *pro rata* basis, on account of the aggregate outstanding principal amount of the MAV1 Class A-2 Notes, until the aggregate outstanding principal amount of the MAV1 Class A-2 Notes has been paid in full;
  - (x) tenth, to (A) the Existing Note Indenture Trustees, and the Issuer Trustees with respect to the Existing Indemnity Claims, the New Indenture Trustee, the New Issuer Trustee, BlackRock Canada and/or its affiliates and the MAV1 Advisory Committee and then to (B) other service providers, including the Collateral Agent, in each case in each of sub-clauses (A) and (B), in respect of any indemnity amounts owing and not previously paid and (X) including for each referenced party amounts payable to their respective affiliates and other applicable “indemnified persons” under the terms of the relevant indemnity and (Y) with funds being distributed *pro rata* in proportion to the claims represented by such respective sub-clause;
  - (xi) eleventh, to each MAV1 MFF Lender in respect of its indemnity as provided for in the MAV1 Margin Funding Facility Agreement;<sup>(29)</sup>
  - (xii) twelfth, in respect of all interest accrued and unpaid, if any, on the MAV1 Class B Notes, on a *pro rata* basis among the holders of MAV1 Class B Notes;
  - (xiii) thirteenth, to the holders of the MAV1 Class B Notes, on a *pro rata* basis, on account of the aggregate outstanding principal amount of the MAV1 Class B Notes, until the aggregate outstanding principal amount of the MAV1 Class B Notes has been paid in full;
  - (xiv) fourteenth, to each MAV1 Breaching Asset Provider, any termination payments due to such MAV1 Breaching Asset Provider;
  - (xv) fifteenth, to each Breaching MAV1 MFF Lender (i) any remaining amounts of principal and interest in respect of such Breaching MAV1 MFF Lender’s notes after accounting for the reduction in principal pursuant to the Termination Payment and (ii) any amounts due to such Breaching MAV1 MFF Lender for principal and interest in accordance with the MAV1 Margin Funding Facility Agreement.
  - (xvi) sixteenth, in respect of all interest accrued and unpaid, if any, on the MAV1 Class C Notes on a *pro rata* basis among the holders of MAV1 Class C Notes;
  - (xvii) seventeenth, to the holders of the MAV1 Class C Notes, on a *pro rata* basis, on account of the aggregate outstanding principal amount of the MAV1 Class C Notes, until the aggregate principal amount of the MAV1 Class C Notes has been repaid in full; and
  - (xviii) eighteenth, to MAV1 amounts prescribed for the beneficiary thereof.
- (c) *Application of Proceeds in the ordinary course and while there is no realization upon the Collateral securing the obligations of MAV1.*

The proceeds from the Collateral securing the obligations of MAV1 will be applied to creditors of MAV1 in the following order of priority, subject to the provisions of the Omnibus Agreement which will provide for amendments to the following priorities upon the occurrence of certain events (with funds being distributed *pro rata* in proportion to the claims represented by each paragraph below, except as specifically provided below):

- (i) first, to (A) the payment of any GST exigible and then to (B) the New Indenture Trustee, the New Issuer Trustee, BlackRock Canada and/or its affiliates (in all their capacities) and the MAV1 Advisory Committee in respect of fees, expenses and reimbursements (and including in the case of BlackRock Canada and/or its affiliates and other applicable “indemnified persons” under the terms of the relevant BlackRock indemnity,

(29) The rankings in respect of the priorities provided for in paragraphs (x) and (xi) are subject to further negotiation among the parties.



any indemnified claims not paid in the ordinary course (excluding in respect of tax indemnities) up to a prescribed aggregate maximum amount<sup>(30)</sup> and a maximum amount in any quarterly payment period equal to 10% of the original prescribed aggregate maximum amount, and then to (C) other service providers including the Collateral Agent, etc. in respect of fees, expenses and reimbursements (excluding in respect of indemnities), in the case of each of sub-clauses (B) and (C), with funds being distributed *pro rata* in proportion to the claims represented by such respective sub-clause;

- (ii) second, to each Asset Provider any amounts owed to such Asset Provider under its swap agreement(s);
- (iii) third, to the MAV1 MFF Lenders, amounts due to the MAV1 MFF Lenders for interest and commitment fees, *pro rata* in accordance with the MAV1 Margin Funding Facility Agreement then due and payable;
- (iv) fourth, to any service providers and other third parties subject to the MAV1 Margin Funding Facility Agreement, the amounts due to any under the MAV1 Margin Funding Facility Agreement in accordance with the terms thereof;
- (v) fifth, in respect of all interest accrued and unpaid, if any, on the MAV1 Class A-1 Notes, on a *pro rata* basis among the holders of MAV1 Class A-1 Notes;
- (vi) sixth, in respect of all interest accrued and unpaid, if any, on the MAV1 Class A-2 Notes on a *pro rata* basis among the holders of MAV1 Class A-2 Notes;
- (vii) seventh, to the holders of MAV1 Class A-1 Notes, on a *pro rata* basis, on account of the aggregate outstanding principal amount of the MAV1 Class A-1 Notes, until the aggregate outstanding principal amount of the MAV1 Class A-1 Notes has been paid in full;
- (viii) eighth, to the holders of MAV1 Class A-2 Notes, on a *pro rata* basis, on account of the aggregate outstanding principal amount of the MAV1 Class A-2 Notes, until the aggregate outstanding principal amount of the MAV1 Class A-2 Notes has been paid in full;
- (ix) ninth, to (A) the Existing Note Indenture Trustees and the Issuer Trustees with respect to the Existing Indemnity claims, the New Indenture Trustee, the New Issuer Trustee, BlackRock and/or its affiliates and the MAV1 Advisory Committee and then to (B) other service providers, including the Collateral Agent, in each case in each of sub-clauses (A) and (B), in respect of any indemnity amounts owing and not previously paid and (X) including for each referenced party amounts payable to their respective affiliates and other applicable “indemnified persons” under the terms of the relevant indemnity and (Y) with funds being distributed *pro rata* in proportion to the claims represented by such respective sub-clause;
- (x) tenth, to each MAV1 MFF Lender in respect of its indemnity as provided for the MAV1 Margin Funding Facility Agreement;<sup>(31)</sup>
- (xi) eleventh, in respect of all interest accrued and unpaid, if any, on the MAV1 Class B Notes, on a *pro rata* basis among the holders of MAV1 Class B Notes;
- (xii) twelfth, to the holders of the MAV1 Class B Notes, on a *pro rata* basis, on account of the aggregate outstanding principal amount of the MAV1 Class B Notes, until the aggregate outstanding principal amount of the MAV1 Class B Notes has been paid in full;
- (xiii) thirteenth, in respect of all interest accrued and unpaid, if any, on the MAV1 Class C Notes on a *pro rata* basis among the holders of MAV1 Class C Notes; and
- (xiv) fourteenth, to the holders of the MAV1 Class C Notes, on a *pro rata* basis, on account of the aggregate outstanding principal amount of the MAV1 Class C Notes, until the aggregate outstanding principal amount of the MAV1 Class C Notes has been paid in full.

If the foregoing amounts are payable on a date other than a scheduled payment date, an amount will be reserved from funds otherwise available to pay the Asset Providers or MAV1 MFF Lenders, as applicable, for the purpose of paying amounts, calculated on a *pro forma* basis, that will be due to the persons described in clause (i) on the next scheduled

(30) The maximum amount will be equal to \$50 million multiplied by a fraction, the numerator of which is the settlement amount of Affected ABCP assumed by MAV1 and the denominator of which is the settlement amount of Affected ABCP assumed by both MAV1 and MAV2.

(31) The ranking of the priorities provided for in paragraphs (ix) and (x) are subject to further negotiation among the parties.

payment date or that are reasonably expected to become due and payable to the extent that, in the reasonable opinion of BlackRock Canada, sufficient funds would not be available in such amount on the next scheduled payment date.<sup>(32)</sup>

**The foregoing payment priorities are subject to change pursuant to, and will be superceded in certain circumstances by, the terms of the MAV1 Omnibus Agreement where applicable.**

Prior to the tenth anniversary of the Plan Implementation Date, MAV1 is only required to pay interest in respect of the MAV1 Class A-1 Notes and MAV1 Class A-2 Notes to the extent sufficient funds are available. Interest will accrue on such notes to the extent insufficient funds are available.

No interest will be paid to the holders of the MAV1 Class A-2 Notes until all interest then due and payable in respect of the MAV1 Class A-1 Notes has been paid in full and no principal payments will be made to holders of MAV1 Class A-2 Notes until all amounts owing under the MAV1 Class A-1 Notes have been repaid in full. No interest or principal payments will be made to holders of MAV1 Class B Notes until all outstanding principal and interest owing on the MAV1 Class A-1 Notes and MAV1 Class A-2 Notes have been paid in full. No interest or principal payments will be made to holders of MAV1 Class C Notes until all amounts owing on the MAV1 Class A-1 Notes, the MAV1 Class A-2 Notes and the MAV1 Class B Notes have been paid in full.

Proceeds of the MAV1 Collateral will, in the circumstances described under “Description of the IA Tracking Notes — The IA Trading Note Trust Indentures — Limited Recourse”, be made available to pay certain fees, expenses and indemnity payments relating to the IA Tracking Notes issued by MAV1.

#### *Repayment and Reductions of Principal*

MAV1 will be entitled to repay, without penalty, all or any portion of the outstanding principal amount of the MAV1 Notes at any time and from time to time, subject to the priorities described under “Repayment of MAV1 Notes”. Repayment of the principal amount owing under the MAV1 Notes will commence as the MAV1 Additional Collateral amortizes and yields returns in excess of the stipulated interest on the applicable MAV1 Class A-1 Notes and MAV1 Class A-2 Notes and amounts are released for the benefit of holders of MAV1 Notes. It is not anticipated that any amounts will be available for the repayment of principal until at least the fifth anniversary following the issuance of the MAV1 Notes due to a prohibition on the release of collateral under the MAV1 Omnibus Agreement. See “Intercreditor Arrangements — Intercreditor Arrangements for MAV1 — MAV1 Release of Collateral”.

Repayment of principal in respect of the MAV1 Class A-2 Notes will not be made until all amounts owing under the MAV1 Class A-1 Notes have been paid in full. Repayment of principal in respect of the MAV1 Class B Notes will not be made until all amounts owing under the MAV1 Class A-1 Notes and MAV1 Class A-2 Notes have been paid in full and no principal payments will be made to holders of MAV1 Class C Notes until all amounts owing under the MAV1 Class A-1 Notes, MAV1 Class A-2 Notes and MAV1 Class B Notes have been paid in full.

**A holder of MAV1 Notes is subject to have the principal amount of its MAV1 Notes automatically reduced and discharged upon the occurrence of prescribed events in accordance with the terms of the MAV1 Omnibus Agreement. That holder’s priority entitlement to receive payments may also be affected and such right may be subordinated to other creditors pursuant to the terms of the MAV1 Omnibus Agreement. See “Intercreditor Arrangements — Intercreditor Arrangements for MAV1 — MAV1 Omnibus Agreement”.**

#### *The MAV1 Trust Indenture*

The MAV1 Trust Indenture provides for the issuance of the MAV1 Notes. The aggregate principal amount of MAV1 Notes that may be issued is limited by the MAV1 Trust Indenture to the aggregate principal amount of MAV1 Notes to be issued pursuant to the Plan.

#### *Limited Recourse*

Pursuant to the terms of the MAV1 Master Security Agreement, recourse to MAV1 for amounts owing under the MAV1 Notes will be limited to the right to be paid amounts distributed to MAV1 in respect of the MAV1 Additional Collateral, subject to the prior or equal ranking payment of certain amounts described under “Description of the MAV1 Notes — The MAV1 Trust Indenture — Security and Ranking”. Holders of the MAV1 Notes will not have recourse to the property and assets of the New Issuer Trustee (other than in its capacity as trustee of MAV1), BlackRock Canada, the New Indenture Trustee, or any affiliate thereof. Holders of the MAV1 Class A-1 Notes will have the benefit of the subordination

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(32) Parties to determine and agree upon applicability to realization of collateral.

of payments due with respect to the MAV1 Class A-2 Notes, MAV1 Class B Notes and MAV1 Class C Notes, holders of MAV1 Class A-2 Notes will have the benefit of subordination of payments due with respect to the MAV1 Class B Notes and holders of the MAV1 Class B Notes will have the benefit of subordination of payments due with respect to the MAV1 Class C Notes, to the extent described herein.

#### *Security and Ranking*

The MAV1 Notes will be secured by a fifth-ranking security interest in the MAV1 Original Collateral and MAV1 Additional Collateral (ranking behind, among others, Asset Providers and MAV1 MFF Lenders). All such security will be held by the Collateral Agent for the benefit of the holders of the MAV1 Notes and prior ranking secured creditors.

Upon realization of the security, funds will be applied in the order of priority described under “Repayment of MAV1 Notes”. Each of these priorities of payments are subject to the claims of any Person with a security interest or lien ranking in priority to the security created under or pursuant to the MAV1 Master Security Agreement, including claims of Asset Providers of News CDSs transferred to MAV1 and MAV1 MFF Lenders.

MAV1 has agreed not to grant or permit to exist any security interest or lien over the MAV1 Original Collateral or MAV1 Additional Collateral, except as permitted or provided for under the MAV1 Trust Indenture and the MAV1 Master Security Agreement. MAV1 has also agreed not to incur or create or guarantee any indebtedness, except for indebtedness expressly permitted pursuant to the MAV1 Trust Documents. See “Intercreditor Arrangements — Intercreditor Arrangements, for MAV1 — MAV1 Master Security Agreement”.

#### *Transfer*

No holder may transfer any MAV1 Note unless: (i) such holder shall have established to the satisfaction of the MAV1 Advisory Committee that the transferee thereof meets the MAV1 Eligibility Requirements; (ii) the transferee thereof shall agree to assume a proportional amount of the transferor’s obligations under the MAV1 Margin Funding Facility; (iii) such holder transfers a proportional amount of each class of MAV1 Notes held by it to the transferee thereof; (iv) the transfer is approved by a majority of members of the MAV1 Advisory Committee holding at least 66⅔% of the aggregate principal amount of MAV1 Notes held by members of the MAV1 Advisory Committee (with the transferor refraining from voting thereon), and (v) the transferor is in compliance with all its obligations under the MAV1 Trust Documents.

#### *Events of Default; Rights Upon Event of Default*

An “Event of Default” is defined in the MAV1 Trust Indenture as being the occurrence of one or more of the following events:

- (a) a default by MAV1 in making any payment of any amount owing under the MAV1 Notes that, by its terms, is then required to be paid, which default continues unremedied and has not been waived for a period of three Business Days after the date on which written notice of such default, requiring the same to be remedied, has been given to MAV1 by the New Indenture Trustee;
- (b) a default in any material respect by MAV1 in the observance or performance of any other covenant or agreement of MAV1 made in the MAV1 Trust Indenture which continues to be unremedied and has not been waived for a period of 30 days after written notice thereof is given to MAV1 by the New Indenture Trustee or to MAV1 and the New Indenture Trustee by the holders of at least 25% of the principal amount of the MAV1 Controlling Class;
- (c) the delivery of a notice to MAV1 of any representation or warranty made by MAV1 in the MAV1 Trust Indenture not being true and correct in all material respects when made which continues to be unremedied and has not been waived for a period of 30 days after written notice thereof is given to MAV1 by the New Indenture Trustee or to MAV1 and the New Indenture Trustee by the holders of at least 25% of the principal amount of the MAV1 Controlling Class; or
- (d) certain events of bankruptcy, insolvency, receivership, winding-up, dissolution or liquidation of MAV1.

The MAV1 Trust Indenture provides that, subject to certain limitations described therein, if an Event of Default occurs and is continuing, then the New Indenture Trustee may, in its discretion, declare the MAV1 Notes and the Obligations with respect to such MAV1 Notes to be immediately due and payable and, if requested by a written request of not less than 25% of the aggregate principal amount of the holders of the MAV1 Controlling Class, will declare such MAV1 Notes and all obligations with respect thereto to be immediately due and payable. Any declaration by the New

Indenture Trustee that the MAV1 Notes are due and payable and the consequences of such declaration may, under certain circumstances, be rescinded and annulled by Special Resolution of the holders of the MAV1 Controlling Class.

If MAV1 Notes have been declared due and payable following the occurrence and continuance of an Event of Default, the Collateral Agent will be permitted and, if directed by a Special Resolution from the holders of the MAV1 Controlling Class, will be obligated to take one or more of the following actions (subject, however, to provision of an indemnity as described below) pursuant to the terms of the MAV1 Trust Indenture and the MAV1 Master Security Agreement:

- (a) institute proceedings for the collection of all amounts then payable on the MAV1 Notes and the obligations outstanding;
- (b) sell, liquidate or otherwise dispose of the assets of MAV1 to which the holders of the notes of MAV1 Notes have recourse pursuant to the security arrangements, including the MAV1 Additional Collateral;
- (c) institute proceedings in any court of competent jurisdiction for the appointment of a receiver with respect to the assets of MAV1 to which the holders of the MAV1 Notes have recourse; and
- (d) take and maintain possession of the assets of MAV1 to which, pursuant to the security arrangements in the MAV1 Trust Indenture, the holders of the MAV1 Notes have recourse.

Subject to the provisions of the MAV1 Master Security Agreement relating to the duties of the Collateral Agent, if an Event of Default occurs and is continuing, the Collateral Agent will be under no obligation to exercise any of the rights, powers or discretions, make any elections or give any notices under the MAV1 Master Security Agreement at the request or direction of holders of the MAV1 Controlling Class. Subject to such provisions for indemnification and certain limitations contained in the MAV1 Trust Indenture and the Master Security Agreement the holders of the MAV1 Controlling Class will have the right, by a Special Resolution, to direct the time, method and place of conducting any proceeding or any remedy available pursuant to the MAV1 Trust Indenture.

Subject to provisions for indemnification and certain limitations contained in the MAV1 Trust Indenture, the holders of the MAV1 Controlling Class will have the right, by Special Resolution, to direct the New Indenture Trustee or the Collateral Agent to exercise or refrain from exercising any of the powers conferred upon it by the MAV1 Trust Indenture.

**The ability of the Collateral Agent or any other person to seek any remedy or take any action described above will be subject to, and may be postponed by, the right of any other creditor holding a prior ranking security to seek any remedy under the terms of any agreement it may have with MAV1. See “Intercreditor Arrangements”.**

No holder of MAV1 Notes will have the right to institute any proceeding permitted by the MAV1 Trust Indenture, whether at law or in equity, judicial or otherwise, for the purpose of exercising any remedy provided under the MAV1 Trust Indenture or the MAV1 Master Security Agreement in respect of MAV1 Notes, except that holders of more than 66⅔% of the principal amount of the MAV1 Controlling Class may institute any such proceeding if the Collateral Agent has failed to do so after a reasonable time period following provision of required notices and requests and satisfactory indemnities with respect to the affected MAV1 Notes; provided, however, that the enforcement of any remedy provided under the MAV1 Master Security Agreement by any such holder will be subject to the security arrangements provided for in the MAV1 Master Security Agreement and described under “Description of the MAV1 Notes — The MAV1 Trust Indenture — Security and Ranking” and “Payments and Ranking Upon Event of Default”.

#### *Limitation of Liability*

Neither the New Indenture Trustee nor any of its owners, agents, officers, directors, employees, successors or assigns, nor a beneficiary of MAV1 shall, in the absence of an express agreement to the contrary, be personally liable for the payment of the principal of, interest on or other amounts due under the MAV1 Notes or for the agreements of MAV1 referred to in the MAV1 Trust Indenture.

#### *Amendments*

The MAV1 Trust Indenture provides that, without the consent of any holder of MAV1 Notes, the New Indenture Trustee and the New Issuer Trustee may, and shall when so required pursuant to the MAV1 Trust Indenture, execute indentures supplemental to the MAV1 Trust Indenture or to certain other related documents to make any changes or corrections to the MAV1 Trust Indenture that are non-substantive corrections or changes required for the purpose of curing or correcting any clerical omission or mistake or manifest error contained therein, to pledge any property in favour

of the Collateral Agent, to correct or amplify description of any security or to make any modification necessary or advisable in order to comply with applicable law.

The New Indenture Trustee will be permitted, and will be obligated when so required pursuant to the Trust Indenture, to enter into, from time to time, amendments to the MAV1 Trust Indenture for any purpose not authorized above, with the consent of the holders of the MAV1 Controlling Class by a Special Resolution. No such MAV1 amendment, however, may:

- (a) reduce the holders' entitlement to any payment required to be made to any holder of a note;
- (b) change the definition or manner of calculating amounts to which any holder of a note is entitled; or
- (c) reduce any of the percentages required to consent to the foregoing,

unless the consent of holders of notes of the affected class of MAV1 Notes, holding more than 95% of the principal amount of the MAV1 Class A-1 Notes and/or MAV1 Class A-2 Notes and/or MAV1 Class B Notes, and/or MAV1 Class C Notes, as applicable, of such class then outstanding which are properly represented at a duly constituted meeting of the holders of such securities or by a direction pursuant to an instrument in writing signed by the holders of more than 95% of the principal amount of such notes or number of such certificates, is obtained, or if such approval is not forthcoming, any holder may consent to such Amendment with respect to its securities only. In addition, any proposed MAV1 Amendment that would materially adversely affect the tax position of a holder of MAV 1 Notes will require the unanimous consent of MAV1 Advisory Committee.

#### *Certain Covenants*

The MAV1 Trust Indenture will provide that, among other things, MAV1 will not:

- (a) create or permit to exist any lien, charge or other encumbrance on any of the assets of MAV1 purporting to rank in priority to or *pari passu* with the security interests granted to the Collateral Agent pursuant to the Master Security Agreement except certain liens permitted by the MAV1 Trust Indenture and the MAV1 Master Security Agreement;
- (b) remove BlackRock Canada, other than in accordance with the provisions of the related Administration and Management Agreement and with the consent of the MAV1 Advisory Committee;
- (c) other than indebtedness permitted under the MAV1 Trust Indenture or MAV1 Trust Documents, incur or create or guarantee any indebtedness;
- (d) engage in any activity other than those permitted in the MAV1 Trust Documents; or
- (e) except where consent of MAV1 is not required, consent to an amendment, termination or waiver of a MAV1 Trust Document that would reasonably be considered to have a material adverse effect on a Specified Creditor with consent of such Specified Creditor (or, where the Specified Creditor consists of holders of MAV1 Notes, without consent of the MAV1 Advisory Committee).

#### *Merger, Consolidation and Sale of Assets*

The MAV1 Trust Indenture will provide that, so long as any MAV1 Notes remain outstanding, MAV1 will not amalgamate or merge with any other person unless: (i) the successor entity assumes all of the obligations of MAV1 under the MAV1 Notes, the MAV1 Trust Indenture and the obligations under each of the MAV1 Notes and the MAV1 Trust Indenture remain in full force and effect; (ii) the successor entity executes, prior to or contemporaneously with the completion of such transaction, such supplemental indenture and other instruments (if any) as are satisfactory to the New Indenture Trustee and in the opinion of counsel are necessary or advisable to evidence the assumption by the successor entity of the liability for the due and punctual payment of all the MAV1 Notes and the interest thereon and all other moneys payable under the MAV1 Trust Indenture and the covenant of such successor entity to pay the same and its agreement to observe and perform all the covenants and obligations of MAV1 under the MAV1 Trust Indenture and the MAV1 Notes; and (iii) immediately before and immediately after giving effect to such amalgamation or merger on a *pro forma* basis, no Event of Default will have occurred and be continuing.

#### *Governing Law*

The laws of the Province of Ontario and the laws of Canada applicable therein will govern the MAV1 Trust Indenture.



### *Resignation of New Indenture Trustee*

The New Indenture Trustee may resign or be removed with respect to the MAV1 Notes in accordance with the terms of the MAV1 Trust Indenture and a successor trustee may be appointed to act with respect to the MAV1 Notes.

### **MAV1 Advisory Committee**

An advisory committee (the “**MAV1 Advisory Committee**”) will be established to liaise with, provide advice to, and to be available for consultation with BlackRock Canada regarding strategies to be pursued and actions to be taken by BlackRock Canada, as Asset Manager and Administrator, with respect to the management of the Managed Assets of MAV1.

Each holder who owns 5% or more of MAV1 Notes will be entitled to appoint one nominee to the MAV1 Advisory Committee. Generally, all decisions of the MAV1 Advisory Committee will be made with approval by a majority of the members of such committee holding at least 66⅔% of the outstanding principal amount of MAV1 Notes held by holders represented on the MAV1 Advisory Committee.

Approval of the MAV1 Advisory Committee will be required for, and the MAV1 Advisory Committee will have the power to effect, the following changes without consent of holders:

- (a) fundamental changes to the Managed Assets (other than Ineligible Assets) and proceeds from margin funding that are not contemplated by the Eligibility Criteria or require a change to the Eligibility Criteria, including any material restructuring, amendment, modification, waiver, replacement or substitution thereof;
- (b) fundamental changes to the capital structure, tax position, or risk profile of MAV1 or any winding-up scheme for the reconstruction or reorganization of MAV1 or for the consolidation or merger of MAV1 with any person;
- (c) a change to the transfer restrictions provided for in the MAV1 Trust Indenture;
- (d) amend, modify or repeal the Eligibility Criteria; and
- (e) the replacement or removal of BlackRock or any of its agents (to the extent that MAV1 is entitled to so replace or remove) or any rating agency then rating one or more classes of MAV1 Notes.

### **Description of the MAV2 Notes**

The MAV2 Notes will evidence limited recourse, secured debt obligations of MAV2. The MAV2 Notes will be issued pursuant to a trust indenture dated as of the Plan Implementation Date (the “**MAV2 Trust Indenture**”). The following is a description of certain material attributes and characteristics of the MAV2 Notes, the MAV2 Trust Indenture and certain other arrangements contemplated or permitted by the MAV2 Trust Indenture. Reference is made to the full text of the MAV2 Trust Indenture and other agreements referred to below for the specific attributes and characteristics of the MAV2 Notes and the MAV2 Trust Indenture.

#### **The MAV2 Notes**

##### *MAV2 Class A-1 Notes*

The MAV2 Class A-1 Notes will be created and issued on the Plan Implementation Date in an aggregate principal amount determined based on the Affected ABCP exchanged therefor and in accordance with the Relative Contribution Analysis. The MAV2 Class A-1 Notes will bear interest at the rate equal to the BA Rate less 50 basis points. The MAV2 Class A-1 Notes will be dated as of the Plan Implementation Date and will be issued in minimum denominations of \$1 or U.S.\$1.

The expected repayment date for the MAV2 Class A-1 Notes is December 20, 2016, subject to earlier repayment or later repayment in certain limited circumstances. The MAV2 Class A-1 Notes will be repaid as the MAV2 Additional Collateral liquidates and is released, and final repayment may occur later than such expected repayment date depending on certain factors, including the timing of release, the return on any investments made with collateral proceeds, the actual rate of collections and the amount of collections available for distribution to MAV2 in respect of the MAV2 Additional Collateral (see “Intercreditor Arrangements — Intercreditor Arrangements for MAV2 — MAV2 Release of Collateral”). Outstanding principal amounts and all accrued and unpaid interest on the MAV2 Class A-1 Notes will be due and payable on the MAV2 Maturity Date, although it is anticipated that the Transferred Synthetic and Hybrid Assets securing payment of the MAV2 Class A-1 Notes will have matured and all available funds distributed significantly in advance of this date.

### *MAV2 Class A-2 Notes*

The MAV2 Class A-2 Notes will be created and issued on the Plan Implementation Date in an aggregate principal amount determined based on the Affected ABCP exchanged therefor and in accordance with the Relative Contribution Analysis. The MAV2 Class A-2 Notes will bear interest at a rate equal to the interest rate on the MAV2 Class A-1 Notes. The MAV2 Class A-2 Notes will be dated as of the Plan Implementation Date and will be issued in minimum denominations of \$1 or U.S.\$1.

The expected repayment date for the MAV2 Class A-2 Notes is December 20, 2016, subject to earlier repayment or later repayment in certain limited circumstances. Repayment may occur earlier or later than such expected repayment date depending on certain factors, including the timing of release, the return on any investments made with collateral proceeds, the actual rate of collections and the amount of collections available for distribution to MAV2 in respect of the MAV2 Additional Collateral (See “Intercreditor Arrangements — Intercreditor Arrangements for MAV2 — MAV2 Release of Collateral”). Outstanding principal amounts and all accrued and unpaid interest on the MAV2 Class A-2 Notes will be due and payable on the MAV2 Maturity Date, although it is anticipated that the Transferred Synthetic and Hybrid Assets securing payment of the MAV2 Class A-2 Notes will have matured and all available funds distributed significantly in advance of this date.

### *MAV2 Class B Notes*

The MAV2 Class B Notes will be created and issued on the Plan Implementation Date in an aggregate principal amount determined based on the Affected ABCP exchanged therefor and in accordance with the Relative Contribution Analysis. The MAV2 Class B Notes will bear interest at a rate equal to the interest rate on the MAV2 Class A-1 Notes. The MAV2 Class B Notes will be dated as of the Plan Implementation Date and will be issued in minimum denominations of \$1 or U.S.\$1.

The expected repayment date for the MAV2 Class B Notes is December 20, 2016, subject to earlier repayment or later repayment in certain limited circumstances. Repayment may occur later than such expected repayment date depending on certain factors, including the timing of release, the return on any investments made with collateral proceeds, the actual rate of collections and the amount of collections available for distribution to MAV2 in respect of the MAV2 Additional Collateral (see “Intercreditor Arrangements — Intercreditor Arrangements for MAV2 — MAV2 Release of Collateral”). Outstanding principal amounts and all accrued and unpaid interest on the MAV2 Class B Notes will be due and payable on the MAV2 Maturity Date, although it is anticipated that the Transferred Synthetic and Hybrid Assets securing payment of the MAV2 Class B Notes will have matured and all available funds distributed significantly in advance of this date.

### *MAV2 Class C Notes*

The MAV2 Class C Notes will be created and issued on the Plan Implementation Date in an aggregate principal amount determined based on the Affected ABCP exchanged therefor and in accordance with the Relative Contribution Analysis. The MAV2 Class C Notes will bear interest at a rate equal to 20% per annum. The MAV2 Class C Notes will be dated as of the Plan Implementation Date and will be issued in minimum denominations of \$1 or U.S.\$1.

The expected repayment date for the MAV2 Class C Notes is December 20, 2016. Repayment may occur later than such expected repayment date, or not at all, depending on certain factors, including the timing of release, the return on any investments made with collateral proceeds, the actual rate of collections and the amount of collections available for distribution to MAV2 in respect of the MAV2 Additional Collateral (See “Intercreditor Arrangements — Intercreditor Arrangements for MAV2 — MAV2 Release of Collateral”). Outstanding principal amounts and all accrued and unpaid interest on the MAV2 Class C Notes will be due and payable on the MAV2 Maturity Date, although it is anticipated that the Transferred Synthetic and Hybrid Assets securing payment of the MAV2 Class C Notes will have matured and all available funds distributed significantly in advance of this date.

### *Payment of Interest*

Subject to the terms provided below, prior to the MAV2 Class A-1 Note Termination Date, the MAV2 Class A-2 Note Termination Date, the MAV2 Class B Note Termination Date or the MAV2 Class C Note Termination Date, as applicable, interest will be calculated and payable on the outstanding principal amounts of the MAV2 Class A-1 Notes, the MAV2 Class A-2 Notes, the MAV2 Class B Notes and the MAV2 Class C Notes, respectively, quarterly in arrears on the 20th day

of the applicable month, commencing in the third full month following the Plan Implementation Date. Payments of interest will be made in the same currency as the currency of the related MAV2 Note.

The MAV2 Class A-1 Notes will receive interest *pro rata* on a priority basis to the extent that sufficient funds are available to pay interest. If sufficient funds are not available to pay interest on the MAV2 Class A-1 Notes on an interest payment date that would otherwise be then due and payable, the MAV2 Class A-1 Notes will accrue interest (on the principal as well as on any unpaid interest) until the next interest payment date in which there are sufficient funds to pay the accrued and unpaid interest, but in any event no later than the tenth anniversary of the issuance of the Notes, at which time all interest then accrued and unpaid on the MAV2 Class A-1 Notes will be due and payable.

The MAV2 Class A-2 Notes will accrue interest (on the principal as well as on any unpaid interest) but will not be entitled to any payment of interest until the interest on the MAV2 Class A-1 Notes then due and payable has been paid in full, and then only to the extent that sufficient funds are available to pay interest. If sufficient funds are not available to pay interest on the MAV2 Class A-2 Notes on an interest payment date that would otherwise be then due and payable, the MAV2 Class A-2 Notes will accrue interest (on the principal as well as on any unpaid interest) until the next payment date in which there are sufficient funds to pay the accrued and unpaid interest, but in any event no later than the tenth anniversary of the issuance of the Notes, at which time all interest then accrued and unpaid on the MAV2 Class A-2 Notes will be due and payable.

The MAV2 Class B Notes will accrue interest (on the principal as well as on any unpaid interest) but will not be entitled to any payment of interest until the MAV2 Class A-1 Notes and MAV2 Class A-2 Notes have been repaid in full and then, only to the extent that sufficient funds are available to pay interest. If sufficient funds are not available to pay interest on the MAV2 Class B Notes on an interest payment date that would otherwise be then due and payable, the MAV2 Class B Notes will accrue interest (on the principal as well as on any unpaid interest) until the next payment date in which there are sufficient funds to pay the accrued and unpaid interest, but in any event no later than the MAV2 Maturity Date, at which time all principal and interest owing in respect of the MAV2 Class B Notes will be due and payable.

The MAV2 Class C Notes will accrue interest (on the principal as well as on any unpaid interest) but will not be entitled to any payment of interest until the MAV2 Class A-1 Notes, the MAV2 Class A-2 Notes and the MAV2 Class B Notes have been repaid in full and then, only to the extent that sufficient funds are available to pay interest. If sufficient funds are not available to pay interest on the MAV2 Class C Notes on an interest payment date that would otherwise be then due and payable, The MAV2 Class C Notes will accrue interest (on the principal as well as on any unpaid interest) until the next payment date in which there are sufficient funds to pay the accrued and unpaid interest, but in any event no later than the MAV2 Maturity Date, at which time all principal and interest owing in respect of the MAV2 Class C Notes will be due and payable.

Upon a realization of collateral following an Event of Default, the foregoing priorities will change such that the MAV2 Class A-2 Notes will not be entitled to receive any payments in respect of principal or interest until the MAV2 Class A-1 Notes have been repaid in full. See “— Repayment of MAV2 Notes”.

If MAV2 Additional Notes are issued at any time, the holders thereof will be entitled to receive payment of interest then due and payable before any payment of interest then due and payable in respect of the MAV2 Class A-1 Notes may be made.

The record date for holders of MAV2 Notes entitled to receive interest on any interest payment date will be the date which is 15 days preceding such interest payment date or, if such date is not a Business Day, the next succeeding Business Day. Interest for any period will accrue from and including the previous interest payment date (or the Plan Implementation Date in the case of the initial payment of interest) to, but excluding, the next interest payment date and will be calculated on the basis of a 365 or 366-day year, as applicable.

### *Repayment of MAV2 Notes*

The MAV2 Omnibus Agreement sets out a protocol for the release of collateral and the priority of payments to be made in respect of proceeds available for creditors of MAV2 derived from the assets of MAV2 (other than assets serving as collateral for the IA Tracking Notes) as follows:

#### *(a) Application of Proceeds from the Realization of MAV2 Original Collateral.*

Upon realization of the MAV2 Original Collateral, the monies or other proceeds arising from such realization will be distributed to creditors of MAV2 in the following priority (with funds being distributed *pro rata* in proportion to the claims represented by each paragraph below, except as otherwise specifically provided below):

- (i) first, to the Asset Provider, whether or not it is a Defaulting Party, any Unpaid Amounts owed to it in respect of its swap agreement(s);
- (ii) second, if the Asset Provider is not a Defaulting Party, to the Asset Provider the amount of any termination payment(s) owed to it in respect of its swap agreement(s) (less the *pro rata* share of the amount of any MAV2 MFF Lender's Defaulted Commitment); and
- (iii) third, to the Collateral Agent, all remaining amounts, to be applied pursuant to the paragraph (b) below.

#### *(b) Application of Proceeds from the Realization of Collateral by the Collateral Agent.*

Upon realization of the MAV2 Collateral held by the Collateral Agent, the monies or other proceeds arising from such realization, together with any other monies or other proceeds then or thereafter in the hands of the Collateral Agent available for such purpose (including any amounts received pursuant to paragraph (a) above), will be applied to creditors of MAV2 in the following priority (with funds being distributed *pro rata* in proportion to the claims represented by each paragraph below, except as otherwise specifically provided below):

- (i) first, to (A) the payment of any GST exigible and then to (B) the New Indenture Trustee, the New Issuer Trustee, BlackRock Canada and/or its affiliates (in all their capacities) and the MAV2 Advisory Committee in respect of fees, expenses and reimbursements (and including in the case of BlackRock Canada and/or affiliates and other applicable "indemnified persons" under the terms of the relevant BlackRock indemnity, any indemnified claims not paid in the ordinary course (excluding in respect of tax indemnities) up to a prescribed aggregate maximum amount<sup>(33)</sup> and then to (C) other service providers including the Collateral Agent, etc. in respect of fees, expenses and reimbursements (excluding in respect of indemnities), in the case of each of sub-clauses (B) and (C), with funds being distributed *pro rata* in proportion to the claims represented by such respective sub-clause;
- (ii) second, to each LSS CDS Counterparty, whether or not it is a MAV2 MFF Defaulting Lender, any Unpaid Amounts owed to it in respect of its swap agreement(s), to the extent not paid pursuant to paragraph (a) above;
- (iii) third, to each LSS CDS Counterparty that is not a MAV2 MFF Defaulting Lender, an amount equal to the lesser of (A) any portion of such LSS CDS Counterparty's Termination Payment not paid pursuant to paragraph (a) above (other than the amount of any MAV2 MMF Lender Defaulted Commitment) and (2) such LSS CDS Counterparty's collateral entitlement;
- (iv) fourth, to each LSS CDS Counterparty that is not a Defaulting Party, any unpaid portion of such LSS CDS Counterparty's Termination Payment not yet paid in full (other than the amount of any MAV2 MFF Lender Defaulted Commitment);
- (v) fifth, *pro rata* and *pari passu* in respect of all interest accrued and unpaid, if any, on the MAV2 Additional Notes, on a *pro rata* basis among the holders of MAV2 Additional Notes with each class of MAV2 Additional Notes that was issued later than another class of MAV2 Additional Notes receiving payment of interest to any class or classes of MAV2 Additional Notes were issued prior to such class (on a *pro rata* basis where classes of MAV2 Additional Notes were issued on the same date and within a class of MAV2 Additional Notes; and B) to the MAV2 MFF Lenders who have provided Additional Commitments, amounts due in respect of interest rateably (based on the amount of each MAV2 MFF Lender's Additional Commitment);

(33) The maximum amount will be equal to \$50 million multiplied by a fraction, the numerator of which is the settlement amount of the Affected ABCP assumed by MAV2 and the denominator of which is the settlement amount of Affected ABCP assumed by both MAV1 and MAV2.

- (vi) sixth, (A) to the holders of MAV2 Additional Notes, on a *pro rata* basis, on account of the aggregate outstanding principal amount of the MAV2 Additional Notes, until the aggregate outstanding principal amount of the MAV2 Additional Notes has been paid in full, (with each class of MAV2 Additional Notes that was issued after the issuance of any other class of MAV2 Additional Notes receiving payment in full before payment to any class or classes of MAV2 Additional Notes issued prior to such class) (on a *pro rata* basis when classes of MAV2 Additional Notes when issued on the same date and within a class of MAV2 Additional Notes) and (B) to the MAV2 MFF Lenders who have provided Additional Commitments, amounts due in respect of principal, ratably (based on the amount of each MAV2 MFF Lender's Additional Commitment);
- (vii) seventh, (A) to the MAV2 MFF Lenders, amounts due to the MAV2 MFF Lenders for principal and interest, ratably in accordance with the MAV2 Margin Funding Facility Agreement and (B) to any Breaching MAV2 Dealer/Lender an amount equal to the lesser of: (I) its MAV2 MFF Lender Defaulted Commitment and (B) any Termination Payments owed to such Breaching MAV2 Dealer/Lender;
- (viii) eighth, to the Breaching MAV2 Dealer/Lender an amount equal to the excess of the amount in (vii) (B) over (vii) (A);
- (ix) ninth, in respect of all interest accrued and unpaid, if any, on the MAV2 Class A-1 Notes, on a *pro rata* basis among the holders of MAV2 Class A-1 Notes;
- (x) tenth, to the holders of MAV2 Class A-1 Notes, on a *pro rata* basis, on account of the aggregate outstanding principal amount of the MAV2 Class A-1 Notes, until the aggregate outstanding principal amount of the MAV2 Class A-1 Notes has been paid in full;
- (xi) eleventh, in respect of all interest accrued and unpaid, if any, on the MAV2 Class A-2 Notes on a *pro rata* basis among the holders of MAV2 Class A-2 Notes;
- (xii) twelfth, to the holders of the MAV2 Class A-2 Notes, on a *pro rata* basis, on account of the aggregate outstanding principal amount of the MAV2 Class A-2 Notes, until the aggregate outstanding principal amount of the MAV2 Class A-2 Notes has been paid in full;
- (xiii) thirteenth, to (A) the Existing Note Indenture Trustees, and the Issuer Trustees with respect to the Existing Indemnity Claims, the New Indenture Trustee, the New Issuer Trustee, BlackRock Canada and/or its affiliates and the MAV2 Advisory Committee and then to (B) other service providers, including the Collateral Agent, in each case in each of sub-clauses (A) and (B), in respect of any indemnity amounts owing and not previously paid and (X) including for each referenced party amounts payable to their respective affiliates and other applicable "indemnified persons" under the terms of the relevant indemnity and (Y) with funds being distributed *pro rata* in proportion to the claims represented by such respective sub-clause;
- (xiv) fourteenth, to each MAV2 MFF Lender in respect of its indemnity as provided for in the MAV2 Margin Funding Facility Agreement;<sup>(34)</sup>
- (xv) fifteenth, in respect of all interest accrued and unpaid, if any, on the MAV2 Class B Notes, on a *pro rata* basis among the holders of MAV2 Class B Notes;
- (xvi) sixteenth, to the holders of the MAV2 Class B Notes, on a *pro rata basis*, on account of the aggregate outstanding principal amount of the MAV2 Class B Notes, until the aggregate outstanding principal amount of the MAV2 Class B Notes has been paid in full;
- (xvii) seventeenth, to each MAV2 Breaching Asset Provider, any termination payments due to such MAV2 Breaching Asset Provider;
- (xviii) eighteenth, in respect of all interest accrued and unpaid, if any, on the MAV2 Class C Notes on a *pro rata* basis among the holders of MAV2 Class C Notes;
- (xix) nineteenth, to the holders of the MAV2 Class C Notes, on a *pro rata* basis, on account of the aggregate outstanding principal amount of the MAV2 Class C Notes, until the aggregate principal amount of the MAV2 Class C Notes has been repaid in full; and

(34) The ranking in respect of the priorities provided for in paragraphs (xiii) and (xiv) are subject to further negotiation among the parties.



(xx) twentieth, to MAV2 amounts prescribed for the beneficiary thereof.

(c) *Application of Proceeds in the ordinary course and while there is no realization upon the Collateral securing the obligations of MAV2.*

The proceeds from the Collateral securing the obligations of MAV2 will be applied to creditors of MAV2 in the following order of priority, subject to the provisions of the Omnibus Agreement which will provide for amendments to the following proceeds upon the occurrence of certain events (with funds being distributed pro rata in proportion to the claims represented by each paragraph below, except as otherwise specifically provided below):

- (i) first, to (A) the payment of any GST exigible and then to (B) the New Indenture Trustee, the New Issuer Trustee, BlackRock Canada and/or its affiliates (in all their capacities) and the MAV2 Advisory Committee in respect of fees, expenses and reimbursements (and including in the case of BlackRock Canada and/or any of its affiliates and other applicable “indemnified persons” under the terms of the relevant BlackRock indemnity, any indemnified claims not paid in the ordinary course (excluding in respect of tax indemnities) up to a prescribed aggregate maximum<sup>(35)</sup> and a maximum amount in any quarterly payment period equal to 10% of the original prescribed aggregate maximum amount, provided that if such payment would cause a cash shortfall that would constitute an Additional Termination Event or CDS Event of Default under the Credit Default Swaps no such payment shall be made to the extent thereof) and then to (iii) other service providers including the Collateral Agent, etc. in respect of fees, expenses and reimbursements (excluding in respect of indemnities) in the case of each of sub-clauses (B) and (C), with funds being distributed *pro rata* in proportion to the claims represented by such respective sub-clause;
- (ii) second, to each Asset Provider, whether or not it is a MAV2 Defaulting MFF Lender any amounts owed to such Asset Provider under its swap agreement(s);
- (iii) third, in respect of all interest accrued and unpaid, if any, on the MAV2 Additional Notes on a *pro rata* basis among the holders of MAV2 Additional Notes (with each class of MAV2 Additional Notes that was issued later than another class of MAV2 Additional Notes receiving payment of interest before any class or classes of MAV2 Additional Notes issued prior to such class);
- (iv) fourth, to the holders of MAV2 Additional Notes, in an amount equal to the aggregate outstanding principal amount of the MAV2 Additional Notes then due and payable (with each class of MAV2 Additional Notes that was issued after the issuance of any other class of MAV2 Additional Notes receiving payment before payment to any class or classes of MAV2 Additional Notes issued prior to such class) (on a pro rata basis within a class of MAV2 Additional Notes);
- (v) fifth, to any service providers and other third parties subject to the MAV2 Margin Funding Facility Agreement, the amounts due under the MAV2 Margin Funding Facility Agreement in accordance with the terms thereof;
- (vi) sixth, in respect of all interest accrued and unpaid, if any, on the MAV2 Class A-1 Notes, on a *pro rata* basis among the holders of MAV2 Class A-1 Notes;
- (vii) seventh, in respect of all interest accrued and unpaid, if any, on the MAV2 Class A-2 Notes on a *pro rata* basis among the holders of MAV2 Class A-2 Notes;
- (viii) eighth, to the holders of MAV2 Class A-1 Notes, on a *pro rata* basis, on account of the aggregate outstanding principal amount of the MAV2 Class A-1 Notes, until the aggregate outstanding principal amount of the MAV2 Class A-1 Notes has been paid in full;
- (ix) ninth, to the holders of MAV2 Class A-2 Notes, on a *pro rata* basis, on account of the aggregate outstanding principal amount of the MAV2 Class A-2 Notes, until the aggregate outstanding principal amount of the MAV2 Class A-2 Notes has been paid in full;
- (x) tenth, to (A) the New Indenture Trustee, the New Issuer Trustee, the Existing Note Indenture Trustees, the Issuer Trustees with respect to the Existing Indemnity Claims, BlackRock Canada and/or its affiliates and the MAV2 Advisory Committee and then to (B) other service providers, including the Collateral Agent in each case in each of sub-clauses (A) and (B), in respect of any indemnity amounts owing and not previously paid and (X) including for each referenced party amounts payable to their respective affiliates and other applicable

(35) The maximum amount will be equal to \$50 million multiplied by a fraction, the numerator of which is the settlement amount of Affected ABCP assumed by MAV2 and the denominator of which is the settlement amount of Affected ABCP assumed by both MAV1 and MAV2.

“indemnified persons” in accordance with the terms of the relevant indemnity and (Y) with funds being distributed *pro rata* in proportion to the claims represented by such respective sub-clause;

- (xi) eleventh, to each MAV2 MFF Lender in respect of its indemnity as provided for in the MAV2 Margin Funding Facility Agreement;<sup>(36)</sup>
- (xii) twelfth, in respect of all interest accrued and unpaid, if any, on the MAV2 Class B Notes, on a *pro rata* basis among the holders of MAV2 Class B Notes;
- (xiii) thirteenth, to the holders of the MAV2 Class B Notes, on a *pro rata* basis, on account of the aggregate outstanding principal amount of the MAV2 Class B Notes, until the aggregate outstanding principal amount of the MAV2 Class B Notes has been paid in full;
- (xiv) fourteenth, to call defaulting MAV2 Breaching Asset Provider any termination payments due to such MAV2 Facility Agreement;
- (xv) fifteenth, in respect of all interest accrued and unpaid, if any, on the MAV2 Class C Notes on a *pro rata* basis among the holders of MAV2 Class C Notes; and
- (xvi) sixteenth, to the holders MAV2 Class C Notes, on a *pro rata* basis, on account of the aggregate outstanding principal amount of the MAV2 Class C Notes, until the aggregate outstanding principal amount of the MAV2 Class C Notes.

If the foregoing amounts are payable on a date other than a scheduled payment date, an amount will be reserved from funds otherwise available to pay the Dealers or Lenders, as applicable, for the purpose of paying amounts, calculated on a pro forma basis, that will be due to the persons described in clause (i) on the next scheduled payment date or that are reasonably expected to become due and payable to the extent that, in the reasonable opinion of the Administrator, sufficient funds would not be available in such amount on the next scheduled payment date.<sup>(37)</sup>

**The foregoing payment priorities are subject to change pursuant to, and will be superceded in certain circumstances by, the terms of the MAV2 Omnibus Agreement where applicable.**

Prior to the tenth anniversary of the Plan Implementation Date, MAV2 is only required to pay interest in respect of the MAV2 Class A-1 Notes and the MAV2 Class A-2 Notes to the extent sufficient funds are available. Interest will accrue on such notes to the extent insufficient funds are available.

No interest will be paid to the holders of the MAV2 Class A-2 Notes until all interest then due and payable in respect of the MAV2 Class A-1 Notes has been paid in full and no principal payments will be made to holders of MAV2 Class A-2 Notes until all amounts owing under the MAV2 Class A-1 Notes have been repaid in full. No interest or principal payments will be made to holders of MAV2 Class B Notes until all amounts owing under the MAV2 Class A-2 Notes have been paid in full. No interest or principal payments will be made to holders of MAV2 Class C Notes until all amounts owing on the MAV2 Class A-1 Notes, the MAV2 Class A-2 Notes or the MAV2 Class B Notes have been paid in full.

Proceeds of the MAV2 Collateral will, in certain circumstances, be made available to pay certain fees, expenses and indemnities relating to the IA Tracking Notes issued by MAV2.

#### *Repayment and Reductions of Principal*

MAV2 will be entitled to repay, without penalty, all or any portion of the outstanding principal amount of the MAV2 Notes at any time and from time to time, subject to the priorities described under “Repayment of MAV2 Notes”. Repayment of the principal amount owing under the MAV2 Notes will commence as the MAV2 Additional Collateral amortizes and yields returns in excess of the stipulated interest on the MAV2 Class A-1 Notes and MAV2 Class A-2 Notes and amounts are released for the benefit of holders of MAV2 Notes. It is not anticipated that any amounts will be available for the repayment of principal until at least the fifth anniversary of the issuance of the MAV2 Notes. See “Intercreditor Arrangements — Intercreditor Arrangements for MAV2 — MAV2 Release of Collateral”.

Repayment of principal in respect of the MAV2 Class A-2 Notes will not be made until all amounts owing under the MAV2 Class A-1 Notes have been paid in full. Repayment of principal in respect of the MAV2 Class B Notes will not be made until all amounts owing under the MAV2 Class A-1 Notes and MAV2 Class A-2 Notes have been paid in full and

(36) The ranking of priorities provided for in paragraphs (x) and (xi) are subject to further negotiation among the parties.

(37) Parties to determine and agree upon applicability to realization of collateral.

no principal payments will be made to holders of MAV2 Class C Notes until all amounts owing under the MAV2 Class A-1 Notes, the MAV2 Class A-2 Notes and the Class B Notes have been paid in full.

**A holder of MAV2 Notes who is also a MAV2 MFF Lender is subjected to having the principal amount of its MAV2 Notes automatically reduced and discharged upon the occurrence of prescribed events in accordance with the terms of the MAV2 Omnibus Agreement. That holder's priority entitlement to receive payments may also be affected and such right might be subordinated to the creditor pursuant to the terms of the MAV2 Omnibus Agreement. See "Intercreditor Arrangements — Intercreditor Arrangements for MAV2 — MAV2 Omnibus Agreement".**

### *The MAV2 Trust Indenture*

The MAV2 Trust Indenture provides for the issuance of the MAV2 Notes. The aggregate principal amount of MAV2 Notes that may be issued is limited by the MAV2 Trust Indenture to the aggregate principal amount of MAV2 Notes to be issued pursuant to the Plan and an unlimited amount of MAV2 Additional Notes.

#### *Limited Recourse*

Pursuant to the terms of the MAV2 Master Security Agreement, recourse to MAV2 for amounts owing under the MAV2 Notes will be limited to the right to be paid amounts distributed to MAV2 in respect of the MAV2 Original Collateral and MAV2 Additional Collateral, subject to the prior or equal ranking payment of certain amounts described under "Description of the MAV2 Notes — The MAV2 Trust Indenture — Security and Ranking and "MAV2 Additional Notes". Holders of the MAV2 Notes will not have recourse to the property and assets of the New Issuer Trustee (other than in its capacity as trustee of MAV2), BlackRock Canada, the New Indenture Trustee, or any affiliate thereof. Holders of the MAV2 Additional Notes will have the benefit of the subordination of payments due with respect to the MAV2 Notes to the extent described herein. Holders of the MAV2 Class A-1 Notes will have the benefit of the subordination of payments due with respect to the MAV2 Class A-2 Notes, MAV2 Class B Notes and MAV2 Class C Notes, holders of MAV2 Class A-2 Notes will have the benefit of subordination of payments due with respect to the MAV2 Class B Notes and MAV2 Class C Notes, and holders of the MAV2 Class B Notes will have the benefit of subordination of payments due with respect to the MAV2 Class C Notes, to the extent described herein.

#### *Security and Ranking*

The MAV2 Notes will be secured by a fifth ranking security interest in the MAV2 Original Collateral and MAV2 Additional Collateral (ranking behind, among others, Asset Providers and MAV2 MFF Leaders). All such security will be held by the Collateral Agent for the benefit of the holders of the MAV2 Notes and prior ranking secured creditors.

Upon realization of the security, funds will be applied in the order of priority described under "Repayment of MAV2 Notes". Each of these priorities of payments are subject to the claims of any Person with a security interest or lien ranking in priority to the security created under or pursuant to the MAV2 Master Security Agreement, including claims of Asset Providers of New CDSs transferred to MAV2 and MAV2 MFF Lenders.

MAV2 has agreed not to grant or permit to exist any security interest or lien over the MAV2 assets security payment or the MAV2 Notes, except as permitted or provided for under the MAV2 Trust Indenture and the MAV2 Master Security Agreement. MAV2 has also agreed not to incur or create or guarantee any indebtedness, except for indebtedness created as expressly permitted pursuant to the MAV2 Trust Documents. See "Intercreditor Arrangements — Intercreditor for MAV2 Arrangements — MAV2 Master Security Agreement".

#### *Events of Default; Rights Upon Event of Default*

An "Event of Default" is defined in the MAV2 Trust Indenture as being the occurrence of one or more of the following events:

- (a) a default by MAV2 in making any payment of any amount owing under the MAV2 Notes that, by its terms, is then required to be paid, which default continues unremedied for a period of three Business Days after the date on which written notice of such default, requiring the same to be remedied, has been given to MAV2 by the New Indenture Trustee;
- (b) a default in any material respect by MAV2 in the observance or performance of any other covenant or agreement of MAV2 made in the MAV2 Trust Indenture which continues to be unremedied for a period of

30 days after written notice thereof is given to MAV2 by the New Indenture Trustee or to MAV2 and the New Indenture Trustee by the holders of at least 25% of the principal amount of the MAV2 Controlling Class;

- (c) the delivery of a notice to MAV2 of any representation or warranty made by MAV2 in the MAV2 Trust Indenture not being true and correct in all material respects when made which continues to be unremedied for a period of 30 days after written notice thereof is given to MAV2 by the New Indenture Trustee or to MAV2 and the New Indenture Trustee by the holders of at least 25% of the principal amount of the MAV2 Controlling Class; or
- (d) certain events of insolvency of MAV2.

The MAV2 Trust Indenture provides that, subject to certain limitations described therein, if an Event of Default occurs and is continuing, then the New Indenture Trustee may, in its discretion, declare the MAV2 Notes and the obligations with respect to such MAV2 Notes to be immediately due and payable and, if requested by a written request of not less than 25% of the aggregate principal amount of the holders of the MAV2 Controlling Class, will declare such MAV2 Notes and all obligations with respect thereto to be immediately due and payable. Any declaration by the New Indenture Trustee that the MAV2 Notes are due and payable and the consequences of such declaration may, under certain circumstances, be rescinded and annulled by Special Resolution of the holders of the MAV2 Controlling Class.

If MAV2 Notes have been declared due and payable following the occurrence and continuance of an Event of Default, the Collateral Agent will be permitted and, if directed by a Special Resolution from the holders of the MAV2 Controlling Class, will be obligated to take one or more of the following actions (subject, however, to provision of an indemnity as described below) pursuant and subject to the terms of the MAV2 Trust Indenture and the MAV2 Master Security Agreement:

- (a) institute proceedings for the collection of all amounts then payable on the MAV2 Notes and the obligations outstanding;
- (b) sell, liquidate or otherwise dispose of the assets of MAV2 to which the holders of the notes of MAV2 Notes have recourse pursuant to the security arrangements, including the MAV2 Additional Collateral;
- (c) institute proceedings in any court of competent jurisdiction for the appointment of a receiver with respect to the assets of MAV2 to which the holders of the MAV2 Notes have recourse; and
- (d) take and maintain possession of the assets of MAV2 to which, pursuant to the security arrangements in the MAV2 Trust Indenture, the holders of the MAV2 Notes have recourse.

Subject to the provisions of the MAV2 Master Security Agreement relating to the duties of the Collateral Agent, if an Event of Default occurs and is continuing, the Collateral Agent will be under no obligation to exercise any of the rights, powers or discretions, make any elections or give any notices under the MAV2 Master Security Agreement at the request or direction of holders of the MAV2 Controlling Class. Subject to such provisions for indemnification and certain limitations contained in the MAV2 Trust Indenture and the MAV2 Master Security Agreement, the holders of the MAV2 Controlling Class will have the right, by a Special Resolution, to direct the time, method and place of conducting any proceeding or any remedy available to the New Indenture Trustee; pursuant to the MAV2 Trust Indenture.

Subject to provisions for indemnification and certain limitations contained in the MAV2 Trust Indenture, the holders of the MAV2 Controlling Class, will have the right, by Special Resolution, to direct the New Indenture Trustee or Collateral Agent to exercise or refrain from exercising any of the powers conferred upon it by the MAV2 Trust Indenture or MAV2 Master Security Agreement.

**The ability of the the Collateral Agent or any other person to seek any remedy or take any action described above will be subject to, and may be postponed by, the right of any other creditor holding a prior ranking security to seek any remedy under the terms of any agreement it may have with MAV2. See “Intercreditor Arrangements”.**

No holder of MAV2 Notes will have the right to institute any proceeding permitted by the MAV2 Trust Indenture, whether at law or in equity, judicial or otherwise, for the purpose of exercising any remedy provided under the MAV2 Trust Indenture or the MAV2 Master Security Agreement in respect of MAV2 Notes, except that holders of more than 66⅔% of the principal amount of the MAV2 Controlling Class may institute any such proceeding if the Collateral Agent has failed to do so after a reasonable time period following provision of required notices and requests and satisfactory indemnities with respect to the affected MAV2 Notes; provided, however, that the enforcement of any remedy provided under the MAV2 Master Security Agreement by any such holder will be subject to the security arrangements provided for in the MAV2

Master Security Agreement and described under “Description of the MAV2 Notes — The MAV2 Trust Indenture — Security and Ranking” and “Payments and Ranking Upon Event of Default”.

#### *Limitation of Liability*

Neither the New Indenture Trustee nor any of its owners, agents, officers, directors, employees, successors or assigns, nor a beneficiary of MAV2 shall, in the absence of an express agreement to the contrary, be personally liable for the payment of the principal of, interest on or other amounts due under the MAV2 Notes or for the agreements of MAV2 referred to in the MAV2 Trust Indenture.

#### *Amendments*

The MAV2 Trust Indenture provides that, without the consent of any holder of MAV2 Notes, the New Indenture Trustee and the New Issuer Trustee may, and shall when so required pursuant to the MAV2 Trust Indenture, execute indentures supplemental to the MAV2 Trust Indenture or to certain related documents to make any changes or corrections to the MAV2 Trust Indenture that are non-substantive corrections or changes required for the purpose of curing or correcting any clerical omission or mistake or manifest error contained therein, to pledge any property in favour of the Collateral Agent, to correct or amplify the description of any security or to make any modification necessary or advisable in order to comply with applicable law.

The New Indenture Trustee will be permitted, and will be obligated when so required pursuant to the Trust Indenture, to enter into, from time to time, amendments to the MAV2 Trust Indenture for any purpose not authorized above, with the consent of the holders of the MAV2 Controlling Class by a Special Resolution. No such MAV2 amendment, however, may:

- (a) reduce the holder’s entitlement to any payment required to be made to any holder of a note;
- (b) change the definition or manner of calculating amounts to which any holder of a note is entitled; or
- (c) reduce any of the percentages required to consent to the foregoing,

unless the consent of holders of notes of the affected class of MAV2 Notes, holding more than 95% of the principal amount of the MAV2 Class A-1 Notes and/or MAV2 Class A-2 Notes and/or MAV2 Class B Notes and/or MAV2 Class C Notes, as applicable, of such class then outstanding which are properly represented at a duly constituted meeting of the holders of such securities or by a direction pursuant to an instrument in writing signed by the holders of more than 95% of the principal amount of such notes or number of such certificates, is obtained, or if such approval is not forthcoming, any holder may consent to such Amendment with respect to its securities only.

#### *Certain Covenants*

MAV2 has agreed in the MAV2 Trust Indenture that, among other things, it will not:

- (a) create or permit to exist any lien, charge or other encumbrance on any of the assets of MAV2 purporting to rank in priority to or *pari passu* with the security interests granted to the Collateral Agent pursuant to the Master Security Agreement except certain liens permitted by the MAV2 Trust Indenture and the MAV2 Master Security Agreement;
- (b) remove BlackRock Canada, other than in accordance with the provisions of the related Administration and Management Agreement;
- (c) other than indebtedness permitted under the MAV2 Trust Indenture or any MAV2 Trust Document, incur or create or guarantee any indebtedness
- (d) engage in any activity other than those permitted in the MAV2 Declaration of Trust or Trust Documents; or
- (e) except where consent of MAV2 is not required, consent to an amendment, termination or waiver of a MAV2 Trust Document that would reasonably be considered to have a material adverse affect on a Specified Creditor with consent of the Specified Creditor (or, where the Specified Creditor consists of holders of MAV2 Notes, with consent of holders of the MAV2 Controlling Class by Special Resolution).

#### *MAV2 Additional Notes*

MAV2 will be entitled to issue additional notes in one or more classes at any time or from time to time solely to fund margin calls where sufficient amounts are not available under the MAV2 Margin Funding Facility Agreement. Such notes,



if issued, will rank senior to the MAV2 Class A-1 Notes as to priority of payment of all amounts payable in respect of such notes, and will be secured by the same assets that secure payment in respect of the MAV2 Notes. In addition, such notes, if issued, will be entitled to vote with the holders of MAV2 Class A-1 Notes on any matter on which the MAV2 Class A-1 Notes are entitled to vote, other than where such holders are entitled to a separate class vote. The terms of a class of MAV2 Additional Notes will be set out in a supplement entered into between MAV2 and the New Indenture Trustee at the time of their issuance.

#### *Book-Entry Registration*

The MAV2 Notes may be represented by one or more fully registered book entry only or book based certificates (each, a **“BE Certificate”** and collectively, the **“BE Certificates”**) held by, or on behalf of, CDS Clearing, as custodian of the BE Certificates, and registered in the name of CDS Clearing or its nominee, except in the circumstances described herein. Registration of ownership and transfers of MAV2 Notes represented by BE Certificates will be made only through the depository service of CDS Clearing. Except as described herein, no purchaser of a MAV2 Note will be entitled to a definitive certificate or other instrument from the MAV or CDS Clearing evidencing that purchaser’s beneficial ownership thereof, and no holder of an interest in a BE Certificate (a **“Book-Entry Certificate Owner”**) will be shown on the records maintained by CDS Clearing, except through book entry accounts of a participant in the depository system of CDS Clearing (each a **“Participant”** and together, the **“Participants”**) acting on behalf of the Book-Entry Certificate Owner.

Transfers of beneficial ownership of MAV2 Notes represented by BE Certificates will be effected through records maintained by CDS Clearing for such BE Certificates or its nominee (with respect to interests of Participants) and on the records of Participants (with respect to Persons other than Participants). Beneficial owners who are not Participants, but who desire to purchase, sell or otherwise transfer beneficial ownership of, or any other interest in, BE Certificates may do so only through Participants.

The ability of a Book-Entry Certificate Owner to pledge a MAV2 Note or otherwise take action with respect to such owner’s interest in the MAV2 Note (other than through a Participant) may be limited due to lack of a physical certificate.

Unless and until Definitive Notes are issued, Book-Entry Certificate Owners will not be recognized by the New Indenture Trustee as holders of MAV2 Notes. All references herein or in the MAV2 Trust Indenture to payments, notices, reports and statements to, or actions by, holders of MAV2 Notes will refer to the same made with respect to or by CDS Clearing or its nominee, as the case may be, as the registered holder of the Notes upon instructions of a requisite number of Book-Entry Certificate Owners acting through Participants.

MAV2 Notes will each be issued as a class in fully registered certificated form (**“Definitive Notes”**) to Book-Entry Certificate Owners or their nominees other than to CDS Clearing or its nominee only if (a) MAV2 advises the New Indenture Trustee in writing that CDS Clearing is no longer willing or able to properly discharge its responsibilities as depository with respect to such class of MAV2 Notes and the New Indenture Trustee or MAV2 is unable to locate a qualified successor depository, (b) MAV2 advises the New Indenture Trustee in writing that it elects to terminate the use of the CDS Clearing depository system with respect to such class of MAV2 Notes, or (c) after the occurrence and during the continuance of an Event of Default, Book-Entry Certificate Owners representing in aggregate not less than 51% of the outstanding principal amount of such class of MAV2 Notes advise the New Indenture Trustee and CDS Clearing, through Participants in writing, that the continuation of a book-entry system through CDS Clearing is no longer in the best interests of Book-Entry Certificate Owners of such class.

Upon the occurrence of any of the events described in the immediately preceding paragraph, the New Indenture Trustee is obliged to notify all Book-Entry Certificate Owners in respect of each affected class of MAV2 Notes, through the CDS Clearing depository system, of the availability of Definitive Notes for such class. Upon surrender by CDS Clearing of the relevant BE Certificate and instructions from CDS Clearing for re-registration, MAV2 will issue Definitive Notes for the applicable class and thereafter the New Indenture Trustee and MAV2 will recognize the registered holders of such Definitive Notes as the holders of MAV2 Notes of such class under the MAV2 Trust Indenture. Payments of principal, interest and other amounts with respect to the MAV2 Notes of such class will thereafter be made by the New Indenture Trustee directly to holders of Definitive Notes in accordance with the procedures set out in the MAV2 Trust Indenture to holders in whose names the Definitive Notes were registered at the close of business on the applicable record date. Such payments will be made by cheque mailed to the address of such holder as it appears on the register maintained by the New Indenture Trustee or its agent. The final payment on any MAV2 Note, however, will be made only upon presentation and surrender of the applicable Definitive Note at the office or agency specified in the applicable Trust Indenture.

### *Merger, Consolidation and Sale of Assets*

The MAV2 Trust Indenture will provide that, so long as any MAV2 Notes remain outstanding, MAV2 will not merge with any other person unless: (i) the successor entity assumes all of the obligations of MAV2 under the MAV2 Notes, the MAV2 Trust Indenture and the obligations under each of the MAV2 Notes and the MAV2 Trust Indenture remain in full force and effect; (ii) the successor entity executes, prior to or contemporaneously with the completion of such transaction, such supplemental indenture and other instruments (if any) as are satisfactory to the New Indenture Trustee and in the opinion of counsel are necessary or advisable to evidence the assumption by the successor entity of the liability for the due and punctual payment of all the MAV2 Notes and the interest thereon and all other moneys payable under the MAV2 Trust Indenture and the covenant of such successor entity to pay the same and its agreement to observe and perform all the covenants and obligations of MAV2 under the MAV2 Trust Indenture and the MAV2 Notes; and (iii) immediately before and immediately after giving effect to such amalgamation on a *pro forma* basis, no Event of Default will have occurred and be continuing.

### *Governing Law*

The laws of the Province of Ontario and the laws of Canada applicable therein will govern the MAV2 Trust Indenture.

### *Resignation of New Indenture Trustee*

The New Indenture Trustee may resign or be removed with respect to the MAV2 Notes in accordance with the terms of the MAV2 Trust Indenture and a successor trustee may be appointed to act with respect to the MAV2 Notes.

### *MAV2 Advisory Committee*

An advisory committee (the “**MAV2 Advisory Committee**”) will be established to provide a forum for consultation with BlackRock Canada regarding actions to be taken by BlackRock Canada as Asset Manager and Administrator, with respect to the management of the Managed Assets of MAV2.

Each holder who owns 5% or more of MAV2 Notes will be entitled to appoint one nominee to the MAV2 Advisory Committee.

### **Description of the IA Tracking Notes**

The IA Tracking Notes will evidence limited recourse, secured debt obligations of MAV1 or MAV2, as applicable. The IA Tracking Notes will be issued in up to 13 classes pursuant to trust indentures of MAV1 and MAV2 dated as of the Plan Implementation Date (collectively, the “**IA Tracking Note Trust Indentures**”). The following is a description of certain material attributes and characteristics of the IA Tracking Notes, the IA Tracking Note Trust Indentures and certain other arrangements as contemplated or permitted by the IA Tracking Note Trust Indentures. Reference is made to the IA Tracking Note Trust Indentures and other agreements referred to below for the specific attributes and characteristics of the IA Tracking Notes and the IA Tracking Note Trust Indentures.

### *The IA Tracking Notes*

The IA Tracking Notes will be created and issued in up to 13 classes on the Plan Implementation Date in an aggregate principal amount equal to settlement amount of the Affected ABCP exchanged therefor apportioned on the basis of the notional amount of the liabilities comprising the Ineligible Assets that secure the IA Tracking Notes. Each class of IA Tracking Note will receive payments derived from a particular Ineligible Asset that secured the Series of Affected ABCP which was exchanged for an IA Tracking Note (or where a Series of Affected ABCP was secured by more than one Ineligible Asset, a separate class of IA Tracking Notes will be issued for each such asset) and such Ineligible Assets will not generally be pooled for purposes of funding payments on any other class of IA Tracking Notes, except to the extent that they were pooled to fund payments on the Series of Affected ABCP exchanged for IA Tracking Notes. Each particular Ineligible Asset that currently secures a Series of Affected ABCP and will secure one class of IA Tracking Notes is referred to herein as a “**Specific Tracked Asset**” and, collectively, as the “**Tracked Assets**”. The Tracked Assets will be comprised solely of Ineligible Assets.

Each IA Tracking Note will bear interest at the rate equal to the net rate of return generated by the related Specific Tracked Asset. The IA Tracking Notes will be dated the Plan Implementation Date and will be issued in minimum denominations of \$1 or U.S.\$1. Each class of IA Tracking Note will have a maturity date that reflects the longest maturity of the related Specific Tracked Asset as follows.

IA Tracking Note	Affected ABCP	Program Numbers	Maturity
Class 1	Apsley Trust, Series A	Quanto Program 4	December 25, 2036
Class 2	Apsley Trust, Series A	Quanto Program 7	December 15, 2024
Class 3	Aria Trust, Series A	Newshore Program 17	October 24, 2016
Class 4	Aurora Trust, Series E	Coventree Program 30	October 12, 2039
Class 5	Aurora Trust, Series F	Coventree Program 30	October 12, 2039
Class 6	Planet Trust, Series A	Coventree Program 50	June 20, 2013
Class 7	Planet Trust, Series A	Coventree Program 51	December 20, 2013
Class 8	Planet Trust, Series A	Coventree Program 57	April 25, 2029
Class 9	Planet Trust, Series E	Coventree Program 47	August 5, 2039
Class 10	Planet Trust, Series E	Coventree Program 54	August 15, 2026
Class 11	Planet Trust, Series E	Coventree Program 55	February 25, 2037
Class 12	Planet Trust, Series E	Coventree Program 57	April 25, 2029
Class 13	Rocket Trust, Series A	Coventree Program 60	March 20, 2014

#### *Payment of Interest*

Interest will be calculated on the outstanding principal amounts of the IA Tracking Notes on a monthly or quarterly basis (to reflect the scheduled timing for payment on the Specific Tracked Assets securing the applicable class) payable in arrears. The net return will be calculated from the date of determination from the preceding interest payment date to a date preceding the payment date for the then current interest period.

The record date for holders of IA Tracking Notes entitled to receive interest on any interest payment date will be the date which is 15 days preceding such interest payment date or, if such date is not a Business Day, the next succeeding Business Day.

Interest for any period will accrue from and including the previous interest payment date (or the Plan Implementation Date in the case of the initial payment of interest) to, but excluding, the next interest payment date and will be calculated on the basis of a 365 or 366-day year, as applicable.

#### *Repayment of IA Tracking Notes*

Amounts on deposit in the applicable Tracking Collections Account held for the benefit of a class of IA Tracking Notes will be applied in an order of priority that is designed to preserve the existing rank and priority of payment with certain asset providers and service providers, including the New Indenture Trustee, the New Issuer Trustee and BlackRock Canada in respect of fees, expenses and certain indemnities, entitled to payments in priority to holders of IA Tracking Notes and as described under “— Limited Recourse”.

#### *Repayment of Principal*

MAV1 or MAV2, as applicable will be entitled to repay, without penalty, all or any portion of the outstanding amount of any class of IA Tracking Notes at any time out of proceeds of the related Specific Tracked Assets for such class. Repayment of the principal amount owing under an IA Tracking Note is expected to commence in advance of the applicable maturity date if related Specific Tracked Assets amortize in advance of such date.

### *The IA Tracking Note Trust Indentures*

The IA Tracking Note Trust Indentures provide for the issuance of the IA Tracking Notes. The aggregate principal amount of notes that may be issued is limited by each IA Tracking Note Trust Indenture to the aggregate principal amount of IA Tracking Notes to be issued by MAV1 or MAV2, as applicable, pursuant to the terms of the Plan.

#### *Limited Recourse*

Recourse for amounts owing under or in respect of a class of IA Tracking Notes will be limited to amounts distributed to MAV1 or MAV2, as applicable, in respect of the related Specific Tracked Asset, together with amounts deposited into or earned in the Tracking Collections Account in respect of such Specific Tracked Asset (including investments made with such deposited amounts), subject to the prior or equal ranking payment of certain amounts described under “The IA Tracking Notes — The IA Tracking Note Trust Indentures — Security and Ranking” and except as provided in the IA Tracking Note Trust Indentures. Holders of IA Tracking Notes will not have recourse to the property or assets of the New Issuer Trustee (other than in the Specific Tracked Assets and the related Tracking Collections Account), BlackRock Canada, the New Indenture Trustee, or any affiliate thereof. Each class of IA Tracking Notes will bear a proportionate share of the costs relating to the IA Tracking Notes, although if a class is unable to pay its proportionate share of certain fees, expenses and indemnities, such share will be apportioned among other classes.

#### *Security and Ranking*

Each class of IA Tracking Note and all obligations in respect thereof under the terms of the applicable IA Tracking Note Trust Indenture (“**IA Obligations**”) will be secured by a security interest over the Specific Tracked Asset that secured the Affected ABCP exchanged for such IA Tracking Note and the applicable Tracking Collections Account (or where a Series of Affected ABCP was secured by more than one Ineligible Asset and a separate class of IA Tracking Notes has been issued for each such amount, by the Specific Tracked Asset that backs such class). All such security will be held for the benefit of the holders of the applicable IA Tracking Notes and all other Specified Creditors.

Funds on deposit in the applicable Tracking Collections Account (including all amounts deposited thereto from the applicable Tracking Collections Account) will be applied in the order of priority described under “— Repayment of IA Tracking Notes”.

The priorities of payments will be subject to the claims of any Person with a security interest or lien ranking in priority to the security created under or pursuant to the applicable IA Tracking Note Trust Indenture. Each of MAV1 and MAV2 has agreed not to grant or permit to exist any security interest or lien over the Tracked Assets, except as permitted or provided for under the applicable IA Tracking Note Trust Indenture. MAV2 has also agreed not to incur or create or guarantee any indebtedness, except for indebtedness created as expressly permitted under the MAV2 Trust Indenture.

#### *Events of Default; Rights Upon Event of Default*

An “Event of Default” in respect of a class of IA Tracking Notes is defined in each of the IA Tracking Note Trust Indentures as being the occurrence of one or more of the following events:

- (a) a default by MAV1 or MAV2, as applicable, in making any payment of any amount owing under the class of IA Tracking Notes that, by its terms, is then required to be paid, which default continues unremedied and has not been waived for a period of three Business Days after the date on which written notice of such default, requiring the same to be remedied, has been given to MAV1 or MAV2, as applicable, by the New Indenture Trustee;
- (b) a default by the issuer in the observance or performance of any other covenant or agreement of the issuer made in the applicable IA Tracking Note Trust Indenture, which default has a material adverse effect and which continues to be unremedied and has not been waived for a period of 30 days after written notice thereof is given to the issuer by the New Indenture Trustee or to the issuer and the New Indenture Trustee by the holders of at least 25% of the principal amount of the affected class of IA Tracking Notes then outstanding;
- (c) the delivery of a notice to the issuer of any representation or warranty made by the issuer in the applicable IA Tracking Note Trust Indenture not being true and correct when made, which incorrectness has a material adverse effect and which continues to be unremedied and has not been waived for a period of 30 days after written notice thereof is given to the issuer by the New Indenture Trustee or to the issuer and the New Indenture Trustee by the holders of at least 25% of the principal amount of the affected class of IA Tracking Notes then outstanding; or

- (d) certain events of insolvency that occur with respect to the issuer.

The IA Tracking Note Trust Indentures provide that, subject to certain limitations described therein, if an Event of Default occurs and is continuing, then the New Indenture Trustee may, in its discretion, declare the IA Tracking Notes and the obligations with respect to such applicable IA Tracking Notes to be immediately due and payable and if requested by a written request of not less than 25% aggregate principal amount of the holders of the applicable class or classes of IA Tracking Notes outstanding, will declare such IA Tracking Notes and all such obligations with respect thereto to be immediately due and payable. Any declaration by the New Indenture Trustee that such IA Tracking Notes are due and payable and the consequences of such declaration may, under certain circumstances, be rescinded and annulled by Special Resolution of the holders of the applicable IA Tracking Notes. In respect of an Event of Default described in paragraph (a) above, only holders of the IA Tracking Notes that share an interest in the same Specific Tracked Asset will have a right to take any action in respect of such IA Tracking Notes.

If IA Tracking Notes have been declared due and payable following the occurrence and continuance of an Event of Default, the New Indenture Trustee or Collateral Agent will be permitted and, if directed by a Special Resolution from the holders of the applicable IA Tracking Notes, will be obligated to take one or more of the following actions (subject, however, to provision of an indemnity to the New Indenture Trustee or Collateral Agent as described below):

- (a) initiate proceedings for collection of amounts due on the applicable obligations then outstanding with respect to the affected class of IA Tracking Notes or the performance of any other covenant under the applicable IA Tracking Note Trust Indenture;
- (b) sell, liquidate or otherwise dispose of the Specific Tracked Assets to which the holders of the notes of such class of IA Tracking Notes have recourse pursuant to the security arrangements; and
- (c) take and maintain possession of the Specific Tracked Assets to which the holders of the notes of such IA Tracking Notes have recourse pursuant to the security arrangements.

Remedies available to holders of a class of IA Tracking Notes permit recourse only to the Specific Tracked Asset in respect of such class, and not to the Tracked Assets of any other class or against MAV1 or MAV2 generally.

Subject to the provisions of the IA Tracking Note Trust Indentures relating to the duties of the New Indenture Trustee or Collateral Agent, if an Event of Default occurs and is continuing, the New Indenture Trustee or Collateral Agent will be under no obligation to exercise any of the rights, powers or discretions, make any elections or give any notices under the IA Tracking Note Trust Indentures at the request or direction of holders of affected IA Tracking Notes if the New Indenture Trustee or Collateral Agent reasonably believes that it will not be adequately indemnified against the costs, expenses and liabilities which might be incurred by it in complying with such request. Subject to such provisions for indemnification and certain limitations contained in the IA Tracking Note Trust Indentures, the holders of affected IA Tracking Notes will have the right, in each case by a Special Resolution, to direct the time, method and place of conducting any proceeding or any remedy available to the New Indenture Trustee or Collateral Agent.

Subject to provisions for indemnification and certain limitations contained in the IA Tracking Note Trust Indentures, the holders of affected IA Tracking Notes will have the right, by Special Resolution, to direct the New Indenture Trustee or Collateral Agent to exercise or refrain from exercising any of the powers conferred upon it by the IA Tracking Note Trust Indentures.

No holder of IA Tracking Notes will have the right to institute any proceeding permitted by the IA Tracking Note Trust Indentures, whether at law or in equity, judicial or otherwise, for the purpose of exercising any remedy provided under the IA Tracking Note Trust Indentures in respect of IA Tracking Notes, except that holders of more than 66⅔% of the principal amount of IA Tracking Notes then outstanding to which the proceeding relates may institute any such proceeding if the New Indenture Trustee or Collateral Agent has failed to do so after a reasonable time period following provision of required notices and requests and satisfactory indemnities with respect to the affected IA Tracking Notes; provided, however, that the enforcement of any remedy provided under the IA Tracking Note Trust Indentures by any holder will be subject to the security arrangements provided for in IA Tracking Note Trust Indentures and described under “The IA Tracking Notes — The IA Tracking Note Trust Indentures — Security and Ranking” and “The IA Tracking Notes — Payments and Ranking Upon Event of Default”.



### *Limitation of Liability*

Neither the New Issuer Trustee, the New Indenture Trustee nor any of their owners, agents, officers, directors, employees, successors or assigns, nor a beneficiary of MAV1 or MAV2, as applicable will, in the absence of an express agreement to the contrary, be personally liable for the payment of the principal of, interest on or other amounts due under the IA Tracking Notes or for the agreements of MAV1 or MAV2 referred to in the IA Tracking Note Trust Indentures.

### *Amendments to the IA Tracking Note Trust Indentures and the IA Tracking Notes*

The IA Tracking Note Trust Indentures provide that, without the consent of any holder of IA Tracking Notes, the New Indenture Trustee and the New Issuer Trustee may, and will when so required pursuant to either Tracking Notes Trust Indenture, execute indentures supplemental to the IA Tracking Note Trust Indentures to make any changes or corrections to the IA Tracking Note Trust Indentures that are non-substantive corrections or changes required for the purpose of curing or correcting any clerical omission or mistake or manifest error contained therein, to pledge any property acquired by MAV1 or MAV2 that will serve as security for IA Tracking Notes, to correct or amplify the description of property charged or to make any modification necessary or advisable to comply with applicable law.

The New Indenture Trustee will be permitted, and will be obligated when so required pursuant to the IA Tracking Note Trust Indentures, to enter into, from time to time, amendments to the IA Tracking Note Trust Indenture for any purpose not authorized above, with the consent of each Specified Creditor (other than the holders of the IA Tracking Notes except as otherwise provided in the Tracking Note Indenture) which would be materially adversely affected by such amendment. No such amendment, however, may:

- (a) reduce the holders' entitlement to any payment required to be made to any holder of a note;
- (b) change the definition or manner of calculating amounts to which any holder of a note is entitled; or
- (c) reduce any of the percentages required to consent to the foregoing,

except, if the consent of holders of notes of each such class of IA Tracking Notes holding more than 95% of the principal amount of such IA Tracking Notes is obtained (provided that where such approval is not forthcoming, any holder of a IA Tracking Note may consent to such amendment with respect to its IA Tracking Notes only).

### *Certain Covenants*

Each of MAV1 and MAV2 have agreed in the IA Tracking Note Trust Indentures that, among other things, it will not create or permit to exist any lien, charge or other encumbrance on any of the Tracked Assets purporting to rank in priority to or *pari passu* with the security interest granted pursuant to the IA Tracking Note Trust Indentures except certain liens permitted by the IA Tracking Note Trust Indentures.

### *Book-Entry Registration*

The IA Tracking Notes will be represented by one or more BE Certificates held by, or on behalf of, CDS Clearing, as custodian of the BE Certificates, and registered in the name of CDS Clearing or its nominee, except in the circumstances described herein. Registration of ownership and transfers of the IA Tracking Notes will be made only through the depository service of CDS Clearing. Except as described herein, no purchaser of an IA Tracking Note will be entitled to a definitive certificate or other instrument from the MAV or CDS Clearing evidencing that purchaser's beneficial ownership thereof, and no Book-Entry Certificate Owner will be shown on the records maintained by CDS Clearing, except through book entry accounts of a Participant acting on behalf of the Book-Entry Certificate Owner.

Transfers of beneficial ownership of IA Tracking Notes represented by BE Certificates will be effected through records maintained by CDS Clearing for such BE Certificates or its nominee (with respect to interests of Participants) and on the records of Participants (with respect to Persons other than Participants). Beneficial owners who are not Participants, but who desire to purchase, sell or otherwise transfer beneficial ownership of, or any other interest in, BE Certificates may do so only through Participants.

The ability of a Book-Entry Certificate Owner to pledge an IA Tracking Note or otherwise take action with respect to such owner's interest in the IA Tracking Note (other than through a Participant) may be limited due to lack of a physical certificate.

Unless and until Definitive Notes are issued, Book-Entry Certificate Owners will not be recognized by the New Indenture Trustee as holders of IA Tracking Notes. All references herein or in the IA Tracking Note Trust Indenture to

payments, notices, reports and statements to, or actions by, holders of IA Tracking Notes will refer to the same made with respect to or by CDS Clearing or its nominee, as the case may be, as the registered holder of the Notes upon instructions of a requisite number of Book-Entry Certificate Owners acting through Participants.

IA Tracking Notes will each be issued as Definitive Notes to Book-Entry Certificate Owners or their nominees other than to CDS Clearing or its nominee only if (a) MAV1 or MAV2, as applicable, advises the New Indenture Trustee in writing that CDS Clearing is no longer willing or able to properly discharge its responsibilities as depository with respect to such class of IA Tracking Notes and the New Indenture Trustee or MAV1 or MAV2, as applicable, is unable to locate a qualified successor depository, (b) MAV1 or MAV2, as applicable, advises the New Indenture Trustee in writing that it elects to terminate the use of the CDS Clearing depository system with respect to such class of IA Tracking Notes, or (c) after the occurrence and during the continuance of an Event of Default, Book-Entry Certificate Owners representing in aggregate not less than 51% of the outstanding principal amount of such class of IA Tracking Notes advise the New Indenture Trustee and CDS Clearing, through Participants in writing, that the continuation of a book-entry system through CDS Clearing is no longer in the best interests of Book-Entry Certificate Owners of such class.

Upon the occurrence of any of the events described in the immediately preceding paragraph, the New Indenture Trustee is obliged to notify all Book-Entry Certificate Owners in respect of each affected class of IA Tracking Notes, through the CDS Clearing depository system, of the availability of Definitive Notes for such class. Upon surrender by CDS Clearing of the relevant BE Certificate and instructions from CDS Clearing for re-registration, MAV1 or MAV2, as applicable, will issue Definitive Notes for the applicable class and thereafter the New Indenture Trustee and MAV1 or MAV2, as applicable, will recognize the registered holders of such Definitive Notes as the holders of IA Tracking Notes of such class under the IA Tracking Note Trust Indenture. Payments of principal, interest and other amounts with respect to the IA Tracking Notes of such class will thereafter be made by the New Indenture Trustee directly to holders of Definitive Notes in accordance with the procedures set out in the IA Tracking Note Trust Indenture to holders in whose names the Definitive Notes were registered at the close of business on the applicable record date. Such payments will be made by cheque mailed to the address of such holder as it appears on the register maintained by the New Indenture Trustee or its agent. The final payment on any IA Tracking Note, however, will be made only upon presentation and surrender of the applicable Definitive Note at the office or agency specified in the applicable Trust Indenture.

#### *Governing Law*

The laws of the Province of Ontario and the laws of Canada applicable therein will govern the IA Tracking Note Trust Indentures.

#### *Resignation of New Indenture Trustee*

The New Indenture Trustee may resign or be removed with respect to the IA Tracking Notes in accordance with the terms of the applicable IA Tracking Note Trust Indenture and a successor trustee may be appointed to act with respect to the IA Tracking Notes.

### **Description of the MAV3 Notes**

The MAV3 Notes will evidence limited recourse, secured debt obligations of MAV3. The TA Tracking Notes will be issued in 11 classes, the MAV3 IA Tracking Notes will be issued in 18 classes, and the SN Tracking Notes will be issued in four classes pursuant to a trust indenture of MAV3 dated as of the Plan Implementation Date (the “**MAV3 Tracking Note Trust Indenture**”). The following is a description of certain material attributes and characteristics of the MAV3 Tracking Notes, MAV3 IA Tracking Notes and SN Tracking Notes, the TA Tracking Note Trust Indenture and certain other arrangements contemplated or permitted by the MAV3 Tracking Note Trust Indenture. Reference is made to the MAV3 Tracking Note Trust Indenture and other agreements referred to below for the specific attributes and characteristics of the TA Tracking Notes, MAV3 IA Tracking Notes, the SN Tracking Notes and the MAV3 Tracking Note Trust Indenture.

#### ***The MAV3 Notes***

The TA Tracking Notes, the MAV3 IA Tracking Notes and the SN Tracking Notes will be created and issued in series on the Plan Implementation Date in an aggregate principal amount equal to the aggregate settlement amount of Affected ABCP assumed by MAV3 in accordance with the Plan and apportioned based upon the notional amount of the liabilities comprising the Ineligible Assets that secure the MAV3 IA Tracking Notes. Each class of TA Tracking Notes, MAV3 IA Tracking Notes and SN Tracking Notes will receive payments derived from the particular Exclusively Traditional Assets (including Ineligible Assets) that secured the Series of Affected ABCP that was exchanged for a TA Tracking Note,

MAV3 IA Tracking Note or SN Tracking Note, and such Exclusively Traditional Assets will not generally be pooled for purposes of funding payments on any other class of TA Tracking Notes, MAV3 IA Tracking Notes and SN Tracking Notes, except to the extent that they were pooled to fund payments on the Affected ABCP exchanged for MAV3 Notes and except as described below (provided that where a Series of Affected ABCP was secured by more than one Ineligible Asset, one class of MAV3 IA Tracking Notes will be issued and secured by each such Ineligible Asset). The particular Exclusively Traditional Assets (including Ineligible Assets) that currently secure a Series of Affected ABCP and will secure one class of MAV3 Notes are referred to herein as the **“Specific Traditional Tracked Assets”** and, collectively, as the **“Traditional Tracked Assets”**. The Traditional Tracked Assets will be comprised of Exclusively Traditional Assets (including Ineligible Assets that are Exclusively Traditional Assets). Each TA Tracking Note and MAV3 IA Tracking Note will bear interest at a rate per annum as determined pursuant to negotiations with the Asset Originators by reference to interest rates for similar notes in the current market, less applicable expenses. The TA Tracking Notes and MAV3 IA Tracking Notes will be dated the Plan Implementation Date and will be issued in minimum denominations of \$1 or U.S.\$1. Each class of TA Tracking Note, MAV3 IA Tracking Note and SN Tracking Note will have a maturity date that reflects the longest maturity of the related Specific Traditional Tracked Assets plus one year as follows.

***Ineligible Assets contributed to MAV3***

MAV3 IA Tracking Note	Affected ABCP	Program Number/Asset	Maturity
Class 1	Comet Trust, Series E	Coventree Program 40	December 25, 2037
Class 2	Comet Trust, Series E	Coventree Program 39	November 25, 2037
Class 3	Comet Trust, Series F	Coventree Program 39	November 25, 2037
Class 4	Comet Trust, Series E	Coventree Program 41	January 25, 2036
Class 5	Slate Trust, Series A-1	Coventree Program 66b	December 25, 2036
Class 6	Slate Trust, Series E-1	Coventree Program 65	November 25, 2036
Class 7	Slate Trust, Series E-1	Coventree Program 66a	December 25, 2036
Class 8	Slate Trust, Series E-1	Coventree Program 67a	February 25, 2037
Class 9	Slate Trust, Series E-1	Coventree Program 67b	February 25, 2037
Class 10	Slate Trust, Series E-1	Coventree Program 68	October 25, 2035
Class 11	Slate Trust, Series E-1	Coventree Program 69	December 25, 2035
Class 12	Slate Trust, Series E-1	Coventree Program 70	May 25, 2036
Class 13	Slate Trust, Series E-1	Coventree Program 71	August 25, 2036

MAV3 IA Tracking Note	Affected ABCP	Program Number/Asset	Maturity
Class 14	Ironstone Trust, Series A	NBF Program 1 (Revelstoke CDO Class A-1 Notes)	December 13, 2021
Class 15	Ironstone Trust, Series A	NBF Program 1 (Revelstoke CDO Class A-2 Notes)	December 13, 2027
Class 16	Ironstone Trust, Series A	NBF Program 1 (Revelstoke CDO Class A-3 Notes)	December 13, 2034
Class 17	Ironstone Trust, Series B	NBF Program 1 (Revelstoke CDO Class A-1 Notes)	December 13, 2021
Class 18	Ironstone Trust, Series B	NBF Program 1 (Revelstoke CDO Class A-2 Notes)	December 13, 2027

***Exclusively Traditional Assets contributed to MAV3***

TA Tracking Note	Affected ABCP	Maturity
Class 1	Apollo Trust, Series E	July 12, 2038
Class 2	Apollo Trust, Series H	September 19, 2012
Class 3	Comet Trust, Series E	December 24, 2021
Class 4	Comet Trust, Series F	October 1, 2036
Class 5	Gemini Trust, Series A	September 12, 2016
Class 6	Gemini Trust, Series E	June 12, 2036
Class 7	Gemini Trust, Series F	October 1, 2023
Class 8	Slate Trust, Series A-1	January 1, 2021
Class 9	Slate Trust, Series E-1	July 12, 2038
Class 10	Newshore Canadian Trust, Series A	September 28, 2013
Class 11	Newshore Canadian Trust, Series 2001-1	September 28, 2013

***Subordinated Series contributed to MAV3***

SN Tracking Note	Affected ABCP	Maturity
Class 1	Aurora Trust, Series B	April 15, 2015
Class 2	Aurora Trust, Series C	April 15, 2015
Class 3	Rocket Trust, Series B	September 19, 2012
Class 4	Rocket Trust, Series D	June 18, 2016

***Payment of Interest***

Interest will be calculated on the outstanding principal amounts of the MAV3 Notes. The rate of such interest will be determined pursuant to negotiations with the Asset Originators in consideration of interest rates for similar notes in the current market.

The record date for holders of TA Tracking Notes, MAV3 IA Tracking Notes and SN Tracking Notes entitled to receive interest on any interest payment date will be the date which is 15 days preceding such interest payment date or, if such date is not a Business Day, the next succeeding Business Day.

Interest for any period will accrue from and including the previous interest payment date (or the Plan Implementation Date in the case of the initial payment of interest) to, but excluding, the next interest payment date and will be calculated on the basis of a 365 or 366-day year, as applicable.

#### *Repayment of MAV3 Notes*

Amounts available for distribution to a class of TA Tracking Notes, SN Tracking Notes or MAV3 IA Tracking Notes will be applied in an order of priority that preserves the existing rank and priority of the payments funded out of collections of the Specific Traditional Tracked Assets; provided that fees, expenses and indemnity amounts owing to BlackRock Canada will be paid in priority to amounts due to holders of MAV3 Notes. In the case of MAV3 IA Tracking Notes secured by Ineligible Assets that previously secured a Series of Affected ABCP that were also secured by Exclusively Traditional Assets, collections related to each such class of MAV3 IA Tracking Notes and TA Tracking Notes will be subject to a first priority claim on a pooled basis for the fees, expenses and indemnity amounts owing to BlackRock Canada. In addition, reserve accounts will be accrued (up to specified amounts to be agreed upon in the final documentation) out of amounts which would otherwise be distributed to holders of IA Tracking Notes related to Ironstone Trust or the holders of SN Tracking Notes to secure the payment of fees, expenses and indemnity amounts owing to BlackRock Canada in respect of such series of MAV3 IA Tracking Notes and SN Tracking Notes.

#### *Repayment of Principal*

MAV3 will be entitled to repay, without penalty, all or any portion of the outstanding amount of any class of TA Tracking Notes, MAV3 IA Tracking Notes or SN Tracking Notes at any time out of proceeds of the related Specific Traditional Tracked Assets for such class. Repayment of the principal amount owing under a TA Tracking Note, MAV3 IA Tracking Note and SN Tracking Note is expected to commence in advance of the applicable maturity date if related Specific Traditional Tracked Assets amortize in advance of such date.

#### ***The MAV3 Tracking Note Trust Indenture***

The MAV3 Tracking Note Trust Indenture provides for the issuance of the TA Tracking Notes, MAV3 IA Tracking Notes and SN Tracking Notes. The aggregate principal amount of notes that may be issued is limited by the MAV3 Tracking Note Trust Indenture to the aggregate principal amount of TA Tracking Notes, MAV3 IA Tracking Notes and SN Tracking Notes to be issued by MAV3 pursuant to the terms of the Plan.

#### *Limited Recourse*

Recourse for amounts owing under or in respect of a class of TA Tracking Notes, MAV3 IA Tracking Notes or SN Tracking Notes will be limited to amounts distributed to MAV3 in respect of the related Specific Traditional Tracked Assets for such class, together with amounts deposited into or earned in the Traditional Tracking Collections Account in respect of such Specific Traditional Tracked Assets (including investments made with such deposited amounts), subject to the prior or equal ranking payment of certain amounts described under “The TA Tracking Notes — The MAV3 Tracking Note Trust Indenture — Security and Ranking” and except as provided in the MAV3 Tracking Note Trust Indenture. Holders of TA Tracking Notes, MAV3 IA Tracking Notes and SN Tracking Notes will not have recourse to the property or assets of the New Issuer Trustee (other than in its capacity as trustee of MAV3), BlackRock Canada, the New Indenture Trustee, or any affiliate thereof. Each class of MAV3 Tracking Notes will bear a proportionate share of expenses relating to the TA Tracking Notes although if a class is unable to pay its proportionate share of certain costs, such share may be apportioned among other classes that, prior to the implementation of the Plan, were secured in part by the same assets that now secure a different class of MAV3 Notes.

#### *Security and Ranking*

Each class of MAV3 Notes and all obligations in respect thereof under the terms of the MAV3 Tracking Note Trust Indenture will be secured by a security interest over Specific Traditional Tracked Assets that secured the Affected ABCP exchanged for such MAV3 Note and the applicable Tracking Collections Account (with one class to be issued for each Ineligible Asset that previously secured a Series of Affected ABCP). All such security will be held for the benefit of the holders of the applicable MAV3 Notes and all other Specified Creditors.



Funds on deposit in the applicable Traditional Tracking Collections Account (including all amounts deposited thereto from the applicable Traditional Tracking Collections Account) will be applied in the order of priority described under “Repayment of MAV3 Notes”.

The priorities of payments will be subject to the claims of any Person with a security interest or lien ranking in priority to the security created under or pursuant to the MAV3 Tracking Note Trust Indenture. MAV3 has agreed not to grant or permit to exist any security interest or lien over the Traditional Tracked Assets, except as permitted or provided for under the MAV3 Tracking Note Trust Indenture. MAV3 has also agreed not to incur or create or guarantee any indebtedness.

*Events of Default; Rights Upon Event of Default*

An “Event of Default” in respect of a class of MAV3 Notes is defined in MAV3 Tracking Note Trust Indenture as being the occurrence of one or more of the following events:

- (a) a default by MAV3 in making any payment of any amount owing under the class of MAV3 Notes that, by its terms, is then required to be paid, which default, except in the case of principal, continues unremedied and has not been waived for a period of three Business Days after the date on which written notice of such default, requiring the same to be remedied, has been given to MAV3 by the New Indenture Trustee;
- (b) a default by the issuer in the observance or performance of any other covenant or agreement of the issuer made in the MAV3 Tracking Note Trust Indenture, which default has a material adverse effect and which continues to be unremedied and has not been waived for a period of 30 days after written notice thereof is given to the issuer by the New Indenture Trustee or to the issuer and the New Indenture Trustee by the holders of at least 25% of the principal amount of the affected class of MAV3 Notes then outstanding;
- (c) the delivery of a notice to the issuer of any representation or warranty made by the issuer in the MAV3 Tracking Note Trust Indenture not being true and correct when made, which incorrectness has a material adverse effect, which continues to be unremedied and has not been waived for a period of 30 days after written notice thereof is given to the issuer by the New Indenture Trustee or to the issuer and the New Indenture Trustee by the holders of at least 25% of the principal amount of the affected class of MAV3 Notes then outstanding; and
- (d) certain events of insolvency, that occur with respect to the issuer.

The MAV3 Tracking Note Trust Indenture provides that, subject to certain limitations described therein, if an Event of Default occurs and is continuing, then the New Indenture Trustee may, in its discretion, declare the MAV3 Notes and the obligations with respect to such applicable MAV3 Notes to be immediately due and payable and, if requested by a written request of not less than 25% aggregate principal amount of the holders of the applicable class or classes of MAV3 Notes outstanding, will declare such MAV3 Notes and all such obligations with respect thereto to be immediately due and payable. Any declaration by the New Indenture Trustee that such MAV3 Notes are due and payable and the consequences of such declaration may, under certain circumstances, be rescinded and annulled by Special Resolution of the holders of the applicable MAV3 Notes. In respect of an Event of Default described in paragraph (a) above, only holders of the class of MAV3 Notes will have a right to take any action in respect of such MAV3 Notes.

If MAV3 Notes have been declared due and payable following the occurrence and continuance of an Event of Default, the New Indenture Trustee or Collateral Agent will be permitted and, if directed by a Special Resolution from the holders of the applicable MAV3 Notes, will be obligated to take one or more of the following actions (subject, however, to provision of an indemnity to the New Indenture Trustee as described below):

- (a) initiate proceedings for the collection of amounts due on the applicable obligations then outstanding;
- (b) sell, liquidate or otherwise dispose of the Specific Tracked Assets to which the holders of the notes of such class of MAV3 Notes have recourse pursuant to the security arrangements; and
- (c) take and maintain possession of the Specific Traditional Tracked Assets to which the holders of the notes of such MAV3 Notes have recourse pursuant to the security arrangements.

Subject to the provisions of the MAV3 Tracking Note Trust Indenture relating to the duties of the New Indenture Trustee or Collateral Agent, if an Event of Default occurs and is continuing, the New Indenture Trustee or Collateral Agent will be under no obligation to exercise any of the rights, powers or discretions, make any elections or give any notices under the MAV3 Tracking Note Trust Indenture at the request or direction of holders of affected MAV3 Notes if

the New Indenture Trustee or Collateral Agent reasonably believes that it will not be adequately indemnified against the costs, expenses and liabilities which might be incurred by it in complying with such request. Subject to such provisions for indemnification and certain limitations contained in the MAV3 Tracking Note Trust Indenture, the holders of affected MAV3 Notes will have the right, in each case by a Special Resolution, to direct the time, method and place of conducting any proceeding or any remedy available to the New Indenture Trustee or Collateral Agent.

Subject to provisions for indemnification and certain limitations contained in the MAV3 Tracking Note Trust Indenture, the holders of affected MAV3 Notes will have the right, by Special Resolution, to direct the New Indenture Trustee to exercise or refrain from exercising any of the powers conferred upon it by the MAV3 Tracking Note Trust Indenture.

No holder of MAV3 Notes will have the right to institute any proceeding permitted by the MAV3 Tracking Note Trust Indenture, whether at law or in equity, judicial or otherwise, for the purpose of exercising any remedy provided under the MAV3 Tracking Note Trust Indenture in respect of MAV3 Notes, except that holders of more than 66⅔% of the principal amount of MAV3 Notes then outstanding to which the proceeding relates may institute any such proceeding if the New Indenture Trustee has failed to do so after a reasonable time period following provision of required notices and requests and satisfactory indemnities with respect to the affected MAV3 Notes; provided, however, that the enforcement of any remedy provided under the MAV3 Tracking Note Trust Indenture by any such holder will be subject to the security arrangements provided for in MAV3 Tracking Note Trust Indenture and described under “The MAV3 Notes — The MAV3 Tracking Note Trust Indenture — Security and Ranking” and “The MAV3 Notes — Payments and Ranking Upon Event of Default”.

#### *Limitation of Liability*

Neither the New Indenture Trustee nor any of its owners, agents, officers, directors, employees, successors or assigns, nor a beneficiary of MAV3 shall, in the absence of an express agreement to the contrary, be personally liable for the payment of the principal of, interest on or other amounts due under the MAV3 Notes or for the agreements of MAV3 referred to in the MAV3 Tracking Note Trust Indenture.

#### *Payments and Ranking Upon Event of Default*

The priority of payments will apply after the declaration by the New Indenture Trustee that any MAV3 Notes or are immediately due and payable, except if such declaration has been rescinded and annulled in accordance with the MAV3 Tracking Note Trust Indenture.

#### *Amendments to the MAV3 Tracking Note Trust Indenture and the MAV3 Tracking Notes*

The MAV3 Tracking Note Trust Indenture provides that, without the consent of any holder of MAV3 Tracking Notes, the New Indenture Trustee and the New Issuer Trustee may, and shall when so required pursuant to either Tracking Notes Trust Indenture, execute indentures supplemental to the MAV3 Tracking Note Trust Indenture to make any changes or corrections to the MAV3 Tracking Note Trust Indenture that are non-substantive corrections or changes required for the purpose of curing or correcting any clerical omission or mistake or manifest error contained therein to correct or amplify the description of property changed or to make any modifications necessary or advisable to comply with applicable law.

The New Indenture Trustee will be permitted, and will be obligated when so required pursuant to the MAV3 Tracking Note Trust Indenture, to enter into, from time to time, amendments to the MAV3 Tracking Note Trust Indenture for any purpose not authorized above, with the consent of each Specified Creditor (other than the holders of MAV3 Tracking Notes except as otherwise provided in the MAV3 Tracking Note Trust Indenture) which would be materially adversely affected by such amendment. No such amendment, however, may:

- (a) reduce the holders' entitlement to any payment required to be made to any holder of a note;
- (b) change the definition or manner of calculating amounts to which any holder of a note is entitled; or
- (c) reduce any of the percentages required to consent to the foregoing,

except, if the consent of holders of notes of such each class of MAV3 Notes holding more than 95% of the principal amount of such MAV3 Notes is obtained (provided that where such approval is not forth coming, any holder of a MAV3 Note may consent to such amendment with respect to its MAV3 Tracking Note only).

### *Certain Covenants*

MAV3 has agreed in the MAV3 Tracking Note Trust Indenture that, among other things, it will not create or permit to exist any lien, charge or other encumbrance on any of the MAV3 Tracked Assets purporting to rank in priority to or *pari passu* with the security interest granted to the New Indenture Trustee or Collateral Agent pursuant to the MAV3 Tracking Note Trust Indenture except certain liens permitted by the MAV3 Tracking Note Trust Indenture.

### *Book-Entry Registration*

The TA Tracking Notes, MAV3 IA Tracking Notes and SN Tracking Notes will be represented by one or more BE Certificates held by, or on behalf of, CDS Clearing, as custodian of the BE Certificates, and registered in the name of CDS Clearing or its nominee, except in the circumstances described herein. Registration of ownership and transfers of the TA Tracking Notes, MAV3 IA Tracking Notes and SN Tracking Notes will be made only through the depository service of CDS Clearing. Except as described herein, no purchaser of a TA Tracking Note, MAV3 IA Tracking Note or a SN Tracking Note will be entitled to a definitive certificate or other instrument from the MAV or CDS Clearing evidencing that purchaser's beneficial ownership thereof, and no Book-Entry Certificate Owner will be shown on the records maintained by CDS Clearing, except through book entry accounts of a Participant acting on behalf of the Book-Entry Certificate Owner.

Transfers of beneficial ownership of TA Tracking Notes, MAV3 IA Tracking Notes and SN Tracking Notes represented by BE Certificates will be effected through records maintained by CDS Clearing for such BE Certificates or its nominee (with respect to interests of Participants) and on the records of Participants (with respect to Persons other than Participants). Beneficial owners who are not Participants, but who desire to purchase, sell or otherwise transfer beneficial ownership of, or any other interest in, BE Certificates may do so only through Participants.

The ability of a Book-Entry Certificate Owner to pledge a TA Tracking Note, MAV3 IA Tracking Note or a SN Tracking Note or otherwise take action with respect to such owner's interest in the TA Tracking Note, MAV3 IA Tracking Note and SN Tracking Note (other than through a Participant) may be limited due to lack of a physical certificate.

Unless and until Definitive Notes are issued, Book-Entry Certificate Owners will not be recognized by the New Indenture Trustee as holders of TA Tracking Notes, MAV3 IA Tracking Notes and SN Tracking Notes. All references herein or in the TA Tracking Note Trust Indenture to payments, notices, reports and statements to, or actions by, holders of TA Tracking Notes, MAV3 IA Tracking Notes and SN Tracking Notes will refer to the same made with respect to or by CDS Clearing or its nominee, as the case may be, as the registered holder of the Notes upon instructions of a requisite number of Book-Entry Certificate Owners acting through Participants. TA Tracking Notes, MAV3 IA Tracking Notes and SN Tracking Notes will each be issued as Definitive Notes to Book-Entry Certificate Owners or their nominees other than to CDS Clearing or its nominee only if (a) MAV3 advises the New Indenture Trustee in writing that CDS Clearing is no longer willing or able to properly discharge its responsibilities as depository with respect to such class of TA Tracking Notes, MAV3 IA Tracking Notes and SN Tracking Notes and the New Indenture Trustee or MAV3 is unable to locate a qualified successor depository, (b) MAV3 advises the New Indenture Trustee in writing that it elects to terminate the use of the CDS depository system with respect to such class of TA Tracking Notes, MAV3 IA Tracking Notes and SN Tracking Notes, or (c) after the occurrence and during the continuance of an Event of Default, Book-Entry Certificate Owners representing in aggregate not less than 51% of the outstanding principal amount of such class of TA Tracking Notes, MAV3 IA Tracking Notes and SN Tracking Notes advise the New Indenture Trustee and CDS Clearing, through Participants in writing, that the continuation of a book-entry system through CDS Clearing is no longer in the best interests of Book-Entry Certificate Owners of such class.

Upon the occurrence of any of the events described in the immediately preceding paragraph, the New Indenture Trustee is obliged to notify all Book-Entry Certificate Owners in respect of each affected class of TA Tracking Notes, MAV3 IA Tracking Notes and SN Tracking Notes, through the CDS Clearing depository system, of the availability of Definitive Notes for such class. Upon surrender by CDS Clearing of the relevant BE Certificate and instructions from CDS Clearing for re-registration, MAV3 will issue Definitive Notes for the applicable class and thereafter the New Indenture Trustee and MAV3 will recognize the registered holders of such Definitive Notes as the holders of TA Tracking Notes, MAV3 IA Tracking Notes and SN Tracking Notes of such class under the TA Tracking Note Trust Indenture. Payments of principal, interest and other amounts with respect to the TA Tracking Notes, MAV3 IA Tracking Notes and SN Tracking Notes of such class will thereafter be made by the New Indenture Trustee directly to holders of Definitive Notes in accordance with the procedures set out in the TA Tracking Note Trust Indenture to holders in whose names the Definitive Notes were registered at the close of business on the applicable record date. Such payments will be made by cheque

mailed to the address of such holder as it appears on the register maintained by the New Indenture Trustee or its agent. The final payment on any TA Tracking Note, MAV3 IA Tracking Note and SN Tracking Note, however, will be made only upon presentation and surrender of the applicable Definitive Note at the office or agency specified in the applicable Trust Indenture.

#### *Governing Law*

The laws of the Province of Ontario and the laws of Canada applicable therein will govern the TA Tracking Note Trust Indenture.

#### *Resignation of Indenture Trustee*

The New Indenture Trustee may resign or be removed with respect to the TA Tracking Notes, MAV3 IA Tracking Notes and SN Tracking Notes in accordance with the terms of the applicable TA Tracking Note Trust Indenture and a successor trustee may be appointed to act with respect to the TA Tracking Notes.

## **RATINGS**

The Class A-1 Notes and Class A-2 Notes of both MAV1 and MAV2 are expected to be assigned, as at the Plan Implementation Date, a rating of AA by DBRS. Ratings will be sought for the TA Tracking Notes and the SN Tracking Notes. None of the Class B Notes, the Class C Notes, the MAV3 IA Tracking Notes or the IA Tracking Notes will be rated.

The rating of the Class A-1 Notes and the Class A-2 Notes addresses the likelihood of the ultimate payment of principal and the timely payment of interest on such Class A-1 Notes and Class A-2 Notes. The Rating Agency does not evaluate and any rating assigned by the Rating Agency does not address payment of the outstanding principal balance of such Class A-1 Notes and Class A-2 Notes by the expected repayment of such Class A-1 Notes or Class A-2 Notes, as applicable. The ratings are based primarily on the credit underlying the MAV1 Original Collateral and MAV1 Additional Collateral or the MAV2 Original Collateral and MAV2 Additional Collateral, as applicable, including the subordination of the Class B and Class C Notes to the extent specified herein. A security rating is not a recommendation to buy, sell or hold securities. The rating assigned to the Class A-1 Notes and the Class A-2 Notes are based in part on certain assumptions on credit spreads, future credit losses, recoveries, and mark-to-market values, and are subject to revision or withdrawal in the future by the Rating Agency.

The ratings are based primarily on the credit underlying the MAV1 Original Collateral and MAV1 Additional Collateral or the MAV2 Original Collateral and MAV2 Additional Collateral, as applicable, including the subordination of the Class A-2 Notes to the extent specified herein.

The ratings assigned to the Class A-1 Notes and the Class A-2 Notes are based in part on an analysis of the probability of an ultimate unwind of the structure. This analysis involves an evaluation of the probability that spread-loss trigger matrices will be breached and that subsequent mark-to-market values will require collateral posting amounts which exceed available assets held by MAV1 and MAV2 plus the Margin Funding Facility. Certain assumptions on credit spreads, future credit losses, recoveries, and mark-to-market values are required to be made by the Rating Agency when conducting this analysis. These assumptions are subject to revision or withdrawal in the future by the Rating Agency which could result in negative and substantial rating action.

The leveraged nature of the assets held by MAV1 and MAV2 exposes MAV1 and MAV2 to greater credit market volatility than unleveraged structures. It is therefore possible that if credit conditions continue to deteriorate that negative and substantial rating action may be required. It should also be noted that a prolonged shift in credit markets could necessitate a fundamental reassessment of the methodologies and modeling techniques used to establish valuations. This could result in future mark-to-market valuations being significantly different from what current modeling may predict. Negative and substantial rating action could result in these circumstances.

Ratings are opinions that reflect the creditworthiness of an issuer, a security, or an obligation. They are opinions based on forward-looking measurements that assess an issuer's ability and willingness to make timely payments on outstanding obligations (whether principal, interest, dividend, or distributions) with respect to the terms of an obligation. Ratings for structured finance vehicles reflect an opinion on the ability of the pooled assets to fund repayment to investors according to each security's priority of payments.

Ratings are opinions based on the quantitative and qualitative analysis of information sourced and received by the Rating Agency, which information is not audited or verified by the Rating Agency. Ratings are not buy, hold or sell recommendations and they do not address the market price or liquidity of a security. Ratings may be upgraded, downgraded, placed under review, confirmed or discontinued.

### ***DBRS Ratings***

DBRS is expected to rate the Class A-1 Notes and the Class A-2 Notes AA. Obligations rated AA are of superior credit quality, and protection of interest and principal is considered high. In many cases they differ from long-term debt rated AAA only to a small degree. Given the extremely restrictive definition DBRS has for the AAA category, entities rated AA are also considered to be strong credits, typically exemplifying above-average strength in key areas of consideration and unlikely to be significantly affected by reasonably foreseeable events.

## **RESTRUCTURING OF CREDIT DEFAULT SWAPS**

The implementation of the Plan is subject to a Rating Agency review and certain aspects of the restructuring of CDSs may be subject to change to satisfy Rating Agency requirements.

In connection with the implementation of the Plan, all of the Credit Default Swaps described in Appendix A — “Description of Synthetic Asset Programs”, with the exception of Coventree Program 53 and Nereus Program 87 (and possibly Nereus Programs 75, 76 and 80 — see “Individual Restructuring of Credit Default Swaps” and “Additional Modifications to Certain Restructured Credit Default Swaps” below), will be terminated under the Plan on the Plan Implementation Date. Each of MAV1 and MAV2 will enter into a Credit Default Swap with the same Asset Provider swap counterparty as each of those Credit Default Swaps listed in Appendix A that is being terminated, except as otherwise noted. Other than with regard to those Credit Default Swaps being modified on an individual basis as described below under “Individual Credit Default Swap Restructurings”, the economic terms of each Credit Default Swap will remain as outlined with the exception of the following amendments: (i) the Credit Default Swap notional amount for each Credit Default Swap listed in Appendix A shall, in each case, be divided to reflect the respective percentages of relevant assets transferred to each of MAV1 and MAV2; (ii) the Credit Default Swaps will be restructured to change the collateral posting mechanics; and (iii) a margin funding facility will be made available for each of MAV1 and MAV2 to finance margin calls that cannot be met through existing collateral, on the basis of, and subject to, the Omnibus Agreements. In the case of MAV1, this facility is referred to as the MAV1 Margin Funding Facility. In the case of MAV2, this facility is referred to as the MAV2 Margin Funding Facility.

### ***Restructuring of Collateral Posting Mechanics***

The following provides a summary of the various changes to be implemented in connection with the restructuring of the Credit Default Swaps and the implementation of the Plan.

#### ***Restructuring of Margin Call Triggers from mark-to-market to Spread-Loss Triggers***

Based upon a review of available documentation regarding the Credit Default Swaps described in Appendix A, approximately 82% of the LSS CDSs aggregate funded amount had margin call provisions that were based on mark-to-market triggers (“**MTM Triggers**”). The existing margin call triggers created a liquidity problem as the ABCP Conduits did not have an efficient or dedicated way to fund margin calls other than through the issuance of additional ABCP.

The Plan addresses this problem by converting the MTM Triggers to more remote spread-loss triggers and establishing a committed margin funding facility for each MAV. Changing to a spread-loss trigger mechanic as a pre-condition to any margin calls significantly reduces the likelihood of margin calls. The restructuring of existing MTM Triggers to spread-loss triggers will trigger margin calls when the average mark-to-market values of the transactions decreases by 80%. Under the current structure, average mark-to-market values only have to decline by an average of 56% before margin calls occur.

The conversion to spread-loss triggers is also attractive from the perspective of objectivity and transparency. While an MTM Trigger is commonly subject to a dealer’s proprietary models, the spread-loss triggers will reference the following six spread-loss trigger matrices that are based on the credit spreads and experienced losses in public and observable credit indices. The following six matrices set out the credit spreads each particular index must experience, for a



certain level of experienced losses in the index portfolio, with a certain period of time remaining to maturity, prior to a trigger being breached.<sup>(38)</sup> In the case of years remaining to maturity, the matrices stipulate that, for those dates falling between columns, the reference point shall be linearly interpolated. For example, when referencing the CDX.NA.IG.7 10 year matrix, which matures on December 20, 2016, if there have been no experienced losses as of June 20, 2008 (8.5 years prior to maturity), the index level of credit spreads would need to reach 4.03% (the midpoint between 3.72% (nine years to maturity) and 4.34% (eight years to maturity)) for a “trigger breach” to occur.

The percentage of losses, which arise pursuant to credit events, are also linearly interpolated. Each entity the index references is equally weighted and constitutes 1/125th (or 0.8%) of the index’s portfolio. Therefore, two credit events, each with a realized loss of 62.5%, would equate to a loss of  $62.5\% \times 2 \times .8\%$  or 1.0% of the reference portfolio. Thus on December 20, 2008 (eight years to maturity), and assuming the occurrence of two prior credit events, each with a realized loss of 62.5%, the relevant index level of credit spreads would need to reach 4.185% (the midpoint between 4.30% (0% experienced loss) and 4.03% (2% experienced loss)) for a “trigger breach” to occur.

CDX.NA.IG.7 is an index composed of 125 North American investment grade Credit Default Swaps. It was launched on September 20, 2006, with a composition determined by a consortium of 13 member banks. The CDX7 10 year index was initially 10.25 years, with a maturity date of December 20, 2016. The matrix below references the credit spread of the standard CDX.NA.IG.7 index contract with that December 2016 maturity. The following Credit Default Swaps will reference the CDX.NA.IG.7 Index: Coventree Asset Programs 20, 24, 25 and 27, Nereus Asset Programs 77 and 83, Newshore Asset Programs 6, 7, 9a, 9b, 9c and 9d, Quanto Asset Programs 5 and 6 and Selkirk Asset Program 1.

#### CDX7 10Y

Losses	Years Remaining to Maturity										
	9.0	8.67	8.0	7.0	6.0	5.0	4.0	3.0	2.0	1.0	0.0
0%	3.720%	3.93%	4.340%	5.510%	6.860%	8.960%	9.455%	10.889%	14.862%	15.936%	17.422%
2%	3.453%	3.65%	4.030%	5.110%	6.343%	8.752%	9.136%	10.778%	14.763%	15.820%	17.299%
4%	3.187%	3.36%	3.720%	4.710%	5.827%	7.577%	8.879%	10.645%	14.067%	14.568%	15.939%
6%	3.170%	3.33%	3.660%	4.310%	5.240%	6.641%	7.880%	9.696%	12.861%	13.370%	14.642%
8%	2.230%	2.48%	2.980%	4.180%	4.900%	5.608%	6.792%	7.418%	10.684%	12.887%	14.042%
10%	2.050%	2.14%	2.310%	3.870%	4.360%	4.610%	5.920%	6.819%	10.588%	12.726%	13.945%
12%	1.715%	1.91%	2.292%	3.058%	3.440%	3.617%	4.776%	6.080%	9.917%	11.982%	13.137%
12.1%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

The matrix below also references the CDX.NA.IG.7 index, but in this case with a the standard “7 year” contract, which matures on December 20, 2013. The following Credit Default Swaps will reference the CDX.NA.IG.7 7Y Index: Coventree Asset Programs 27, 28, 29, 31, 36, 37, 48, 49, Nereus Asset Programs 73, 74, 82 and 85 Newshore Asset Programs 1a, 1b, 3b, 8, 10, 11, 12, 13, 14, 15a and 15b, Quanto Asset Programs 1, 2, 10, 11, 12, 13 and 14 and NBF Asset Program 5.

#### CDX7 7Y

Losses	Years Remaining to Maturity							
	6.0	5.67	5.0	4.0	3.0	2.0	1.0	0.0
0%	3.060%	3.41%	4.110%	6.290%	7.840%	9.08%	9.50%	9.99%
2%	2.860%	3.23%	3.960%	6.090%	7.590%	8.88%	9.19%	9.90%
4%	2.760%	3.11%	3.810%	5.890%	7.390%	7.75%	8.94%	9.77%
6%	2.570%	2.88%	3.510%	5.440%	6.640%	6.85%	7.93%	8.91%
8%	1.830%	2.07%	2.560%	4.740%	5.390%	5.52%	6.70%	6.85%
10%	1.540%	1.64%	1.826%	3.946%	4.580%	4.56%	5.66%	6.25%
12%	1.300%	1.38%	1.543%	2.926%	3.328%	3.22%	4.17%	5.11%
12.1%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

The matrix below references the CDX.NA.IG.7 index “5 year” contract, maturing December 20, 2011. The following Credit Default Swaps will reference the CDX.NA.IG.7 5Y Index: Coventree Asset Programs 27 and 52, Nereus Asset Programs 78, 85 and 88 and Newshore Asset Programs 2a, 2b, 10 and 11.

(38) All specified indices are no longer actively traded and are therefore subject to more volatility than would otherwise be associated with an actively traded index.

## CDX7 5Y

Losses	Years Remaining to Maturity					
	4.0	3.67	3.0	2.0	1.0	0.0
0%	3.959%	4.17%	4.585%	5.878%	9.029%	9.378%
2%	3.646%	3.82%	4.181%	5.356%	8.819%	9.056%
4%	3.333%	3.48%	3.777%	4.835%	7.633%	8.796%
6%	3.323%	3.46%	3.737%	4.676%	6.687%	7.787%
8%	2.677%	3.00%	3.636%	4.626%	5.290%	6.486%
10%	2.576%	2.90%	3.535%	4.525%	5.189%	6.385%
10.1%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

CDX.NA.IG.5 is an index composed of 125 North American investment grade Credit Default Swaps. It was launched on September 20, 2005 with a composition determined by a consortium of 13 member banks. The CDX5 10 year index was initially 10.25 years, with a maturity date of December 20, 2015. The matrix below references the credit spread of the standard CDX.NA.IG.5 index contract maturing December 20, 2015. The Credit Default Swaps for Coventree Asset Program 23 and Quanto Asset Program 23 will reference the CDX.NA.IG.5 10Y Index.

## CDX5 10Y

Losses	Years Remaining to Maturity									
	8.0	7.67	7.0	6.0	5.0	4.0	3.0	2.0	1.0	0.0
0%	3.750%	3.96%	4.370%	6.490%	7.840%	10.210%	10.555%	11.789%	12.662%	13.036%
2%	3.483%	3.68%	4.060%	6.090%	7.323%	10.002%	10.236%	11.678%	12.563%	12.920%
4%	3.217%	3.39%	3.750%	5.690%	6.807%	8.827%	9.979%	11.545%	11.867%	11.668%
6%	2.950%	3.11%	3.440%	5.290%	6.290%	7.891%	8.980%	10.596%	10.661%	10.470%
8%	2.000%	2.25%	2.750%	5.000%	5.850%	6.508%	7.692%	8.318%	8.484%	9.987%
10%	1.820%	1.91%	2.080%	4.740%	5.260%	5.510%	6.820%	7.719%	8.388%	9.826%
12%	1.485%	1.68%	2.062%	3.928%	4.340%	4.517%	5.676%	6.980%	7.717%	9.082%
12.1%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

The matrix below also references the CDX.NA.IG.5 index, but with the standard “7 year” contract, which matures on December 20, 2012. The Credit Default Swap for Newshore Asset Program 3a will reference the CDX.NA.IG.5 7Y Index.

## CDX5 7Y

Losses	Years Remaining to Maturity						
	5.0	4.67	4.0	3.0	2.0	1.0	0.0
0%	4.600%	4.89%	5.470%	5.990%	7.110%	10.310%	10.655%
2%	4.333%	4.61%	5.160%	5.590%	6.593%	10.102%	10.336%
4%	4.067%	4.33%	4.850%	5.190%	6.077%	8.927%	10.079%
6%	3.800%	4.01%	4.440%	4.690%	5.560%	7.991%	9.080%
8%	2.800%	3.10%	3.700%	4.790%	5.330%	6.608%	7.792%
10%	2.620%	2.76%	3.030%	4.610%	4.880%	5.610%	6.920%
12%	2.285%	2.53%	3.012%	3.598%	3.960%	4.417%	5.576%
12.1%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

iTraxx Europe S6 10Y is an international index composed of 125 European investment grade Credit Default Swaps. It was launched on September 20, 2006. Its composition is determined by the International Index Company. The iTraxx S6 10 year index was initially 10.25 years, with a maturity date of December 20, 2016. The matrix below refers to the index credit spread of the standard iTraxx Europe S6 index contract maturing December 20, 2016. The following Credit Default Swaps will reference the iTraxx Europe S6 10Y Index: Coventree Asset Programs 21, 22 and 35 and Newshore Asset Programs 4 and 5.

Losses	Years Remaining to Maturity										
	9.0	8.67	8.0	7.0	6.0	5.0	4.0	3.0	2.0	1.0	0.0
0%	2.82%	3.00%	3.37%	4.43%	5.02%	5.61%	9.48%	10.78%	11.84%	12.236%	13.273%
2%	2.25%	2.54%	3.11%	4.08%	4.60%	5.48%	9.14%	10.66%	11.74%	12.114%	13.143%
4%	1.79%	2.15%	2.86%	3.73%	4.34%	4.86%	9.02%	10.67%	11.01%	10.797%	11.714%
6%	1.64%	1.96%	2.61%	3.38%	3.93%	4.25%	7.97%	9.67%	9.74%	9.538%	10.350%
8%	1.60%	1.90%	2.50%	3.35%	3.81%	4.21%	6.62%	7.27%	7.45%	9.030%	9.718%
10%	1.60%	1.69%	1.87%	3.30%	3.71%	4.11%	5.70%	6.64%	7.35%	8.860%	9.617%
12%	1.25%	1.45%	1.85%	2.66%	3.09%	3.28%	4.50%	5.87%	6.64%	8.078%	8.767%
12.1%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

#### *Inclusion of Non-LSS Assets in Available Collateral Pool*

Upon implementation of the Plan, in addition to the LSS Assets, the pool of collateral available to Asset Providers will include the MAV1 Additional Collateral as security for the MAV1 New CDSs and the MAV2 Additional Collateral as security for the MAV2 New CDSs. This increase in collateral will also decrease the likelihood of the inability of a MAV to fund a collateral call.

#### *Pooling of MAV1 Collateral*

Upon implementation of the Plan, MAV1 will grant a first ranking security interest to each Asset Provider in such Asset Provider's respective MAV1 Original Collateral. The MAV1 Original Collateral will be pooled by Asset Provider and will be cross-collateralized to satisfy each Asset Provider's MAV1 Required Collateral. As of the Plan Implementation Date, each Asset Provider will also be entitled to a siloed pool of collateral consisting of the MAV1 Additional Collateral in an amount determined by such Asset Provider in conjunction with the Investors Committee and JPMorgan which shall be siloed and held by the Collateral Agent for such Asset Provider (the **"MAV1 Initial Collateral Pool"**). A spread-loss trigger event will occur once the duration-weighted mid-market index spread of any of the matrix portfolios exceeds the trigger spread for such matrix portfolio (a **"Spread-Loss Trigger Event"**). Upon the occurrence of the first Spread-Loss Trigger Event (the **"MAV1 First Spread-Loss Trigger Event"**), the required collateral for each Asset Provider's exposure plus 20% of the initial funded notional amount of such MAV1 LSS (the **"MAV1 Required Collateral"**) will be calculated on a mark-to-market basis for all MAV1 LSSs that are subject to the First Spread-Loss Trigger Event. If such Asset Provider's MAV1 Original Collateral is less than such Asset Provider's MAV1 Required Collateral, the Collateral Agent will re-allocate such Asset Provider's entitlement under the MAV1 Initial Collateral Pool. Upon the occurrence of two Spread-Loss Trigger Events or one Spread-Loss Trigger Event and a deemed spread-loss trigger event (a **"MAV1 Second Spread-Loss Trigger Event"**) (i) the MAV1 Required Collateral for all Asset Providers shall be calculated on a mark-to-market basis, (ii) the MAV1 Initial Collateral Pool shall cease to be siloed by Asset Provider and shall be pooled amongst all Asset Providers (such global pool of collateral to be shared amongst all Asset Providers shall be referred to as the **"MAV1 Total Available Collateral"**) and (iii) each Asset Provider will notify the Collateral Agent of such Asset Provider's MAV1 Required Collateral and the Collateral Agent will allocate the MAV1 Total Available Collateral to each of the Asset Providers accordingly. A deemed Spread-Loss Trigger Event will occur when (i) one Spread-Loss Trigger Event has already occurred and (ii) the MAV1 Initial Collateral Pool for any Asset Provider for whom a MAV1 LSS is or has been subject to a Spread-Loss Trigger Event does not equal or exceed such Asset Provider's MAV1 Required Collateral (a **"Deemed Spread-Loss Trigger Event"**).

In the event that the MAV1 Total Available Collateral is insufficient to meet all Asset Providers' MAV1 Required Collateral, a Potential Unwind Event shall occur. MAV1 will have the ability to cure its Potential Unwind Event by increasing the MAV1 Total Available Collateral through an issuance of debt securities by MAV1 or through additional funding through the MAV1 Margin Funding Facility. If MAV1 fails to cure such Potential Unwind Event, a terminal unwind event shall occur and each Asset Provider shall terminate its respective trades with MAV1.

The requirement for two Spread-Loss Trigger Events (or one Spread-Loss Trigger Event and a Deemed Spread-Loss Trigger Event) to occur prior to permitting all Asset Providers to call for margin collateral on a mark-to-market basis is intended to provide Noteholders with less exposure to the risk that mark-to-market collateral may be demanded. However, there is a strong correlation between the movements of credit spreads referenced by the various indices. In particular, market spreads of different notional contracts of the same reference portfolio but with different maturities (such as 5, 7 and 10 year CDX.NA.IG.7, or 5 and 7 year CDX.NA.IG.5) demonstrate a strong correlation. Furthermore, while each of

the six index portfolio and maturity combinations references a unique matrix, the matrices are broadly similar. Accordingly, if one of the spread-loss matrices is triggered, there is a significant risk that other spread-loss matrices will also be triggered.

The LSS transactions for four of the Asset Providers (Citibank, HSBC, Royal Bank and Swiss Re) reference only one spread-loss matrix for each Asset Provider. This may increase the risk that if a trigger event occurs in respect of any of these Asset Providers' matrices the value of the Asset Providers' Initial Collateral Pool will be less than such Asset Provider's Required Collateral (since all of such Asset Provider's LSS transactions will be included when calculating this required amount). This could result in a Deemed Spread-Loss Trigger Event following which all Asset Providers would be entitled to call for margin on a mark-to-market basis.

MAV1 Original Collateral in respect of Unleveraged CDSs shall be siloed in respect of each such transaction and MAV1 Original Collateral in respect of LSS CDSs shall not be used to support Unleveraged CDSs.

#### *Pooling of MAV2 Collateral*

Upon implementation of the Plan, MAV2 will grant a first ranking security interest to each Asset Provider in such Asset Provider's respective MAV2 Original Collateral. The MAV2 Original Collateral will be pooled by Asset Provider and will be cross-collateralized to satisfy each Asset Provider's MAV2 Required Collateral. As of the Plan Implementation Date, each Asset Provider will also be entitled to a pool of collateral consisting of the MAV2 Additional Collateral in an amount determined by such Asset Provider in conjunction with the Investors Committee and JPMorgan that will be siloed and held by the Collateral Agent for such Asset Provider (the **"MAV2 Initial Collateral Pool"**). Upon the occurrence of the first Spread-Loss Trigger Event (the **"MAV2 First Spread-Loss Trigger Event"**), the required collateral for each Asset Provider's exposure plus 20% of the initial funded notional amount of such MAV2 LSS (the **"MAV2 Required Collateral"**) shall be calculated on a mark-to-market basis for all MAV2 LSSs that are subject to the MAV2 First Spread-Loss Trigger Event. If such Asset Provider's MAV2 Original Collateral is less than such Asset Provider's MAV2 Required Collateral, the Collateral Agent will re-allocate such Asset Provider's entitlement under the MAV2 Initial Collateral Pool. Upon the occurrence of two Spread-Loss Trigger Events or one Spread-Loss Trigger Event and a Deemed Spread-Loss Trigger Event (a **"MAV2 Second Spread-Loss Trigger Event"**) (i) the MAV2 Required Collateral for all Asset Providers shall be calculated on a mark-to-market basis, (ii) the MAV2 Initial Collateral Pool shall cease to be siloed by Asset Provider and shall be pooled amongst all Asset Providers (such global pool of collateral to be shared amongst all Asset Providers shall be referred to as the **"MAV2 Total Available Collateral"**) and (iii) each Asset Provider will notify the Collateral Agent of such Asset Provider's MAV2 Required Collateral and the Collateral Agent will allocate the MAV2 Total Available Collateral to each of the Asset Providers accordingly. A Deemed Spread-Loss Trigger Event will occur when (i) one Spread-Loss Trigger Event has already occurred and (ii) the MAV2 Initial Collateral Pool for any Asset Provider for whom a MAV2 LSS is or has been subject to a Spread-Loss Trigger Event does not equal or exceed such Asset Provider's MAV2 Required Collateral.

In the event that the MAV2 Total Available Collateral is insufficient to meet all Asset Providers' MAV2 Required Collateral, a Potential Unwind Event shall occur. MAV2 will have the ability to cure its Potential Unwind Event by increasing the MAV2 Total Available Collateral through an issuance of debt securities by MAV2 or through additional funding through the MAV2 Margin Funding Facility. If MAV2 fails to cure such Potential Unwind Event, a Terminal Unwind Event shall occur and each Asset Provider shall terminate its respective trades with MAV2.

Converting the collateral posting mechanics to a pooled system reduces the probability that margin call triggers will be breached and additional collateral will be required in excess of the MAV1 Total Available Collateral and the MAV2 Total Available Collateral.

The requirement for two Spread-Loss Trigger Events (or one Spread-Loss Trigger Event and a Deemed Spread-Loss Trigger Event) to occur prior to permitting all Asset Providers to call for margin collateral on a mark-to-market basis is intended to provide Noteholders with less exposure to the risk that mark-to-market collateral may be demanded. However, there is a strong correlation between the movements of credit spreads referenced by the various indices. In particular, market spreads of different notional contracts of the same reference portfolio but with different maturities (such as 5, 7 and 10 year CDX.NA.IG.7, or 5 and 7 year CDX.NA.IG.5) demonstrate a strong correlation. Furthermore, while each of the six index portfolio and maturity combinations references a unique matrix, the matrices are broadly similar. Accordingly, if one of the spread-loss matrices is triggered, there is a significant risk that other spread-loss matrices will also be triggered.

The LSS transactions for four of the Asset Providers (Citibank, HSBC, Royal Bank and Swiss Re) reference only one spread-loss matrix for each Asset Provider. This may increase the risk that if a trigger event occurs in respect of any of these Asset Providers' matrices the value of the Asset Providers' Initial Collateral Pool will be less than such Asset Provider's Required Collateral (since all of such Asset Provider's LSS transactions will be included when calculating this required amount). This could result in a Deemed Spread-Loss Trigger Event following which all Asset Providers would be entitled to call for margin on a mark-to-market basis.

MAV2 Original Collateral in respect of Unleveraged CDSs shall be siloed in respect of each such transaction and MAV2 Original Collateral in respect of LSS CDSs shall not be used to support Unleveraged CDSs.

### ***Current Distances to Index Triggers***

The Investors Committee and its advisors negotiated the above spread-loss matrices in advance of signing of the Framework Agreement on December 23, 2007 in order to obtain the highest credit rating for the senior notes of each of MAV1 and MAV2 with the lowest required amount of aggregate committed margin funding. Since that time, the continued deterioration of credit markets has made the distance to the agreed upon index spread triggers narrower. As an example of the severity of the deterioration in credit spreads throughout the period of the Investors Committee's process, the CDX.NA.IG.7 10-year index spread closed at 102 bps on August 13, 2007, at 97.5 bps on December 21, 2007 and had risen to 180 bps on March 11, 2008. This matrix would be triggered if the index spread exceeded 393 bps on the day immediately following completion of the Plan (based on an expected completion date of April 20, 2008 and assuming the index suffers no losses prior to completion).

For comparison purposes, the CDX.NA.IG.7 7-year index spread traded at 89 bps on August 13, 2007, at 94.5 bps on December 21, 2007 and had risen to 188 bps on March 11, 2008 which should be compared to the completion date index spread trigger level for this index of 341 bps (assuming the index suffers no losses prior to completion). For the iTraxx Europe S6 10-year index, the index spread closed at 72.25 bps on August 13, 2007, at 65.75 bps on December 21, 2007 and had risen to 170.75 bps on March 11, 2008 which should be compared to the completion date index spread trigger level for this index of 300 bps (assuming the index suffers no losses prior to completion).

### ***Addition of Margin Funding Facilities***

Each of MAV1 and MAV2 will have in place a Margin Funding Facility available to finance margin calls that cannot be funded through existing collateral. These Margin Funding Facilities will form part of the Total Available Collateral for each such MAV and accordingly will not be required to be drawn upon until the occurrence of a Second Spread-Loss Trigger Event. However, in prescribed circumstances as set out in the Omnibus Agreement they can be used to fund cash settlement amounts and Termination Payments. The establishment of the Margin Funding Facilities will significantly reduce the likelihood that the applicable MAV will be unable to fund collateral calls, if and when they are made. See "Margin Funding Facilities".

### ***Additional Modifications to Certain Restructured Credit Default Swaps***

In addition to the restructuring of the Credit Default Swaps discussed above, the economic terms of certain trades will be revised as set out below.

#### ***UBS***

The four LSS swaps for which UBS is an Asset Provider (Nereus Asset Program #85, Newshore Asset Programs #10 and 11, and Coventree Asset Program #27) will be replaced with three New CDSs, which will be LSS swaps. The New CDSs will reference the CDX 7 Index with 5, 7 and 10 year maturities, with each of MAV1 and MAV2 as swap counterparties. The New CDS referencing the CDX 7 Index with a 5-year maturity will have a Long Notional Amount of \$1,750,000,000, the New CDS referencing the CDX 7 Index with a 7-year maturity will have a Long Notional Amount of \$18,200,000,000, and the New CDS referencing the CDX 7 Index with a 10-year maturity will have a Long Notional Amount of \$4,350,000,000. Each of the New CDS transactions will have an attachment point of 15% and detachment point of 30%. The Long Notional Amount of the New CDSs with each of MAV1 and MAV2 will be divided to reflect the respective percentages of relevant assets transferred to each of MAV1 and MAV2, and the relative contribution for those Series holding the initial four LSS swaps will be determined using the New CDSs referencing the CDX7 Indices. The termination and replacement of the four UBS LSS swaps will not affect the economic terms of the two unleveraged swaps under which UBS is an Asset Provider (Coventree Asset Programs #50 and 51). However, the terms of the two



unleveraged swaps, which are both backed by Ineligible Assets, will be amended such that a downgrade of the collateral will not cause a termination event to occur under the swaps.

#### *Swiss Re*

The LSS swap between Swiss Re and Selkirk Satellite Trust will be replaced with a new swap in which the amount of leverage will be reduced. Each of MAV1 and MAV2 will enter into a new trade with Swiss Re and the Long Notional Amount for the new trades with each of MAV1 and MAV2 will be divided to reflect the respective percentages of relevant assets transferred to each of MAV1 and MAV2.

#### *Bank of America*

For its unleveraged Credit Default Swap with Nemertes Credit Linked Certificate Trust (CADBANA) Series 2005-1 (a Satellite Trust of SIT III), Bank of America will eliminate municipal risk and CMBS risk from its Credit Default Swap by reducing the underlying Long Notional Amounts to zero. Bank of America will also increase the coupon for this swap resulting in a net increase of 23.5 bps from 73.5 bps to 97 bps.

#### *CIBC*

CIBC has proposed to the Investors Committee that, under the Plan, for its LSS swap with Nemertes Credit Linked Certificate Trust (Commerce-LSS II) Series 2006 (a Satellite Trust of SAT) which currently references a bespoke pool of CMBS, CIBC will implement a new spread-loss matrix based on an index of Credit Default Swaps of CMBS (shown below). This matrix would not be included with the six matrices referenced by other LSS swaps. If this matrix is triggered, all three CIBC swaps would move to a mark-to-market margin call trigger. If CIBC's mark-to-market exposure, plus 20% of the initial funded amount, plus a \$30 million cushion exceeds CIBC's available collateral, the MAV would have the option to:

- (i) fail to post credit support, giving CIBC the right, but not the obligation to terminate CIBC's trades;
- (ii) post additional collateral to CIBC, if available.

The inclusion and terms on which any, all or none of CIBC's trades would be included in MAV1 or MAV2 is currently under discussion and will be subject to approval of the Investors Committee, Asset Providers and MFF Lenders.

#### *Spread-loss Trigger matrix*

Losses	Time from matrix date* (in years)							
	0	1	2	3	4	5	6	7+
<b>0%</b>	13.025%	14.000%	13.500%	13.500%	13.500%	13.500%	13.500%	13.500%
<b>2%</b>	12.375%	13.350%	12.825%	12.825%	12.825%	12.825%	12.825%	12.825%
<b>4%</b>	10.725%	11.700%	12.150%	12.150%	12.150%	12.150%	12.150%	12.150%
<b>6%</b>	7.750%	8.500%	9.500%	10.500%	11.000%	11.500%	12.000%	12.000%
<b>8%</b>	7.250%	10.400%	9.000%	10.000%	10.500%	11.000%	11.500%	11.750%
<b>10%</b>	6.750%	7.500%	8.500%	9.500%	10.000%	10.500%	11.000%	11.500%
<b>12%</b>	6.250%	7.000%	8.000%	9.000%	9.500%	10.000%	10.500%	11.000%
<b>15%</b>	5.750%	6.500%	7.500%	8.500%	9.000%	9.500%	10.000%	10.500%
<b>15.1%</b>	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

\* Matrix Date is March 14, 2008.

This represents a proposal for the modification of the above-referenced CIBC trade and remains subject to further negotiation between the parties during the period of the standstill, as extended between the parties.

#### *Royal Bank*

Royal Bank of Canada's CDS with Constellation Credit Linked Trust (MPL — US) Series 2006 — 1 (a Satellite Trust of Rocket Trust) will be amended such that IA Tracking Notes with an aggregate value of \$139.7 million will be issued to those holders of Affected ABCP who have exchanged Affected ABCP for the IA Tracking Notes in accordance with the Plan. Accordingly, a swap with a portfolio amount of \$139.7 million will be created, referencing the bottom half of the Long Notional Amount of the original swap (from 9.65% to 13.65%). The top half of the original Long Notional Amount (from 13.65% to 17.65%) will be combined with Royal Bank's CDS, with Constellation Credit Linked Trust (MPL —

CDN) Series 2006 — 1 (another Satellite Trust of Rocket Trust) and the principal amount will be contributed to each of MAV1 and MAV2. The contributed amount will be divided to reflect the respective percentages of relevant assets transferred to each of MAV1 and MAV2.

### ***Individual Restructuring of Credit Default Swaps***

#### *Royal Bank of Scotland*

The economic terms of the LSS swap between Royal Bank of Scotland and Nemertes Credit Linked Certificate Trust (SCT-LSS) Series 2005 (a Satellite Trust of SIT III) will remain unchanged and the related collateral will remain in the Satellite Trust and not be transferred to the MAVs.

#### *Wachovia*

In the restructuring presented in this Information Statement, the economic terms of the LSS swap between Wachovia and Constellation Credit-Linked Trust (Stamford) Series 2006-1 (a Satellite Trust of Planet Trust) will remain unchanged and the related collateral will remain in the Satellite Trust and not be transferred to the MAVs. However, discussions are ongoing with Wachovia to determine if and to what extent Wachovia will participate in the restructuring.

## **MARGIN FUNDING FACILITIES**

The implementation of the Plan is subject to a Rating Agency review and certain aspects of the restructuring may be subject to change to satisfy Rating Agency requirements.

The Margin Funding Facilities are required to (i) satisfy any cash settlements or pay any early terminations under the New CDSs and (ii) satisfy possible collateral posting obligations and payments of the relevant MAV that may be required by the Asset Providers with respect to the New Credit Default Swaps to the extent the relevant MAV is otherwise unable to fund such payments from available collateral. The Margin Funding Facilities are also essential to enable the expected AA rating of the Class A-1 Notes and Class A-2 Notes. The following discussion describes what are expected to be certain material provisions of each of the two Margin Funding Facilities and is subject to, and qualified in its entirety by reference to, the Margin Funding Facility Term Sheet. The Margin Funding Facility Agreements are subject to further negotiation with the Canadian Banks and the Asset Providers, as well as with the other MFF Lenders, but are expected to include substantially those terms as set out in the Margin Funding Facility Term Sheet. The Margin Funding Facility Term Sheet contains references that the Margin Funding Facilities may be contained in one or more agreements.

Participants in MAV1 will provide their own margin funding to MAV1 pursuant to the MAV1 Margin Funding Facility Agreement (collectively, “**MAV1 MFF Lenders**”). The intention of the MAV1 MFF Lenders to participate is set out in letters dated March 14, 2008 executed by certain Noteholders, and will be similarly set out in letters from MAV1 Noteholders, in each case subject to the terms and conditions of the Plan.

MAV2 will enter into one or more margin funding facility agreements with third-party lenders including the Canadian Banks, certain Asset Providers and potentially certain holders of MAV2 Notes (collectively, “**MAV2 MFF Lenders**”) and together with the MAV1 MFF Lenders the “**MFF Lenders**”).

On March 13, 2008, the Bank of Montreal, CIBC, Royal Bank, Scotiabank and TD Bank indicated, in a non-binding letter, their willingness to participate in the Margin Funding Facility in an aggregate amount of \$950 million. The participation of these parties is subject to the terms and conditions as set out in such letter as well as in the Margin Funding Facility Term Sheet. The participation of CIBC as a MAV2 MFF Lender (and as a consequence the participation of all Canadian Schedule I Banks) may be affected by the outcome of negotiations in respect of the restructuring of its LSS CDS with Nemertes Credit Linked Certificate Trust (Commerce — LSS III) Series 2006, as described in “Restructuring of Credit Default Swaps”. Furthermore, the following Asset Providers (Citibank, Deutsche Bank, HSBC, Merrill Lynch and Swiss Re) intend to provide funding under the Margin Funding Facilities in the aggregate amount of \$4.025 billion. These Asset Providers and certain others entered into a “Support Agreement” under which they have agreed, on certain terms and conditions, to consent to (or not oppose) the implementation of the restructuring contemplated by the Plan, including their participation in the Margin Funding Facilities, upon implementation of the Plan following its approval by Noteholders and the Court, and subject to the terms and conditions of the Plan.

Certain of the Asset Providers and Canadian Banks and their respective affiliates hold Affected ABCP. Accordingly, such Asset Providers and Canadian Banks are reserving their rights to allocate their funding obligations under the Margin Funding Facilities between MAV1 and MAV2 in a proportion to be determined in accordance with the relevant governing documents in due course. Further discussions among the MFF Lenders concerning the level of their respective participation in each Margin Funding Facility are expected.

### **Availability**

Each MFF Lender is required to provide margin funding rateably to the applicable MAV up to its respective MFF Lender's Commitment either as cash advances in Canadian dollars or delivery of certain eligible securities or advances that would otherwise have been required to have been made by such MFF Lender under a Margin Funding Facility Agreement but for provisions of the Deferral Election contained in the applicable Margin Funding Facility Agreement that permit such MFF Lender not to make such advances (the amount of any advance not made pursuant to such provisions, a **"Qualifying Non-Funded Amount"**) by reason of such MFF Lender (i) being rated 'AAA' by any two of DBRS, S&P, Moody's and Fitch, and not on watch with negative implications, or (ii) being an agent of Her Majesty the Queen in right of Canada or Her Majesty the Queen in right of any province or territory of Canada, in each case, with the benefit of the full covenant of Her Majesty, subject to the MFF Deferral Election in the case of MAV1 and subject to the MFF Deferral Election and to the MAV2 MFF Deleveraging Option in the case of MAV2. The obligation of the MFF Lenders to provide margin funding is on a several and not a joint basis. As such, the failure by a MFF Lender to provide margin funding shall not relieve any other MFF Lender from its obligation to provide margin funding and no MFF Lender shall be responsible for any other MFF Lender's failure to provide margin funding.

While not obligated to do so, a MFF Lender shall be entitled to provide margin funding which exceeds its respective MFF Lender's Commitment.

### **MFF Deferral Election**

In the event that a MFF Lender is rated AAA by DBRS and AAA/Aaa by one or more of, S&P, Moody's & Fitch and not on watch with negative implications, or (ii) is an agent of Her Majesty the Queen in right of Canada or Her Majesty the Queen in right of any province or territory of Canada and has the benefit of the full covenant of Her Majesty, then such MFF Lender may elect not to make its *pro rata* share of any advances until the occurrence of certain specified events.

### **MAV2 MFF Deleveraging Option**

In the event that a MAV2 MFF Lender meets a specified rating and (i) if no Potential Unwind Event has occurred or (ii) if a Potential Unwind Event has occurred and the MAV2 MFF Lender has advanced its specified portion of its MAV2 MFF Lender's Commitment, such MAV2 MFF Lender will not be required to make further advances until another Potential Unwind Event has occurred. Certain conditions relating to this deleveraging option remain subject to further negotiation between the Asset Provider's and the MAV2 MFF Lenders. As the Margin Funding Facilities are further negotiated, the MAV1 Lenders may wish to discuss whether to include a similar concept within the MAV1 Margin Funding Agreement.

### **Amount**

The MAV1 Margin Funding Facility will be revolving in the amount of up to approximately \$8.5 billion. The MAV2 Margin Funding Facility will be revolving in the amount of up to approximately \$5.2 billion.

The exact amount of the Margin Funding Facilities will be determined only after the Meeting and the number of Noteholders electing to participate in MAV1 has been determined. Based upon Noteholders that have indicated their intention to participate in MAV1 under the Plan, the MAV1 Margin Funding Facility has secured margin funding of \$8.5 billion.

### **Interest Rate**

Canadian dollar advances shall be made at the BA Rate for a specified period plus 160 basis points per annum in the case of the MAV2 Margin Funding Facility. In the case of the MAV1 Margin Funding Facility, Canadian dollar advances shall be made at the BA Rate for a specified period, but there will be no spread. In addition, the delivery of uncorrelated high quality assets may be made at the yield on the underlying collateral of those assets and in the case of MAV2, plus an additional 160 basis points per annum.

## **Fees**

MAV1 will not have any commitment fee associated with the MAV1 Margin Funding Facility. MAV2 will pay the MAV2 MFF Lenders a fee of 160 bps on the unused and uncanceled amount of their respective original MAV2 MFF Lender's Commitment on a quarterly basis in arrears and in respect of an increased MAV2 MFF Lender's Commitment arising from the MAV2 MFF Deleveraging Option, a fee to be agreed upon.

## **Maturity**

The Margin Funding Facilities will mature and be payable in full on the earlier of (i) June 20, 2017 and (ii) the date upon which all obligations of the MAV under the New Credit Default Swaps have been paid in full (the **"Final MFF Maturity Date"**). MAV2 MFF Lenders shall have the option of providing a 364 day commitment that will be renewable yearly at the option of the MAV2 MFF Lenders. In the event that a MAV2 MFF Lender does not renew its 364 day commitment, MAV2 can draw on the MAV2 MFF Lenders's Commitment and this amount will be payable on the Final MFF Maturity Date.

## **Repayments**

Each Margin Funding Facility may be cancelled voluntarily, whereupon all outstanding advances thereunder will be repaid, with the approval of (i) the holders of 66⅔% of the aggregate principal amount of the MAV1 Notes or MAV2 Notes, as applicable, and (ii) each of the Asset Providers to the applicable MAV.

A MAV will be under the obligation to repay the outstanding margin funding provided by its MFF Lenders commencing on the fifth anniversary of the Plan Implementation Date, if (i) all of an Asset Provider's LSS trades have terminated; (ii) an amount of excess cash or property (valued at its then current market value) is available to the applicable MAV (in the form of collateral formerly available to such Asset Provider), and (iii) none of the mid-market index spreads of any of the spread-loss trigger matrices are within 50% of the First Spread-Loss Trigger Event. Such repayment will be an amount equal to the excess funds available to the relevant MAV and shall be repaid rateably among the MFF Lenders.

## **Reductions**

A total amount of the Margin Funding Facility for a MAV and a rateable portion of each MFF Lender's Commitment will be reduced if a MAV (i) raises additional funding through the issuance of certain debt; or (ii) raises additional funding through the issuance of certain equity interests (in each case other than proceeds in connection with (i) the Plan, (ii) the amounts under any other margin call facilities and (iii) any debt securities issued to fund payments to the Asset Providers under their New CDSs). The amount of any advances outstanding made by a MFF Lender under such Margin Funding Facility that exceeds the amount of such MFF Lender's Commitment thereunder, after giving effect to such reduction, shall be permanently repaid to such MFF Lender provided that an equivalent amount has been posted to the Collateral Agent as required under the applicable Omnibus Agreement. An MFF Lender may, at its option, elect not to have its Commitment reduced.

## **Security and Priority**

Pursuant to the Master Security Agreements, the MFF Lenders and certain other Secured Creditors shall have a security interest held by the Collateral Agent for the benefit of the Secured Creditors in all of the present and future undertakings, property and assets of the applicable MAV other than the Ineligible Assets, subject only to the prior security interest of each applicable Asset Provider in its respective Original Collateral, to be applied among the Secured Creditors, in accordance with the applicable Omnibus Agreement as set out herein under "The Plan Notes".

## **Conditions Precedent to Funding**

Once the Plan Implementation Date has occurred, the conditions precedent to each funding by a MFF Lender shall be that the Asset Provider makes a request from the relevant MAV to fund any required payment under the New Credit Default Swaps. At the request of any of the MFF Lenders, the Collateral Agent can dispute the Asset Provider's request to post collateral but this shall not effect the MFF Lenders obligation to provide funding under the respective Margin Funding Facility.

## **Representations and Warranties**

The Margin Funding Facility Agreements shall have representations and warranties with respect to the applicable MAV and guarantors customary for lending transactions among an institutional borrower and a syndicate of lenders which

may include, but may not be limited to: (i) existence, authorization, binding agreement; (ii) legality, validity and efficacy of the asset sales from the ABCP Conduits to the MAVs; (iii) accuracy of financial statements and other information; (iv) no violation of agreements or instruments; (v) no litigation; (vi) compliance with laws; (vii) all necessary consents obtained; (viii) payments of taxes; (ix) solvency; and (x) validity, priority and perfection of security.

## **Covenants**

The Margin Funding Facility Agreements will have positive covenants (subject to customary exceptions and materiality thresholds) with respect to the applicable MAV and the guarantors customary for lending transactions among an institutional borrower and a syndicate of lenders which may include, but may not be limited to: (i) maintenance of existence; (ii) compliance with laws; (iii) payment of taxes; (iv) maintenance of validity, priority and perfection of security; (v) reporting requirements for the MAVs, the guarantors and the New Credit Default Swaps; and (vi) maintenance of consents. The Margin Funding Facility Agreements shall also have customary negative covenants (subject to customary exceptions and materiality thresholds) with respect to the applicable MAV and the guarantors customary for lending transactions among an institutional borrower and a syndicate of lenders and such covenants may include, but not be limited to, negative covenants as to: (i) amendments to New Credit Default Swaps without the prior consent of the MFF Lenders; (ii) restrictions on indebtedness and liens; (iii) entering into additional LSS trades of Credit Default Swaps without the consent of the MFF Lenders; (iv) restrictions on change of administration; (v) restrictions on the business; (vi) change of control; (vii) amendments to constating documents without the prior consent of the MFF Lenders; and (viii) mergers and other business combinations.

## **Events of Default**

The Events of Default under the Margin Funding Facility Agreements shall be customary for lending transactions among an institutional borrower and a syndicate of lenders (with customary cure periods and materiality thresholds) which may include, but may not be limited to: (i) a failure to pay any of the principal amounts of the margin funding provided by MFF Lenders when these amounts come due; (ii) violation of covenants the relevant MAV or any guarantor; (iii) false representation or warranty; (iv) unpaid judgement against the relevant MAV or any guarantor; (v) bankruptcy, insolvency, proceedings or actions against the relevant MAV or any guarantor; (vi) cross default to other debt incurred by the relevant MAV or any guarantor; (vii) cross default by one Margin Funding Facility with the other Margin Funding Facility. Each MFF Lender shall be obligated to make advances rateably to the relevant MAV notwithstanding the occurrence of any Event of Default.

## **Assignment**

The MFF Lenders shall be entitled to assign all or a minimum specified portion of their respective MFF Lender's Commitment provided they have received the consent of: (i) the respective MAV; and (ii) the applicable rating agency where the assignee does not meet the applicable ratings test. These consents shall not be required if the assignment is made to an affiliate of a MFF Lender which is unconditionally guaranteed by the MFF Lender subject to the affiliate meeting a specified ratings test. Furthermore, MAV2 MFF Lenders shall also be permitted to sell participation in their advances. In addition, MAV1 MFF Lenders may only assign their commitment in accordance with the MAV1 Trust Indenture Term Sheet. Further discussions between certain of the Asset Providers and the MFF Lenders are contemplated to agree as to the terms on which assignments may be made.

## **Expenses and Indemnifications**

Each MAV shall indemnify the applicable MFF Lenders and the administrative agent to the Margin Funding Facilities for that MAV, in an amount limited to \$100 million in the aggregate to be allocated between the Lenders to MAV1 and MAV2, for any claim or loss as a result of the Margin Funding Facilities as set out in the Margin Funding Facility Term Sheet. The MAVs shall also be required to pay certain expenses of the administrative agents, consistent with customary practices as set out in the Margin Funding Facility Term Sheet.

## **Rating Downgrade**

To the extent that a MFF Lender in MAV2 is not rated by any two of DBRS, S&P, Fitch or Moody's: A- or higher by DBRS or A- or higher by S&P or A- or higher by Fitch or A3 or higher by Moody's, it shall be required to: (i) post collateral up to its respective MFF Lender's Commitment; (ii) make an advance up to such commitment; or, (iii) provide credit enhancement acceptable to the Asset Providers (as set out in the applicable Omnibus Agreement). In the case of



MAV1, ratings that shall apply to MAV1 Lenders, will be subject to further discussions with the Asset Providers provided that the ratings trigger in respect of National Bank shall be that it is rated below A3/A- by any two of Fitch, S&P and Moody's. In addition, the ratings downgrade and other applicable language will require further discussions with the Rating Agency. It will be an important consideration for the Class A-1 Notes and Class A-2 Notes issued by each of the MAVs to be rated AA by the Rating Agency, for the Rating Agency to be satisfied with the outcome of such discussions. These provisions will not apply to an entity that is an agent of Her Majesty the Queen in right of Canada or Her Majesty the Queen in right of any province or territory of Canada, in each case, with the benefit of the full covenant of Her Majesty.

### **Conditions Precedent**

The following conditions precedent, together with certain other customary documentary conditions precedent, shall have been satisfied prior to the Plan Implementation Date:

- Satisfaction by each of the MFF Lenders with the Plan or any amendments thereto and the LSS trades (including, without limitation, to the matrix portfolios)
- Consummation of the Plan or any amendments thereto without waiver of any conditions to the Plan that would be material and adverse to the MFF lenders
- All of the representations and warranties contained in any documents relating to the Margin Funding Facility Agreements shall be true and correct on and as of the Plan Implementation Date
- No default or event of default shall have occurred and be continuing under either of the Margin Funding Facilities
- Subject to the Plan, no Event of Default, Potential Event of Default or Termination Event (each as defined in the applicable LSS documents) exists under any of the LSS trades in respect of any party thereto
- The participation of each of the Bank of Montreal, CIBC, National Bank, Royal Bank, Scotiabank and TD Bank as MAV2 MFF Lenders in agreed upon amounts
- The satisfaction of both the MAV1 MFF Lenders and the MAV2 MFF Lenders of the respective parties' MFF Lender's Commitment
- The satisfaction by the Canadian Banks of the sufficiency of the releases contemplated in the Plan
- The satisfaction of the sufficiency and completeness of the Final Order, including that it effects releases contemplated in the Plan
- The rating of the Margin Funding Facilities at least A by the Rating Agency, or another rating agency acceptable to the Canadian Banks
- Agreement on specified changes to the Omnibus Agreement Term Sheet
- The negotiation and settling of all of the credit documents in the form and substance satisfactory to the Canadian Banks
- The MFF Lenders shall have received legal opinions from counsel to MAV1 and MAV2 and the Guarantors (if any) in form and substance satisfactory to the MFF Lenders
- Each of the Canadian Banks receive confirmation from the Office of the Superintendent of Financial Institutions that the participation of the Canadian Banks in the MAV2 Margin Funding Facility will be accorded capital reserve and accounting treatment that is acceptable to each of the Canadian Banks
- Each of the Canadian Banks shall be satisfied that the MAV2 Margin Funding Facility can be structured as a non-derivative and therefore accounted for in a manner consistent with a loan or credit purchase agreement
- Each of the Canadian Banks would have obtained all necessary internal credit approvals in respect of the final terms of the MAV2 Margin Funding Facility and the Plan
- At any time leading up to and including the Plan Implementation Date, the triggering of the spread loss triggers embedded in the proposed restructuring will remain, on an objective basis, sufficiently remote.

## INTERCREDITOR ARRANGEMENTS

### Intercreditor Arrangements for MAV1

#### *MAV1 Master Security Agreement*

Pursuant to the terms of the MAV1 Master Security Agreement, each Asset Provider of the LSS and unleveraged Credit Default Swaps that will be transferred to MAV1 will be granted a first-ranking security interest over the Original Collateral with respect to which such Asset Provider had a security interest prior to the implementation of the Plan (collectively, the **“MAV1 Original Collateral”**). The Collateral Agent will be granted a security interest in all of the present and future undertaking, property and assets of MAV1 including the MAV1 Original Collateral other than the Ineligible Assets, subject to the prior security interests of the Asset Providers in the MAV1 Original Collateral, to be applied among the Secured Creditors in accordance with the Omnibus Agreement, as set out herein under “The Plan Notes” with respect to MAV1.

#### *MAV1 Omnibus Agreement*

Each of MAV1, the Asset Providers, the Collateral Agent, the MAV1 MFF Lenders, and the New Indenture Trustee shall enter into the MAV1 Omnibus Agreement which will outline the intercreditor arrangements between these parties. In particular, the MAV1 Omnibus Agreement will detail the consequences of (i) a default by an Asset Provider, as counterparty to the New CDSs, (ii) a default by a MAV1 MFF Lender and (iii) a failure by a MAV1 MFF Lender to cure a Potential Terminal Unwind Event by providing additional commitments under the MAV1 Margin Funding Facility.

#### *Default by Asset Provider under MAV1 New CDSs*

If an Asset Provider is the Defaulting Party (a **“MAV1 Breaching Asset Provider”**) under a MAV1 New CDS (an **“MAV1 Asset Provider Default”**), MAV1 will be able to terminate the trade and there shall be no cross-default to any other MAV1 New CDS. Upon a MAV1 Asset Provider Default, such MAV1 Breaching Asset Provider’s MAV1 Original Collateral and entitlement under the MAV1 Initial Collateral Pool shall be released to MAV1 and re-allocated into the pool of MAV1 Additional Collateral.

#### *Default by MAV1 MFF Lender under MAV1 Margin Funding Facility*

If a MAV1 MFF Lender goes bankrupt, has its credit rating downgraded and fails to satisfy certain protective provisions or otherwise fails to fund its MAV1 MFF Lender’s Commitment (a **“Breaching MAV1 MFF Lender”**) under the MAV1 Margin Funding Facility, the Majority Secured Creditors may elect to partially unwind the MAV1 New CDSs with the applicable percentage of notional amounts to be partially terminated corresponding to the overall aggregate of all MAV1 MFF Lenders’ Commitments that was provided by the Breaching MAV1 MFF Lender. The amount of collateral available to settle a Termination Payment owing to an Asset Provider would not include any portion of the MAV1 MFF Lender’s Commitment of any MAV1 MFF Lender other than a Breaching MAV1 MFF Lender. In addition any loss or settlement amount payable on the partial terminal unwind to an Asset Provider will be set-off on a dollar-for-dollar basis from the amount of such Breaching MAV1 MFF Lender’s principal amount on such Breaching MAV1 MFF Lender’s Class A-1 Notes, Class A-2 Notes and Class B Notes split *pro rata* among all Breaching MAV1 MFF Lenders. The remaining principal amount of such Breaching MAV1 MFF Lender’s notes will be subordinated below the Class B Notes but above the Class C Notes. Additionally, if such Breaching MAV1 MFF Lender has advances outstanding under the MAV1 Margin Funding Facility, such advances shall be subordinated below the Class B Notes but above the Class C Notes. Alternatively, the Majority Secured Creditors could elect not to cause a partial terminal unwind event and instead pursue a litigation claim against the Breaching MAV1 MFF Lender. If the Majority Secured Creditors elect to pursue a litigation claim, the principal amount of such Breaching MAV1 MFF Lender’s notes shall be reduced on a dollar-for-dollar basis by an amount equal to such Breaching MAV1 MFF Lender’s defaulted commitment split *pro rata* among all Breaching MAV1 MFF Lenders. Again, the remaining principal amount of such Breaching MAV1 MFF Lender’s notes would be subordinated below the Class B Notes but above the Class C Notes. In addition, if such Breaching MAV1 MFF Lender has advances outstanding under the MAV1 Margin Funding Facility, such advances shall be subordinated below the Class B Notes but above the Class C Notes. For purposes of determining whether additional draws should be made under the MAV1 Margin Funding Facility and for determining amounts to be payable pursuant to the waterfall, such Breaching MAV1 MFF Lender will be deemed to have made the required advances under the MAV1 Margin Funding Facility.

*Failure by MAV1 MFF Lender to cure a Potential Unwind Event by providing Additional Commitments under the MAV1 Margin Funding Facility*

In the event one or more MAV1 MFF Lender fails to provide additional commitments under the MAV1 Margin Funding Facility in order to cure a Potential Unwind Event but other MAV1 MFF Lenders do provide additional commitments under the MAV1 Margin Funding Facility, a Partial Terminal Unwind Event shall occur. The Partial Terminal Unwind Event shall be for all then outstanding LSS Transactions equal to the following: 1 minus (i) the amount of the additional commitments provided by the MAV1 MFF Lenders (the “**Additional Commitments**”) divided by (ii) the required amount of additional commitments necessary to cure a Potential Unwind Event in order to avoid a Terminal Unwind Event or Partial Terminal Unwind Event, expressed as a percentage (the “**Unwind Percentage**”). Upon a Partial Terminal Unwind Event of the proportion of all outstanding LSS Transactions equal to the Unwind Percentage (the “**Unwound LSSs**”), an amount of MAV1 Original Collateral and Collateral which is not MAV1 Original Collateral multiplied by the Unwind Percentage (the “**Unwound Collateral**”) shall be liquidated and the proceeds thereof shall be distributed pursuant to the Priorities of Payment (counting only the claims of MAV1 MFF Lenders who did not provide the Additional Commitments (“**Non-Participating Lenders**”) and deeming each other party’s claim to be equal to only the Unwind Percentage of its claim). The Unwound Collateral available to satisfy obligations in connection with the Unwound LSSs shall not include any portion of the MAV1 MFF Defaulted Commitments or any advance (including any Qualifying Non-Funded Amount), in each case, other than those of Non-Participating Lenders and the Non-Participating Lenders’ recourse for any outstanding advances under the MAV1 Margin Funding Facility Agreement shall be limited to the Unwound Collateral.

*MAV1 Release of Collateral*

Commencing on the fifth anniversary of the Plan Implementation Date, a portion of the MAV1 Original Collateral and the MAV1 Additional Collateral will be released from the Asset Providers’ security interest upon the following terms and conditions: (i) the portion of the MAV1 Original Collateral and the MAV1 Additional Collateral that will be permitted to be released will be the MAV1 Original Collateral and MAV1 Additional Collateral that is allocated to an Asset Provider whose MAV1 New CDSs have terminated either by way of a scheduled termination date or early termination; (ii) excess funds are available to MAV1 (in the form of (1) MAV1 Original Collateral or MAV1 Additional Collateral which was formerly posted to such Asset Provider or (2) a Termination Payment from such Asset Provider) after all amounts due to such Asset Provider under such Asset Provider’s MAV1 New CDSs have been paid in full; and (iii) none of the spread-loss trigger matrices are within 50% of the First Spread-Loss Trigger Event. If the foregoing three conditions are met, the excess collateral (the “**Available MAV1 Excess Collateral**”) will be released and will be distributed in the following order of priority: 1) to the MAV1 MFF Lenders in respect of any and all principal amounts outstanding under the MAV1 Margin Funding Facility; 2) if there are no outstanding advances under the MAV1 Margin Funding Facility, to rateably reduce each MAV1 MFF Lender’s commitment, in which case the Available MAV1 Excess Collateral shall form part of the pool of MAV1 Additional Collateral; and 3) if all MAV1 MFF Lenders’ commitments have been reduced to zero, to service the ordinary course waterfall. Accordingly, principal amounts on the MAV2 Notes will not be repaid until the MAV2 MFF Lender’s Commitment is reduced to zero.

Provided that a (i) Potential Unwind Event, (ii) a Termination Event (as defined in the ISDA Master Agreement) or (iii) an Event of Default (as defined in the ISDA Master Agreement) has not occurred in respect of MAV1, the Collateral Agent or any Asset Provider that receives income distributions will transfer to the Collateral Agent, any such income distribution it receives, to the extent such income distribution will not trigger a margin call, will be used to service the ordinary course waterfall.

*MAV1 Deemed Termination Option*

The draft Omnibus Agreement Term Sheet contains an option (the “**Deemed Termination Option**”) given to certain Asset Providers. As at the date of this Information Statement, the Deemed Termination Option is subject to discussion between the Investors Committee, certain Asset Providers and other interested parties and has not been agreed to by the parties. This disclosure is being included in this Information Statement to permit granting of the Deemed Termination Option if and only if it is agreed by the necessary parties.

If the Deemed Termination Option is agreed upon, then upon the occurrence of a Terminal Unwind Event or a Partial Terminal Unwind Event, any Asset Provider to an LSS CDS (the “**Electing Counterparty**”) can elect to not terminate its LSS Credit Default Swaps with the relevant MAV and continue to pay to the relevant MAV the premium under its LSS

Credit Default Swaps. Upon such election, the Collateral Agent will realize collateral held by it and allocated to the Electing Counterparty in an amount sufficient to pay the service providers as if such Electing Counterparty had terminated its LSS Credit Default Swaps. In addition, the Collateral Agent will realize an amount of Collateral equal to the excess, if any, of the aggregate exposures of such Electing Counterparty's LSS Credit Default Swaps over the termination payment (the **"Deemed Termination Payment"**) that would have been payable to the Electing Counterparty had it terminated its LSS Credit Default Swaps. Such amount of Collateral realized will be applied in accordance with the Priorities of Payment, and any claims of any MFF Lender, Noteholder or other party not satisfied after application of such amounts shall be extinguished, except as described in the following paragraph.

The remainder of such Collateral allocated to the Electing Counterparty (the **"Relevant Collateral"**) shall continue to be held by the Collateral Agent for the benefit of the Electing Counterparty, service providers and the Noteholders of the relevant MAV. The Relevant Collateral shall be used to pay Cash Settlement Amounts to the Electing Counterparty, if any, that arise under its LSS Credit Default Swaps, and, upon termination of all its LSS Credit Default Swaps, the balance of the Relevant Collateral shall be distributed (a) first, to pay service providers any amounts due, (b) second, to pay the Electing Counterparty any Unpaid Amounts or termination payment under its LSS CDSs Credit Default Swaps, and (c) third, to pay *pari passu* and *pro rata* (i) the Noteholders, an agreed percentage (X%) of the balance after payments in (a) and (b) have been made, (ii) the Electing Counterparty (100-X%) of the remaining balance provided that such amount is applied first to pay the Electing Counterparty in its capacity as MFF Lender and then pay the remainder to the Electing Counterparty in its capacity as Asset Provider.

The Electing Counterparty agrees that the Deemed Termination Option, if exercised, will be undertaken in a manner that does not cause tax consequences to a Noteholder that are materially more adverse than otherwise would be the case if the election were not made. The Electing Counterparty agrees to indemnify and hold harmless the Noteholders against any losses, claims or damages suffered by the Noteholders in respect of such adverse tax consequences.

## **Intercreditor Arrangements for MAV2**

### ***MAV2 Master Security Agreement***

Pursuant to the terms of the MAV2 Master Security Agreement, each Asset Provider of the LSS and unleveraged Credit Default Swaps that will be transferred to MAV2 will be granted a first-ranking security interest over the original collateral with respect to which such Asset Provider had a security interest prior to the implementation of the Plan (collectively, the **"MAV2 Original Collateral"**). The Collateral Agent will be granted a security interest in all of the present and future undertaking, property and assets of MAV2 including the MAV1 Original Collateral other than the Ineligible Assets, subject to the prior security interests of the Asset Providers in the MAV2 Original Collateral, to be applied among the Secured Creditors in accordance with the Omnibus Agreement, as set out herein under "The Plan Notes" with respect to MAV2.

### ***MAV2 Omnibus Agreement***

Each of MAV2, the Asset Providers, the Collateral Agent, the MAV2 MFF Lenders and the New Indenture Trustee will enter into the MAV2 Omnibus Agreement, which will outline the intercreditor arrangements between these parties. In particular, the MAV2 Omnibus Agreement will detail the consequences of (i) a default by an Asset Provider as counterparty to the MAV2 New CDSs, (ii) a default by an Asset Provider in its capacity as a MAV2 MFF Lender (a **"MAV2 Dealer/Lender"**) under the MAV2 Margin Funding Facility, (iii) a default by an MAV2 MFF Lender (other than a MAV2 Dealer/Lender) under the MAV2 Margin Funding Facility and (iv) a failure by a MAV2 MFF Lender to cure a Potential Terminal Unwind Event by providing additional commitments under the MAV2 Margin Funding Facility.

### ***Default by Asset Provider under MAV2 New CDSs***

If an Asset Provider is the Defaulting Party or the Affected Party (a **"MAV2 Breaching Asset Provider"**) under a MAV2 New CDS (a **"MAV2 Asset Provider Default"**), MAV2 will be able to terminate the trade and there shall be no cross-default to any other MAV2 New CDS. Upon a MAV2 Asset Provider Default, such MAV2 Breaching Asset Provider's MAV2 Original Collateral and entitlement under the MAV2 Initial Collateral Pool will be released to the Collateral Agent and re-allocated into the MAV2 Additional Collateral Pool or within the collateral entitlement of each MAV2 Asset Provider solely to the extent that additional collateral is needed to cover any shortfall arising from the termination of the MAV2 Breaching Asset Provider's commitment.



The MAV2 Breaching Asset Provider's commitment to provide future funding under the MAV2 Margin Funding Facility would be accelerated, and such MAV2 Breaching Asset Provider's right to receive the 160 basis point fee under the MAV2 Margin Funding Facility Agreement would terminate. Further, if the MAV2 Breaching Asset Provider has advanced any funds under the MAV2 Margin Funding Facility prior to the time of such MAV2 Breaching Asset Provider's MAV2 Asset Provider Default, such funds would be subordinated below certain and MAV2 would also have a claim against the MAV2 Breaching Asset Provider equal to the amount such MAV2 Breaching Asset Provider failed to advance and the MAV2 Breaching Asset Provider would not be permitted to set-off that liability against any Termination Payment it is owed under the New CDSs. Any Termination Payment owed to the MAV2 Breaching Asset Provider under the terminated New CDSs would be subordinated below the MAV2 Class B Notes but above the MAV2 Class C Notes.

***Defaults by MAV2 Dealer/Lender under MAV2 Margin Funding Facility***

If a MAV2 Dealer/Lender fails to (i) fund its advances under the MAV2 Margin Funding Facility or (ii) fails to satisfy the ratings test (as set out in the MAV2 Margin Funding Facility) and fails to take remedial action pursuant to the MAV2 Margin Funding Facility ((i) and (ii) collectively, a **"MAV2 Dealer/Lender Default"** and a MAV2 Dealer/Lender who commits such MAV2 Dealer/Lender Default will be referred to as a **"Breaching MAV2 Dealer/Lender"**) There will be no cross default to any other MAV2 New CDS. Upon the occurrence of a MAV2 Dealer/Lender Default, the amount of such Breaching MAV2 Dealer/Lender's defaulted commitment shall be deducted from such Breaching MAV2 Dealer/Lender's MAV2 Original Collateral and collateral entitlement under the MAV2 Initial Collateral Pool. If the Breaching MAV2 Dealer/Lender's resulting collateral entitlement is negative, such Breaching MAV2 Dealer/Lender shall post collateral in favour of MAV2. If such Breaching MAV2 Dealer/Lender fails to post such collateral, MAV2 will be entitled to terminate such MAV2 Dealer/Lender's MAV2 New CDSs.

Additionally, (i) such Breaching MAV2 Dealer/Lender would still be permitted to submit MAV2 Required Collateral amounts, but such amounts would be deemed to be reduced by the amount of the defaulted commitment and (ii) a portion of the Breaching MAV2 Dealer/Lender's claim to any loss or settlement amount equal to the lesser of (i) the portion of unfunded commitment and (ii) such Termination Payment will be subordinated so that it is *pari passu* with repayment of any amounts owed to the MAV2 MFF Lenders.

***Default by MAV2 Schedule I Bank***

If a MAV2 Schedule I Bank Lender fails to (i) fund its advances under the MAV2 Margin Funding Facility or (ii) fails to satisfy the ratings test (as set out in the MAV2 Margin Funding Facility) and fails to take remedial action pursuant to the MAV2 Margin Funding Facility ((i) and (ii) collectively, a **"MAV2 Schedule I Bank Default"** and a MAV2 Schedule I Bank Lender who commits such MAV2 Schedule I Bank Default will be referred to as a **"Breaching Schedule I Bank"**) then the Asset Providers shall not have the ability to terminate the MAV2 New CDS in whole or in part. In the alternative, MAV2 or the Asset Providers on behalf of MAV2 would retain a litigation remedy against such Breaching Schedule I Bank for the portion of the loss or settlement amount of such Breaching Schedule I Bank up to a maximum of such Breaching Schedule I Bank's defaulted commitment. For purposes of determining whether additional draws should be made under the MAV2 Margin Funding Facility and for determining amounts to be payable pursuant to the waterfall, such Breaching Schedule I Bank will be deemed to have made the required advances under the MAV2 Margin Funding Facility. For greater certainty, in the event a MAV2 Schedule I Lender bank defaults on its obligations to fund advances, such defaulted advance (i) will be deemed to have been funded and shall be included in the pool of general collateral and (ii) any obligations owed to Asset Providers will be deemed to be satisfied (A) first by such defaulted advance and (B) second if the amount of such defaulted advances are insufficient to meet obligations due to such Asset Providers, by way of realization or posted collateral.

***Failure by MAV2 MFF Lender to cure a Potential Unwind Event by providing Additional Commitments under the MAV2 Margin Funding Facility***

In the event one or more MAV2 MFF Lenders fail to provide additional commitments under the MAV2 Margin Funding Facility in order to cure a Potential Unwind Event but other MAV2 Margin Funding Facility Lenders do provide additional commitments under the MAV2 MFF, a Partial Terminal Unwind Event will occur. The Partial Terminal Unwind Event will be for all then outstanding LSS Transactions equal to the following: 1 minus (i) the amount of the Additional Commitments provided by the MAV2 MFF Lenders divided by (ii) the required amount of Additional Commitments necessary to cure a Potential Unwind Event in order to avoid a Terminal Unwind Event or Partial Terminal Unwind Event, expressed as a percentage (the **"Unwind Percentage"**). Upon a Partial Terminal Unwind Event of the proportion of all



outstanding LSS transactions equal to the Unwind Percentage (the “**Unwound LSSs**”), an amount of MAV2 Original Collateral and Collateral which is not MAV2 Original Collateral multiplied by the Unwind Percentage (the “**Unwound Collateral**”) will be liquidated and the proceeds thereof will be distributed pursuant to the terms of MAV2 Omnibus Agreement by (counting only the claims of MAV2 MFF Lenders who did not provide the Additional Commitments and deeming each other party’s claim to be equal to only the Unwind Percentage of its claim). The Unwound Collateral available to satisfy obligations in connection with the Unwound LSSs will not include any portion of an MAV2 MFF Lender’s obligations to fund which have not been advanced, or any advance (including any Qualifying Non-Funded Amount), in each case, other than those of Non-Participating MAV2 MFF Lenders Omnibus Agreement advances under the MAV2 Margin Funding Facility Agreement will be limited to the Unwound Collateral.

### ***MAV2 Release of Collateral***

Commencing on the fifth anniversary of the Plan Implementation Date, a portion of the MAV2 Original Collateral and the MAV2 Additional Collateral will be released from the Asset Providers’ first priority security interest upon the following terms and conditions: (i) the portion of the MAV2 Original Collateral and the MAV2 Additional Collateral that will be permitted to be released will be the MAV2 Original Collateral and MAV2 Additional Collateral which is allocated to an Asset Provider whose MAV2 New CDSs have terminated either by way of a scheduled termination date or early termination; (ii) excess funds are available to MAV2 (in the form of (1) MAV2 Original Collateral or MAV2 Additional Collateral that was formerly posted to such Asset Provider or (2) a Termination Payment from such Asset Provider) after all amounts due to such Asset Provider under such Asset Provider’s MAV2 New CDSs have been paid in full and (iii) none of the spread-loss trigger matrices are within 50% of the First Spread-Loss Trigger Event. If the foregoing three conditions are met, the excess collateral (the “**Available MAV2 Excess Collateral**”) will be released and will be distributed in the following order of priority: 1) to the MAV2 MFF Lenders in respect of any and all principal amounts outstanding under the MAV2 Margin Funding Facility; 2) if there are no outstanding advances under the MAV2 Margin Funding Facility, to rateably reduce each MAV2 MFF Lender’s commitment, in which case the Available MAV2 Excess Collateral will form part of the pool of MAV2 Additional Collateral and 3) if all MAV2 MFF Lenders’ commitments have been reduced to zero, to service the ordinary course waterfall. Accordingly, principal amounts on the MAV2 Notes will not be repaid until the MAV2 MFF Lender’s Commitment is reduced to zero. A MAV2 MFF Lender may elect not to have its commitment reduced.

Provided that a (i) Potential Unwind Event, (ii) a Termination Event (as defined in the ISDA Master) or (iii) an Event of Default (as defined in the ISDA Master Agreement) has not occurred in respect of MAV2, the Collateral Agent or any Asset Provider that receives income distributions, will transfer to the Collateral Agent, any such income distributions it receives, to the extent such income distribution will not trigger a margin call, will be used to service the ordinary course waterfall.

### ***MAV2 Deemed Termination Option***

As at the date of this Information Statement, the Deemed Termination Option in respect of MAV2 is subject to discussion between the Investors Committee, certain Asset Providers and other interested parties and has not been agreed to by the parties, including the Investors Committee and the Canadian Banks. This disclosure is being included in this Information Statement to permit granting of the Deemed Termination Option if and only if it is agreed by the necessary parties.

If the Deemed Termination Option is agreed upon, then the occurrence of a Terminal Unwind Event or a Partial Terminal Unwind Event, the Electing Counterparty can elect to not terminate its LSS Credit Default Swaps with the relevant MAV and continue to pay to the relevant MAV the premium under its LSS Credit Default Swaps. Upon such election, the Collateral Agent will realize collateral held by it and allocated to the Electing Counterparty in an amount sufficient to pay the service providers as if such Electing Counterparty had terminated its LSS Credit Default Swaps. In addition, the Collateral Agent will realize the Deemed Termination Payment that would have been payable to the Electing Counterparty had it terminated its LSS Credit Default Swaps. Such amount of Collateral realized will be applied in accordance with the Priorities of Payment, and any claims of any MFF Lender, Noteholder or other party not satisfied after application of such amounts shall be extinguished, except as described in the following paragraph.

The Relevant Collateral shall continue to be held by the Collateral Agent for the benefit of the Electing Counterparty, service providers and the Noteholders of the relevant MAV. The Relevant Collateral shall be used to pay Cash Settlement Amounts to the Electing Counterparty, if any, that arise under its LSS Credit Default Swaps, and, upon termination of all

its LSS Credit Default Swaps, the balance of the Relevant Collateral shall be distributed (a) first, to pay service providers any amounts due, (b) second, to pay the Electing Counterparty any Unpaid Amounts or termination payment under its LSS CDSs Credit Default Swaps, and (c) third, to pay *pari passu* and *pro rata* (i) the Noteholders, an agreed percentage (X%) of the balance after payments in (a) and (b) have been made, (ii) the Electing Counterparty (100-X%) of the remaining balance provided that such amount is applied first to pay the Electing Counterparty in its capacity as MFF Lender and then pay the remainder to the Electing Counterparty in its capacity as Asset Provider.

The Electing Counterparty agrees that the Deemed Termination Option, if exercised, will be undertaken in a manner that does not cause tax consequences to a Noteholder that are materially more adverse than otherwise would be the case if the election were not made. The Electing Counterparty agrees to indemnify and hold harmless the Noteholders against any losses, claims or damages suffered by the Noteholders in respect of such adverse tax consequences.

## TRANSFER OF TRADITIONAL ASSETS

In connection with the implementation of the Plan, Traditional Assets of a Series backed by Hybrid Assets will be transferred to MAV1 and MAV2 as follows: (i) certain Traditional Assets, in accordance with the documents governing their issuance, will be exchanged, reissued and transferred to MAV1 and MAV2 in denominations reflecting the *pro rata* Affected ABCP holdings of Noteholders that have elected (or are deemed to have elected) to participate in MAV1 and MAV2, respectively; and (ii) where the splitting or other division of a particular Traditional Asset is not feasible in the context of the Plan, the relevant ABCP Conduit will transfer such Traditional Asset by way of a transfer and co-ownership agreement to each of MAV1 and MAV2 and such Traditional Asset will be held by MAV1 and MAV2 as tenants in common, in proportions reflecting the *pro rata* Affected ABCP holdings of Noteholders participating in MAV1 and MAV2, respectively. Pursuant to the terms of the co-ownership agreement, MAV1 and MAV2 will be entitled to (i) proceeds in relation to the transferred Traditional Assets and (ii) certain voting rights, where such rights are capable of being split. A custodial agreement will be entered into concurrently with the co-ownership agreement whereby a custodian will hold the transferred Traditional Assets, as nominee, for the benefit of MAV1 and MAV2 and will perform certain administrative functions in relation to the transferred Traditional Assets on behalf of MAV1 and MAV2.

The Exclusively Traditional Assets will be transferred to MAV3, which will issue the TA Tracking Notes to the relevant Noteholders.

The consent of the originators and in some cases obligors of certain of the Traditional Assets will be required as a condition to (i) making certain amendments to the terms of certain of the documents governing such Traditional Assets necessary in light of the Plan; and (ii) effecting the transfer of such Traditional Assets.

## RELEASES

### Declaratory Releases from Liability Pursuant to the Plan

Pursuant to, and in connection with the implementation of the Plan at the Effective Time, the ABCP Conduits, the ABCP Sponsors, the Selkirk Satellite Trust Parties, the Satellite Trust Parties, the Administrative Agents, BlackRock, the Financial Services Agents, the Asset Providers, the Asset Originators, the Issuer Trustees, the New Issuer Trustee, the Original Issuer Trustees, the Existing Note Indenture Trustees, the New Indenture Trustee, the MFF Lenders, the Canadian Banks, the Liquidity Providers, the ABCP Dealers, the Issuing and Paying Agent(s), the Noteholders (including, as applicable, in their capacities as members represented on the Investors Committee), the Rating Agency, the Applicants, the individual members of the Investors Committee, Purdy Crawford, Ernst & Young Inc. and in its capacity as consultant to the Investors Committee prior to its appointment as Monitor and as the Monitor, JPMorgan, National PR, BlackRock, Goodmans, as well as each of their respective affiliates, and each of their respective present and former officers, directors, employees, auditors, financial advisors, legal counsel, other professionals and agents and associated individuals (collectively, the **“Released Parties”**) will release, and will be forever released and discharged from any and all claims and demands that could have been asserted on account of any indebtedness, liability or obligation, that any Person (including the Noteholders, Applicants, and each of the other Released Parties, as applicable) may be entitled to assert (including any and all claims in respect of potential statutory liabilities) based in whole or in part on any act or omission existing or taking place on or prior to the Plan Implementation Date relating to or otherwise in connection

with the Third-Party ABCP market in Canada, the ABCP Conduits, the Affected ABCP, the business and affairs of any of the Released Parties relating to or otherwise in connection with the Affected ABCP, the Affected ABCP Credit Default Swaps, the LSS Assets, Hybrid Assets, Traditional Assets, Synthetic Assets, Other CDS Assets or Ineligible Assets, the ABCP Conduits, the Plan, the CCAA Proceedings, the Information Statement or the Plan. The sole obligations or remaining risk of any of the Released Parties shall be the executory compliance with the duties and obligations set forth in the Plan and the Approved Agreements.

At the Effective Time, each of the Chairman, the Monitor and its counsel, JPMorgan, National PR, BlackRock and Goodmans will be forever released and discharged from any and all claims and demands on account of any liability or obligation that any Person (including the Noteholders and Applicants, as applicable) may be entitled to assert based in whole or in part on any act or omission existing or taking place on or prior to the Plan Implementation Date in any way relating to or otherwise in connection with, the Third-Party ABCP market in Canada, the Affected ABCP, the LSS Assets, Hybrid Assets, Traditional Assets, Synthetic Assets, Other CDS Assets or Ineligible Assets, the business and affairs of any of the Released Parties relating to or otherwise in connection with the Affected ABCP, the Plan, the CCAA Proceedings, the Information Statement or the reorganization of the ABCP Conduits, provided that nothing in the Plan will release or discharge any of the Monitor and its attorney, JPMorgan, National PR, BlackRock or Goodmans if any such party is adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed fraud or wilful misconduct. For further information regarding releases, see the Plan of Compromise and Arrangement at Exhibit B.

### **Reasons for Releases and Contributions by Parties Involved in the Plan**

The Released Parties have made comprehensive releases a condition of their participation in the Plan or as parties to the Approved Agreements. Each Released Party is making a necessary contribution to the Plan without which the Plan cannot be implemented. The Asset Providers, in particular, have agreed to amend certain of the existing contracts and/or enter into new contracts that, among other things, will restructure the trigger covenants, thereby increasing their risk of loss and decreasing the risk of losses being borne by Noteholders. In addition, the Asset Providers are making further contributions that materially improve the position of Noteholders generally, including through forbearing from making collateral calls since August 15, 2007, participating in the MAV2 Margin Funding Facility at pricing favourable to the Noteholders, accepting additional collateral at par with respect to the Traditional Assets and disclosing confidential information, none of which they are contractually obligated to do. The ABCP Sponsors have also released confidential information, co-operated with the Investors Committee and its advisors in the development of the Plan, released their claims in respect of certain future fees that would accrue to them in respect of the assets and are assisting in the transition of administration services to the Asset Administrator, should the Plan be implemented. The Original Issuer Trustees, the Issuer Trustees, the Existing Note Indenture Trustees and the Rating Agency have assisted in the restructuring process as needed and have co-operated with the Investors Committee in facilitating an essential aspect of the court proceedings required to complete the restructuring of the ABCP Conduits through the replacement of the Original Issuer Trustees where required.

In many instances, a party had a number of relationships in different capacities with numerous trades or programs of an ABCP Conduit, rendering it difficult or impracticable to identify and/or quantify any individual Released Party's contribution. Certain of the Released Parties may have contributed more to the Plan than others. However, in order for the releases to be comprehensive, the Released Parties (including those Released Parties without which no restructuring could occur) require that all Released Parties be included so that one Person who is not released by the Noteholders is unable to make a claim-over for contribution from a Released Party and thereby defeat the effectiveness of the releases. Certain entities represented on the Investors Committee have also participated in the Third-Party ABCP market in a variety of capacities other than as Noteholders and, accordingly, are also expected to benefit from these releases.

### **Description of Contractual Releases**

As a condition of and subject to Plan Implementation, the ABCP Conduits, the ABCP Sponsors, the Administrative Agents, the Financial Services Agents, the Asset Providers, the Issuer Trustees, the Original Issuer Trustees, the Existing Note Indenture Trustees, the Canadian Banks, the Liquidity Providers, the ABCP Dealers, the Rating Agency and the Applicants (collectively, the **"Master Release Parties"**) will enter into the Master Release Agreement forever releasing and discharging each of the other Master Release Parties, the Chairman, the Monitor, JPMorgan, National PR, BlackRock and Goodmans as well as each of their respective affiliates and each of their respective present and former officers, directors, partners, employees, auditors, financial advisors, legal counsel, other professionals and agents and associated individuals from any and all claims, actions, liabilities, demands, damages, expenses, costs, or causes of action asserted or

unasserted, contingent or actual, liquidated or unliquidated, whether in tort or contract, whether statutory, at common law or in equity, based on, in connection with, arising out of, or in any way related to, in whole or in part, directly or indirectly, the ABCP Conduits, the Affected ABCP, the LSS Assets, Hybrid Assets, Traditional Assets, Synthetic Assets, Other CDS Assets or the Ineligible Assets, the Third-Party ABCP market in Canada as it relates to the ABCP Conduits, the commencement and conduct of the CCAA Proceedings, the Information Statement or the reorganization of Affected ABCP and the ABCP Conduits.

## THE MASTER ASSET VEHICLES

### Description of MAV1

Master Asset Vehicle 1 (“**MAV1**”) will be a new trust formed by the New Issuer Trustee under the laws of the Province of Ontario pursuant to the MAV1 Declaration of Trust. The beneficiaries of MAV1 will be one or more charitable organizations as defined in the Tax Act to be determined from time to time. For further information on the notes that will be issued by MAV1 and the governance structure of MAV1, please see “The Plan Notes — Description of the MAV1 Notes” and “Description of the IA Tracking Notes”.

### Description of MAV2

Master Asset Vehicle 2 (“**MAV2**”) will be a new trust formed by the New Issuer Trustee under the laws of the Province of Ontario pursuant to the MAV2 Declaration of Trust. The beneficiaries of MAV2 will be one or more charitable organizations as defined in the Tax Act to be determined from time to time. For further information on the notes that will be issued by MAV2 and the governance structure of MAV2, please see the “The Plan Notes — Description of the MAV2 Notes” and “Description of the IA Tracking Notes”.

### Description of MAV3

Master Asset Vehicle 3 (“**MAV3**”) will be a new trust formed by the New Issuer Trustee under the laws of the Province of Ontario pursuant to the MAV3 Declaration of Trust. The beneficiaries of MAV3 will be one or more charitable organizations as defined in the Tax Act to be determined from time to time. For further information of the notes that will be issued by MAV3 please see the “The Plan Notes — Description of the MAV3 Notes”.

## ELIGIBILITY CRITERIA FOR PERMITTED REINVESTMENT

Pursuant to the Administration and Management Agreement, each investment and reinvestment of (i) cash, the proceeds of or investment income on other assets serving as collateral to Asset Providers under credit default swaps, (where the resulting proceeds are not required to be held to support New LSS, used to amortize any Plan Notes or pay down advances under the relevant Margin Funding Facility), and any proceeds received from advances made under the relevant Margin Funding Facility, and (ii) cash, or the proceeds of or investment income on other assets from time to time held in any Collections Account, shall be made in the type of Eligible Investments set forth below in respect of each type of asset from which the investment proceeds arise; (such criteria, the “**Eligibility Criteria**”).

The types of investments described below in the definition of the Eligible Investments are proposed and subject to change prior to the Plan Implementation Date, following further discussion among the Asset Providers, the MFF Lenders, the Advisory Committee, DBRS and BlackRock Canada. These changes may add or delete categories of assets, modify the required rating requirements or make other modifications.

“Eligible Investments” means in respect of investments made with proceeds derived from, or deposited within, as applicable:

1. In respect of cash or advances under a Margin Funding Facility:
  - direct obligations of, or backed by the full faith and credit of, the United States of America or Canada, or any agency, state, or province rated at least “R-1(middle)” or “AA (low)” by DBRS.
  - securities issued by U.S. or Canadian government agencies that are rated “AAA” by S&P and “Aaa” by Moody’s that evidence interests in pools of residential mortgage loans;

- demand and time deposits in, and certificates of deposit of, bankers' acceptances issued by, or federal funds sold by any depository institution or trust company organized under the laws of the United States of America or Canada rated at least "R-1(middle)" or "AA (low)" by DBRS, or any state or province thereof;
  - total return swaps ("TRS"), where the TRS counterparty is an Asset Provider as long as the total notional for each counterparty does not exceed such Asset Provider's initial allocation of additional collateral and has a rating of at least "R-1(middle)" or "AA (low)" by DBRS; or
  - fully collateralized repo agreements, commercial paper of entities rated at least "R-1(middle)" by DBRS, corporate debt rated "AAA" by DBRS, money market funds, or any other similar short-term investments.
2. In respect of Traditional Assets or Unlevered CDSs:
    - any of the Eligible Investments listed in clause 1 above; or
    - certain types of Asset-Backed Securities (other than ABS CDOs) rated AAA by DBRS.
  3. In respect of Original Collateral:
    - any of the Eligible Investments listed in clauses 1 and 2 above; or
    - any debt security that is rated at least AA by DBRS.
  4. In respect of Collections Accounts, provided that the investments below shall have an expected maturity no later than the next occurring Payment Date:
    - book-based securities, negotiable instruments or securities purchased in ordinary course market transactions without premium, represented by instruments in bearer or registered form, with fixed maturity payments that cannot be varied and which constitute any of the above; or
    - fully collateralized repo agreements, commercial paper of entities rated R-1(middle) by DBRS, corporate debt rated "AAA" by DBRS, money market funds, or any other similar short-term investments, with fixed maturity payments that cannot be varied.

There is no requirement that an Eligible Investment that is subsequently downgraded be sold, although BlackRock Canada may elect to sell any Credit Risk Assets. BlackRock Canada will notify the Rating Agency in writing in a manner satisfactory to the Rating Agency of any downgrade of Eligible Investments.

## DUTIES OF ADMINISTRATOR AND ASSET MANAGER

Upon implementation of the Plan, BlackRock Canada will be the administrator and asset manager of each of the MAVs pursuant to an Administration and Management Agreement (each, an **"Administration and Management Agreement"**) to be entered into with each MAV on or before the Plan Implementation Date.

BlackRock provides global investment management, risk management and advisory services to institutional and retail clients around the world. As of December 31, 2007, BlackRock's assets under management total more than U.S.\$1.3 trillion across equity, fixed income, cash management, alternative investment and real estate strategies. Through BlackRock Solutions® it offers risk management, strategic advisory and enterprise investment system services to a broad base of clients with portfolios totalling U.S.\$5.75 trillion as of December 31, 2007.

In accordance with the Administration and Management Agreement entered into with each MAV and the other applicable Program Documents, BlackRock Canada will perform, or supervise and arrange for the performance of, the following activities and such other duties as are expressly delegated to the Administrator or the Asset Manager in the Program Documents, and will have full power and authority to perform any of the same and any actions incidental thereto. The terms of the Administration and Management Agreement remain subject to approval of the MFF Lenders and the Asset Providers.

In its role as administrator, BlackRock Canada will perform the following administrative services on behalf of the MAVs in accordance with the applicable Program Documents: (i) administering the MAVs (including tax compliance), with the assistance of one or more third parties, as appropriate (the fees and expenses of such third parties to be paid or reimbursed, as applicable, by the MAVs); (ii) maintaining financial records for the MAVs, with the assistance of one or more third parties, as appropriate (the fees and expenses of such third parties to be paid or reimbursed, as applicable, by the MAVs); (iii) oversight of (A) the preparation of financial statements of the MAVs and (B) the arrangement for auditing



of such financial statements, in each case, as required pursuant to any Program Document; (iv) monitoring compliance with Spread-Loss Trigger Events and providing notice in the form of a report posted to a dedicated website of any “Early Warning Exposure Reporting Date” that is determined and reported to BlackRock Canada by the “Spread-Loss Trigger Calculation Agent” pursuant to the Omnibus Agreement; (v) providing valuation reports (which, for the avoidance of doubt, may be produced based upon BlackRock Canada’s analysis of the value of relevant assets to the extent that current market quotes, dealer pricing or other similar pricing information is not available to BlackRock Canada or BlackRock Canada believes such sources do not accurately reflect value) to the MAVs, the Asset Providers and the holders of the Plan Notes on a monthly basis, including by way of maintenance of a dedicated website; (vi) calling upon Noteholders to post additional collateral or advance funds, as applicable, when required pursuant to any Credit Default Swap to which a MAV is a party as determined and reported to BlackRock Canada by the “Spread-Loss Trigger Calculation Agent” pursuant to the Omnibus Agreement; (vii) presenting performance summaries to holders of Plan Notes on a quarterly basis; (viii) managing the MAVs’ relationships with the Rating Agency (including seeking satisfaction of the Rating Agency Condition, when required and reporting on the Managed Assets in a manner satisfactory to the Rating Agency), custodians, trustees and other service providers; and (ix) overseeing the MAVs’ compliance with applicable Canadian laws.

In its role as asset manager, BlackRock Canada will manage the Managed Assets including by (i) directing the investment and reinvestment of proceeds from the Managed Assets (including amounts posted in Eligible Investments) in accordance with the Eligibility Criteria and the relevant Program Documents; (ii) monitoring performance and valuation of the Managed Assets; (iii) in its discretion, arranging for sales, terminations or novations, as the case may be, of Par Sale Assets, Credit Risk Assets, defaulted assets, and other sales permitted pursuant to the Administration and Management Agreement or by other Program Documents; (iv) determining where deemed advisable in its sole discretion to acquire credit protection in respect of Managed Assets, including without limitation with respect to reference obligations under Credit Default Swaps; (v) directing the New Indenture Trustee in connection with the exercise of rights or remedies with respect to Managed Assets, as deemed necessary or advisable by BlackRock Canada; (vi) managing the MAVs’ interest rate, basis risk and currency risk and providing direction to the New Indenture Trustee to enter into the appropriate hedging contracts on behalf of a MAV where deemed necessary or advisable by BlackRock Canada; (vii) acting on behalf of a MAV in connection with swap transactions and hedge agreements (*provided*, for the avoidance of doubt, that BlackRock Canada will have no obligation to satisfy the margin obligations or other financial obligations of any MAV), determining the terms of any New CDSs or hedging contracts and, to the extent necessary or appropriate to perform such duties, executing and delivering all necessary and appropriate documents and instruments on behalf of the MAVs with respect thereto; and (viii) to the extent permitted by the Program Documents, executing trades for acquisitions or entries into, and sales, terminations or novations, as the case may be, of Managed Assets and directing the New Indenture Trustee in connection therewith.

In performing its duties under such Administration and Management Agreement, BlackRock Canada may (A) sell, terminate or novate Managed Assets that are Par Sale Assets, (B) in its discretion, sell, terminate or novate Managed Assets where deemed necessary or advisable by BlackRock Canada in connection with a Managed Asset that is a Credit Risk Asset or a defaulted asset, or (C) sell, terminate or novate Managed Assets (including Co-Owned Assets) where deemed advisable by BlackRock Canada in its discretion in connection with portfolio diversification or to otherwise improve the risk/reward characteristics of the portfolio of Managed Assets of such MAV; *provided*, for the avoidance of doubt, that any sale, termination or novation pursuant to (B) or (C) may be made for a price below par or with a termination payment by such MAV. All or a portion of the Sale Proceeds from any Managed Asset sold may be reinvested, at BlackRock Canada’s sole discretion, in one or more Eligible Investments; *provided*, that (i) such reinvestment satisfies the Eligibility Criteria, (ii) the weighted average life of such Eligible Investment (or Eligible Investments) is within two years of the weighted average life of the Managed Asset sold, (iii) the rating or ratings assigned to such Eligible Investment is within two ratings notches of the rating or ratings assigned to the Eligible Investment sold and (iv) discretionary sales, terminations or novations pursuant to clause (C) above (excluding sales of Co-Owned Assets) in any one year (with the first year beginning on the Plan Implementation Date) shall not exceed 50% of the par or notional amount of Managed Assets (excluding Co-Owned Assets) as of the first Business Day of such year.

In connection with the performance of its duties, BlackRock Canada will periodically (and at its discretion and at the discretion of the Advisory Committee) consult with the relevant Advisory Committee with regard to the Managed Asset. For the avoidance of doubt, BlackRock Canada has complete discretion with respect to Co-Owned Assets subject to restrictions in the Program Documents.

In consideration of the administrative and asset management services to be provided under the Administration and Management Agreement, each MAV will pay BlackRock Canada a fee equal to 0.045% per annum of the Fee Basis Amount, to be paid quarterly in advance on the Plan Implementation Date (adjusted proportionately for the time period until the first Payment Date) and each Payment Date thereafter. “**Fee Basis Amount**” means, with respect to each MAV, the notional or principal amount, as applicable, of the Managed Assets, Eligible Investments held or entered into by such MAV, excluding any New LSS, on the first day of each Payment Period. To the extent the Advisory Committee, in the case of MAV1, or the requisite percentage of Noteholders, in the case of any of the MAVs, propose to substantively alter the nature of BlackRock Canada’s engagement or its obligations under the Administration and Management Agreement, such changes will require the agreement of BlackRock Canada, which could include an increase in the fee payable to BlackRock Canada by the relevant MAV. Each MAV will bear all expenses of BlackRock Canada incurred in connection with its services under the relevant Administration and Management Agreement, including, without limitation, fees of any third party engaged by BlackRock Canada to perform services in respect of the MAV and any legal, tax and accounting expenses incurred in connection with BlackRock Canada’s performance of its duties under such Administration and Management Agreement; *provided* that each MAV will bear such portion of expenses incurred in connection with BlackRock Canada’s collective performance of its duties under the relevant Administration and Management Agreement as determined in BlackRock Canada’s discretion, subject to reallocation mechanics applicable under certain circumstances set forth in the Program Documents.

Under no circumstances will BlackRock Canada or any of its affiliates be deemed to be responsible for the servicing or the oversight of servicing of any Managed Assets or the underlying portfolio thereof. If BlackRock Canada or any of its affiliates, following discussions with the Advisory Committee for a MAV, elects to undertake any servicing or oversight of servicing in respect of the Managed Assets, such servicing arrangement will be separate from BlackRock Canada’s duties as Administrator and Asset Manager under each Administration and Management Agreement and each MAV will separately compensate BlackRock Canada or such affiliate therefor as may be agreed. BlackRock Canada or its affiliates may directly or indirectly (including, without limitation, through ownership interest in a joint venture or other arrangements) receive compensation from an issuer of or obligor under a Managed Asset or underlying asset in respect thereof, in addition to the amounts payable to it pursuant to each Administration and Management Agreement, in connection with the servicing of, or provision of asset management or administrative functions in respect of, such Managed Asset or related underlying asset undertaken at its sole option and discretion. Such compensation of BlackRock Canada or its affiliates may be payable from (and to that extent reduce) amounts that otherwise may have been payable to the relevant MAV by such issuer or obligor.

### **Standard of Care; Limitations of Liability**

Pursuant to each Administration and Management Agreement, BlackRock Canada is required to perform its duties thereunder with reasonable care and in good faith, and, in its capacity as asset manager, using a degree of skill and attention no less than that which BlackRock Canada (i) exercises with respect to comparable assets that it manages for itself and its affiliates and (ii) exercises with respect to comparable assets that it manages for others, and in a manner reasonably consistent with practices and procedures followed by reasonable and prudent institutional managers of assets of the nature and character of the Managed Assets, except as expressly provided otherwise in the relevant Administration and Management Agreement or other applicable Program Documents. To the extent consistent with the foregoing, BlackRock Canada may follow BlackRock’s customary standards, policies and procedures in performing its duties under the Administration and Management Agreements.

Without limitation to the foregoing and notwithstanding anything in the Administration and Management Agreements to the contrary, neither BlackRock Canada nor any of its affiliates will be liable for any error of judgment or mistake of law or for any loss suffered by a MAV, any Noteholder, any other party to the Program Documents or otherwise in connection with BlackRock Canada’s performance of each Administration and Management Agreement, except a loss resulting from willful misconduct, bad faith or gross negligence on the part of BlackRock Canada in the performance of its duties or from reckless disregard by it of its duties under each Administration and Management Agreement.

In no event will BlackRock Canada or any of its affiliates be liable for any consequential, incidental, exemplary, punitive, special or indirect losses or damages, regardless of whether the likelihood of such losses or damages was known by it.

BlackRock Canada and its affiliates: (i) will not be liable for losses, delays, failure, errors, interruption or loss of data occurring directly or indirectly by reason of circumstances beyond its reasonable control, including without limitation acts of God; action or inaction of civil or military authority; public enemy; war; terrorism; riot; fire; flood; sabotage; epidemics; labour disputes; civil commotion; interruption, loss or malfunction of utilities, transportation, computer or communications capabilities; insurrection; elements of nature; or non-performance by a third party; (ii) will not be under any duty or obligation to inquire into nor shall it be liable for the validity or invalidity, authority or lack thereof, or truthfulness or accuracy or lack thereof, of any instruction, direction, notice, instrument or other information reasonably believed by it to be genuine; and (iii) will not be liable for any damages arising out of any action or omission to act by any prior service provider of any MAV or predecessor in interest thereof (including without limitation, any party providing a release in connection with the approval of the Plan) or for any failure to discover any such error or omission.

### **Tax Indemnity**

The amounts payable to BlackRock Canada under each Administration and Management Agreement are exclusive of any sales, goods and services, value added or similar taxes (“**Sales Taxes**”).

Each MAV will be responsible for and will pay to any Direct Service Provider any Sales Taxes payable in respect of the provision of any services under the relevant Administration and Management Agreement. Each MAV will indemnify and save harmless any Direct Service Provider and Delegee for all liabilities, losses, costs, expenses or damages in respect of Sales Taxes, including any interest penalties with respect thereto arising in respect of the services provided under the relevant Administration and Management Agreement, except for any interest and penalty caused by the conduct of the Direct Service Provider.

In the event that any amount paid or credited to a Direct Service Provider or a Delegee is subject to Indemnified Taxes, then each MAV agrees to pay such additional amounts as are necessary in order that the aggregate net amount received by such Direct Service Provider or Delegee, as the case may be, is equal to the amount that would have been received thereby in the absence of any Indemnified Taxes. Each MAV will indemnify and save harmless any Direct Service Provider and Delegee for all liabilities, losses, costs, expenses or damages in respect of Indemnified Taxes arising in respect of the services provided under the relevant Administration and Management Agreement.

Any amount payable in respect of Sales Taxes or Indemnified Taxes by the MAVs will be paid by the MAVs on the applicable payment date.

### **Indemnification**

Pursuant to the terms of the Administration and Management Agreements, each MAV will indemnify and hold harmless BlackRock Canada, its affiliates, stockholders, directors, officers, and employees or any of the partners, members, stockholders, directors, managers, officers or employees of any affiliate of BlackRock Canada (each, an “**Indemnified Party**”) from and against any and all losses, and will reimburse each such Indemnified Party for all reasonable fees and expenses (including reasonable fees and expenses of counsel) as such Expenses are incurred in investigating, preparing, pursuing or defending any claim, action, proceeding or investigation with respect to any pending or threatened litigation, caused by, or arising out of or in connection with, the issuance of the relevant Plan Notes, the transactions contemplated by this Information Statement, the Program Documents or the Administration and Management Agreements or the performance of BlackRock Canada’s obligations under the relevant Administration and Management Agreement or the Program Documents, except any such losses or such expenses arising from acts or omissions of any such Indemnified Party arising by reason of its willful misfeasance, bad faith, gross negligence or reckless disregard of its obligations and duties under the Administration and Management Agreement. Such indemnity obligations of each MAV shall be several and payable only out of its assets in accordance with its governing documents.

### **Resignation and Removal**

BlackRock Canada may resign upon 60 days’ prior written notice to the relevant MAV and the Rating Agency. BlackRock Canada may be removed and/or each Administration and Management Agreement may be terminated by the relevant MAV for Cause upon ten Business Days’ prior written notice; *provided*, that (i) such termination or removal has been approved by the holders constituting a Notes Supermajority and (ii) notice of such termination or removal has been given to all holders of the relevant Plan Notes. However, in the case of an event described in clause (c) of the definition of

“Cause,” BlackRock Canada will be automatically removed without any requirement of notice to or consent of any person. For purposes of the Administration and Management Agreements, “Cause” will mean:

- (a) any violation by BlackRock Canada of any provision of the relevant Administration and Management Agreement or other Program Document applicable to it which violation (i) constitutes gross negligence, bad faith or willful misconduct, (ii) has a material adverse effect on the holders of the relevant Plan Notes taken as a whole and (iii) if capable of being cured, is not cured within 30 days of BlackRock Canada becoming aware of or receiving notice from the New Indenture Trustee of such violation;
- (b) the occurrence of an act by BlackRock Canada that constitutes fraud or criminal activity in the performance of its obligations under the relevant Administration and Management Agreement, or the indictment of BlackRock Canada for, or the indictment of any of its executive officers having responsibility over the management of BlackRock Canada (without having been suspended or removed from management duties) for a criminal offense materially related to its primary business of managing collateral or investments or its investment advisory activities; or
- (c) the occurrence of certain events of bankruptcy, insolvency or other similar event with respect to BlackRock Canada.

Holders of Plan Notes issued by MAV1 or MAV2 constituting a Notes Supermajority may remove BlackRock Canada as Administrator and Asset Manager under the relevant Administration and Management Agreement as specified in accordance with the relevant Trust Indenture, effective upon any Payment Date following the fourth anniversary of the Plan Implementation Date; provided that notice of such removal must be provided to BlackRock Canada at least 60 (but not more than 90) Business Days’ prior to such Payment Date; provided however, that MAV1 and MAV2, as applicable shall pay to BlackRock Canada on such Payment Date a make-whole amount equal to the fees that would have been payable to BlackRock Canada on such Payment Date and the following three Payment Dates, assuming the fee Basis Amount remained the amount on the date of termination. Holders of MAV3 Notes will not have the right to remove BlackRock Canada as Administrator and Asset Manager without “Cause”.

No resignation of BlackRock Canada or removal of BlackRock Canada under the Administration and Management Agreement for either MAV or termination of the Administration and Management Agreement by the relevant MAV will be effective unless (i) a successor administrator and asset manager has, pursuant to a written agreement, effectively assumed all of BlackRock Canada’s duties and obligations thereunder and (ii) the successor administrator and asset manager has been approved by the holders of the Plan Notes constituting a Notes Majority with respect to such MAV in accordance with the applicable Program Documents. However, if a successor administrator and asset manager has not been appointed within 90 days after the date of notice of resignation or of the termination or removal of BlackRock Canada by a MAV (or within 60 days following a removal under clause (c) above), (A) BlackRock Canada will be entitled to appoint a successor on or after such 90th day (or 60th day, as the case may be) so long as such assignment (x) will not result in such MAV or the relevant pool of Managed Assets (including Eligible Investments) being required to obtain any registration, license or permit under the applicable laws of Canada and the United States, and (y) such successor (a) is legally qualified and has the capacity to act as administrator and asset manager under the relevant Administration and Management Agreement, and (b) is not objected to in writing by the holders of relevant Plan Notes in accordance with the applicable Trust Indenture following such appointment by BlackRock Canada and notice thereof to the Noteholders, or (B) in lieu of such an appointment by BlackRock Canada or if the successor administrator and asset manager appointed by BlackRock Canada is disapproved, BlackRock Canada or any Trustee may petition any court of competent jurisdiction for the appointment of a successor administrator and asset manager, which appointment shall not be subject to any Noteholder consent, approval or non-objection.

### **Potential Conflicts of Interest Involving BlackRock**

For purposes of the discussion in “Potential Conflicts of Interest Involving BlackRock”, the term “BlackRock” shall refer to BlackRock, Inc. and its subsidiaries. BlackRock, as asset manager, may in its sole discretion aggregate orders for its clients’ accounts. When BlackRock seeks to enter into, purchase, terminate or sell the same investments for the MAVs and other accounts advised by BlackRock, BlackRock will use reasonable efforts to allocate the investments actually entered into, purchased, terminated or sold with respect to such accounts in a fair and equitable manner.

BlackRock will engage in other business and provide investment management and advisory services to other clients whose investment strategies may be substantially similar to or differ from the investment strategies adopted by BlackRock



on behalf of the MAVs. BlackRock may manage investments for its own account and for the accounts of its other clients that are the same as the investments owned by the MAVs. BlackRock may acquire securities on behalf of itself or its other clients that would be appropriate investments for the MAVs and will be under no obligation to make such securities available for investment by the MAVs. As a result, BlackRock and its other clients may compete with the MAVs for appropriate investment opportunities. BlackRock may make investment decisions for its own account and for the accounts of others that are different from the investment decisions made by BlackRock on behalf of the MAVs. In particular, BlackRock may be seeking to enter into, purchase, terminate or sell an investment for its own account or for the accounts of others simultaneously with the entering into, purchase, termination or sale of the same investment by BlackRock on behalf of a MAV.

Under each Administration and Management Agreement, BlackRock is permitted to effect trades between a MAV and BlackRock or an affiliate, acting as principal, but only upon the approval (i) by the applicable Advisory Committee, or (ii) in another manner elected by BlackRock that is permitted pursuant to the *Investment Advisers Act*, the *Securities Act* (Ontario) or other applicable Canadian securities laws or other applicable laws.

In addition, BlackRock and its affiliates will be authorized to engage in “agency cross” transactions in which BlackRock or one or more of its affiliates will act as a broker for compensation for both a MAV and another person on the other side of the same transaction. Such other person may be an account or client for which BlackRock or an affiliate of BlackRock serves as investment adviser. Such agency cross transactions will be authorized prospectively on the Plan Implementation Date; *provided* that to the extent required by law, such transactions will be subject to approval as described for principal transactions in the preceding paragraph. Any MAV acting at the direction of holders constituting a Notes Majority may terminate the authority of BlackRock and its affiliates to engage in agency cross transactions relating to such MAV in such manner at any time by written notice to BlackRock.

BlackRock and its affiliates may also engage in “client cross” transactions in which BlackRock or an affiliate causes a transaction to be effected between a MAV and another account advised by BlackRock or such affiliate without BlackRock or any of its affiliates receiving any compensation for such transaction. Such client cross transactions will be conducted in a manner that is intended to be fair and equitable to the clients involved. By accepting its Plan Notes, each holder will be deemed to have approved the relevant MAV’s consent to the transactions and procedures described above relating to principal transactions, agency cross transactions and client cross transactions.

BlackRock, its affiliates and their respective agents and advisors may have a potentially conflicting division of loyalties and responsibilities regarding any principal transaction, agency cross transaction or client cross transaction. Transactions between a MAV and another account for which BlackRock is acting as the investment manager or in a similar capacity will generally be treated as “client cross” transactions and not principal transactions unless BlackRock has a proprietary interest in such other account that is so significant that the transaction must be treated as a principal trade under applicable law.

## THE NEW ISSUER TRUSTEE

On, or before the Plan Implementation Date the New Issuer Trustee will be appointed to act as issuer trustee to the MAVs. The New Issuer Trustee must be acceptable to the Rating Agency.

The New Issuer Trustee may resign upon giving prior written notice; provided, however, that no such voluntary resignation will be effective until a replacement issuer trustee has been appointed.

To be the New Issuer Trustee, an entity must be licensed to carry on business in all provinces and territories of Canada.

The New Issuer Trustee will be required to perform its obligations as New Issuer Trustee honestly, in good faith and in the best interest of each MAV and its beneficiaries, and to exercise the degree of care, diligence and skill that a prudent trustee would exercise in comparable circumstances.



## REQUIRED APPROVALS

### Noteholder Approval

The Plan provides that to become effective, the Plan must be approved by Noteholders (i) constituting a majority in number of Noteholders of each Class who are present and vote at the Meeting, either in person or by proxy, having submitted Voter Identification Forms or Voter Confirmation Forms that are accepted by the Monitor or by the Court, and (ii) representing not less than 66⅔% of the aggregate principal amount of Affected ABCP of the Noteholders voting, either in person or by proxy, at the Meeting. For the purpose of considering and voting on the Plan and the Restructuring Resolution, there will be a single Class of Noteholders of all of the Affected ABCP although the voting will be conducted and tabulated on a Series by Series basis for each of the 47 Series of Affected ABCP.

### Tax Ruling(s)

In addition to Noteholder approval and approval of the Court, it is a condition precedent to the implementation of the Plan that an advance income tax ruling, satisfactory to the Investors Committee be obtained from the Canada Revenue Agency (the “CRA”). Goodmans, on behalf of the Investors Committee, submitted a request for an advance income tax ruling to the CRA on March 5, 2008.

### Court Approval

The Plan must also be sanctioned by a final order of the Court under the CCAA, the material terms of which are acceptable to the Investors Committee and the Asset Providers, the ABCP Sponsors, the Respondents, the MFF Lenders, the Administrative Agents, the Financial Service Agents and BlackRock. Subject to satisfaction or waiver of the conditions to implementation of the Plan, all Noteholders will then receive the treatment set out in the Plan unless otherwise ordered by the Court.

## SUMMARY OF JPMORGAN REPORT ON THE RESTRUCTURING

In connection with the Investors Committee’s engagement of JPMorgan as financial advisor, JPMorgan agreed to deliver a report (the “**JPMorgan Report**”) to the Investors Committee outlining: (i) the market context in which the Plan was formulated; (ii) certain limitations of the existing structures of the ABCP Conduits and an explanation of how the Plan seeks to address those limitations; (iii) the potential consequences of a default within the ABCP Conduits in the absence of a restructuring; (iv) JPMorgan’s view of the indicative valuations of the assets of the Affected ABCP for use in analyzing the relative contribution of each Noteholder; and (v) JPMorgan’s view of the attributes of the Affected ABCP prior to the implementation of the Plan compared to the new Notes following implementation of the Plan. The full text of the JPMorgan Report is attached hereto at Exhibit D.

Since the Plan involves the pooling of assets related to certain Series of the Affected ABCP, the Investors Committee had to conceive a structure to address the relative value of the underlying assets to be transferred to MAV1 and MAV2 and to properly align the liabilities issued in respect of those assets. Following careful and extensive deliberations on the issue, the Investors Committee agreed to use JPMorgan’s indicative asset valuations to determine the amount and type of Plan Notes that each Noteholder would receive in exchange for each investor’s Affected ABCP on a Series by Series basis. These valuations were determined as at March 4, 2008.

Based on current market conditions, if Noteholders do not approve the Plan, JPMorgan notes that the following implications for the ABCP Conduits are possible: (i) defaults in payment on matured Affected ABCP, due to a mismatch between the maturities of the Affected ABCP and those of the underlying assets, which would likely result in the forced liquidation of the underlying assets by the ABCP Conduits at prices lower than the previously prevailing market levels; (ii) the breaching of mark-to-market triggers on the LSS trades, resulting in margin calls which, if unmet, would permit the Asset Providers to unwind the Existing LSS CDS and take an amount of the Noteholders’ collateral equal to the decrease in the value of the swaps; (iii) continued systemic risk, inherent in the possibility of a liquidation of the LSS trades, which could create a “domino effect” whereby the breaching of LSS triggers would lead to a further widening of market spreads, resulting in further trigger breaches and, possibly, a forced liquidation of collateral at extremely depressed prices; (iv) a ratings downgrade due to the current mark-to-market triggers on the Existing LSS CDSs, which would result in a decrease in the

universe of investors able to purchase the ABCP; and (v) insufficient transparency on the underlying assets, which would lessen liquidity and market demand for the ABCP.

By approving the Plan, Noteholders are expected to achieve the following benefits: (i) reduced risk of default and enhanced ratings relative to the unstructured Affected ABCP, due to both (a) the elimination of asset and liability mismatches; and (b) restructured margin call triggers on the New LSS CDSs and new Margin Funding Facilities; (ii) significantly improved transparency is expected to facilitate and promote an active secondary market in the Plan Notes which should improve liquidity; (iv) it will be more likely that Noteholders will recover the par value of their original investments over time.

Noteholders are urged to read to full text of the JPMorgan Report carefully and in its entirety, including the disclaimers and other cautionary language included therein, for a description of the matters considered and the limitations on the review undertaken.

## **REASONS FOR THE SUPPORT BY THE INVESTORS COMMITTEE**

The Investors Committee has agreed to support the Plan and the Restructuring Resolution and has authorized their submission to Noteholders for their approval and, subject to that approval, to the Court for approval. In arriving at its decision to support the Plan, the Investors Committee considered a broad range of factors including the need to preserve value within the ABCP Conduits, a desire to promote improved transparency in the Third-Party ABCP market and the general fairness standards and considerations expected to be applied by the Court in connection with the Sanction Order.

Since its first meeting on September 10, 2007, the Investors Committee has met approximately 40 times. All of these meetings and much of the Investors Committee's time during these meetings has been directed at the development of a comprehensive restructuring proposal and oversight of the restructuring process. The Investors Committee has also benefited from an ongoing dialogue with Noteholders, Asset Providers, Sponsors and other stakeholders. The Chairman, Mr. Crawford, in particular has hosted numerous conference calls with investors and with the media.

The Investors Committee has been assisted in its work by its financial advisor. JPMorgan was formally engaged on October 1, 2007 and has been rendering financial and restructuring advice to the Investors Committee on a range of matters including the credit and credit derivatives markets generally, including for example, the composition and value of the assets within the ABCP Conduits, stakeholder analysis, the request for proposals process, the margin funding requirements as well as advice relating to the development of a restructuring proposal that could preserve value for Noteholders and could, over the long term, increase the likelihood of providing Noteholders a full repayment of their investment.

Considerations taken into account by the Investors Committee include (i) certain legal entitlements of Noteholders and other stakeholder groups without regard to the Plan or the benefit of the CCAA process, (ii) the expected economic recovery to such stakeholders were the Plan not to be approved, and (iii) the treatment of Noteholders under the Plan. In particular, the Investor Committee has given consideration to, among other things:

- alternatives to the Plan to achieve the maximum returns to Noteholders upon implementation of the Plan;
- the treatment of Noteholders within each of the Series of Affected ABCP having regard to the values attributed to the assets in each of the ABCP Conduits, the legal priorities and the overall fairness between Noteholders in such circumstances;
- the advice of the Investors Committee's financial advisor with respect to the Plan and the Plan Notes;
- the advice of the Investors Committee's legal advisor with respect to the Plan and the Plan Notes;
- the Investors Committee's understanding of the liquidity agreements in place on August 13, 2007 and/or August 14, 2007 as summarized in this Information Statement;
- the Plan approval procedures, including the requirement for the approval of Noteholders and the approval by the Court at which the fairness of the Plan will be considered;
- the various alternative restructuring proposals put forth to the Investors Committee for its review and consideration;
- the opinions and views of the individual members of the Investors Committee including the Chairman; and
- such other considerations as it deemed appropriate.

The Monitor's recommendation, as set forth below, has also been considered by the Investors Committee as a factor in the determination to support the Plan. The Committee believes that in the absence of the Plan there would likely be a realization of the assets of the ABCP Conduits, that the proceeds in such circumstances would not be sufficient to satisfy the repayment of the outstanding Affected ABCP and that significant losses to Noteholders would likely result.

## RECOMMENDATION OF THE MONITOR

The Monitor was appointed under the terms of the Initial Order. E&Y was initially engaged by certain of the Applicants to assist in connection with the Montreal Accord and then by the Investors Committee to assist with noteholder identification and communication matters as further described in the section entitled "Background to the Restructuring". Throughout the restructuring process, E&Y has been aware of the activities undertaken by the Investors Committee, with the advice of Goodmans, JPMorgan and the other advisors of the Investors Committee, to restructure the Affected ABCP. E&Y has also obtained, analyzed and distributed information, and provided certain other assistance, to those parties with regard to various aspects of the development of the Plan and this Information Statement, all as described in greater detail in the Monitor's First Report. The Monitor has also reviewed the JPMorgan Report, has reviewed information provided to E&Y by certain of the Asset Providers prior to the commencement of the CCAA Proceedings with respect to the CCAA Parties' assets, and provided its First Report at the return of the application for the Initial Order.

It is the Monitor's information from its discussions with the various affected parties, their advisors and legal counsel, that in the current market conditions, if the Plan is not approved and no other viable restructuring alternative is implemented, it is likely that there would be a realization of the ABCP Conduits' and the CCAA Parties' assets under the terms of the note indentures governing the respective ABCP Conduits and a distribution of the net proceeds of such realization to creditors in accordance with their respective priorities. Based on its understanding from the above sources of the current market conditions and the nature and structure of the assets held in the ABCP Conduits and on the discussions amongst the Investor Committee members and its advisors, the Monitor believes that in the current market conditions, a forced liquidation of the assets underlying the Affected ABCP would likely take place, for the most part, at depressed prices, and would potentially result in very low recoveries for the Noteholders generally. In addition, based on the legal proceedings commenced (or publicly threatened) to date with respect to the Affected ABCP, the Monitor expects that if a realization of the assets were to ensue, there would be protracted and expensive litigation between the various affected parties, the ultimate outcome of which litigation cannot be predicted.

The Monitor expects that given the size and complexity of the Affected ABCP situation, the development and negotiation of a meaningful alternative to the Plan would almost certainly be a lengthy, expensive and uncertain exercise, and that it is possible that, during such an alternative process, the risk factors described in the previous sections of the Information Statement would intensify to trigger a forced liquidation of the assets in the ABCP Conduits. Accordingly, it is the Monitor's view that any non-liquidation alternatives to the Plan bear significant near-term risk to Noteholder realizations.

By comparison to the alternatives noted above, it is the Monitor's view that in the current circumstances (subject to the satisfactory resolution of the outstanding issues and conditions precedent described in this Information Statement and in the First Report), the indication of the Chairman that the Plan affords a much more desirable outcome for all Noteholders than would the failure to approve and implement the Plan appears reasonable. Accordingly, the Monitor recommends that the Noteholders approve the Plan and vote in favour of the Restructuring Resolution.

The full text of the Monitor's First Report is available for review at: [www.ey.com/ca/commercialpaper](http://www.ey.com/ca/commercialpaper).

## CONDUITS NOT SUBJECT TO THE PLAN

### Devonshire Trust

Devonshire Trust has entered into two CDS contracts with Barclays. Although the parties involved in the restructuring of Third-Party ABCP worked diligently to come to an agreement to restructure the terms of these CDS contracts in a manner consistent with the other CDS contracts included in the restructuring Plan, they were unable to come to an agreement. It is anticipated that Devonshire Trust will be reorganized separately in a manner acceptable to Devonshire, its noteholders and Barclays.

## AMENDMENTS TO THE PLAN

The Investors Committee reserves the exclusive right to amend the Plan, in a written document filed with the Court, at any time prior to the Plan Implementation Date, with the prior written consent of the Asset Providers and the MFF Lenders, provided that: (i) prior to or during the Meeting, any such amendment must be communicated to the Noteholders in such manner as may be agreed by the Monitor, or as may be ordered by the Court; (ii) after the Meeting, an amendment may be made if it concerns a matter which, in the opinion of Monitor, acting reasonably, or as declared by the Court, is of an administrative nature required to better give effect to the implementation of the Plan and/or to the Sanction Order and is not materially prejudicial to the interests of the Noteholders, the Asset Providers, the ABCP Sponsors, the Respondents or the MFF Lenders; (iii) after the Meeting, any other amendment may only be made if approved by the Court; (iv) any amendment that materially alters the effect of Section 10.1 or Section 10.2 of the Plan or the terms of any of the Approved Agreements must be approved by any of the Asset Providers, ABCP Sponsors, Respondents or MFF Lenders affected by the proposed amendment, modification or supplement; and (v) any supplementary plan or plans of compromise or arrangement filed by the Investors Committee with the Court and, if required by Section 10.1 of the Plan, approved by the Court, shall, for all purposes be a part of and incorporated in to Plan. For greater certainty, the restructuring contemplated by this Information Statement is subject to change provided the aforementioned approvals are obtained.

With the consent of, firstly and collectively, the Asset Providers, the ABCP Sponsors, the Respondents, the MAV1 MFF Lenders, the MAV2 MFF Lenders, the Administrative Agent, the Financial Services Agent, BlackRock Canada and the Applicants, and thereafter the Monitor, at anytime prior to the Plan Implementation Date, the Investors Committee may exclude any of the parties under the Plan and proceed with the Plan, which will thereafter be applicable to any remaining parties to the Plan only. Without delay after obtaining the consent of the Plan participants and the Monitor, the Investors Committee will: (a) file a notice regarding the exclusion of the party with the Court; (b) request that the Monitor post the notice on its website; and (c) send a copy of the notice by regular pre-paid mail to all known Noteholders holding ABCP of the excluded party. If a party is so excluded, the Plan will be read and interpreted in all respects as if such party and all claims against such party are unaffected by the Plan.

## SUPPORT ARRANGEMENTS

The institutions and organizations represented by members of the Investors Committee, representing approximately 66.25% of the Affected ABCP, have agreed to support and vote in favour of the Plan in accordance with the terms and conditions of certain conditional “Support Agreements” that have been executed between the Applicants and other Plan participants, including Asset Providers, the Original Issuer Trustees and the Respondents on behalf of the ABCP Conduits. Pursuant to these Support Agreements, the Asset Providers have agreed, on certain terms and conditions, to standstill and, among other things, to refrain from exercising any of their collateral call rights or any right to terminate Credit Default Swaps that could arise as a result of the replacement of the Original Issuer Trustees or the commencement of the CCAA proceedings. Pursuant to these Support Agreements, the Asset Providers and a number of other Plan participants, including certain of the ABCP Sponsors, Administrative Agents and Financial Services Agents, have confirmed their support for the Plan and their willingness to participate in the implementation of the Plan, in the event that the Plan is approved by Noteholders and the Court, and subject to satisfaction of the terms and conditions set out in the Agreements.

## TIMING FOR PLAN TO BE EFFECTIVE

The proposed timeline for completion of the CCAA Proceedings and implementation of the Plan is set out below:

March 17, 2008 . . . . .	Filing of the Plan with the Court
March 17, 2008 . . . . .	Meeting Order
March 20, 2008 . . . . .	Mailing of the Information Statement and related materials to Noteholders
April 22, 2008 . . . . .	Deadline for receipt of Voter Identification Forms/Voter Confirmation Forms
April 25, 2008 . . . . .	Meeting
May 2, 2008 . . . . .	Court hearing in respect of the Sanction Order
May 23, 2008 . . . . .	Plan Implementation Date

Any number of circumstances, including a failure to satisfy a condition to implementation of the Plan and an appeal of the Sanction Order, may cause the Plan Implementation Date to be delayed. In such circumstances, the Applicants will apply to the Court for extension of the stay of proceedings under the Initial Order.

## SECURITIES LAW CONSIDERATIONS

The issuance of Plan Notes will be exempt from the prospectus and registration requirements under Canadian securities legislation. As a consequence of these exemptions, certain protections, rights and remedies provided by Canadian securities legislation, including statutory rights of rescission or damages, will not be available in respect of the new securities to be issued under the Plan. Accordingly, any resale of the Plan Notes must be made in accordance with applicable securities laws and will require resales to be made in accordance with exemptions from registration and prospectus requirements. Noteholders are advised to seek legal advice prior to any resale of the Plan Notes.

The MAVs are not, and may never be, reporting issuers, as such term is defined under applicable Canadian securities legislation, in any province or territory of Canada in which the Plan Notes may be distributed upon implementation of the Plan. There currently is no public market for any of the Plan Notes and one may never develop. Under no circumstances will the MAVs be required to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Plan Notes to the public in any province or territory of Canada. Noteholders are advised that none of the Applicants, BlackRock Canada, the New Issuer Trustee or the New Indenture Trustee has any intention to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Plan Notes to the public in any province or territory in Canada. Consequently, the resale of the Plan Notes are subject to restrictions as set forth in the Canadian securities legislations.

The Plan Notes to be issued to the Noteholders by MAV1, MAV2 and MAV3 pursuant to the Plan will not be registered under the *United States Securities Act of 1933*, as amended (the “**1933 Act**”). Such securities will instead be issued in reliance upon the exemption provided by Section 3(a)(10) of the 1933 Act. Section 3(a)(10) exempts only securities issued in exchange for one or more bona fide outstanding securities from the general requirement of registration where the terms and conditions of the issuance and exchange of the securities have been approved by a court of competent jurisdiction, after a hearing upon the fairness of the terms and conditions of the issuance and exchange at which all persons to whom the securities will be issued have the right to appear. The Court will conduct a hearing to determine the fairness of the terms and conditions of the Plan, including the proposed issuance of the Plan Notes.

The Plan Notes issued in the Plan will be subject to transfer restrictions under U.S. federal securities laws or transfers to U.S. Persons. See “Notice to United States Noteholders — Transfer Restrictions”.



## CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the principal Canadian federal income tax consequences of the Plan to Noteholders who acquire Plan Notes pursuant to the Plan and who deal at arm's length with and are not affiliated with either the ABCP Conduits or the MAVs.

This summary is based upon the current provisions of the Tax Act, the Regulations and the current administrative practices and policies of the CRA published in writing by it. This summary also takes into account all Tax Proposals, and assumes that all such Tax Proposals will be enacted. This summary does not otherwise take into account or anticipate any changes in the law, whether by way of legislative, judicial or administrative action or interpretation, nor does it address any Provincial, Territorial or foreign tax considerations. No assurance can be given that the Tax Proposals will be enacted as proposed, or at all.

In general, for the purposes of the Tax Act, all amounts not otherwise expressed in Canadian dollars must be converted into Canadian dollars based on the daily noon rate as quoted by the Bank of Canada for the applicable day or such other rate of exchange that is acceptable to the CRA.

**The following summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Noteholder. Consequently, Noteholders are urged to consult their own tax advisors for advice as to the tax considerations in respect of the Plan having regard to their particular circumstances.**

**The Investors Committee has applied to the CRA for an advance income tax ruling in respect of several aspects of the Plan, including the income tax consequences of the addition of the right of exchange to the Affected ABCP, the assumption of the Affected ABCP by the MAVs, the exchange of Affected ABCP for Plan Notes, the transfer of the assets of the ABCP Conduits to the MAVs and the deductibility of interest expense on the Plan Notes. The following disclosure assumes that favorable rulings have been obtained. No assurance can be given that such rulings will be obtained and if such rulings are not obtained, the income tax consequences to Noteholders may be materially different than as described below.**

### Residents of Canada

The following summary applies to a Noteholder who, at all relevant times and for the purposes of the Tax Act and any applicable tax treaty or convention, is or is deemed to be resident in Canada (a “**Resident Noteholder**”) and who holds its Affected ABCP as capital property and will hold its Plan Notes as capital property. The Affected ABCP and Plan Notes will generally be considered to be capital property for this purpose to a Resident Noteholder unless such Resident Noteholder holds (or will hold) such securities in the course of carrying on a business of trading or dealing in securities, or such Resident Noteholder has acquired (or will acquire) such securities in a transaction or transactions considered to be an adventure in the nature of trade. Certain Resident Noteholders who might not otherwise be considered to hold their Affected ABCP and Plan Notes as capital property may, in certain circumstances, be entitled to have them treated as capital property by making the one-time election permitted by subsection 39(4) of the Tax Act.

This summary is not applicable to a Resident Noteholder that is a financial institution (as defined in the Tax Act for purposes of the mark-to-market rules), a Resident Noteholder to whom the “functional currency” reporting rules in subsection 261(4) of the Tax Act apply or a Resident Noteholder an interest in which is a “tax shelter investment” for the purposes of the Tax Act.

#### *Interest Paid on Affected ABCP*

A Resident Noteholder will be required to include in computing its income for a taxation year all interest that it receives upon the payment of previously accrued but unpaid interest on the Affected ABCP, to the extent that such interest was not included in computing the Resident Noteholder's income for a preceding taxation year. Where a Resident Noteholder was required to include an amount in income on account of interest on the Affected ABCP, the Resident Noteholder should be entitled to deduct an amount in computing income to the extent that such interest is not received by it.

### *Assumption of Affected ABCP by MAVs*

The Investors Committee is seeking a ruling from the CRA that a Resident Noteholder will not be considered to have disposed of the Affected ABCP upon the addition of the right of exchange to the Affected ABCP and upon the assumption of the Affected ABCP by the MAVs. Resident Noteholders are advised to consult with their tax advisors as to the income tax consequences to them of the addition of the right of exchange to the Affected ABCP and the assumption of their Affected ABCP by the MAVs.

### *Exchange of Affected ABCP for Restructured Notes*

A Resident Noteholder who elects to exchange its Affected ABCP for one or more Plan Notes will be deemed to have disposed of its Affected ABCP for proceeds of disposition equal to the Resident Noteholder's adjusted cost base of its Affected ABCP. The Resident Noteholder will be deemed to have acquired its Plan Notes received on the exchange at an aggregate cost equal to the Resident Noteholder's adjusted cost base of its Affected ABCP. On the assumption that the principal amounts of the Plan Notes received by a Resident Noteholder on the exchange reflects their relative fair market values, the cost of a particular Plan Note to a Resident Noteholder who elects to exchange its Affected ABCP for Plan Notes should be equal to the proportion of the aggregate cost of the Plan Notes to the Resident Noteholder that the principal amount of the particular Plan Note is of the aggregate principal amount of all of the Resident Noteholder's Plan Notes received on the exchange.

A Resident Noteholder who does not elect to exchange its Affected ABCP for Plan Notes and is deemed to have exchanged its Affected ABCP for Plan Notes should consult its tax advisor as to the income tax consequences to it of the exchange.

### *Interest on Plan Notes*

A Resident Noteholder that is a corporation, partnership, unit trust or a trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year all interest that accrues to such Resident Noteholder on the Plan Notes to the end of that year or that becomes receivable or is received by it before the end of that year, to the extent that such interest was not included in computing the Resident Noteholder income for a preceding taxation year. Any other Resident Noteholder, including an individual, will be required to include in computing its income for a taxation year all interest on the Plan Notes that is received or receivable by such Resident Noteholder in that year (depending on the method regularly followed by the Resident Noteholder in computing income) to the extent that such interest was not included in computing the Resident Noteholder's income for a preceding taxation year. Where a Resident Noteholder is required to include an amount in income on account of interest on the Plan Notes, the Resident Noteholder should be entitled to deduct an amount in computing income to the extent that such interest is a doubtful debt or a bad debt.

The taxation of interest on the TA Tracking Notes, MAV3 IA Tracking Notes and the SN Tracking Notes may be different from the paragraph above depending upon the final determination of the terms of those notes.

### *Disposition of Plan Notes*

On a disposition or deemed disposition of a Plan Note by a Resident Noteholder at any time, the Resident Noteholder will be required to include in computing its income for the taxation year in which the disposition occurs an amount equal to the accrued interest on the Plan Note to the date of the disposition and that is not payable until after that time, to the extent that such amount was not otherwise included in computing the Resident Noteholder's income for that taxation year or a preceding taxation year. Where the amount so included in income exceeds the portion of the total consideration received by the Resident Noteholder for the Plan Note that is reasonably allocated to such accrued but unpaid interest, and the Plan Note has been disposed of for consideration equal to the fair market value of the Plan Note at the time of disposition, such excess may generally be deducted by the Resident Noteholder in computing income, subject to the detailed rules contained in the Tax Act in that regard.

In addition, on the disposition or deemed disposition of a Plan Note, the Resident Noteholder will realize a capital gain (or a capital loss) to the extent that the proceeds of disposition of the Plan Note, net of any accrued interest (less any amount deducted by the Resident Noteholder in accordance with the last sentence of the previous paragraph) and any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base of the Plan Note to the Resident Noteholder.

### *Taxation of Capital Gains and Losses*

Generally, one-half of any capital gain (a “**Taxable Capital Gain**”) realized by a Resident Noteholder in a taxation year must be included in computing such Resident Noteholder’s income for that taxation year, and one-half of any capital loss (an “**Allowable Capital Loss**”) realized by a Resident Noteholder in a taxation year may be deducted from any Taxable Capital Gains realized by the Resident Noteholder in that taxation year. Allowable Capital Losses in excess of Taxable Capital Gains may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any following taxation year against Taxable Capital Gains realized in such years, subject to and in accordance with the provisions of the Tax Act. Individuals (other than certain trusts) may be subject to the alternative minimum tax provisions of the Tax Act in respect of realized capital gains.

### *Refundable Tax*

A Resident Noteholder that is a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable for a refundable tax of 6½% on investment income, including interest and Taxable Capital Gains earned or realized in respect of the Plan Notes.

### **Non-Residents of Canada**

The following summary applies to a Noteholder that at all relevant times and for purposes of the Tax Act and any applicable tax treaty or convention is neither resident nor deemed to be resident in Canada and who does not use or hold and is not deemed to use or hold the Affected ABCP or Plan Notes in, or in the course of, carrying on business in Canada (a “**Non-Resident Noteholder**”). In addition, this summary does not apply to a registered non-resident insurer or an authorized foreign bank (as those terms are defined in the Tax Act and the regulations thereunder).

### *Payment of Interest on Affected ABCP*

Generally, interest paid or credited or deemed to be paid or credited to a Non-Resident Noteholder by the ABCP Conduits on the Affected ABCP will be exempt from Canadian withholding tax unless the interest on the Affected ABCP is “participating debt interest”. Participating debt interest is interest payable on an obligation (other than a “prescribed obligation”) all or a portion of which is contingent or dependent on the use of or production from property in Canada or is computed by reference to revenue, profit, cash flow, commodity price or any other similar criterion or by reference to dividends paid or payable to shareholders of any class or series of shares of the capital stock of a corporation. A prescribed obligation is a debt obligation the terms and conditions of which provide for an adjustment to an amount payable in respect of the obligation for a period during which the obligation was outstanding which adjustment is determined by reference to a change in the purchasing power of money and no amount payable in respect thereof, other than an amount determined by a reference to a change in the purchasing power of money, is contingent or dependent upon any of the criteria described in the preceding sentence.

### *Exchange of Affected ABCP for Plan Notes*

In the event that Affected ABCP is exchanged by a Non-Resident Noteholder for an amount of Plan Notes which exceeds, generally, the issue price thereof, the excess may, in certain circumstances, be deemed to be interest and may, together, with any interest that accrued on the Affected ABCP to that time, be subject to non-resident withholding tax if any such interest is participating debt interest.

### **Plan Notes**

Interest paid or credited or deemed to be paid or credited by a MAV to a Non-Resident Noteholder in respect of the Class A-1 Notes Class A-2 Notes, Class B Notes and Class C Notes will be exempt from Canadian non-resident withholding tax. Interest paid or credited to a Non-Resident Noteholder in respect of IA Tracking Notes will be subject to Canadian non-resident withholding tax. Interest paid or credited to a Non-Resident Noteholder in respect of TA Tracking Notes, MAV3 IA Tracking Notes and SN Tracking Notes will be subject to Non resident withholding tax if any such interest is participating debt interest.

In the event that a Plan Note, is redeemed, cancelled or repurchased by a MAV or any other person resident or deemed to be resident in Canada from a Non-Resident Noteholder or is otherwise assigned or transferred by a Non-Resident Noteholder to a person resident or deemed to be resident in Canada for an amount which exceeds, generally, the issue price thereof or in certain cases the price for which such Plan Note was assigned or transferred to the Non-Resident Holder by a person resident or deemed to be resident in Canada, the excess may, in certain circumstances, be deemed to be interest and

may, together with any interest that has accrued on the Plan Note to that time, be subject to non-resident withholding tax if (i) any such interest is participating debt interest or (ii) the Non-Resident Noteholder does not deal at arm's length with such person resident or deemed to be resident in Canada.

If applicable, the Canadian withholding tax rate is 25%, subject to possible reduction under the provisions of a tax treaty or convention between Canada and the country in which the Non-Resident Noteholder is resident.

Generally, there are no other Canadian income taxes that would be payable by a Non-Resident Noteholder as a result of holding or disposing of Affected ABCP or a Plan Note (including for greater certainty, any gain realized by a Non-Resident Noteholder on a disposition of Affected ABCP or a Plan Note).

## RISK FACTORS

**THE FOLLOWING RISK FACTORS AND UNCERTAINTIES ARE NOT THE ONLY ONES FACING NOTEHOLDERS. ADDITIONAL RISKS AND UNCERTAINTIES NOT CURRENTLY KNOWN TO THE APPLICANTS, OR THAT THE APPLICANTS CURRENTLY CONSIDER IMMATERIAL, MAY ALSO AFFECT THE PERFORMANCE OF PLAN NOTES AND NOTEHOLDER RETURNS IF THE PLAN IS APPROVED. IF ANY SUCH RISKS ACTUALLY OCCUR, THE FINANCIAL PERFORMANCE, FUTURE VALUE, OR LIQUIDITY OF PLAN NOTES COULD BE MATERIALLY ADVERSELY AFFECTED.**

In evaluating the Plan and determining whether to vote in favour of the Restructuring Resolution, Noteholders should consider the risk factors set out below as well as the other information concerning the Plan Notes and the new MAVs set out or referred to in this Information Statement. These risk factors should not, however, be regarded as the only risks associated with the Plan Notes, the MAVs or with the implementation of the Plan. See "Important Information".

### Risk Factors Relating to the Non-Implementation of the Plan

#### *Conditions to the Implementation of the Plan*

Implementation of the Plan is subject to various conditions, including Noteholder approval, a favourable ruling from the CRA, the granting of the Sanction Order, and certain other conditions precedent, which must be fulfilled prior to the Plan Implementation Date. Many of these conditions will require the successful resolution of ongoing negotiations with various participants in the restructuring. As of the date hereof, there can be no assurance that any or all of the conditions of the Plan will be satisfied or that any of the negotiations can be resolved in a manner that is deemed to be acceptable to the Investors Committee, if at all. Accordingly, there can be no assurance that the Plan will be consummated even if the Restructuring Resolution is approved at the Meeting. See "Required Approvals".

### Risk Factors Relating to the Plan Notes

#### *Ability to Repay*

Repayment of the Plan Notes in full, including the repayment of principal and, if applicable, interest, and the timing thereof, will be subject to, among other things, payment of any cash settlement amounts required to be made under swap transactions and the Margin Funding Facilities. There can be no guarantee that there will be sufficient funds available to repay the Plan Notes on schedule, or at all. If the assets transferred to the MAVs perform at less than expected levels or where delinquencies, defaults and/or losses are greater than expected, the cash flow generated by such assets may be insufficient to meet the MAVs' outstanding obligations, including to the holders of Plan Notes.

#### *Priorities of Payments*

Holders of Plan Notes will be exposed to full loss of principal and income. Payments to holders of Plan Notes will be made in accordance with the priorities of payments specified in Omnibus Agreements Master Security Agreements, the Margin Funding Facility Agreements and the Trust Indentures only after obligations to those parties ranking higher in priority have been satisfied. Generally, the Asset Providers in their capacities as swap counterparties have a first-ranking

security on the underlying assets of the MAVs pursuant to the New CDSs; the MFF Lenders have a security interest ranking subsequent to the Asset Providers in such assets pursuant to the Margin Funding Facility Agreements; and the holders of Plan Notes (subject to the priority of payments amongst Plan Notes as set out in the Trust Indentures) have a fifth or sixth security interest in such assets, subject to prior ranking securities. All payments to be made by the MAVs (if any) in respect of the Plan Notes, the Administration and Management Agreement, each New CDS and the Margin Funding Facility Agreements will only be due and payable from and to the extent of the sums received or recovered from time to time by or on behalf of the MAVs in respect of the underlying assets of the MAVs relating to such Plan Notes (applied following enforcement of the security interests in the underlying assets of the MAVs in accordance with the priorities of payments specified in the Master Security Agreements, the Margin Funding Facility Agreements and the Trust Indentures and described above). To the extent that such sums are less than the amount that the holders of the relevant Plan Notes are expected to receive, such shortfall will be borne by such holders of Plan Notes.

### ***Seniority of Plan Notes***

Pursuant to the terms of the Trust Indentures, the Class A-1 Notes rank ahead of the other MAV1 Notes and within the other MAV1 Notes, the Class A-2 Notes rank ahead of the Class B Notes and the Class C Notes and the Class B Notes rank ahead of the Class C Notes. As a result, in the event there is a shortfall or a loss for any reason, holders of Plan Notes are not entitled to be paid until the holders of each Plan Note ranking senior to them have been paid in full. In addition, the holders of the most senior Plan Notes outstanding will be entitled to determine the remedies to be exercised under the Trust Indentures. Remedies pursued by any such holders could be adverse to the interests of the holders of other Plan Notes.

### ***Longer Exposure***

The term to maturity of the Plan Notes will extend for a short period beyond the longest term of the applicable underlying assets generating funds for the payment of their principal and interest, and holders of Plan Notes may need to hold the Plan Notes longer than they had planned to hold their originally purchased Affected ABCP in order for certain Plan Notes to repay holders the amount(s) of their respective initial investment in Affected ABCP.

### ***Margin Funding Support***

Certain parties, including certain Asset Providers, Canadian Banks and Noteholders have agreed to provide margin funding intended to provide appropriate margin funding in the event a margin call is made in relation to assets held by the MAVs. There can be no assurance that if and when a margin call is made, all parties will fund their committed share of the margin funding facility in a timely manner, or at all or that the available margin funding will be sufficient.

The MAV2 MMF Lenders have agreed to commit a specified amount to the MAV2 Margin Funding Facility, subject to certain conditions. Even if all MAV2 MFF Lenders fund their committed share of the margin funding facility in a timely manner, there can be no assurance that the MAV2 Margin Funding Facility will be sufficient to meet margin calls made in relation to the assets held by MAV2. If there are additional margin calls made after the MAV2 Margin Funding Facility is fully drawn, the Asset Provider swap counterparties may elect to terminate their New CDSs, unless additional margin funding can be arranged by MAV2. See “Termination of Swap Transactions”. No arrangements have been made for any additional margin funding above the commitment in the MAV2 Margin Funding Facility and there can be no assurance that any such additional margin funding could be obtained on acceptable terms or at all.

### ***Requirement for Supplemental Margin***

The ability to sustain New LSS CDSs and avoid an adverse liquidation may require additional margin and therefore supplementary funding by the applicable Master Asset Vehicle. Such additional funding requirement could significantly exceed the initial margin funding commitment.

The outer limits of additional funding requests will depend on the pre-restructuring requirements of the Existing LSS CDSs, considered on an individual basis. The aggregate amount of potential margin funding required to ultimately sustain the underlying New LSS CDSs would depend on future movements in credit spreads and any actual credit losses in the underlying loan portfolios.

### ***Deterioration of Credit Markets***

If the Plan is not implemented, many of the Existing LSS CDSs would be unwound and holders of Affected ABCP would likely suffer significant losses. Although it is impossible to quantify these losses, there would likely be some



recovery to most holders of Affected ABCP. If the Plan is implemented and credit markets deteriorate further to the point where all of the committed Margin Funding Facilities are fully utilized, and if available Margin Funding Facilities are not sufficient to meet all margin calls at that time, then the New LSS CDSs could be unwound. Under these circumstances, since holders of MAV1 Notes and MAV2 Notes would rank behind the MFF Lenders with respect to assets of the MAVs remaining after the Asset Provider claims are fully satisfied, there is a possibility that losses to Noteholders would exceed those losses that would be experienced by holders of Affected ABCP if the Existing LSS CDSs are unwound at this time.

#### ***Possible Contagion from Other MAV LSS Unwinds***

A liquidation resulting from a failure to fund by a Noteholder who has elected to participate in MAV1 in relation to the MAV1 LSS CDSs, or by a MAV2 MFF Lender in relation to the MAV2 LSS CDSs, could potentially further widen applicable credit spreads. This could cause a “contagion effect” which would increase the likelihood of a requirement for additional margin funding in order to sustain the remaining portions of underlying New LSS CDSs and avoid their adverse termination and liquidation. Such a cycle of increased margin requirements could result in a substantially greater need for margin call funding in order to avoid an adverse termination of New LSS CDSs and the liquidation of related collateral.

#### ***Redemption and Repayment Prior to Maturity***

If the Plan Notes are redeemable or are otherwise subject to mandatory redemption or repayment, such Plan Notes may be redeemed or repaid at times. In such a case, a holder of Plan Notes might not be able to reinvest the redemption proceeds so as to realize an expected return at such time equivalent to the return that might have been realized had the Plan Notes not been redeemed or repaid at such time.

#### ***Voting Entitlements***

As of the Plan Implementation Date, voting rights held with respect to holdings of Affected ABCP will be extinguished. Although Noteholders will be able to exercise certain voting rights pursuant to the terms of the Plan Notes, the Plan and/or a Noteholder’s election to participate in MAV1 or MAV2 may decrease the influence that any one Noteholder, or any group of Noteholders acting in concert, may be able to exert on decisions that may affect the administration of the Master Asset Vehicles and performance of the Plan Notes.

#### ***Tax Related Risks***

There can be no assurance that Canadian federal and provincial income tax laws respecting the treatment of the credit default swaps, the MAVS and the Plan Notes will not be changed in a manner that adversely affects the holders of Plan Notes.

The Investors Committee has applied to the CRA for an advance income tax ruling in respect of several aspects of the Plan, including the income tax consequences of the addition of the right of exchange to the Affected ABCP, the assumption of the Affected ABCP by the MAVs, the exchange of the Affected ABCP for Plan Notes, the transfer of the assets of ABCP Conduits to the MAVs and the deductibility of interest expense on the Plan Notes. No assurance can be given that such a ruling will be obtained and if a ruling is not obtained, the income tax consequences to Noteholders may be materially different from those described under “Canadian Federal Income Tax Considerations”. In addition, if a favourable Ruling is not obtained, the income tax consequences to the restructuring might include taxable income being realized by the ABCP Conduits or the MAVs. Noteholders are advised to consult their own tax advisors regarding their potential income tax consequences relating to the implementation of the Plan. A MAV may be deemed to dispose of any capital property that it owns on the day that is 21 years after the date of its creation.

Payments of interest on the Affected ABCP and the Plan Notes may be subject to Canadian non-resident withholding tax if such interest is participating debt interest as defined in the Tax Act.

Under the present provisions of the Tax Act and the Regulations, the Plan Notes, other than the Class A-1 Notes and Class A-2 Notes, will not be qualified investments for Deferred Plans unless they are listed on a designated stock exchange. The Class A-1 Notes and Class A-2 Notes will not be qualified investments at the time of issue if they do not have an investment grade rating and they are not listed on a designated stock exchange. The Tax Act imposes penalties for the acquisition or holding of nonqualified or ineligible investments.

### ***Termination of Swap Transactions***

In the circumstances specified in any of the New CDSs entered into by or assigned to the MAVs, the MAVs or the Asset Provider swap counterparties may terminate any New CDS thereunder in whole, or where specified, in part.

Upon early termination of a New CDS, a termination payment based on the amount that the non-Affected Party, reasonably determines in good faith to be its total losses and costs (or gain, in which case expressed as a negative number) in connection with the New CDS, (or otherwise determined in accordance with the terms of the New CDS) will be payable by the MAVs to the Asset Provider swap counterparty, or by the Asset Provider swap counterparty to the MAVs (as the case may be) under the New CDS. There is no guarantee that upon any such termination the funds realised from the sale of the Synthetic or Hybrid Assets, as the case may be, plus or minus (as the case may be) the Termination Payment due in respect of the CDS and minus any amounts owed to BlackRock Canada, the Asset Providers, the MFF Lenders and any other parties ranking senior to holders of Plan Notes will be sufficient to pay in full the amounts that the Plan Noteholders would expect to receive in the event that the Plan Notes or the relevant part thereof were redeemed in accordance with their terms.

### ***Restrictions on the Resale for Plan Notes***

The resale of the Plan Notes is restricted under Canadian securities legislation and any such resale must be made in accordance with exemptions from registration and prospectus requirements. Consequently, this may have an adverse effect on the ability to resell such Plan Notes and impact negatively on their liquidity. The MAV1 Notes are also subject to transfer restrictions which restrictions may also impact negatively on their liquidity.

### ***Risks Specific to Synthetic and Hybrid Assets***

#### ***Exposure to Reference Entities***

Noteholders will be exposed to the credit of a greater number of reference entities after the Plan Implementation Date. The amount payable in respect of principal of and interest on the Plan Notes will be dependent in part upon whether, and the extent to which, during the period from and including the Plan Implementation Date until: (i) with respect to MAV1 Noteholders, the later of the MAV1 Class A-1 Note Termination Date, the MAV1 Class A-2 Note Termination Date, the MAV1 Class B Note Termination Date and the MAV1 Class C Note Termination Date; or, (ii) with respect to the MAV2 Noteholders, the later of the MAV2 Class A-1 Note Termination Date, the MAV2 Class A-2 Note Termination Date, the MAV2 Class B Note Termination Date and the MAV2 Class C Note Termination Date one or more credit events have occurred or any uncured default exists in relation to any reference entity comprised in any reference portfolio.

#### ***Reliance on Creditworthiness of Asset Providers***

The ability of the MAVs to meet their obligations under the Plan Notes will be dependent in part upon their receipt of payments from the Asset Providers as counterparties under any New CDS. Consequently, the holders of Plan Notes will be relying not only in part on the creditworthiness of the Synthetic and Hybrid Assets, but also on the creditworthiness of the Asset Providers as swap counterparties in respect of the performance of their obligations to make payments pursuant to any New CDS with respect to the Plan Notes.

#### ***Credit Ratings***

The credit ratings assigned to the Plan Notes are an assessment of the MAVs' ability to pay their obligations. Consequently, real or anticipated changes in the credit ratings of the Plan Notes will generally affect the market value of the Plan Notes. These credit ratings, however, may not reflect the potential impact of risks related to market or other factors discussed in this Information Statement or otherwise.

### ***Risk Factors Relating to Implementation of the Plan***

#### ***Lack of Established Market for Plan Notes***

There is not currently an active public market for Third-Party ABCP in Canada. There is also currently not a public market for the Plan Notes and there can be no assurance that a public market for such securities will develop on or after the Plan Implementation Date. In the event such a market does develop, holders of Plan Notes may wish to liquidate their investment rather than hold such securities on a long-term basis. Accordingly, the market, if any, for the Plan Notes may be volatile, at least for an initial period, and may be depressed for a period of time until the market has time to absorb these

sales, to understand the underlying asset-composition and other features of the Plan Notes and to observe the effectiveness of the Plan.

In addition, nothing in this Information Statement, including the JPMorgan Report is an estimate of the market value of any of the Plan Notes nor the prices at which any of the Plan Notes may trade in the market, if at all, and there will be no attempt to make any such estimate in connection with the development of the Plan. No assurance can be given as to the market price of the Plan Notes on or after the Plan Implementation Date.

### ***Negative Publicity***

Considerable public attention has been focused on the ABCP and Third-Party ABCP markets in Canada and the United States, and such attention is likely to continue up to and after the Plan Implementation Date. Public reaction to the Plan is difficult to predict, and public criticism could negatively impact the ability of holders to sell Plan Notes at desirable prices, or at all. Furthermore, continuing scrutiny of certain aspects of the credit markets (such as sub-prime lending practices in the United States) may have a negative impact on public perception of the Plan and the market demand for and liquidity of some or all of the Plan Notes.

### ***Uncertainty in the ABCP Market***

Even after the Plan Implementation Date, there are a number of factors that will affect liquidity and demand for ABCP securities (including the Plan Notes) such as the level of short-term interest rates and the availability of other alternative money-market investments including government treasury bills and corporate commercial paper. Any increase in investor appetite for alternate investments such as treasury bills may decrease investor demand for Plan Notes and could impact the ability of holders to sell their holdings of Plan Notes.

### ***Litigation Releases***

As a condition of their participation in the restructuring and their involvement in the Plan, the ABCP Conduits, the ABCP Sponsors, the Administrative Agents, BlackRock, the Financial Services Agents, the Asset Providers, the Issuer Trustees, the Original Issuer Trustees, the Existing Note Indenture Trustees, the Canadian Banks, the Liquidity Providers, the ABCP Dealers, the Issuing and Paying Agent(s), the Noteholders, the Rating Agency, the Applicants as well as each of their respective affiliates, and each of their respective present and former officers, directors, employees, auditors, financial advisors, legal counsel, other professionals and agents, associated individuals and certain other parties who have made material contributions to the Plan will receive comprehensive litigation releases. The Plan will therefore extinguish certain statutory and common law claims that may otherwise be available as against some or all of these parties. The releases will affect and limit the rights of all holders of Third-Party ABCP including all Noteholders.

### ***Risk of Future Legal Proceedings***

Although releases will be sought in the CCAA Proceedings with the goal of preventing litigation against the ABCP Conduits, the ABCP Sponsors, the Administrative Agents, BlackRock, the Financial Services Agents, the Asset Providers, the Issuer Trustees, the Original Issuer Trustees, the Existing Note Indenture Trustees, the Canadian Banks, the Liquidity Providers, the ABCP Dealers, the Issuing and Paying Agent(s), the Noteholders, the Rating Agency, the Applicants as well as each of their respective affiliates, each of their respective present and former officers, directors, employees, auditors, financial advisors, legal counsel, other professionals and agents, associated individuals and certain other parties there can be no assurance that certain participants in the Plan will not be named as defendants in, or otherwise subjected to, legal proceedings in relation to Third-Party ABCP sales or holdings. A significant judgment or the imposition of a significant fine or penalty on any such Released Party could have a material adverse impact on the respective business, financial condition and results of operation of that participant and on the participant's ability or willingness to participate in the Plan. A settlement or judgment could create a significant financial obligation that would make it difficult for a Released Party to fulfill its obligations under the Plan, or which would prevent certain assets from being included in the Plan.

Publicity regarding involvement in matters of this type, especially if there is an adverse settlement or finding in the litigation, could result in adverse consequences to the reputation of the Plan generally which could, among other things, impair the value of and liquidity of the Plan Notes.

### ***Reliance on ABCP Sponsors***

The implementation of the Plan will require the ongoing assistance and cooperation of several parties including each of the ABCP Sponsors. Although such assistance and cooperation has, to date, been forthcoming on the part of the ABCP Sponsors, there can be no assurance that such assistance and cooperation will continue at current levels, or at all. In the event some or all of the ABCP Sponsors become, for any reason, unwilling or unable to maintain current levels of assistance or cooperation, this could adversely impact on the implementation of the Plan or the timing thereof.

### **Risks Relating to General Credit Market**

#### ***Absence of Guarantor***

It is customary in structured finance transactions for a swap counterparty facing the issuer to be required to seek a guarantor or assign its position to a qualified successor if its credit ratings fall below a level specified by the relevant rating agencies. However, the New CDS counterparties are not subject to such requirements.

#### ***Complexity of the Asset Securitization Business***

The asset securitization business is complex, involving the execution of asset purchases, the administration of assets under management and the funding of such purchases through the issuance of securities and frequently involves the use of derivative financial instruments. Each component of the securitization business poses risks that can be extremely complicated, including: (i) credit risks (the exposure to the possibility of loss resulting from a counterparty's failure to meet its financial obligations); (ii) seller performance risk (loss resulting from the seller's negligent or fraudulent actions); (iii) servicer risk (inadequate collections management); (iv) legal risks (particularly the risk of contested characterization of a transaction as a true sale resulting in the exposure of assets to claims from the creditors of the seller); (v) operations risk (inadequate controls, deficient procedures, human error, system failure or fraud); (vi) documentation risk (exposure to losses resulting from inadequate documentation); (vii) market risk (adverse movements in the price of a financial asset, liability or funding instrument); and (viii) market-disruption risk (the risk that difficulties affecting one or more other financial institutions causes systemic repercussions to the financial system).

#### ***Deterioration in Economic or Business Conditions***

The performance of the MAVs is subject to, among other things, the performance of the underlying assets. Accordingly, the Plan may be negatively impacted by various economic factors and business conditions. To the extent that economic activity or business conditions deteriorate, delinquencies and credit losses may increase. Delinquencies and credit losses generally increase during economic slowdowns or recessions. Furthermore, the Plan Notes may lose some or all of their principal in the event of an unwind event, which is dependent upon prevailing credit spreads of the reference portfolios referenced by the spread-loss matrices, the mark-to-market valuations of the New CDSs, and the credit performance of the underlying assets of the MAVs.

#### ***Counterparty Risk***

The MAVs will be party to a wide variety of contracts with various financial institutions directly and through special purpose entities. These contracts might include Credit Default Swaps, interest-rate swaps and caps, currency-exchange swaps and other types of credit-related derivatives and asset swaps. These financial institutions include Canadian, U.S. and European banks, insurance companies, investment dealers and other financial intermediaries. If a counterparty were to run into financial difficulty, whether as a result of its own issues, market conditions or a "financial accident" caused by another financial institution, there is no assurance that the counterparty would comply with its contractual obligations. If that occurred, a MAV could be left without the benefit of that financial instrument, which, in turn, could result in a downgrade of the MAV unless a similar financial instrument was purchased from another counterparty. No assurance can be made that a replacement instrument would be available in a timely or economical manner, or at all.

#### ***Interest Rate Risks***

Prevailing interest rates will affect the market price or value of the Plan Notes. Generally, the market price or value of the Plan Notes will decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline. Depending on when holders of Plan Notes dispose of their Plan Notes, the market price or value of the Plan Notes will vary according to the applicable interest rate.

## **Risks Relating to Operations**

### ***Employee Misconduct***

A number of highly publicized cases involving fraud or other misconduct by employees have arisen in the financial services industry in recent years. The New Issuer Trustee, the New Indenture Trustee, the Asset Providers, the MFF Lenders and BlackRock are not immune to the possibility that employee misconduct could occur. This could include one or more employees issuing unauthorized trading instructions, binding their employers to transactions that exceed authorized limits or present unacceptable risks, or hiding from their employers unauthorized or unsuccessful activities which, in either case, may result in unknown and unmanaged risks or losses.

### ***Process Execution Risk***

The New Issuer Trustee, the New Indenture Trustee, the Asset Providers, the MFF Lenders and BlackRock rely on principals and systems to process a large number of transactions. Process execution risk refers to the risk of financial loss resulting from the above referenced parties' own operations including, but not limited to, improper or unauthorized execution and processing of transactions, deficiencies in operating systems and inadequacies or breaches in control and reporting procedures. To mitigate this risk, systems of internal controls have been developed, however, there is no assurance that these systems of internal controls can completely eliminate any or all forms of process execution risk.

### ***Failure of Computer and Data-Processing Systems***

The New Issuer Trustee, the New Indenture Trustee, the Asset Providers, the MFF Lenders and BlackRock depend on the successful and uninterrupted functioning of their service providers' and their own computer and data-processing systems. The failure of these systems could interrupt operations or materially affect the ability to service customer accounts. If sustained or repeated, a system failure could negatively affect the value of the Plan Notes. This infrastructure may be subject to physical break-ins, computer viruses, programming errors, earthquake, fire, other natural disasters, power or telecommunications failure, acts of God, acts of war or terror or similar disruptive events.

### ***Failure of Information Security Policies, Procedures and Capabilities***

The New Issuer Trustee, the New Indenture Trustee, the Asset Providers, the MFF Lenders and BlackRock are dependent on the effectiveness of their information security policies, procedures and capabilities to protect computer and telecommunications systems, and the data that reside on or are transmitted through them. An externally caused information security incident, such as a hacker attack or a virus or worm, or an internally caused issue, such as failure to control access to sensitive systems, could materially interrupt business operation or cause disclosure or modification of sensitive or confidential information and could result in material financial loss, regulatory actions, breach of client contracts, reputational harm or legal liability, which, in turn could materially adversely affect the financial condition of participants in the Plan and the value of the Plan Notes.

### ***Changes in Governmental Regulations, Licensing and Other Laws and Industry Codes of Practice***

Increased public scrutiny of ABCP, or any other impetus, may lead to changes in laws, regulations and codes of business practice that effect or could effect the Plan or the Plan Notes. Any new legislation, regulation, codes of business practice, or changes in the interpretation of existing laws, regulations and codes of business practice, which affect the Plan or the Plan Notes could increase the costs of compliance for participants in the Plan which could have an adverse impact on the Plan and on the value or perceived value of the Plan Notes.

### ***Accounting and Regulatory Market Risk***

Regulatory risk includes the risk of violation of applicable legal and regulatory requirements by the MAVs, the New Issuer Trustee, the New Indenture Trustee, the Asset Providers, the MFF Lenders and BlackRock. In the event of non-compliance with an applicable regulation, securities regulators and other authorities may institute administrative or judicial proceedings that may result in censure, fines, civil penalties, issuance of cease-and-desist orders, deregistration or suspension of trading, suspension or disqualification of officers or employees or other adverse consequences.



## **Risks Relating to BlackRock**

### ***Reliance on BlackRock***

The performance of the Plan Notes will, amongst other factors, be dependent on the ability of BlackRock Canada to manage and administer the Managed Assets of the MAVs, and the performance by BlackRock Canada of its obligations under the Administration and Management Agreements.

Because the composition of the Managed Assets will vary over time, the performance of the Managed Assets will be dependent upon the ability of BlackRock Canada to analyze, select and manage the Managed Assets in such portfolio. No assurance is given that any change to Managed Assets made at the recommendation of BlackRock Canada (even in circumstances where such change is made in accordance with the constraints and criteria specified in the Administration and Management Agreements and other Program Documents) will be successful or preserve the ability of the MAVs to pay principal and interest in respect of the Plan Notes without reduction.

### ***Limited Review***

BlackRock Canada is given authority pursuant to the Administration and Management Agreements to manage the Managed Assets of the MAVs and to act in relation to each such Managed Asset on behalf of the holders of Plan Notes pursuant to and in accordance with the parameters and criteria set out in the Administration and Management Agreements. In undertaking this role, BlackRock Canada will make such investigation into any Managed Assets as it considers appropriate in its absolute discretion. Such investigations will be limited to a review of readily available public information and will not include due diligence of the kind common in relation to public securities offerings.

### ***Standard of Care and Limitation of Liability***

While BlackRock Canada is required to provide its services in accordance with the standard of care specified in Administration and Management Agreements, there can be no assurance that such services will ultimately lead to the preservation of payments of principal and interest on the Plan Notes and, to the extent losses occur in respect of any Managed Assets or as a result of BlackRock Canada's management of the Managed Assets, the amounts available to holders of the Plan Notes, by way of interest and principal may be reduced accordingly.

Pursuant to the Administration and Management Agreements, BlackRock Canada will not be liable for any error of judgment or mistake of law or for any loss suffered by a MAV, any Noteholder, any other party to the Program Documents or otherwise in connection with BlackRock Canada's performance of each Administration and Management Agreement, except a loss resulting from willful misconduct, bad faith or gross negligence on the part of BlackRock Canada in the performance of its duties or from reckless disregard by it of its duties under each Administration and Management Agreement.

In no event will BlackRock be liable for any consequential, incidental, exemplary, punitive, special or indirect losses or damages, regardless of whether the likelihood of such losses or damages was known by it.

BlackRock and its affiliates: (i) will not be liable for losses, delays, failure, errors, interruption or loss of data occurring directly or indirectly by reason of circumstances beyond its reasonable control, including without limitation acts of God; action or inaction of civil or military authority; public enemy; war; terrorism; riot; fire; flood; sabotage; epidemics; labour disputes; civil commotion; interruption, loss or malfunction of utilities, transportation, computer or communications capabilities; insurrection; elements of nature; or non-performance by a third party; (ii) will not be under any duty or obligation to inquire into nor shall it be liable for the validity or invalidity, authority or lack thereof, or truthfulness or accuracy or lack thereof, of any instruction, direction, notice, instrument or other information reasonably believed by it to be genuine; and (iii) will not be liable for any damages arising out of any action or omission to act by any prior service provider of any MAV or predecessor in interest thereof (including without limitation, any party provided a release in connection with the approval of the Plan) or for any failure to discover any such error or omission.

### ***Rating Agency Conditions***

Pursuant to the terms of the Administration and Management Agreements, BlackRock Canada's ability to take certain actions may be limited by certain rating agency conditions, which require that the Rating Agency for the applicable Plan Notes shall have notified the applicable MAV and the New Indenture Trustee in writing that such action will not result in a reduction or withdrawal of the rating in effect immediately before the taking of such action with respect

to such Plan Notes. If such consent is refused or delayed, BlackRock Canada may be delayed or precluded from taking actions which, but for such delay or refusal, would enhance the performance of the Plan Notes.

Except where satisfaction of a rating agency condition applies, BlackRock Canada's actions shall not be subject to any written or other confirmation from any Rating Agency, and there can be no guarantee that such actions will not result in a reduction or withdrawal of the rating in effect immediately before the taking of such action with respect to such Plan Notes.

### ***Merger or Loss of Key Employees***

Any merger of BlackRock Canada and/or its affiliates with another entity and/or the loss of one or more individuals from BlackRock Canada's management or operations teams could have a material adverse effect on the performance of the underlying assets.

### ***Time Commitment***

Although BlackRock Canada is required, pursuant to each Administration and Management Agreement, to commit an appropriate amount of its business efforts to the management of the Managed Assets in accordance with the standards set out therein, BlackRock Canada is not required to devote all or any particular share of its time to such affairs and is expected to continue to advise in respect of, or manage, other investments, including investments that are similar in nature to those which may comprise the underlying assets.

### ***Conflicts of Interest***

Various potential and actual conflicts of interest may arise from the overall commercial and investment activities of BlackRock, Inc. and its subsidiaries, including BlackRock Canada, for its own accounts and for the accounts of others. The following briefly summarizes the material conflicts currently known but is not intended to be an exhaustive list of all potential and actual conflicts.

BlackRock, may own equity or debt securities issued by the issuers or obligors of the securities to be held by the MAVs (or the issuers or obligors of the reference obligations or reference entities underlying the synthetic assets to be held by the MAVs). In particular, BlackRock may invest for its own accounts and for the accounts of others in securities issued by an issuer or obligor that are senior, *pari passu* or junior to, or which otherwise have interests different from or adverse to, the securities issued by such issuer or obligor that are held by the MAVs (or the securities issued by such issuer or obligor that will be the reference obligations underlying synthetic assets to be held by the MAVs). BlackRock may exercise rights against the issuers and obligors of such securities without regard to the effect on the securities of such issuers and obligors that are held by the MAVs. Furthermore, BlackRock serves as the investment manager for other special purpose entities organized to issue collateralized debt obligations secured by (among other assets) asset-backed securities and, in certain instances, synthetic assets for which the reference obligations are asset-backed securities. Certain of BlackRock's affiliates also serve as advisors for special purpose entities organized to issue collateralized debt obligations. BlackRock expects to serve as the investment manager or in a similar capacity for additional special purpose entities organized to issue collateralized debt obligations secured by (among other assets) asset-backed securities and synthetic assets for which the reference obligations are asset-backed securities in the future. BlackRock may acquire securities on behalf of themselves or such special purpose entities that would be appropriate investments for the MAVs and will be under no obligation to make such securities available for investment by the MAVs. BlackRock may make investment decisions for their own accounts and for the accounts of others that are different from the investment decisions made by BlackRock on behalf of the MAVs. In particular, BlackRock may be seeking to enter into, purchase, terminate or sell a security for their own accounts or for the accounts of others simultaneously with the entry into, purchase, termination or sale of the same security by BlackRock on behalf of the MAVs. The ownership of such securities by BlackRock and the accounts managed by them may result in securities laws restrictions on transactions in such securities by a MAV and otherwise create conflicts of interest for the MAVs. In addition, BlackRock may acquire material non-public confidential information in connection with its overall commercial and investment activities that may restrict BlackRock from entering into, purchasing, terminating or selling securities on behalf of a MAV or otherwise using such information for the benefit of a MAV.

Under each Administration and Management Agreement, BlackRock Canada, in its capacity as the Asset Manager, is permitted to effect trades between the New Issuer Trustee and the Collateral Agent and its affiliates (for purposes of the Investment Advisers Act) acting as principal, but only upon the approval (i) by the applicable Advisory Committee, or

(ii) in another manner elected by BlackRock Canada that is permitted pursuant to the *Investment Advisers Act*, the *Securities Act (Ontario)* or other applicable law, including applicable Canadian securities laws or other applicable laws. Any approvals granted by the MAV1 Advisory Committee will be final and binding on the MAVs and thus on the holders of Plan Notes.

In addition, BlackRock Canada will be authorized to engage in “agency cross” transactions in which BlackRock Canada or one or more of its affiliates will act as a broker for compensation for both a MAV and another person on the other side of the same transaction. Such other person may be an account or client for which BlackRock Canada or an affiliate of BlackRock Canada serves as investment adviser. Such agency cross transactions will be authorized prospectively on the Plan Implementation Date; *provided* that to the extent required by law, such transactions will be reviewed on behalf of the MAVs in the same manner as principal transactions as described above. Any MAV may terminate the authority of BlackRock Canada and its affiliates to engage in agency cross transactions in such manner at any time by written notice to BlackRock Canada.

BlackRock Canada may also engage in “client cross” transactions in which BlackRock Canada or an affiliate causes a transaction to be effected between a MAV and another account advised by BlackRock Canada or such affiliate without BlackRock Canada or any of its affiliates receiving any compensation for such transaction. Such client cross transactions will be conducted in a manner that is intended to be fair and equitable to the clients involved. Transactions between a MAV and another account for which BlackRock is acting as the investment manager or in a similar capacity will generally be treated as “client cross” transactions and not principal transactions unless BlackRock has a proprietary interest in such other account that is so significant that the transaction must be treated as a principal trade under applicable law, in which case it will be subject to the procedures described above for principal transactions.

In addition to the foregoing, BlackRock Canada may direct a MAV to enter into or purchase Eligible Investments issued by issuers managed or advised by BlackRock Canada or one or more of its affiliates, in compliance with the applicable indentures and all applicable requirements under the Investment Advisers Act and other applicable law. The securities entered into or purchased by the MAVs may also include securities of an issuer or obligor, or securities sponsored or serviced by companies, for which BlackRock Canada or an affiliate, which could be considered to include Merrill Lynch, has acted as underwriter, agent, placement agent, initial purchaser or dealer or for which BlackRock or an affiliate has acted as lender or provided other commercial or investment banking services. BlackRock Canada will direct the MAVs to acquire such other securities in compliance with all applicable requirements of the applicable and under the Investment Advisers Act and other applicable law.

By accepting an interest in the Plan Notes, each holder of an interest in the Plan Notes will be deemed to have approved the policies and procedures described above relating to the MAVs’ consent (where required) to principal transactions, agency cross transactions and client cross transactions. BlackRock Canada, its affiliates and their respective agents and advisors may have a potentially conflicting division of loyalties and responsibilities regarding any principal transaction, agency cross transaction or client cross transaction. Should a conflict of interest actually arise, BlackRock will endeavour to ensure that it is resolved fairly to the extent possible under the prevailing facts and circumstances.

Certain of the Managed Assets (including Eligible Investments) acquired by the MAVs may consist of securities of an issuer or obligor, or securities sponsored or serviced by companies, for which BlackRock, which could be considered to include Merrill Lynch, has acted as underwriter, agent, placement agent, initial purchaser or dealer or for which BlackRock has acted as lender or provided other commercial or investment banking services.

BlackRock may directly or indirectly (including, without limitation, through an ownership interest in a joint venture or other arrangements) receive compensation from an issuer of or obligor under a Managed Asset or underlying asset in respect thereof, in addition to the amounts payable to it pursuant to each Administration and Management Agreement, in connection with the servicing of, or provision of asset management or administrative functions in respect of, such Managed Asset or related underlying asset undertaken at its sole option and discretion. Such compensation of BlackRock or its affiliates may be payable from (and to that extent reduce) amounts that otherwise may have been payable to the relevant MAV by such issuer or obligor.

Subject to compliance with the Investment Advisers Act, the *Ontario Securities Act* and other applicable law, including applicable Canadian securities laws, BlackRock or one or more entities that may be considered an affiliate of BlackRock may act as a counterparty in respect of Credit Default Swaps to be acquired by a MAV, which may create certain conflicts of interest. BlackRock Canada expects to obtain the approval by the applicable Advisory Committee (or to comply with applicable law in such other manner) as described above prior to acting as such counterparty or having an

affiliate act as counterparty. BlackRock Canada or one or more of its affiliates may also receive a fee or other consideration in connection with advising the issuer of a synthetic asset as to the related reference obligations or reference entities underlying the synthetic asset. BlackRock Canada may be required to obtain the approval of the applicable Advisory Committee (or to comply with applicable law in such other manner) in order for a MAV to acquire any synthetic asset with respect to which BlackRock Canada or an affiliate has received any such fee or other consideration in an advisory capacity. In addition, such acquisition will be permitted only if it complies with the Eligibility Criteria attached to the Administration and Management Agreement.

#### ***Relationship with Merrill; Relationship with PNC***

Merrill Lynch & Co., Inc. (“**Merrill Lynch**”) holds a 45% voting interest and an approximate 49% economic interest in BlackRock, Inc. and The PNC Financial Services Group, Inc. (“**PNC**”) holds an approximate 34% stake. The relationship between BlackRock, Inc. and each of Merrill Lynch and PNC may give rise to certain conflicts of interest in respect of the transactions contemplated by the Plan and in the ordinary course of business of each of Merrill Lynch, PNC and the investment activities of the MAVs. The following discussion enumerates certain potential and actual conflicts of interest arising out of the ownership interests of Merrill Lynch and PNC in BlackRock, Inc. By accepting Plan Notes, each holder will be deemed to have acknowledged the existence of such actual and potential conflicts of interest and, to the fullest extent permitted by applicable law, to have waived any claims with respect to the existence of such conflicts of interest. Transactions involving potential conflicts of interest will be subject to approval by the applicable Advisory Committee or in such other manner as BlackRock Canada may elect in compliance with applicable laws) as described above.

#### ***Merrill Lynch as LSS and New CDSs Counterparty***

Merrill Lynch is an Asset Provider to over 12 synthetic asset programs. It is also counterparty to approximately 13% (by notional amount) of the existing Synthetic and Hybrid Assets and will, in turn, be a counterparty for an equivalent proportion of the New CDSs as of the Plan Implementation Date. To the extent the transactions between the MAVs and Merrill Lynch on the Plan Implementation Date in respect of such existing Synthetic and Hybrid Assets and New CDSs would require approval as “principal transactions” as described above, each holder by its acceptance of Plan Notes will be deemed to have approved the MAVs’ entry into such transactions.

#### ***Investment Banking and Similar Fees***

Merrill Lynch and its affiliates may receive investment banking, syndication, underwriting, placement, advisory, brokerage, lending and similar fees from certain issuers and other parties involved in transactions in which the MAVs may invest. Such fees could be paid for providing services in connection with: (i) equity or debt financings, (ii) the acquisition, disposition or sale of the securities or other issuances or assets of such companies, (iii) underwriting services, or (iv) other investment banking or financial advisory services. The MAVs will not participate in any such fees that may be paid by any such issuer and the return on investment in any such issuer may be diminished as a result. Under any of the foregoing arrangements, Merrill Lynch may have interests that conflict with those of the MAVs and/or any of the Noteholders.

#### ***Retail Banking, Investment Services and Other Businesses of PNC***

PNC and its affiliates may provide deposit, lending, cash, management, trust and investment services and other commercial and private banking products to issuers in which the MAVs may invest as well as to other funds managed by BlackRock. PNC and its affiliates may also provide brokerage, investment banking and financial advisory services to issuers in which the MAVs may invest. PNC and its affiliates serve as investment managers and trustees for various employee benefit plans and charitable and endowment assets that could potentially have relationships with any issuers in which the MAVs may invest. PNC and its affiliates also engage in asset-based lending and real estate financing to issuers in which the MAVs may invest or otherwise transact business. PNC and its affiliates also provide fund accounting and administration, transfer agency, global custody securities lending services, sub-accounting services, marketing and distribution services, managed account services, alternative investment services, banking transaction services and advanced output solutions. Through any of the foregoing, PNC and its affiliates may receive fees from issuers or other counterparties in which the MAVs may invest or from the MAVs themselves, and may have interests that conflict with those of the MAVs.

### ***Other Services and Activities***

Each of Merrill Lynch and PNC may provide a variety of other services, including research, advisory, brokerage or support services, to any companies in which the MAVs may invest or, to the extent permitted by the *Investment Advisers Act* and other applicable laws, including applicable Canadian securities laws, to the MAVs. To the extent permitted by the *Investment Advisers Act*, the *Investment Company Act* and other applicable laws including applicable Canadian securities laws, the MAVs may enter into transactions in which BlackRock, Merrill Lynch or PNC act as principal, or in which BlackRock and/or Merrill Lynch or PNC acts on behalf of the MAVs and the other parties to such transactions. To the extent permitted by the *Investment Advisers Act*, and other applicable laws including applicable Canadian securities laws, Merrill Lynch or PNC may act as broker, dealer, futures commission merchant, agent, lender or otherwise for any of the MAVs, and the applicable Merrill Lynch and PNC entities involved in such transactions will retain all commissions, fees and other compensation in connection therewith. Each of Merrill Lynch and PNC may also engage in proprietary investment activities from time to time. Subsidiaries of Merrill Lynch may also sponsor and manage investment funds or other client accounts that compete directly or indirectly with the investment program of the MAVs. There can be no assurance that any of the foregoing arrangements will not, in whole or in part, give rise to conflicts of interest affecting the investment activities of the MAVs.

### ***Potential Impact on the MAVs***

Prospective holders should assess for themselves the immediate conflict of interest presented by the Synthetic and Hybrid Assets and New CDSs with Merrill Lynch as counterparty. It is difficult to predict the circumstances under which one or more of the other conflicts described above could become material, but it is possible that such relationships could require BlackRock Canada to refrain from making all or a portion of any investment or a disposition in order for BlackRock to comply with its fiduciary duties, the *Investment Advisers Act* or other applicable laws. BlackRock Canada may, under certain circumstances, seek to have conflicts or transactions involving conflicts approved by the applicable Advisory Committee or in any other manner. Any approvals granted by the Advisory Committee or in any other manner will be final and binding on the MAVs and thus on the holders of Plan Notes.

**The foregoing list of potential and actual conflicts of interest does not purport to be a complete enumeration of the conflicts attendant to holding Plan Notes. Additional conflicts may exist or arise that are not presently known to Noteholders, BlackRock or its affiliates or are presently deemed immaterial. Noteholders should read this entire Information Statement and consult with their independent advisors before deciding whether to vote in favour of the Restructuring Resolution. In addition, as the investments held by the MAVs change over time, an investment in the Plan Notes may be subject to additional and different actual and potential conflicts of interest.**

### ***Termination or Resignation***

In the event of the resignation, or termination of the appointment, of BlackRock Canada a successor administrative agent meeting certain criteria will need to be appointed by the New Issuer Trustees. These criteria include consent from relevant Asset Providers and potentially certain other parties acting in good faith but in their sole discretion and there can be no assurance that such consent will be obtained. In the event that these criteria are not satisfied, no such successor will be appointed. In the event that BlackRock Canada has resigned or BlackRock Canada's appointment has been terminated with respect to any or all of the Plan Notes there can be no assurance that a qualified administrative agent and/or asset manager can be found at a reasonable price, or at all.

### ***Reliance on Counterparties***

In managing the Managed Assets, BlackRock Canada may recommend changes to reference entities in such reference portfolio and their associated credit positions and may (subject to certain limits) elect to execute a change to such reference portfolio. In so doing, BlackRock Canada shall act in accordance with the provisions of the Administration and Management Agreement, and may conduct all the relevant tests to determine whether the change to that reference portfolio would be in compliance with the criteria and constraints specified in Administration and Management Agreement. The making of any such recommendation and the related election and execution thereof, will be influenced, and may be significantly influenced by certain determinations which a counterparty will be required to make under the relevant swap transaction and as a result of such determinations, BlackRock Canada may in its discretion elect not to execute changes on behalf of holders of Plan Notes which it would otherwise determine to be appropriate or may still execute such changes.



## QUESTIONS AND FURTHER ASSISTANCE

If you have questions about the information contained in the Information Statement or require assistance in completing the enclosed forms including the Voter Identification Form, the Voter Confirmation Form, the Form of Proxy, or the Form of Election, or require assistance in completing the Voter Confirmation Form received separately from this package, please contact the Monitor, Ernst & Young Inc., at: 1 (514) 874-4372 or toll free at 1 (888) 373-6213, or by e-mail at: [canadian.commercialpaper@ca.ey.com](mailto:canadian.commercialpaper@ca.ey.com).

Noteholders may also access the Noteholder Data Room at [www.ey.com/ca/commercialpaper](http://www.ey.com/ca/commercialpaper) which website provides Noteholders with access to important documents and information regarding the ABCP Conduits and the Affected ABCP including: the constating documents and other organizational documents of the ABCP Conduits; the note indentures (and any supplements thereto) under which the Affected ABCP was issued; and documents relating to the Synthetic Assets and the Traditional Assets.

## GLOSSARY OF TERMS

*The following terms shall have the meanings set forth below when used in this Information Statement, including the Summary, but not including the Appendices or the Exhibits. Certain terms set forth below have been provided solely for readers' information and may not appear in this Information Statement. Unless the context otherwise requires, any reference in this Information Statement to any agreement, instrument, indenture, declaration or other document shall mean such agreement, instrument, indenture, declaration or other document, as amended, supplemented and restated at any time and from time to time prior to the date hereof or in the future.*

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

**"1940 Act"** means the United States Investment Company Act of 1940.

**"3(c)(7) Exemption"** means the exemption from registration as an investment company under the 1940 Act contained in Section 3(c)(7) of the 1940 Act.

**"ABCP"** means asset-backed commercial paper.

**"ABCP Conduits"** means, collectively, the trusts that are subject to the Plan, namely the following: Apollo Trust, Apsley Trust, Aria Trust, Aurora Trust, Comet Trust, Encore Trust, Gemini Trust, Ironstone Trust, MMAI-I Trust, Newshore Canadian Trust, Opus Trust, Planet Trust, Rocket Trust, SAT, Selkirk Funding Trust, Silverstone Trust, SIT III, Slate Trust, Symphony Trust and Whitehall Trust, and their respective satellite trusts, where applicable.

**"ABCP Dealers"** means any dealer, broker, financial institution or intermediary that sold, directly or indirectly, any of the Affected ABCP to one or more Noteholders or that rendered advice with respect to the purchase and sale of Affected ABCP.

**"ABCP program"** means a transaction or series of transactions that fund the acquisition of Synthetic Assets or Traditional Assets and that are funded by the issuance of ABCP by an Issuer Trustee on behalf of a Conduit.

**"ABCP Sponsors"** means, collectively, the Sponsors of the ABCP Conduits (and, where applicable, such Sponsors' affiliates) that have issued the Affected ABCP, namely, Coventree Capital Inc., Quanto Financial Corporation, National Bank Financial Inc., Nereus Financial Inc., Newshore Financial Services Inc. and Securitrus Capital Corp.

**"ABN AMRO"** means the ABN AMRO Bank N.V.

**"ABS"** means asset-backed securities.

**"Additional Collateral"** means collectively, the MAV1 Additional Collateral and the MAV2 Additional Collateral.

**"Additional Commitments"** means the additional commitments provided by a MAV1 MFF Lender or MAV2 MFF Lender in order to cure a Potential Unwind Event.

**"Additional Modifications and Individual Solutions of CDS Term Sheet"** means that certain term sheet attached to the Plan setting forth the material terms of certain specific, additional agreements for the restructuring of the Credit Default Swaps listed in the Plan among the parties thereto.

**"Additional Termination Event"** means an "additional termination event" as defined in the ISDA master agreement.

**"Administrative Agent"** means National Bank of Canada, Coventree Administration Corp., Newshore Financial Services, Inc., 1614723 Ontario, Inc., and Metcalfe & Mansfield Capital Corporation.

**"Administration and Management Agreements"** means the agreements to be entered into between each of the MAVs and BlackRock Canada relating to the administration of the MAVs and management of the Managed Assets and **"Administration and Management Agreement"** means any one of them.

**"Administrator"** means BlackRock Canada, in its capacity as the administrator pursuant to the Administration and Management Agreements.

**"advance rate"** means, in an asset-backed transaction, the purchase price paid for new assets, usually less than par, to provide credit enhancement and yield. For example, if a transaction pays 80% of the par value of new assets, the advance rate is 80% and the discount is 20%.

**"Advisory Committee"** means either the MAV1 Advisory Committee or the MAV2 Advisory Committee.

**“Affected ABCP”** means the outstanding third-party debt obligations of the CCAA Parties relating to the ABCP Conduits as of the Record Date, including, where applicable, ABCP, Extendible Notes, Floating Rate Notes, Liquidity Notes and Subordinated ABCP, unless excluded pursuant to the Plan.

**“Affected ABCP Credit Default Swaps”** means the Credit Default Swaps associated with certain of the Affected ABCP, as listed in Appendix A to this Information Statement.

**“Affected Party”** has the meaning ascribed to it in the ISDA agreements in respect of a particular New CDS.

**“affiliate”** has the meaning ascribed to it in National Instrument 45-106 — *Prospectus and Registration Exemptions* of the Canadian Securities Administrators.

**“Allowable Capital Loss”** means one half of any loss on the capital portion of an investment.

**“Applicants”** means, collectively, the 17 member institutions of the Investors Committee in their respective capacities as Noteholders.

**“Approved Agreements”** means, collectively, the following documents: (i) the Declarations of Trust; (ii) the Administration and Management Agreement; (iii) the Margin Funding Facility Agreements; (iv) the Omnibus Agreements; (v) the Master Security Agreements; (vi) the CDS Restructuring Documents; (vii) the Co-Ownership Agreement; (viii) the Additional Modifications and Individual Solutions of CDS Term Sheet; (ix) the GD Swap Restructuring Agreements; (x) the Trust Indentures; and (xi) the Master Release Agreement.

**“asset-backed commercial paper”** means commercial paper secured by financial assets, such as pools of mortgages or credit card receivables and/or by Synthetic Assets such as Collateralized Debt Obligations or Credit Default Swaps.

**“Asset Manager”** means BlackRock Canada, in its capacity as the asset manager pursuant to the Administration and Management Agreements.

**“Asset Originators”** means the entities that provide, or issue, as the case may be, the assets pursuant to the securitization documents entered into in connection with Traditional Asset programs.

**“Asset Providers”** means, collectively, the following dealer banks, commercial banks and other entities which have entered into Credit Default Swaps with and/or have sold Collateralized Debt Obligation assets to one or more of the ABCP Conduits directly or indirectly through satellite trusts: Bank of America; CIBC; Citibank; Deutsche Bank; HSBC Bank USA, National Association; Merrill Lynch International; Royal Bank; Royal Bank of Scotland; Swiss Re; UBS; and Wachovia and their respective affiliates.

**“ATB Financial”** means Alberta Treasury Branches.

**“attachment point”** means the minimum level of losses in a portfolio above which a tranche is exposed.

**“Available MAV1 Excess Collateral”** means the portion of the MAV1 Original Collateral and the MAV1 Additional Collateral that will be released where: (i) the MAV1 Original Collateral and MAV1 Additional Collateral that is allocated to an Asset Provider whose MAV1 New CDSs have terminated either by way of a scheduled termination date or early termination; (ii) excess funds are available to MAV1 in the form of (1) MAV1 Original Collateral or MAV1 Additional Collateral that was formerly posted to such Asset Provider or (2) a termination payment from such Asset Provider after all amounts due to such Asset Provider under such Asset Provider’s MAV1 New CDSs have been paid in full; and (iii) none of the spread-loss trigger matrices are within 50% of the First Spread-Loss Trigger Event.

**“Available MAV2 Excess Collateral”** means the portion of the MAV2 Original Collateral and the MAV2 Additional Collateral that will be permitted to be released where: (i) the MAV2 Original Collateral and MAV2 Additional Collateral that is allocated to an Asset Provider whose MAV2 New CDSs have terminated either by way of a scheduled termination date or early termination; (ii) excess funds are available to MAV2 (in the form of (1) MAV2 Original Collateral or MAV2 Additional Collateral that was formerly posted to such Asset Provider, or (2) a Termination Payment from such Asset Provider) after all amounts due to such Asset Provider under such Asset Provider’s MAV2 New CDSs have been paid in full; and (iii) none of the spread-loss trigger matrices are within 50% of the First Spread-Loss Trigger Event.

**“BA Rate”** means for any payment period or portion thereof, the average of the bid rates (expressed as an annual percentage rate), for such Payment Period or portion thereof, rounded to the nearest one-hundred-thousandth of one percent (with .000005 percent being rounded up) for Canadian dollar Bankers’ Acceptances with a maturity of 30 days which appears on the “Reuters Screen” (as defined in the 2006 ISDA Definitions published by the International Swaps and

Derivatives Association, Inc.) as of 10:00 a.m., Toronto time, on the first Business Day of the applicable Payment Period or portion thereof, provided that if such rate does not appear on the Reuters Screen on such day, the rate for such Payment Period or portion thereof will be the average of the bid rates (expressed and rounded as set forth above) for Canadian dollar Bankers' Acceptances with a maturity of 30 days for same day settlement as quoted by such banks as named in Schedule I to the *Bank Act* (Canada) as may quote such a rate as of 10:00 a.m., Toronto time, on the first Business Day of the Payment Period.

**“Bank of America”** means Bank of America, N.A.

**“Bank Swaps”** means the Credit Default Swaps between each of MMAI-I Trust and Silverstone Trust and Deutsche Bank.

**“Bankers' Acceptances”** means bills of exchange, or drafts, drawn by a borrower for payment on a specified date and accepted by a bank.

**“Barclays”** means Barclays Bank PLC.

**“Base Trust Agreement”** means a base trust agreement dated as of August 20, 2006 between Securitrus (as settlor) and 2115921 Ontario Inc. (as trustee).

**“BE Certificate”** means one or more fully registered book entry certificates representing the MAV2 Notes and the MAV3 Notes and held by, or on behalf of, CDS Clearing and registered in the name of CDS Clearing or its nominee.

**“Beneficial Noteholders”** means Noteholders who do not hold certificates representing Affected ABCP directly but rather hold Affected ABCP in the name of a broker, investment dealer, bank, trust company or other nominee or custodian.

**“BlackRock Canada”** means, except as otherwise provided herein, BlackRock (Institutional) Canada, Ltd. or another subsidiary of BlackRock, Inc. that is appointed to administer the MAVs and manage their respective assets pursuant to the respective Administration and Management Agreements.

**“BMO”** means the Bank of Montreal, a Canadian Schedule I chartered bank.

**“BMO Trust”** means BMO Trust Company (formerly The Trust Company of Bank of Montreal).

**“BNY”** means BNY Trust Company of Canada, in its capacity as an Existing Note Indenture Trustee to certain of the ABCP Conduits, or in its capacity as an Original Issuer Trustee, as applicable.

**“Book-Entry Certificate Owner”** means the owner of an interest in a BE Certificate.

**“bps”** means basis points. One basis point is equal to one 100th of 1% or 0.01%.

**“Breaching MAV1 MFF Lender”** means a MAV1 MFF Lender who goes bankrupt, has its credit rating downgraded and fails to satisfy certain protective provisions or otherwise fails to fund its MAV1 MFF Lender's Commitment.

**“Breaching MAV2 Dealer/Lender”** means a MAV2 Dealer/Lender that commits a MAV2 Dealer/Lender Default.

**“Breaching Schedule I Bank”** means a MAV2 Schedule I Bank Lender that commits a MAV2 Schedule I Bank Default.

**“Business Day”** means a day other than a Saturday or Sunday on which banks are generally open for business in Toronto, Ontario and Montreal, Quebec.

**“Canada Trust”** means The Canada Trust Company, a predecessor to an Original Issuer Trustee of certain of the ABCP Conduits and a predecessor to an Existing Note Indenture Trustee.

**“Canadian Banks”** means, collectively, BMO, CIBC, National Bank, Royal Bank and Scotiabank and TD Bank.

**“cash collateral account”** or **“CCA”** means a support facility under which cash or highly liquid securities are maintained in an account for the benefit of a securitization. A CCA may provide liquidity, credit enhancement or both.

**“Cause”** means the specified circumstances that would allow BlackRock Canada's removal as Administrator and Asset Manager and/or the termination of each Administration and Management Agreement by the relevant MAV in accordance with the terms of its Administration and Management Agreement as set forth under “Duties of Administrator and Asset Manager — Resignation and Removal”.

**“CCAA”** means the *Companies' Creditors Arrangement Act* (Canada).

**“CCAA Parties”** means, collectively, the Issuer Trustees in respect of the Affected ABCP, namely 4446372 Canada Inc., 6932819 Canada Inc., Metcalfe & Mansfield Alternative Investments II Corp., Metcalfe & Mansfield Alternative Investments III Corp., Metcalfe & Mansfield Alternative Investments V Corp., Metcalfe & Mansfield Alternative Investments XI Corp., Metcalfe & Mansfield Alternative Investments XII Corp. and the ABCP Conduits.

**“CCAA Proceedings”** means the proceedings under the CCAA commenced by the Applicants in respect of the CCAA Parties.

**“CDO”** means Collateralized Debt Obligation.

**“CDPQ”** means Caisse de dépôt et placement du Québec.

**“CDS Event of Default”** means an “event of default” as defined in the ISDA master agreement.

**“CDS Clearing”** means CDS Clearing & Depositary Services Inc.

**“CDS Restructuring Documents”** means each of the new swap documents for the New CDSs (Master ISDA, ISDA Schedules and Confirms) to be entered into on the Plan Implementation Date.

**“CDX Index”** means a series of indices that track North American and emerging market credit derivative indices. The purpose of the combined indices is to track the performance of the various segments of credit derivatives so that the overall return can be benchmarked against funds that invest in similar products.

**“Chairman”** means Mr. Purdy Crawford, solely in his capacity as chairman of the Investors Committee.

**“CIBC”** means the Canadian Imperial Bank of Commerce, a Canadian Schedule I chartered bank.

**“CIBC Mellon”** means CIBC Mellon Trust Company, in its capacity as Existing Note Indenture Trustee to certain of the ABCP Conduits.

**“Citibank”** means Citibank N.A. or its affiliates, as the context requires

**“Citigroup”** means Citigroup Inc. and its affiliates.

**“Class A-1 Noteholders”** means the holders of Class A-1 Notes.

**“Class A-1 Notes”** means, collectively, the MAV1 Class A-1 Notes and the MAV2 Class A-1 Notes and **“Class A-1 Note”** refers to one of such notes.

**“Class A-2 Notes”** means, collectively, the MAV1 Class A-2 Notes and the MAV2 Class A-2 Notes and **“Class A-2 Note”** refers to one of such notes.

**“Class B Notes”** means, collectively the MAV1 Class B Notes and the MAV2 Class B Notes and **“Class B Note”** refers to one of such notes.

**“Class C Notes”** means, collectively, the MAV1 Class C Notes and the MAV2 Class C Notes and **“Class C Notes”** refers to one of such notes.

**“CMBS”** means commercial mortgage-backed securities.

**“COF”** means Coventree Inc.

**“Collateral Agent”** means the person appointed as collateral agent under the respective Master Security Agreements in respect of the assets securing the obligations of MAV1 and MAV2, respectively, to the Asset Providers, MFF Lenders, BlackRock and other service providers and the holders of the Class A Notes, the Class B Notes and the Class C Notes of MAV1 or MAV2, respectively.

**“Collateralized Debt Obligation”** means an investment collateralized or referenced to a portfolio of debt. An investor is exposed to losses in respect of companies included in the portfolio of debt above and below the specified threshold attachment point and detachment point, respectively or once more junior classes of notes absorb losses, following certain insolvency or similar events with respect to such companies. The collateral pools that back CDOs can be static or managed. If managed, the manager receives a fee for advising on the composition of the portfolio and has discretion to recommend sale and purchase of assets.

**“commercial mortgage-backed securities”** means a type of mortgage-backed security that is secured by one or more loans on a commercial property.

**“commercial paper”** or **“CP”** means a form of corporate or asset-backed note maturing less than one year from its date of issuance, typically issued at a discount, though sometimes on an interest-bearing basis.



**“Computershare”** means Computershare Trust Company of Canada, in its capacity as Existing Note Indenture Trustee to certain of the ABCP Conduits, as the Original Issuer Trustee, and as agent or attorney to certain of the Original Issuer Trustees of certain of the ABCP Conduits.

**“Conduit”** means a special purpose entity, typically in the form of a trust, used in an ABCP program that purchases assets and funds these purchases either through term securitizations or through the issuance of commercial paper.

**“Conduit Accounts”** means the trust accounts and/or other designated trust accounts of the ABCP Conduits.

**“Co-Owned Assets”** means the Traditional Assets within the Hybrid Assets, subject to the Co-Ownership Agreements.

**“Co-Ownership Agreement”** means the co-ownership agreement to be entered into between MAV1 and MAV2 on the Plan Implementation Date.

**“counterparty risk”** means the risk of default or non-performance by the other party in a contractual arrangement, most typically a support provider in a liquidity agreement, credit enhancement or swap.

**“Court”** means the Ontario Superior Court of Justice.

**“Coventree”** means Coventree Capital Inc., the ABCP Sponsor of the following ABCP Conduits: Apollo Trust, Aurora Trust, Comet Trust, Gemini Trust, Planet Trust, Rocket Trust and Slate Trust.

**“CRA”** means the Canada Revenue Agency.

**“credit arbitrage”** means a strategy whereby a Conduit funds highly-rated securities, and in which investors are only exposed to the risk of default, or credit risk, of those securities, and not to the risk of market value or price change.

**“Credit Default Swap”** means a derivative contract (economically similar to an insurance contract) in which one party (the “protection seller”) agrees to make variable payments to the other (the “protection buyer”) if a specified credit event occurs in respect of a specified entity or security (the “reference entity”) in exchange for a stream of prescribed fixed payments.

**“credit enhancement”** means support designed to cover losses incurred by a particular pool of assets. Typically, credit enhancement is provided in the form of over-collateralization or seller recourse, but may also include a seller-specific letter of credit, guarantee or surety bond.

**“credit event”** means an event that is referenced in a Credit Default Swap transaction that triggers a payment made by the protection seller to the protection buyer with the amount of the payment equal to the buyer’s net loss on the reference obligation. Typical credit events include (but are not limited to) a reference entity’s (i) failure to pay its financial obligations, (ii) bankruptcy, (iii) default or acceleration of its financial obligations, (iv) restructuring of its financial obligations and (v) repudiation or moratorium (typically for sovereign reference entities) with respect to its financial obligations.

**“Credit Risk Asset”** means any Managed Asset that BlackRock Canada believes, in its commercially reasonable judgment, either (i) has a significant risk of declining in credit quality (including, in the case of a synthetic asset, counterparty risk) since the Plan Implementation Date, or has declined in credit quality since the date of acquisition thereof by a Conduit, and, with lapse of time, suffering an event of default or termination event thereunder or a writedown in the par amount thereof (or, with respect to a counterparty, a significant risk of nonperformance), (ii) has a significant risk of declining in market value from its market value as of the Plan Implementation Date, or (iii) has a current market value that is inconsistent with the Asset Manager’s assessment of intrinsic value.

**“Danske”** means Danske Bank A/S and its affiliates.

**“DBRS”** means DBRS Limited, a rating agency.

**“Declarations of Trust”** means, collectively, the MAV1 Declaration of Trust, the MAV2 Declaration of Trust and the MAV3 Declaration of Trust.

**“Deemed Spread-Loss Trigger Event”** means the event that will occur when (i) one Spread-Loss Trigger Event has already occurred and (ii) the Initial Collateral Pool for any Asset Provider for whom an LSS is or has been subject to a Spread-Loss Trigger Event does not equal or exceed each such Asset Provider’s MAV1 Required Collateral.

**“Deemed Termination Option”** means the option in the Omnibus Agreement Term Sheet provided to certain Asset Providers in the event of a Terminal Unwind Event or a Partial Terminal Unwind Event, that allows an Electing

Counterparty not to terminate its LSS CDSs with the relevant MAV and continue to pay to the relevant MAV the premium under its LSS CDSs.

**“Deemed Termination Payment”** means the aggregate exposures of an Electing Counterparty’s LSS CDSs over the termination payment that would have been payable to the Electing Counterparty had it not exercised its Deemed Termination Option and had instead terminated its LSS CDSs.

**“Defaulting MFF Asset Provider”** means an Asset Provider who is a Defaulting Party or an Affected Party.

**“Defaulting Party”** means a party in respect of which an event of default has occurred and is then continuing under a New CDS.

**“deferred plans”** means, collectively, a registered retirement savings plan, a registered retirement income fund, a deferred profit sharing plan, a registered education savings plan or a registered disability savings plan.

**“Definitive Notes”** means notes in fully registered certificated form.

**“Delegee”** means any person that has been subcontracted by a Direct Service Provider to provide services under each Administration and Management Agreement.

**“Depository”** means CIBC Mellon Trust Company.

**“detachment point”** means the maximum level of losses in a portfolio to which a tranche is exposed.

**“Deutsche Bank”** means Deutsche Bank A.G. and its affiliates.

**“Direct Service Provider”** means BlackRock Canada or any affiliate of BlackRock Canada that is providing services to a MAV under each Administration and Management Agreement.

**“Draw Amount”** means the amount of maturing ABCP on a given day that benefits from liquidity support.

**“E&Y”** means Ernst & Young Inc. and any of its affiliates, partners, officers, directors, employees, agents, subcontractors and legal counsel in respect of the services they provided to the Investors Committee and the Applicants including in respect of services provided in its capacity as the Monitor.

**“Effective Time”** means the first moment in time on the Plan Implementation Date.

**“Electing Counterparty”** means an Asset Provider that chooses to exercise its Deemed Termination Option.

**“Eligibility Criteria”** means the investment criteria set out in the Administration and Management Agreements.

**“Eligible Institution”** means a depository institution, unless otherwise approved by the Rating Agency, which at all times (i) has a short-term unsecured debt rating of not less than “R-1 (middle)” by the Rating Agency, or, if it does not have a short term rating, a long-term unsecured debt rating of not less than “AA (low)” by the Rating Agency or (ii) has its obligations in favour of the applicable MAV guaranteed by an institution with either of the ratings referred to in (i).

**“Eligible Investments”** means investments made with proceeds derived from Managed Assets and reinvested in accordance with the Eligibility Criteria.

**“Eligible Jurisdictions”** means the U.S. jurisdictions in which the offer of Plan Notes pursuant to the Plan is qualified from time to time.

**“Event of Default”** means, in the case of MAV1, MAV2 or MAV3, as applicable, circumstances which would constitute an event of default under the MAV1 Trust Indenture, the MAV2 Trust Indenture or the MAV3 Trust Indenture.

**“Exclusively Traditional Assets”** means the Traditional Assets that secure a Series of Affected ABCP where that Series of Affected ABCP is secured exclusively by such Traditional Assets.

**“Existing CDS”** means a Credit Default Swap contract that is in existence prior to the Plan Implementation Date between the ABCP Conduits and the Asset Providers including Existing LSS CDSs and Existing Unleveraged CDSs.

**“Existing Indemnity Claims”** means all indemnities pursuant to the existing trust documents with respect to ABCP Conduits including all contractual indemnities given by them or arising therefrom notwithstanding any release provided for in the Plan pursuant to the CCAA with respect to the Existing Conduits or contractual release thereto.

**“Existing LSS CDS”** means an Existing CDS that is a LSS.

**“Existing Note Indenture Trustees”** means, collectively, the note indenture trustees under the trust indentures entered into in respect of the ABCP Conduits, namely BNY (as successor to the Trust Company of Bank of Montreal),

CIBC Mellon, Computershare (as note indenture trustee or as agent to The Canada Trust Company, as the case may be) and Natcan with regard to the ABCP Conduits.

**“Existing Unleveraged CDS”** means an Existing CDS where the amount of collateral posted to support the swap is equal to the notional amount of the exposure thereon.

**“Extendible Notes”** means ABCP with an initial scheduled maturity, but which may, at the option of the issuer, be extended on the scheduled maturity for some fixed period to a final maturity, usually at a higher rate of interest and may, where the context requires, include extendible notes forming part of the Affected ABCP.

**“Filing Date”** means March 17, 2008.

**“Final MFF Maturity Date”** means the earlier of (i) June 20, 2017 and (ii) the date upon which all obligations of the respective MAV under the New CDSs have been paid in full.

**“financial advisor”** means the financial advisor to the Investors Committee.

**“First Report”** means the first report of E&Y filed with the Court on March 17, 2008.

**“Financial Services Agents”** means the entities responsible for providing or causing to be provided the financial, originating, structuring and analytical services required to permit and cause the ABCP Conduits to issue commercial paper and acquire the assets that secure the commercial paper.

**“First Spread-Loss Trigger Event”** means either a MAV1 First Spread-Loss Trigger Event or a MAV2 First Spread-Loss Trigger Event.

**“Floating Rate Notes”** or **“FRN”** means medium or long term debt instruments with a variable interest rate, adjusted periodically and tied to a money-market index such as treasury bill rates and may, where the context requires, include floating rate notes forming part of the Affected ABCP.

**“Form of Proxy”** means the form of proxy (printed on green paper) included with this Information Statement pursuant to which a Noteholder may vote without attending the Meeting and/or may appoint a proxy.

**“Framework Agreement”** means the agreement in principle dated as of December 23, 2007 among the members of the Investors Committee, the Asset Providers, the ABCP Sponsors and the ABCP Conduits by their Issuer Trustees, the CCAA Parties.

**“GD Swap Restructuring Agreements”** means the definitive documentation necessary to give effect to the agreement in principle for the restructuring of the GD Swaps.

**“GD Swaps”** means the mirrored back-to-back Credit Default Swaps between (i) MMAI-I Trust and Global Diversified Investment Grade Income Trust and Global Diversified Investment Grade Private Trust and (ii) Silverstone Trust and Global Diversified Investment Grade Income Trust II.

**“GD Trusts”** means, collectively, Global Diversified Investment Grade Income Trust, Global Diversified Investment Grade Private Trust and Global Diversified Investment Grade Income Trust II.

**“Global Agreements”** means liquidity agreements in which a Market Disruption Event is not a condition to funding by a Liquidity Provider.

**“Global DIGIT Arrangements”** means the arrangements between the GD Trusts, Silverstone Trust and MMAI-I Trust relating to the disengagement of certain back-to-back swaps with Deutsche Bank from MMAI-I and Silverstone.

**“Goodmans”** means Goodmans LLP.

**“HSBC”** means, collectively, HSBC Bank USA, National Association and HSBC Bank Canada.

**“HSBC plc”** means HSBC Holdings plc.

**“Hybrid Assets”** means a combination of Synthetic Assets and Traditional Assets.

**“IA Obligations”** means the obligations of each class of IA Tracking Note under the terms of the applicable IA Tracking Note Trust Indenture.

**“IA Tracking Note Trust Indentures”** means trust indentures of MAV1 and MAV2 dated as of the Plan Implementation Date pursuant to which the IA Tracking Notes will be issued.

**“IA Tracking Notes”** means the notes to be issued by MAV1 and MAV2 upon implementation of the Plan, to Noteholders who hold Affected ABCP secured by Ineligible Assets.

**“Income Tax Regulations”** means regulations, as amended, made pursuant to the Tax Act.

**“Indemnified Taxes”** means any tax imposed under the provisions of Part XIII of the *Income Tax Act* (Canada) or required to be withheld under Section 105 of the Regulations under the *Income Tax Act* (Canada), in each case as amended from time to time, together with any penalties and interest with respect thereto.

**“Ineligible Assets”** means those assets supporting one or more Series of Affected ABCP and which assets have been deemed to be ineligible for pooling in any of the MAVs by reason of their exposure to U.S. sub-prime mortgages or other U.S. home equity loans.

**“Information Statement”** means this Information Statement including the attached appendices and exhibits.

**“Initial Collateral Pool”** means the pool of collateral to which a particular Asset Provider is entitled as of the Plan Implementation Date.

**“Initial Order”** means the initial order of the Court dated March 17, 2008, pursuant to which, among other things, the Court first granted a stay of proceedings with respect to the CCAA Parties, as same may be further amended from time to time.

**“Investment Advisers Act”** means the United States Investment Advisers Act of 1940.

**“Investment Company Act”** means the United States Investment Company Act of 1940.

**“Investors Committee”** means the Pan-Canadian Investors Committee for Third-Party Structured Asset-Backed Commercial Paper that is comprised of representatives from the following institutions: ATB Financial, CDPQ, Canaccord Capital Corporation, Canada Mortgage and Housing Corporation, Canada Post Corporation, Credit Union Central Alberta Limited, Credit Union Central of British Columbia, Credit Union Central of Canada, Credit Union Central of Ontario, Credit Union Central of Saskatchewan, Desjardins Group, Magna International Inc., National Bank, NAV Canada, Northwater Capital Management Inc., PSP Investments and the University of Alberta.

**“ISDA”** means the International Swaps and Derivatives Association, Inc., an industry organization that sets the standards and provides the templates for over-the-counter derivatives and other relevant documentation.

**“Issuer Trustees”** means, collectively, the issuer trustees of each of the ABCP Conduits, namely, 4446372 Canada Inc., 6932819 Canada Inc., Metcalfe & Mansfield Alternative Investments II Corp., Metcalfe & Mansfield Alternative Investments III Corp., Metcalfe & Mansfield Alternative Investments V Corp., Metcalfe & Mansfield Alternative Investments XI Corp. and Metcalfe & Mansfield Alternative Investments XII Corp. and **“Issuer Trustee”** means any one of them. The Issuer Trustees, together with the ABCP Conduits, are sometimes referred to, collectively, as the **“CCAA Parties”**.

**“Issuing and Paying Agent”** means a party that handles the mechanics of delivering ABCP notes to investors in return for payment, and redeeming them at maturity. The issuing and paying agent is sometimes referred to as the “depository”.

**“Traxx Index”** means the family of credit default swap index products covering regions in Europe, Japan and non-Japan Asia. The indices are constructed on a set of rules with the overriding criterion being that of liquidity of the underlying Credit Default Swaps.

**“JPMorgan”** means, collectively, JPMorgan Securities Inc. and JPMorgan Securities Canada Inc., the financial advisor to the Investors Committee.

**“JPMorgan Report”** means the JPMorgan Report on Restructuring including the Relative Contribution Analysis, which report is attached to this Information Statement as Exhibit D.

**“Form of Election”** means the form of election (printed on yellow paper) included with this Information Statement pursuant to which a Noteholder may elect to participate in either MAV1 or MAV2.

**“Leveraged Super Senior”** means a leveraged form of Synthetic CDO for which the amount of credit protection sold is greater than the amount of collateral pledged by the credit protection seller and for which the risk of loss on the underlying credit is determined by one or more rating agencies to be lower than the risk of loss on an AAA-rated security. LSS trades have embedded triggers whereby the protection buyer may make margin calls to secure more fully its exposure to the protection seller.

**“LIBOR”** means the London Interbank Offer Rate, a commonly used reference interest rate set by commercial banks in London.

**“liquidity agreement”** means the agreement, typically among a Conduit, a liquidity agent and a Liquidity Provider that establishes a liquidity facility for an ABCP program which may be used to fund the repayment of ABCP on maturity, including the terms, conditions and the specifics of the circumstances under which liquidity support would be provided. Liquidity agreements may be in the form of a loan agreement, purchase agreement, an ISDA document such as a derivative contract, or can otherwise be embedded into the structure of a particular transaction. There are two broad categories of liquidity agreements, Global Agreements and MDE Agreements.

**“Liquidity Notes”** means the liquidity pledge bonds issued by SAT and Planet Trust, respectively, to secure such ABCP Conduit’s obligations under specified liquidity agreements and which Liquidity Notes form part of the Affected ABCP.

**“Liquidity Provider”** means a party that agreed to provide liquidity funding upon the terms and subject to the conditions of a liquidity agreement in respect of an ABCP program. The Liquidity Providers in respect of the Affected ABCP include, without limitation: ABN AMRO Bank N.V., Canada Branch; Bank of America N.A., Canada Branch; Canadian Imperial Bank of Commerce; Citibank Canada; Citibank, N.A.; Danske Bank A/S; Deutsche Bank AG; HSBC Bank Canada; HSBC Bank USA National Association; Merrill Lynch Capital Services, Inc.; Merrill Lynch International; Royal Bank of Canada; Swiss Re Financial Products Corporation; The Bank of Nova Scotia; The Royal Bank of Scotland plc and UBS AG.

**“Long Notional Amount”** means the maximum amount that a “protection seller” in a Credit Default Swap may be required to pay in the event of a loss with respect to that Credit Default Swap.

**“LSS”** means Leveraged Super Senior.

**“LSS CDS Counterparty”** means a counterparty to a New CDS that is a LSS.

**“Majority Secured Creditors”** means any Asset Providers whose collateral entitlements under any New CDSs of such Asset Providers are not less than a certain percentage of the aggregate of all collateral entitlements.

**“Managed Assets”** means, collectively: (i) the Transferred LSS and Hybrid Assets; the Exclusively Traditional Assets, and the Ineligible Assets, (ii) substitute investments, including any credit derivatives (including, without limitation, credit default swaps and total return swaps) related thereto; and (iii) any proceeds of the foregoing and any proceeds from reinvestment thereof.

**“Margin Funding Facilities”** means, collectively, the MAV1 Margin Funding Facility and the MAV2 Margin Funding Facility.

**“Margin Funding Facility Agreements”** means collectively, the MAV1 Margin Funding Facility Agreement and the MAV2 Margin Funding Facility Agreement.

**“Margin Funding Facility Term Sheet”** means the term sheet that sets out the material terms of the Margin Funding Facility Agreements.

**“mark-to-market”** means the process of pricing or valuing an asset or financial instrument according to current market rates.

**“Market Disruption Event”** means a phrase specific to Canadian ABCP market liquidity agreements that generally stipulates the ABCP market condition(s) that must exist as a condition precedent to funding by a Liquidity Provider, the definition of which may differ from liquidity agreement to liquidity agreement.

**“Master Asset Vehicles”** or **“MAVs”** means, collectively, MAV1, MAV2 and MAV3 or MAVs and **“Master Asset Vehicle”** means any one of MAV1, MAV2 or MAV3.

**“Master Release Agreement”** means the release agreement to be effective on the Plan Implementation Date among the ABCP Conduits, the ABCP Sponsors, the Administrative Agents, the Financial Services Agents, the Asset Providers, the Issuer Trustees, the Original Issuer Trustees, the Existing Note Indenture Trustees, the Canadian Banks, the Liquidity Providers, the ABCP Dealers, the Rating Agency and the institutions represented by the Applicants.

**“Master Release Parties”** means the parties to the Master Release Agreement.

**“Master Security Agreements”** means, collectively, the MAV1 Master Security Agreement and the MAV2 Master Security Agreement.

**“MAV1”** means the trust to be established under the laws of the Province of Ontario into which will be transferred, upon implementation of the Plan, a percentage of the Synthetic and Hybrid Assets and Ineligible Assets of the Affected



ABCP equal to the percentage of Affected ABCP held by Noteholders that, pursuant to the terms of the Plan, validly elect to participate in MAV1.

**“MAV1 Additional Collateral”** means: (i) the Traditional Assets, including any Traditional Assets that are also Hybrid Assets, that are transferred to MAV1; (ii) the New Unleveraged CDSs (valued on a mark-to-market basis); (iii) the advances under the MAV1 Margin Funding Facility and all investments funded by the MAV1 Margin Funding Facility; and (iv) any portion of the MAV1 Original Collateral that secures a Credit Default Swap that is terminated resulting in an excess of MAV1 Original Collateral after any required termination payments are made to such Asset Provider.

**“MAV1 Advisory Committee”** means the committee of MAV1 established to provide a forum for consultation and collective consideration of appropriate actions to be taken by the Administrator and Asset Manager with respect to the management of the assets to be held by MAV1.

**“MAV1 Asset Provider Default”** means an event under a MAV1 New CDS where an Asset Provider is the Defaulting Party or the Affected Party.

**“MAV1 Breaching Asset Provider”** means an Asset Provider who is the Defaulting Party or the Affected Party under a MAV1 New CDS.

**“MAV1 Class A-1 Note”** means a class A-1 note of MAV1 that a Noteholder electing to participate in MAV1 receives in exchange for its Affected ABCP.

**“MAV1 Class A-1 Note Termination Date”** means the first to occur of (a) the date on which all principal and interest owing under the MAV1 Class A-1 Notes have been repaid in full, or (b) the MAV1 Maturity Date.

**“MAV1 Class A-2 Note”** means a class A-2 note of MAV1 that a Noteholder electing to participate in MAV1 receives in exchange for its Affected ABCP.

**“MAV1 Class A-2 Note Termination Date”** means the first to occur of (a) the date on which all principal and interest owing under the MAV1 Class A-2 Notes have been repaid in full, or (b) the MAV1 Maturity Date.

**“MAV1 Class B Note”** means a class B note of MAV1 that a Noteholder electing to participate in MAV1 receives in exchange for its Affected ABCP.

**“MAV1 Class B Note Termination Date”** means the first to occur of (a) the date on which all principal and interest owing under the MAV1 Class B Notes have been repaid in full, or (b) the MAV1 Maturity Date.

**“MAV1 Class C Note”** means a class C note of MAV1 that a Noteholder electing to participate in MAV1 receives in exchange for its Affected ABCP.

**“MAV1 Class C Note Termination Date”** means the first to occur of (a) the date on which all principal and interest owing under the MAV1 Class C Note have been repaid in full, or (b) the MAV1 Maturity Date.

**“MAV1 Controlling Class”** means the: (i) MAV1 Class A-1 Notes and MAV1 Class A-2 Notes (voting together) or, (ii) if no MAV1 Class A-1 Notes or MAV1 Class A-2 Notes are then outstanding, MAV1 Class B Notes, or (iii) if no MAV1 Class A-1 Notes, MAV1 Class A-2 Notes or MAV1 Class B Notes are then outstanding, MAV1 Class C Notes.

**“MAV1 Declaration of Trust”** means the declaration of trust to be dated on or prior to the Plan Implementation Date pursuant to which MAV1 will be established.

**“MAV1 Eligibility Requirements”** means the requirements that a Noteholder must satisfy in order to participate in MAV1, namely: (i) either (a) the Noteholder possesses a rating of its long-term debt of AA (low) or higher from DBRS or is, in the case of the initial issuance of the Plan Notes, otherwise approved by the Asset Providers and DBRS, or (b) the Noteholder posts its *pro rata* share of cash or other prescribed securities to fund the MAV1 Margin Funding Facility for the term thereof, and (ii) the Noteholder is a MAV1 Eligible Person, and, (iii) in the case of the initial issuance, the Noteholder held Affected ABCP on December 23, 2007.

**“MAV1 Eligible Person”** means one of the following Persons: (i) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, league or Schedule II bank that, in each case is authorized by enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada; (ii) a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer (other than solely as a limited market dealer); (iii) the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly-owned entity of the Government of Canada or any jurisdiction of Canada; (iv) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comite de

gestion de la taxe scolaire de l'Ile de Montreal or an intermunicipal management board in Quebec; (v) any national, federal, state, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government; (vi) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission of a similar regulatory authority of a jurisdiction of Canada, holding directly or indirectly; (vii) a trust company or trust corporation registered and authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of fully managed accounts managed by the trust company or trust corporation, as the case may be, or (viii) a wholly-owned subsidiary of any of the foregoing.

**“MAV1 First Spread-Loss Trigger Event”** means the first Spread-Loss Trigger Event to occur in relation to MAV1.

**“MAV1 IA Tracking Note”** means an IA Tracking Note issued by MAV1.

**“MAV1 Initial Collateral Pool”** means the pool of collateral held on behalf of each Asset Provider by the Collateral Agent as of the Plan Implementation Date with respect to MAV1.

**“MAV1 Margin Funding Facility”** means the secured margin call facility established in connection with MAV1 pursuant to the MAV1 Margin Funding Facility Agreement to be used, if necessary, to fund collateral calls and termination payments under ISDA agreements and the related credit support arrangements to the extent not otherwise satisfied through available collateral.

**“MAV1 Margin Funding Facility Agreement”** means the credit agreement to be dated as of the Plan Implementation Date between, among others, MAV1, the participants in MAV1 to support the MAV1 Margin Funding Facility.

**“MAV1 Master Security Agreement”** means the security agreement entered into between MAV1, the Collateral Agent, the Asset Providers, the MAV1 MFF Lenders and the New Indenture Trustee on behalf of the MAV1 Noteholders which outlines the circumstances under which the MAVs may request margin funding from the MFF Lenders in the event of certain events with respect to the Transferred Synthetic and Hybrid Assets.

**“MAV1 MFF Lender Defaulted Commitment”** means the MAV1 MFF Lender's Commitment that a MAV1 MFF Lender fails to fund under the MAV1 Margin Funding Facility.

**“MAV1 MFF Lender's Commitment”** means the amount of funding a MAV1 MFF Lender has committed to provide to the applicable MAV pursuant to the terms of the MAV1 Margin Funding Facility Agreement to which it is a party.

**“MAV1 MFF Lenders”** means, collectively, the lenders that are party to the MAV1 Margin Funding Facility Agreement.

**“MAV1 New CDSs”** means the new Credit Default Swap contracts entered into between MAV1 and each Asset Provider.

**“MAV1 Noteholders”** means the holders of MAV1 Notes.

**“MAV1 Notes”** means, collectively, the MAV1 Class A-1 Notes, the MAV1 Class A-2 Notes, the MAV1 Class B Notes and the MAV1 Class C Notes and **“MAV1 Note”** refers to any one of such MAV1 Class A-1 Notes, MAV1 Class A-2 Notes, MAV1 Class B Notes or MAV1 Class C Notes.

**“MAV1 Omnibus Agreement”** means the agreement between MAV1, the MAV1 MFF Lenders and the Asset Providers providing for (i) the collateral posting mechanics, and (ii) the consequences of a default by each party with respect to their various obligations.

**“MAV1 Original Collateral”** means the collateral of the LSS and unleveraged Credit Default Swaps that will be transferred to MAV1 that an Asset Provider had a security interest in prior to the implementation of the Plan.

**“MAV1 Maturity Date”** means July 15, 2056.

**“MAV1 Required Collateral”** means the required collateral for each Asset Provider's exposure plus 20% of the initial funded notional amount of such MAV1 LSS.

**“MAV1 Second Spread-Loss Trigger Event”** means a Spread-Loss Event that occurs after the MAV1 First Spread-Loss Trigger Event.

**“MAV1 Total Available Collateral”** means a global pool of collateral composed of each MAV1 Initial Collateral Pool and shared amongst all Asset Providers.

**“MAV1 Trust Indenture”** means the trust indenture to be dated as of the Plan Implementation Date between MAV1 and the New Indenture Trustee.

**“MAV2”** means the trust to be established under the laws of the Province of Ontario into which will be transferred, upon implementation of the Plan, a percentage of the Synthetic and Hybrid Assets and Ineligible Assets of the Affected ABCP equal to the percentage of Affected ABCP held by Noteholders that, pursuant to the terms of the Plan, elect or are deemed to elect, to participate in MAV2.

**“MAV2 Additional Collateral”** means: (i) the Traditional Assets that are also Hybrid Assets that are transferred to MAV2; (ii) the New Unleveraged CDSs (valued on a market-to market basis); (iii) the advances under the MAV2 Collateral Funding Facility and all investments funded by the MAV2 Margin Funding Facility; and (iv) any portion of the MAV2 Original Collateral that secures a Credit Default Swap which is terminated resulting in an excess of MAV2 Original Collateral after any required termination payments are made to such Asset Provider.

**“MAV2 Additional Notes”** means notes issued by MAV2 in one or more classes at any time or from time to time in the event that its MAV2 Collateral Funding Facility is insufficient to meet its collateral posting requirements.

**“MAV2 Advisory Committee”** the advisory committee to be established to liaise with, provide advice to and be available for consultation with BlackRock.

**“MAV2 Asset Provider Default”** means an event of default under a MAV2 New CDS where an Asset Provider is the Affiliated Party.

**“MAV2 Breaching Asset Provider”** means an Asset Provider who is the Defaulting Party or the Affected Party under a MAV2 New CDS.

**“MAV2 Class A-1 Note”** means a class A-1 note of MAV2 that a Noteholder participating in MAV2 receives in exchange for its Affected ABCP.

**“MAV2 Class A-1 Note Termination Date”** means the first to occur of (a) the date on which all principal and interest owing under the MAV2 Class A-1 Notes have been repaid in full, or (b) the MAV2 Maturity Date.

**“MAV2 Class A-2 Note”** means a class A-2 note of MAV2 that a Noteholder participating in MAV2 receives in exchange for its Affected ABCP.

**“MAV2 Class A-2 Note Termination Date”** means the first to occur of (a) the date on which all principal and interest owing under the MAV2 Class A-2 Notes have been repaid in full, or (b) the MAV2 Maturity Date.

**“MAV2 Class B Note”** means a class B note of MAV2 that a Noteholder participating in MAV2 receives in exchange for its Affected ABCP.

**“MAV2 Class B Note Termination Date”** means the first to occur of (a) the date on which all principal and interest owing under the MAV2 Class B Notes have been repaid in full, or (b) the MAV2 Maturity Date.

**“MAV2 Class C Note”** means a class C note of MAV2 that a Noteholder participating in MAV2 receives in exchange for its Affected ABCP.

**“MAV2 Class C Note Termination Date”** means the first to occur of (a) the date on which all principal and interest owing under the MAV2 Class C Notes have been repaid in full, or (b) the MAV2 Maturity Date.

**“MAV2 Controlling Class”** means the: (i) MAV2 Additional Notes, or (ii) if no MAV2 Additional Notes are then outstanding, MAV2 Class A-1 Notes and MAV2 Class A-2 Notes (voting together) or, (iii) if no MAV2 Additional Notes, MAV2 Class A-1 Notes or MAV2 Class A-2 Notes are then outstanding, MAV2 Class B Notes, or (iv) if no MAV2 Additional Notes, MAV2 Class A-1 Notes, MAV2 Class A-2 Notes or MAV2 Class B Notes are then outstanding, MAV2 Class C Notes.

**“MAV2 Dealer/Lender”** means an Asset Provider that is a MAV2 MFF Lender.

**“MAV2 Dealer/Lender Default”** means a failure of a MAV2 Dealer/Lender to (i) fund its advances under the MAV2 Margin Funding Facility or (ii) satisfy the ratings test (as set out in the MAV2 Margin Funding Facility).

**“MAV2 Declaration of Trust”** means the declaration of trust to be dated on or prior to the Plan Implementation Date pursuant to which MAV2 will be established.

**“MAV2 Deleveraging Option”** means the option under which a MAV2 MFF Lender is not required to make advances under the MAV2 Margin Funding Facility provided it meets certain criteria.

**“MAV2 First Spread-Loss Trigger Event”** means the first Spread-Loss Trigger Event to occur in relation to MAV2.

**“MAV2 Initial Collateral Pool”** means the pool of collateral held on behalf of each Asset Provider by the Collateral Agent as of the Plan Implementation Date with respect to MAV2.

**“MAV2 Margin Funding Facility Agreement”** means the credit agreement to be dated as of the Plan Implementation Date between MAV2, the Canadian Banks, certain Asset Providers and, potentially, certain other parties, to support the MAV2 Margin Funding Facility.

**“MAV2 Margin Funding Facility”** means the secured margin call facility established in connection with MAV2 pursuant to the MAV2 Margin Funding Facility Agreement to be used, if necessary, to fund collateral calls and termination payments under ISDA agreements and the related credit support arrangements to the extent not otherwise satisfied through available collateral.

**“MAV2 Master Security Agreement”** means the security agreement entered into between MAV2, the Collateral Agent, the Asset Providers, the MAV2 MFF Lenders and the New Indenture Trustee on behalf of the MAV2 Noteholders.

**“MAV2 Maturity Date”** means July 15, 2056.

**“MAV2 MFF Lender’s Commitment”** means the amount of funding a MAV2 MFF Lender has committed to provide to MAV2 pursuant to the terms of the MAV2 Margin Funding Facility Agreement.

**“MAV2 MFF Lenders”** means, collectively, the lenders that are party to the MAV2 Margin Funding Facility Agreement.

**“MAV2 New CDSs”** means the new CDS contracts entered into between MAV2 and each Asset Provider.

**“MAV2 Noteholders”** means the holders of MAV2 Notes.

**“MAV2 Notes”** means, collectively, the MAV2 Class A-1 Notes, the MAV2 Class A-2 Notes, the MAV2 Class B Notes and the MAV2 Class C Notes and **“MAV2 Note”** refers to any one of such MAV2 Class A-1 Notes, MAV2 Class A-2 Notes, MAV2 Class B Notes or the MAV2 Class C Notes.

**“MAV2 Omnibus Agreement”** means the agreement between MAV2, the MAV2 MFF Lending and the Asset Providers providing for (i) the collateral posting mechanics, and (ii) the consequences of a default by each party with respect to their various obligations.

**“MAV2 Original Collateral”** means the collateral of the LSS and unleveraged Credit Default Swaps that will be transferred to MAV2 that an Asset Provider had a security interest in prior to the implementation of the Plan.

**“MAV2 Required Collateral”** means the required collateral for each Asset Provider’s exposure plus 20% of the initial funded notional amount of the relevant MAV2 LSS.

**“MAV2 Schedule I Bank Default”** means a failure of a MAV2 Schedule I Bank Lender to (i) fund its advances under the MAV2 Margin Funding Facility or (ii) satisfy the ratings test (as set out in the MAV2 Margin Funding Facility) and fails to take remedial action pursuant to the MAV2 Margin Funding Facility.

**“MAV2 Schedule I Bank Lender”** means a Canadian Schedule I Bank that is a MAV2 MFF Lender.

**“MAV2 Second Spread-Loss Trigger Event”** means a Spread-Loss Event that occurs after the MAV2 First Spread-Loss Trigger Event.

**“MAV2 Total Available Collateral”** means a global pool of collateral composed of the MAV2 Initial Collateral Pool and shared amongst all Asset Providers.

**“MAV2 Trust Indenture”** means the trust indenture to be dated as of the Plan Implementation Date between MAV2 and the New Indenture Trustee governing MAV2.

**“MAV3”** means the newly formed trust vehicle to be established under the laws of the Province of Ontario into which will be transferred, upon implementation of the Plan: (i) the Exclusively Traditional Assets; and (ii) the assets that back Subordinated ABCP.

**“MAV3 Declaration of Trust”** means the declaration of trust to be dated on or before the Plan Implementation Date pursuant to which the Issuer Trustee will establish MAV3.

**“MAV3 IA Tracking Notes”** means the notes to be issued by MAV3 upon implementation of the Plan, to Noteholders who hold Affected ABCP backed by Ineligible Assets.

**“MAV3 Notes”** means, collectively, the TA Tracking Notes, MAV3 IA Tracking Notes and the SN Tracking Notes and **“MAV3 Note”** refers to one of such TA Tracking Notes, MAV3 IA Tracking Notes or SN Tracking Notes.

**“MAV3 Tracking Note Trust Indenture”** means the trust indenture of MAV3 dated as of the Plan Implementation Date pursuant to which MAV3 will issue the MAV3 Notes.

**“MAV”** means, anyone of MAV1, MAV2, or MAV3 (collectively referred to as “MAVs”).

**“MDE”** means Market Disruption Event.

**“MDE Agreements”** means liquidity agreements under which liquidity advances are only available in the event there has been a Market Disruption Event.

**“Meeting”** means the meeting of the Noteholders to be held pursuant to the Meeting Order to consider the Plan and includes any meeting resulting from any adjournment thereof.

**“Meeting Order”** means the Order granted by the Court directing the calling and the holding of the Meeting, a copy of which is set out as Exhibit C to this Information Statement.

**“Merrill Lynch”** means Merrill Lynch & Co., Inc. and its affiliates.

**“Metcalf & Mansfield”** means Metcalfe & Mansfield Capital Corporation, a wholly-owned subsidiary of Quanto.

**“Metcalf & Mansfield I”** means Metcalfe & Mansfield Alternative Investments Corp., an Original Issuer Trustee of certain of the ABCP Conduits.

**“Metcalf & Mansfield II”** means Metcalfe & Mansfield Alternative Investments II Corp., an Issuer Trustee to an ABCP Conduit.

**“Metcalf & Mansfield III”** means Metcalfe & Mansfield Alternative Investments III Corp., an Issuer Trustee to an ABCP Conduit.

**“Metcalf & Mansfield V”** means Metcalfe & Mansfield Alternative Investments V Corp., an Issuer Trustee to an ABCP Conduit.

**“Metcalf & Mansfield XI”** means Metcalfe & Mansfield Alternative Investments XI Corp., an Issuer Trustee to an ABCP Conduit.

**“Metcalf & Mansfield XII”** means Metcalfe & Mansfield Alternative Investments XII Corp., an Issuer Trustee to an ABCP Conduit.

**“MFF Deferral Election”** means the election under which MFF Lender may defer its obligation to make advances under a Margin Funding Facility pursuant to the terms of a Margin Funding Agreement.

**“MFF Lender’s Commitment”** means the amount of funding each MFF Lender has committed to provide to the respective MAVs pursuant to the terms of the respective Margin Funding Facility Agreements.

**“MFF Lenders”** means, collectively, the MAV1 MFF Lenders and the MAV2 MFF Lenders.

**“Miller Thomson”** means Miller Thomson LLP.

**“Monitor”** means Ernst & Young Inc., in its capacity as the court-appointed monitor appointed pursuant to the Initial Order, and any successor thereto appointed in accordance with any further Order of the Court.

**“Montreal Accord”** means the agreement reached on August 16, 2007 between ABN AMRO, Barclays Capital, CDPQ, Desjardins Group, Deutsche Bank, HSBC, Merrill Lynch, National Bank, PSP Investments and UBS providing for certain interim arrangements to address the status of illiquid Third-Party ABCP including an initial 60-day standstill period during which time there would be no margin calls or calls on liquidity facilities and no new calls on liquidity facilities for 150 days following the expiry of such standstill period.

**“Montreal Trust”** means Montreal Trust Company of Canada, in its capacity as Issuer Trustee to the following ABCP Conduit: Selkirk Funding Trust.



**“MTM Trigger”** means mark-to-market trigger.

**“Natcan”** means Natcan Trust Company, in its capacity as Existing Note Indenture Trustee to certain of the ABCP Conduits.

**“National Bank”** means National Bank of Canada, a Canadian Schedule I chartered bank.

**“National PR”** means National Public Relations Inc., the Investors Committee’s communications and public relations advisors.

**“NBF”** means National Bank Financial Inc., the ABCP Sponsor of the following ABCP Conduits: Ironstone Trust, MMAI-I Trust and Silverstone Trust.

**“Nereus”** means Nereus Financial Inc., a subsidiary of Coventree and the ABCP Sponsor of the following ABCP Conduits: SAT and SIT III.

**“New CDSs”** means the MAV1 New CDSs and the MAV2 New CDSs.

**“New Indenture Trustee”** means the person appointed as the indenture trustee under the Trust Indentures.

**“New Issuer Trustee”** means the person appointed as the issuer trustee of MAV1, MAV2 and MAV3.

**“New LSS CDS”** means a New CDS that is also an LSS.

**“New Unleveraged CDS”** means a New CDS that is fully funded.

**“Newshore”** means Newshore Financial Services Inc., the ABCP Sponsor of the following ABCP Conduits: Aria Trust, Encore Trust, Newshore Canadian Trust, Opus Trust and Symphony Trust.

**“Non-Participating Lender”** means any Lender that does not provide the Additional Commitments.

**“Non-Participating MAV1 MFF Lenders”** means the MAV1 MFF Lenders that do not provide Additional Commitments.

**“Non-Participating MAV2 MFF Lenders”** means the MAV2 MFF Lenders that do not provide Additional Commitments.

**“Non-Permitted Holder”** means any U.S. person who is the transferee of an interest in Plan Notes and who is not both a QIB and a Qualified Purchaser.

**“Non-Qualified Parties”** means U.S. Noteholders who are not eligible to have Plan Notes issued to them upon consummation of the Plan because, among other things, they are not residents of an Eligible Jurisdiction.

**“Non-Resident Noteholder”** means a Noteholder that at all relevant times and for the purposes of the Tax Act and any applicable tax treaty or convention is neither resident nor deemed to be resident in Canada and who does not use or hold and is not deemed to use or hold the Affected ABCP or Plan Notes in, or in the course of, carrying on business in Canada.

**“Northwater Capital Management Inc.”** means Northwater Capital Management Inc., acting solely on behalf of Newcastle Derivatives International Equity Fund II, Newcastle Derivatives Fund III, Newcastle Enhanced Mid Cap Fund, Newcastle Derivatives Mid Cap Fund, Newcastle Derivatives Small Cap Fund, Newcastle Derivatives Fund, U.S. Equity Section, Northwater Enhanced Balanced Fund, Northwater Enhanced Immunization Trust I, Northwater Enhanced Immunization Trust II, Northwater Enhanced Immunization Trust III, Northwater Enhanced Immunization Trust IV and Northwater Top 75 Income Trusts Plus.

**“Noteholder”** means a holder of Affected ABCP.

**“Noteholder Data Room”** means the on-line data room established by the Monitor for purposes of making information available to Noteholders in connection with the Plan and which is accessible at the following web address: [www.ey.com/ca/commercialpaper](http://www.ey.com/ca/commercialpaper).

**“Notice of Meeting”** means the notice of meeting of Noteholders included at page 1 of this Information Statement.

**“Omnibus Agreements”** means collectively the MAV1 Omnibus Agreement and the MAV2 Omnibus Agreement.

**“Omnibus Agreement Term Sheet”** means the draft term sheet that sets out the material terms of the Omnibus Agreements.

**“Order”** means any order of the Court in the CCAA Proceedings.

**“Original Collateral”** means, collectively, the MAV1 Original Collateral and the MAV2 Original Collateral.

**“Original Issuer Trustees”** means BNY, Computershare, Metcalfe & Mansfield I and Montreal Trust, as former issuer trustees of certain of the ABCP Conduits, and includes Computershare as agent or attorney for Montreal Trust in such capacity, and **“Original Issuer Trustee”** means any one of them.

**“Other CDS Assets”** means the unleveraged Credit Default Swaps, the Asset Providers of which will be afforded certain accommodations in the context of the collateral posting and asset commingling arrangements such that, among other things, such Asset Providers shall preserve the first ranking charge on the collateral posting as support for such unleveraged CDS and such collateral shall remain ring-fenced to the extent required therefor.

**“Par Sale Asset”** means (i) any cash asset that can be sold in an arm’s-length transaction at or above par, or (ii) any Synthetic Asset that can be terminated or novated in an arm’s-length transaction in which no termination amount is payable by the MAV or a termination payment is payable to the MAV.

**“Partial Terminal Unwind Event”** means a Terminal Unwind Event with respect to any portion less than all of each LSS CDS but applying in equal proportions with respect to all LSS CDSs of the applicable MAV.

**“Payment Date”** means the 20<sup>th</sup> day of the third full month following the Plan Implementation Date and every three months thereafter (or, if such day is not a Business Day, the next Business Day), except as otherwise provided in the Trust Indentures.

**“Person”** means any individual, partnership, limited partnership, joint venture, trust, trustee, corporation, unincorporated organization, government, agency, regulatory body or instrumentality thereof, legal personal representative or litigation guardian, or any other entity howsoever designated or constituted.

**“placement agent”** means, in respect of an ABCP program, the party, typically the trading arm of an investment bank, that markets ABCP to investors.

**“Plan”** means the plan of compromise and arrangement under the CCAA, as amended, a copy of which is set out as Exhibit B to this Information Statement, except as to the Schedules. A copy of the Plan with all schedules thereto will be posted to the Monitor’s Website.

**“Plan Implementation Date”** means May 23, 2008.

**“Plan Notes”** means, collectively, the MAV1 Notes, the MAV2 Notes, the IA Tracking Notes and the MAV3 Notes.

**“Plan Term Sheet”** means Annex II to the Framework Agreement.

**“PLOC”** means personal lines of credit.

**“PNC”** means The PNC Financial Services Group, Inc.

**“Potential Terminal Unwind Event”** means circumstances where the MAV1 Total Available Collateral is insufficient to meet all Asset Providers’ MAV1 Required Collateral.

**“Potential Unwind Event”** has the meaning ascribed to it in the Omnibus Agreement.

**“Pre-Unwind Outstanding Advances”** means the outstanding advances under the MAV2 Margin Funding Facility.

**“principal amount”** means an amount equal to the face amount.

**“Pro Rata Share”** means, with respect to each MAV, the percentage expressed as a fraction, the numerator of which shall be the aggregate of the notional or principal amounts, as applicable, of the Managed Assets owned by such MAV and the denominator of which shall be the aggregate of the notional or principal amounts of all Managed Assets owned by all MAVs as of each Payment Date or other relevant date of determination with respect to a particular amount.

**“Program Documents”** includes, collectively, the Administration and Management Agreement, the CDSs, the Trust Indentures, the Master Security Agreements, the Margin Funding Facilities, the MAV1 Omnibus Agreement, the MAV2 Omnibus Agreement the Credit Support Annexes, the Co-Ownership Agreements, the Securitization Agreements and Loan Agreements.

**“PSF Notes”** means, collectively, the PSF notes issued by Ironstone Trust, MMAI-I Trust and Silverstone Trust.

**“PSP Investments”** means the Public Sector Pension Investment Board.

**“PWC”** means PricewaterhouseCoopers, Inc.

**“QIB”** means a “qualified institutional buyer” as defined in Rule 144A under the 1933 Act.

**“QSPE”** means qualifying special purpose entity.

**“Qualified Purchaser”** means a “qualified purchaser” as defined in Section 2(a)(51) of the 1940 Act.

**“Qualifying Non-Funded Amount”** means, in respect of an MFF Lender and as of any date, the aggregate of all advances that would otherwise have been required to have been made by such MFF Lender under a Margin Funding Facility Agreement but for provisions of the applicable Margin Funding Facility Agreement that permit such MFF Lender not to make such advances by reason of such MFF Lender (i) being rated ‘AAA’ by any two of DBRS, S&P, Moody’s and Fitch, and not on watch with negative implications, or (ii) being an agent of Her Majesty the Queen in right of Canada or Her Majesty the Queen in right of any province or territory of Canada, in each case, with the benefit of the full covenant of Her Majesty.

**“Quanto”** means Quanto Financial Corporation, the ABCP Sponsor of the following ABCP Conduits: Apsley Trust and Whitehall Trust.

**“Rating Agency”** means DBRS and its successors and assigns.

**“Rating Agency Condition”** means, with respect to any specified action, that each Rating Agency for the applicable Plan Notes shall have notified the applicable MAV and the New Indenture Trustee in writing that such action will not result in a reduction or withdrawal of the rating in effect immediately before the taking of such action with respect to such Plan Notes.

**“Record Date”** means February 29, 2008.

**“reference entity”** means the issuer of a reference obligation in Credit Default Swaps. Corporations and sovereign governments are the most common reference entities for a CDS.

**“reference obligation”** means, in relation to a CDS, an obligation or pool of obligations in which a loss suffered would give rise to a payment or a settlement obligation under the CDS.

**“Registered Noteholders”** means Noteholders who hold physical certificates representing Affected ABCP.

**“Regulations”** means the Income Tax Regulations.

**“Relevant Collateral”** means the remaining Collateral allocated to an Electing Counterparty after realizing its Deemed Termination Payment.

**“Relative Contribution Analysis”** means the methodology used to determine the amount and type of Plan Notes to be issued to Noteholders in exchange for each Series of Affected ABCP based upon JPMorgan’s indicative asset valuations.

**“Released Parties”** means, collectively, the Respondents, the ABCP Conduits, the ABCP Sponsors, the Selkirk Satellite Trust Parties, the Satellite Trust Parties, the Asset Providers, the Asset Originators, the Canadian Banks, the Issuer Trustees, the Original Issuer Trustees, the Existing Note Indenture Trustees, the MFF Lenders, the Liquidity Providers, the ABCP Dealers, the Noteholders, DBRS, the Applicants, the Administrative Agents, the Financial Services Agents, the Issuing and Paying Agents, CDS Clearing, Canadian Depository for Securities Limited, the individual members of the Investors Committee, Purdy Crawford, Ernst & Young Inc., in its capacities as consultant to the Investors Committee prior to its appointment as Monitor and as the Monitor, JPMorgan, National PR, BlackRock, the New Indenture Trustee, the New Issuer Trustee and Goodmans, as well as their respective affiliates, present and former officers, directors, employees, auditors, financial advisors, legal counsel and associated individuals.

**“Required Collateral”** means either or both of the MAV1 Required Collateral and the MAV2 Required Collateral, as applicable.

**“Resident Noteholder”** means a Noteholder who, at all relevant times and for the purposes of the Tax Act and any applicable tax treaty or convention, is or is deemed to be resident in Canada.

**“residential mortgage-backed securities”** means a type of security whose cash flows come from residential debt such as mortgages, home-equity loans and sub-prime mortgages.

**“Respondents”** means, collectively, the Issuer Trustees.

**“Restructuring Resolution”** means the resolution, in the form attached as Exhibit A to this Information Statement, being put forward for approval by Noteholders at the Meeting.

**“RMBS”** means residential mortgage-backed securities.

**“roll” or “rollover”** means the process of issuing new ABCP to repay maturing ABCP.

**“Royal Bank”** means the Royal Bank of Canada, a Canadian Schedule I chartered bank.

**“Royal Bank of Scotland”** means Royal Bank of Scotland plc.

**“S&P”** means Standard & Poor’s, a division of The McGraw-Hill Companies, Inc.

**“Sale Proceeds”** means all proceeds (excluding accrued interest) received with respect to Managed Assets as a result of sales, terminations or other dispositions of such Managed Assets pursuant to the Administration and Management Agreement, net of any reasonable amounts expended by BlackRock Canada in its good faith determination in connection with any such sales, terminations or other dispositions.

**“Sales Tax”** means any sales, goods and services, value added or similar tax.

**“Sanction Order”** means the Order to be made under the CCAA sanctioning the Plan, as such Order may be amended by any court of competent jurisdiction, in form and content satisfactory to the Applicants.

**“SAT”** means the Structured Asset Trust.

**“Satellite Trust”** means a trust created pursuant to a base trust agreement between a Sponsor, acting as settlors, and a corporation established for the purpose of acting as trustee. Conduits hold Trust Certificates issued pursuant to series supplements which evidence the relevant Conduit’s fractional undivided beneficial ownership interest in the Satellite Trust.

**“Satellite Trust Parties”** means the Satellite Trusts, their trustees, their administrative agents, their financial services agents and their settlors.

**“Scotiabank”** means The Bank of Nova Scotia, a Canadian Schedule I chartered bank.

**“Second Spread-Loss Trigger Event”** means a MAV1 Second Spread-Loss Trigger Event or a MAV2 Second Spread-Loss Trigger Event, or both a MAV1 Second Spread-Loss Trigger Event and a MAV2 Second Spread-Loss Trigger Event, as applicable.

**“Securitus”** means Securitus Capital Corp., the ABCP Sponsor of the following ABCP Conduit: Selkirk Funding Trust.

**“Selkirk Satellite Trust”** means Coastal Mountain Base Trust Series 2006-1.

**“Selkirk Satellite Trust CDS”** means the CDS and related agreements entered into between Selkirk Sub-Trust and Swiss Re.

**“Selkirk Satellite Trust Parties”** means, collectively, Coastal Mountain Base Trust Series 2006-1, its issuer trustee 2115921 Ontario Inc. and its financial services agent Securitus Capital Corp.

**“Selling Agent”** means a specified agent which shall act as agent for the Non-Qualified Parties in connection with the required sale of Plan Notes otherwise issuable to them.

**“Series”** means, collectively, each of the 47 series of Affected ABCP or any one such Series.

**“Series Calculated Amount”** means an amount calculated on a CUSIP-by-CUSIP basis as the Series Surplus multiplied by the interest calculated for that Series, on a CUSIP-by-CUSIP basis, using the rate provided in the applicable agreements or, in the absence of specific provisions in the applicable agreements, at the rate (or based on the yield to maturity for discounted notes) that governed the Series prior to maturity.

**“Series Surplus”** means the cash available in a Conduit Account that exceeds the aggregate of the amounts required to be pledged as collateral for the MAVs (including collateral required to supplement margin funding commitments as a consequence of Noteholder elections to participate in MAV1) and the amounts required for the payment of administrative, restructuring and other applicable costs.

**“settlement amount”** means the discount value in the case of a note issued on a discount basis, and the principal amount in the case of an interest bearing note.

**“SIT III”** means Structured Investment Trust III.

**“SIV”** means structured investment vehicle.

**“Skeena”** means the Skeena Capital Trust.

**“Skeena Restructuring”** means the restructuring of Skeena Capital Trust that was completed on December 20, 2007.

**“SN Tracking Notes”** means, collectively, the notes to be issued by MAV3 upon implementation of the Plan, to Noteholders who hold Subordinated ABCP.

**“SPE”** means special purpose entity.

**“special purpose entity”** means a limited-purpose entity that serves as a passthrough conduit in creating securities backed by assets such as mortgages, credit card and auto loans, leases or other financial assets. An SPE can be a corporation, trust, partnership, limited liability company or other form of entity.

**“special purpose vehicle”**: see “special purpose entity”.

**“Special Resolution”** means (a) a resolution by holders of notes representing more than 66⅔% of the principal amount of the applicable notes then outstanding which are properly represented at a duly constituted meeting of the holders of such notes, or (b) a resolution pursuant to an instrument in writing signed by the holders of the applicable notes representing more than 66⅔% of the principal amount of the notes then outstanding.

**“Specific Tracked Asset”** means each Ineligible Asset that currently secures a Series of Affected ABCP and will secure one class of IA Tracking Notes issued upon implementation of the Plan.

**“Specific Traditional Tracked Assets”** means each Exclusively Traditional Asset that currently secures a Series of Affected ABCP.

**“Specified Creditors”** means, with respect to any class of Plan Notes, (a) the holders of notes of such class and (b) each of the Persons to whom the applicable MAV is obligated under any Obligation in respect of such class.

**“Sponsors”** means, generally, the entities that initiate the establishment of an ABCP program in respect of a Conduit. Sponsors are effectively management companies for the ABCP program that arrange deals with Asset Providers and capture the excess spread on these transactions. The Sponsor approves the terms of an ABCP program and serves as administrative agent and/or financial services (or securitization) agent for the ABCP program directly or through its affiliates.

**“spread-loss trigger”** means a method of determining collateral calls using spread levels and realized losses of a specified portfolio which must be exceeded before additional collateral must be posted under a Credit Default Swap. A spread-loss trigger is based on a pre-defined matrix and changes in relationship to the time of maturity of the assets and the current loss rate on the reference portfolio.

**“Spread-Loss Trigger Event”** means the occurrence of an event whereby the mid-market index spread of any of the matrix portfolio exceeds the trigger spread for such matrix portfolio.

**“SPV”** means special purpose vehicle.

**“Standstill Period”** means the original 60-day standstill period agreed to among participants in the Montreal Accord, as such period has thereafter been, and may be, further extended.

**“Subordinated ABCP”** means series of term debt in the form of subordinated notes that were issued by Aurora Trust and Rocket Trust to provide credit enhancement for particular Traditional Asset programs. The recourse of holders of a Series of Subordinated ABCP is limited to the particular Traditional Asset program that Series was issued to fund and the holders of that Subordinated ABCP are entitled to payment only to the extent that monies are available from that particular Traditional Asset program to satisfy payments owed to creditors that rank ahead of such holders of Subordinated ABCP in priority of payment under the terms of a securitization agreement between, among others, the Issuer Trustee of the relevant ABCP Conduit and the Asset Originator.

**“Subordinated Noteholders”** means the holders of Subordinated Notes.

**“Subordinated Notes”** means, collectively, the MAV1 Class A-2 Notes, the MAV1 Class B Notes, the MAV2 Class A-2 Notes and the MAV2 Class B Notes and **“Subordinated Note”** refers to one of such MAV1 Class A-2 Notes, MAV1 Class B Notes, MAV2 Class A-2 Notes or MAV2 Class B Notes.

**“swap”** means a financial agreement under which two parties agree to exchange defined payment streams. Typically a swap is used to hedge interest rate, exchange rate, market value, credit or some other form of risk, and is based on a Master ISDA Agreement.

**“Swiss Re”** means Swiss Re Financial Products Corporation.



**“Synthetic Assets”** means the Existing CDSs held by the ABCP Conduits.

**“Synthetic and Hybrid Assets”** means all of those assets securing directly or indirectly a Series of Affected ABCP if such assets are comprised either (a) exclusively of Synthetic Assets or (b) a combination of both Synthetic Assets and Traditional Assets, and excluding in either case, any assets that have been determined to constitute Ineligible Assets.

**“Synthetic CDO”** means a credit derivative, such as a Credit Default Swap, credit linked note or forward contract, that synthetically creates the same economic risks and rewards of owning a CDO.

**“TA Obligations”** means the obligations in respect of the TA Tracking Notes.

**“TA Tracking Notes”** means, collectively, the notes to be issued by MAV3, upon implementation of the Plan, to Noteholders who hold Affected ABCP backed by Exclusively Traditional Assets (excluding those backed by Ineligible Assets and the SN Tracking Notes).

**“Tax Act”** means the *Income Tax Act* (Canada), as amended.

**“Tax Proposals”** means any specific proposals to amend the Income Tax Act (Canada) and the Income Tax Regulations thereunder publicly announced by, or on behalf of, the Minister of Finance (Canada) prior to the date hereof.

**“Taxable Capital Gain”** means one half of any capital gain.

**“TD Bank”** means the Toronto-Dominion Bank.

**“Terminal Unwind Event”** means an instance where the Collateral Agent provides notice to MAV1 or MAV2 of a Potential Unwind Event and the Collateral Agent determines that the applicable MAV has failed to post collateral with a value equal to the required amount in respect of such Potential Unwind Event.

**“Termination Payment”** means in respect of any New CDS, between an Asset Provider and a MAV, the amount payable to the Asset Provider (expressed as a positive number) or to the respective MAV (expressed as a negative number), pursuant to Section (e) of an ISDA Master agreement under which such New CDS is documented but does not include (i) the aggregate of the amounts that became payable to such Asset Provider on or prior to the termination date; less (ii) the aggregate of the amounts that became payable by such Asset Provider on or prior to the termination date which remain unpaid as of such termination date, subject to a minimum of zero.

**“Third-Party ABCP”** means ABCP issued by Conduits whose Sponsors do not provide liquidity facilities and for greater certainty, includes the Affected ABCP.

**“Total Available Collateral”** means the MAV1 Total Available Collateral and the MAV2 Total Available Collateral.

**“Total Return Swap”** means a contract in which one party receives interest payments on a reference asset, plus any capital gains and losses over the payment period, while the other receives a specified fixed or floating cash flow unrelated to the credit worthiness of the reference asset, especially where the payments are based on the same notional amount. The interest payments are floating payments and are usually based upon the LIBOR with a spread added according to the agreement between parties. The reference asset may be any asset, index, or basket of assets.

**“Tracked Assets”** means, collectively, the Ineligible Assets that will secure the IA Tracking Notes.

**“Tracking Collections Account”** means the account held for the benefit of each class of the IA Tracking Notes.

**“Tracking Notes”** means, collectively, the IA Tracking Notes, the TA Tracking Notes, the MAV3 IA Tracking Notes and the SN Tracking Notes.

**“Traditional Assets”** means those assets held by the ABCP Conduits in non-synthetic securitization structures such as trade receivables, credit card receivables, RMBS and CMBS and investments in CDOs entered into by third-parties.

**“Traditional Tracked Assets”** means, collectively, the Exclusively Traditional Assets that secured the Series of Affected ABCP assumed by MAV3 and exchanged for a TA Tracking Note, a MAV3 IA Tracking Note or a SN Tracking Note, as applicable.

**“Traditional Tracking Collections Account”** means an account held for the benefit of each class of MAV3 Notes.

**“Transferred Synthetic and Hybrid Assets”** means the Synthetic and Hybrid Assets securing the Series of Affected ABCP listed in Schedule B of the Plan Term Sheet which will be transferred to MAV1 and MAV2 depending on the election or deemed election of Noteholders. For greater certainty, Transferred Synthetic and Hybrid Assets shall not include Ineligible Assets.

**“Trust Documents”** means, with respect to the MAV1 Notes and the MAV2 Notes, the applicable Declaration of Trust, the applicable Administration and Management Agreement, the applicable Master Security Agreement, the applicable transactions protocol, the applicable Margin Funding Facility Agreement, each applicable Plan Note, the collateral agency agreement, the issuing and paying agency agreement and all other documents executed or delivered or to be executed and delivered pursuant thereto.

**“Trust Indentures”** means, collectively, the IA Tracking Note Trust Indentures, the MAV1 Trust Indenture, the MAV2 Trust Indenture and the MAV3 Tracking Note Trust Indentures.

**“UBS”** means UBS AG.

**“Unconfirmed Votes”** means, with regard to the votes at the Meeting, those votes for which the Monitor has been unable to obtain satisfactory third-party confirmation.

**“Unpaid Amount”** has the meaning ascribed to it in the 1992 ISDA Master Agreement.

**“Unwind Percentage”** means the required amount of Additional Commitments required to a Potential Unwind Event in order to avoid a Terminal Event or Partial Terminal Unwind Event, expressed as a percentage.

**“Unwound Collateral”** means the amount of original collateral and collateral that is not original collateral multiplied by the Unwind Percentage available to meet any Termination Payments then due to a LSS CDS Counterparty.

**“Unwound Collateral Excess”** means the amount by which the Unwound Collateral exceeds any Termination Payments owed to a LSS CDS counter party on account of the Unwound LSS.

**“Unwound LSS”** means the proportion of all outstanding LSS transactions equal to the Unwind Percentage.

**“U.S. Definitive Notes”** means Plan Notes issued to Noteholders in the United States in fully registered certificated form.

**“U.S. Global Notes”** means Section 3(c)(7) global notes deposited with CDS as custodian and registered in the name of its nominee.

**“U.S. person”** means a U.S. person as defined in Regulation S under the 1933 Act.

**“Voter Confirmation Form”** means the form (printed on pink paper) delivered directly from the Monitor to Noteholders whose holdings of Affected ABCP have previously been confirmed, and that must properly be completed and delivered to the Monitor.

**“Voter Identification Form”** means the form included with this Information Statement (printed on blue paper) that Noteholders must properly complete and deliver in order to be eligible to vote at the Meeting.

**“Wachovia”** means Wachovia Bank N.A.

**“waterfall”** means the provisions in a transaction document that specify the order and priority in which parties to the transaction are to be paid from the cash available.

**“White Knight”** means the White Knight Investment Trust.

**CONSENT OF JPMORGAN SECURITIES INC.**

**To: The Pan-Canadian Investors Committee for Third-Party Structured Asset-Backed Commercial Paper**

We hereby consent to the references to our name and the JPMorgan Report contained in the Notice of Proceedings and Meeting and Information Statement with respect to a Plan of Compromise and Arrangement pursuant to the *Companies' Creditors Arrangement Act* (Canada) dated March 20, 2008.

New York, New York  
March 20, 2008

*(Signed)* JPMorgan Securities Inc.

**CONSENT OF JPMORGAN SECURITIES CANADA INC.**

**To: The Pan-Canadian Investors Committee for Third-Party Structured Asset-Backed Commercial Paper**

We hereby consent to the references to our name and the JPMorgan Report contained in the Notice of Proceedings and Meeting and Information Statement with respect to a Plan of Compromise and Arrangement pursuant to the *Companies' Creditors Arrangement Act* (Canada) dated March 20, 2008.

Toronto, Ontario  
March 20, 2008

*(Signed)* JPMorgan Securities Canada Inc.

## CONSENT OF GOODMAN'S LLP

**To: The Pan-Canadian Investors Committee for Third-Party Structured Asset-Backed Commercial Paper**

We hereby consent to the references to our name in the Notice of Proceedings and Meeting and Information Statement with respect to a Plan of Compromise and Arrangement pursuant to the *Companies' Creditors Arrangement Act* (Canada) dated March 20, 2008.

Toronto, Ontario  
March 20, 2008

(Signed) Goodmans LLP

## CONSENT OF ERNST & YOUNG INC.

**To: The Pan-Canadian Investors Committee for Third-Party Structured Asset-Backed Commercial Paper**

We hereby consent to the references to our name in the Notice of Proceedings and Meeting and Information Statement with respect to a Plan of Compromise and Arrangement pursuant to the *Companies' Creditors Arrangement Act* (Canada) dated March 20, 2008.

Toronto, Ontario  
March 20, 2008

(Signed) Ernst & Young Inc.

## APPENDIX A

### DESCRIPTION OF SYNTHETIC ASSET PROGRAMS

**TO THE EXTENT THAT INFORMATION WAS NOT PROVIDED IN THE DOCUMENTATION AVAILABLE TO THE APPLICANTS, RELIANCE WAS PLACED UPON INFORMATION PROVIDED BY THE PARTIES INVOLVED IN THE RELEVANT SYNTHETIC ASSET PROGRAMS. THE APPLICANTS HAVE RELIED UPON THIS INFORMATION WITHOUT HAVING MADE, AND IN MANY CASES, WITHOUT HAVING THE ABILITY TO MAKE INDEPENDENT ENQUIRIES AS TO THE ACCURACY OR COMPLETENESS THEREOF. ACCORDINGLY, THE APPLICANTS ASSUME NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN APPENDIX A AND MAKE NO REPRESENTATION OR WARRANTY WITH REGARD THERETO.**

The following summary of each of the Synthetic Asset programs is subject to, and qualified in its entirety by, reference to the full text of the Existing CDS documents available in the Noteholder Data Room. Each heading below has the following meaning in the context of this appendix.<sup>(1)</sup>

Program #	Series of Affected ABCP	Funded Amount (\$ Million)	Asset Provider	Conduit Trust	Reference Portfolio	Attachment Point	Detachment Point	Leverage (# of times)	Form of Collateral	Long Notional Amount (\$ Million)	Margin Call Triggers
<b>Program #:</b>	The identification numbers assigned to the summarized program. These numbers correspond to the diagram found in, “The ABCP Sponsors” and the diagram attached to the back cover of this Information Statement.										
<b>Series:</b>	The Series of Affected ABCP which fund(s) the summarized program.										
<b>Funded Amount:</b>	The principal amount (expressed as a Canadian dollar value unless otherwise specified) of collateral posted or invested directly or indirectly by the ABCP Conduit in the summarized program as of January 31, 2008.										
<b>Asset Provider:</b>	The particular dealer bank, commercial bank or other entity that has entered into a Credit Default Swap with or sold Collateralized Debt Obligation assets to the ABCP Conduit for the summarized program.										
<b>Contracting Trust:</b>	The entity that entered into the Credit Default Swap with the Asset Provider for the summarized program.										
<b>Reference Portfolio:</b>	The portfolio of reference obligations whose performance determines payment obligations under the Credit Default Swap for the summarized program.										
<b>Attachment Point:</b>	The threshold of losses in the Reference Portfolio at which the ABCP Conduit, Satellite Trust or contracting trust begins to pay losses pursuant to the Credit Default Swap for the summarized program.										
<b>Detachment Point:</b>	The threshold at which the ABCP Conduit ceases to pay losses pursuant to the Credit Default Swap for the summarized program.										
<b>Leverage:</b>	The ratio between the Long Notional Amount and the Funded Amount for the summarized program.										
<b>Form of Collateral:</b>	The type of asset that secures the payment obligations of the ABCP Conduit or Satellite Trust pursuant to the Credit Default Swap for the summarized program.										
<b>Long Notional Amount:</b>	The maximum amount (expressed as a Canadian dollar value unless otherwise specified) that the ABCP Conduit may be required to pay in the event of a loss with respect to the summarized program.										
<b>Margin Call Triggers:</b>	The circumstances under which the ABCP Conduit will be obligated to post additional collateral pursuant to the Credit Default Swap for the summarized program. Most Affected ABCP Margin Call Triggers are “mark-to-market” triggers (abbreviated below to “MTM”) which require the posting of additional collateral in the event that current mark-to-market amounts reach a certain threshold. Percentages are provided in relation to the Funded Amount.										

(1) Coventree programs 27, 60, 80 and 87, Nereus Programs 75, 76 and 85, Newshore Programs 10 and 11 and Selkirk Program 1 in Appendix A represent the details of existing swaps which will be restructured with different economic terms if the Plan is approved. Details of amendments to the economic terms of these swaps can be found under “Restructuring of Credit Default Swaps — Additional Modifications to Certain Restructured Credit Default Swaps”.



Program #	Series of Affected ABCP	Funded Amount (\$ Million)	Asset Provider	Contracting Trust	Reference Portfolio	Attachment Point	Detachment Point	Leverage (# of times)	Form of Collateral	Long Notional Amount (\$ Million)	Margin Call Triggers
<b>Coventree Sponsored ABCP Conduits</b>											
<i>Apollo Trust</i>											
11	Apollo Trust Series A Rocket Trust Series A	36	CIBC	CDO Collateral Trust <sup>(2)</sup>	Bespoke pool of (investment grade corporate obligors)	9.8%	18.6%	Fully Funded	Bank Deposit	36	N/A
<i>Aurora Trust</i>											
21	Aurora Trust Series A Aurora Trust Series E Planet Trust Series E	275 (250 in Aurora) <sup>(3)</sup>	Citibank	Constellation Credit Linked Trust (CB LSS-2) Series 2006-1	iTraxx Index	22%	55%	13.6	Term Deposit	3,750	MTM 52.5%
22	Aurora Trust Series A Aurora Trust Series E	200	Citibank	Constellation Credit Linked Trust (CB LSS) Series 2005 — 1	Bespoke pool (investment grade corporate obligors)	15%	85%	10	Term Deposit	2,000	MTM 50% or Loss and MTM <sup>(4)</sup>
29	Aurora Trust Series A	400	Deutsche Bank	Constellation Credit Linked Trust (Super Senior 2) Series 2005 — 1	Bespoke pool (investment grade corporate obligors)	15%	85%	10	Bankers' Acceptances	4,000	MTM 50%
28	Aurora Trust Series E	133	Deutsche Bank	Constellation Credit Linked Trust (Shamrock) Series 2005 — 1	Bespoke pool (investment grade corporate obligors)	15%	50%	10	Landesbank Bond	1,330	MTM 50%
23	Aurora Trust Series A	125	Deutsche Bank	Constellation Credit Linked Trust (CD XLS) Series 2006 — 1	CDX Index	30% (Long) 15% (Short)	70% (Long) 30% (Short)	25	Bankers' Acceptances	3,125	MTM 50%
27	Aurora Trust Series E	250	UBS	Constellation Credit Linked Trust (PML-M2) Series 2006 — 1	Bespoke pool (investment grade corporate obligors)	20%	30%	8.3	Bankers' Acceptances	2,083	MTM 50%
31	Aurora Trust Series A Aurora Trust Series E	75	HSBC Bank USA, National Association	Starts (Canada) Trust TM 2005-2	Bespoke pool (investment grade corporate obligors)	20%	100%	20	Total Return Swap	1,500	Loss <sup>(4)</sup>
25	Aurora Trust Series E Aurora FRN	250	Merrill Lynch International	Constellation Credit Linked Trust (ML LSS) Series 2006 — 1	Bespoke pool (investment grade corporate and sovereign obligors)	18%	28%	6	Total Return Swap	1,500	MTM 70%
26	Aurora Trust Series E Aurora FRN	135	Merrill Lynch International	Constellation Credit Linked Trust (ML6 L/S) Series 2006 — 1	CDX Index	15% (Long) 10% (Short)	30% (Long) 15% (Short)	9.3	Total Return Swap	1,250	MTM 70%
20 <sup>(5)</sup>	Aurora Trust Series A Aurora Trust Series E	292	Swiss Re	Constellation Credit Linked Trust (Banff) Series 2006 — 1	Bespoke pool (investment grade corporate and sovereign obligors)	15%	30%	16.7	Total Return Swap	5,000	MTM 83.3%
24 <sup>(4)</sup>	Aurora Trust Series A	183	Swiss Re	Constellation Credit Linked Trust (Galibier) Series 2006 — 1	CDX Index	30%	60%	20	Total Return Swap	4,000	MTM 70%

(2) Apollo Trust holds a credit-linked note issued by CDO Collateral Trust.

(3) Originally funded with \$250 million in Aurora Notes. Additional \$25 million contributed by Planet to de-lever the trade from 15 times to 13.6 times leverage.

(4) Citibank and HSBC swaps which have “loss only” Margin Call Triggers are to be converted to spread-loss triggers.

(5) Funded Amounts for Coventree Asset Programs 20 and 24 reduced from \$300 million and \$200 million respectively to Funded Amounts listed above due to amount received in form of liquidity funding. Leverage represents Funded Amounts before liquidity funding.

Program #	Series of Affected ABCP	Funded Amount (\$ Million)	Asset Provider	Contracting Trust	Reference Portfolio	Attachment Point	Detachment Point	Leverage (# of times)	Form of Collateral	Long Notional Amount (\$ Million)	Margin Call Triggers
<i>Comet Trust<sup>(6)</sup></i>											
36	Comet Trust Series A	400	Deutsche Bank	Constellation Credit Linked Trust (Super Senior 3) Series 2005 — 1	Bespoke pool (investment grade corporate and sovereign obligors)	15%	60%	10	Bankers' Acceptances	4,000	MTM 50%
37	Comet Trust Series A	367	Deutsche Bank	Constellation Credit Linked Trust (Super Senior 4) Series 2005 — 1	Bespoke pool (investment grade corporate and sovereign obligors)	15%	50%	10	Bankers' Acceptances	3,670	MTM 50%
35	Comet Series Trust Series A	200	Deutsche Bank	Constellation Credit Linked Trust (iTraxx Index 1) Series 2006 — 1	iTraxx Index	22%	70%	15.5	Bankers' Acceptances	3,100	MTM 50%
<i>Planet Trust</i>											
35	Planet Trust Series A	199.92	Deutsche Bank	Constellation Credit Linked Trust (iTraxx Index 1) Series 2006 — 1	iTraxx Index	22%	70%	15.5	Bankers' Acceptances	3,100	MTM 50%
49 <sup>(7)</sup>	Planet Trust Series A Planet FRN	150	Deutsche Bank	Constellation Credit Linked Trust (IML-CDS-2) Series 2005 — 1	Bespoke pool (investment grade corporate obligors)	8.7%	9.7%	2.5	Bankers' Acceptances	375	MTM 62.5%
48 <sup>(6)</sup>	Planet Trust Series A Planet FRN	111.65	Deutsche Bank	Constellation Credit Linked Trust (IML-CDS) Series 2005 — 1	Bespoke pool (investment grade corporate obligors)	8.7%	9.7%	2.5	Bankers' Acceptances	279	MTM 62.5%
50	Planet Trust Series A	243.36	UBS	Constellation Credit Linked Trust (Integrity) Series 2005 — 1	Synthetic CDO of ABS and CDO's	6.5%	16.5%	Fully Funded	CDO	243.36	N/A
51	Planet Trust Series A	148	UBS	Constellation Credit Linked Trust (Integrity) Series 2005 — 2	Synthetic CDO of ABS and CDO's	6.4%	16.4%	Fully Funded	CDO	148	N/A
21	Planet Trust Series E Aurora Trust Series A Aurora Trust Series E	275 <sup>(8)</sup> (25 in Planet)	Citibank	Constellation Credit Linked Trust (CB LSS — 2) Series 2006 — 1	iTraxx Index	22%	55%	13.6	Term Deposit	3,750	MTM 52.5%
52	Planet Trust Series E Planet FRN	265	Merrill Lynch International	Constellation Credit Linked Trust (ML LSS — 2) Series 2006 — 1	CDX Index	10%	15%	7.55	Total Return Swap	2,000	MTM 70%
53 <sup>(6)</sup>	Planet Trust Series A	(USD) <sup>(9)</sup> 66.7	Wachovia	Constellation Credit Linked Trust (Stamford) Series 2006 — 1	Bespoke pool (investment grade corporate obligors)	10.4%	11.9%	1.5	Total Return Swap	(USD) 100	MTM 60%
<i>Rocket Trust</i>											
11	Rocket Trust Series A Apollo Trust Series A	138.45	CIBC	CDO Collateral Trust <sup>(10)</sup>	Bespoke pool (investment grade corporate obligors)	9.8%	18.6%	Fully Funded	Total Return Swap	138.45	N/A
58	Rocket Trust Series E Rocket FRN	151.4	Wachovia	Calibre 2005-XIII, Ltd.	Bespoke pool (investment grade corporate and sovereign obligors)	8.2%	9.44%	Fully Funded	Total Return Swap	(USD) 125	N/A

(6) Comet Trust entered into an unfunded CDS with Merrill Lynch International in which Comet Trust took a short position which will mature on March 30, 2009. The CDS had a long Notional Amount of \$185 million.

(7) Program is managed and attachment and detachment points are variable. Attachment and detachment points reflect current amounts for program.

(8) Originally funded with \$250 million in Aurora notes. Additional \$25 million contributed by Planet to de-lever the trade from 15 times to 13.6 times leverage.

(9) Asset Program is funded by (USD) \$53.5 million and Series L note for a total of (USD) \$66.7 million.

(10) Rocket Trust holds a credit-linked note issued by CDO Collateral Trust.

Program #	Series of Affected ABCP	Funded Amount (\$ Million)	Asset Provider	Contracting Trust	Reference Portfolio	Attachment Point	Detachment Point	Leverage (# of times)	Form of Collateral	Long Notional Amount (\$ Million)	Margin Call Triggers
59	Rocket Trust Series A	100	Royal Bank	Constellation Credit Linked Trust (MPL — CDN) Series 2006 — 1	Bespoke pool (investment grade corporate obligors)	10.0%	18.0%	2	Credit Card Receivables	200.00	MTM 32.5%
60	Rocket Trust Series A	139.7	Royal Bank	Constellation Credit Linked Trust (MPL — US) Series 2006 — 1	Bespoke pool (investment grade corporate and sovereign obligors)	9.65%	17.65%	2	CDO	279.4	MTM 32.5%
62a	Rocket Trust Series E	248.2	Deutsche Bank	Constellation Credit Linked Trust (Synremic) Series 2005 — 1	Bespoke pool AAA CMBS	3.25%	7%	Fully Funded	Total Return Swap (Deposit at Deutsche Bank)	248.2	N/A
<b>NBF Sponsored Trusts</b>											
<i>MMAI-I</i>											
2	MMAI-I A MMAI-FRN	466.7	Deutsche Bank	MMAI-I Trust	ABS and five credit default swaps referencing bespoke pools of corporate obligors <sup>(11)</sup>	10.3%	12.3%	Fully Funded	Single Corporate Bond	466.7	N/A
3	MMAI-I A MMAI-FRN	466.7	Deutsche Bank	MMAI-I Trust	ABS and five credit default swaps referencing bespoke pools of corporate obligors <sup>(10)</sup>	10.3%	12.55%	Fully Funded	Single Corporate Bond	466.7	N/A
4	MMAI-I A MMAI-FRN	466.6	Deutsche Bank	MMAI-I Trust	ABS and five credit default swaps referencing bespoke pools of corporate obligors <sup>(10)</sup>	10.1%	14.95%	Fully Funded	Single Corporate Bond	466.6	N/A
<i>Silverstone Trust</i>											
5	Silverstone Trust Series A Silverstone Trust Series E Silverstone FRN	2,000	Deutsche Bank	Silverstone Trust	ABS and a static pool of corporate obligors <sup>(12)</sup>	15%	100%	10	Corporate Bond	20,000	Matrix-based spread-loss duration
<b>Nereus Sponsored Trusts</b>											
<i>SAT</i>											
74	SAT Series A-1 SAT Series E-1	275	Citibank	Nemertes Credit Linked Certificate Trust (Citi-LSS) Series 2006 — 1	iTraxx Index	22%	55%	13.6	Term Deposit	3,750	MTM 52.5%
75	SAT Series E-1	250	CIBC	Nemertes Credit Linked Certificate Trust (Commerce-LSS II) Series 2006	Bespoke pool (investment grade corporate obligors)	20%	50%	10	Corporate Bond <sup>(13)</sup>	2,500	Spread-Loss
73	SAT Series A-1	300	HSBC Bank USA, National Association	Nemertes Credit Linked Certificate Trust (BCO — LSS) Series 2006	Bespoke pool (investment grade corporate obligors)	18%	75%	15	Educational Loan Fund Market Trust Bankers' Acceptances; and Bank-Sponsored ABCP (GLS)	4,500	Spread-Loss

(11) For the MMAI-I Trust CDS, exposure to the pool of ABS is contingent and will only contribute to portfolio losses once the Long Notional Amounts of the corporate exposure of the applicable CDS is reduced to zero.

(12) Exposure to the portfolio of ABS is contingent and will only contribute to portfolio losses once the bespoke pool is reduced to zero. collateral for these trades is pooled (cross-collateralized).

(13) Collateral for Programs 75 and 76 is pooled (cross-collateralized).

Program #	Series of Affected ABCP	Funded Amount (\$ Million)	Asset Provider	Contracting Trust	Reference Portfolio	Attachment Point	Detachment Point	Leverage (# of times)	Form of Collateral	Long Notional Amount (\$ Million)	Margin Call Triggers
76	SAT Series E-1	112	CIBC	Nemertes Credit Linked Certificate Trust (Commerce — LSS II) Series 2006	Bespoke pool of A (or higher) rated CMBS	20%	100%	10	Canadian RMBS <sup>(13)</sup>	1,120	Spread-Loss
77	SAT Series A-1 SAT Series E-1	250	Merrill Lynch International	Nemertes Credit Linked Certificate Trust (ML — LSS) Series 2006	Bespoke pool (investment grade corporate obligors)	20%	30%	7	Total Return Swap	1,750	MTM 70%
78	SAT Series A-1 SAT Series E-1	150	Merrill Lynch International	Nemertes Credit Linked Certificate Trust (ML — LSS IV) Series 2006	CDX Index	10%	15%	7.5	Total Return Swap	1,125	MTM 52.5%
<i>SIT III</i>											
85	SIT III Series E	200	UBS	Nemertes Credit Linked Certificate Trust (MT — LSS) Series 2005	Bespoke pool (investment grade corporate obligors)	20%	50%	9	Cash	1,800	MTM 60%
80	SIT III Series E-1	250	CIBC	Nemertes Credit Linked Certificate Trust (Commerce LSS) Series 2005	Bespoke pool (investment grade corporate obligors)	20%	50%	10	Canadian Credit Card Receivables	2,500 (USD) 2,150	Spread-Loss
79	SIT III Series A-1	200	Bank of America	Nemertes Credit Linked Certificate Trust (CADBANA) Series 2005-1	25% CDX 35% Muni 40% CMBS	5.5%	7%	Fully Funded	Credit Card Receivables	200	N/A
88	SIT III Series A-1	200	Deutsche Bank	Nemertes Credit Linked Certificate Trust (EC Super Senior) Series 2005-1	Bespoke pool (investment grade corporate obligors)	12%	88%	10	Credit Card Receivables	2,000	MTM 50%
82	SIT III Series A-1	400	Deutsche Bank	Nemertes Credit Linked Certificate Trust (LSS II) Series 2005-1	Bespoke pool (investment grade corporate obligors)	14%	54%	10	Credit Card Receivables	4,000	MTM 50%
86	SIT III Series E-1	75	Royal Bank	Pioneer Trust <sup>(14)</sup>	Bespoke pool (investment grade corporate obligors)	6.9%	7.15%	Fully Funded	Canadian RMBS	75	N/A
81	SIT III Series A-1 SIT III Series E-1	125	HSBC Bank USA, National Association	Starts (Canada) Trust™ 2004-2	ABS and six Credit Default Swaps	3.75%	5.75%	Fully Funded	Total Return Swap	125 (USD) 101.5	N/A
83	SIT III Series A-1 SIT III Series E-1	250	Merrill Lynch International	Nemertes Credit Linked Certificate Trust (ML-LSS II) Series 2006	Bespoke pool (investment grade corporate & sovereign obligors)	20%	30%	7	Total Return Swap	1,750	MTM 70%
84	SIT III Series E-1	124.5	Merrill Lynch International	Nemertes Credit Linked Certificate Trust (Morningside) Series 2005	Four Credit Default Swaps	15%	25%	Fully Funded	Total Return Swap	124.5 (USD) 100	N/A
87	SIT III Series E-1 SIT III Series A-1	230	Royal Bank of Scotland	Nemertes Credit Linked Certificate Trust (SCT-LSS) Series 2005	Bespoke pool (investment grade corporate obligors)	30%	60%	10	Total Return Swap	2,300 (USD) 2,000	Spread-Loss

(14) SIT III holds a Credit-Linked Note issued by Pioneer Trust.

Program #	Series of Affected ABCP	Funded Amount (\$ Million)	Asset Provider	Contracting Trust	Reference Portfolio	Attachment Point	Detachment Point	Leverage (# of times)	Form of Collateral	Long Notional Amount (\$ Million)	Margin Call Triggers
<b>Newshore Sponsored Trusts</b>											
<i>Aria Trust</i>											
7	Aria Trust Series A	240	Merrill Lynch International	Aria Trust	Bespoke pool (investment grade corporate & sovereign obligors)	30% (long) 20% (short)	70% (long) 30% (short)	33.3	Total Return Swap	8,000	MTM 58.3
17	Aria Trust Series A	86	Deutsche Bank	Yukon Trust	Subprime RMBS	7.2%	12.2%	Fully Funded	Medium Term Notes	(USD) 64	N/A
1b	Aria Trust Series E	187.5	Deutsche Bank	Aria Trust	Bespoke pool (investment grade corporate obligors)	15%	85%	10	Credit Card and IRS Receivables	1,875	MTM 50%
3b	Aria Trust Series A	150	Deutsche Bank	Aria Trust	CDX Index	10% (long) 7% (short)	15% (long) 10% (short)	8.5	Bankers' Acceptances	1,275	MTM 47.3%
9d	Aria Trust Series A	125	Merrill Lynch International	Aria Trust	Bespoke pool (investment grade corporate obligors)	14.3%	19.3%	5	Total Return Swap	625	MTM 70%
2c	Aria Trust Series A	150	Deutsche Bank	Aria Trust	CDX Index	30% (long) 15% (short)	65% (long) 30% (short)	40	Bankers' Acceptances	6,000	MTM 50%
<i>Encore Trust</i>											
5	Encore Trust Series A	285	Deutsche Bank	Encore Trust	iTraxx Index	22%	70%	16	Bankers' Acceptances	4,560	MTM 50.10%
8	Encore Trust Series E	125	Merrill Lynch International	Encore Trust	CDX.NA.IG.7 Index	15%	30%	22	Total Return Swap	2,750	MTM 70%
11	Encore Trust Series E	250	UBS	Encore Trust	Bespoke pool (investment grade corporate obligors)	20%	30%	15	Bankers' Acceptances	3,750	MTM 75%
15a	Encore Trust Series A Encore Trust Series E	200	HSBC Bank USA, National Association	Encore Trust	CDX Index	10% (long) 7% (short)	15% (long) 10% (short)	8	Total Return Swap	1,600	MTM 70%
9a	Encore Trust Series A	125	Merrill Lynch International	Encore Trust	Bespoke pool (investment grade corporate obligors)	14.3%	19.3%	5	Total Return Swap	625	MTM 70%
<i>Opus Trust</i>											
2a	Opus Trust Series A	200	Deutsche Bank	Opus Trust	CDX Index	30% (long) 15% (short)	65% (long) 30% (short)	40	Bankers' Acceptances	8,000	MTM 50%
4	Opus Trust Series A	200	Deutsche Bank	Opus Trust	iTraxx Index	22%	70%	16	Bankers' Acceptances	3,200	MTM 50.1%
10	Opus Trust Series E	250	UBS	Opus Trust	Bespoke pool (investment grade corporate obligors)	20%	30%	15	Bankers' Acceptances	3,750	MTM 75%
15b	Opus Trust Series A	300	HSBC Bank USA, National Association	Opus Trust	CDX Index	10% (long) 7% (short)	15% (long) 10% (short)	8	Total Return Swap	2,400	MTM 70%
6	Opus Trust Series E	101.36	Merrill Lynch International	Opus Trust	Bespoke pool (investment grade corporate obligors)	15%	100%	12	Total Return Swap	1,216	MTM 50%
9b	Opus Trust Series A	125	Merrill Lynch International	Opus Trust	Bespoke pool (investment grade corporate obligors)	14.3%	19.3%	5	Total Return Swap	625	MTM 70%
<i>Symphony Trust</i>											
1a	Symphony Trust Series A	187.5	Deutsche Bank	Symphony Trust	Bespoke pool (investment grade corporate obligors)	15%	85%	10	Bankers' Acceptances	1,875	MTM 50%
2b	Symphony Trust Series A	150	Deutsche Bank	Symphony Trust	CDX Index	30% (long) 15% (short)	65% (long) 30% (short)	40	Bankers' Acceptances	6,000	MTM 50%



Program #	Series of Affected ABCP	Funded Amount (\$ Million)	Asset Provider	Contracting Trust	Reference Portfolio	Attachment Point	Detachment Point	Leverage (# of times)	Form of Collateral	Long Notional Amount (\$ Million)	Margin Call Triggers
3a	Symphony Trust Series A	175	Deutsche Bank	Symphony Trust	CDX Index	10% (long) 7% (short)	15% (long) 10% (short)	8.5	Bankers' Acceptances	1,487.5	MTM 47.3%
9c	Symphony Trust Series E	125	Merrill Lynch International	Symphony Trust	Bespoke Pool (Investment grade corporate obligors)	14.3%	19.3%	5	Total Return Swap	625	MTM 70%
14	Symphony Trust Series E	125	HSBC Bank USA, National Association	Symphony Trust	Bespoke pool (investment grade corporate obligors)	30%	100%	20	Total Return Swap	2,500	MTM 50%
12 13	Symphony Trust Series A Symphony Trust Series E	450	HSBC Bank USA, National Association	Symphony Trust	Bespoke pool (investment grade corporate obligors)	15%	50%	6	Total Return Swap	2,700	MTM 50%
<b>Quanto Sponsored Trusts</b>											
<i>Apsley Trust</i>											
2	Apsley Trust Series A	250	Deutsche Bank	Apsley Trust	Bespoke pool (investment grade corporate obligors) and ABS <sup>(15)</sup>	21.5%	76.5%	10	Medium term note	2,500	MTM 50%
1	Apsley Trust Series A	500	Deutsche Bank	Apsley Trust	Bespoke pool (investment grade corporate obligors) and ABS	21.5%	76.5%	10	Medium term note	5,000	MTM 50%
3	Apsley Trust Series A	250	Deutsche Bank	Apsley Trust	Bespoke pool (investment grade corporate obligors) and ABS	30% (long) 15% (short)	70% (long) 30% (short)	25	Medium term note	6,250	MTM 50%
4	Apsley Trust Series A	500	Deutsche Bank	Apsley Trust	Bespoke pool of ABS	25%	43%	Fully Funded	Medium term note	500	N/A
5	Apsley Trust Series A	250	Deutsche Bank	Apsley Trust	Bespoke pool (investment grade corporate obligors) and ABS	21.5%	76.5%	10	Medium term note	2,500	MTM 50%
6	Apsley Trust Series A	250	Deutsche Bank	Apsley Trust	Bespoke pool (investment grade corporate obligors) and ABS	21.5%	76.5%	10	Medium term note	2,500	MTM 50%
7	Apsley Trust Series A	400	Deutsche Bank	Yukon Trust	Bespoke pool of ABS	25%	40%	Fully Funded	Medium term note	400	N/A

(15) For Quanto Programs (1), (2), (3), (5), (6), (10), (11), (12), (13) and (14), exposure to the pool of ABS is contingent and will only contribute to portfolio losses once the Long Notional Amount of the corporate exposure of the applicable CDS is reduced to zero.

Program #	Series of Affected ABCP	Funded Amount (\$ Million)	Asset Provider	Contracting Trust	Reference Portfolio	Attachment Point	Detachment Point	Leverage (# of times)	Form of Collateral	Long Notional Amount (\$ Million)	Margin Call Triggers
<i>Whitehall Trust</i>											
10	Whitehall Trust Series A	750	Deutsche Bank	Whitehall Trust	Bespoke pool (investment grade corporate obligors) and a bespoke pool of ABS <sup>(16)</sup>	15%	80%	10	Medium term note	7,500	MTM 50%
11	Whitehall Trust Series A	750	Deutsche Bank	Whitehall Trust	Bespoke pool (investment grade corporate obligors) and a bespoke pool of ABS <sup>(16)</sup>	15%	80%	10	Medium term note	7,500	MTM 50%
12	Whitehall Trust Series A	500	Deutsche Bank	Whitehall Trust	Bespoke pool (investment grade corporate obligors) and a bespoke pool of ABS <sup>(16)</sup>	15%	70%	10	Medium term note	5,000	MTM 50%
13	Whitehall Trust Series A	250	Deutsche Bank	Whitehall Trust	Bespoke pool (investment grade corporate obligors) and a bespoke pool of ABS <sup>(16)</sup>	15%	70%	10	Medium term note	2,500	MTM 50%
14	Whitehall Trust Series A	250	Deutsche Bank	Whitehall Trust	Bespoke pool (investment grade corporate obligors) and a bespoke pool of ABS <sup>(16)</sup>	15%	70%	10	Medium term note	2,500	MTM 50%
<b>Securitus Sponsored Trust</b>											
<i>Selkirk Trust</i>											
1	Selkirk Trust Series A Selkirk Trust Series E Selkirk FRN	150	Swiss Re	Coastal Mountain Base Trust Series 2006-1	CDX Index	30%	60%	20	Total Return Swap	3,000	MTM 70%

(16) For the Whitehall Trust programs, exposure to the pool of ABS is contingent, and will only contribute to portfolio losses once the Long Notional Amounts of the corporate exposure of the applicable CDSs is reduced to zero.

## APPENDIX B

### DESCRIPTION OF TRADITIONAL ASSET PROGRAMS<sup>(1)</sup>

The following summary of each of the Traditional Asset programs is subject to, and qualified in its entirety by reference to, the full text of the Traditional Asset documentation that is available on the Website.

Please note that certain terms that are defined in this section “Description of Traditional Programs and Assets” are solely for use in this Section and consequently, may not appear in the “Glossary of Terms”.

#### **Traditional Asset Programs Funded by Coventree-Sponsored Conduits**

##### ***Coventree Asset Program 1- Equipment Lessor (Apollo Trust Series E, Rocket Trust Series E)***

The assets funded in this program are equipment leases and loans. The originator is a Canadian-based equipment leasing company which specializes in mid-ticket equipment, transportation, and construction leasing. The originator also has significant operations in the United States.

The structure of the transaction is as follows: Leases are primarily originated directly by the originator. The originator has also acquired leases originated by third parties, which have been funded on a case-by-case basis subject to DBRS approval. The leases and loans are acquired by a Coventree created QSPE and funded with the proceeds of the issuance by Apollo Trust and Rocket Trust of Series E notes. The transaction was rated R-1 (high) for Rocket Trust and R-1(middle) for Apollo Trust in accordance with DBRS’ AAA ratings criteria for equipment lease securitization transactions.

The final maturity date of the assets is May 31, 2013. Credit enhancement is provided by excess spread (originally 2.0% of the balance of the pool of assets), over-collateralization (originally 7.5% of the pool balance), a cash reserve account (originally 2.0% of the pool balance) and subordination (originally 1.5% of the pool balance, provided by the AA note funded in Apollo Trust). The funded amount in Rocket Trust is \$87,683,163<sup>(2)</sup>. The funded amount in Apollo Trust is \$1,578,624.

##### ***Coventree Asset Program 2 — CCG1 (Apollo Trust Series E, Comet Trust Series A, Slate Trust Series A-1)***

The assets funded in this program are interests in a securitized pool of U.S. commercial mortgages. Coventree securitized the mortgages for a mortgage originator. The mortgages were sold by the mortgage originator through CGI Investments US, Inc., a U.S. company incorporated by Coventree, and a real estate mortgage investment conduit to CCG Commercial Pool I, Inc. (“CCG1”), a corporation incorporated in the Cayman Islands. CCG1 issued notes which were rated AAA to BB by DBRS.

The transaction originally closed on December 7, 2001. The CCG1 floating rate AAA and AA Canadian dollar denominated notes were purchased by Rocket Trust and Apollo Trust, respectively. The CCG1 floating rate U.S. dollar denominated note was purchased by Comet Trust.

On December 6, 2004 the program was revised. Scotiabank agreed to provide liquidity to the CCG1 floating rate AAA Canadian dollar denominated note. That note was transferred to a Coventree-created satellite trust, Constellation Certificate Trust (CCG1) Series 2004-1, and funded out of the proceeds of the issuance by Slate Trust of Series A-1 notes. The CCG1 floating rate AAA U.S. dollar denominated note remained in Comet Trust, but was transferred from a Series E-funded note to a Series A-funded note when Deutsche Bank agreed to provide liquidity at the time of a second transaction with the mortgage originator in February 2002. The CCG1 floating rate AA Canadian dollar denominated note remains funded by the proceeds of the issuance by Apollo Trust of Series E notes.

The expected maturity date of the CCG1 floating rate AAA Canadian dollar denominated note is October 2009. The expected maturity date of the CCG1 floating rate AAA U.S. dollar denominated note is December 2013. The expected maturity date of the CCG1 floating rate AA Canadian dollar denominated note is November 2014.

(1) Unless otherwise indicated, where an abbreviated name is defined in the description of a program, such abbreviation shall apply only in the description of that particular program.

(2) All funded amounts included in this Appendix B are believed to be accurate as at January 31, 2008. Actual present funded amounts may differ.

Credit enhancement is provided by subordinated notes issued by CCG1. Exchange rate and interest rate swaps have been entered into by CCG1 with a hedge swap counterparty. The funded amount in Comet Trust is U.S.\$10,000,000. The funded amount in Apollo Trust is \$2,166,445. The funded amount in Slate Trust is \$9,313,633.

***Coventree Asset Program 3 — CCT (CCIC) (Apollo Trust Series E, Gemini Trust Series E)***

The assets funded in this program are synthetic structured interest only (“IO”) certificates referencing a commercial mortgage pass-through certificate. The sponsoring entity, a Canadian financial institution (the “**I.O. Sponsor**”) acquired a commercial mortgage pass-through certificate (the “**CCIC IO Certificate**”) issued by Column Canada Issuer Corporation (“**CCIC**”) under a short form prospectus dated July 25, 2002 and pursuant to a Pooling and Servicing Agreement dated as of July 1, 2002.

On May 2, 2003, the I.O. Sponsor entered into a Co-Ownership Agreement with Constellation Certificate Trust (CCIC) Series 2003-1 (“**CCIC Trust**”), a Coventree-created satellite trust, as senior investor, and certain third parties, as junior investors. Under the terms of the Co-Ownership Agreement, CCIC Trust possesses an undivided senior co-ownership interest in the CCIC IO Certificate and is entitled to monthly distributions in respect thereof. CCIC Trust has issued certificates to the ABCP Conduits that fund this program which entitle those ABCP Conduits to monies owed to CCIC Trust under the Co-Ownership Agreement.

The expected maturity date of the assets is October 12, 2014. Credit enhancement is provided by subordinated notes (originally 34%) funded by the junior investors. CCIC Trust has entered into an interest rate swap with TD Bank to hedge the transaction. Gemini Trust and Apollo Trust fund this program with the proceeds of the issuance of Series E notes. The funded amount in Gemini Trust is \$846,054. The funded amount in Apollo Trust is \$64,411.

***Coventree Asset Program 4 — CCT (Rock Island III) (Apollo Trust Series E, Slate Trust Series E-1)***

The assets funded in this program are synthetic structured IO certificates referencing commercial mortgage pass-through certificates. The I.O. Sponsor acquired two commercial mortgage pass-through certificates (the “**MLFA IO Certificates**”), issued under a prospectus by Merrill Lynch Financial Assets Inc. (“**MLFA**”) and pursuant to a Pooling and Servicing Agreement dated as of March 1, 2005.

On June 30, 2005, the I.O. Sponsor entered into a Co-Ownership Agreement with Constellation Certificate Trust (Rock Island III) Series 2005-1 (“**Rock Island III**”), a Coventree-created satellite trust, as senior investor, and certain third parties, as junior investors. Under the terms of the Co-Ownership Agreement, Rock Island III possesses an undivided senior co-ownership interest in the MLFA IO Certificates and is entitled to monthly distributions in respect thereof. Rock Island III has issued certificates to the ABCP Conduits that fund this program which entitle those ABCP Conduits to monies owed to Rock Island III under the Co-Ownership Agreement.

The expected maturity date of the assets is August 12, 2015. Credit enhancement is provided by subordinated notes (originally 26%) funded by the junior investors. Rock Island III has entered into an interest rate cap with Citibank to hedge the transaction.

Apollo Trust funds this program with the proceeds of the issuance of Series E notes. Slate Trust funds this program with the proceeds of the issuance of Series E-1 notes. The funded amount in Apollo Trust is \$984,134. The funded amount in Slate Trust is \$5,579,033.

***Coventree Asset Program 5 — CCT (Rock Island VII) (Apollo Series E, Slate Trust Series E-1)***

The assets funded in this program are synthetic structured IO certificates referencing commercial mortgage pass-through certificates. The I.O. Sponsor acquired two commercial mortgage pass-through certificates, issued by Schooner Trust (the “**Schooner Certificates**”) under a short form prospectus dated September 21, 2005 and pursuant to a Pooling and Servicing Agreement dated as of September 1, 2005. The I.O. Sponsor also acquired two commercial mortgage pass-through certificates issued by Real Estate Liquidity Trust under a short form prospectus dated October 19, 2005 pursuant to a Pooling and Servicing Agreement dated October 1, 2005 (together with the Schooner Certificates, the “**Rock Island VII IO Certificate**”).

On October 28, 2005, the I.O. Sponsor entered into a Co-Ownership Agreement with Constellation Certificate Trust (Rock Island VII) Series 2005-1 (“**Rock Island VII**”), a Coventree-created satellite trust, as senior investor, and certain third parties, as junior investors. Under the terms of the Co-Ownership Agreement, the Trust possesses an undivided senior co-ownership interest in the Rock Island VII IO Certificate and is entitled to monthly distributions in respect

thereof. Rock Island VII has issued certificates to the ABCP Conduits that fund this program which entitle those ABCP Conduits to monies owed to Rock Island VII under the Co-Ownership Agreement.

The expected maturity date of the assets is September 15, 2013. Credit enhancement is provided by subordinated notes (originally 20%) funded by the junior investors. Rock Island VII has entered into an interest rate cap with Citibank to hedge the transaction.

Slate Trust funds this program with the proceeds of the issuance of Series E-1 notes. Apollo Trust funds this program with the proceeds of the issuance of Series E notes. The funded amount in Slate Trust is \$10,792,791. The funded amount in Apollo Trust is \$1,636,269.

***Coventree Asset Program 6 — CCT (Rock Island VIII) (Apollo Series E, Slate Trust Series E-1)***

The assets funded in this program are synthetic structured IO certificates referencing commercial mortgage pass-through certificates. The I.O. Sponsor acquired two commercial mortgage pass-through certificates (the “**Schooner Certificates**”) issued by Schooner Trust and two commercial mortgage pass-through certificates issued by MLFA (collectively, the “**Rock Island VIII IO Certificate**”)

On March 3, 2006, the I.O. Sponsor entered into a Co-Ownership Agreement with Constellation Certificate Trust (Rock Island VIII) Series 2006-1 (“**Rock Island VIII**”), a Coventree-created satellite trust, as senior investor, and certain third parties, as junior investors. Under the terms of the Co-Ownership Agreement, Rock Island VIII possesses an undivided senior co-ownership interest in the Rock Island VIII IO Certificate and is entitled to monthly distributions in respect thereof. Rock Island VIII has issued certificates to the ABCP Conduits that fund this program which entitle those ABCP Conduits to monies owed to Rock Island VIII under the Co-Ownership Agreement.

The expected maturity date of the assets is October 13, 2015. Credit enhancement is provided by subordinated notes (originally 21%) funded by the junior investors. Rock Island VIII has entered into an interest rate cap with Citibank to hedge the transaction.

Slate Trust funds this program with the proceeds of the issuance of Series E-1 notes. Apollo Trust funds this program with the proceeds of the issuance of Series E notes. The funded amount in Slate Trust is \$20,695,419. The funded amount in Apollo Trust is \$1,459,592.

***Coventree Asset Program 7 — CCT (Rock Island) (Apollo Series E, Slate Trust Series E-1)***

The assets funded in this program are interests in a synthetic structured IO certificate referencing commercial mortgage pass-through certificates. The I.O. Sponsor acquired three commercial mortgage pass-through certificates. The first was issued by MLFA pursuant to a Pooling and Servicing Agreement dated as of May 1, 2001 between MLFA, Merrill Lynch Capital Canada Inc., as seller, Montreal Trust Company of Canada, as custodian. The second certificate was issued by Real Estate Asset Liquidity Trust. The third certificate was issued by Schooner Trust pursuant to a Pooling and Servicing Agreement dated as of September 1, 2004 (collectively, the “**Rock Island IO Certificate**”).

On October 27, 2004, the I.O. Sponsor entered into a Co-Ownership Agreement with Constellation Certificate Trust (Rock Island) Series 2004-1 (“**Rock Island**”), a Coventree-created satellite trust, as senior investor, and certain third parties, as junior investors. Under the terms of the Co-Ownership Agreement, Rock Island possesses an undivided senior co-ownership interest in the Rock Island IO Certificate and is entitled to monthly distributions in respect thereof. Rock Island has issued certificates to the ABCP Conduits that fund this program which entitle those ABCP Conduits to monies owed to Rock Island under the Co-Ownership Agreement.

The expected maturity date of the assets is October 12, 2014. Credit enhancement is provided by subordinated notes (originally 33%) funded by the junior investors. Rock Island has entered into an interest rate cap with Citibank to hedge the transaction.

Slate Trust funds this program with the proceeds of the issuance of Series E-1 notes. Apollo Trust funds this program with the proceeds of the issuance of Series E notes. The funded amount in Slate Trust is \$18,965,846. The funded amount in Apollo Trust is \$4,254,189.

***Coventree Asset Program 8 — CCT (Rouses Point) (Apollo Trust Series E, Aurora Trust Series E)***

The assets funded in this program are synthetic structured IO certificates referencing commercial mortgage pass-through certificates. The I.O. Sponsor acquired two commercial mortgage pass-through certificates. The first certificate was issued by Merrill Lynch Mortgage Loans Inc. in May 2000 pursuant to a Pooling and Servicing Agreement dated



May 1, 2000. The second certificate was issued by Solar Trust in August 2001 pursuant to a Pooling and Servicing Agreement dated August 1, 2001 (collectively, the **“Rouses Point IO Certificate”**).

On March 14, 2005, the I.O. Sponsor entered into a Co-Ownership Agreement with Constellation Certificate Trust (Rouses Point) Series 2005-1 (**“Rouses Point”**), a Coventree-created satellite trust, as senior investor, and certain third parties, as junior investors. Under the terms of the Co-Ownership Agreement, Rouses Point possesses an undivided senior co-ownership interest in the Rouses Point IO Certificate and is entitled to monthly distributions in respect thereof. Rouses Point has issued certificates to the ABCP Conduits that fund this program which entitle those ABCP Conduits to monies owed to Rouses Point under the Co-Ownership Agreement.

The expected maturity date of the assets is April 16, 2011. Credit enhancement is provided by subordinated notes (originally 35.3%) funded by the junior investors. Rouses Point has entered into an interest rate cap with Citibank to hedge the transaction.

Aurora Trust and Apollo Trust funds this program with the proceeds of the issuance of Series E notes. The funded amount in Aurora Trust is \$2,015,811. The funded amount in Apollo Trust is \$796,105.

#### ***Coventree Asset Program 9 — CMO (Apollo Trust Series E, Aurora Trust Series B, Series C and Series E)***

The assets funded in this program are interests in \$1-10 MM commercial mortgages originated and underwritten by a Canadian mortgage originator.

The transaction is structured as a direct purchase of the assets from mortgage originator by Aurora Trust under the terms of a Mortgage Purchase Agreement dated April 30, 2004 (the **“MPA”**). Apollo Trust participates in the program under the terms of an AA Loan Agreement dated April 30, 2004, whereby Apollo Trust, as the AA Lender, advances to Aurora Trust, as borrower, monies to partially fund the costs of acquiring assets under the MPA. Aurora Trust, in turn, remits to Apollo Trust monies allocated to the AA Lender under the terms of the MPA.

There has been one sale into the program. The initial pool was comprised of eight recourse mortgages on shopping centres. Two of the mortgages have since been repaid. The current mortgage pool is comprised of six mortgages. Three mortgages representing 52% of the outstanding principal balance are in Ontario, two mortgages representing 33% of the principal balance are in Alberta and one mortgage representing 15% of the principal balance is in New Brunswick.

The expected maturity date of the assets is April 15, 2014. Credit enhancement is provided by Series B and Series C Subordinated ABCP issued by Aurora Trust and a cash reserve account. Aurora Trust has entered into an interest rate swap with Citibank to hedge the transaction.

Both Apollo Trust and Aurora Trust fund this program with the proceeds of the issuance of Series E notes. The funded amount in Apollo Trust is \$8,256,700. The funded amount in Aurora Trust is \$31,307,530. The outstanding amount of Aurora Trust Series B Subordinated ABCP is \$5,436,700. The outstanding amount of Aurora Trust Series C Subordinated ABCP is \$9,032,797.

#### ***Coventree Asset Program 10 — HSBC PLOC<sup>(3)</sup> (Apollo Trust Series E, Gemini Trust Series A, Rocket Trust Series A)***

The assets funded in the program are co-ownership interests in personal lines of credit (**“PLOC”**) originated by HSBC Bank Canada (**“HSBC Canada”**). HSBC Canada is the seller and servicer of the assets.

The transaction is structured as a direct purchase of assets from HSBC Canada. Rocket Trust acquired a senior co-ownership interest in the assets under the terms of a Series 2003-1 Purchase Supplement (the **“2003 Supplement”**) subject to a Pooling and Servicing Agreement dated November 16, 2000 (the **“Pooling and Servicing Agreement”**). Gemini Trust acquired a senior co-ownership interest under the terms of a Series 2006-1 Purchase Supplement (the **“2006 Supplement”**), together with the 2003 Supplement, the **“Purchase Supplements”**), subject to the Pooling and Servicing

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(3) HSBC Canada and Coventree, in its capacity as agent for Rocket Trust, Gemini Trust and Apollo Trust (the “Trusts”), have signed a letter of intent dated March 12, 2008, regarding an agreement in principle for the repurchase from the Trusts at par (subject to certain adjustments) by HSBC of the PLOC assets provided by it to the Trusts under Coventree Asset Program 10, to be completed on or about April 15, 2008. If definitive agreements between HSBC and the Trusts are reached and completed, the proceeds received by Rocket Trust for the PLOC assets supporting the Rocket Trust Series A Notes will form part of the collateral in either or both of MAV1 and MAV2, subject to the election of Noteholders and approval of the Plan, and proceeds received by Gemini Trust and Apollo Trust for the PLOC assets supporting the Gemini Trust Series A Notes and Apollo Trust Series E Notes will be included in the initial capital release to be returned to Noteholders upon the exchange of such Notes for the applicable type of Tracking Notes.

Agreement. Apollo Trust acquired two junior co-ownership interests, subordinate to the respective interests of Rocket Trust and Gemini Trust under the terms of the 2003 Supplement and the 2006 Supplement.

Under the co-ownership structure, a pool of accounts was transferred to a custodian and held on behalf of HSBC Canada, as seller, and the funding ABCP Conduits (ie. Rocket Trust, Gemini Trust and Apollo Trust), as co-owners. The terms of the co-ownership interests are divided into a Revolving Period, a Paydown Period and, if under the terms of the Purchase Supplements an Amortization Event should occur, an Amortization Period. During the Revolving Period the outstanding balances of individual PLOC accounts can be paid down or increased. Principal payments received are invested in new receivables under other PLOC accounts in the pool. During the Revolving Period, the co-ownership interests of the ABCP Conduits remain at a fixed dollar amount, but HSBC Canada's interest varies in size as the outstanding dollar amount of the transferred PLOC accounts varies. If HSBC Canada's interest approaches a minimum threshold specified in the Purchase Supplements, HSBC Canada is required to transfer additional accounts to the custodian.

The Paydown Period in respect of the 2003 Supplement began in January 2008. The Paydown Period in respect of the 2006 Supplement will begin in August of 2008. During a Paydown Period, principal payments are allocated to the co-ownership interests held by the ABCP Conduits. Credit enhancement is provided by a required seller interest of 7%, the AA rated Apollo Trust interest of (originally) 3%, a cash reserve of 2% and a locked in excess spread of 1.8%. Rocket Trust, Apollo Trust and Gemini Trust have entered into basis swaps with HSBC Canada to hedge the transaction.

Apollo Trust funds this program with the proceeds of the issuance of Series E notes. Rocket Trust and Gemini Trust fund this program with the proceeds of the issuance of Series A notes. Under Liquidity Agreements dated July 15, 2003 and February 22, 2006, HSBC Canada provided liquidity for both Rocket Trust and Gemini Trust in respect of the Series A Notes that funded the purchase of the PLOC assets provided by HSBC Bank Canada. The funded amount in Apollo Trust is \$36,000,000. The funded amount in Rocket Trust is \$679,000,000. The funded amount in Gemini Trust is \$485,000,000.

#### ***Coventree Asset Program 12 — Canadian CMBS (Apollo Trust Series E, Rocket Trust Series D, Series E)***

The assets funded in this program are interests in pools of Canadian fixed and floating amortizing commercial mortgages with specific eligibility requirements. The mortgages were originated by a Canadian mortgage originator and are sold and serviced by an affiliate.

The transaction is structured as a direct purchase of the assets from the originator by Rocket Trust under the terms of a Mortgage Purchase Agreement dated February 10, 2004 (the “MPA”). Apollo Trust participates in the program under the terms of an AA Loan Agreement dated February 10, 2004, whereby Apollo Trust, as the AA Lender, advances to Rocket Trust, as borrower, monies to partially fund the costs of acquiring interests in the pools under the MPA. Rocket Trust, in turn, remits to Apollo Trust monies allocated to the AA Lender under the terms of the MPA.

The program has been split into 3 sub-programs as, follows: i) a single mortgage on a regional shopping centre in Cambridge fully guaranteed by a rated Canadian REIT (the “**REIT Pool**”); ii) mortgages purchased with sub-debt from a third party (the (“**Small Pool**”)); and iii) mortgages purchased with sub-debt from an affiliate of the originator (the “**Large Pool**”). A revision to the sub-debt arrangement has resulted in a split of the Large Pool for administrative purposes only to allow for different sub-debt calculations (the pool resulting from the split, the “Large-DPP Pool”).

The expected maturity date of the assets is May 10, 2014. Credit enhancement is provided by a cash reserve, Rocket Trust Series D Subordinated ABCP, and subloans advanced by Rocket Trust to the originator (\$10,537,245 in respect of the Large Pool, \$5,459,615 in respect of the Large-DPP Pool and \$677,501 in respect of the Small Pool). Rocket Trust has entered into interest rate swaps and interest rate caps in respect of each pool with Citibank to hedge the transaction.

Apollo Trust and Rocket Trust fund this program with the proceeds of the issuance of Series E notes.

The funded amount in Apollo Trust is \$4,377,009 (Large Pool), \$3,428,131 (Large-DPP Pool), \$2,217,276 (Small Pool) and \$10,000,000 (REIT Pool). The funded amount in Rocket Trust is \$52,940,847 (Large Pool), \$85,383,767 (Large-DPP Pool), \$15,192,399 (Small Pool) and \$49,357,804 (REIT Pool). The outstanding amount of Rocket Series D Subordinated ABCP is \$35,863,339.

#### ***Coventree Asset Program 14 — Newcov FX (Apollo Trust Series E, Comet Trust Series E)***

The assets funded in this program are interests in a bond structured into a U.S. dollar denominated A note (the “**A Note**”) and a U.S. dollar denominated B note (the “**B Note**”) from a commercial mortgage pass-through certificate

referencing a pool of mortgages on U.S. healthcare properties. The seller is a related entity of the originator and a Cayman Island limited liability company. The originator also services the underlying mortgages.

The transaction is structured in three tiers. Constellation Certificate Trust Newcov (FX) Series 2002-1 (the “**FX Trust**”), a Coventree-created satellite trust, purchased an interest in the A Note with funding through Comet Trust and an interest in the B Note with funding through Apollo Trust. Newcov FX Trust did so through its purchase of a certificate from another Coventree-created satellite trust, Newcov SIV, with loans advanced by Comet Trust and Apollo Trust under the terms of a Fourth Amended and Restated Loan and Security Agreement dated December 31, 2002. The FX Trust in turn used those loans advanced to purchase the Notes from the seller under an offering memorandum of the same date.

The expected maturity date of the A Note is March 24, 2009. The expected maturity date of the B Note is November 24, 2009. Credit enhancement is provided to the B Note by the A Note (originally 39%).

The FX Trust has entered into an interest rate swap and a currency swap with Bear Stearns plc, to hedge the transaction.

Apollo Trust and Comet Trust fund this program with the proceeds of the issuance of Series E notes. The funded amount in Comet Trust is \$58,926,258. The funded amount in Apollo Trust is \$7,059,716.

#### ***Coventree Asset Program 15 — Newcov SLR (Apollo Trust Series E, Gemini Trust Series E)***

The assets funded in this program are interests in a \$28,000,000 principal amount 6.90% Class A-2 Commercial Mortgage Pass-Through Certificate (the “**Solar 2000-1 Certificate**”). Solar Trust Series 2000-1 (“**Solar 2000-1**”) issued the Solar 2000-1 Certificate under a prospectus and pursuant to a Pooling and Servicing Agreement dated October 31, 2000. The underlying commercial mortgages were originated by a Canadian-based mortgage company.

The transaction is structured in three tiers. Newcov SIV, purchased a certificate from another Coventree-created satellite trust, Newcov Trust (SLR) Series 2002-1 (“**SLR**”), with loans advanced by Gemini Trust and Apollo Trust under the terms of a Fourth Amended and Restated Loan and Security Agreement dated December 31, 2002. SLR in turn used those loans advanced to purchase the Solar 2000-1 Certificate.

The assets funded in this program are held by Newcov SIV together with the assets funded in Coventree Asset Program 14, above, to achieve cross collateralization. Newcov SIV has issued Comet Trust and Gemini Trust a Class A-1 Note, and has issued Apollo Trust a Junior Note. Rocket Trust acts as Security Agent for Comet Trust, Gemini Trust and Apollo Trust under the Loan and Security Agreement and has been issued a Class A-1 Note by Newcov SIV to monetize the duties it performs thereunder.

The expected maturity date of the assets is October 17, 2010. Credit enhancement is provided by junior tranches of the CMBS transaction and a basis reserve at the Newcov SIV level, which has since been repaid.

SLR has entered into an interest rate swap with Citibank to hedge the transaction.

Gemini Trust and Apollo Trust funds this program with the proceeds of the issuance of Series E notes. The funded amount in Gemini Trust is \$27,440,000. The funded amount in Apollo Trust is \$560,000.

#### ***Coventree Asset Program 16 — Northbrook (Apollo Trust Series E, Comet Trust Series E)***

The assets funded in this program are interests in a pool of Canadian non-conforming Alt A fixed rate residential mortgages with a maximum term of five years and a maximum loan to value ratio of 88%. The mortgages are originated by a related entity of the seller and the servicer.

The transaction is structured as a direct purchase of the assets from the seller by Comet Trust under the terms of a Mortgage Purchase Agreement dated June 28, 2004 (the “**MPA**”). Apollo Trust participates in the program under the terms of a Junior Loan Agreement dated June 28, 2004, whereby Apollo Trust, as the Junior Lender, advances to Comet Trust, as borrower, monies to partially fund the costs of acquiring assets under the MPA. Comet Trust, in turn, remits to Apollo Trust monies allocated to the Junior Lender under the terms of the MPA.

The expected maturity date of the assets is July 16, 2012. Credit enhancement is provided through over collateralization (as of June 30, 2007, 10.25%).

Comet Trust has entered into a combination of interest rate swaps and interest rate caps with Citibank to hedge the transaction.

Comet Trust and Apollo Trust fund this program with the proceeds of the issuance of Series E notes. Comet Trust also funds this program with the proceeds of the issuance of Series F notes. The funded amount in Comet Trust is \$132,481,735 in Series E and \$60,000,000 in Series F. The funded amount in Apollo Trust is \$7,975,763.

***Coventree Asset Program 17 — CCT Schooner Series 2004-1 (Apollo Trust Series E, Aurora Trust Series A)***

The assets funded in this program are interests in two commercial mortgage pass-through certificates. Constellation Certificate Trust (Schooner) Series 2004-1, a Coventree-created satellite trust (“**Schooner 2004-1**”), purchased a \$55,000,000 portion of the principal amount 4.58% Class A-1 Commercial Mortgage Pass-Through Certificate, Series 2004-CCF1 and the \$55,000,000 principal amount 5.34% Class A- 2 Commercial Mortgage Pass-Through Certificate, Series 2004-CCF1 (the “**Schooner Trust Certificates**”) issued by Schooner Trust under a prospectus dated January 15, 2004 and pursuant to a Pooling and Servicing Agreement dated December 1, 2003. Schooner 2004-1 has issued certificates to the ABCP Conduits that fund this program, and remits cash flow generated by the Schooner Trust Certificates to those ABCP Conduits.

The underlying mortgage assets consist of 75 mortgage loans secured by 78 properties. The mortgages were originated by Commercial Mortgage Operations Company of Canada (58%), Column Canada Issuer Corporation (36%), and First National Financial (6%). The pool is comprised of retail properties (47%), of which 44% are anchored. Other major asset classes are hotels (12%), multi-family properties (9%), and multi-use properties (9%). Geographically, 22% of the properties are located in Toronto, 16% in Montreal, 13% in Calgary and 11% in Ottawa. The average term to maturity of the mortgages is 101 months; with the maximum at 119 months. All but one of the loans have balloon payments due at maturity. The weighted average debt service coverage ratio is 1.44x and the weighted average loan to value ratio at the time of the transaction was 80%, with an expected loan to value ratio at maturity of 65%. Sixty-one percent of the loans have at least partial recourse, and 14% of the portfolio consists of recourse loans to RioCan Real Estate Investment Trust.

Credit enhancement is provided by subordinated notes issued by Schooner Trust (originally 15.9%). Schooner 2004-1 has entered into a balance guarantee interest rate swap with TD Bank to hedge the transaction.

Aurora Trust funds this program with the proceeds of the issuance of Series A notes, with Bank of America providing liquidity. Apollo Trust funds this program with the proceeds of the issuance of Series E notes. The funded amount in Aurora Trust is \$94,679,666. The funded amount in Apollo Trust is \$1,279,000.

***Coventree Asset Program 18 — Solar CCG3 (AAA and IO) (Comet Trust Series F, Gemini Trust Series E and Series F, Planet Trust Series E and Series F, Rocket Trust Series F)***

The assets funded in this program are bonds referencing a pool of U.S. commercial mortgages.

The mortgage originator sold a U.S.\$436 million pool of U.S. commercial mortgages through a Coventree-created U.S. company and a real estate mortgage investment vehicle to SOLAR CCG Commercial Pool III, Inc. (“**Solar CCG**”), a Cayman Island company incorporated for tax purposes. The pool of mortgages was privately rated by DBRS and bonds were issued by Solar CCG under the terms of an indenture dated September 25, 2003.

Coventree-created satellite trusts purchased the AAA class (the “**AAA Bonds**”) and two of the three IO classes (the “**IO Bonds**”). Constellation Certificate Trust (Solar CCG) Series 2003-AAA (“**CCG 2003-AAA**”) purchased the AAA Bonds with funding from Rocket Trust, Planet Trust, Comet Trust and Gemini Trust (the “**CCG AAA Funding Conduits**”). CCG 2003-AAA has issued each of the CCG AAA Funding Conduits certificates evidencing their right to cashflows from the AAA Bonds.

Constellation Certificate Trust (Solar CCG) Series 2003-IO (“**CCG 2003-IO**”) purchased the IO Bonds with funding from Gemini Trust and Apollo Trust (the “**CCG IO Funding Conduits**”). CCG 2003-IO has issued the CCG IO Funding Conduits certificates evidencing their right to cashflows from the IO Bonds.

The AAA class was divided into five separate instruments: A-1 through A-5. The AAA Bonds rank *pari passu* but are repaid sequentially A-1 through A-5. The three IO classes were issued by Solar CCG to maximize proceeds to the originator. The expected maturity dates of the AAA Bonds are as follows: for the A-1 AAA Bond, December 2009; for the A-2 AAA Bond, August 2011; for the A-3 AAA Bond, May 2012; for the A-4 AAA Bond, September 2013; and for the A-5 AAA Bond, January 2017.

Credit enhancement is provided by subordinated bonds issued by Solar CCG (originally 12.5%). CCG 2003-AAA and CCG IO have entered into basis swaps and currency swaps in respect of each individual asset to hedge the transaction.



Rocket Trust, Planet Trust and Gemini Trust fund this program with the proceeds of the issuance of Series E and Series F notes. Comet Trust funded this program with the proceeds of the issuance of Series F notes.

The funded amount in Rocket Trust is \$10,000,000. The funded amount in Planet Trust is 34,761,426 in Series E and \$110,000,000 in Series F. The funded amount in Comet Trust is \$15,000,000. The funded amount in Gemini Trust is \$45,303,705 in Series E and \$140,000,000 in Series F. The IO certificate originally funded in Apollo Trust has matured.

***Coventree Asset Program 19 — QSPE-XCD (Apollo Trust Series E, Series H, Gemini Trust Series E, Series F, Rocket Trust, Series B, Series E, Series F)***

The assets funded in this program are interests in a pool of fixed and floating residential mortgages with non-conforming obligors.

QSPE-XCD Trust (“**QSPE-XCD**”) is a Coventree-created a qualifying special purpose entity formed for the limited purpose of purchasing mortgage loans and related rights from an Ontario-based mortgage company, and financing such purchases through the issuance of notes and other debt obligations. Rocket Trust funded this program through its advance of a loan to QSPE-XCD in exchange for a AAA Floating Rate Asset-Backed Note in the principal amount of \$1,024,181,487 (the “**AAA XCD Note**”). The AAA XCD Note entitles Rocket Trust to periodic interest and principal payments in respect of a pool of residential mortgages purchased by QSPE-XCD from the originator under the terms of the Seventh Amended and Restated Mortgage Purchase Agreement dated November 10, 2006, in the order and priority set out in the AAA XCD Note and in a Sixth Amended and Restated QSPE-XCD Loan and Security Agreement between QSPE-XCD, Rocket Trust and certain specified creditors dated April 20, 2007 (the “**XCD Loan Agreement**”).

Gemini Trust funded this program by entering into a participation agreement with Rocket Trust whereby Gemini Trust advanced a portion of the principal amount of the AAA XCD Note to Rocket Trust in return for a *pro rata* share of the moneys payable in respect thereof. Apollo Trust funded this program through its advance of a loan to QSPE-XCD in exchange for a AA Floating Rate Asset-Backed Note in the principal amount of \$31,796,253 (the “**AA XCD Note**”). The AA XCD Note entitles Apollo Trust to periodic interest and principal payments in the amounts and in the priority set out in the AA XCD Note and in the XCD Loan Agreement.

The mortgages purchased by QSPE-XCD from the originator under this program have a maximum maturity of 5 years. Credit enhancement is provided by Series B Subordinated ABCP issued by Rocket Trust, over-collateralization (originally 3.5%) and excess spread (3%). Cash collateral of up to 4.0% of the outstanding principal amount of the mortgages purchased is provided by the issuance of subordinated notes by QSPE-XCD. QSPE-XCD has entered into interest rate swap and cap combinations with Citibank, HSBC, Royal Bank and CIBC to hedge the transaction.

Rocket Trust and Gemini Trust fund this program with the proceeds of the issuance of Series E notes and Series F notes. Apollo Trust funds this program with the proceeds of the issuance of Series E notes and Series H notes. The funded amount for Rocket Trust is \$649,857,523 in Series E and \$24,361,236 in Series F. The funded amount for Gemini Trust is \$249,724,031 in Series E and \$83,466,967 in Series F. The funded amount for Apollo Trust is \$38,920,586 in Series E and \$10,000,000 in Series H. The outstanding amount of Rocket Trust Series B Subordinated ABCP is \$112,000,000.

***Coventree Asset Program 30 — CCT (Static 2006-A) (Aurora Series E, Series F)***

The asset funded in this program is a certificate referencing a tranche of a RMBS CDO with a super senior position. Thirty-four percent of the underlying collateral is U.S. Sub Prime RMBS.

Constellation Certificate Trust (STATIC 2006-A) Series 2006-1 (“**STATIC**”), a Coventree-created satellite trust acquired a Class A-1(b) Certificate (the “**STATIC Certificate**”). Funding was provided by Aurora Trust. STATIC has issued Aurora Trust a certificate to evidence Aurora Trust’s interest in the cash flow generated by the STATIC Certificate.

Credit enhancement (32.8%) is provided by subordinated tranches purchased by junior investors. Certificate holders of the CDO bear the credit risk in relation to the collateral.

A cross-currency swap has been entered into by STATIC with Citibank to hedge the transaction.

Aurora Trust funds this program with the proceeds of the issuance of Series E and Series F notes. The funded amount in Series E is \$202,631,765. The funded amount in Series F is \$15,000,000.

This asset is an Ineligible Asset and has been downgraded by DBRS and S&P to BBB.



***Coventree Asset Program 32 — CCT (MLFA7) Series 2004-1 Series 2004-1 (Aurora Trust Series E)***

The asset funded in this program is a synthetic senior tranche of an IO commercial mortgage pass-through certificate.

The I.O. Sponsor acquired a Class X Commercial Mortgage Pass-Through Certificate, Series 2002-7 (the “**MLFA7 IO Certificate**”) issued by MLFA under a short form prospectus dated May 8, 2002. The MLFA7 IO Certificate was not qualified under the prospectus.

On January 28, 2004, the I.O. Sponsor entered into a Co-Ownership Agreement with Constellation Certificate Trust (MLFA7) Series 2004-1 (“**MLFA7**”), a Coventree-created satellite trust, as senior investor, and certain third parties, as junior investors. Under the terms of the Co-Ownership Agreement, MLFA7 possesses an undivided senior co-ownership interest in the MLFA7 IO Certificate and is entitled to monthly distributions in respect thereof. MLFA7 has issued a Class A certificate to Aurora Trust to evidence Aurora Trust’s right to receive cash flow generated by the MLFA7 IO Certificate, and is entitled to monthly distributions.

The expected maturity date of the assets is October 12, 2016. Credit enhancement is provided by subordinated notes (originally 47%) funded by the Junior Investors. MLFA7 has entered into an interest rate swap and an interest rate cap with Citibank to hedge the transaction.

Aurora Trust funds this program with the proceeds of the issuance of Series E notes. The funded amount is \$3,055,772.

***Coventree Asset Program 33 — CCT (MLFA Can-12) (Aurora Trust Series E)***

The asset funded in this program is a Planned Amortization Class (“**PAC**”) IO commercial mortgage pass through certificate.

Constellation Certificate Trust (MLFA CAN-12) Series 2004-1, a Coventree-created satellite trust (“**MLFA Can-12**”) purchased a Class XP-1 Commercial Mortgage Pass-Through Certificate, Series 2004-Canada 12 (the “**PAC IO Certificate**”) issued by MLFA under the terms of a short form prospectus dated May 17, 2004. Funding was provided by Aurora Trust. MLFA Can-12 has issued Aurora Trust a certificate evidencing Aurora Trust’s right to receive cash flow generated by the PAC IO Certificate.

The expected maturity date of the asset is May 12, 2011. Credit enhancement is provided by subordinate notes (originally 33%). An interest rate swap and an interest rate cap have been entered into by MLFA Can-12 with Merrill Lynch Capital Services Inc. to hedge the transaction.

Aurora Trust funds this program with the proceeds of the issuance of Series E notes. The funded amount is \$2,546,104.

***Coventree Asset Program 34 — CCG II (Comet Trust Series A)***

The assets funded in this program are interests in a securitized pool of U.S. commercial mortgages. Coventree securitized the mortgages for a mortgage originator. The mortgages were sold by the mortgage originator through a U.S. company incorporated by Coventree, and a real estate mortgage investment conduit to CCG Commercial Pool II, Inc. (“**CCG II**”), a corporation incorporated in the Cayman Islands. CCG II issued notes which were rated AAA to BB by DBRS.

The transaction was structured as a direct purchase of the bond. Comet Trust purchased only the AAA class with the proceeds of the issuance of U.S. dollar and Canadian dollar denominated Series A notes. Deutsche Bank is the liquidity provider for the Series A funding.

The expected maturity date of the assets is February 15, 2013. Credit enhancement is provided by subordinated notes (originally 11.39%). CCG II has entered into a cross-currency interest rate swap with optional prepayment provisions with Citibank and a cross-currency interest rate swap with Deutsche Bank to hedge the transaction. The funded amount is U.S.\$8,913,434 and \$139,414,417.

***Coventree Asset Program 38 — Vehicle Lessor (Comet Trust Series E)***

The asset funded in this program is a direct interest in commercial and retail automobile leases.

The transaction was structured as follows: Comet Trust purchased leases (vehicles and related lease rights) originated by an Ontario-based vehicle leasing company. Comet Trust immediately sold back the vehicles and

concurrently entered into a Lease Equipment Purchase Agreement (“LEPA”) dated June 26, 2003, providing Comet Trust the right to lease the vehicles (which were sub-leased to the originator’s customers).

On closing, Comet Trust funded 93% of the net book value of the leases. Seven per cent was held back as over-collateralization. Under the terms of the LEPA, the originator deposits with Comet Trust an advance amount representing estimated collections and prepayments for the coming Settlement Period and on each Settlement Date (as such capitalized terms are defined in the LEPA) an adjustment is made to reflect the actual collections. Comet Trust retains as cash collateral a minimum of 3.5% of the CP funded. The balance of cash is directed to the originator on each Settlement Date unless a Lock-Up Event is triggered, in which case the cash is held in the account as additional collateral, or a Significant Event is triggered (as such capitalized terms are defined in the LEPA), in which case the program will terminate and the cash will be used to make turbo payments to reduce the CP.

The final maturity date of any of the purchased leases is December 31, 2013. Credit enhancement is provided by the above-noted over-collateralization and by a 3.5% deferred rental account. Comet Trust has entered into an interest rate swap with Royal Bank to hedge the transaction. Comet Trust funded this program with the proceeds of the issuance of Series E notes. The funded amount is \$58,465,961.

***Coventree Asset Program 39 — CCT (TMT 11SL 2005-1) (Comet Trust Series E, Series F)***

The assets funded in this program are interests in three asset-backed securities referencing fixed rate, second lien mortgages.

Constellation Certificate Trust (TMT 11SL) Series 2005-1, a Coventree-created satellite trust (“TMT 11SL”), purchased a Series 2005-11 Class I-A-1a Fixed Interest Rate Note (the “1a Note”), a Series 2005-11 Class I-A-1b Variable Interest Rate Note (the “1b Note”) and a Series 2005-11 Class II-A-2 Fixed Interest Rate Note (the “II-A Note”, together with the 1a Note and the 1b Note, the “TMT 11SL Notes”), each issued by a mortgage originator. Funding was provided by Comet Trust Series E notes and Comet Trust Series F notes. TMT 11SL has issued Comet Trust a Class A Certificate and a Class B certificate to evidence Comet Trust’s right to receive cash flows generated by the TMT 11SL Notes.

The 1a Note has a fixed coupon rate of 4.5%. The 1b Note is a floating rate note at one month LIBOR plus 40 basis points. The II-A Note has a fixed rate coupon of 4.5%.

The expected maturity date of the 1a Note was December 2007. The expected maturity date of the 1b Note is August 27, 2011. The expected maturity date of the II-A Note is April 25, 2010. Credit enhancement is provided by subordinated notes (originally 57% for the 1a Note and the 1b Note, originally 41% for the II-A Note). TMT 11SL has entered into currency swaps and interest rate caps with Citibank to hedge the transaction. The funded amount in Comet Trust Series E is \$85,046,932 and U.S.\$22,199,098. The funded amount in Comet Trust Series F is U.S.\$10,000,000.

***Coventree Asset Program 40 — CCT (TMT 13SL 2005-1) (Comet Trust Series E)***

The asset funded in this program is a certificate referencing fixed rate, second lien mortgages.

Constellation Certificate Trust (TMT 13SL) Series 2005-1, a Coventree-created satellite trust (“TMT 13SL”), purchased a Series TMTS 2005-13SL Class A-1b Note (the “TMT 13SL Note”) issued by a mortgage originator. The TMT 13SL Note has a fixed coupon of 4.75%. Funding was provided by U.S. dollar and Canadian dollar denominated Comet Trust Series E notes. TMT 13SL has issued Comet Trust a Class A Certificate and a Class B Certificate to evidence Comet Trust’s right to receive cash flow generated by the TMT 13SL Note.

The expected maturity date of the TMT 13SL Note is March 2011. Credit enhancement is provided by subordinated notes (originally 21.57%) and excess spread. The referenced mortgages are also wrapped by mortgage insurance from a third party insurance company. TMT 13SL Trust has entered into a currency swap and an interest rate cap with Citibank to hedge the transaction. The funded amount is \$58,452,400 and U.S.\$20,000,000.

***Coventree Asset Program 41 — CCT (TMT 2HE 2005-1) (Comet Trust Series E)***

The asset funded in this program is a certificate referencing a pool of first lien residential mortgages.

Constellation Certificate Trust (TMT 2HE) Series 2005-1, a Coventree-created satellite trust (“TMT 2HE”), purchased Series TMTS 2005-2HE, Class A-1 Asset-Backed Certificates (the “TMT 2HE Certificate”), issued by a mortgage originator. Funding was provided by Comet Trust Series E notes. TMT 2HE has issued Comet Trust a certificate to evidence Comet Trust’s right to receive cash flow generated by the TMT 2HE Certificate.

The expected maturity date of the Note is April 2009. Credit enhancement is provided by subordinated notes (originally 59.9%). TMT 2HE has entered into a currency swap with Citibank to hedge the transaction. The funded amount for Comet Trust is \$15,750,576.

***Coventree Asset Program 42 — CNH (VPN) 2004-1 (Gemini Trust Series E)***

The assets funded in this program are notes referencing a pool of receivables from agricultural and construction equipment.

The transaction is structured as a direct purchase by Gemini Trust of notes issued by an asset originator.

The expected maturity date of the asset is May 15, 2008. Credit enhancement is provided by subordinated notes issued by the asset originator. The asset originator has entered into an interest rate swap with Merrill Lynch to hedge the transaction. Gemini Trust funds this program with the proceeds of the issuance of Series E notes. The funded amount is \$23,308,135.

***Coventree Asset Program 43 — CNH 2004-4 (Gemini Trust Series E)***

The asset funded in this program is a note referencing a pool of seller receivables (the “**Receivables**”).

The transaction is structured as a direct purchase by Gemini Trust of Series CW2004-4 Notes (the “**Notes**”) issued by an asset originator. The asset originator purchased the Receivables from the seller under the terms of a Sale and Servicing Agreement dated July 1, 2004.

The Notes are structured akin to a revolving credit facility wherein the asset originator can draw monthly up to a cap of \$150MM in aggregate (as of August 15, 2007) and pay a standby fee on the undrawn portion. The Receivables consist of the asset originator’s wholesale portfolio, broken into wholegoods, parts, and rental. The wholegoods financing product consists of loans for both new and used equipment such as tractors, combines, backhoes, and skid steers, in which the asset originator extends secured loans to dealers to finance the dealer’s inventory of equipment. New equipment includes equipment purchased either from the asset originator’s manufacturing plant or a short line manufacturer, for example, complimentary products. Used equipment can include equipment from trade-ins, repossessed equipment, returns of leased equipment from retail customers, in addition to equipment purchased from other sources such as an auction.

The expected maturity date of this asset is August 15, 2008. Credit enhancement is provided by subordination (25.4%), a reserve (2%) and dilution reserve (7%). No hedging arrangements were entered into in respect of this transaction. Gemini Trust funds this program with the proceeds of the issuance of Series E notes. The funded amount is \$150,000,000.

***Coventree Asset Program 44 — CCT (MLFA) (Gemini Trust Series E)***

The asset funded in this program is a stream of cash flow generated from an IO tranche of a CMBS transaction.

Constellation Certificate Trust (MLFA) Series 2003-1, a Coventree-created satellite trust (“**MLFA 2003**”), purchased a Class XP-1 Commercial Mortgage Pass-Through Certificate, Series 2003-Canada 10 (the “**MLFA 2003 Certificate**”) issued by MLFA pursuant to a pooling and servicing agreement dated July 1, 2003 and under a short form base PREP prospectus dated June 26, 2003. Funding was provided by Gemini Trust through the issuance of Series E notes. MLFA 2003 has issued Gemini Trust a certificate evidencing Gemini Trust’s right to cash flow generated by the MLFA 2003 Certificate.

The expected maturity date of the asset is December 5, 2007. Credit enhancement is provided by subordinated notes (originally 34%). MLFA 2003 has entered into an interest rate swap, in which it pays 4.51% and receives BA plus 60 basis points, and an interest rate cap with a strike rate of 4.5%, each with Merrill Lynch Capital Services Inc., to hedge the transaction. The funded amount is \$5,589,896.

***Coventree Asset Program 45 — SLR and SLR A2 (Gemini Trust Series A, Series E)***

The assets funded in this program are pass-through certificates referencing a pool of commercial mortgages.

Constellation Certificate Trust (SLR) Series 2002-1, a Coventree-created satellite trust (“**SLR 2002-1**”), purchased a 5.15% Class A-1 Commercial Mortgage Pass-Through Certificate, Series 2002-1 (the “**SLR Class A-1 Certificate**”), a 5.83% Class A-2 Commercial Mortgage Pass-Through Certificate, Series 2002-1 (the “**SLR Class A-2 Certificate**”), together with the SLR Class A-1 Certificate, the “**SLR Class A Certificates**”) and a variable rate Class IO Commercial Mortgage Pass-Through Certificate, Series 2002-1 (the “**SLR IO Certificate**”), each issued by Solar Trust pursuant to a

pooling and servicing agreement dated December 1, 2002 and under the terms of a short form base PREP prospectus dated November 26, 2002. Funding for the SLR Class A Certificates was provided by Gemini Trust Series E notes. Funding for the SLR IO Certificate was provided by Gemini Trust Series E notes and Apollo Trust Series E notes. SLR 2002-1 issued a Class A Certificate to Gemini Trust and a Class B Certificate to Apollo Trust to evidence the latter's respective rights to cash flows generated by the SLR Class A Certificates and the SLR IO Certificate.

In March, 2003, the SLR Class A-2 Certificate was restructured to allow for liquidity. Constellation Certificate Trust (SLR-A2) Series 2003-1, another Coventree-created satellite trust ("**SLR A-2**"), purchased the SLR Class A-2 Certificate from SLR 2002-1. Funding for the SLR Class A-2 Certificate was transferred to Gemini Trust Series A, with liquidity provided by Scotiabank. In August 2007, the SLR IO Certificate was sold and Apollo Trust's interest in this program terminated.

The expected final maturity date of the assets is December 11, 2012. Credit enhancement is provided by subordinated notes (originally 16.7%). SLR 2002-1 and SLR A-2 have each entered into an interest rate swap with TD Bank to hedge the transaction.

The funded amount in Gemini Trust Series A is \$6,802,639. The funded amount in Gemini Trust Series E is \$10,908,147.

#### ***Coventree Asset Program 46 — CCT (STST) (Gemini Trust Series E)***

The asset funded in this program is a synthetic senior tranche of an IO commercial mortgage pass-through certificate.

The I.O. Sponsor acquired a Class IO-1 Commercial Mortgage Pass-Through Certificate, Series 2003-CC1 (the "**Class STST Certificate**") issued by Solar Trust under a short form prospectus dated May 21, 2003, as supplemented.

On October 28, 2003, the I.O. Sponsor entered into a Co-Ownership Agreement with Constellation Certificate Trust (STST) Series 2003-1 ("**STST**"), a Coventree-created satellite trust, as senior investor, and certain third parties, as junior investors. Under the terms of the Co-Ownership Agreement, STST possesses an undivided senior co-ownership interest in the Class STST Certificate and is entitled to distributions in respect thereof. STST has issued a Class A certificate to Gemini Trust to evidence Gemini Trust's right to receive cash flow generated by the Class STST Certificate.

The expected maturity date of the assets is December 5, 2013. Credit enhancement is provided by subordinated notes (originally 48%) funded by the junior investors. STST has entered into an interest rate swap with TD Bank to hedge the transaction.

Gemini Trust funds this program with the proceeds of the issuance of Series E notes. The funded amount is \$1,562,741.

#### ***Coventree Asset Program 47 — ACA (Planet Trust Series E)***

The asset funded in this program is a certificate referencing a cash CDO of non-leveraged ABS, primarily RMBS securities with a total of approximately 22% U.S. sub-prime exposure.

Constellation Certificate Trust (ACA) Series 2003-1, a Coventree-created satellite trust ("**ACA**"), purchased one-month LIBOR + 0.60% Class A-1 Senior Subordinate Secured Notes (the "**ACA Notes**") issued by a Cayman Islands company, under the terms of an indenture dated July 14, 2003. Funding was provided by Planet Trust. ACA has issued Planet Trust a certificate evidencing Planet Trust's right to receive cash flow generated by the ACA Notes. The ABS underlying the ACA Notes were issued by ACA ABS 2003-A.

There will be an auction call in respect of this asset commencing August 5, 2013. Planet Trust funds this program with the proceeds of the issuance of Series E notes. The funded amount is \$84,720,000.

#### ***Coventree Asset Program 54 — CCT (Onyx) (Planet Trust Series E)***

The asset funded in this program is a certificate referencing a Synthetic CDO position on a pool of 79 AAA-rated RMBS bonds.

Constellation Certificate Trust (Onyx) Series 2003-1, a Coventree-created satellite trust ("**Onyx**"), purchased Class C Secured Floating Rate Portfolio Linked Notes, Series 2005-69 (the "**Onyx Notes**") issued by a seller under the terms of a trust deed dated July 4, 2005 and a Series 2005-69 supplemental trust deed dated September 30, 2005. The purchase of the Onyx Notes was originally funded by the proceeds of the issuance by Comet Trust of Series E notes. Onyx,

in turn, issued Comet Trust a certificate (the **“Onyx Certificate”**), evidencing Comet Trust’s right to receive cash flows generated by the Onyx Notes.

Planet Trust purchased the Onyx Certificate from Comet Trust under the terms of a Purchase Agreement dated September 29, 2005. On March 11, 2008, DBRS downgraded the Rating for the Onyx Notes to A.

The expected maturity date of the asset is September 30, 2015. Credit support is provided in a ISDA credit support annex between Onyx and Citibank. Onyx has entered into a cross currency swap with Citibank to hedge the transaction.

The funded amount of this program is \$58,650,000.

***Coventree Asset Program 55 — CCT (RALIQS2) Series 2006-1 (Planet Trust Series E)***

The asset funded in this program is an interest in senior floating rate pass-through certificates representing a senior interest in pools of 30-year, fixed-rate Alt-A residential mortgage loans primarily secured by first liens on one-to-four family residential properties.

Constellation Certificate Trust (RALIQS2) Series 2006-1, a Coventree-created satellite trust (**“RALIQS2”**), purchased a Class I-A-17 Mortgage Asset-Backed Pass-Through Certificate, Series 2006-QS2 (the **“RALIQS2 Certificate”**), issued by a mortgage originator. Funding was provided by Planet Trust. RALIQS2 has issued Planet Trust a certificate evidencing Planet Trust’s right to receive cash flow generated by the RALIQS2 Certificate.

The RALIQS2 Certificate is an available funds cap floater, and pays interest at a floating pass-through rate of Libor plus 48 basis points. The pass-through rate is capped at 5.5%, but the RALIQS2 Certificate is entitled to a corridor contract with a 5.02%/13.02% band (5.5%/13.5% effective coverage).

Planet Trust funds this program with the proceeds of the issuance of Series E notes. The funded amount is \$91,126,775 and U.S.\$7,754,854.

***Coventree Asset Program 56 — CCT (Dekania) 2003-1 (Planet Trust Series E, SIT III Series A)***

The asset funded in this program is a note referencing a static CDO of trust preferred shares and surplus notes issued by small to medium sized U.S. insurance companies.

Constellation Certificate Trust (Dekania) Series 2003-1, a Coventree-created satellite trust (**“Dekania”**), purchased Class A-1 First Priority Senior Secured Floating Rate Notes (the **“Dekania Notes”**) issued by a seller under the terms of an indenture dated September 30, 2003. Funding was provided by SIT III and Planet Trust. Dekania has issued certificates to SIT III and Planet Trust to evidence the latter’s rights to receive cash flow generated by the Dekania Notes.

SIT III funds this program with the proceeds of the issuance of Series A notes. Bank of America provides liquidity to SIT III. Planet Trust funds this program with the proceeds of the issuance of Series E notes. The funded amount in SIT III is \$108,200,000. The funded amount in Planet Trust is U.S.\$28,017,890.

***Coventree Asset Program 57 — CCT (MLCC) (Planet Trust Series A, Series E)***

The asset funded in this program is a mortgage pass-through certificate referencing a pool of U.S. prime first lien residential mortgages purchased by Merrill Lynch Credit Corporation from a U.S. residential mortgage aggregator which services the mortgages.

Constellation Certificate Trust (MLCC) Series 2003-B, a Coventree-created satellite trust (the **“MLCC Trust”**), purchased a Class A-1 Mortgage Pass-Through Certificate (the **“MLCC Certificate”**) issued by Merrill Lynch Mortgage Investors Trust MLCC 2003-B under the terms of a short form prospectus dated March 21, 2003 and a prospectus supplement dated March 21, 2003. Funding was provided by U.S. dollar denominated Planet Trust Series A notes and Series E notes. The MLCC Trust has issued Planet Trust a Class A Certificate and a Class E Certificate, evidencing Planet Trust’s right to receive cash flows generated by the MLCC Certificate.

The original expected maturity date of the assets was July 25, 2013. The latest stated maturity date of any mortgage loan is March 2028. Credit enhancement is provided by subordinated notes issued by MLCC (29.33% as at June 30, 2007). There are no hedging arrangements, as this is a floating rate transaction and the funding is U.S. dollar denominated CP issued in Canada. The funded amount in Planet Trust Series A is U.S.\$7,223,134. Liquidity is provided by Citibank. The funded amount in Planet Trust Series E is U.S.\$7,500,000.



#### ***Coventree Asset Program 61 — CCLT (Synremic II) (Rocket Trust Series E)***

The asset funded in this program is a note referencing a Synthetic CDO of AAA-rated CMBS.

Constellation Credit Linked Trust (Synremic II) Series 2006-1, a Coventree-created satellite trust (“**Synremic II**”), purchased Class A-1 Floating Rate Notes co-issued by a seller, under the terms of an offering circular dated January 24, 2006 and an indenture dated January 26, 2006. Funding was provided by Rocket Trust. Synremic II has issued Rocket Trust a certificate to evidence the Rocket Trust’s right to receive cash flow generated by the Note.

Rocket Trust funds this program with the proceeds of the issuance of Series E notes and Series F notes. The funded amount is \$162,630,000 in Series E and \$45,000,000 in Series F.

#### ***Coventree Asset Program 62b — Equipment Lessor (Rocket Trust Series E)***

The asset funded in this program is an interest in a pool of vehicle and equipment leases.

The originator is an Ontario-based vehicle and equipment leasing business. On May 31, 2005, the originator’s previous securitization program with Giant Trust, a Coventree- and CIBC-sponsored conduit, was unwound and the approximately \$4 million of remaining leases, as well as an existing pool on the originator books valued at approximately \$12 million were securitized under a concurrent lease structure with a new Coventree-created QSPE, Securcor-RIO Trust, and funded through the issuance by Rocket Trust of Series E notes.

Rocket Trust funded a second tranche through Securcor-RIO Trust on February 20, 2006 in the amount of approximately \$8.9 million. Since then, Rocket Trust has funded two more tranches: on June 20, 2006 and on March 20, 2007. Overall, Rocket Trust has funded over \$38.5 million of equipment and automobile leases since the inception of the program.

The expected maturity date of this asset is January 31, 2012. Credit enhancement is provided by over-collateralization (8%), a cash reserve account (5.1%) and excess spread of approximately 4.56%. Securcor-RIO Trust has entered into an interest rate swap with Toronto -Dominion Bank, which pays to Securcor-RIO Trust its cost of funds. The cost of funds becomes capped at CDOR plus 110 basis points if the originator is in default. The funded amount is \$13,489,763.

#### ***Coventree Asset Program 63 — RCA (Rocket Trust Series E)***

The asset funded in this program is a pool of 46 loans related to certain retirement compensation arrangements (“**RCA**”).

The arranger locates companies (the “**RCA Contributors**”) with high net worth individuals that wish to make tax efficient contributions towards post-retirement savings beyond prescribed registered pension plan limits by having the RCA Contributors contribute to a RCA on those individuals’ behalves.

The arranger arranges for funding of these RCA contributions by way of a loan (the “**RCA Loans**”) to the RCA Contributors of 91% of the total amount of the intended RCA contribution (the “**RCA Amount**”), generally from the RCA lender a Canadian based financial institution. The RCA Contributor immediately pays a 1% loan arrangement fee and in turn receives 90% of the RCA Amount. The RCA Amount is used to purchase universal life insurance policies (the “**RCA Insurance**”) which possess a cash surrender value (“**CSV**”) equal to at least 50% of the RCA Amount and a death benefit at least equal to the full RCA Amount. The RCA Lender receives as security for its loan to the RCA Contributors assignments of (a) RCA Insurance, with underlying CSV and death benefits, and (b) the CRA refund entitlement equal to 50% of the RCA Amount.

Rocket Trust has purchased RCA Loans with the proceeds of the issuance of Series E notes at its Series E cost of funds plus 120 basis points, with corresponding full assignment of security. Under the terms of the program Coventree keeps 65 basis points on the first \$100 million of funding and 60 basis points on all funding thereafter. The arranger receives the remainder.

The expected maturity date of the RCA Loans is July 8, 2015. Credit enhancement is provided by over-collateralization. The funded amount is \$255,964,724.

#### ***Coventree Asset Program 65 — CCT (ALT 2005-48-T1) Series 2005-1 (Slate Trust Series E-1)***

The asset funded in this program is a mortgage pass-through certificate referencing a senior interest in a pool of 30-year, fixed-rate Alt A residential mortgage loans secured by first liens on one-to-four family residential properties.

Constellation Certificate Trust (ALT 2005-48-T1) Series 2005-1, a Coventree-created satellite trust (“**ALT 48-T1**”), purchased Class A-3 Mortgage Pass-Through Certificates, Series 200548T1 (the “**ALT 48-T1 Certificate**”) issued by Alternative Loan Trust 2005-48-T1 (“**ALT**”) under the terms of a pooling and servicing agreement dated as of September 1, 2005 between Countrywide Home Loans, Inc., CWALT, Inc., Park Granada LLC, Park Monaco inc., Park Sienna LLC, Countrywide Home Loans Servicing LP and The Bank of New York, and pursuant to an offering memorandum of ALT, comprised of a prospectus of CWALT, Inc. dated July 25, 2005 and a prospectus supplement dated September 26, 2005. Funding was provided by Slate Trust. ALT 48-T1 has issued Slate Trust a certificate to evidence Slate Trust’s right to receive cash flow generated by the ALT 48-T1 Certificate.

The ALT 48-T1 Certificate is an available funds cap floater, and pays interest at a floating pass-through rate of LIBOR plus 47 basis points. The pass-through rate is capped at 5.50% from mortgage pool collections, but is entitled to the benefit of a corridor contract that pays a further yield supplement amount if LIBOR is greater than 5.03% to a further cap of 10.03%. The cap related to notional schedule does not cover 100% unamortized principal of the notes.

The legal maturity date of the asset is October 1, 2035. Credit enhancement is provided by subordinated notes issued by ALT (7.47% as of June 30, 2007). ALT 48-T1 has entered into a cross currency basis swap with Citibank to hedge the transaction. The funded amount in Slate Trust Series E-1 is \$44,080,557 and U.S.\$12,481,481.

***Coventree Asset Program 66a — CCT (ALT 2005-65CB) Series 2005-1 (Slate Trust Series E-1) and Coventree Asset Program 66b — CWALT 65-CB USD (Slate Trust Series A-1)***

The assets funded in these programs are two Class 2-A-1 pass-through certificates, being the entire class (the “**CWALT Certificates**”), representing a senior interest in a pool of 30-year fixed-rate Alt A residential mortgage loans secured by first liens on one-to-four family residential properties.

The CWALT Certificates were issued by Alternative Loans Trust 2005-65CB (“**ALT-65CB**”) under the terms of an offering memorandum, comprised of the prospectus of CWALT, Inc. dated October 25, 2005 and the prospectus supplement of ALT-65CB dated November 28, 2005. Constellation Certificate Trust (ALT 65 CB) Series 2005-1, a Coventree-created satellite trust (“**65 CB Trust**”), purchased one of the Certificates, with funding provided by Slate Trust Series E-1 notes. The 65 CB Trust has issued Slate Trust a certificate evidencing Slate Trust’s right to receive certain cash flow generated by the Certificates. Slate Trust also funded the asset directly with the proceeds of the issuance of U.S. dollar denominated Series A-1 notes. Deutsche Bank provides liquidity to those notes by way of a liquidity put.

The CWALT Certificates are available funds cap floaters, and pay interest at a floating pass-through rate of Libor plus 42.5 basis points. The pass-through rate is capped at 5.50% from mortgage pool collections, but is entitled to the benefit of a cap purchased from the Bank of New York (“**BNY**”). If LIBOR is greater than 5.075%, BNY pays a further yield supplement amount of up to 12.075%. The cap related to notional schedule does not cover 100% of any unamortized principal of the notes. The CWALT Certificates amortize at the same rates and rank *pari passu*.

Original expected maturity date is of the asset was July 25, 2009. The latest stated maturity date of any mortgage loan referenced by the CWALT Certificates is November 1, 2035. Credit enhancement is provided by subordinated notes issued by the Trust (originally 4.95%). 65 CB Trust has entered into a cross currency basis swap with Citibank to hedge the Canadian dollar-funded portion of the program.

The funded amount in Slate Trust Series E-1 is \$88,048,676 and U.S.\$6,917,704. The funded amount in Slate Trust Series A-1 is U.S.\$82,052,065.

***Coventree Asset Program 67a — CCT (RAST 2005-A15) Series 2006-1 (Slate Trust Series E-1)***

The asset funded in this program is a principal tranche certificate referencing a senior interest in pools of 30-year fixed-rate, Alt A residential mortgage loans primarily secured by first liens on one-to-four family residential properties.

Constellation Certificate Trust (RAST 2005-A15) Series 2006-1, a Coventree-created satellite trust (the “**A15 2006-1 Trust**”), purchased a Mortgage Pass-Through Certificate, Series 2005-O, Class 1-A-5 (the “**A15 2006-1 Certificate**”), issued by an issuer pursuant to a pooling and servicing agreement dated December 1, 2005. Funding was provided by Slate Trust. The Trust has issued Slate Trust a certificate evidencing Slate Trust’s right to receive certain cash flow generated by the A15 2006-1 Certificate.

The A15 2006-1 Certificate is an available funds cap floater, and pays interest at a floating pass-through rate of LIBOR plus 45 basis points.

The original expected maturity date of the asset was March 20, 2010. The latest stated maturity date of any mortgage loan referenced is December 25, 2033. Credit enhancement is provided by subordinated notes (originally 9.22%). A15 2006-1 Trust has entered into a cross currency basis swap with Citibank to swap the initial principal amount paid and to swap the LIBOR-based interest payments to CDOR flat, with optionality between the slow-pay (50% of the base case) and fast pay (150% of the base case) bands.

Slate Trust funds this program with the proceeds of the issuance of Series E-1 notes. The funded amount is \$60,034,146 and U.S.\$18,062,161.

***Coventree Asset Program 67b — CCT (RAST 2005-A15) Series 2006-2 (Slate Trust Series E-1)***

The asset funded in this program is a principal tranche certificate referencing a senior interest in pools of 30-year conventional fixed-rate Alt A residential mortgage loans primarily secured by first liens on one to four family residential properties.

Constellation Certificate Trust (RAST 2005-A15) Series 2006-2, a Coventree-created satellite trust (the “**A15 2006-2 Trust**”), purchased a Mortgage Pass-Through Certificate, Series 2005-O, Class 2-A-10 (the “**A15 2006-2 Certificate**”), issued by an issuer pursuant to a pooling and servicing agreement dated December 1, 2005. Funding was provided by Slate Trust. The Trust has issued Slate Trust a certificate evidencing Slate Trust’s right to receive certain cash flow generated by the A15 2006-2 Certificate.

The A15 2006-2 Certificate is an available funds cap floater, and pays interest at a floating pass-through rate of LIBOR plus 45 basis points.

The original expected maturity date of the asset was May 25, 2012. The latest stated maturity date of any mortgage loan referenced is December 25, 2032. Credit enhancement is provided by subordinated notes (4.98%). The A15 2006-2 Trust has entered into a cross currency basis swap with Citibank to swap the initial principal amount paid and to swap the LIBOR-based interest payments to CDOR flat, with optionality between the slow-pay (50% of the base case) and fast pay (150% of the base case) bands.

Slate Trust funds this program with the proceeds of the issuance of Series E-1 notes. The funded amount is \$57,896,096, U.S.\$1,187,487.

***Coventree Asset Program 68 — CCT (TMT-19HE) Series 2004-1 (Slate Trust Series E-1)***

The asset funded in this program is a certificate representing an ownership interest in a pool of adjustable rate and fixed rate first lien residential mortgages.

Constellation Certificate Trust (TMT 19HE) Series 2004-1, a Coventree-created satellite trust (the “**19HE Trust**”), purchased a Series TMTS 2004-19HE, Class A-1 Asset Backed Certificate (the “**19HE Certificate**”) issued by a mortgage originator pursuant to a pooling and servicing agreement dated September 1, 2004 and under the terms of a confidential offering memorandum dated September 29, 2004. Funding was provided by Slate Trust Series E-1 notes. 19HE Trust has issued Slate Trust a certificate evidencing Slate Trust’s right to receive cash flow generated by the 19HE Certificate.

The original estimated maturity date of the assets was December 25, 2013. Credit enhancement is provided by subordinated notes issued by 19HE Trust (originally 56.4%). 19HE Trust has entered into a cross-border currency swap with Citibank to hedge the transaction. The funded amount is \$4,980,690.

***Coventree Asset Program 69 — CCT (TMT-21HE) Series 2004-1 (Slate Trust Series E-1)***

The asset funded in this program is a certificate representing an ownership interest in a pool of Alt A/B first lien residential mortgages.

Constellation Certificate Trust (TMT 21HE) Series 2004-1, a Coventree-created satellite trust (the “**21HE Trust**”), purchased a Series TMTS 2004-21HE, Class 1-A-1 Asset Backed Certificate (the “**21HE Certificate**”) issued by a mortgage originator pursuant to a pooling and servicing agreement dated December 1, 2004 and under the terms of a confidential offering memorandum dated December 3, 2004. Funding was provided by Slate Trust Series E-1 notes. 21HE Trust has issued Slate Trust a certificate evidencing Slate Trust’s right to receive cash flow generated by the 21HE Certificate.

The original estimated maturity date of the assets was November 25, 2014. Credit enhancement is provided by subordinated notes issued by the Trust (36.4%). 21HE Trust has entered into a cross-border currency swap with Citibank to hedge the transaction. The funded amount is \$20,267,842.

***Coventree Asset Program 70 — CCT (TMT-5SL) Series 2005-1 (Slate Trust Series E-1)***

The assets funded in this program are two certificates representing an ownership interest in a pool of second lien residential mortgages.

Constellation Certificate Trust (TMT 5SL) Series 2005-1, a Coventree-created satellite trust (“**5SL Trust**”), purchased U.S.\$103,908,000 of Series TMTS 2005-5SL, Class A-2b Asset Backed Certificates and U.S.\$60,206,250 of Series TMTS 2005-5SL, Class M-1a Asset Backed Certificate (collectively, the “**5SL Certificates**”) issued by a mortgage originator pursuant to a pooling and servicing agreement dated May 1, 2005 and under the terms of a confidential offering memorandum dated May 25, 2005. Funding was provided by Slate Trust Series E-1 notes. 5SL Trust has issued Slate Trust a Class A and a Class B certificate evidencing Slate Trust’s right to receive cash flows generated by the 5SL Certificates.

The original estimated maturity date of the assets was November 25, 2011. Credit enhancement is provided by subordinated notes issued by the Trust (85.6% as at June 30, 2007). 5SL Trust has entered into a cross-border currency swap with Citibank where the 5SL Trust pays LIBOR flat and receives BA plus 7 basis points. The Class A-2b certificate has been fully repaid and the funded amount of the Class M-1a certificate is \$3,464,101 and U.S.\$9,388,671.

***Coventree Asset Program 71 — (TMT-9HGS) Series 2005-1 (Slate Trust Series E-1)***

The asset funded in this program is a certificate representing an ownership interest in a pool of fixed rate, second lien residential mortgages.

The transaction was structured as a direct purchase by Slate Trust of a U.S.\$50MM Class A-1, Series 2005-9HGS Certificate (the “**9HGS Certificate**”) issued by a mortgage originator under the terms of a confidential offering circular dated August 30, 2005.

The 9HGS Certificate was purchased at a discount of \$455,750. The effective yield was 4.69% based upon a projected weighted average life of 1.33x. The mortgage originator makes payments to the Slate Trust based upon the 9HGS Certificate coupon of 4%.

The original estimated maturity date of the asset was November 25, 2008. Credit enhancement is provided by subordinated notes. (63.8% as at June 30, 2007). To hedge the transaction, Slate Trust has entered into an U.S. dollar cap with a strike price of 4.7% with Citibank under which Citibank will make payments on the cap if LIBOR exceeds 4.7%. The funded amount is \$6,143,887.

**Traditional Asset Programs Funded by NBF-Sponsored Conduits**

***Revelstoke CDO (Ironstone Trust Series A, Class E, Series B, Class A)***

The assets funded in this program are notes referencing a CDO. The underlying reference portfolio consists mainly of U.S. RMBS and CMBS, with a 10% CDO and ABS bucket.

Ironstone Trust purchased Class A-1 Senior Variable Rate Secured Notes (the “**Revelstoke A-1 Notes**”), Class A-2 Senior Variable Rate Secured Notes (the “**Revelstoke A-2 Notes**”), and Class A-3 Senior Variable Rate Secured Notes (the “**Revelstoke A-3 Notes**”), each issued by Revelstoke CDO 1 in December 2004 and each rated AAA by DBRS. The Revelstoke A-1 Notes have a coupon of 1 month LIBOR plus 23 basis points. The Revelstoke A-2 Notes have a coupon of 1 month LIBOR plus 31 basis points. The Revelstoke A-3 Notes have a coupon of 1-month LIBOR plus 42.3 basis points.

The assets were funded with the issuance of Ironstone Trust Series A, Class E notes and Series B, Class A notes. CIBC is the liquidity provider for the Series B, Class A notes and is the arranger and collateral manager of Revelstoke. The funded amount is U.S.\$253,870,000 in Series B, Class A and \$481,240,852 in Series A, Class E.

## **Traditional Asset Programs Funded by Newshore-Sponsored Conduits**

### ***Newshore Program 18(a) — ACE Canada Trust<sup>(4)</sup> (Aria Trust Series A, Class A, Symphony Trust Series A, Class A)***

The assets funded in this program are interest bearing senior medium term notes referencing a pool of automobile leases.

Aria Trust and Symphony Trust each purchased a Series 2005-1 Senior Medium Term Note (the “**ACE1 Notes**”) under the terms of separate note purchase agreements (the “**ACE1 Note Purchase Agreements**”) each dated August 23, 2005 with ACE Canada (“**ACE**”), by its administrative agent, a financial institution. The ACE1 Notes entitle Aria Trust and Symphony Trust to payments in respect of a pool of automobile leases under the terms of a trust indenture dated June 1, 2004 and the ACE1 Note Purchase Agreements.

Aria Trust and Symphony Trust fund this program with the proceeds of the issuance of Series A, Class A notes. Liquidity is provided by a financial institution. The funded amount in Aria Trust is \$33,276,769. The funded amount in Symphony Trust is \$38,078,499.

### ***Newshore Program 18(b) — ACE Canada Trust<sup>(4)</sup> (Encore Trust Series A, Class A, Opus Trust Series A, Class A)***

The assets funded in this program are interest bearing senior medium term notes referencing a pool of automobile leases.

Encore Trust and Opus Trust each purchased a Series 2005-1 Senior Medium Term Note (the “**ACE2 Notes**”) under the terms of separate note purchase agreements (the “**ACE2 Note Purchase Agreements**”) each dated May 24, 2007 with ACE, by its administrative agent, a financial institution. The ACE2 Notes entitle Encore Trust and Opus Trust to payments in respect of a pool of automobile leases under the terms of a trust indenture dated June 1, 2004 and the ACE2 Note Purchase Agreements.

Encore Trust and Opus Trust fund this program with the proceeds of the issuance of Series A, Class A notes. Liquidity is provided by a financial institution. The funded amount in Encore Trust is \$60,461,668. The funded amount in Opus Trust is \$112,429,107.

### ***Newshore Program 19 — ALESCO Preferred Funding II (Aria Trust Series E, Class A)***

The asset funded in this program is a note offered as part of a Canadian private placement referencing certain collateral debt securities.

Aria Trust purchased a Class A-1 First Priority Senior Secured Floating Rate Note (the “**APF II Note**”) of ALESCO Preferred Funding II, Ltd., an exempted company incorporated under the laws of the Cayman Islands and ALESCO Preferred Funding II, Inc., a corporation incorporated under the laws of Delaware (collectively, the “**APF II Issuers**”) under the terms of a Canadian Placement Memorandum. The offering of the APF II Note was part of a larger offering of securities of the APF II Issuers in the United States. The APF II Note references certain collateral debt securities to be purchased by the APF II Issuers with the proceeds of the issuance.

Aria Trust funds this program with the proceeds of the issuance of Series E, Class A notes. The funded amount is \$26,800,000.

### ***Newshore Program 20 — ALESCO Preferred Funding III (Aria Trust Series E, Class A)***

The asset funded in this program is a note offered as part of a Canadian private placement referencing certain collateral debt securities.

Aria Trust purchased a Class A-1 First Priority Senior Secured Floating Rate Note (the “**APF III Note**”) of ALESCO Preferred Funding III, Ltd., an exempted company incorporated under the laws of the Cayman Islands and ALESCO Preferred Funding III, Inc., a corporation incorporated under the laws of Delaware (collectively, the “**APF III Issuers**”) under the terms of a Canadian Placement Memorandum. The offering of the APF III Note was part of a larger offering of

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(4) ACE Canada, including its financial service agent, its indenture trustee, its issuing trustee, the liquidity provider of the ACE Canada notes, any party to an agreement with ACE Canada in connection with providing the assets and their respective agents and advisors make no representations and warranties whatsoever, nor express any opinion as to the relevance, completeness or accuracy of any information, including but not limited to the dollar figures indicated above, and are expressly released from any and all liability in connection with the information disclosed above or any reliance thereon.



securities of the APF III Issuers in the United States. The APF III Note references certain collateral debt securities to be purchased by the APF III Issuers with the proceeds of the issuance.

Aria Trust funds this program with the proceeds of the issuance of Series E, Class A notes. The funded amount is \$99,375,000.

***Newshore Program 21 — Dekania CDO II (Aria Trust Series E, Class A)***

The asset funded in this program is a note offered as part of a Canadian private placement referencing certain collateral debt securities.

Aria Trust purchased a Class A-1 First Priority Senior Secured Floating Rate Note (the “**Dekania II Note**”) of Dekania CDO II, Ltd., an exempted company incorporated under the laws of the Cayman Islands and Dekania CDO II, Inc., a corporation incorporated under the laws of Delaware (collectively, the “**Dekania II Issuers**”) under the terms of a Canadian Placement Memorandum. The offering of the Dekania II Note was part of a larger offering of securities of the Dekania II Issuers in the United States. The Dekania II Note references certain collateral debt securities to be purchased by the Dekania II Issuers with the proceeds of the issuance.

Aria Trust funds this program with the proceeds of the issuance of Series E, Class A notes. The funded amount is \$84,495,000.

***Newshore Program 22 — MLFA 2003-CA10 (Aria Trust Series E, Class A)***

The asset funded in this program is a commercial mortgage pass-through certificate qualified under a short form prospectus.

Aria Trust purchased a Class A-2 Commercial Mortgage Pass-Through Certificate, Series 2003-Canada 10 (the “**CA10 Certificate**”) offered by Merrill Lynch Financial Assets Inc. under the terms of a short form prospectus dated June 23, 2003 (accessible online at <http://www.sedar.com>). The CA10 Certificate references a pool of conventional, fixed rate commercial mortgages. The reference properties are shopping centres and other commercial properties located in various provinces across Canada.

The scheduled final distribution date is June 2013. Aria Trust funds this program with the proceeds of the issuance of Series E, Class A notes. The funded amount is \$70,000,000.

***Newshore Program 23 — MLFA-CA14 (Aria Trust Series E, Class A)***

The asset funded in this program is a commercial mortgage pass-through certificate qualified under a short form prospectus.

Aria Trust purchased a Class A-2 Commercial Mortgage Pass-Through Certificate, Series 2003-Canada 14 (the “**CA14 Certificate**”) offered by Merrill Lynch Financial Assets Inc. under the terms of a short form prospectus dated October 7, 2004 (accessible online at <http://www.sedar.com>). The CA14 Certificate references a pool of conventional, fixed rate commercial mortgages. The reference properties are anchored and unanchored shopping centres, mixed use properties, self-storage properties and other commercial properties located in various provinces across Canada.

The scheduled final distribution date is October 12, 2014. Aria Trust funds this program with the proceeds of the issuance of Series E, Class A notes. The funded amount is \$75,000,000.

***Newshore Program 24 — MLFA 2006 CA 19 (Encore Trust Series E, Class A)***

The asset funded in this program is a commercial mortgage pass-through certificate qualified under a short form prospectus.

Encore Trust purchased a Class A-3 Commercial Mortgage Pass-Through Certificate, Series 2006-Canada 19 (the “**CA19 Certificate**”) offered by Merrill Lynch Financial Assets Inc. under the terms of a short form prospectus dated June 14, 2006 (accessible online at <http://www.sedar.com>). The CA19 Certificate references a pool comprised of mortgage loans, a *pari passu* companion loan, two senior companion loans and a *pari passu* co-ownership interest in a whole mortgage loan. The reference properties are anchored and unanchored shopping centres, industrial properties and other commercial properties located in various provinces across Canada.

The scheduled final distribution date is June 12, 2016. Encore Trust funds this program with the proceeds of the issuance of Series E, Class A notes. The funded amount is \$100,000,000.

#### ***Newshore Program 25 — MLFA 2006 CA 20 (Encore Trust Series E, Class A)***

The asset funded in this program is a commercial mortgage pass-through certificate qualified under a short form prospectus.

Encore Trust purchased a Class A-3 Commercial Mortgage Pass-Through Certificate, Series 2006-Canada 20 (the **“CA20 Certificate”**) offered by Merrill Lynch Financial Assets Inc. under the terms of a short form prospectus dated October 20, 2006 (accessible online at <http://www.sedar.com>). The CA20 Certificate references a pool comprised of mortgage loans, a *pari passu* co-ownership interest in a whole mortgage loan, a senior *pari passu* companion loan and three senior companion loans. The reference properties are offices, industrial properties and other commercial properties located in various provinces across Canada.

The scheduled final distribution date is October 12, 2016. Encore Trust funds this program with the proceeds of the issuance of Series E, Class A notes. The funded amount is \$100,000,000.

#### ***Newshore Program 26 — MLFA 2006 CA18 (Symphony Trust Series E, Class A)***

The asset funded in this program is a commercial mortgage pass-through certificate qualified under a short form prospectus.

Symphony Trust purchased a Class A-3 Commercial Mortgage Pass-Through Certificate, Series 2006-Canada 18 (the **“CA18 Certificate”**) offered by Merrill Lynch Financial Assets Inc. under the terms of a short form prospectus dated March 6, 2006 (accessible online at <http://www.sedar.com>). The CA18 Certificate references a pool comprised of mortgage loans, a *pari passu* senior companion loan, a *pari passu* co-ownership interest in a whole mortgage loan and a senior co-ownership interest in a whole mortgage loan. The reference properties are offices, anchored and unanchored shopping centres and other commercial properties located in various provinces across Canada.

The scheduled final distribution date is February 12, 2016. Symphony Trust funds this program with the proceeds of the issuance of Series E, Class A notes. The funded amount is \$140,000,000.

#### ***Newshore Program 27 — SCSC 2004-CF2 (Aria Trust Series E, Class A)***

The asset funded in this program is a commercial mortgage pass-through certificate qualified under a short form prospectus.

Aria Trust purchased a Class A-2 Commercial Mortgage Pass-Through Certificate, Series 2004-CF2 (the **“CF2 Certificate”**) offered by Schooner Trust (a trade marked name adopted by TD Bank), under the terms of a short form prospectus dated September 30, 2004 (accessible online at <http://www.sedar.com>). The CF2 Certificate references a pool of conventional, fixed rate commercial mortgages. The reference properties are anchored and unanchored retail properties, industrial properties and other commercial properties located in various provinces across Canada.

The scheduled final distribution date is July 12, 2014. Aria Trust funds this program with the proceeds of the issuance of Series E, Class A notes. The funded amount is \$50,000,000.

#### ***Newshore Program 28 — SCSC 2005-4 (Symphony Trust Series E, Class A)***

The asset funded in this program is a commercial mortgage pass-through certificate qualified under a short form prospectus.

Symphony Trust purchased a Class A-2 Commercial Mortgage Pass-Through Certificate, Series 2005-4 (the **“SC 2005-4 Certificate”**) offered by Schooner Trust under the terms of a short form prospectus dated September 21, 2005 (accessible online at <http://www.sedar.com>). The SC 2005-4 Certificate references a pool of fixed rate commercial mortgages. The reference properties are anchored and unanchored retail properties, industrial properties and other commercial properties located in various provinces across Canada.

The scheduled final distribution date is September 12, 2015. Symphony Trust funds this program with the proceeds of the issuance of Series E, Class A notes. The funded amount is \$100,000,000.

#### ***Newshore Program 29 — SCSC 2006-5 (Opus Trust Series E, Class A)***

The asset funded in this program is a commercial mortgage pass-through certificate qualified under a short form prospectus.

Opus Trust purchased a Class A-2 Commercial Mortgage Pass-Through Certificate, Series 2006-5 (the “**SC 2006-5 Certificate**”) offered by Schooner Trust under the terms of a short form prospectus dated February 21, 2006 (accessible online at <http://www.sedar.com>). The SC 2006-5 Certificate references a pool of conventional, fixed rate commercial mortgages. The reference properties are anchored and unanchored retail properties, industrial properties and other commercial properties located in various provinces across Canada.

The scheduled final distribution date is February 12, 2016. Opus Trust funds this program with the proceeds of the issuance of Series E, Class A notes. The funded amount is \$140,000,000.

***Newshore Program 30 — SCSC 2006-6 (Opus Trust Series E, Class A)***

The asset funded in this program is a commercial mortgage pass-through certificate qualified under a short form prospectus.

Opus Trust purchased a Class A-2 Commercial Mortgage Pass-Through Certificate, Series 2006-6 (the “**SC 2006-6 Certificate**”) offered by Schooner Trust under the terms of a short form prospectus dated September 18, 2006 (accessible online at <http://www.sedar.com>). The SC 2006-6 Certificate references a pool of conventional, fixed rate commercial mortgages. The reference properties are anchored and unanchored retail properties, industrial properties and other commercial properties located in various provinces across Canada.

The scheduled final distribution date is September 12, 2016. Opus Trust funds this program with the proceeds of the issuance of Series E, Class A notes. The funded amount is \$100,000,000.

***Newshore Program 31 — REAL Trust 2005-2 (Symphony Trust Series E, Class A)***

The asset funded in this program is a commercial mortgage pass-through certificate qualified under a short form prospectus.

Symphony Trust purchased a Class A-2 Commercial Mortgage Pass-Through Certificate, Series 2005-2 (the “**REAL-T 2005-2 Certificate**”) offered by Real Estate Asset Liquidity Trust (a trade marked name adopted by Royal Bank of Canada), under the terms of a short form prospectus dated October 19, 2005 (accessible online at <http://www.sedar.com>). The REAL-T 2005-2 Certificate references a pool of conventional, fixed rate commercial mortgages. The reference properties are unanchored shopping centres, industrial properties and other commercial properties located in various provinces across Canada.

The scheduled final distribution date is October 12, 2015. Symphony Trust funds this program with the proceeds of the issuance of Series E, Class A notes. The funded amount is \$112,000,000.

***Newshore Program 32 — Federal and Quebec Immigrant Investor Loans (Newshore Canadian Trust Series 2001-1, Series A, Class B)***

The assets funded in this program are loans advanced under the federal- and Quebec-administered immigrant investor loan program. The Canadian Federal Government administers the Federal Immigrant Investor Program pursuant to the *Immigration Act* (Canada). In addition, Quebec selects immigrants under its Provincial Nominee Program, which includes an investor program.

Newshore Canadian Trust has entered into three credit agreements (the “**Credit Agreements**”), as lender, with MCAP Investors Trust (NCT) (“**MCAP**”), as borrower, in 2001. Under the terms of the Credit Agreements, Newshore Canadian Trust is entitled to certain repayment amounts received by MCAP from qualifying investors who have been advanced the immigrant investor loans by MCAP under the program.

Newshore Canadian Trust Funded this program with the proceeds of the issuance of Series 2001-1 notes and Series A, Class B notes. Deutsche Bank provides liquidity for the Series A notes. The funded amount is \$410,125,000

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## EXHIBIT A

### RESTRUCTURING RESOLUTION

**RESOLVED** that:

1. The Plan of Compromise and Arrangement pursuant to the *Companies' Creditors Arrangement Act* (Canada) (“**CCAA**”) set out as Exhibit B to the Notice of Proceedings and Meeting and Information Statement dated March 20, 2008 (the “**Plan**”) is approved and authorized.
2. Each of the Approved Agreements (as defined in the Plan) is approved and authorized.
3. Notwithstanding that this resolution has been passed by the Noteholders of the Affected ABCP, the Investors Committee may amend the Plan in accordance with the provisions of the Plan without further approval of the Noteholders of the Affected ABCP.
4. Each of the CCAA Parties and the other parties to the Plan or the Approved Agreements are authorized to execute and deliver all other documents and to take such other actions as the parties determine necessary or desirable to give effect to the Plan, such determination to be conclusively evidenced by the execution and delivery of any such document or the taking of any such action.



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## **EXHIBIT B**

### **PLAN OF COMPROMISE AND ARRANGEMENT**

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# **AMENDED PLAN OF COMPROMISE AND ARRANGEMENT**

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**PURSUANT TO THE  
*COMPANIES' CREDITORS ARRANGEMENT ACT (CANADA)***

**INVOLVING:**

**METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS II CORP.,  
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS III CORP.,  
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS V CORP.,  
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS XI CORP.,  
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS XII CORP.,  
4446372 CANADA INC. AND 6932819 CANADA INC.**

**Trustees of the Following Conduits:**

**APOLLO TRUST  
APSLEY TRUST  
ARIA TRUST  
AURORA TRUST  
COMET TRUST  
ENCORE TRUST  
GEMINI TRUST  
IRONSTONE TRUST  
MMAI-I TRUST  
NEWSHORE CANADIAN TRUST  
OPUS TRUST  
PLANET TRUST  
ROCKET TRUST  
SELKIRK FUNDING TRUST  
SILVERSTONE TRUST  
SLATE TRUST  
STRUCTURED ASSET TRUST  
STRUCTURED INVESTMENT TRUST III  
SYMPHONY TRUST  
WHITEHALL TRUST**

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**March 19, 2008**

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# AMENDED PLAN OF COMPROMISE AND ARRANGEMENT

## PURSUANT TO THE COMPANIES' CREDITORS ARRANGEMENT ACT (CANADA)

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

In this Plan:

**“ABCP”** means asset-backed commercial paper;

**“ABCP Conduits”** means, collectively, the Conduits that are subject to the Plan, namely the following: Apollo Trust, Apsley Trust, Aria Trust, Aurora Trust, Comet Trust, Encore Trust, Gemini Trust, Ironstone Trust, MMAI-I Trust, Newshore Canadian Trust, Opus Trust, Planet Trust, Rocket Trust, Selkirk Funding Trust, Silverstone Trust, Slate Trust, Structured Asset Trust, Structured Investment Trust III, Symphony Trust and Whitehall Trust, unless excluded pursuant to Section 11.2;

**“ABCP Dealers”** means any dealer, broker, financial institution or intermediary that sold, directly or indirectly, any of the Affected ABCP to one or more Noteholders or that rendered advice with respect to the purchase and sale of Affected ABCP;

**“ABCP Market Claims”** has the meaning set out in Section 10.1;

**“ABCP program”** means any series or class of ABCP issued by an issuer trustee on behalf of a Conduit;

**“ABCP Sponsors”** means, collectively, the Sponsors of the ABCP Conduits (and, where applicable such Sponsors' affiliates), namely, Coventree Capital Inc., National Bank Financial Inc., Nereus Financial Inc., Newshore Financial Services Inc., Quanto Financial Corporation and Securitrus Capital Corp.;

**“Additional Modifications and Individual Solutions of CDS Term Sheet”** means that certain term sheet attached hereto as Schedule “M” setting forth the material terms of certain specific, additional agreements for the restructuring of the Credit Default Swaps listed therein among the parties thereto;

**“Administrative Agents”** means, collectively, the entities that administer the ABCP Conduits and their respective assets as agents for the Respondents;

**“Administration and Management Agreement”** means the agreement between each of the MAVs and the Asset Manager relating to the administration of the MAVs, the material terms of which are described in Schedule “J”;

**“Affected ABCP”** means the asset-backed commercial paper debt obligations of the CCAA Parties relating to the ABCP Conduits outstanding as of the Record Date, together with, where applicable, their Extendible Notes, Floating Rate Notes, Liquidity Notes and Subordinated ABCP, of the Series identified on Schedule “A”, unless excluded pursuant to Section 11.2;

**“Affected ABCP Credit Default Swaps”** means the Credit Default Swaps associated with certain of the Affected ABCP, as listed in Appendix A to the Information Statement;

**“affiliate”** has the meaning ascribed to it in the National Instrument 45-106 — *Prospectus and Registration Exemptions* of the Canadian Securities Administrators;

**“Applicable Law”** means any Canadian federal, provincial, municipal, local or foreign statute, act, law, ordinance, regulation, rule, code, order, decree, judgment, policy, other requirement or rule of law, including the common law and its principles;

**“Applicants”** means, collectively, Alberta Treasury Branches operating as ATB Financial, Caisse de Dépôt et Placement du Québec, Canaccord Capital Corporation, Canada Mortgage and Housing Corporation, Canada Post Corporation, Credit Union Central Alberta Limited, Credit Union Central of British Columbia, Credit Union Central of Canada, Credit Union Central of Ontario, Credit Union Central of Saskatchewan, Desjardins Group, Magna International Inc., National Bank of Canada/National Bank Financial Inc., Nav Canada, Northwater Capital Management Inc., Public Sector Pension Investment Board and The Governors of University of Alberta;

**“Approved Agreements”** means, collectively, the following documents: (i) the Declarations of Trust; (ii) the Administration and Management Agreements; (iii) the Margin Funding Facility Agreements; (iv) the Omnibus Agreements; (v) the Master Security Agreements; (vi) the CDS Restructuring Documents; (vii) the Traditional Asset Co-Ownership Agreement; (viii) the Additional Modifications and Individual Solutions of CDS Term Sheet; (ix) the GD Swap Restructuring Agreements; (x) the Trust Indentures; and (xi) the Master Release Agreement;

**“asset-backed commercial paper”** means commercial paper secured by financial assets, such as pools of mortgages or credit card receivables;

**“Asset Manager”** means BlackRock (Institutional) Canada Ltd. or an affiliate;

**“Asset Originators”** means the entities that provide, or issue, as the case may be, the assets pursuant to the securitization documents entered into in connection with Traditional Asset programs;

**“Asset Providers”** means, collectively, the dealer banks, commercial banks and other entities which have entered into Credit Default Swaps with and/or have sold Collateralized Debt Obligation assets to one or more of the ABCP Conduits directly or indirectly through satellite trusts, including: Bank of America, N.A.; Canadian Imperial Bank of Commerce; Citibank, N.A.; Deutsche Bank AG; HSBC Bank USA, National Association; Merrill Lynch International; Royal Bank of Canada; Royal Bank of Scotland; Swiss Re Financial Products Corporation; UBS AG and Wachovia Bank N.A. and their respective affiliates;

**“BNY”** means BNY Trust Company of Canada;

**“BlackRock”** means collectively, BlackRock Financial Management, Inc. and BlackRock (Institutional) Canada Ltd.;

**“Business Day”** means a day other than a Saturday or Sunday on which banks are generally open for business in Toronto, Ontario and Montreal, Quebec;

**“Canadian Banks”** means, collectively, Bank of Montréal, Canadian Imperial Bank of Commerce, National Bank of Canada, Royal Bank of Canada, The Bank of Nova Scotia and Toronto-Dominion Bank;

**“Canada Trust”** means The Canada Trust Company;

**“CCAA”** means the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;

**“CCAA Court”** means the Superior Court of Justice (Ontario);

**“CCAA Charge”** means a Charge created by the Initial CCAA Order;

**“CCAA Parties”** means, collectively, the Respondents and the ABCP Conduits;

**“CCAA Proceedings”** means the within proceedings under the CCAA commenced by the Applicants;

**“CDS”** means Credit Default Swap;

**“CDS Restructuring Documents”** means each of the new swap documents for the restructured Credit Default Swaps (Master ISDA, ISDA Schedules and Confirms), the forms of which are set out in Schedule “L”, to be entered into on the Plan Implementation Date in order to implement the terms of the restructuring of the Affected ABCP Credit Default Swaps as described in the Information Statement (see section entitled “*Restructuring of Credit Default Swaps*”);

**“Charge”** means a valid and enforceable security interest, lien, charge, pledge, encumbrance, mortgage, hypothec, adverse claim, title retention agreement or trust agreement of any nature or kind (but excluding any statutory deemed trust or lien for any taxes or levies), on the property of the ABCP Conduits;

**“Class A-2 Notes”** means, collectively, the MAV1 Class A-2 Notes and the MAV2 Class A-2 Notes;

**“Class C Notes”** means, collectively, the MAV1 Class C Note and the MAV2 Class C Note;

**“Collateralized Debt Obligation”** means an investment collateralized or referenced to a portfolio of debt;

**“commercial paper”** means a form of corporate or asset-backed note maturing less than one year from its date of issuance, typically issued at a discount, though sometimes on an interest-bearing basis;

**“Computershare”** means Computershare Trust Company of Canada;

**“Conduit”** means a special purpose entity used in an ABCP program that purchased assets and funded these purchases either through term securitizations or through the issuance of commercial paper;

**“CRA”** means the Canada Revenue Agency;

**“Credit Default Swap”** means a form of credit protection, in which one party agrees to compensate the other in the event of a default by a specified entity or in respect of a security for a fee;

**“DBRS”** means DBRS Limited, a rating agency;

**“Declarations of Trust”** means, collectively, the MAV1 Declaration of Trust, the MAV2 Declaration of Trust and the MAV3 Declaration of Trust;

**“Depository”** means CIBC Mellon Trust Company;

**“Effective Time”** means the first moment in time on the Plan Implementation Date;

**“Exclusively Traditional Assets”** means the Traditional Assets that secure a Series of Affected ABCP where that Series of Affected ABCP is secured exclusively by Traditional Assets;

**“Existing Note Indenture Trustees”** means, collectively, the note indenture trustees under the trust indentures entered into in respect of the ABCP Conduits, namely BNY (as successor to the Trust Company of Bank of Montréal), CIBC Mellon Trust Company, Computershare (as note indenture trustee or as agent for Canada Trust, as the case may be) and Natcan Trust Company with regard to the ABCP Conduits;

**“Extendible Notes”** means ABCP with an initial scheduled maturity, but which may, at the option of the issuer, be extended on the scheduled maturity for some fixed period to a final maturity;

**“Face Amount”** means the principal or face amount of ABCP due at maturity;

**“Financial Services Agents”** means, collectively, the entities that provide or cause to be provided financial, originating, structuring and/or analytical services to the ABCP Conduits as agents for the Respondents, including Securitus Capital Corp. (in that capacity for both Selkirk Funding Trust and its sub-trust) ;

**“Floating Rate Note”** means a medium or long term debt instrument with a variable interest rate, adjusted periodically and tied to a money-market index;

**“Form of Election”** means the form of election (printed on yellow paper) included with the Information Statement pursuant to which a Noteholder elects to participate in either MAV1 or MAV2;

**“GD Swaps”** means the mirrored back-to-back Credit Default Swaps between (i) MMAI-I Trust and Global Diversified Investment Grade Income Trust and Global Diversified Investment Grade Private Trust and (ii) Silverstone Trust and Global Diversified Investment Grade Income Trust II.

**“GD Swap Restructuring Agreements”** means the definitive documentation necessary to give effect to the agreement in principle for the restructuring of the GD Swaps, the material terms of which are described in Schedule “N”;

**“Hybrid Assets”** means a combination of LSS Assets and Traditional Assets;

**“IA Tracking Notes”** means the notes to be issued by MAV1 and MAV2 on the Plan Implementation Date pursuant to the IA Tracking Note Trust Indentures, the material terms of which are described in Schedule “D”;

**“IA Tracking Note Trust Indentures”** means trust indentures of MAV1 and MAV2 dated as of the Plan Implementation Date pursuant to which the IA Tracking Notes will be issued, the material terms of which are described in Schedule “D”;

**“Ineligible Assets”** means the assets which have been deemed ineligible for pooling in the MAVs in connection with the Plan by reason of their exposure to U.S. sub-prime mortgages or otherwise;

**“Information Statement”** means the Information Statement approved by the Meeting Order including the Appendices and Exhibits thereto, the terms of each of which are incorporated herein by reference;

**“Initial CCAA Order”** means the initial order of the CCAA Court dated March 17, 2008, pursuant to which, among other things, the CCAA Court granted a stay of proceedings with respect to the CCAA Parties, as same may be further amended from time to time;

**“Investors Committee”** means the Pan-Canadian Investors Committee for Third-Party Structured Asset-Backed Commercial Paper comprised of representatives of the following investors: Alberta Treasury Branches operating as ATB Financial, Caisse de Dépôt et Placement du Québec, Canaccord Capital Corporation, Canada Mortgage and Housing Corporation, Canada Post Corporation, Credit Union Central Alberta Limited, Credit Union Central of British Columbia, Credit Union Central of Canada, Credit Union Central of Ontario, Credit Union Central of Saskatchewan, Desjardins Group, Magna International Inc., National Bank Financial Group, NAV Canada, Northwater Capital Management Inc., Public Sector Pension Investment Board and The Governors of the University of Alberta;

**“ISDA”** means the International Swaps and Derivatives Association, Inc.;

**“Issuing and Paying Agents”** means, collectively, the entities that serve as issuing and paying agents for the Respondents and are responsible for the mechanics of delivering ABCP to investors in the ABCP Conduits and making payments thereon;

**“JPMorgan”** means, collectively, JPMorgan Securities Inc. and JPMorgan Securities Canada Inc., the financial advisor to the Investors Committee;

**“JPMorgan Report”** means the JPMorgan Report on Restructuring attached to the Information Statement as Exhibit D;

**“Leveraged Super Senior”** means a leveraged form of Synthetic CDO where the amount of notional risk is greater than the amount of collateral securing the swap;

**“Liquidity Agreement”** means an agreement that establishes a liquidity facility for an ABCP program;

**“Liquidity Notes”** means the liquidity pledge bonds issued by Structured Asset Trust and Planet Trust, respectively, which form part of the Affected ABCP;

**“Liquidity Providers”** means the parties that agreed to provide liquidity funding under the terms of Liquidity Agreements in respect of ABCP programs of Affected ABCP, including: ABN AMRO Bank N.V., Canada Branch; Bank of America, N.A., Canada Branch; Barclays Bank plc; Canadian Imperial Bank of Commerce; Citibank Canada; Citibank, N.A.; Danske Bank A/S; Deutsche Bank AG; HSBC Bank Canada; HSBC Bank USA, National Association, Toronto Branch; Merrill Lynch Capital Services, Inc.; Merrill Lynch International; Royal Bank of Canada; Swiss Re Financial Products Corporation; The Bank of Nova Scotia; The Royal Bank of Scotland plc and UBS AG;

**“LSS”** means Leveraged Super Senior;

**“LSS Assets”** means assets that are used to support Leveraged Super Senior structures;

**“Margin Funding Facility Agreements”** means, collectively, the MAV1 Margin Funding Facility Agreement and the MAV2 Margin Funding Facility Agreement;

**“Master Release Agreement”** means the agreement to be effective on the Plan Implementation Date pursuant to which certain Plan Participants and certain other parties agree to release one another from any and all ABCP Market Claims, subject to the terms and conditions set forth therein;

**“Master Security Agreements”** means, collectively, the MAV1 Master Security Agreement and the MAV2 Master Security Agreement;

**“MAV1”** means the trust vehicle to be established under the laws of the Province of Ontario by the MAV1 Declaration of Trust;

**“MAV1 Class A-1 Note”** means a note to be issued in respect of MAV1 by the New Issuer Trustee pursuant to the terms of the MAV1 Trust Indenture, the material terms of which are described in Schedule “B”;

**“MAV1 Class A-2 Note”** means a note to be issued in respect of MAV1 by the New Issuer Trustee pursuant to the terms of the MAV1 Trust Indenture, the material terms of which are described in Schedule “B”;

**“MAV1 Class B Note”** means a note to be issued in respect of MAV1 by the New Issuer Trustee pursuant to the terms of the MAV1 Trust Indenture, the material terms of which are described in Schedule “B”;

**“MAV1 Class C Note”** means a note to be issued in respect of MAV1 by the New Issuer Trustee pursuant to the terms of the MAV1 Trust Indenture, the material terms of which are described in Schedule “B”;

**“MAV1 Declaration of Trust”** means the declaration of trust to be entered into prior to or on the Plan Implementation Date creating MAV1, the material terms of which are described in Schedule “F”;

**“MAV1 Eligible”** means Affected ABCP backed by Synthetic and Hybrid Assets and in respect of which the Noteholder has elected to participate in MAV1 and has met the eligibility requirements set out in the Information Statement;

**“MAV1 IA Tracking Note”** means an IA Tracking Note to be issued in respect of MAV1 by the New Issuer Trustee pursuant to the terms of the MAV1 IA Tracking Note Indenture, the material terms of which are described in Schedule “D”;

**“MAV1 IA Tracking Note Indenture”** means the trust indenture to be dated as of the Plan Implementation Date between the New Issuer Trustee and the New Indenture Trustee governing the MAV1 IA Tracking Notes, the material terms of which are described in Schedule “D”;

**“MAV1 Margin Funding Facility”** means the secured margin funding credit facility to be established in connection with MAV1 on the Plan Implementation Date pursuant to the MAV1 Margin Funding Facility Agreement to be used, if necessary, to fund collateral calls and termination payments under ISDA agreements and the related credit support arrangements to the extent not otherwise satisfied through available collateral;

**“MAV1 Margin Funding Facility Agreement”** means the credit agreement to be entered into as of the Plan Implementation Date creating the MAV1 Margin Funding Facility, the material terms of which are described in Schedule “G”;

**“MAV1 Master Security Agreement”** means the security agreement to be entered into as of the Plan Implementation Date in connection with the MAV1 Margin Funding Facility Agreement, the material terms of which are described in Schedule “T”;

**“MAV1 MFF Lenders”** means, collectively, the lenders that are party to the MAV1 Margin Funding Facility Agreement;

**“MAV1 Notes”** means, collectively, the MAV1 Class A-1 Notes, the MAV1 Class A-2 Notes, the MAV1 Class B Notes and the MAV1 Class C Notes and **“MAV1 Note”** refers to any one of them;

**“MAV1 Omnibus Agreement”** means the agreement between the parties to the MAV1 Margin Funding Facility Agreement and the Asset Providers concerning certain intercreditor matters, to be entered into as of the Plan Implementation, the material terms of which are described in Schedule “H”;

**“MAV1 Trust Indenture”** means the trust indenture to be dated as of the Plan Implementation Date between the New Issuer Trustee and the New Indenture Trustee governing the MAV1 Notes, the material terms of which are described in Schedule “B”;

**“MAVs”** means, collectively, MAV1 and MAV2 and MAV3;



**“MAV2”** means the trust vehicle to be established under the laws of the Province of Ontario by the MAV2 Declaration of Trust;

**“MAV2 Class A-1 Note”** means a note to be issued in respect of MAV2 by the New Issuer Trustee pursuant to the terms of the MAV2 Trust Indenture, the material terms of which are described in Schedule “C”;

**“MAV2 Class A-2 Note”** means a note to be issued in respect of MAV2 by the New Issuer Trustee pursuant to the terms of the MAV2 Trust Indenture, the material terms of which are described in Schedule “C”;

**“MAV2 Class B Note”** means a note to be issued in respect of MAV2 by the New Issuer Trustee pursuant to the terms of the MAV2 Trust Indenture, the material terms of which are described in Schedule “C”;

**“MAV2 Class C Note”** means a note to be issued in respect of MAV2 by the New Issuer Trustee pursuant to the terms of the MAV2 Trust Indenture, the material terms of which are described in Schedule “C”;

**“MAV2 Declaration of Trust”** means the declaration of trust to be entered into prior to or on the Plan Implementation Date creating MAV1, the material terms of which are described in Schedule “F”;

**“MAV2 IA Tracking Note”** means an IA Tracking Note to be issued in respect of MAV2 by the New Issuer Trustee pursuant to the terms of the MAV2 IA Tracking Note Indenture, the material terms of which are described in Schedule “D”;

**“MAV2 IA Tracking Note Indenture”** means the trust indenture to be dated as of the Plan Implementation Date between the New Issuer Trustee and the New Indenture Trustee governing the MAV2 Tracking Notes, the material terms of which are described in Schedule “D”;

**“MAV2 Margin Funding Facility”** means the secured margin funding credit facility to be established in connection with MAV2 on the Plan Implementation Date pursuant to the MAV2 Margin Funding Facility Agreement to be used, if necessary, to fund collateral calls and termination payments under ISDA agreements and the related credit support arrangements to the extent not otherwise satisfied through available collateral;

**“MAV2 Margin Funding Facility Agreement”** means the credit agreement to be entered into as of the Plan Implementation Date creating the MAV2 Margin Funding Facility, the material terms of which are described in Schedule “G”;

**“MAV2 Master Security Agreement”** means the security agreement to be entered into as of the Plan Implementation Date in connection with the MAV2 Margin Funding Facility Agreement, the material terms of which are described in Schedule “I”;

**“MAV2 MFF Lenders”** means, collectively, the lenders that are party to the MAV2 Margin Funding Facility Agreement;

**“MAV2 Notes”** means, collectively, the MAV2 Class A-1, A-2, B and C Notes and **“MAV2 Note”** refers to one of them;

**“MAV2 Omnibus Agreement”** means the agreement between the parties to the MAV2 Margin Funding Facility Agreement and the Asset Providers concerning certain intercreditor matters, to be entered into as of the Plan Implementation, the material terms of which are described in Schedule “H”;

**“MAV2 Trust Indenture”** means the trust indenture to be dated as of the Plan Implementation Date between the New Issuer Trustee and the New Indenture Trustee governing the MAV2 Notes, the material terms of which are described in Schedule “C”;

**“MAV3”** means the trust vehicle to be established under the laws of the Province of Ontario by the MAV3 Declaration of Trust;

**“MAV3 Declaration of Trust”** means the declaration of trust to be entered into prior to or on the Plan Implementation Date creating MAV3, the material terms of which are described in Schedule “F”;

**“MAV3 IA Tracking Notes”** means the notes to be issued by MAV3 on the Plan Implementation Date, for each separate Ineligible Asset within a Series of Affected ABCP that is backed by Exclusively Traditional Assets, the material terms of which are described in Schedule “E”;

**“MAV3 Notes”** means, collectively, the TA Tracking Notes, the MAV3 IA Tracking Notes and the SN Tracking Notes, and **“MAV3 Note”** refers to one of such TA Tracking Notes, MAV3 IA Tracking Notes or SN Tracking Notes;

**“MAV3 Tracking Note Trust Indenture”** means the trust indenture of MAV3 to be dated as of the Plan Implementation Date between the New Issuer Trustee and the New Indenture Trustee governing the MAV3 Notes, the material terms of which are described in Schedule “E”;

**“MAVs”** means, collectively, MAV1, MAV2 and MAV3 and **“MAV”** refers to one of them;

**“Meeting”** means a meeting or meetings of the Noteholders to consider and vote on the Plan held pursuant to the Meeting Order and includes any meeting or meetings resulting from the adjournment thereof;

**“Meeting Order”** means the Order of the CCAA Court dated March 17, 2008, directing the calling and holding of the Meeting;

**“MFF Lenders”** means, collectively, the MAV1 MFF Lenders and the MAV2 MFF Lenders;

**“Monitor”** means Ernst & Young Inc., in its capacity as monitor of the CCAA Parties appointed pursuant to the Initial CCAA Order;

**“Montreal Trust”** means Montreal Trust Company of Canada;

**“National PR”** means National Public Relations Inc.;

**“New Indenture Trustee”** means the indenture trustee under the Trust Indentures;

**“New Issuer Trustee”** means the issuer trustee under the Trust Indentures and the Declarations of Trusts;

**“Noteholder”** means a holder of Affected ABCP on the Record Date, including any holder of a beneficial interest in Affected ABCP;

**“Noteholder Claim”** means the Face Amount of the Noteholder’s holdings of Affected ABCP on the Record Date;

**“Noteholder Settlement Claim”** means, with respect to a Noteholder’s holdings of Affected ABCP, the discount value, in the case of a note issued on a discount basis, and the principal amount in the case of an interest bearing note;

**“Omnibus Agreements”** means, collectively, the MAV1 Omnibus Agreement and the MAV2 Omnibus Agreement;

**“Order”** means an order of the CCAA Court in the CCAA Proceedings;

**“Original Issuer Trustees”** means BNY, Computershare, Metcalfe & Mansfield I Capital Corp. and Montreal Trust, as former issuer trustees of certain of the ABCP Conduits, and includes Computershare as agent or attorney for Montreal Trust in such capacity, and **“Original Issuer Trustee”** means any one of them;

**“Participant”** means a participant in the depository system of CDS Clearing;

**“Person”** means any individual, partnership, limited partnership, joint venture, trust, trustee, corporation, unincorporated organization, government, agency, regulatory body or instrumentality thereof, legal personal representative or litigation guardian, or any other entity howsoever designated or constituted;

**“Plan”** means this plan of compromise or arrangement and the Schedules hereto, as same may be amended hereafter in accordance with Section 11.1 herein;

**“Plan Implementation Date”** means the Business Day on which the conditions precedent to implementation of this Plan as set out in Article 8 hereof have been satisfied, fulfilled or waived, as applicable, and the Monitor has completed and filed its certificate in accordance with Section 8.3 of this Plan;

**“Plan Notes”** means, collectively, the MAV1 Notes, MAV2 Notes, IA Tracking Notes and the MAV3 Notes;

**“Plan Participants”** means, the Asset Providers, the ABCP Sponsors, the Respondents, the MFF Lenders, the Investors Committee, the Administrative Agents, the Financial Services Agents, BlackRock and the Applicants;

**“program”** means a transaction where a Conduit purchases assets;

**“Proven Voting Claim”** means a Noteholder Claim in respect of which a Voter Identification Form or Voter Confirmation Form has been properly submitted and (a) not objected to by the Monitor or (b) objected to by the Monitor and subsequently (i) finally determined or (ii) accepted for voting purposes in accordance with the provisions of this Plan and the Meeting Order;

**“PSF Notes”** means the PSF notes issued to National Bank Financial Inc. by Ironstone Trust, MMAI-I and Silverstone Trust and subsequently sold to third parties as described in the Information Statement;

**“Record Date”** means February 29, 2008;

**“Relative Contribution Analysis”** means the methodology used by JPMorgan for determining the amount and type of Plan Notes to be issued to Noteholders in exchange for each Series of Affected ABCP based upon JPMorgan’s indicative asset valuations;

**“Released Parties”** means, collectively, the Respondents, the ABCP Conduits, the ABCP Sponsors, the Selkirk Sub-Trust Parties, the Satellite Trusts Parties, the Asset Providers, the Canadian Banks, the Original Issuer Trustees, the Existing Note Indenture Trustees, the Margin Funding Lenders, the Liquidity Providers, the ABCP Dealers, the Asset Originators, the Noteholders, DBRS, the Applicants, Administrative Agents, the Financial Services Agents, the Issuing and Paying Agents, Canadian Depositary for Securities Limited, CDS Clearing & Depositary Services Inc., the members of the Investors Committee, Purdy Crawford, Ernst & Young Inc., in its capacities as consultant to the Investors Committee prior to its appointment as Monitor and as the Monitor, JPMorgan, National PR, BlackRock, the New Indenture Trustee, the New Issuer Trustee and Goodmans LLP as well as their respective affiliates, and their respective present and former officers, directors, employees, associated individuals, auditors, financial advisors, legal counsel, other professionals, sureties, insurers, indemnitees, agents and assigns, as applicable;

**“Respondents”** means, collectively, Metcalfe & Mansfield Alternative Investments II Corp., Metcalfe & Mansfield Alternative Investments III Corp., Metcalfe & Mansfield Alternative Investments V Corp., Metcalfe & Mansfield Alternative Investments XI Corp., Metcalfe & Mansfield Alternative Investments XII Corp., 4446372 Canada Inc. and 6932819 Canada Inc.;

**“Sanction Order”** means the Order to be sought from the CCAA Court in the CCAA Proceedings sanctioning this Plan;

**“Satellite Trust”** means a trust created pursuant to a base trust agreement between a Sponsor, acting as settlor, and a corporation established for the purpose of acting as trustee, and in which any of the ABCP Conduits holds a beneficial ownership interest;

**“Satellite Trust Parties”** means the Satellite Trusts, their trustees, their administrative agents, their financial services agents and their settlors;

**“Selkirk Sub-Trust Parties”** means, collectively, Coastal Mountain Base Trust Series 2006-1, its issuer trustee 2115921 Ontario Inc. and its financial services agent, Securitrus Capital Corp.;

**“Series”** means, collectively, all of the series of Affected ABCP or any one such Series;

**“settlement amount”** means the discount value, in the case of a note issued on a discount basis, and the principal amount in the case of an interest bearing note;

**“SN Tracking Notes”** means the notes to be issued in respect of MAV3 by the New Issuer Trustee, on the Plan Implementation Date, to Noteholders who hold Subordinated ABCP, the material terms of which are described in Schedule “E”;

**“Sponsor”** means, generally, the entity that initiates the establishment of an ABCP program, and the respective Conduit and issuer trustee thereof;

**“Subordinated ABCP”** means the Series of subordinated notes of certain of the ABCP Conduits that were issued to provide credit enhancement for particular Traditional Assets;

**“swap”** means a financial agreement under which two parties agree to exchange defined payment streams;

**“Synthetic CDO”** means a credit derivative, such as a credit default swap, credit linked note or forward contract, that synthetically creates the same economic risks and rewards of owning a CDO;

**“Synthetic and Hybrid Assets”** means those assets, whether leveraged or unleveraged, securing directly or indirectly a Series of Affected ABCP and which assets are comprised either (a) exclusively of LSS Assets or (b) a combination of LSS Assets and Traditional Assets and including where relevant any unlevered CDS, and in either case, do not include any assets that have been determined to constitute Ineligible Assets;

**“TA Tracking Notes”** means the notes to be issued in respect of MAV3 by the New Issuer Trustee, on the Plan Implementation Date, the material terms of which are described in Schedule “E”;

**“Tax Act”** means the *Income Tax Act* (Canada), as amended;

**“Third-Party ABCP”** means ABCP issued by Conduits whose Sponsors do not provide liquidity facilities and, for greater certainty, includes the Affected ABCP;

**“Tracking Note Trust Indentures”** means the MAV1 Tracking Note Indenture and the MAV2 Tracking Note Indenture;

**“Traditional Assets”** means those assets held by the ABCP Conduits in non-synthetic securitization structures;

**“Traditional Asset Co-Ownership Agreement”** means the co-ownership agreement to be entered into between MAV1 and MAV2 on the Plan Implementation Date, the material terms of which are described in Schedule “K”;

**“Transferred Synthetic and Hybrid Assets”** means the Synthetic and Hybrid Assets securing directly or indirectly the Series of Affected ABCP listed in Schedule “A” which will be transferred to MAV1 and MAV2;

**“Trust Indentures”** means, collectively, the MAV1 Trust Indenture, the MAV2 Trust Indenture, the IA Tracking Note Trust Indentures, and the MAV3 Tracking Note Trust Indenture;

**“Unaffected Claims”** has the meaning given to that term in Section 3.3 herein;

**“Unaffected Creditors”** means all Persons holding Unaffected Claims, to the extent of their Unaffected Claims and

**“Unaffected Creditor”** means any one of them;

**“Unconfirmed Votes”** means, with regard to the votes at the Meeting, those votes for which the Monitor has been unable to obtain satisfactory third-party confirmation of holdings of Affected ABCP;

**“Unconfirmed Voting Claim”** means a Noteholder Claim in respect of which the Noteholder’s vote is an Unconfirmed Vote;

**“U.S. Dollars”** or **“USD\$”** means dollars denominated in lawful currency of the United States of America;

**“Voter Confirmation Form”** means the form (printed on pink paper) that a Noteholder whose holdings of Affected ABCP have previously been confirmed by Ernst & Young Inc. must properly complete and deliver to the Monitor in order to be eligible to vote at the Meeting, which form will be mailed directly to such Noteholders by the Monitor, separately from the Information Statement;

**“Voter Identification Form”** means the form included with the Information Statement (printed on blue paper) that Noteholders whose holdings of Affected ABCP have not previously been confirmed by Ernst & Young Inc. must properly complete and deliver in order to be eligible to vote at the Meeting; and

**“Website”** means the website established by the Monitor for purposes of the Plan and having the follow web address: [www.ey.com/ca/commercialpaper](http://www.ey.com/ca/commercialpaper).

## 1.2 Certain Rules of Interpretation

In this Plan and the Schedules hereto:

- (i) the division of this Plan into articles, sections, subsections and clauses and the insertion of headings and a table of contents are for convenience of reference only and shall not affect the construction or interpretation of this Plan. The terms “this Plan”, “hereof”, “hereunder”, “herein” and similar expressions refer to this Plan and not to any particular article, section, subsection or clause and include any plan supplemental hereto. Unless

otherwise indicated, any reference in this Plan to an article, section, subsection, clause or schedule refers to the specified article, section, subsection, clause or schedule of or to this Plan;

- (ii) the use of words in the singular or plural, or with a particular gender, shall not limit the scope or exclude the application of any provision of this Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (iii) the words “includes” and “including” and similar terms of inclusion shall not, unless expressly modified by the words “only” or “solely”, be construed as terms of limitation, but rather shall mean “includes without limitation” and “including without limitation”, so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;
- (iv) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Toronto, Ontario and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day. Unless otherwise specified, the time period within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day. Whenever any payment to be made or action to be taken under this Plan is required to be made or to be taken on a day other than a Business Day, such payment shall be made or action taken on the next succeeding Business Day; and
- (v) unless otherwise provided, any reference to a statute, or other enactment of parliament or a legislature includes all regulations made thereunder, all enactments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation.

### 1.3 Schedules

The following Schedules are attached to and form part of this Plan:

Schedule “A” — List by Series of Affected ABCP

Schedule “B” — MAV1 Note Indenture Term Sheet

Schedule “C” — MAV2 Note Indenture Term Sheet

Schedule “D” — MAV1 and MAV2 Ineligible Asset Tracking Note Indenture Term Sheet

Schedule “E” — MAV3 Traditional Asset Tracking Note Indenture Term Sheet

Schedule “F” — Declaration of Trust (form of)

Schedule “G” — Margin Funding Facilities Term Sheet

Schedule “H” — Omnibus Agreement Term Sheet

Schedule “I” — Master Security Agreement

Schedule “J” — Administration and Management Agreement (form of)

Schedule “K” — Traditional Asset Co-Ownership Agreement Term Sheet

Schedule “L” — CDS Restructuring Documents (forms of each of the new swap documents for the restructured Credit Default Swaps — Master ISDA, ISDA Schedules and Confirms)

Schedule “M” — Additional Modifications and Individual Solutions of CDS Term Sheet

Schedule “N” — Agreement in Principle for GD Swap Restructuring



## **ARTICLE 2**

### **PURPOSE AND EFFECT OF THE PLAN**

#### **2.1 Purpose**

The purpose of this Plan is to effect a comprehensive restructuring of all Affected ABCP, including the distribution to Noteholders of Plan Notes, which is intended to provide Noteholders with the opportunity to receive repayment of their original investment over time.

#### **2.2 Affected Persons**

This Plan will be implemented under the CCAA and be binding on all Noteholders and other Persons in accordance with its terms, on the Plan Implementation Date.

## **ARTICLE 3**

### **CLASSIFICATION OF CREDITORS**

#### **3.1 Class of Creditors**

The sole class for the purpose of considering and voting on this Plan shall be the class consisting of Noteholders.

#### **3.2 Noteholder Identification Procedure**

Noteholders shall confirm or identify their respective Noteholder Claims for voting purposes, vote in respect of the Plan, and receive the distributions provided for under and pursuant to this Plan in accordance with the Meeting Order, the Sanction Order and this Plan.

#### **3.3 Unaffected Claims**

This Plan does not compromise, release or otherwise affect any rights or claims as against a CCAA Party:

- (a) arising from ABCP that is not Affected ABCP, including any ABCP of a CCAA Party that is excluded pursuant to Section 11.2;
- (b) for fees and expenses incurred in the provision of goods and services in the administration and management of the ABCP Conduits or relating to the CCAA Proceedings and authorized pursuant to paragraph 6 of the Initial Order;
- (c) of the Monitor and its counsel, counsel to the CCAA Parties, counsel to the Investors Committee or that otherwise are secured by the CCAA Charges; or
- (d) that fall within Section 18.2 of the CCAA.

All of the foregoing rights and claims set out in this Section 3.3, inclusive, are collectively referred to as the “**Unaffected Claims**” and any one of them is an “**Unaffected Claim**”.

## **ARTICLE 4**

### **TREATMENT OF CREDITORS**

#### **4.1 Treatment of Claims**

On the Plan Implementation Date, the claims affected by this Plan, including ABCP Market Claims will be compromised, released and otherwise affected in accordance with the terms of this Plan.

#### **4.2 Treatment of Affected ABCP**

For purposes of distributions pursuant to this Plan, Affected ABCP shall be divided by series and Noteholders shall receive distributions as set out in Sections 6.2 and 6.6 based upon (i) the type of assets underlying each series of Affected ABCP, as set out in Schedule “A” and (ii) certain elections by and eligibility of Noteholders as provided for in Section 6.1.

#### **4.3 Voting Rights of Noteholders**

Subject to this Plan and the Meeting Order, each Noteholder having a Proven Voting Claim shall be entitled to one vote in the Noteholders’ Class in an amount equal to such Noteholder’s Proven Voting Claim. Furthermore, votes in respect of Unconfirmed Voting Claims will be recorded by the Monitor, subject to further determination in accordance with the Meeting Order. The procedure for determining the validity and quantum of the Noteholder Claims for voting purposes shall be governed by the Meeting Order.

#### **4.4 Unaffected Creditors**

Notwithstanding anything to the contrary herein, each Person who has an Unaffected Claim shall not be entitled to vote or to receive any distribution under this Plan in respect of such Unaffected Claim. All Unaffected Claims shall be unaffected by the CCAA Proceedings and principal and interest shall continue to accrue notwithstanding the CCAA Proceedings.

#### **4.5 Different Capacities**

Noteholders whose Noteholder Claims are affected by this Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, each such Noteholder shall be entitled to participate hereunder in each such capacity. Any action taken by a Noteholder in any one capacity shall not affect the Noteholder in any other capacity, unless expressly agreed by the Noteholder in writing or unless the Noteholder Claims in question overlap or are otherwise duplicative (in which case, the Noteholder shall elect in which capacity to be so affected).

#### **4.6 Approved Agreements**

Each of the Approved Agreements is a fundamental part of this Plan, and where it is entered into by a Plan Participant it is done: (i) in consideration of the distributions and other benefits provided pursuant to this Plan; and (ii) for the reasons noted in this Plan and in such agreements. The Noteholders, in approving this Plan, also approve each of the Approved Agreements, and the terms, provisions and releases contemplated therein. The entry of the Sanction Order shall constitute the CCAA Court’s approval, as of the Plan Implementation Date, of the Approved Agreements and the terms, provisions and releases contained therein and the CCAA Court’s authorization and direction to the CCAA Parties to execute and deliver the Approved Agreements.

### **ARTICLE 5 RESTRUCTURING**

#### **5.1 Restructuring of ABCP**

Pursuant to the transactions contemplated herein, Affected ABCP will be exchanged for long-term Plan Notes designed to generally match the maturities of the underlying assets. MAV1, MAV2 and MAV3 will be created to acquire the assets of the ABCP Conduits, assume the Affected ABCP and other related obligations and issue the Plan Notes in exchange for the Affected ABCP.

#### **5.2 Restructuring Transactions Effected by the Plan**

In addition to the compromises, arrangements, releases and distributions described in this Plan, and in addition to or in conjunction with the transactions contemplated under the Approved Agreements, the following transfers, conveyances, actions and transactions shall be effected or deemed to be effected by this Plan on the Plan Implementation Date, in the following order (except that the transactions described in (c), (d) and (e) below shall occur at the same time) or such order

as may be determined by the Investors Committee with the approval of the Monitor and consent of the Plan Participants. Any such re-ordering of the following steps shall be deemed not to be a material amendment to this Plan.

(a) ***Formation of New Master Asset Vehicles***

The MAVs will be formed under the laws of the Province of Ontario pursuant to the Declarations of Trust prior to or as of the Plan Implementation Date.

(b) ***Cash Payments from ABCP Conduits***

Cash payments will be made from the ABCP Conduits in accordance with Section 6.6.

(c) ***Transfer of Synthetic and Hybrid Assets and Ineligible Assets***

**MAV1**

Each ABCP Conduit with a Series of Affected ABCP that is supported by Synthetic and Hybrid Assets will assign, transfer and convey to MAV1 that portion of its Synthetic and Hybrid Assets and Ineligible Assets determined by the percentage of the outstanding settlement amount of each Series of Affected ABCP held by Noteholders validly participating in MAV1 as determined pursuant to Section 6.1. The Synthetic and Hybrid Assets transferred will reflect the percentage of ownership in each such asset transferred to MAV1. The purchase price for such assets will be satisfied by MAV1 assuming (i) the same proportionate amount of the respective ABCP Conduit's obligations incurred by the Conduits to fund or refinance the acquisition and ownership of such assets and preserving the rank and priority of repayment of such obligations, and (ii) the same proportionate amount of the Affected ABCP of each ABCP Conduit held by Noteholders participating in MAV1.

**MAV2**

Each ABCP Conduit with a Series of Affected ABCP that is supported by Synthetic and Hybrid Assets will assign, transfer and convey to MAV2 a portion of its Synthetic and Hybrid Assets and Ineligible Assets, such portion being based upon the percentage of the outstanding settlement amount of its Affected ABCP held by Noteholders participating in MAV2. The Synthetic and Hybrid Assets transferred will reflect a percentage of ownership in each such asset transferred to MAV2. The purchase price for such assets will be satisfied by MAV2 assuming (i) the same proportionate amount of the respective ABCP Conduit's obligations incurred by the Conduits to fund or refinance the acquisition and ownership of such assets and preserving the rank and priority of repayment of such obligations and (ii) a proportionate amount of the Affected ABCP of each ABCP Conduit held by Noteholders participating in MAV2.

(d) ***Transfer of Ineligible Assets***

Each ABCP Conduit with a Series of Affected ABCP that is supported, in whole or in part, by Ineligible Assets will assign, transfer and convey to MAV1, MAV2 and/or MAV3, as applicable, a portion of the Ineligible Assets based upon the percentage of the outstanding settlement amount of Affected ABCP that funded the acquisition of the Ineligible Assets held by Noteholders participating in MAV1, MAV2 or MAV3, as applicable. The purchase price for the respective Ineligible Assets will be satisfied by MAV1, MAV2 and MAV3, respectively assuming (i) the same proportionate amount of the respective ABCP Conduit's obligations incurred by the Conduits to fund or refinance the acquisition and ownership of such assets and preserving the rank and priority of repayment of such obligations and (ii) the same proportionate amount of the Affected ABCP of the ABCP Conduits that funded the acquisition of Ineligible Assets transferred to MAV1, MAV2 or MAV3, as applicable.

(e) ***Transfer of Exclusively Traditional Assets***

Each ABCP Conduit with a Series of Affected ABCP that is supported in whole by Exclusively Traditional Assets will assign, transfer and convey its Exclusively Traditional Assets to MAV3 pursuant to a standard form conveyance document. The purchase price for the Exclusively Traditional Assets will be satisfied by MAV3 assuming (i) the ABCP Conduit's obligations incurred by the Conduits to fund or refinance the acquisition and ownership of such assets and preserving the rank and priority of repayment of such obligations and (ii) the Affected ABCP of the ABCP Conduits that funded the acquisition of the Exclusively Traditional Assets.

(f) ***Restructuring of Credit Default Swaps***

All existing CDS contracts entered into between the ABCP Conduits and the Asset Providers will be terminated without any payments, including swap termination payments, being made under such CDS contracts and will be replaced by, and MAV1 and MAV2 will enter into, the CDS Restructuring Documents, except as otherwise provided in the Additional Modifications and Individual Solutions of CDS Term Sheet.

(g) ***Pooling***

All of the Synthetic and Hybrid Assets transferred to MAV1 will be pooled for purposes of funding the return on the MAV1 Notes.

All of the Synthetic and Hybrid Assets transferred to MAV2 will be pooled for purposes of funding the return on the MAV2 Notes.

(h) ***Exchange of Affected ABCP***

The terms of all of the Affected ABCP, as assumed by each of the MAVs, as applicable, will be amended or deemed to be amended to provide to Noteholders the right to exchange their Affected ABCP for MAV1 Notes, MAV2 Notes and/or MAV3 Notes. Noteholders holding Affected ABCP will exchange or be deemed to exchange such Affected ABCP for Plan Notes as set out in Article 6 of this Plan. The rights and obligations of the Noteholders and the ABCP Conduits in respect of the Affected ABCP will cease as of the Plan Implementation Date.

(i) ***Termination of Liquidity Arrangements***

All of the liquidity agreements in place for the benefit of one or more Series of Affected ABCP (excluding, for greater certainty, those which have terminated or expired in accordance with their terms) will be cancelled with no additional payments being made by or on behalf any of the parties thereto.

(j) ***Remittance of Reserve Amounts***

Any amounts held by or on behalf of an ABCP Conduit in one or more reserve accounts for the account and benefit of an ABCP Sponsor (as confirmed by the Monitor) in connection with credit enhancement funding shall be remitted to the applicable ABCP Sponsor on the Plan Implementation Date or as soon as practicable thereafter.

(k) ***Liquidation of ABCP Conduits***

Subsequent to the transfer of their respective assets to the MAVs in payment for their outstanding Affected ABCP (i) each of the ABCP Conduits will be terminated in accordance with the terms of its governing documents or as may otherwise be approved by the Court (ii) the shares of each of the Respondents will be acquired by the New Issuer Trustee on behalf of the MAVs (or by a new entity) and (iii) each of the Respondents will be wound up. The rights of indemnity existing in favour of and granted by the Respondents and the Original Issuer Trustees shall survive the releases contained herein and rank against the property of the MAVs ahead of holders of MAV1 Notes, MAV2 Notes and MAV3 Notes and in proportion to the outstanding Affected ABCP on a Series by Series basis.

(l) ***Collateral Posting***

Collateral posting across the Synthetic and Hybrid Assets transferred to MAV1 and MAV2 will be effected as described under “*Intercreditor Arrangements*” in the Information Statement.

(m) ***Margin Funding Facilities***

Certain parties, including certain Asset Providers, the Canadian Banks and, potentially, certain Noteholders participating in MAV2, will provide margin call support pursuant to the terms of the MAV2 Margin Funding Facility Agreement. If there is a deficiency in the MAV2 margin funding requirements that is not addressed through other means, the amounts accumulated in ABCP Sponsors’ accounts will be retained in MAV2 as collateral to address the deficiency. Noteholders participating in MAV1 will provide margin call support pursuant to the terms of the MAV1 Margin Funding Facility Agreement.

(n) ***Appointment of Asset Manager***

On the Plan Implementation Date the MAVs will appoint the Asset Manager to act as administration and asset manager on behalf of each MAV pursuant to the terms of the Administration and Management Agreement.

## **ARTICLE 6 DISTRIBUTIONS**

### **6.1 Election to Participate in MAV1 or MAV2**

Except with respect to their holdings of Series of Affected ABCP that are backed by Exclusively Traditional Assets or by exclusively Ineligible Assets or Series of Subordinated ABCP, Noteholders will participate in either MAV1 or MAV2. In order to be eligible to participate in MAV1, Noteholders must satisfy the “*MAV1 Eligibility Criteria*” set forth in the Information Statement (see section entitled “*Eligibility and Election to Participate in MAV1*”). Any Noteholder that fails to properly complete and deliver the Form of Election or that does not qualify or properly elect to participate in MAV1 will participate in MAV2. A Noteholder must make the election in respect to the entirety of its holdings of eligible Affected ABCP whether or not such holdings include more than a single Series of Affected ABCP.

In the case of MAV2, the MAV2 Margin Funding Facility will be established on the Plan Implementation Date and funded by a group of third-party lenders and potentially, certain Noteholders who desire to participate in the MAV2 Margin Funding Facility to an extent less than their pro rata share of such facility. The size and composition of the asset pools within MAV1 and MAV2 will be determined based on the number of Noteholders that participate in each MAV (and their respective holdings of Affected ABCP) and, therefore, will not be known until after the Meeting. This information will be posted on the Website and communicated to those Noteholders who have elected to participate in MAV1 at least 5 Business Days before the Plan Implementation Date.

### **6.2 Distributions of Plan Notes**

For purposes of distributing the Plan Notes, the various issuances of Affected ABCP will be consolidated by CUSIP into the Series referenced in Schedule “A”, which consolidation will occur prior to the issuance of the Plan Notes. The entry of the Sanction Order shall constitute the CCAA Court’s approval of such consolidation and the CCAA Court’s authorization and direction to the Respondents and any of their respective agents to execute and deliver a direction to CDS Clearing & Depository Services Inc. to effect such consolidation.

Each Noteholder shall be entitled to a distribution under this Plan as follows:

(a) **MAV1 Notes and MAV1 IA Tracking Notes**

Each Noteholder with a Noteholder Settlement Claim that is in whole or in part MAV1 Eligible shall, in full and final satisfaction of that portion of its Noteholder Settlement Claim, exchange and be deemed to exchange such Affected ABCP for:

- (i) a MAV1 Class A-1 Note;
- (ii) a MAV1 Class A-2 Note;
- (iii) a MAV1 Class B Note; and
- (iv) a MAV1 Class C Note.

The aggregate principal amount of MAV1 Notes issued by MAV1 to a Noteholder will equal the aggregate settlement amount of Affected ABCP transferred by such Noteholder to MAV1 less the aggregate principal amount of any IA Tracking Notes issued by MAV1 to such Noteholder. The principal amount of a MAV1 Class A-1 Note issued to a Noteholder by MAV1 will reflect the Noteholder’s aggregated indirect relative contribution to the aggregated value of the Transferred Synthetic and Hybrid Assets (excluding Ineligible Assets) transferred to MAV1, as determined by JPMorgan pursuant to the Relative Contribution Analysis; with the balance of the settlement amount of the Affected ABCP exchanged being represented by a combination of MAV1 Class A-2 Notes, MAV1 Class B Notes, MAV1 Class C Notes and, if applicable, MAV1 IA Tracking



Notes, the amounts of which will be determined according to the formula set forth in the Information Statement (see section entitled “*Allocation of Plan Notes in Exchange for Affected ABCP*”).

MAV1 IA Tracking Notes will be issued by MAV1 for each underlying Ineligible Asset transferred to MAV1, with a separate MAV1 IA Tracking Note being issued by MAV1 for each individual Ineligible Asset transferred to MAV1. The aggregate principal amount of MAV1 IA Tracking Notes issued will equal the aggregate settlement amount of the Affected ABCP assumed by MAV1 that funded a particular Ineligible Asset acquired by MAV1.

**(b) MAV2 Notes and MAV2 IA Tracking Notes**

Each Noteholder with a Noteholder Settlement Claim arising from Synthetic and Hybrid Assets that is not MAV1 Eligible, including any Noteholder Settlement Claim that would otherwise be MAV1 Eligible but the Noteholder does not qualify or properly elect to participate in MAV1, shall, in full and final satisfaction of that portion of its Noteholder Settlement Claim, exchange and be deemed to exchange such Affected ABCP for:

- (i) a MAV2 Class A-1 Note;
- (ii) a MAV2 Class A-2 Note;
- (iii) a MAV2 Class B Note; and
- (iv) a MAV2 Class C Note.

The aggregate principal amount of MAV2 Notes issued by MAV2 to a Noteholder will equal the aggregate settlement amount of Affected ABCP transferred by such Noteholder to MAV2 less the aggregate principal amount of any IA Tracking Notes issued by MAV2 to such Noteholder. The principal amount of a MAV2 Class A-1 Note issued to a Noteholder by MAV2 will reflect the Noteholder’s aggregated indirect relative contribution to the aggregated value of the Transferred Synthetic and Hybrid Assets (excluding Ineligible Assets) transferred to MAV2, as determined by JPMorgan pursuant to the Relative Contribution Analysis; with the balance of the settlement amount of the Affected ABCP exchanged being represented by a combination of MAV2 Class A-2 Notes, the MAV2 Class B Notes, MAV2 Class C Notes and, if applicable, MAV2 IA Tracking Notes, the amounts of which will be determined according to the formula set forth in the Information Statement (see section entitled “*Allocation of Plan Notes in Exchange for Affected ABCP*”).

MAV2 IA Tracking Notes will be issued by MAV2 for each underlying Ineligible Asset transferred to MAV2, with a separate MAV2 IA Tracking Note being issued by MAV2 for each individual Ineligible Asset transferred to MAV2. The aggregate principal amount of MAV2 IA Tracking Notes issued will equal the aggregate settlement amount of the Affected ABCP assumed by MAV2 that funded a particular Ineligible Asset acquired by MAV2.

**(c) TA Tracking Notes**

Noteholders holding a Series of Affected ABCP backed by Exclusively Traditional Assets shall, in full and final satisfaction of that portion of its Noteholder Settlement Claim, exchange and be deemed to exchange such Affected ABCP of such Series for a TA Tracking Note issued by MAV3 in an aggregate principal amount equal to the aggregate settlement amount of such Affected ABCP assumed by MAV3. Each TA Tracking Note will be secured by the specific Exclusively Traditional Assets that previously secured the Series of Affected ABCP assumed by MAV3. Each TA Tracking Note will have a maturity date equal to one year plus the longest maturity of the related Exclusively Traditional Assets, as set out in the Information Statement (see section entitled “*The TA Tracking Notes and the SN Tracking Notes*”).

**(d) SN Tracking Notes**

Noteholders holding a Series of Subordinated ABCP shall, in full and final satisfaction of that portion of their Noteholder Settlement Claim, exchange and be deemed to exchange such Affected ABCP for an SN Tracking Note in an aggregate principal amount equal to the aggregate settlement amount of such Subordinated ABCP assumed by MAV3. Each SN Tracking Note will be secured by the particular Traditional Asset program entitlement that previously supported the Subordinated ABCP assumed by MAV3. Each SN Tracking Note will have a maturity date equal to one year plus the longest maturity of the related Traditional Asset program,

as set out in the Information Statement (see section entitled “*The TA Tracking Notes and the SN Tracking Notes*”).

(e) **MAV3 IA Tracking Notes**

Noteholders holding a Series of Affected ABCP backed by Exclusively Traditional Assets that are also Ineligible Assets shall, in full and final satisfaction of that portion of its Noteholder Settlement Claim, exchange such Affected ABCP of such Series for one or more MAV3 IA Tracking Notes issued by MAV3 in an aggregate principal amount equal to the aggregate settlement amount of the Affected ABCP assumed by MAV3 that funded a particular Ineligible Asset acquired by MAV3. One class of MAV3 IA Tracking Notes will be issued for each Ineligible Asset that previously secured the Affected ABCP (provided that in the case of Ironstone Trust, 5 classes of MAV3 IA Tracking Notes will be issued in exchange for the two Series of Affected ABCP thereof). Each MAV3 IA Tracking Note will have a maturity date equal to one year plus the longest maturity of the related Ineligible Asset, as set out in the Information Statement (see section entitled “*The MAV3 Notes*”).

### **6.3 Payment of Professional and Administrative Expenses**

On the Plan Implementation Date, all outstanding fees and disbursements payable under the Initial Order, including those subject to a CCAA Charge, shall be fully paid or a reserve for such amount fully funded as determined by the Monitor. Parties entitled to be paid hereunder shall have 30 days from the Plan Implementation Date, or such later date as may be agreed with the Monitor, to submit final invoices to the Monitor for payment.

### **6.4 Restructuring Expenses**

On the Plan Implementation Date, pro-rata payments shall be made from each of the ABCP Conduits (on a series by series basis based on the total principal amount of each series of Affected ABCP) to fund the payment of, and/or a reserve for, the reimbursement to the Investors Committee for the total amount of fees and disbursements and compensation, paid or owed by the Investors Committee to the following advisors in connection with the restructuring from and after August 16, 2007 to the Plan Implementation Date: JPMorgan, Goodmans LLP, Ernst & Young Inc. and its counsel (until appointed Monitor by the Court), Broadridge, CIBC Mellon Trust Company and National PR and additionally, in respect of fees, disbursements and compensation prior to March 1, 2008, PricewaterhouseCoopers Inc. in its capacity as financial advisors to the Ad Hoc Committee of Non-Bank Sponsored Asset-Backed Commercial Paper and Miller Thomson LLP as its counsel. Any reserve shall be administered by the Monitor and said advisors will have 30 days from the Plan Implementation Date, or such later date as may be agreed with the Monitor, to submit final invoices for payment.

### **6.5 CCAA Charges**

Subject to Section 7.2(i), upon payment of or the funding of a reserve sufficient to pay all the expenses referred to in 6.3 and 6.4 that are subject to a CCAA Charge, such funding or reserve to be administered by the Monitor, such CCAA Charge shall be and be deemed to be discharged.

### **6.6 Interest**

The Investors Committee, with the assistance of the Monitor, will review the amounts accumulated in the ABCP Sponsors' accounts and the amount of such monies required to be pledged as collateral for the MAVs (including collateral required to supplement margin funding commitments as a consequence of Noteholder elections to participate in MAV1) or for the payment of administrative, restructuring and other applicable costs to estimate surplus funds available by Series. Those surplus funds will be used for the payment of interest to Noteholders on the Plan Implementation Date. The amount of surplus funds available for the payment of interest shall be communicated to the Noteholders immediately following its determination.

### **6.7 Distributions of Plan Notes — Procedure**

- (a) Noteholders who hold certificates representing Affected ABCP directly and not in the name of a broker, investment dealer, bank, trust company or other nominee or custodian (“**Registered Noteholders**”) will be required to properly complete and deliver a letter of transmittal, together with all physical certificates held by

such Noteholder (or appropriate documentation regarding lost or destroyed certificates acceptable to the Depositary) and any required supporting documentation (including a notice of acceptance for those participating in MAV1), to the Depositary. Following the Plan Implementation Date, upon receipt of a properly completed letter of transmittal and all required supporting documentation, the Depositary will deliver (or instruct the New Indenture Trustees to deliver) to the Noteholders the Plan Notes to which each is entitled in accordance with this Plan. Registered Noteholders who fail to deliver a letter of transmittal together with all physical certificates held by such Noteholder within two (2) years of the Plan Implementation Date may be barred, at the option of the applicable MAVs, from receiving distributions of Plan Notes in respect of such Affected ABCP.

- (b) Noteholders who do not hold certificates representing Affected ABCP directly but rather hold Affected ABCP in the name of a broker, investment dealer, bank, trust company or other nominee or custodian (“**Beneficial Noteholders**”) will not be required to complete or deliver a letter of transmittal. Following the Plan Implementation Date, the nominees depositing Affected ABCP on behalf of Beneficial Noteholders will receive, on behalf of the Beneficial Noteholders, the Plan Notes to which the Beneficial Noteholders are entitled.
- (c) It is intended that the MAV1 Plan Notes will be issued in physical certificate form only. If any Beneficial Noteholders are to receive MAV1 Plan Notes, arrangements will be made with CDS Clearing & Depositary Services Inc. and the nominee of such Beneficial Noteholder for delivery of the certificates to which each is entitled. It is intended that the MAV2 and MAV3 Plan Notes will be issued generally by way of book-entry global certificates. To the extent that Registered Noteholders receive physical certificates representing MAV2 or MAV3 Plan Notes, these certificates will bear appropriate CUSIP details to allow for deposit by participant nominees with CDS Clearing & Depositary Services Inc. in accordance with its procedures. Certain MAV2 and MAV3 participants may be required to continue to hold physical certificates.

## **ARTICLE 7**

### **SANCTION ORDER**

#### **7.1 Application for Sanction Order**

The application for the Sanction Order shall be brought by the Investor Committee as soon as reasonably practicable following the approval of this Plan by the requisite majorities of Noteholders voting at the Meeting. On the Plan Implementation Date, subject to the satisfaction of the conditions contained in Article 8 herein, this Plan will be binding upon all Noteholders and all other Persons in accordance with its terms.

#### **7.2 Effect of Sanction Order**

In addition to sanctioning this Plan, and subject to the discretion of the CCAA Court, the Sanction Order shall, among other things and without limitation:

- (a) direct and authorize the distributions contemplated under this Plan;
- (b) declare that the compromises, releases and injunctions effected hereby are approved, binding and effective as of the Plan Implementation Date upon all Noteholders, the Monitor and all other Persons affected by this Plan and shall inure to the benefit of all such Persons;
- (c) provide that no Person who is a party to any obligation or agreement with the CCAA Parties shall, following the Plan Implementation Date, accelerate, terminate, rescind, refuse to perform or repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such obligation or agreement, by reason:
  - (i) of any event(s) that occurred on or prior to the Plan Implementation Date that would have entitled any other Person thereto to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of the CCAA Parties);

- (ii) of the fact that relief under the CCAA has been sought or obtained in respect of the CCAA Parties, that the CCAA Proceedings have been commenced or completed, or that the within restructuring has been implemented in respect of the CCAA Parties; or
- (iii) of any compromises or arrangements effected pursuant to this Plan;
- (d) confirm the effect of the Meeting Order;
- (e) authorize and direct the execution and delivery of the Approved Agreements by the CCAA Parties;
- (f) form the basis for an exemption from the registration requirements of the United States Securities Act of 1933, as amended, in respect of certain securities to be issued pursuant to the Plan;
- (g) provide for a release of the Released Parties in a form consistent with Section 10.1;
- (h) provide that the Monitor shall be discharged and released on the Plan Implementation Date, save and except with respect to any remaining duties or powers required to implement and give effect to the terms of this Plan; and
- (i) provide that the Monitor shall continue to hold the benefit of a CCAA Charge, as provided in the Initial CCAA Order, until the Monitor has completed its duties under this Plan and the fees and disbursements of the Monitor and its counsel have been fully paid.

### **7.3 Monitor**

On the Plan Implementation Date, and subject to the Sanction Order, the Monitor shall be discharged and released and shall have no further obligations or responsibilities, except only with respect to any remaining duties or power required to implement and give effect to the terms of this Plan.

## **ARTICLE 8 CONDITIONS PRECEDENT**

### **8.1 Conditions Precedent to Implementation of Plan**

The implementation of this Plan shall be conditional upon the fulfillment or waiver of the following conditions on or before the Plan Implementation Date:

(a) ***Approval by Noteholders***

The Plan shall have been approved pursuant to the CCAA by the Noteholders' Class;

(b) ***Granting of Sanction Order***

The Sanction Order shall have been granted by the CCAA Court in a form acceptable to the Plan Participants;

(c) ***Expiry of Appeal Periods***

The appeal periods and any periods for leave to appeal with respect to the Sanction Order shall have expired without an appeal or application for leave to appeal of such Order having been commenced or, in the event of an appeal or application for leave to appeal, a final determination denying leave to appeal or dismissing such appeal and affirming the sanctioning of this Plan and recognizing the sanctioning of this Plan, as the case may be, shall have been made by the applicable appellate court, with no further right of appeal;

(d) ***Approved Agreements***

Each of the Approved Agreements and all related agreements and other documents shall have become effective in a form acceptable to the Plan Participants, and all conditions to closing shall have been satisfied or waived in accordance with their respective terms, subject only to the occurrence of the Plan Implementation Date;

(e) ***Repayment of PSF Notes***

Payment shall have been made to the holders of the PSF Notes by the respective issuing Conduits, in the amount of the principal and accrued interest outstanding on their PSF Notes;

(f) ***Disengagement of GD Swaps***

The GD Swap Restructuring Agreements shall have become effective and the restructuring of the GD Swaps contemplated thereby shall have been implemented in accordance with their terms;

(g) ***Issuance of Plan Notes***

The authorization and issuance of Plan Notes contemplated under this Plan, including all necessary corporate filings and related matters, subject only to the occurrence of the Plan Implementation Date;

(h) ***Tax Ruling***

An advance income tax ruling satisfactory to the Investors Committee shall have been obtained from the Canada Revenue Agency.

(i) ***Completion of Necessary Documentation***

The execution and delivery by all relevant Persons of all agreements, settlements, resolutions, indentures, releases, documents and other instruments that are necessary to be executed and delivered to implement and give effect to all material terms and provisions of this Plan.

Any waiver in whole or in part, of conditions in this Section 8.1 must be in accordance with Section 8.2.

## **8.2 Waiver**

Any waiver of conditions in Section 8.1 shall be in writing. The Investors Committee, with the prior written consent of the Monitor and the Plan Participants, shall have the right to waive one or more of the above conditions precedent in whole or in part, except the conditions set out in Section 8.1(a) or 8.1(b).

## **8.3 Monitor's Certificate**

Upon the satisfaction or waiver of the conditions set out in Section 8.1 hereof, the Monitor shall file with the CCAA Court in the CCAA Proceedings a certificate that states that all conditions precedent set out in Section 8.1 of this Plan have been satisfied or waived and that the Plan Implementation Date has occurred.

## **8.4 Termination of Plan for Failure to Become Effective**

If the Plan Implementation Date shall not have occurred on or before 60 days following the date of the Sanction Order, or such later date as the Investors Committee, the Monitor and the Plan Participants may agree in writing, then, subject to further Order of the CCAA Court, this Plan shall automatically terminate and be of no further force or effect; provided that this Plan shall not automatically terminate pursuant to this section if the sole basis for the non-occurrence of the Plan Implementation Date is the pendency of any appeal or application for leave to appeal with respect to the Sanction Order.

# **ARTICLE 9 EFFECT OF PLAN**

## **9.1 Effect of Plan Generally**

The Plan (including, without limitation, the releases and injunctions contained in the Plan), upon being sanctioned and approved by the CCAA Court pursuant to the Sanction Order, shall be binding on the Plan Implementation Date on the Noteholders and all other Persons (and each of their respective heirs, executors, administrators, guardians, legal personal representatives, successors and assigns) irrespective of the jurisdiction in which such Noteholders and other Persons reside, or in which the claims arose.



## 9.2 Consents, Waivers and Agreements

On the Plan Implementation Date, each Noteholder shall be deemed to have consented and agreed to all of the provisions of this Plan and the Approved Agreements in their entirety. In particular, each Noteholder shall be deemed:

- (a) to have executed and delivered to the Monitor and to the Plan Participants all consents, releases or agreements required to implement and carry out this Plan in its entirety; and
- (b) to have agreed that, if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Noteholder and the Plan Participants at the Plan Implementation Date (other than those entered into by the Plan Participants in writing on or after the date hereof) and the provisions of this Plan, the provisions of this Plan take precedence and priority and the provisions of such agreement or other arrangement shall be deemed to be amended accordingly.

## 9.3 Exculpation

The Plan Participants, the Original Issuer Trustees, the Administrative Agents, the Financial Services Agents, the Selkirk Sub-Trust Parties, the Issuing and Paying Agents, the Existing Note Indenture Trustees, DBRS, JPMorgan, National PR, Goodmans LLP, Ernst & Young Inc., in its capacity as consultant to the Investors Committee prior to its appointment as Monitor and as the Monitor and BlackRock (including in each case, their respective affiliates, directors, officers, employees, associated individuals, agents and representatives) and any of their respective professional advisors, shall have no liability or obligation to any Person for their role, or any act or omission, in connection with the standstill that has been observed since August 15, 2007 (the “Standstill”), the CCAA Proceedings, activities undertaken in preparation for or anticipation of the CCAA Proceedings, the Plan, the pursuit of sanctioning of the Plan, the consummation and implementation of the Plan or the administration of the Plan or the property to be distributed under the Plan; provided, however, that this Section 9.3 shall not limit the obligations of any Person under the Plan or specifically assumed or undertaken pursuant to the Approved Agreements.

## 9.4 Crown Claims

Any claims of the federal and provincial Crowns of a kind that could be subject to a demand under subsection 224(1.2) of the *Income Tax Act* (Canada) or any substantially similar provision in Canada of provincial legislation or in respect of which the federal or provincial Crown has a lien on or security interest in the property of the CCAA Parties or recourse for non-payment against directors or officers of the CCAA Parties, outstanding under the provisions of said subsection 224(1.2) or substantially similar provincial legislation, or any other such claims of the federal or provincial Crown shall be paid on or before the Plan Implementation Date.

# ARTICLE 10 RELEASES AND INJUNCTIONS

## 10.1 Release of the Released Parties

For good and valuable consideration, every Person (regardless of whether or not such Person is a Noteholder), including each of the Released Parties on the Person’s own behalf and on behalf of the Person’s respective affiliates, present and former officers, directors, employees, associated individuals, auditors, financial advisors, legal counsel, other professionals, sureties, insurers, indemnitees, agents, dependents, heirs, representatives and assigns, as applicable, hereby fully, finally, irrevocably and unconditionally releases and forever discharges each of the Released Parties of and from any and all past, present and future claims, rights, interests, actions, rights of indemnity, liabilities, demands, duties, injuries, damages, expenses, fees (including attorneys’ fees and liens), costs, compensation, or causes of action of whatsoever kind or nature whether foreseen or unforeseen, known or unknown, asserted or unasserted, contingent or actual, liquidated or unliquidated, whether in tort or contract, whether statutory, at common law or in equity, based on, in connection with, arising out of, or in any way related to, in whole or in part, directly or indirectly: any act, inaction or omission existing or taking place on or prior to the Plan Implementation Date relating to or otherwise in connection with the Third-Party ABCP market in Canada, the ABCP Conduits, the Affected ABCP, the business and affairs of any of the Released Parties relating to or otherwise in connection with the Affected ABCP, Affected ABCP Credit Default Swaps, the LSS Assets, Hybrid Assets and Traditional Assets, including without limitation any of such assets that are Ineligible Assets, the CCAA

Proceedings, the activities undertaken or not undertaken as a result of the Standstill, in anticipation of or preparation for the restructuring of the Affected ABCP and/or the CCAA Proceedings, the Information Statement, the Meeting or the Plan (collectively, the “ABCP Market Claims”); and each Person shall not make or continue any claims or proceedings whatsoever based on, in connection with, arising out of, or in any way related to, in whole or in part, directly or indirectly, the substance of the facts giving rise to any matter herein released (including, without limitation, any action, cross-claim, counter-claim, third party action or application) against any Person who claims or might reasonably be expected to claim in any manner or forum against one or more of the Released Parties, including, without limitation, by way of contribution or indemnity, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, and that in the event that any of the Released Parties are added to such claim or proceeding, it will immediately discontinue any such claim or proceeding. Notwithstanding the foregoing, nothing herein shall release or discharge a Released Party from its obligations, if any, under the Plan or any Approved Agreements. This section 10.1 does not apply to Unaffected Claims.

## **10.2 Injunction**

All Persons (regardless of whether or not such Persons are Noteholders), along with their respective affiliates, present and former officers, directors, employees, associated individuals, auditors, financial advisors, legal counsel, other professionals, sureties, insurers, indemnitees, agents, dependents, heirs, representatives and assigns, as applicable, are permanently and forever barred, estopped, stayed and enjoined, on and after the Effective Time, with respect to ABCP Market Claims, from (i) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Released Parties; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the Released Parties or their property; (iii) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits or demands, including without limitation, by way of contribution or indemnity or other relief, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim, in any manner or forum, against one or more of the Released Parties; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind; or (v) taking any actions to interfere with the implementation or consummation of this Plan. This section 10.2 does not apply to Unaffected Claims.

## **ARTICLE 11 GENERAL PROVISIONS**

### **11.1 Plan Amendment**

The Investors Committee reserves the exclusive right to amend this Plan, in a written document filed with the CCAA Court, at any time prior to the Plan Implementation Date, with the prior written consent of the Asset Providers and Margin Funding Lenders, provided that:

- (a) prior to or during the Meetings, any such amendment must be communicated to the Noteholders in such manner as may be agreed by the Monitor, or as may be ordered by the CCAA Court;
- (b) after the Meeting, an amendment may be made if it concerns a matter which, in the opinion of and the Monitor, acting reasonably, or as declared by the CCAA Court, is of an administrative nature required to better give effect to the implementation of this Plan and/or to the Sanction Order and is not materially prejudicial to the interests of the Noteholders or the Plan Participants;
- (c) after the Meeting, any other amendment may only be made if approved by the CCAA Court;
- (d) any amendment that materially alters the effect of Section 10.1 or Section 10.2 of this Plan or the terms of any of the Approved Agreements must be approved by any Plan Participants affected by the proposed amendment, modification or supplement; and

- (e) any supplementary plan or plans of compromise or arrangement filed by the Investors Committee with the CCAA Court and, if required by this Section 11.1, approved by the CCAA Court, shall, for all purposes be a part of and incorporated in this Plan.

## **11.2 Exclusion from Plan**

With the consent of firstly the Plan Participants and thereafter, the Monitor at any time prior to the Plan Implementation Date, the Investors Committee may exclude any of the CCAA Parties under this Plan and proceed with this Plan, which will thereafter be applicable to any remaining CCAA Parties only. Without delay after obtaining the consent of the Plan Participants and the Monitor, the Investors Committee will: (i) file a notice regarding the exclusion of the CCAA Party with the Court; (ii) request that the Monitor post the notice on the Website; and (iii) send a copy of the notice by regular pre-paid mail to all known Noteholders holding ABCP of the excluded CCAA Party. If a CCAA Party is so excluded, this Plan will be read and interpreted in all respects as if such CCAA Party and all Claims against such CCAA Party are unaffected by this Plan.

## **11.3 Severability**

In the event that any provision in this Plan is held by the CCAA Court to be invalid, void or unenforceable, this Plan shall be null and void in all respects, with effect in accordance with Section 11.4 hereof.

## **11.4 Termination**

At any time prior to the Plan Implementation Date, the Investors Committee may, subject to further order of the CCAA Court, determine not to proceed with this Plan notwithstanding any prior approvals given at the Meeting or the obtaining of the Sanction Order. If the conditions precedent to implementation of this Plan are not satisfied or waived, if the Investors Committee determines not to proceed with this Plan, if the CCAA Court holds any provision of this Plan to be invalid, void or unenforceable or if the Sanction Order is not issued by the CCAA Court: (a) this Plan shall be null and void in all respects; (b) any document or agreement executed pursuant to this Plan, shall be deemed null and void; and (c) nothing contained in this Plan, and no act taken in preparation of the consummation of this Plan, shall: (i) constitute or be deemed to constitute a waiver or release of any Noteholder Claims or any defences thereto by or against any of the CCAA Parties or any other Person; (ii) prejudice in any manner the rights of any of the Noteholders, the CCAA Parties or any other Person in any further proceedings involving one or more of the CCAA Parties; or (iii) constitute an admission of any sort by any of the Noteholders, the CCAA Parties or any other Person.

## **11.5 Covenant of the Plan Participants**

Each Plan Participant hereby covenants and agrees, and is deemed to covenant and agree to execute and deliver, on or after the Effective Time, all such agreements, instruments and documents and to take all such further actions as any of the other Plan Participants may reasonably deem necessary from time to time (at the requesting Plan Participant's expense) to carry out the intent and purposes of this Plan and the Approved Agreements and to consummate the transactions contemplated hereby.

## **11.6 Paramountcy**

From and after the Plan Implementation Date, any conflict between: (a) this Plan; and (b) any information statement or summary in respect of this Plan, or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, indenture, loan agreement, commitment letter, document or agreement, written or oral, and any and all amendments and supplements thereto existing between any of the CCAA Parties and any Noteholder or other Person as at the Plan Implementation Date will be deemed to be governed by the terms, conditions and provisions of this Plan and the Sanction Order, which shall take precedence and priority.

## 11.7 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings, and the Monitor will not be responsible or liable for any obligations of the CCAA Parties hereunder. The Monitor will have only those powers granted to it by this Plan, by the CCAA and by any Order of the CCAA Court in the CCAA Proceedings, including the Initial CCAA Order.

## 11.8 Deeming Provisions

In this Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

## 11.9 Notices

Any notice or communication to be delivered hereunder shall be in writing and shall reference this Plan and may, subject as hereinafter provided, be made or given by personal delivery or by fax addressed to the respective parties as follows:

- (i) if to the Investors Committee:

Purdy Crawford, C.C., Q.C.

Attention: Chair

Fax: (416) 862-6666

with a copy to:

Goodmans LLP

250 Yonge Street, Suite 2400

Toronto, ON M5B 2M6

Attention: Stephen H. Halperin, Esq.

Fax: (416) 979-1234

- (ii) if to a Noteholder:

to the known address (including fax number or email address) for such Noteholder or, if a Noteholder has filed a Voter Identification Form in accordance with the Meeting Order, the address for such Noteholder specified therein;

- (iii) if to the Monitor:

Ernst & Young Inc.

222 Bay Street

Toronto-Dominion Centre

Toronto, ON M5J 1J7

Attention: Mike P. Dean

Fax: 416.943.3300

with a copy to:

Borden Ladner Gervais LLP

Scotia Plaza

40 King Street W.

Toronto, ON M5H 3Y4

Attention: Craig J. Hill / Marc Duchesne

Fax: 416.361.7301

or to such other address as any party may from time to time notify the others in accordance with this Section 11.9. All such notices and communications that are delivered shall be deemed to have been received on the date of delivery. Any such notices and communications that are faxed shall be deemed to be received on the date faxed if sent before 5:00 p.m. Eastern Time on a Business Day and otherwise shall be deemed to be received on the Business Day next following the day

upon which such fax was sent. Any notice or other communication sent by mail shall be deemed to have been received on the fifth Business Day after the date of mailing. The unintentional failure to give a notice contemplated hereunder shall not invalidate any action taken by any Person pursuant to this Plan.

#### **11.10 Successors and Assigns**

The rights, benefits and obligations of any Person named or referred to in this Plan shall be binding on, and shall inure to the benefit of, any heir, executor, trustee, administrator, successor or assign of such Person.

#### **11.11 Further Assurances**

Notwithstanding that the transactions and events set out in this Plan shall be deemed to occur without any additional act or formality other than as set out herein, each of the Persons affected hereby shall make, do and execute or cause to be made, done or executed all such further acts, deeds, agreements, transfers, assurances, instruments, documents or discharges as may be reasonably required by the Investors Committee or the Monitor in order to implement and give effect to this Plan.

#### **11.12 Governing Law**

This Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to any conflict of law provision that would require the application of the law of any other jurisdiction. In the event of any dispute or issue in connection with, or related to, the interpretation, application or effect of this Plan, such dispute or issue shall be subject to the exclusive jurisdiction of the CCAA Court.

Dated at Toronto, Ontario, as of this 19th day of March, 2008.



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## **EXHIBIT C**

### **MEETING ORDER**

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Court File No.

08-CL-7440

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE

)

MONDAY, THE 17TH

)

MR. JUSTICE CAMPBELL

)

DAY OF MARCH, 2008



IN THE MATTER OF THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE AND  
ARRANGEMENT INVOLVING METCALFE & MANSFIELD ALTERNATIVE  
INVESTMENTS II CORP., METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS  
III CORP., METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS V CORP.,  
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS XI CORP.,  
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS XII CORP.,  
4446372 CANADA INC. AND 6932819 CANADA INC.,  
TRUSTEES OF THE CONDUITS LISTED IN SCHEDULE "A" HERETO

B E T W E E N:

THE INVESTORS REPRESENTED ON  
THE PAN-CANADIAN INVESTORS COMMITTEE FOR THIRD-PARTY STRUCTURED  
ASSET-BACKED COMMERCIAL PAPER LISTED IN SCHEDULE "B" HERETO

Applicants

- and -

METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS II CORP.,  
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS III CORP.,  
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS V CORP.,  
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS XI CORP.,  
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS XII CORP.,  
4446372 CANADA INC. AND 6932819 CANADA INC.,  
TRUSTEES OF THE CONDUITS LISTED IN SCHEDULE "A" HERETO

Respondents

MEETING ORDER

**THIS MOTION**, made by the investors represented on the Pan-Canadian Investors Committee for Third-Party Structured Asset-Backed Commercial Paper (the "Committee"), listed in Schedule "B" hereto (the "Applicants"), for an order authorizing the Committee to call, hold and conduct a meeting of certain creditors of the Respondents to consider and approve the Plan of Compromise and Arrangement proposed by the Committee (the "Plan"), was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the affidavit of Purdy Crawford, C.C., Q.C. sworn March 17, 2008 (the "Crawford Affidavit") and the Exhibits thereto and the Report of Ernst & Young Inc. ("EYI") dated March 17, 2008 (the "First Report") prepared in contemplation of EYI's appointment as monitor of the Respondents (hereinafter referred to as the "Monitor") and on hearing the submissions of counsel for the Committee, and on hearing counsel for the Respondents 4446372 Canada Inc., 6932819 Canada Inc., Metcalfe & Mansfield Alternative Investments II Corp., Metcalfe & Mansfield Alternative Investments III Corp., Metcalfe & Mansfield Alternative Investments V Corp., Metcalfe & Mansfield Alternative Investments XI Corp. and. Metcalfe & Mansfield Alternative Investments XII Corp., the issuer trustees of the trusts listed on Schedule "A" hereto (such trusts being herein referred to as the "Conduits"), who do not oppose this Application, and on hearing counsel for ● and counsel for EYI in its capacity as proposed Monitor,

### **Service**

1. **THIS COURT ORDERS** that the time for service and filing of the notice of motion and the Applicants' motion record is hereby abridged so that this motion is properly returnable today and that any further requirement for service thereof is hereby dispensed with.

### **Definitions and Interpretation**

2. **THIS COURT ORDERS** that all capitalized terms that are not otherwise defined herein shall have the meaning given to such terms set out in the First Report or the Plan.



3. **THIS COURT ORDERS** that all references to time herein shall mean local time in Toronto, Ontario, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day unless otherwise indicated herein.

#### **Forms of Documents**

4. **THIS COURT ORDERS** that the forms of: (i) Notice of Proceedings; (ii) Voter Confirmation Form; (iii) Voter Identification Form; (iv) Proxy Form; (v) Letter of Transmittal and Form of Election; (vi) Instructions for Noteholders as appended to the First Report and (ix) the Information Statement, as attached to the Crawford Affidavit, are hereby approved, and the Committee is authorized and directed to make such changes thereto as the Committee considers necessary or desirable to describe or to conform the content thereof to the terms of the Plan or this Meeting Order. (The foregoing documents are referred to herein collectively as the "Meeting Documents" except that when dealing with Noteholders who are not Known Noteholders, the Meeting Documents shall not include the Voter Confirmation Form and the Instructions for Voter Confirmation Form.)

5. **THIS COURT ORDERS** that the procedures described by the Monitor in the First Report as having been undertaken with a view to (a) identifying and obtaining contact particulars for all Noteholders who are entitled to notice of, and to vote at, the Meeting, and b) confirming holdings of Known Noteholders, are hereby approved.

#### **Delivery of Meeting Documents to Holders**

6. **THIS COURT ORDERS** that the Monitor shall promptly deliver the Meeting Documents by first class prepaid mail to each Person whom the I&P Agents have identified as a registered holder of ABCP certificates ("Registered Holder"). If any I&P Agent fails or refuses to disclose contact particulars for one or more Registered Holders, the Monitor shall deliver a sufficient number of copies of the Meeting Documents to such I&P Agent for delivery by the I&P Agent to such undisclosed Registered Holders and the I&P Agent shall promptly make such delivery.

7. **THIS COURT ORDERS** that Broadridge Financial Solutions, Inc. ("Broadridge") shall promptly deliver the Meeting Documents by first class prepaid mail to each Person who has been identified by Broadridge as a Noteholder whose holdings are held through participants in the CDS system ("Participant Holders"). If any Participant Holder fails or refuses to disclose contact particulars for one or more Noteholders to Broadridge, then Broadridge shall deliver a sufficient number of copies of the Meeting Documents to such Participant Holder for delivery to such undisclosed Noteholders and the Participant Holder shall promptly make such delivery

8. **THIS COURT ORDERS** that the Monitor shall promptly deliver the Meeting Documents by first class prepaid mail to all Known Noteholders and to any other Person that has contacted the Monitor and requested a copy of the Meeting Documents, but without duplication to the extent already addressed in paragraphs 6 and 7 herein.

9. **THIS COURT ORDER** that the Monitor shall promptly deliver the Meeting Documents by first class prepaid mail to counsel for the plaintiffs who are identified in the Crawford Affidavit or the Exhibits thereto as having commenced court actions related to ABCP.

10. **THIS COURT ORDERS** that the Monitor shall be at liberty, acting reasonably, to take such additional and further steps as are reasonably required to identify all Persons who are entitled to notice of, and to vote at, the Meeting, and to deliver to such Persons in a timely and cost-effective manner the Meeting Documents, and all such Persons shall co-operate with the Monitor in connection therewith.

#### **Publication of Notice to Creditors**

11. **THIS COURT ORDERS** that the form of Notice of Proceedings and Meeting (the "Notice"), substantially in the form attached hereto as Schedule "C", is hereby approved. The Monitor shall publish the Notice in the National Edition of the Globe and Mail, La Presse, the Vancouver Sun, the Calgary Herald and the Edmonton Journal twice weekly commencing on the first practicable opportunity after the date of this Order and continuing until immediately prior to the date of the Meeting.

12. **THIS COURT ORDERS** that the Monitor will forthwith establish a web page containing PDF copies of, *inter alia*, Meeting Documents, which website has the following internet address: [www.ey.com/ca/commercialpaper](http://www.ey.com/ca/commercialpaper).

13. **THIS COURT ORDERS** that the Monitor shall forthwith send by email to all Known Noteholders for which the Monitor possesses email contact information an email alert that includes a copy of the Notice.

14. **THIS COURT ORDERS** that the delivery of the Meeting Documents and the publication and distribution of the Notice substantially in accordance with the requirements of this Order shall constitute good and sufficient service and delivery of this Order and the other documents referred to in this Order on all Persons who may be entitled to receive notice or be present or vote in person or by proxy at the Meetings or any adjournments thereof and that no other notice or service need be given or made and no other document or material need be served upon such Persons.

#### **Amendments to the Plan**

15. **THIS COURT ORDERS** that the Committee may, at any time and from time to time, whether before or during the Meetings, amend the Plan by written instrument, provided that the Committee gives notice to all Noteholders of the details of such amendment prior to the vote being taken to approve the Restructuring Resolution, and otherwise complies with the procedures governing amendments as set out in the Plan.

#### **Conduct of Meeting and Delivery of Proxies**

16. **THIS COURT ORDERS** that the Committee seek approval of the Restructuring Resolution by the Noteholders entitled to vote at the Meeting in the manner set forth herein.

17. **THIS COURT ORDERS** that, for the purposes of voting to approve the Restructuring Resolution, there shall be a single class known as the Noteholders' Class as established in the Plan.

18. **THIS COURT ORDERS** that the Committee shall call the Meeting to be held and conducted on a day date that is at least thirty (30) days from the date of the first mailing of Meeting Documents under paragraphs 6 through 9 above, at Toronto, Ontario or at such other time and place to which the Meeting may be properly adjourned or otherwise re-scheduled by the Committee. The Monitor shall fill-in the date and location of the Meeting on the Meeting Documents immediately prior to mailing those documents and shall announce the date of the Meeting as soon as it is known on its website and in the advertisements as approved in this Meeting Order.

19. **THIS COURT ORDERS** that the Meeting shall be called, held and conducted, and the Plan shall be voted upon and, if approved by Noteholders, ratified and given full force and effect, in accordance with the provisions of this Meeting Order, the CCAA, the Meeting Documents and any further Order of this Court, notwithstanding the provisions of any agreement or other instrument to the contrary.

20. **THIS COURT ORDERS** that Murray A. McDonald or another officer of the Monitor, designated by the Monitor, shall preside as the chair (the "Chair") of the Meeting and, subject to this Order, shall decide all matters relating to the conduct of the Meeting.

21. **THIS COURT ORDERS** that the Chair shall put the Restructuring Resolution to approve the Plan, (as it may be amended pursuant to the Plan and this Meeting Order) to the Noteholders to be voted upon by written ballot in accordance with the terms of this Meeting Order.

22. **THIS COURT ORDERS** that the quorum required at the Meeting shall be two of the Noteholders present in person or by proxy.

23. **THIS COURT ORDERS** that the Monitor shall appoint scrutineers for the supervision and tabulation of the attendance at, quorum at and votes cast at the Meeting. A person designated by the Monitor shall act as secretary of the Meeting.

24. **THIS COURT ORDERS** that if the requisite quorum is not present at the Meeting, or if the Meeting is postponed by the Committee or by the vote of the majority in number of the Noteholders present in person or by proxy, the Meeting shall be adjourned by the Chair to a later date, time and place designated by the Chair. The Chair shall be entitled to adjourn and further adjourn the Meeting at the Meeting or any adjourned Meeting provided that any such adjournment or adjournments shall be for a period of not more than thirty (30) days in total and, in the event of any such adjournment, the Committee shall not be required to deliver any notice of the adjournment of the Meeting other than posting a notice of the adjournment on the Monitor's website, announcing the adjournment at the Meeting or posting notice of the adjournment at the originally designated time and location of the Meeting or Meeting being adjourned.

25. **THIS COURT ORDERS** that the only persons entitled to notice of, or to attend and speak at the Meeting are the Noteholders entitled to vote at the Meeting (including, for the purposes of attendance, speaking and voting, their respective proxy holders and legal counsel), officers and other representatives (including legal counsel and financial advisors) of Respondents and of the Committee, the Monitor, and any persons appointed as scrutineers for the meeting. Any other person may be admitted to the Meeting on invitation of the Committee or the Chair.

26. **THIS COURT ORDERS** that the only persons entitled to vote at the Meeting, in person or by proxy, are Noteholders.

27. **THIS COURT ORDERS** that any Noteholders' Proxy in respect of the Meeting (or any adjournment thereof) shall be provided to the Monitor on or before 5:00 p.m. on the Business Day before the Meeting. Notwithstanding the foregoing, the Monitor shall have the discretion to accept for voting purposes any Proxy signed by a Noteholder and delivered to the Chair (or the Chair's designee) prior to the commencement of the Meeting.

28. **THIS COURT ORDERS** that the Committee may in its discretion, generally or in individual circumstances, waive in writing the time limits imposed on Noteholders as set out in the Meeting Documents and all other procedural matters if the Committee deems it advisable to



do so (without prejudice to the requirement that all other Noteholders must comply with the requirements of the Meeting Documents and in respect of the Meeting and this Meeting Order).

### **Voting Procedure**

29. **THIS COURT ORDERS** that the date for determining those entitled to vote at the Meeting shall be February 29, 2008, (the "Record Date").

30. **THIS COURT ORDERS** that each Noteholder as of the Record Date may vote at the Meeting, in person or by proxy. For the purpose of calculating the two-thirds majority by value of Affected Claims, each Noteholder shall be entitled to vote, without duplication, the aggregate principal amount of all Affected ABCP held by such Noteholder, as determined by the Monitor and as set out in Voter Identification Form or Voter Confirmation Form, as applicable. For the purpose of calculating a majority in number at the Meeting, each individual Noteholder shall only be counted once, without duplication, even if that Noteholder holds Affected ABCP through more than one Registered Holder or Participant Holder, and each Noteholder of a Respondent shall only be counted once even if such Noteholder holds more than one claim against such Respondent or against more than one Respondent. For greater certainty, only Noteholder (and not Registered Holders or Participant Holders, unless they are also Noteholder) shall be entitled to vote in respect of the Plan as provided for in this Order.

31. **THIS COURT ORDERS** that in the event that the Voter Identification Form or Voter Confirmation Form, as applicable, submitted by a Noteholder, is improperly completed or improperly supported, as determined by the Monitor, then such Noteholder's vote shall be marked by the Monitor as being an Unconfirmed Vote. In the event that the aggregate Unconfirmed Votes are sufficient to alter the outcome of the vote to approve the Plan (by number or dollar value), the Monitor is to apply to this Honourable Court for directions with respect to the voting eligibility of the Unconfirmed Votes.

32. **THIS COURT ORDERS** that the Monitor shall keep separate records and tabulations of votes cast in respect of each Series.

**Persons with Unaffected Claims not entitled to Vote or receive Distributions**

33. **THIS COURT ORDERS** that a Creditor with an Unaffected Claim shall not be entitled to vote or to receive any distribution under the Plan in respect of such Unaffected Claim.

**Court Sanctioning of Plan**

34. **THIS COURT ORDERS** that the Monitor shall report to the Court the results of the Meeting. If the Plan is approved by the required majorities of Noteholders, the Committee may bring a motion to the Court returnable one full week after the Meeting, or such other date as is set by the Court upon motion by the Committee, for approval of the Plan (the "CCAA Sanction Motion").

35. **THIS COURT ORDERS** that service of this Meeting Order by the Monitor to the parties on the service list, the delivery of the Meeting Documents in accordance with this Meeting Order and the publication of the Press Release and the Notice in accordance with this Meeting Order, shall constitute good and sufficient service of notice of the CCAA Sanction Motion on all persons entitled to receive such service and no other form of notice or service need be made in respect of the CCAA Sanction Motion.

36. **THIS COURT ORDERS** that any party who wishes to oppose the CCAA Sanction Motion shall serve on the service list a Notice of Appearance setting out the basis for such opposition and a copy of the material to be used to oppose the CCAA Sanction Motion at least three days before the date set for the CCAA Sanction Motion, or such shorter time as the Court, by order, may allow.

37. **THIS COURT ORDERS** that any Person who delivers a Notice of Appearance in respect of the CCAA Sanction Motion shall effect service thereof on the Committee and the Monitor respectively by e-mailing a PDF or by other electronic transmission of the Notice of Appearance to counsel at the following addresses:

Goodmans LLP  
Attention: Fanny Paquette  
Facsimile: 416.979.1234  
E-mail: fpaquette@goodmans.ca

With a copy to the Monitor's counsel at:

Borden Ladner Gervais LLP  
Attention: Craig J. Hill  
Facsimile: 416.361.7301  
E-mail: chill@blgcanada.com

38. **THIS COURT ORDERS** that in the event the CCAA Sanction Motion is adjourned, only those Persons who have filed and served a Notice of Appearance shall be served with notice of the adjourned date.

#### **GENERAL**

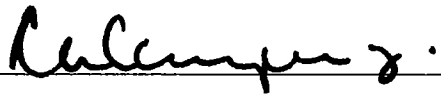
39. **THIS COURT ORDERS** that any of the Committee, the Respondents or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

40. **THIS COURT ORDERS AND DECLARES** that none of the Monitor, the Chair, the Committee, Broadridge, the Applicants or the Respondents or any of their respective officers, directors, shareholders, partners, employees, representatives, agents, financial advisors, legal counsel, other professional advisers, shall incur any liability or obligation as a result of the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part.

41. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Committee, the Respondents and the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Committee, the Respondents and to the Monitor, as an officer of this Court, as

may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Committee, the Respondents and the Monitor and their respective agents in carrying out the terms of this Order.

42. **THIS COURT ORDERS** that each of the Committee, the Respondents and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

  
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CLERK OF COURT  
U.S. DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

MAR 17 2008

PER/MAR



**SCHEDULE "A"**

**Conduits**

Apollo Trust  
Apsley Trust  
Aria Trust  
Aurora Trust  
Comet Trust  
Encore Trust  
Gemini Trust  
Ironstone Trust  
MMAI-I Trust  
Newshore Canadian Trust  
Opus Trust  
Planet Trust  
Rocket Trust  
Selkirk Funding Trust  
Silverstone Trust  
Slate Trust  
Structured Asset Trust  
Structured Investment Trust III  
Symphony Trust  
Whitehall Trust



**SCHEDULE "B"**

**Applicants**

ATB Financial  
Caisse de Dépôt et Placement du Québec  
Canaccord Capital Corporation  
Canada Mortgage and Housing Corporation  
Canada Post Corporation  
Credit Union Central Alberta Limited  
Credit Union Central of British Columbia  
Credit Union Central of Canada  
Credit Union Central of Ontario  
Credit Union Central of Saskatchewan  
Desjardins Group  
Magna International Inc.  
National Bank Financial Inc./National Bank Of Canada  
NAV Canada  
Northwater Capital Management Inc.  
Public Sector Pension Investment Board  
The Governors of the University of Alberta

**SCHEDULE "C"**

**IMPORTANT NOTICE TO CERTAIN HOLDERS OF THIRD-PARTY ASSET BACKED  
COMMERCIAL PAPER ("ABCP")**

**Notice of Proceedings and Meeting**

**IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE AND  
ARRANGEMENT PURSUANT TO THE COMPANIES' CREDITORS  
ARRANGEMENT ACT FILED WITH RESPECT TO THE FOLLOWING CCAA  
PARTIES:**

**Metcalfe & Mansfield Alternative Investments II Corp., Metcalfe & Mansfield Alternative  
Investments III Corp., Metcalfe & Mansfield Alternative Investments V Corp., Metcalfe &  
Mansfield Alternative Investments XI Corp., Metcalfe & Mansfield Alternative  
Investments XII Corp., [Numco No. 1], [Numco No. 2], [Numco No. 3],**

**as issuer trustees of the following ABCP Trusts:**

**Apollo Trust, Apsley Trust, Aria Trust, Aurora Trust, Comet Trust, Encore Trust, Gemini  
Trust, Ironstone Trust, MMAI-I Trust, [Newshore Canadian Trust], Opus Trust, Planet  
Trust,**

**Rocket Trust, Selkirk Funding Trust, Silverstone Trust, Slate Trust, Structured Asset  
Trust, Structured Investment Trust III, Symphony Trust, Whitehall Trust**

**PLEASE TAKE NOTICE** that this notice is being published pursuant to an order of the  
Superior Court of Justice of Ontario dated March 17, 2008.

**NOTICE IS HEREBY GIVEN** that the Pan-Canadian Investors Committee for Third-Party  
Structured ABCP (the "Investors Committee") has filed with the Ontario Superior Court of  
Justice (the "Court") a plan of compromise and arrangement (as amended from time to time, the  
"Plan") pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA"). A  
copy of the Plan is set out in an Information Statement dated ●, 2008 (the "Information  
Statement"). Unless otherwise indicated, terms defined in the section of the Information  
Statement entitled "Glossary of Terms" have the same meaning in this Notice.

The Plan contemplates the restructuring of the third-party asset-backed commercial paper debt  
obligations, including applicable floating rate notes, liquidity notes and subordinated notes  
(collectively, the "Affected ABCP") of the CCAA Parties listed above as the issuer trustees and  
the amendment of rights and claims of, among others, the holders of the Affected ABCP (the  
"Noteholders").

**NOTICE IS ALSO HEREBY GIVEN** that a Meeting of the Noteholders will be held on ●,  
2008 at 10a.m. at ●, Toronto, Ontario for the purpose of considering and, if thought advisable,  
voting to approve, with or without variation, the Plan, and to transact such other business as may  
properly come before the Meeting. In addition to receiving the requisite approvals of  
Noteholders, the Plan must also be sanctioned by a final order of the Court under the CCAA.

Subject to satisfaction or waiver of the conditions to implementation of the Plan, all Noteholders will then receive the treatment set out in the Plan unless otherwise ordered by the Court.

In order to be eligible to vote at the Meeting, a Noteholder as of the record date of February 29, 2008 (the "Record Date") must properly complete and deliver, as appropriate and in accordance with the instructions provided on the form, either a Voter Identification Form or a Voter Confirmation Form together with the required supporting information, to the court-appointed monitor, Ernst & Young Inc. (the "Monitor") by no later than **5:00 p.m. (Toronto time) on March 1, 2008**.

Any Noteholder who is entitled to vote at the Meeting may vote by properly completing and delivering the prescribed Form of Proxy to the Monitor prior to **5:00 p.m. (Toronto time) on the second to last Business Day before the Meeting** or any adjournment thereof, or, at the discretion of the Monitor, to the chair of the Meeting prior to the commencement of the Meeting or any adjournment thereof.

**NOTICE IS HEREBY ALSO GIVEN** that if the Plan is approved at the Meeting, the Investors Committee intends to bring a motion before the Court on or about 1 at **[10:00 a.m. (Toronto time) at 330 University Avenue, Toronto, Ontario]**. The motion will be for an Order sanctioning the Plan under the CCAA and ancillary relief consequent upon such sanction, including the relief described in the Plan. Any interested party who wishes to appear or be represented, and to present evidence or arguments supporting or opposing the motion, at the Court hearing seeking sanction of the Plan must file with the Court a Notice of Appearance and a notice setting out the basis for such support or opposition and a copy of the materials to be used and serve such Notice of Appearance, notice and materials on the Applicants' solicitors, Goodmans LLP, to [fpaquette@goodmans.ca](mailto:fpaquette@goodmans.ca) and to the Monitor's solicitors at [chill@blgcanada.com](mailto:chill@blgcanada.com) at least three days before the date of the motion.

The Information Statement, together with other materials enclosed therewith, provides important information regarding the consideration to be received by Noteholders if the Plan is approved and implemented, including information and instructions regarding certain elections that may be available to Noteholders.

Copies of the Information Statement, Voter Confirmation Form or Voter Identification Form (as applicable) and form of Proxy together with other materials have been sent by courier to known Noteholders either by the Monitor or by Broadridge Financial Solutions on behalf of the Monitor. Noteholders who have not received a copy of the Information Statement, Voter Identification Form, form of Proxy or other materials should contact the Monitor (**Telephone 1-888-373-6213 or Facsimile 1-416-943-2850**) to obtain these materials. Alternatively, the materials are available on the Monitor's website at [www.ey.com/ca/commercialpaper](http://www.ey.com/ca/commercialpaper).

Dated at Toronto, this 1 day of 1, 2008.

AND IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT  
INVOLVING METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS II CORP., *ET AL.*

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**MEETING ORDER**

**GOODMANS LLP**  
Barristers & Solicitors  
250 Yonge Street, Suite 2400  
Toronto, Canada M5B 2M6

Benjamin Zarnett LSUC#: 17247M  
Fred Myers LSUC# 26301A  
Brian F. Empey LSUC#: 30640G

Tel: 416.979.2211  
Fax: 416.979.1234

Solicitors for the Applicants

## **EXHIBIT D**

### **JPMORGAN REPORT ON RESTRUCTURING**

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MARCH 14, 2008

REPORT ON RESTRUCTURING

JPMorgan’s policies prohibit employees from offering, directly or indirectly, a favorable research Rating or specific price target, or offering to change a Rating or price target, to a subject company as consideration or inducement for the receipt of business or for compensation. JPMorgan also prohibits its research analysts from being compensated for involvement in investment banking transactions except to the extent that such participation is intended to benefit Investors.

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**IRS Circular 230 Disclosure:** JPMorgan Chase & Co. and its affiliates do not provide tax advice. Accordingly, any discussion of U.S. tax matters included herein (including any attachments) is not intended or written to be used, and cannot be used, in connection with the promotion, marketing or recommendation by anyone not affiliated with JPMorgan Chase & Co. of any of the matters addressed herein or for the purpose of avoiding U.S. tax-related penalties.

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JPMorgan is a marketing name for investment banking businesses of JPMorgan Chase & Co. and its subsidiaries worldwide. Securities, syndicated loan arranging, financial advisory and other investment banking activities are performed by a combination of J.P. Morgan Securities Inc., J.P. Morgan plc, J.P. Morgan Securities Ltd. and the appropriately licensed subsidiaries of JPMorgan Chase & Co. in Asia-Pacific, and lending, derivatives and other commercial banking activities are performed by JPMorgan Chase Bank, N.A. JPMorgan deal team members may be employees of any of the foregoing entities. Referred to in this document as “JPMorgan” or “Our”.

JPMorgan was retained as advisor to the Committee only and has no obligations to other parties. This Report is provided to Investors outside of the Committee for their information only and not with a view toward advising such other Investors or recommending any investment decision by them.

JPMorgan has been retained to act as financial advisor to the Pan-Canadian Investors Committee for Third-Party Structured Asset-Backed Commercial Paper (the “Committee”) in connection with its consideration of various restructuring alternatives relating to certain outstanding asset-backed commercial paper and other securities (the “Existing ABCP”). This Report was prepared by JPMorgan at the request of the Committee exclusively for the benefit and internal use of the Committee and, at the Committee’s request, other investors in the Existing ABCP (each such investor, an “Investor”) in order to assist the Investors in evaluating the feasibility of a possible transaction or transactions and does not carry any right of publication or disclosure, in whole or in part, to any other party without JPMorgan’s prior written consent. Except as expressly set forth herein, neither this Report nor any of its contents may be disclosed or used for any other purpose without the prior written consent of JPMorgan. By delivering this Report to the Investors, JPMorgan is not undertaking any duties or liabilities to such Investors other than its duties and responsibilities to the Committee by virtue of its engagement by the Committee.

The information in this Report is based upon information supplied to us by the Committee and certain other participants in the issuance, sale and repackaging of the Existing ABCP (collectively, the “Participants”), as well as publicly available information, and reflects prevailing conditions and our views as of this date, all of which are accordingly subject to change. Subsequent developments may significantly affect JPMorgan’s opinions and views stated herein and JPMorgan does not have any obligation to update, revise, or reaffirm this Report or such opinions or views. JPMorgan’s opinions and estimates constitute JPMorgan’s judgment and should be regarded as indicative and for illustrative purposes only. In addition, JPMorgan is not a legal, regulatory or tax expert and, in reviewing documentation relating to the Existing ABCP and any potential transaction and in preparing this Report, JPMorgan has relied on the assessments made by other advisors to the Committee with respect to legal, regulatory and tax issues. In preparing this Report, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources or which was provided to us by or on behalf of the Committee or the Participants or which was otherwise reviewed by us. In addition, our analyses are not and do not purport to be appraisals of the assets, stock, or business of any issuer of the Existing ABCP or any other entity. JPMorgan makes no representations as to the actual value which may be received in connection with a transaction nor the legal, tax or accounting effects of consummating a transaction. Unless expressly contemplated hereby, the information in this Report does not take into account the effects of a possible transaction or transactions involving an actual or potential change of control, which may have significant valuation and other effects.

Notwithstanding anything herein to the contrary, the recipient Investor and each of its employees, representatives or other agents may disclose to any and all persons, without limitation of any kind, the U.S. federal and state income tax treatment and the U.S. federal and state income tax structure of the transactions contemplated hereby and all materials of any kind (including opinions or other tax analyses) that are provided to the recipient Investor relating to such tax treatment and tax structure insofar as such treatment and/or structure relates to a U.S. federal or state income tax strategy provided to the recipient Investor in this presentation.

This Report does not constitute a commitment by any JPMorgan entity to underwrite, subscribe for, place or otherwise purchase or bid for any of the Existing ABCP or any other securities or financial instruments or to extend or arrange credit or provide any other services.

# Agenda

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# Executive summary

## Overview of JPMorgan mandate and selected responsibilities

- On October 1st, 2007, JPMorgan was retained as financial advisor to the Pan-Canadian Investors Committee for Third-Party Structured Asset-Backed Commercial Paper (the “Committee”) to advise and assist the Committee with respect to process, negotiations and proposal evaluation and to prepare a report (the “Report”) for the use of the Committee
  - The Committee and JPMorgan have since agreed to make the Report available to all Investors
- The Committee selected JPMorgan as advisor, among other reasons, because of JPMorgan’s significant presence in the global credit derivative markets and because the Committee believed JPMorgan was independent for all relevant purposes
- The JPMorgan team is comprised of professionals from JPMorgan’s Asset Backed Securities, Commercial Mortgage Backed Securities, Financial Institutions and Governments, Restructuring and Structured Credit groups. Team members from Structured Credit were moved to the private-side of the investment bank and were restricted from market making activities
- Over the subsequent five months, JPMorgan acted under the Committee’s instruction and on the Committee’s behalf to
  - Obtain information on Affected Conduit assets from Asset Providers and Conduit Sponsors
  - Evaluate and conduct diligence on over 10 written restructuring proposals that were received from various third parties and were considered by the Committee
  - Meet with Asset Providers, Canadian Banks, Conduit Sponsors and other interested constituencies to receive feedback on proposals
  - Assist the Committee in the negotiation and structuring of (i) the December 23rd Agreement in Principle with Asset Providers and Conduit Sponsors, (ii) the Canadian Bank Agreement in Principle and (iii) final closing
  - Make JPMorgan personnel available to all Investors for updates on the Restructuring process
- The Committee also asked that JPMorgan prepare this Report, which is intended to address
  - The market context in which the Committee’s restructuring proposal (“Committee Proposal” or “Restructuring”) was and is currently being considered
  - Certain limitations of the existing structures and an explanation of how the Committee Proposal seeks to address identified limitations of the existing structures
  - The potential consequences of a default within the Affected Conduits in the absence of a restructuring
  - JPMorgan’s view of the Indicative Valuation of assets of the Series of Affected Conduits for use in analyzing relative contribution
  - JPMorgan’s view of the relative value of the Existing ABCP prior to the Restructuring compared to the Restructured Notes after the Restructuring

# Executive summary, cont.

## Overview of the Committee Proposal

- The Committee Proposal groups Existing ABCP into two groups based upon the nature of the underlying assets (Please see p. 18 for additional detail)
  - Series with all Synthetic Assets or a blend of Synthetic Assets and Traditional Assets
  - Series secured exclusively by Traditional Assets and 100% Ineligible Assets
    - Assets with significant exposure to the U.S. residential mortgage market (“Ineligible Assets”) will be contributed to the respective Master Asset Vehicle (1, 2 or 3), but will be siloed and a note (“Ineligible Asset Tracking Note”) tracking the terms (e.g. net return and maturity) of the underlying asset will be issued
- Investors holding Series with all Synthetic Assets or a blend of Synthetic Assets and Traditional Assets will have the option of participating in one of two Master Asset Vehicles
  - Master Asset Vehicle 1 (“MAV1”): A newly formed vehicle for Investors who elect to commit to their pro-rata portion of the margin funding commitment
  - Master Asset Vehicle 2 (“MAV2”): A newly formed vehicle for Investors who elect to commit to less than (or none) of their pro-rata share of the margin funding commitment in which case third parties will fund the unfunded portion
- In connection with the contribution of the assets relating to the Existing ABCP into Master Asset Vehicles 1 or 2, Investors will receive a mix of Class A-1, Class A-2, Class B and Class C Notes. This mix will be determined by the Relative Contribution Analysis (Please see p. 31 for additional detail)
- Investors holding Series secured exclusively by Traditional Assets or Ineligible Assets and Series secured in part by Ineligible Assets will receive Tracking Notes tied to the net return and maturities of the respective underlying assets
  - Master Asset Vehicle 3 (“MAV3”): A newly formed vehicle which silos each Series secured exclusively by Traditional Assets or by 100% Ineligible Assets
    - Relative Contribution Analysis will not be applied for these Series as assets are not commingled



# Executive summary, cont.

## Relative Contribution

- Since the Committee Proposal involves the pooling of assets relating to various Series in MAV 1 or 2, the Committee had to determine a structure to address the relative value of assets transferred into the respective MAV versus liabilities issued for these assets
- The Committee and its advisors agreed to use Indicative Valuations from JPMorgan to conduct the Relative Contribution Analysis
  - The Indicative Values are an indication and not a market price as they do not represent a firm bid for a swap or asset. Ultimate market prices for such assets may vary based on size, bid/offer, liquidity, transparency, etc.
  - For MAV 1 and MAV 2 eligible assets, these Indicative Valuations will be used to define the amount and type of Restructured Notes that each Investor will receive in exchange for a current Series of Existing ABCP
  - The methodology for defining the amount and type of Restructured Notes to be issued in exchange is called “Relative Contribution Analysis”
    - The methodology is intended to address the Committee’s objective for equitable treatment among all Investors
    - Class A-1 Notes will be allocated in an amount equal to the Indicative Valuation of the underlying assets of the Existing ABCP
    - Class A-2 and Class B Notes will be allocated in a combined amount equal to the difference between the Indicative Value and the original issued amount of the Existing ABCP minus 3% of the original issued amount of the Existing ABCP (for details on Relative Contribution analysis and “gross-up” please see p. 31)
    - Class C Notes will be issued in an amount equal to 3% of the original issued amount of the Existing ABCP

# Executive summary, cont.

## Existing structure vs. Committee proposal

- Without a restructuring, Investors would likely face a forced liquidation and the potential for significantly lower recoveries
- The Committee Proposal improves the potential for value recovery over time
- Possible implications absent a restructuring of the original structures of the Affected Conduits in the current market context could include:
  - Maturity defaults as a result of a mismatch of assets and liabilities (see p. 10 for additional detail)
  - Trigger defaults as a result of an inability to meet margin calls (see p. 10 for additional detail)
  - Systemic risk and “Domino Effect” (see p. 10 for additional detail)
  - Ratings downgrades (see p. 10 for additional detail)
  - Insufficient Transparency (see p. 10 for additional detail)
  - Low Liquidity
- Improvements of the Committee Proposal include:
  - Enhanced structure:
    - Mitigating maturity default risk through maturity restructuring
    - Mitigating Trigger default risk through Trigger restructuring, cross-collateralization/pooling of assets, and the provision of margin funding commitments
  - Improved supply and demand balance
  - Higher Ratings
  - Significantly improved Transparency
  - Improved Liquidity
- Please note that Appendix IV contains a glossary of defined terms within this Report

# Agenda

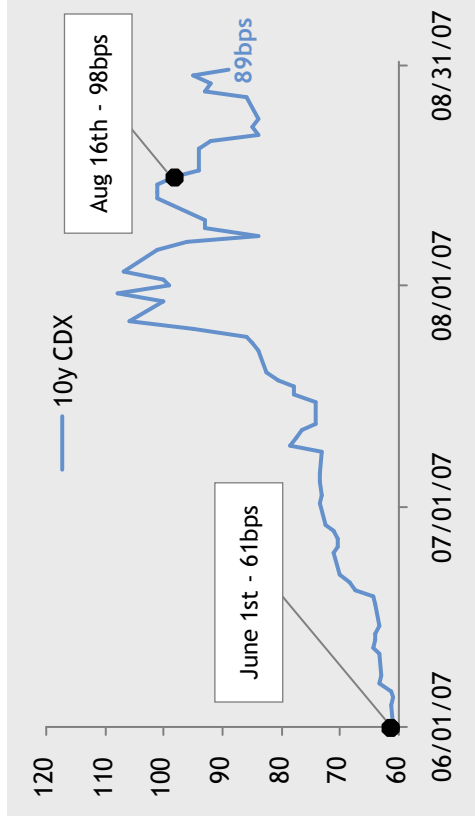
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# Credit derivatives market historic overview: Summer 2007

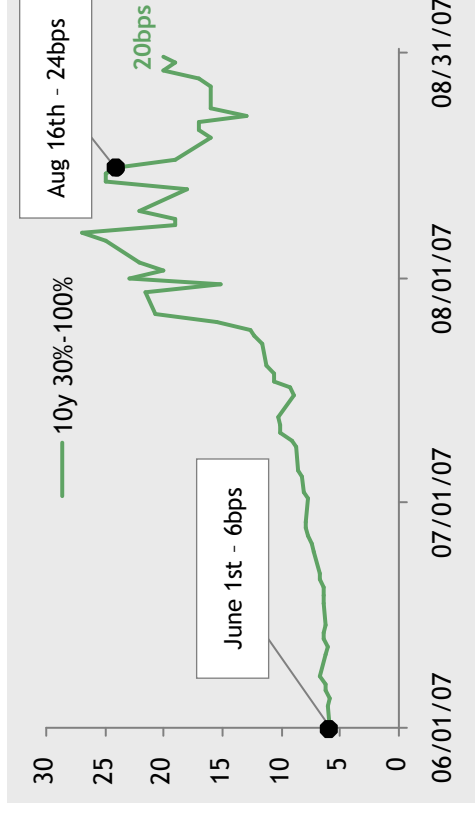
## Summer 2007 market context

- In the period leading up to August 2007, general market conditions gradually worsened as investor sentiment deteriorated on negative U.S. residential mortgage related news, downcast housing data, CDO concerns, prominent earnings misses and concerns regarding digestibility of heavy volumes of underwritten and non-syndicated leveraged buy-out loans
- Credit conditions continued to weaken during the week of August 13th, and several non-bank sponsored asset-backed commercial paper conduits in Canada (the “Affected Conduits”) were unable to refinance their maturing ABCP. The severity of the conditions were noted in a weekly recap by JPMorgan’s credit research:
  - “The Federal Reserve’s largest injection of cash into the US banking system since 2001 and similar measures by other central banks around the world have seemingly failed to quell intensifying fears of a global credit crunch. Unfortunately, these notable efforts have not done much to improve many companies’ access to funding, whether in the short end or out the curve. Nor have these actions calmed market participants’ worries about the possibility (and implications) of a ‘seize up’ in credit availability. As a result, credit markets suffered through another frightening week as the VIX registered an intraday print of 37.5, the highest level since October 2002, and credit Spreads and equity indexes continued their freefall.”<sup>1</sup>
- Graph 1 and Graph 2 illustrate the decline in the credit markets from June 1st, 2007 to August 31st, 2007. Higher Spreads imply greater risk. (Please see p. 81 for additional detail)

On-the-run 10yr CDX (bps) - Graph 1



Super Senior Spreads - 10yr 30-100% tranche (bps) - Graph 2



# Key limitations of the Affected Conduits

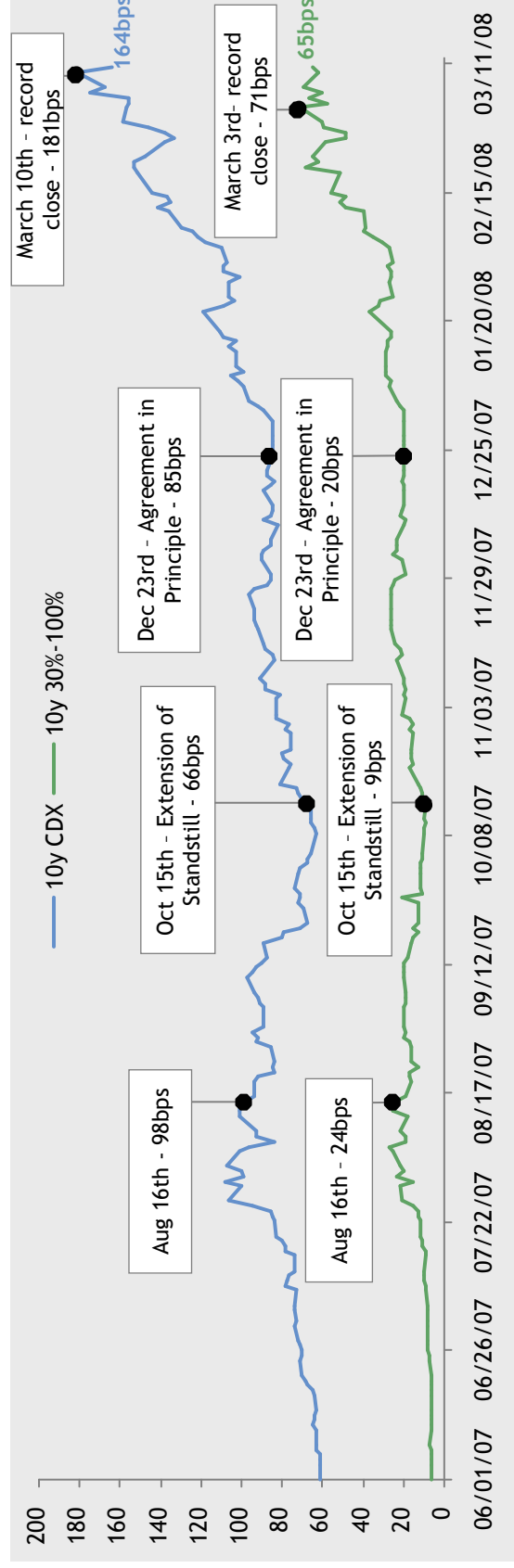
Overview	
<ul style="list-style-type: none"><li>■ General market conditions and the limitations of the Affected Conduit structures contributed to the distressed conditions of the Canadian ABCP market</li><li>■ Key limitations of the Affected Conduits are outlined below (please see p. 10 for additional detail on the Affected Conduit structures)</li></ul>	
Limitations	Description and implications
Liabilities: Maturity mismatch of assets and liabilities within the Affected Conduits (Long-term assets, financed by short term liabilities)	<ul style="list-style-type: none"><li>■ Series A Notes: Conduit liability financing agreements (“Liquidity Agreements”) which had been intended to refinance maturing ABCP on an interim basis were inconsistently funded by liquidity providers.</li><li>■ The extendible notes (“Series E Notes”) and Floating Rate Notes did not have the contractual benefit of Liquidity Agreements</li><li>■ In the event that the Existing ABCP was not able to be refinanced and a subsequent Event of Default or Cross Default were to have occurred, the Affected Conduits may have been forced to liquidate assets at prices lower than the previously prevailing market levels</li></ul>
Assets: Leveraged Super Senior structure  (Please see Appendix IV for a primer on Leveraged Super Senior structures)	<ul style="list-style-type: none"><li>■ Many of the Affected Conduits had invested in Leveraged Super Senior transactions that had Mark-to-Market Triggers that allowed an Asset Provider to call for additional collateral in the event that the mark-to-market value of the Super Senior swap had deteriorated past a pre-defined percentage (as a percentage of posted collateral)</li><li>■ The Affected Conduits may not have had the ability to meet Margin Calls because they might not have been able to issue new ABCP<ul style="list-style-type: none"><li>■ One of the factors limiting the Affected Conduits’ ability to raise new capital in the event of a Margin Call was that any new capital would have ranked pari-passu with, and not senior to, the Existing ABCP</li></ul></li><li>■ Additionally, a failure to meet a Margin Call could have led to a forced unwind of a specific transaction and could also have resulted in a Cross Default and liquidation of other assets within the same Conduit</li></ul>
Lack of Transparency	<ul style="list-style-type: none"><li>■ Due in part to the lack of transparency with respect to assets of some of the Affected Conduits, Investor appetite for Existing ABCP was limited as financial markets deteriorated<ul style="list-style-type: none"><li>■ Many potential and current Investors could not ascertain the exposure of the Affected Conduits to the U.S. residential mortgage market or Leveraged Super Senior transactions</li><li>■ Many potential and current Investors did not have specific asset information related to the Leveraged Super Senior credit default swaps, making it difficult to predict or estimate the credit risk and the likelihood of a Margin Call</li></ul></li></ul>

# Current credit derivatives market overview: March 2008

## Current context

- Economic concerns led to a credit market sell-off in the remainder of 2007 and early 2008, with Spreads reaching recent record levels
  - 10y CDX9 Spread as of March 11, 2008: 164 bps (record high of 181bps on March 10, 2008)
  - 10y CDX9 30-100% tranche Spread as of March 11, 2008: 65bps (record high of 71bps on March 3, 2008)
- The graph below illustrates the performance of investment grade corporate credit (i.e. 10yr CDX) and Super Senior Spreads (i.e. 10yr CDX 30%-100% tranche) from June 1st, 2007 to March 11, 2008. (Please see p. 81 for additional detail)
- As of 3/4/08, the average mid-market Indicative Valuation of the Leveraged Super Senior swaps in the Affected Conduits (as a percentage of collateral) was approximately 30% (i.e. down 70% from par)
  - It should be noted that Asset Providers may be able to mark the swaps at the “Offer-side”, which could currently result in the Asset Providers marking the swaps below the 30% level referenced above
  - It should be noted that in liquidation, assuming no changes to the market, recoveries would be lower than mid-market levels indicated
- The weighted average Mark-to-Market Trigger of the Leveraged Super Senior swaps is 44% (i.e. down 56% as a percentage of collateral); however, Trigger levels vary by asset (see trade detail in Appendix I)

## On-the-run 10yr CDX and Super Senior Spreads (bps)





# Original structure in the current market context

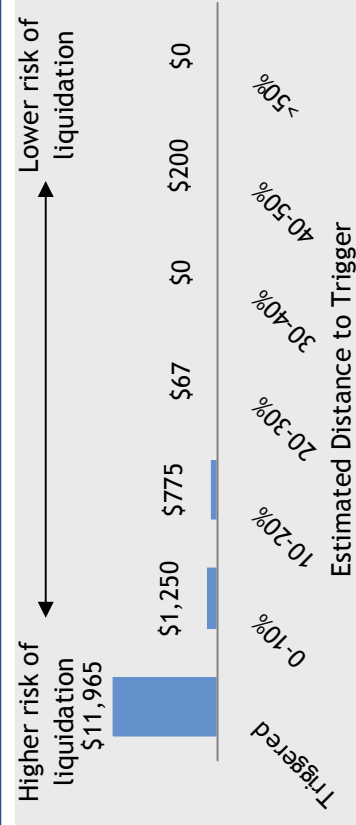
Possible implications for Existing ABCP absent a restructuring		
	Description	Implication absent a restructuring
Maturity defaults	<ul style="list-style-type: none"> <li>■ Inability to refinance maturing ABCP</li> <li>■ Maturity default risk predominantly caused by mismatch of the maturities of assets and some liabilities within the Affected Conduit structures</li> </ul>	<ul style="list-style-type: none"> <li>■ Could put Affected Conduits into default and force the Affected Conduits to liquidate assets at significantly depressed prices</li> </ul>
Trigger defaults  (see next page)	<ul style="list-style-type: none"> <li>■ Leveraged Super Senior credit default swaps could, or may have already, breached Mark-to-Market Triggers, causing Margin Calls                             <ul style="list-style-type: none"> <li>■ At least 84% of LSS trades with Mark-to-Market Triggers, representing CAD 12.0bn (153.2bn of super senior notional) may have breached Triggers</li> <li>■ At least 9% of LSS trades with Mark-to-Market Triggers, representing CAD 1.3bn (10.7bn of super senior notional), may be within 10% of a Trigger breach</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>■ Unmet Margin Calls may have resulted in Asset Providers unwinding the LSS trades, taking collateral for an amount equal to the replacement cost of the swap and returning the remaining collateral (if any) to Investors</li> </ul>
Systemic risk and “Domino Effect”	<ul style="list-style-type: none"> <li>■ A liquidation of CAD 153.2bn of Leveraged Super Senior swaps would represent significant volume in the market and may lead to credit Spread widening</li> </ul>	<ul style="list-style-type: none"> <li>■ The “Domino Effect” of the breaching of Triggers of Leveraged Super Senior trades may lead to further market Spread widening, resulting in further Trigger breaches and, possibly additional forced liquidation at significantly depressed prices</li> </ul>
Ratings downgrades	<ul style="list-style-type: none"> <li>■ The current Mark-to-Market Triggers would not merit an investment grade Ratings profile</li> </ul>	<ul style="list-style-type: none"> <li>■ Non-investment grade Ratings may decrease the universe of Investors able to hold or purchase the Existing ABCP</li> </ul>
Insufficient transparency	<ul style="list-style-type: none"> <li>■ Lack of available information on the underlying assets</li> </ul>	<ul style="list-style-type: none"> <li>■ Would likely affect the liquidity and market demand for the Existing ABCP</li> </ul>

# Trigger default risk detail absent a Restructuring

## Overview of limitations within existing structures

- In the context of a Leveraged Super Senior transaction, Triggers refer to the market level of the credit default swap at which the credit protection buyer (the Asset Provider) has the right to call for additional collateral (“Collateral Call”) to be posted by the credit protection seller (the Conduit) to support an LSS transaction
- Upon the breach of a Trigger, if Collateral Calls are not met, the Asset Provider has the right to terminate the trade at the unwind value and sell the collateral to cover any losses. Any collateral in excess of the unwind value is returned to the credit protection seller. Effectively this means that the Investor bears the economic risk of the swap because any reduction of collateral reduces the amount available to repay Investors
- The closer a trade is to its Trigger, the higher the risk that additional collateral will be required to be posted to prevent a termination
- The bar graph below on the left illustrates the amount of transactions that are close to being unwound/liquidated if the trades are not restructured. Full detail of individual Triggers are provided in Appendix I
- The dollar amounts represent the aggregate amount of collateral currently supporting the LSS trades and that is at risk if the Trigger is breached. The chart groups LSS assets into categories in accordance with each asset’s distance to its Trigger level (Triggered, 0-10%, 10-20%, etc.). The notional amount is the aggregate dollar amount Investors have at risk
- Absent a restructuring, CAD 12.0bn of LSS trades may have breached Triggers, and CAD 1.3bn may be within 10% of breaching Triggers
  - It should be noted that these trades may be closer to their Triggers than indicated because Asset Providers have some discretion in determining the unwind level (please see p. 37 for additional detail)
- The bar graph below on the right indicates that with the new Triggers and additional collateral, the mark-to-market would have to deteriorate approximately 139% from current levels prior to additional collateral calls. This is compared to the graph on the left where, absent a Restructuring, over 84% of trades with Mark-to-Market Triggers could have already breached Triggers

## Distance to Triggers - Absent a Restructuring (CAD mm)



Note: Indicative Valuations as of 3/4/08; Source data: Information provided to JPMorgan by Ernst & Young (“E&Y”) and provided to E&Y by Conduit Sponsors. All valuations are for indicative purposes only and should not be relied upon for accounting purposes. The Post-Restructuring graph does not take into account the additional benefit of Spread-loss Triggers; Only trades with Mark-to-Market Triggers taken into account, does not include trades with Spread-loss or Loss-only Triggers

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# Objectives of the proposed restructuring

Key objectives	
Objective	Rationale
Restructure and adjust Triggers	<ul style="list-style-type: none"> <li>■ Reduce the risk of having to post additional collateral in response to a Margin Call through a restructuring of current Triggers</li> <li>■ Reduce the potential for forced liquidation of LSS transactions if Margin Call is not met</li> </ul>
Enhance Ratings	<ul style="list-style-type: none"> <li>■ Without a restructuring the Ratings of most Series would likely be significantly lower than the rating of AA expected to be assigned to the Class A-1 and A-2 Notes</li> </ul>
Promote Liquidity	<ul style="list-style-type: none"> <li>■ Restructuring terms should encourage the development of an active secondary market</li> <li>■ An active secondary market should improve Investors' ability to sell their new restructured securities</li> </ul>
Equitable treatment	<ul style="list-style-type: none"> <li>■ No Investor should disproportionately benefit from a restructuring at the expense of another Investor</li> </ul>
Significantly improve Transparency	<ul style="list-style-type: none"> <li>■ A restructuring should provide public disclosure of detailed information about the Affected Conduits and underlying assets to Investors both to enable Investors to make an informed decision on a restructuring and to facilitate and promote an active secondary market in the restructured securities</li> </ul>
Eliminate asset and liability maturity mismatch risk	<ul style="list-style-type: none"> <li>■ The maturities of a restructured Conduit's liabilities should more closely match the maturities of that Conduit's assets to eliminate refinancing risk</li> </ul>
Maximize residual value recovery over time	<ul style="list-style-type: none"> <li>■ Within the constraints of the counterparty negotiations, maximize the probability of Investors recovering par as soon as possible on original investment</li> </ul>

# Discussion of JPMorgan role and mandate

## JPMorgan mandate overview

- JPMorgan was mandated to assist the Committee in the following manner:
  - **Information:** gathering the required information
  - **Restructuring alternatives/proposals:** developing a strategy and process for pursuing restructuring proposals
  - **Negotiations/discussions:** negotiating with Existing ABCP Investors, ABCP Dealers, Asset Providers, Canadian Banks, Conduit Sponsors, rating agencies, Liquidity providers and other market participants
  - **Implementation:** implementing one or more of the restructuring proposals
  - **Report:** preparing and delivering a confidential written Report to the Committee describing the Committee Proposal, including a description of
    - The market context in which the Committee Proposal is being proposed
    - The anticipated consequences to Investors of the Existing ABCP in the event of a default in the Existing ABCP
    - How the Committee Proposal addresses the structural limitations within the Existing ABCP and Affected Conduits
    - JPMorgan's view of the relative value of the Existing ABCP prior to the Restructuring compared to the Restructured Notes after the Restructuring
  - The Committee has agreed to make this Report available to all Existing ABCP Investors

# Overview of process

## Overview of process leading up to the delivery of the Report

- In October and early November, among other pursuits, the Committee and its advisors were focused on obtaining information on the assets within the Affected Conduits from both the Asset Providers and Conduit Sponsors. The Committee also received and considered several proposal submissions during this time period
- After requesting the information, and following meetings and conversations with both Asset Providers and Conduit Sponsors, most of the requested information was received, under strict confidentiality restrictions, by the third week of November
- With the benefit of access to the asset information, the next three weeks were spent evaluating over 10 written restructuring proposals that were received from third parties and discussed with the Committee. Selected proposals were discussed with the Asset Providers, Canadian Banks and Conduit Sponsors to receive preliminary feedback on feasibility
- With the benefit of the perspective of the Asset Providers, Canadian Banks and Conduit Sponsors, the Committee finalized its initial proposal for the restructuring of the Affected Conduits on November 26th and subsequently shared the initial proposal with Asset Providers, Canadian Banks and Conduit Sponsors
- The Committee and its advisors spent the remainder of December principally negotiating key proposal terms with Asset Providers before an agreement in principle was reached on December 23rd (“December 23rd Agreement in Principle”) between the Committee, the Asset Providers and the Conduit Sponsors
- The terms reached by the parties represent the most feasible proposal in light of the different requirements of each party
- Throughout January the Committee and its advisors worked with Canadian Banks to syndicate participations in the Committee Proposal’s Margin Funding Facility for MAV2. In the first week of February the Canadian Banks provided an indicative commitment to partake in the Restructuring through contributions to the Margin Funding Facility for MAV2 (“Canadian Bank Agreement in Principle”)
- Following the December 23rd Agreement in Principle, the Committee and its advisors designed and implemented a process to select an Asset Manager and Administrator for the restructured Conduits, and after soliciting over 30 proposals, receiving over 15 proposals from several Canadian and international institutions and conducting final round interviews with over 5 institutions, on February 4th, 2008 the Committee recommended BlackRock, Inc. to act as Asset Manager and Administrator
- January, February and early March were spent creating and negotiating documentation with the Asset Providers, Conduit Sponsors, Asset Manager/Administrator, Canadian Banks, and others



# Overview of selected proposals presented to the Committee

## Summary of proposal categories

- With the benefit of access to the asset information provided in late November, the Committee and its advisors evaluated and discussed over 10 written restructuring proposals received from third parties. Selected proposals were discussed with the Asset Providers, Canadian Banks and Conduit Sponsors to receive preliminary feedback on feasibility
- The proposals received by the Committee can generally be grouped into five distinct categories
- Elements from several of the over 10 written proposals received and considered were incorporated in the final Committee Proposal
- One-off Series restructurings were considered and when deemed achievable by the Committee and its advisors were completed (i.e. Skeena and Series secured exclusively by Traditional Assets). For Series with Synthetic Asset exposure, it was deemed necessary to pool the assets of all the Series to get meaningful Trigger relief (i.e. the Asset Providers' willingness to restructure Triggers was reduced when dealing with smaller pools, individual Series or individual assets)
- The final terms reached by the parties represent the most feasible proposal in light of the different requirements of each party

Proposal type	Description
Liability restructuring only	<ul style="list-style-type: none"> <li>■ Collateral assignments preserved</li> <li>■ New term notes issued with maturities matching those of the reference trust assets</li> <li>■ No change to the assets</li> </ul>
Cross-collateralization only	<ul style="list-style-type: none"> <li>■ Reduce Collateral Call risk solely by commingling assets</li> <li>■ Collateral Calls can only be made based on the weighted average price of the asset pool as a whole</li> </ul>
Derivative Product Company (DPC)	<ul style="list-style-type: none"> <li>■ A DPC is a highly rated, thinly capitalized organization, set up for the purpose of selling protection via credit derivatives on AAA rated exposures, in exchange for a periodic spread payment</li> <li>■ Asset Providers would assign all trades to a newly formed DPC capitalized by investors</li> <li>■ DPC would not post margin</li> </ul>
Financing only	<ul style="list-style-type: none"> <li>■ Third parties to provide a financing facility for Existing ABCP</li> <li>■ Assumes separate third party guarantee of AAA credit quality</li> </ul>
Master Asset Vehicle	<ul style="list-style-type: none"> <li>■ Assets are pooled into a master vehicle</li> <li>■ Trigger risk reduced through Trigger restructuring and committed Margin Funding Facility</li> </ul>

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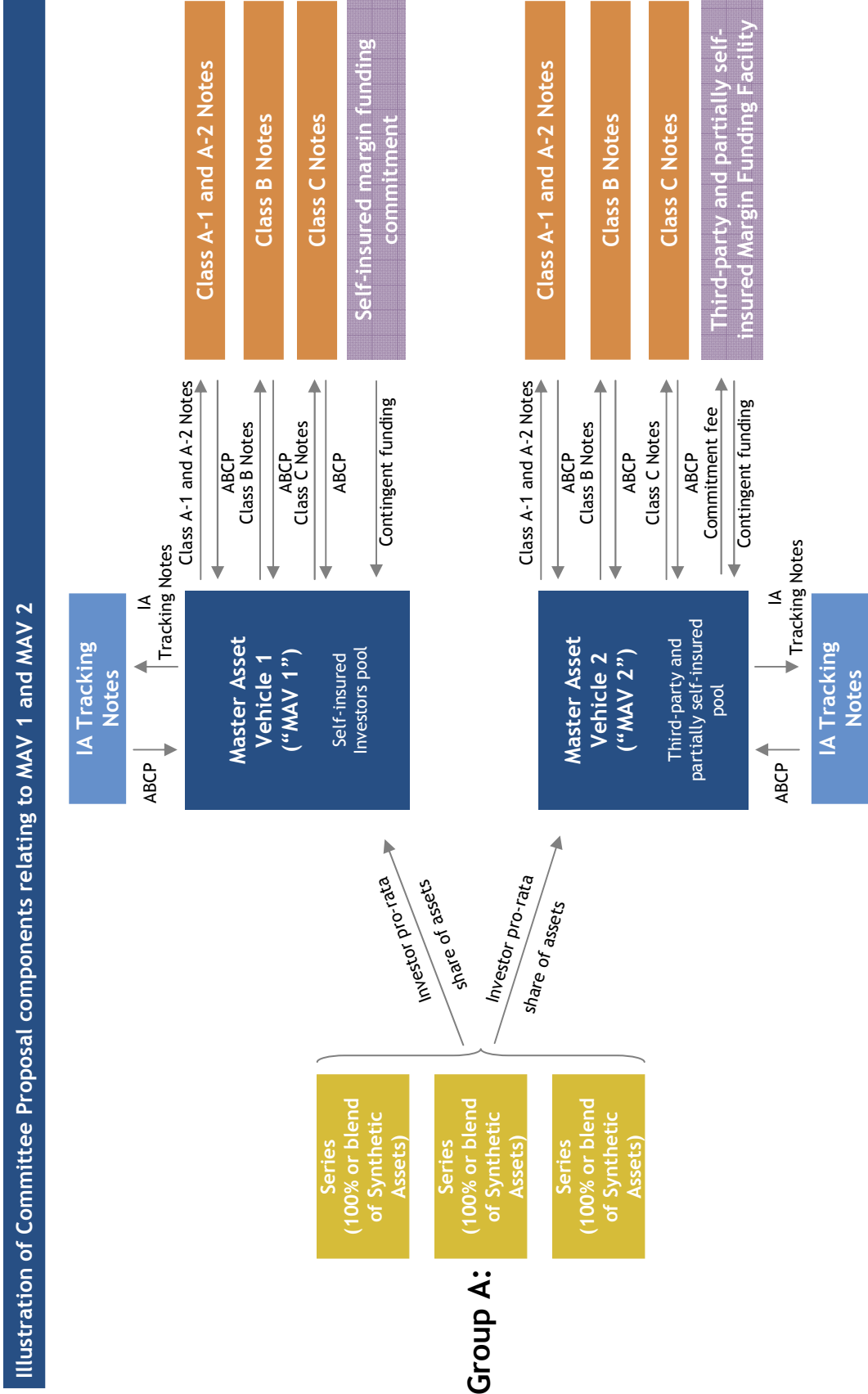
# Proposed restructuring plan: Series and asset classification

## Summary of the proposed restructuring plan

- The Committee Proposal groups Series of ABCP into two groups based upon the nature of the underlying assets:

Series/Asset classification	Description	Reference pages
Series with 100% Synthetic or a blend of Synthetic and Traditional Assets  Ineligible Assets of these Series  Group A	<ul style="list-style-type: none"> <li>■ Create two Master Asset Vehicles (“MAV 1” and “MAV 2”) to which the assets of eligible Series will be transferred and pooled</li> <li>■ The assets relating to these 30 Series will be contributed to MAV 1 or MAV 2</li> <li>■ Issue Restructured Notes from each MAV (see p.41 for summary of terms)</li> <li>■ Assets with significant exposure to U.S. residential mortgages will have Tracking Notes created to match the term (including net return, maturity, etc.) of the underlying Ineligible Assets</li> </ul>	<ul style="list-style-type: none"> <li>■ p. 19-42</li> </ul>
Series secured exclusively by Traditional Assets and 100% Ineligible Assets  Ineligible Assets of these Series  Group B	<ul style="list-style-type: none"> <li>■ Create one Master Asset Vehicle (“MAV 3”) to which the assets of Series secured exclusively by Traditional Assets or by 100% Ineligible Assets will be transferred</li> <li>■ Tracking Notes will be created to match the terms (including net return, maturity, etc.) of the underlying assets of each Series (see p. 44 for summary of terms)</li> <li>■ The assets of these 13 Series (including the 2 Ironstone 100% Ineligible Series) will not be pooled and will be restructured separately in MAV 3</li> <li>■ Assets with significant exposure to U.S. residential mortgages will have Tracking Notes created to match the term (including net return, maturity, etc.) of the underlying Ineligible Assets</li> </ul>	<ul style="list-style-type: none"> <li>■ p. 43-45</li> </ul>

# Group A: MAV 1 and 2 overview schematic



- Ineligible Assets will be siloed and allocated on an asset-by-asset basis to Investors who currently have exposure to Ineligible Assets

Note: Please note that this is a high level summary of the restructuring and additional information on the restructuring can be found in the Information Statement and supporting documentation

# Series included in Master Asset Vehicles 1 and 2

## Summary of Series included in Master Asset Vehicles 1 and 2

- The assets of all Series that have exposure to Synthetic Assets will be included in Master Asset Vehicles 1 and 2
- The 30 series below contain exposure to Synthetic Assets
- The Assets of these Series will be transferred and pooled in the Master Asset Vehicles. Where these Series also contain Ineligible Assets, the Ineligible Assets will also be transferred to the corresponding MAV. The Ineligible Assets, however, will then be isolated and the risk will be transferred, via a specific note, back to Investors

### List of included Series (CAD '000s)

Trust	Series	Settlement value	% Ineligible
Apollo	A	36,765	N/A
Apsley Trust <sup>1</sup>	A	2,402,052	37.5%
Aria Trust <sup>1</sup>	A	809,531	10.6%
Aria Trust	E	668,453	N/A
Aurora Trust	A	1,526,837	N/A
Aurora Trust <sup>1</sup>	E	870,446	23.3%
Aurora Trust <sup>1</sup>	F	270,000	5.6%
Comet Trust <sup>2</sup>	A	1,163,040	N/A
Encore Trust	A	597,426	N/A
Encore Trust	E	834,247	N/A
MMAI-I Trust	A	1,395,251	N/A
Opus Trust	A	951,091	N/A
Opus Trust	E	729,266	N/A
Planet Trust <sup>1,2</sup>	A	883,271	45.1%
Planet Trust <sup>1,2</sup>	E	676,278	36.9%

### List of included Series (CAD '000's)

Trust	Series	Settlement value	% Ineligible
Planet Trust	F	230,000	N/A
Planet Trust	L8	13,246	N/A
Rocket Trust <sup>1,2</sup>	A	1,068,501	13.1%
Rocket Trust	E	2,047,198	N/A
Rocket Trust	F	90,000	N/A
SAT Trust	A-1	649,290	N/A
SAT Trust	E-1	711,525	N/A
SAT Trust	L1	43,204	N/A
Selkirk Funding Trust	A	150,001	N/A
Silverstone Trust	A	1,995,811	N/A
SIT III Trust	A	1,695,955	N/A
SIT III Trust	E	1,068,534	N/A
Symphony Trust	A	1,074,057	N/A
Symphony Trust	E	830,083	N/A
Whitehall Trust	A	2,494,702	N/A

<sup>1</sup> These Series contain assets which are considered to be ineligible for pooling in the Master Asset Vehicles

<sup>2</sup> These Series denominated in both CAD and USD. Combined settlement values are shown assuming 1.00 exchange rate

Source: Information provided to JPMorgan by E&Y and provided to E&Y by Conduit Sponsors


# Assets contributed to Master Asset Vehicles 1 and 2, but excluded from pooling

## Summary of Ineligible Asset mechanics

- The Committee and its advisors recommend excluding Ineligible Assets from pooling within Master Asset Vehicles 1 and 2. The Ineligible Assets will be contributed to the respective MAV, but will be siloed and not commingled with the other assets in the MAV. This is intended to protect the Rating of the Restructured Notes of MAV 1 and MAV 2 from exposure to U.S. residential mortgages
- The below assets are considered to be Ineligible Assets due to their exposure to the U.S. residential mortgages. These assets, along with the Ineligible Assets contributed to MAV 3, represent assets backing Existing ABCP with significant exposure to the U.S. residential mortgage market. Due to the continued decline in recent months of not only US subprime mortgage assets, but other U.S. residential mortgage debt instruments as well, it is recommended that all of the below be classified as Ineligible as compared to the assets originally contemplated in the December 23rd Agreement in Principle
- Each Investor in a Series which includes an Ineligible Asset will receive an Ineligible Asset Tracking Note (IA Tracking Note) from the respective MAV
  - Interest will be paid from the asset as it is available net of any costs and expenses (e.g. asset manager fees, trustees, etc.)
- This Tracking Note will reflect the proportion of the Investor's holdings that are backed by the specific underlying Ineligible Asset and will reflect both the net return and the maturity of the specific Ineligible Asset
  - Example: An Investor who holds Apsley Trust Series A will receive 37.5% of the holdings in Ineligible Asset Tracking Notes and 62.5% of the holdings in notes of the respective Master Asset Vehicle

## List of Ineligible Assets (CAD '000s)

Trust	Series	ID	Trade	Settlement value	% Series	Description
Apsley Trust	A	55	Apsley 4	500,000	20.8%	Synthetic CDOs of US subprime Home Equity ABS
Apsley Trust	A	58	Apsley 7	400,000	16.7%	Synthetic CDOs of US subprime Home Equity ABS
Aria Trust	A	14	Builder (Yukon)	86,000	10.6%	Synthetic CDO of US subprime RMBS and CDOs of US Subprime RMBS
Aurora Trust	E	106	START 2006-A	202,632	23.3%	CDO of US subprime RMBS
Aurora Trust	F	106	START 2006-A	15,000	5.6%	CDO of US subprime RMBS
Planet Trust	E	143	Cloverie PLC2005-69	58,650	8.7%	Synthetic CDO of US subprime RMBS
Planet Trust	E	141	GAFCO 2003-1A	84,720	12.5%	Cash CDO of US subprime RMBS and US Prime MBS
Planet Trust	E	144	RALI 2006-QS2	98,882	14.6%	US Alt-A MBS
Planet Trust	E	147	MLCC 2003-B	7,500	1.1%	US RMBS
Planet Trust	A	147	MLCC 2003-B	7,223	0.8%	US RMBS
Planet Trust	A	43	Integrity 2005-1	243,360	27.6%	Synthetic CDO of CDOs with subprime CDO Trust Collateral
Planet Trust	A	44	Integrity 2005-2	148,000	16.8%	Synthetic CDO of CDOs with subprime CDO Trust Collateral
Rocket Trust	A	82a	Maple 2006-3U	139,700	13.1%	Synthetic Corporate CDO with subprime CDO Trust Collateral
Total				1,991,666		

**JPMorgan**  Source: Information provided to JPMorgan by E&Y and provided to E&Y by Conduit Sponsors

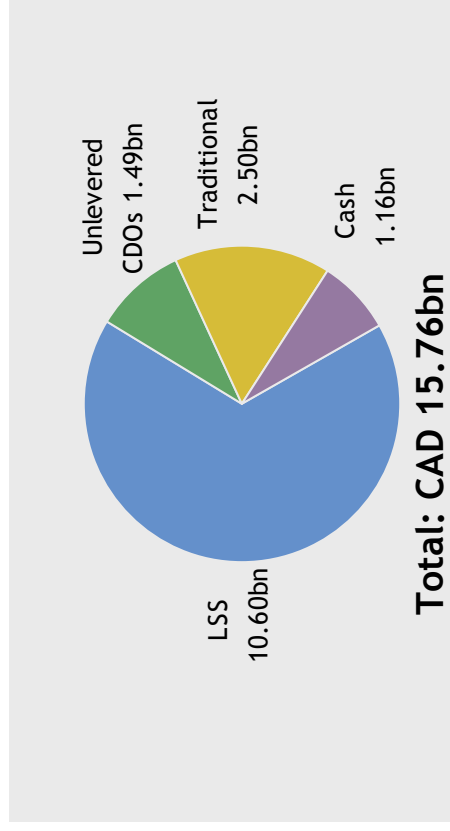
Note: See glossary of terms in Appendix IV, p. 94



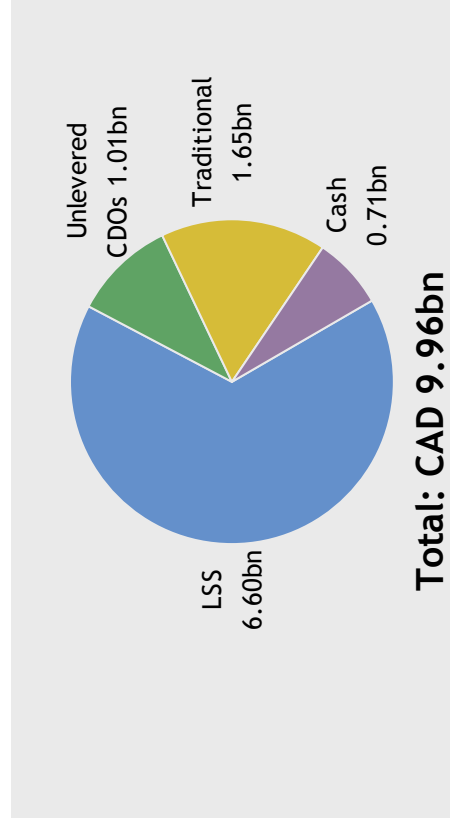
# Master Asset Vehicles 1 and 2 composition detail

- Master Asset Vehicle 1 and Master Asset Vehicle 2 were split to allow Investors to self-insure and have the ability to post additional margin if the entire margin funding commitment is fully utilized. The split also reduces the amount of funding for MAV 2 required by third parties
- Based on the MAV in which an Investor elects to participate, that Investor's pro-rata share of the respective Series' assets will be contributed to that MAV
- The following are indicative compositions of Master Asset Vehicles based on preliminary indications to participate in MAV1 from some Investors. The exact composition will be dependent on which Investors elect to be included in either MAV1 or MAV2

MAV 1 summary asset breakdown (CAD bn)			
Asset type	Amount	%	
Leveraged Super Senior	CAD 10.60	67.2%	
Unlevered synthetic	1.49	9.5%	
Traditional	2.50	15.9%	
Cash	1.16	7.4%	
<b>Total in Master Asset Vehicle 1</b>	<b>CAD 15.76</b>	<b>100%</b>	
MAV 1 asset breakdown illustration (CAD bn)			



MAV 2 summary asset breakdown (CAD bn)			
Asset type	Amount	%	
Leveraged Super Senior	CAD 6.60	66.2%	
Unlevered synthetic	1.01	10.1%	
Traditional	1.65	16.5%	
Cash	0.71	7.1%	
<b>Total in Master Asset Vehicle 2</b>	<b>CAD 9.96</b>	<b>100%</b>	
MAV 2 asset breakdown illustration (CAD bn)			



Source: Information provided to JPMorgan by E&Y and provided to E&Y by Conduit Sponsors

# Overview of structural improvements for Master Asset Vehicles 1 and 2

Summary			
Improvement	Explanation	Implications	
Term out of Conduit liabilities	<ul style="list-style-type: none"> <li>■ Restructuring of Existing ABCP liabilities to a term which more closely matches those of the Conduit assets</li> </ul>	<ul style="list-style-type: none"> <li>■ Eliminates need to refinance liabilities to fund maturing ABCP</li> <li>■ Avoids forcing Affected Conduits into default and potential subsequent forced liquidation of assets at significantly depressed prices</li> </ul>	
Pooling	<ul style="list-style-type: none"> <li>■ Combining assets of Series containing Synthetic Asset exposure into two larger Vehicles</li> <li>■ Encouraged by Asset Providers to restructure Triggers to Spread-loss Triggers</li> </ul>	<ul style="list-style-type: none"> <li>■ Improves likelihood of receiving par at maturity by reducing the risk that Margin Call Triggers will be breached</li> <li>■ Asset Providers will Cross-collateralize trades which allows assets to be pledged against other assets in the event a Margin Call could be made</li> <li>■ Expected to enhance Liquidity by creating larger uniform securities classes that should receive greater market attention</li> </ul>	
Margin Trigger restructuring	<ul style="list-style-type: none"> <li>■ Change current Mark-to-Market Triggers to Spread-loss Triggers</li> <li>■ Restructure absolute Trigger levels to be more remote than current levels</li> </ul>	<ul style="list-style-type: none"> <li>■ Transparency of observable and objective metrics</li> <li>■ Margin Calls and forced unwinds are rendered less likely</li> <li>■ In the event that Spread-loss Triggers are breached, mark-to-market valuations would have to be marked down at least 80% versus an average of 56% absent a restructuring to breach Triggers</li> </ul>	
Margin funding commitment and addition of Unencumbered Collateral <sup>1</sup>	<ul style="list-style-type: none"> <li>■ Provides committed collateral and borrowing facility to meet future Margin Calls (if necessary)</li> <li>■ If Spread-loss Triggers breached and</li> <li>■ If subsequently, Mark-to-Market Triggers breached</li> <li>■ To be priced no higher than at mid-market levels. As of 3/11/08, significantly better than mid-market levels</li> </ul>	<ul style="list-style-type: none"> <li>■ Commitment intended to push back and prevent a forced unwind at Trigger breach points</li> <li>■ Participation of Asset Providers and Canadian Banks creates alignment of interests</li> </ul>	

# Benefits of pooling Leveraged Super Senior trades and Unencumbered Collateral within MAV 1 and MAV 2

## Summary of benefits achieved through pooling

### Improve Margin Call requirements

- Reduces likelihood of Margin Calls and a resultant forced liquidation at significantly depressed prices
- An Asset Provider expecting a Margin Call will accept other assets as collateral prior to requiring additional margin or an unwind event
- Rather than raise an additional amount of margin funding commitment, Investors can use other assets as collateral

### Improve negotiating position with Asset Providers

- Allows Asset Providers to view trades in aggregate instead of as separate, unique, individual transactions
- Allows for one approach for 66 Leveraged Super Senior trades, rather than specific negotiated solutions for each
  - 66 individual solutions or 30 individual Series solutions would have been more costly to Investors (economies of scale when trades can be netted against one another), and concessions by Asset Providers would likely have been less
- Maximizes process time efficiency

### Enhance Liquidity

- Creates larger uniform securities classes in which both third-party investors and dealers will be incentivized to understand, follow and make markets
  - The 2 large vehicles should be more attractive to new investors than 30 small Series

- Please note that one-off Series restructurings were considered and when deemed achievable by the Committee and its advisors were completed (i.e. Skeena and Series secured exclusively by Traditional Assets). For Series with Synthetic Asset exposure, it was deemed necessary to pool the assets of all the Series to get meaningful Trigger relief

# Benefits of Trigger restructuring

## Summary of restructured Triggers

- The restructuring and expansion of the Triggers in the Leveraged Super Senior transactions is a critical component of the Restructuring
  - One of the principal limitations of the Affected Conduits was the risk that Leveraged Super Senior Triggers would be breached and Collateral Calls could not be met, which in turn would force an unwind of the Leveraged Super Senior trades at significantly reduced prices
  - The existing Trigger structures are predominantly mark-to-market based and expose the Conduits to Collateral Calls at an average swap valuation, as a percentage of posted collateral, of 44% (i.e. down 56%)
    - The average indicative swap mark-to-market, as a percentage of collateral, on 3/4/08 was 30% (i.e. down 70%); however, Asset Provider marks may be even lower as they have the ability to mark on the Offer-side and can use subjective proprietary models to do so
- The proposed Trigger structure under the Committee Proposal would be Spread-loss based
  - Spread-loss Triggers provide an observable metric (CDX or iTraxx index) which corresponds to a given index maturity and realized loss level
    - Corporate Spread levels would have to increase and/or realized losses would have to occur prior to a Trigger Event
    - Corporate Spread levels and realized losses are objective, readily observable metrics, and Asset Providers have no direct control over them
    - Currently, with the Mark-to-Market Trigger structure, the Asset Provider has greater control over Trigger Events
- The restructured Triggers address a critical limitation of the Leveraged Super Senior swaps and make it less likely that trades would be forced to be unwound
  - Given recent market volatility, Investors must closely review current Spreads and the proposed Spread-loss matrices to evaluate the potential for future Margin Calls and a potential unwind
- Please note that if two deemed Spread-loss Triggers are breached, the Triggers on the LSS trades are converted to Mark-to-Market Triggers

# Benefits of Trigger restructuring, cont.

## Summary of restructured triggers

- CDX7, CDX5 and iTraxx6 are credit default swap indices upon which the new Spread-loss matrices will be based. The CDX indices reference North American credits, while the iTraxx index is composed of European credits. The table below shows each index's current Spread for the applicable 10 year, 7 year and 5 year maturities.
  - The Restructuring will implement the following 6 matrices: CDX7 5 year, CDX7 7year, CDX7 10year, CDX5 7 year, CDX5 10year and iTraxx6 10 year
  - Detailed information on each of the indices can be found on Bloomberg by typing CDSI <GO> or at [www.markit.com](http://www.markit.com)
- The “Distance to Trigger” is the amount Spreads would need to increase in order for the initial 0% loss Trigger to be breached
- For example, the table below shows that pro-forma for the Restructuring, the 10 year CDX7 index would have to increase 213bps to reach the Trigger (outlined example)
- Under the proposed Restructuring, none of the trades would have breached their Trigger levels, and as the table below indicates, the selected reference spreads would have to expand in order for Triggers to be breached.
- The past and current Spread environment, and Spread-loss Trigger levels should be considered when making a decision
- Please see p. 82 for more detail on Spread-loss Triggers

## Distance to Triggers - Post-Restructuring (bps)

	Respective CDX index			Description
	CDX 7	CDX 5	iTraxx 6	
Current 10 year Spread <sup>1</sup>	180	189	171	■ The current Spreads of the respective series of the 10 year CDX and iTraxx indices
Initial 0% loss Trigger	393	396	300	■ Current 0% loss Trigger Spread level for the respective indices
<b>Distance to Trigger</b>	<b>213</b>	<b>207</b>	<b>129</b>	■ The amount Spreads would need to increase for the trigger to be breached
Current 7 year Spread <sup>1</sup>	188	187	N/A	■ The current Spreads of the respective series of the 7 year CDX and iTraxx indices
Initial 0% loss Trigger	341	489	N/A	■ Current 0% loss Trigger Spread level for the respective indices
<b>Distance to Trigger</b>	<b>153</b>	<b>302</b>	<b>N/A</b>	■ The amount Spreads would need to increase for the trigger to be breached
Current 5 year Spread <sup>1</sup>	189	N/A	N/A	■ The current Spreads of the respective series of the 5 year CDX and iTraxx indices
Initial 0% loss Trigger	417	N/A	N/A	■ Current 0% loss Trigger Spread level for the respective indices
<b>Distance to Trigger</b>	<b>228</b>	<b>N/A</b>	<b>N/A</b>	■ The amount Spreads would need to increase for the trigger to be breached

Source: Morgan Markets as of 3/11/08

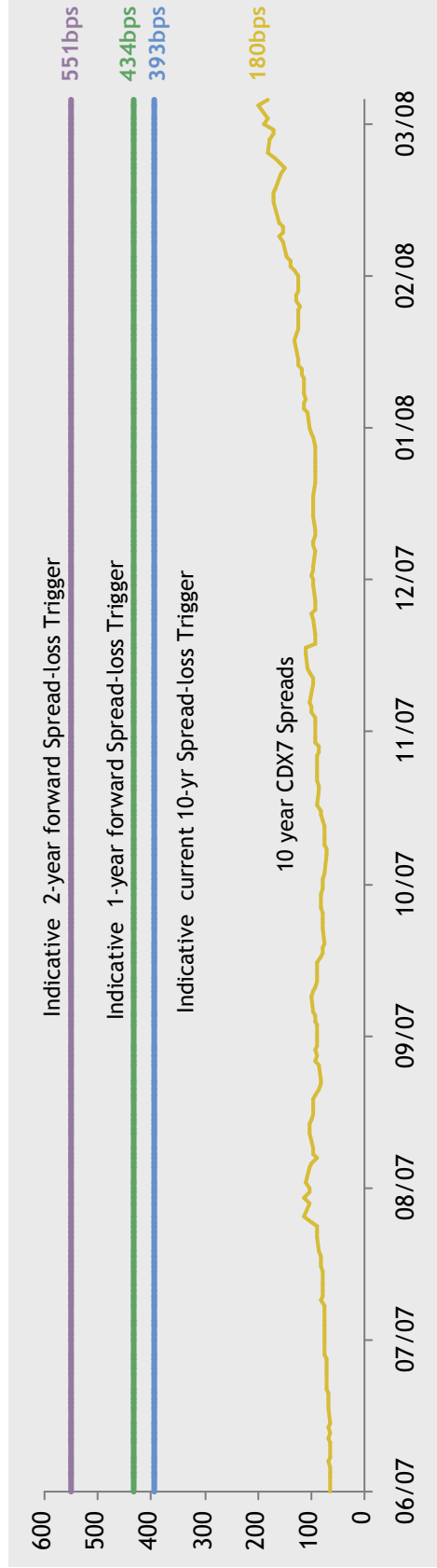
<sup>1</sup> Please note that the original 10, 7 and 5 year indices have remaining maturities less than 10, 7 and 5 years, respectively. Trigger Spread levels shown are interpolated as of April 20th (expected close). If the Restructuring closes before or after April 20th, the Trigger on that date and going forward is linearly interpolated based on the time elapsed between the two respective years on the matrix. Please see p. 82 for additional detail

# Benefits of Trigger restructuring, cont.

## Summary of restructured Triggers

- The graph below is intended to (i) illustrate an example of the distance Spreads would have to move prior to reaching a Trigger relative to historical Spreads, and (ii) the benefit of time decay related to Trigger remoteness (first and second lines from the top). Please note historical Spread activities are not predictors of future performance
- As is illustrated in the graph below, the 10 year CDX7 Spreads (bottom line) plot daily mid-market closing levels for the On-the-run (most recently launched) CDX index from June 2007 to present. Peaks can be seen most recently when the credit markets sold off
- The interpolated indicative current 10 year Spread-loss Trigger of 393bps represents the 0% realized loss spot Trigger in the CDX7 10 year Spread-loss matrix. Spreads would need to increase from the current CDX7 level of 180bps to 393bps to breach the specific Spread-loss Trigger. Please note that this is just one illustration of current distance to Trigger. Refer to the previous page for the current distance to the other Triggers
- As the trades move closer to maturity the Spread-loss Triggers become more remote (assuming no change in credit Spreads). Assuming 0% losses in the 10 year CDX7 index, Spreads one year from now would have to reach 434 bps (second line from top) to breach the Spread-loss Trigger. Two years from now, if losses were still at 0%, the 10 year CDX7 spread would have to reach 551 bps (top line) to breach the Spread-loss Trigger
- Please note that this is one example and other Triggers may be closer (e.g. iTraxx6 10 year or CDX7 7 year) or further away from breaching

## 10 year CDX7 Spreads versus the 10 year CDX7 Spread-loss Triggers<sup>1</sup> (bps)



<sup>1</sup> For illustrative purposes, the diagram refers to the expected zero-loss Spread Triggers for the CDX.NA.IG.7 (12/20/16 maturity). Trigger Spread levels shown are interpolated as of April 20th (expected close). If the Restructuring closes before or after April 20th, the Trigger on that date and going forward is linearly interpolated based on the time elapsed between the two respective years on the matrix. CDX Spread histories as of 3/11/08

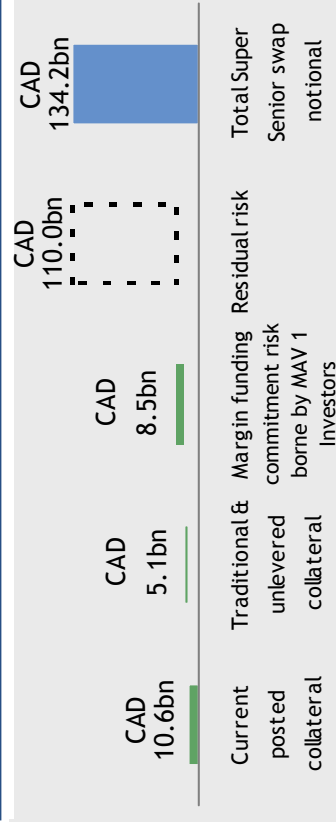


# Benefits of the margin funding commitment and the addition of Unencumbered Collateral

## Margin funding commitment and unencumbered collateral summary overview

- A total of approximately CAD 13.6bn of margin funding commitment will be provided by Asset Providers (approximately CAD 4.025bn), Canadian Banks (approximately CAD 1.780bn) and Investors (approximately CAD 7.640bn) and will reduce the likelihood that Investors will face forced unwinds
- A total of CAD 8.5bn of Traditional Assets and Unlevered Synthetic Assets will be pledged by Affected Conduits with Synthetic Asset exposure as collateral to further avoid forced unwinds
- The Margin Funding Facility would provide a structure which funds Collateral Calls in the event that Triggers are breached and collateral posting is deemed to be inadequate
  - Please note that the Margin Funding Facility is not used to buy-out Restructured Notes in the event of Collateral Calls. [The Margin Funding Facility is not a backstop for the Restructured Notes](#)
- The MAV 2 Margin Funding Facility will cost approximately 160bps on the facility notional
  - Investors in MAV2 will have the opportunity to self-insure for less than their pro-rata amount in the MAV2 Margin Funding Facility
- Investors in MAV1 will self-insure and shall each be responsible for committing a pro-rata amount of the MAV1 margin funding commitment
- Asset Providers and Canadian Banks agreed to provide the facility at 160bps per annum. As of 3/11/08 this represents an estimated benefit of at least 473bps per annum versus where Investors may have been able to find commitments from third parties (please see next page for details)
  - If there is a shortfall in the MAV 2 Margin Funding Facility, the Committee will raise the remaining amount of facility needed in the market or will capitalize accrued interest to meet collateral requirements by Asset Providers
  - A shortfall may affect the weighted average cost of the Margin Funding Facility
- Priority and security in the Master Asset Vehicle
  - Swap counterparties have a first lien on the Trust Collateral
  - Margin funding commitment providers have a second lien on Trust Collateral
  - Class A-1 and A-2 Notes have third and fourth liens, respectively, on Trust Collateral
  - Class B and C Notes have fifth and sixth liens, respectively, on Trust Collateral

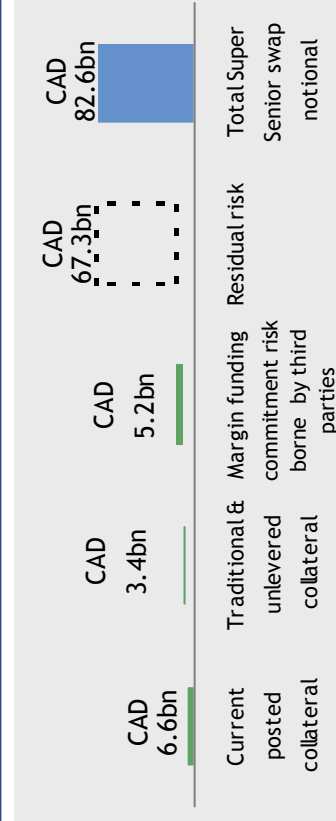
## Risk in the Master Asset Vehicle 1 structure (CAD bn)



Note: The differences in the size of the components of risk in the MAV 1 and MAV 2 structures above are due to the differing sizes of MAV 1 and MAV 2 and are subject to change depending on which Investors ultimately elect to participate in MAV 1. Please see p. 81 for additional explanation

Note: See glossary of terms in Appendix IV, p. 94

## Risk in the Master Asset Vehicle 2 structure (CAD bn)



# MAV 2 Margin Funding Facility pricing

## Margin Funding Facility for MAV2 pricing methodology

- The Margin Funding Facility for MAV 2 is a highly complex structured transaction that requires Margin Funding Facility lenders to analyze 66 underlying synthetic Leveraged Super Senior transactions, 11 Unlevered Synthetic CDO transactions and a significant number of Traditional Assets
  - An arms-length third-party provider would likely charge a significant premium to what has been proposed to investors due to the complexity of the structure
- JPMorgan approached independent parties to provide indicative pricing on the Margin Funding Facility for MAV2, but all indicated that pricing would be based on similar risk in the credit derivative market and at levels higher than mid-market
  - The inability to share detailed information prior to disclosure of all information to the public limited the ability to obtain definitive pricing
- The Margin Funding Facility for MAV2 is structured as a 9 year transaction with an annual fixed rate of approximately 160bps per annum
  - While the risk of a draw on the Margin Funding Facility may decrease as maturity approaches, the fixed rate will not change
  - The Margin Funding Facility may amortize prior to year 9 if credit quality improves, assets pay down and it is authorized by the Asset Providers and Margin Funding Facility lenders
- Please note the difference in the maturity of the Margin Funding Facility for MAV 2 versus the average maturity of LSS transactions (i.e. September 2014). If the approximately 160bps fee on the Margin Funding Facility is grossed up to take into account the maturity difference (i.e.  $160 \times 9/6.5$ ), the effective rate would be 222bps
- Indicative pricing on the Margin Funding Facility for MAV 2 could be estimated as follows:
  - The combined notional of Leveraged Super Senior Swap transactions facing the MAV2 is approximately 82.6bn. The swaps are collateralized by approximately CAD 15.1bn in collateral. As a result, the swaps are levered approximately 5.5x (i.e.  $82.6/15.1$ )
  - As of 3/11/08, if the average tranche is 17.4% to 62.7%, with a September 2014 maturity, and a mid-market price of 127bps, at 5.5x leverage the mid-market Spread should be 695bps (i.e.  $127\text{bps} \times 5.5 = 695\text{bps}$ )
- As of 3/11/08, and based on the above information, the contribution of the Margin Funding Facility by the Asset Providers and Canadian Banks at 160bps is a benefit of approximately 473bps per year (assuming 222bps gross up)

## Margin Funding Facility for MAV2 and benchmark structured products - Indicative mid-market Spreads (bps)

	12/20/2007	3/11/2008
CDX7 7Y (Unlevered Investment Grade Index)	94.5	188
CDX7 7Y 15-30% (Unlevered "AAA" tranche)	48	126
7yr AA Tranche of US IG CDS Index (Unlevered tranche from 6.5% to 7.5%)	161	503
7yr AA Tranche of US High Yield CDS Index (Unlevered tranche from 29.7% to 34.7%)	374	646
Margin Funding Facility (Levered exposure to "AAA" tranches)	184	695

**JPMorgan**  Source: Dataquery

Note: Indicative mid-market pricing

Note: See glossary of terms in Appendix IV, p. 94

# Improved Ratings on Class A-1 and A-2 Notes and decreased probability of default on Restructured Notes

## Impact and benefit of improved Ratings on Class A-1 and A-2 Notes

- Throughout the Restructuring process, the Committee has focused on maximizing the Ratings of the Restructured Notes
  - The Existing ABCP is currently rated by DBRS, and the current Rating of each Series is likely to be downgraded if a restructuring does not occur
- The DBRS Ratings criteria in the table below shows the likely DBRS Rating in the absence of a restructuring would likely be sub-investment grade. The same criteria also shows that the expected Rating post-Restructuring is expected to be AA
  - If volatility in the market continues, it is reasonable to expect that the ratings will be affected
- The expected AA Rating may enhance Liquidity
  - The expected AA rating reduces capital requirements for some regulated Investors
  - The expected AA rating may allow some Investors to hold on to the Restructured Notes
- Given the increased volatility in the markets in early 2008, and the timeframes and deadlines for the Restructuring, the Committee was not able to obtain a rating from a second rating agency. Furthermore, DBRS' expected rating between December 2007 and early March 2008 went from AAA to AA

### Indicative DBRS Ratings criteria (bn)

Additional collateral and Margin Funding Facility size		
Trigger	8.5bn	199.6bn
MTM -current triggers	below BBB	A
MTM - 80% triggers	BBB	AA
		AAA

Note: Assumes contribution of additional collateral totaling CAD 8.5bn

Note: Levels are estimates of DBRS

Sources: DBRS

# Overview of Relative Contribution Analysis for assets being contributed to MAV 1 and MAV 2

## Overview of Relative Contribution

- The Committee Proposal is premised on the core principle that the Restructuring should treat all Investors equitably with no Investor disproportionately benefiting from a Restructuring at the expense of another Investor
- The Committee Proposal involves the pooling of assets and, accordingly, a methodology was required to reflect the relative value of the assets underlying the Existing ABCP compared to the Restructured Notes received by an Investor
- To address the objective of equitable treatment, the Committee and its advisors chose to use JPMorgan's Indicative Values for the assets to be contributed to, and pooled within MAV 1 and MAV 2, and then used such Indicative Values to determine the amount and class of Restructured Notes to be issued to an Investor in exchange for the Existing ABCP held by the Investor. This process is referred to as the "Relative Contribution Analysis"
  - Please note that these values were not provided and are not intended for the purposes of accounting nor do they necessarily reflect fair value or potential market value
- The Committee supports the use of JPMorgan's Indicative Valuations because
  - JPMorgan's methodology was applied consistently within asset classes (i.e. all Synthetic Assets were valued consistently and all Traditional Assets were valued consistently)
  - Indicative Values could be determined as of an objective date (i.e. the Committee decided to use Indicative Values at a future date near the filing of the Information Statement)
    - At the February 29th, 2008 Committee meeting, it was decided that Indicative Values would be used as of 3/4/08, regardless of the outcome. The Committee and its advisors believed this was reasonable and objective as the Committee would have no knowledge of what the valuations would be on 3/4/08
  - While each Series contributes different types of assets (i.e. cash, Traditional and Synthetic), the relative value of those types of assets should be captured in their Indicative Values. For the benefit of Investors, information on the assets is provided in Appendix I
- Please note that the Relative Contribution provided in this Report is indicative and is subject to change if interest is capitalized as principal (see p. 42)

# Overview of Relative Contribution Analysis for assets being contributed to MAV 1 and MAV 2, cont.

## Overview of Relative Contribution

- Mechanics for determining Relative Contribution:
- Step 1: Determine split of Notes to address contribution to MAV
  - Investor 1 owns Existing ABCP in a Series with an indicative weighted average asset value of assets in that Series of 85% of the original issued amount
    - If Investor 1 owns an original issued amount of CAD 100,000 of the Series, Investor 1 would be entitled to a principal amount of CAD 85,000 of Class A-1 Notes and CAD 15,000 of a mix of Class A-2, Class B and Class C Notes
  - Investor 2 owns Existing ABCP in a Series with an indicative weighted average asset value of assets in that Series of 70% of the original issued amount
    - If Investor 2 owns an original issued amount of CAD 100,000 of the Series, Investor 2 would be entitled to a principal amount of CAD 70,000 in Class A-1 Notes and CAD 30,000 of a mix of Class A-2, Class B and Class C Notes
- In the example above, the benefit of Investor 1's receipt of more Class A-1 Notes than Investor 2 is that the Class A-1 Notes have priority of principal and interest over the Class A-2, Class B and Class C Notes in the respective MAV
  - The Class A-1 Notes would be repaid in full prior to the Class A-2, Class B and Class C Notes receiving principal
  - The Class A-1 and A-2 notes are the only Restructured Notes that will pay current interest and be rated
- Step 2: Gross up of Class A-1 Note allocation
  - The ultimate face value of Class A-1 Notes that each investor receives is greater than the weighted average contribution of assets because the amount of Class A-1 Notes is "grossed up" for all Series contributed to the MAV 1 and MAV 2. The Class A-1 Notes are "grossed up" to an amount equal to the weighted average contribution of the respective Series divided by an amount that allows for the Series with the highest weighted average contribution to be exchanged for 97% Class A-1 Notes. In the examples above, the amount of Class A-1 Notes received by each Investor is the original Class A-1 split divided by 87.63% (i.e. 85%/97%). Investor 1 will receive CAD 97,000 Class A-1 Notes and CAD 3,000 Class C Notes. Investor 2 will receive CAD 79,882 (i.e. 70,000/87.63%) Class A-1 Notes, and a mix of CAD 17,118 (i.e. 97,000-79,822) of Class A-2 and B Notes, and CAD 3,000 (i.e. 3% of 100,000) Class C Notes
  - The "gross up" process allows investors to receive more Class A-1 Notes than would otherwise be possible. This should benefit all Investors as they will get a higher amount of Class A-1 Notes, using the exact same percentage for each Series
  - The Committee believes that the "gross up" mechanism does not impact fairness



# Overview of Relative Contribution Analysis for assets being contributed to MAV 1 and MAV 2, cont.

## Overview of Relative Contribution

- Structural notes:
  - The Restructured Notes are tranching into 4 classes to recognize the credit quality of the assets as well as to allow for the most amount of Restructured Notes to have an expected rating of AA (Class A-1 and Class A-2 Notes). While the split of the Class A-1 Notes and the remaining classes of Restructured Notes were created to address equitability, DBRS does not necessarily require the entire amount of subordination provided by the Restructured Notes to the Class A-1 Notes to achieve an expected rating of AA
  - It should be noted that Class B Notes will accrue (but will not pay on a current basis) interest at the same rate as Class A-1 and Class A-2 Notes
  - Class C Notes will be exposed to losses from 0-3% on the respective MAV portfolio and will pay a fixed coupon that accrues but will not be paid until after full repayment of the Class A-1 Notes, Class A-2 Notes and Class B Notes
  - Class C Notes will accrue interest at BAs + 20%, but will pay no interest or principal until all other classes of Restructured Notes are fully repaid principal and interest. The note is structured to capture the residual income of MAV 1 or MAV 2. Investors should expect a return closer to BAs - 50bps (or lower) on the Class C Notes
- For the purposes of determining Relative Contribution, the Committee chose to use JPMorgan's Indicative Valuations on the assets of the Series of Affected Conduits
  - A summary of Relative Contribution follows on p. 35
- Key Assumptions in the valuation of the assets include:
  - Pricing date: All pricing is done as of close of business March 4, 2008
  - Triggers were not valued: The indicative swap valuations do not adjust pricing for "Gap Risk", for Trigger type, or any other items potentially reserved in Asset Provider profit and loss (P&L)
    - Asset Providers may have reserves against this risk which would implicitly benefit Investor Indicative Values. However, there is no transparent market for this risk, and therefore no ability to provide quantitative values related to different Triggers.
    - While it is not feasible to place values on the types or distance of Triggers, it should be noted that as of 3/4/08 almost all of the transactions would have breached Triggers, indicating little qualitative differences in the Triggers of each LSS swap. For the benefit of investors, information on Triggers is provided and can be considered
  - Mid-market indicative model levels for Synthetic Assets and bid-side indicative levels for Traditional Assets
    - Valuations for all assets are indicative levels and do not represent an offer to enter into any transaction
    - As a result of size, bid/offer, and market fluctuations (among other factors), these pricing indications may not reflect the unwind or liquidation prices ultimately achievable
  - FX and interest rate swaps were not valued

Note: The valuation methodologies can be found on p. 73



# Overview of Relative Contribution Analysis for assets being contributed to MAV 1 and MAV 2, cont.

## Definitions and example assumptions

Term	Assumption or calculation	Definition
Highest Rel	93.48%	The highest Relative Contribution, used for “gross-up”
RelAve	49.33%	The weighted average relative contribution across all series of Notes
Ratings Sub	10.00%	The required subordination to the ratings class
3rd Sub Notes	3.00%	The size of the Class C Notes

## Relative contribution formulas

Tranche	Formula
Class A-1 Notes	$\text{RelX} = \text{Calculated contribution} * 97\% / \text{Highest Relative Contribution}$
Class A-2 Notes	$[1 - \text{RelX} - \text{Third Sub Notes}] * [(1 - \text{RelAve} - \text{Ratings Sub}) / (1 - \text{RelAve} - \text{Third Sub Notes})]$
Class B Notes	$[1 - \text{RelX} - \text{Third Sub Notes}] * [(\text{Ratings Sub} - \text{Third Sub}) / (1 - \text{RelAve} - \text{Third Sub Notes})]$
Class C Notes	3%

The Indicative Valuations set forth in the table below are JPMorgan's estimates as of March 4, 2008, and should be regarded as indicative. The allocations do not, and should not be considered to be, estimates of the fair value or potential market value of any of these securities.

## Weighted average contribution: Series Included in MAVs 1 and 2

### Implied Restructured Note split - subject to confirmation of final numbers

	Affected Conduit	Series	Indicative weighted average (pre-gross up)	Implied allocation post-gross up		
				Class A-1	Class A-2	Class B
1	Apollo Trust <sup>1</sup>	A	99.88%	97.00%	0.00%	0.00%
2	Apsley	A	6.48%	6.72%	77.02%	13.26%
3	Aria Trust	A	23.48%	24.36%	61.97%	10.67%
4	Aria Trust	E	80.01%	83.03%	11.92%	2.05%
5	Aurora Trust	A	29.62%	30.73%	56.54%	9.73%
6	Aurora Trust	E	13.87%	14.39%	70.48%	12.13%
7	Aurora Trust	F	13.33%	13.83%	70.95%	12.21%
8	Comet Trust	A	34.84%	36.15%	51.92%	8.94%
9	Encore Trust	A	19.74%	20.48%	65.28%	11.24%
10	Encore Trust	E	47.19%	48.97%	40.98%	7.05%
11	MMAI	A	66.78%	69.30%	23.63%	4.07%
12	Opus Trust	A	31.69%	32.89%	54.70%	9.41%
13	Opus Trust	E	52.98%	54.98%	35.85%	6.17%
14	Planet Trust	A	28.63%	29.71%	57.41%	9.88%
15	Planet Trust	L8	62.22%	64.56%	27.68%	4.76%
16	Planet Trust	E	56.80%	58.94%	32.47%	5.59%
17	Planet Trust	F	71.76%	74.47%	19.22%	3.31%
18	Rocket Trust	A	93.48%	97.00%	0.00%	0.00%
19	Rocket Trust	E	86.92%	90.20%	5.80%	1.00%
20	Rocket Trust	F	69.24%	71.85%	21.46%	3.69%
21	Selkirk Trust	A	16.64%	17.27%	68.02%	11.71%
22	Silverstone	A	52.30%	54.27%	36.45%	6.27%
23	Structured Asset Trust	A-1	15.26%	15.84%	69.25%	11.92%
24	Structured Asset Trust	L1	22.04%	22.87%	63.25%	10.89%
25	Structured Asset Trust	E-1	8.38%	8.69%	75.34%	12.97%
26	Structured Investment Trust III	A	71.60%	74.29%	19.37%	3.33%
27	Structured Investment Trust III	E	53.58%	55.60%	35.32%	6.08%
28	Symphony Trust	A	59.07%	61.30%	30.46%	5.24%
29	Symphony Trust	E	66.56%	69.07%	23.83%	4.10%
30	Whitehall	A	39.23%	40.71%	48.02%	8.27%

Source: Information provided to JPMorgan by E&Y and provided to E&Y by Conduit Sponsors; Note: The Ineligible Assets from the above Series are not included

Note: Rocket Trust Series A had the highest Indicative weighted average and was used as the benchmark for the "gross-up";

<sup>1</sup>Apollo A was not included in the "gross-up" process as it has an Indicative Value of 99.88%

Note: Indicative weighted averages do not include Ineligible Assets

# Summary of major participants' contributions

Participant		Contributions
Asset Providers	<ul style="list-style-type: none"> <li>■ Increase “Gap Risk” by restructuring Trigger covenants                             <ul style="list-style-type: none"> <li>■ Mark-to-Market Trigger of 56% (weighted average) changed to a Spread-loss Trigger with a minimum required mark-to-market deterioration of at least 80%</li> <li>■ There is no public market to price the value of this (detail provided on next page)</li> </ul> </li> <li>■ Increase basis risk on bespoke transactions by linking LSS Spread-loss Triggers to CDX indices rather than the relevant bespoke portfolio</li> <li>■ Disclosure of detailed trade information</li> <li>■ Participate in approximately CAD 4.025bn of the Margin Funding Facility at pricing significantly below current market levels</li> <li>■ Releases of claims to Canadian Banks</li> </ul>	
Canadian Banks	<ul style="list-style-type: none"> <li>■ Participate in approximately CAD 1.780bn of the Margin Funding Facility at pricing significantly below current market levels</li> <li>■ Releases of claims to Asset Providers</li> </ul>	
Conduit Sponsors	<ul style="list-style-type: none"> <li>■ Disclosure of detailed trade information</li> <li>■ Cooperation with parties of the Restructuring</li> <li>■ Rights to Asset Management Agreements</li> </ul>	
DBRS	<ul style="list-style-type: none"> <li>■ Providing analytics and ratings opinions on various scenarios in a timely manner</li> <li>■ Cooperation with constituents of the Restructuring</li> </ul>	

# Asset Provider contributions

## Risks held by Asset Providers

- The “Gap Risk” is the possibility that the collateral posted for a LSS trade will not be sufficient to cover the replacement cost if a trade is unwound following a failure to meet a Collateral Call
  - Under the Committee Proposal, Asset Providers would increase “Gap Risk” by restructuring Trigger covenants which are more remote and thus increase the likelihood of both having a larger Collateral Call, and not having the collateral to meet it when called
  - Example: A 10x levered transaction has an 80% margin Trigger, and can thus be unwound when the Super Senior swap has an indicative market value loss of 8% (i.e.  $8\% \times 10 = 80\%$ )
    - In a discontinuous market, it is possible that a swap mark-to-market that is 8% down one day will be 11% down the next day
    - As the market may continue to move in the day or days between the Trigger breach, and entering into a replacement swap, it is possible that the swap price would then be down by an amount greater than 11% (for example 12% of the swap notional, or 120% of the Trust Collateral notional)
    - Even if the Trust Collateral is liquidated at par, in this example the Asset Provider would take a loss of 20% of Trust Collateral notional because the liquidation proceeds of the collateral are not sufficient to cover the cost of entering into the replacement swap
  - The potential amount of risk to the Asset Provider is more acute with higher Trigger levels (e.g. more risk at 80% than at 56%)
- As the Asset Provider is retaining this Gap Risk, it is risk that is neither borne by the Conduit nor the Investors. This implies that the Investor’s portion of risk is less than 100% of the risk in the Super Senior swap (a benefit for Investors)
- Moving the Triggers from an average of 56% to at least 80% increases the portion of risk borne by the Asset Provider, as it increases the probability of losses in an unwind scenario
- Asset Providers would generally take reserves to be held against this risk
  - This risk is not easily quantifiable, and there are no observable market comparables
  - For these reasons it has been excluded from our pricing
- Asset Providers have taken on more Gap Risk at a future point in time when credit Spreads may be significantly wider
- The introduction of Spread-Loss Triggers only further adds to the “Gap Risk” Asset Providers are assuming

# Miscellaneous notes on the Restructuring

## Summary of miscellaneous notes

- In addition to the uniform restructuring of Triggers, the following changes would be made on a one-off basis upon the closing of the Restructuring. These changes were requested by the Committee and accepted by the Asset Providers
  - Swiss Re would reduce the notional amount on the Selkirk swap from CAD 3bn to CAD 1.5bn
    - The CAD 1.5bn was used to determine Relative Contribution
  - Bank of America would eliminate municipal and CMBS risk from their CDO squared swap and would increase the coupon from 73.5bps to 97bps per annum
    - The 97bps was used to determine Relative Contribution
- In order to map their trades to the Spread-loss matrices provided for in the Restructuring, HSBC and Citi would each convert their one trade with Loss-only Triggers, both in Aurora Trust Series A and E, to Spread-loss Triggers
- In order to exclude Ineligible Assets from MAV 1 and MAV 2, as well as refrain from issuing an Ineligible Asset Tracking Note for an LSS trade (as it would not benefit from the Margin Funding Facility), a swap with RBC which is collateralized by a U.S. subprime-linked CDO asset would be amended as follows:
  - An Ineligible Asset Tracking Note would be issued with the CAD 139.7mm of collateral (TABS 2005-2 CDO) and a swap for CAD 139.7mm would be created referencing the bottom half (i.e. 9.65% - trade 82a) of the original swap (i.e. 9.65% - 17.65%)
  - The top half of the swap (i.e. 13.65% - trade 82b) would be contributed to MAV 1 and MAV 2 and combined with RBC's other LSS trade. The MAV would now have CAD 275mm of collateral (CAD 100mm of original collateral + CAD 175mm of additional collateral) against CAD 339.7mm of swaps
    - The 13.65% - 17.65% tranche (trade 82b) was used to determine Relative Contribution
- The economic terms of the swap between Wachovia and Constellation Credit-Linked Trust (Stamford) Series 2006-1 (a Satellite Trust of Planet Trust) will remain unchanged. While the ultimate solution has not been finalized, this transaction has been included in Planet Trust's Relative Contribution calculations for the purposes of this report. (For reference this is trade 142)
- The RBS transaction will receive a separate tracking Note, and is not included in SIT III's Relative Contribution calculations. (For reference this is trade 88)
- Devonshire was not included in the Restructuring because the Asset Provider would not accept the general terms offered to the other Asset Providers, and an alternative one-off solution could not be agreed upon between the Committee and the Asset Provider. The Committee continues to work with the Asset Provider on a resolution
- PSF Notes, issued by MMAL, Ironstone and Silverstone for services rendered, shall be repaid in full prior to the implementation of the Restructuring
- With respect to the LSS transactions originated by CIBC, the ultimate solution has not yet been determined, but conversations to-date have been productive and the Committee expects a resolution prior to closing. Additional details will be made available when finalized (For reference, CIBC's LSS transactions are trades 84, 85 and 86)

# Miscellaneous notes on the Restructuring, cont

## Summary of changes to UBS trades

- In addition to the uniform restructuring of Triggers, the following changes were made to the UBS trades contributed to MAV 1 and MAV 2. These changes were stipulated by UBS in return for its agreement to participate in the overall Restructuring
  - UBS would require that their four bespoke LSS trades be converted to three CDX7 index tranche swaps
    - The four LSS bespoke transactions prior to the switch are detailed below
    - The three CDX7 index tranche swaps after the switch are detailed below
    - The three CDX7 index swaps were used to determine the Relative Contribution for those Series holding UBS transactions

## UBS trade detail - Original trades

Trade ID	Series	Trade Notional	Tranche Notional	Attachment	Detachment	Maturity	Coupon (bps)
39	SIT III E	200,000,000	1,800,000,000	20%	50%	12/20/2012	7.361
40	Opus E	250,000,000	3,750,000,000	20%	30%	6/20/2013	3.000
41	Encore E	250,000,000	3,750,000,000	20%	30%	12/20/2013	3.000
42	Aurora E/F	250,000,000	2,083,333,333	20%	30%	6/20/2016	6.600

## UBS trade detail - New trades

Trade ID	Series	Trade Notional	Tranche Notional	Attachment	Detachment	Maturity	Coupon (bps)
39A	SIT III E	14,403,292	156,643,357	15.00%	30.00%	12/20/2011	1.982
39B	SIT III E	149,794,239	1,629,090,916	15.00%	30.00%	12/20/2013	1.982
39C	SIT III E	35,802,469	389,370,631	15.00%	30.00%	12/20/2016	1.982
40A	Opus E	18,004,115	570,386,289	15.00%	30.00%	12/20/2011	1.982
40B	Opus E	187,242,798	5,932,017,410	15.00%	30.00%	12/20/2013	1.982
40C	Opus E	44,753,086	1,417,817,348	15.00%	30.00%	12/20/2016	1.982
41A	Encore E	18,004,115	604,174,518	15.00%	30.00%	12/20/2011	1.982
41B	Encore E	187,242,798	6,283,414,987	15.00%	30.00%	12/20/2013	1.982
41C	Encore E	44,753,086	1,501,805,230	15.00%	30.00%	12/20/2016	1.982
42A	Aurora E/F	18,004,115	418,795,835	15.00%	30.00%	12/20/2011	1.982
42B	Aurora E/F	187,242,798	4,355,476,687	15.00%	30.00%	12/20/2013	1.982
42C	Aurora E/F	44,753,086	1,041,006,790	15.00%	30.00%	12/20/2016	1.982



# Indicative amortization of collateral in MAV 1 and 2

## Summary of the release of Asset Provider collateral

- The MAV 1 and MAV 2 Restructured Notes are expected to have a maturity of less than nine (9) years. The exact maturity will be impacted by the release of collateral by Asset Providers
- In order to agree to the Restructuring, the Asset Providers will require that the amount of collateral allocated to each of them not be released
- However, if after five years the Spreads of the respective indices are less than half of the Trigger Spreads, the Asset Providers have agreed to release collateral as all of the respective Asset Provider's LSS trades mature. The table below assumes that the respective indices are less than half the levels indicated by the Spread-loss Triggers
  - Example: The last maturity date of HSBC's trades is on 9/20/13, at which point all of the collateral allocated to HSBC will be released and the Restructured Notes will amortize (in sequential order) by the same amount
- The table below assumes Traditional Assets have matured and proceeds are available to be paid out

## Indicative Asset Provider release of collateral (CAD)

Estimated collateral release date	MAV 1 potential cumulative release	% MAV 1 collateral	MAV 2 potential cumulative release	% MAV 2 collateral
March 20, 2013	20,983,515	0.09%	45,686,484	0.30%
June 20, 2013	106,869,184	0.44%	234,800,815	1.55%
September 20, 2013	2,402,299,129	9.78%	1,639,370,870	10.85%
June 20, 2016	5,416,164,898	22.05%	3,040,301,907	20.12%
December 20, 2016	24,564,430,501	100.00%	15,111,967,792	100.00%

Note: Indicative amortization of collateral, subject to change pending final terms

Note: Does not account for amortization as excess proceeds pay down principal on Class A-1s

# Coupon on MAV 1 and MAV 2 Restructured Notes

## Coupon on Restructured Notes

- Based on information available to the Committee, its advisors and DBRS, it is expected that the net return of the MAV 2 will be approximately BA - 50bps. As a result, the rate of interest on the Restructured Notes (except for Class C Notes) has been set at BAs - 50bps per annum. Please note that this coupon is after taking into account payment of the Margin Funding Facility and other standard transaction fees including, but not limited to asset manager, trustee and custodian fees
- The only difference in the coupon of the MAV 1 and MAV 2 Restructured Notes will be that the MAV 1 notes will assume the risk of the Margin Funding Facility and therefore the cost of the Margin Funding Facility will not be deducted from the coupon
  - As MAV 1 will commit to provide its own margin funding commitment, the expected return of MAV 1 will be approximately BAs + 30bps
- As previously noted, the coupon on the Class A-1 Notes and Class A-2 Notes will be paid quarterly (on a current basis), and the coupon on the Class B Notes will accrue, but not be paid, at the same rate. The interest on the Class C Notes will accrue, but not be paid, at BAs + 20%. Investors should expect a return closer to BAs - 50bps (or lower) on the Class C Notes
- The net return of MAV 1 and 2 is subject to several factors including, but not limited to:
  - Estimated return of the assets
    - Estimated to be BAs + 40bps<sup>1</sup> throughout the life although current asset yield may be higher
    - Includes estimated yield of BAs flat on reinvestments
  - Fixed cost of Asset Manager and Administrative fees
    - Fixed at 4.5bps per annum
  - Estimated cost of ongoing fees (FX hedging, interest rate hedging, trustees, etc.)
  - Estimated cost of the Margin Funding Facility on Restructured Notes
  - Realized losses
- In the event the net yield of the MAV is below the expected coupon, it will reduce the amount available to repay classes of Restructured Notes in the following order: Class C Notes, Class B Notes, Class A-2 Notes, Class A-1 Notes

<sup>1</sup> Asset amortization schedules were assumed based upon information available from Bloomberg, Intex, Trepp and DBRS and are subject to change

# Accrued interest on Existing ABCP

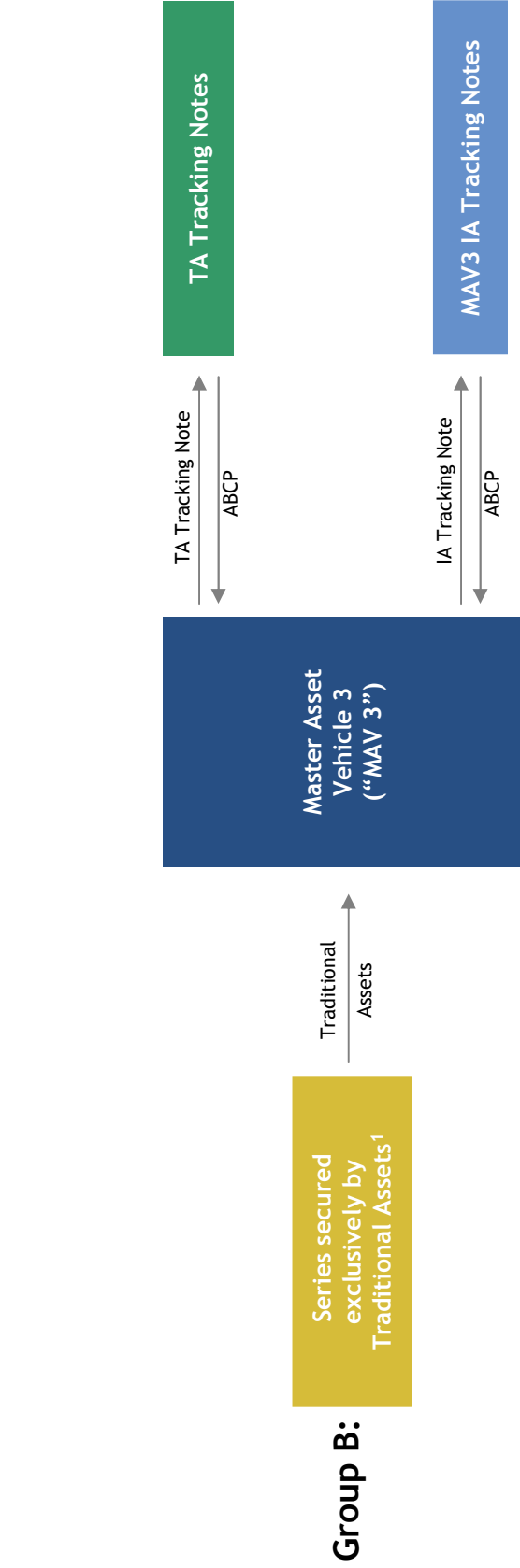
## Summary of accrued interest

- Cash available to pay interest from issuance through close will be net of collateral requirements (see next bullet), on-going asset management fees, legal fees and trust fees and one-time Restructuring fees (i.e. fees for legal advisors, financial advisors, etc.)
- The Committee, with the assistance of E&Y, will review the amounts accumulated in the Conduit Sponsors' trust accounts or by Series and the amounts required to be pledged as collateral for the MAVs (including collateral required to supplement Margin Funding Facility commitments, which may be required pending the results of Investor elections to MAV 1 or MAV 2) for the payment of administrative, restructuring and other applicable costs to estimate surplus funds available by Series
- The Committee will make amendments to the Restructuring, prior to the Meeting of Investors to provide for the appropriate payment of interest to Investors on implementation of the Restructuring out of such surplus
- Please note that one-time fees of approximately CAD 80-100mm<sup>1</sup>, which includes legal fees, Restructuring fees, rating agency fees, etc. will be deducted from accrued interest of each Series on a pro-rata basis prior to being paid at close
- The current administrators have the legal right to any excess spread earned by the trusts
  - The Committee and the current administrators recommend a fee of up to 30bps per annum from the period of August 1st through close to maintain the Affected Conduits through the Restructuring process and to assist in the transition to a new asset manager/administrator
  - Please note that going forward, the existing administrators have given up their rights to all excess spread on Affected Conduits

<sup>1</sup>Source: Estimate from E&Y

# Group B: MAV 3 overview schematic

Illustration of Committee Proposal components relating to MAV 3



## Group B:

- Ineligible Assets will be siloed and allocated on an asset-by-asset basis to Investors who currently have exposure to Ineligible Assets

<sup>1</sup> Series that are backed by Exclusively Traditional Assets and have also been determined to be Ineligible Assets, will be assumed by, and the related assets transferred to, MAV3 and MAV3 IA Tracking Notes will be issued

Note: Please note that this is a high level summary of the restructuring and additional information on the restructuring can be found in the Information Statement and supporting documentation

# Series secured exclusively by Traditional Assets will be contributed to MAV 3 (Group B)

## Summary of Series secured exclusively by Traditional Asset mechanics

- Traditional Assets include trade receivables, personal lines of credit, residential mortgage backed securities, cash CDOs, commercial mortgage backed securities and other securities and whole loan and lease pools
- Series that are secured exclusively by Traditional Assets (no exposure to Synthetic Assets) will be contributed to Master Asset Vehicle 3 but will not be pooled. Each Investor will continue to have risk to the same assets they have exposure to in the current Series they hold
- Investors holding Series secured exclusively by Traditional Assets will receive a Traditional Asset Tracking Note which will reflect the net return and maturity of the respective Series' underlying assets. The principal of the note will amortize as the underlying assets mature
  - Interest will be paid as it is available from the assets net of any costs and expenses (e.g. asset manager fees, trustees, etc.)
- The following Series are secured exclusively by Traditional Assets

## List of exclusively Traditional Asset Series (CAD '000s)

Trust	Series	Settlement value
Apollo Trust <sup>1</sup>	E	170,059
Apollo Trust	H	10,000
Comet Trust <sup>1</sup>	E	619,642
Comet Trust	F	85,000
Gemini Trust	A	522,047
Gemini Trust	E	690,599
Gemini Trust	F	235,000
Newshore Canadian Trust	A	197,188
Newshore Canadian Trust	01-1	209,301
Slate Trust <sup>1</sup>	A	125,061
Slate Trust <sup>1</sup>	E	432,006
<b>Total</b>		<b>3,295,903</b>

Source: Information provided to JPMorgan by E&Y and provided to E&Y by Conduit Sponsors

<sup>1</sup> These Series denominated in both CAD and USD

# Ineligible Assets in MAV 3

## Summary of Ineligible Asset mechanics

- Similar to the Ineligible Assets in MAVs 1 and 2, the Committee and its advisors recommend excluding Ineligible Assets from Traditional Asset Tracking Notes in MAV 3. The Ineligible Assets will be contributed to MAV 3, but will be siloed
- The below assets are considered to be Ineligible Assets due to their exposure to U.S. residential mortgages. These assets, along with the Ineligible Assets contributed to MAVs 1 and 2, represent assets backing Existing ABCP with significant exposure to the U.S. residential mortgage market. Due to the continued decline in recent months of not only US subprime mortgage assets, but other U.S. residential mortgage debt instruments as well, it is recommended that all of the below be classified as Ineligible as compared to the assets originally contemplated in the December 23rd Agreement in Principle
- Each Investor in a Series which includes an Ineligible Asset will receive a note from MAV 3 that tracks the underlying Ineligible Asset
  - Interest will be paid as it is available from the assets net of any costs and expenses (e.g. asset manager, trustee fees, etc.)

## List of Ineligible Assets to be contributed to MAV 3 (CAD '000s)

Trust	Series	ID	Trade	Settlement value	% Series	Description
Comet Trust	E	124	TMT 13SL 2005-1	78,452	12.7%	US Second-lien subprime RMBS
Comet Trust	E	121	TMTS 2005-11	107,246	17.3%	US Second-lien subprime RMBS
Comet Trust	F	121	TMTS 2005-11	10,000	11.8%	US Second-lien subprime RMBS
Comet Trust	E	125	TMTS 2005-2HE	15,751	2.5%	US subprime RMBS
Ironstone Trust	A	90-98, 242	Revelstoke CDO	493,009	100%	Cash CDO of US subprime RMBS
Ironstone Trust	B	99-104, 242	Revelstoke CDO	264,120	100%	Cash CDO of US subprime RMBS
Slate Trust	E-1	169	CWALT 2005-48T1	56,562	13.1%	US Alt-A MBS
Slate Trust	E-1	170	CWALT 2005-65CB	94,966	22.0%	US Alt-A MBS
Slate Trust	E-1	171	RAST 2005-A15	78,096	18.1%	US Alt-A MBS
Slate Trust	E-1	172	RAST 2005-A15	59,084	13.7%	US Alt-A MBS
Slate Trust	A-1	177	CWALT 2005-65CB	82,052	65.6%	US Alt-A MBS
Slate Trust	E-1	178	TMTS 2004-19HE	4,981	1.2%	US subprime RMBS
Slate Trust	E-1	179	TMTS 2004-21HE	20,268	4.7%	US subprime RMBS
Slate Trust	E-1	180	TMTS 2005-5SL	12,853	3.0%	US Second-lien subprime RMBS
Slate Trust	E-1	182	TMTS 2005-9HGS	6,144	1.4%	US Second-lien subprime RMBS
<b>Total</b>				<b>1,383,584</b>		

Source: Information provided to JPMorgan by E&Y and provided to E&Y by Conduit Sponsors



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# Restructuring conclusions

## Pre-Restructuring

- Due to several constraints, JPMorgan does not find it feasible to provide meaningful quantitative valuations of the Existing ABCP
  - Limitations on determining the value of the Existing ABCP prior to a restructuring include:
    - No visible market for the Existing ABCP
    - No observable comparables in the Canadian or global markets
    - No generally accepted model to value the Existing ABCP
- While JPMorgan does not find it feasible to provide meaningful quantitative values on the Existing ABCP prior to a restructuring, JPMorgan does believe it is reasonable to assume the Existing ABCP would attract prices below the weighted average price of the assets underlying a Series given:
  - Potential for forced liquidation of assets as a result of maturity defaults and the resulting potential for significantly low recoveries
  - Potential for forced liquidation of Leveraged Super Senior assets due to proximity of current Triggers
    - Potential for subsequent “Domino Effect”
  - Lack of transparency would limit the price at which a buyer would purchase the Existing ABCP
  - Ratings downgrades
  - Uncertainty surrounding current Asset Managers/Administrators
  - General market volatility and turmoil in the global markets
  - Weak demand for structured paper in the global markets
- We note that a variable that could have an impact on the value of the Existing ABCP would be Series supported by Liquidity Agreements
  - However, the financial value of the Liquidity Agreements relating to some of the Existing ABCP cannot be determined with certainty (Please refer to Information Statement for additional detail)

# Restructuring conclusions, cont.

## Post-Restructuring

- Due to several constraints, JPMorgan does not find it feasible to provide meaningful quantitative valuations of the Restructured Notes
  - Limitations on determining the value of the Restructured Notes include:
    - No observable comparables in the Canadian or global markets
    - No generally accepted model to value the Restructured Notes
- While JPMorgan does not find it feasible to put specific values on the Restructured Notes, JPMorgan does believe it is reasonable to assume the Restructured Notes would attract prices higher than the Existing ABCP due to:
  - Enhanced structure: The Restructuring improves the potential for value recovery over time
    - Mitigating maturity default risk through maturity restructuring
    - Mitigating Trigger default risk through both Trigger restructuring and the provision of margin funding commitments
  - Greater scarcity: Less supply in the market should mean higher prices
    - Absent a restructuring, it is likely that up to CAD 35 billion of assets would have been forced into liquidation. However, under the proposed Restructuring, there is expected to be a significant reduction in forced selling and all Investors will benefit from improved supply and demand balance
  - Higher Ratings: The Class A-1 and Class A-2 Notes have an expected Rating of AA. The Tracking Notes are expected to assume the Ratings of the underlying assets
  - Significantly improved Transparency:
    - The Restructuring provides public disclosure of detailed information about the Notes and underlying assets to Investors
  - Improved Liquidity:
    - Transparency should improve Liquidity
    - Creates larger uniform securities classes in which both third-party investors and ABCP Dealers will be incentivized to understand, follow and possibly make markets
- It should be noted that a large variable that could have an impact on the value of the Restructured Notes is the market expectation that sellers of the Restructured Notes will be forced to sell the notes. As a result, bids typically seen in an orderly market may not be realized in the early months of trading
- In addition, the general market conditions in the global markets, and more particularly for “structured products” may impact the demand for Restructured Notes post-Restructuring. This may also impact the Ratings going forward

# Agenda

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# Preface to the indicative asset valuation detail

## Summary

- The Indicative weighted average asset value is based upon the aggregate valuations of assets and swaps, where applicable, held within a given Series and the Series settlement liability notional
- This calculation does not include accrued interest, and instead only includes cash balances relating to principal. Interest expected to be paid on close is not incorporated into this calculation. In the event of a shortfall in additional collateral, if interest is chosen to be capitalized as principal, the cash numbers for each Series may be adjusted accordingly
- Cash balances and settlement liabilities shown throughout this Report were provided to JPMorgan by E&Y, and provided to E&Y by the Conduit Sponsors
- Distance to Trigger column is calculated based upon the indicative swap mark shown here, which may differ substantially from the mark-to-market valuation calculated by the relevant Asset Provider

The Indicative Valuations set forth in the table below are JPMorgan’s estimates as of March 4, 2008, and should be regarded as indicative. These Indicative Valuations do not, and should not be considered to be, estimates of the fair value or potential market value of any of these securities.

# Apollo

## Apollo

Trade ID	Deal Description	Asset/Collateral Description	Asset Provider/ Seller	Attach Point	Detach Point	Leverage	Maturity	Trigger	Swap MTM	Distance to Trigger	Asset Value	Combined	Series A	Series E	Series H	Total
89	SCDO Bespoke - IG Corporates	TRS	CIBC	9.8%	18.6%	1.0x	04/30/2008	N/A	N/A	N/A	99.9%	99.9%	36,000,000			36,000,000
215	Canadian Equipment Leases	Canadian Equipment Leases	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	99.0%	99.0%	1,578,624			1,578,624
216	Private Canadian CMBS	Private Canadian CMBS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	83.6%	83.6%	2,166,445			2,166,445
217	Canadian CMBS IO	Canadian CMBS IO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	100.0%	64,411			64,411
218	Canadian CMBS IO	Canadian CMBS IO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	77.3%	77.3%	984,134			984,134
219	Canadian CMBS IO	Canadian CMBS IO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	69.0%	69.0%	1,636,269			1,636,269
220	Canadian CMBS IO	Canadian CMBS IO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	74.7%	74.7%	1,459,592			1,459,592
221	Canadian CMBS IO	Canadian CMBS IO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	74.8%	74.8%	4,254,189			4,254,189
222	Canadian CMBS IO	Canadian CMBS IO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	99.9%	99.9%	796,105			796,105
223	Canadian Commercial Mortgages	Canadian Commercial Mortgages	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	91.4%	91.4%	8,256,700			8,256,700
224 <sup>1</sup>	Canadian Lines of Credit	Canadian Lines of Credit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	100.0%	36,000,000			36,000,000
225	Canadian Commercial Mortgages	Canadian Commercial Mortgages	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	81.5%	81.5%	4,377,009			4,377,009
226	Canadian Commercial Mortgages	Canadian Commercial Mortgages	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	81.5%	81.5%	3,428,131			3,428,131
227	Canadian Commercial Mortgages	Canadian Commercial Mortgages	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	88.0%	88.0%	2,217,276			2,217,276
228 <sup>1</sup>	Canadian Commercial Mortgages	Canadian Commercial Mortgages	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	100.0%	10,000,000			10,000,000
230	Private Canadian CMBS	Private Canadian CMBS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	95.8%	95.8%	7,059,716			7,059,716
231	Private Canadian CMBS	Private Canadian CMBS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	98.5%	98.5%	560,000			560,000
232	Canadian Alt-A mortgages	Canadian Alt-A mortgages	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	70.0%	70.0%	7,975,763			7,975,763
233	Canadian CMBS	Canadian CMBS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	95.5%	95.5%	1,279,000			1,279,000
236	Canadian Subprime Mortgages	Canadian Subprime Mortgages	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	70.0%	70.0%	38,920,586			48,920,586
237	Affected CP - IMMI Series A & Silverstone Series A	Affected CP - IMMI Series A & Silverstone Series A	Coventree	N/A	N/A	N/A	N/A	N/A	N/A	N/A	61.0%	61.0%	15,000,000			15,000,000
246	Cash	Cash	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	100.0%	765,263			22,810,391
Settlement Liability Notional																
Indicative weighted average asset value																
													36,765,263	170,099,077	10,000,000	216,824,340
													99.88%	85.15%	70.00%	

<sup>1</sup> These assets have been valued at par based on a Letter of Intent provided by the Seller to repurchase these assets at par. This value is subject to change dependent upon the completion of the repurchase

Note: The indicative weighted average asset value of a Series includes Ineligible Assets, where applicable. The Relative Contribution Analysis on p. 35, however, excludes Ineligible Assets

- Note: The indicative weighted average asset value of a Series includes Ineligible Assets, where applicable. The Relative Contribution Analysis on p. 35, however, excludes Ineligible Assets

**JPMorgan** Please note that these values were not provided and are not intended for the purposes of accounting

Note: See glossary of terms in Appendix IV, p. 94



# Apsley

## APPENDIX I: INDICATIVE ASSET VALUATION DETAIL

- Please note that these values were not provided and are not intended for the purposes of accounting

The Indicative Valuations set forth in the table below are JPMorgan’s estimates as of March 4, 2008, and should be regarded as indicative. These Indicative Valuations do not, and should not be considered to be, estimates of the fair value or potential market value of any of these securities.

# Aria

Aria															
Trade ID	Deal Description	Asset/ Collateral Description	Asset Provider /Seller	Attach Point	Detach Point	Leverage	Maturity	Trigger	Swap MTM	Distance to Trigger	Asset Value	Combined	Series A	Series E	Total
11	LSS Bespoke - IG Corporates	Credit Cards	Deutsche Bank	15.0%	85.0%	10.0x	06/20/2012	50.0%	(38.35)%	11.7%	97.8%	59.4%		187,500,000	187,500,000
12	LSS CDX Index	Bank BA's and BDNs	Deutsche Bank	30.0%	65.0%	40.0x	06/20/2010	50.0%	(53.54)%	Triggered	100.0%	46.5%	150,000,000		150,000,000
13	LSS CDX Index	Bank BA's and BDNs	Deutsche Bank	10.0%	15.0%	8.5x	12/20/2012	47.3%	(71.75)%	Triggered	100.0%	28.3%	150,000,000		150,000,000
14	Synthetic CDO of subprime RMBS	MTN	Deutsche Bank	7.2%	12.2%	1.0x	10/24/2015	N/A	(96.16)%	N/A	99.0%	2.8%	86,000,000		86,000,000
28	LSS Bespoke - IG Corporates	TRS	Merrill Lynch	30.0%	70.0%	33.3x	08/20/2016	58.3%	(100.00)%	Triggered	94.5%	0.0%	240,000,000		240,000,000
31	LSS Bespoke - IG Corporates	TRS	Merrill Lynch	14.3%	19.3%	5.0x	12/20/2016	70.0%	(100.00)%	Triggered	94.4%	0.0%	125,000,000		125,000,000
186	Canadian CMBS	Canadian CMBS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	95.1%	95.1%		70,000,000	70,000,000
187	Canadian CMBS	Canadian CMBS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	95.0%	95.0%		75,000,000	75,000,000
188	Canadian CMBS	Canadian CMBS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	94.1%	94.1%		50,000,000	50,000,000
196	US Trust Preferred CDO	US Trust Preferred CDO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	77.5%	77.5%	26,800,000		26,800,000
197	US Trust Preferred CDO	US Trust Preferred CDO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	77.5%	77.5%	99,375,000		99,375,000
198	US Trust Preferred CDO	US Trust Preferred CDO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	77.5%	77.5%	84,495,000		84,495,000
199	Canadian Auto Leases	Canadian Auto Leases	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	97.9%	97.9%	33,276,769		33,276,769
203	Cash	Cash	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	100.0%	25,254,595	75,282,783	100,537,378
Settlement Liability Notional															
Indicative weighted average asset value															
809,531,364															
21.29%															
668,452,783															
1,477,984,147															

■ Note: The indicative weighted average asset value of a Series includes Ineligible Assets, where applicable. The Relative Contribution Analysis on p. 35, however, excludes Ineligible Assets

Please note that these values were not provided and are not intended for the purposes of accounting

The Indicative Valuations set forth in the table below are JPMorgan’s estimates as of March 4, 2008, and should be regarded as indicative. These Indicative Valuations do not, and should not be considered to be, estimates of the fair value or potential market value of any of these securities.

## Aurora

### Aurora

Trade ID	Deal Description	Asset/ Collateral Description	Asset Provider/ Seller	Attach Point	Detach Point	Leverage	Maturity	Trigger	Swap MTM	Distance to Trigger	Asset Value	Combined	Series A	Series E	Series F	Total
2	LSS Bespoke - IG Corporates	Bank BA's and BDN's	Deutsche Bank	15.0%	85.0%	10.0x	06/20/2012	50.0%	(41.43)%	8.6%	100.0%	58.6%	400,000,000			400,000,000
3	LSS Bespoke - IG Corporates	MTN	Deutsche Bank	15.0%	50.0%	10.0x	12/20/2012	50.0%	(86.05)%	Triggered	99.0%	13.0%		133,000,000		133,000,000
4	LSS CDX Index	Bank BA's and BDN's	Deutsche Bank	30.0%	70.0%	25.0x	12/20/2015	50.0%	(100.00)%	Triggered	100.0%	0.0%	125,000,000			125,000,000
21	LSS Bespoke - IG Corporates	TRS	Swiss Re FP	15.0%	30.0%	17.1x	06/20/2013	83.3%	(100.00)%	Triggered	96.3%	0.0%	217,159,027	75,000,000		292,159,027
22	LSS CDX Index	TRS	Swiss Re FP	30.0%	60.0%	21.9x	06/20/2016	70.0%	(100.00)%	Triggered	94.6%	0.0%	182,838,796			182,838,796
25	LSS Bespoke - IG Corporates	TRS	Merrill Lynch	18.0%	28.0%	6.0x	09/20/2016	70.0%	(88.85)%	Triggered	94.5%	5.6%	150,000,000	100,000,000		250,000,000
33	LSS CDX Index	TRS	Merrill Lynch	15.0%	30.0%	9.3x	06/20/2016	70.0%	(56.80)%	13.2%	94.6%	37.8%	60,000,000	75,000,000		135,000,000
42a	LSS CDX Index	Bank BA's and BDN's	UBS	15.0%	30.0%	23.3x	12/20/2011	N/A	(100.00)%	N/A	100.0%	0.0%	12,242,798	5,761,317		18,004,115
42b	LSS CDX Index	Bank BA's and BDN's	UBS	15.0%	30.0%	23.3x	12/20/2013	N/A	(100.00)%	N/A	100.0%	0.0%	127,325,103	59,917,695		187,242,798
42c	LSS CDX Index	Bank BA's and BDN's	UBS	15.0%	30.0%	23.3x	12/20/2016	N/A	(100.00)%	N/A	100.0%	0.0%	30,432,099	14,320,988		44,753,086
50	LSS Bespoke - IG Corporates	TRS	HSBC	20.0%	100.0%	20.0x	06/20/2013	Loss Triggers	(92.93)%	N/A	96.3%	3.4%	56,250,000	18,750,000		75,000,000
73	LSS iTraxx Index	Bank term deposit	Citi	22.0%	55.0%	13.6x	06/20/2016	52.5%	(95.42)%	Triggered	94.6%	0.0%	237,500,000	12,500,000		250,000,000
74	LSS Bespoke - IG Corporates	Bank term deposit	Citi	15.0%	85.0%	10.0x	09/20/2012	Loss Triggers	(43.04)%	N/A	96.8%	53.8%	190,000,000	10,000,000		200,000,000
105	Canadian CMBS IO	Canadian CMBS IO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	99.9%	99.9%		2,015,811		2,015,811
106	US CDO	US CDO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7.5%	7.5%	202,631,765	15,000,000		217,631,765
107	Canadian Commercial Mortgages	Canadian Commercial Mortgages	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	100.0%		31,307,530		31,307,530
108	Canadian CMBS IO	Canadian CMBS IO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	85.1%	85.1%		3,055,772		3,055,772
109	Canadian CMBS IO	Canadian CMBS IO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	92.0%	92.0%		2,546,104		2,546,104
110	Canadian CMBS	Canadian CMBS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	95.6%	95.6%	94,679,666			94,679,666
240	Cash	Cash	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	100.0%	23,409,878			23,409,878
Settlement Liability Notional																
Indicative weighted average asset value																
													1,526,837,367	870,445,561	270,000,000	2,667,282,927
													29.62%	12.39%	13.01%	

- Note: Trade 42, originally an 8.33x levered, CAD 250mm LSS bespoke trade, will be converted upon the closing of the Restructuring to a combination of 3 index LSS swaps (with a combined notional of CAD 250mm). The revised swaps shown above are used to calculate relative contribution. Below are details of the original (current) UBS swap

### Original (current) UBS trade with Aurora, Series E and F

Trade ID	Deal Description	Asset /Collateral Description	Asset Provider/Seller	Attach Point	Detach Point	Leverage	Maturity	Trigger	Swap MTM	Distance to Trigger	Asset Value	Combined	Series A	Series E	Series FRN 1	Total
42	LSS Bespoke e - IG Corporates	Bank BA's and BDN's	UBS	20.0%	30.0%	8.3x	6/20/2016	50.0%	(100.00)%	Triggered	100.0%	0.0%		170,000,000	80,000,000	250,000,000

- Note: The indicative weighted average asset value of a Series includes Ineligible Assets, where applicable. The Relative Contribution Analysis on p. 35, however, excludes Ineligible Assets

Please note that these values were not provided and are not intended for the purposes of accounting

The Indicative Valuations set forth in the table below are JPMorgan’s estimates as of March 4, 2008, and should be regarded as indicative. These Indicative Valuations do not, and should not be considered to be, estimates of the fair value or potential market value of any of these securities.

# Comet

Comet																	
Trade ID	Deal Description	Asset/Collateral Description	Asset Provider / Seller	Attach Point	Detach Point	Leverage	Maturity	Trigger	Swap MTM	Distance to Trigger	Asset Value	Combined	Series A (USD)	Series E	Series E (USD)	Series F	Total
5	LSS Bespoke - IG Corporates	Bank BA's and BDN's	Deutsche Bank	15.0%	60.0%	10.0x	09/20/2012	50.0%	(64.60)%	Triggered	100.0%	35.4%	400,000,000				400,000,000
6	LSS Bespoke - IG Corporates	Bank BA's and BDN's	Deutsche Bank	15.0%	50.0%	10.0x	12/20/2012	50.0%	(85.99)%	Triggered	100.0%	14.0%	367,000,000				367,000,000
112	Private Canadian CMBs	Private Canadian CMBs	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	92.9%	92.9%	10,000,000				10,000,000
113	Private Canadian CMBs	Private Canadian CMBs	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	91.7%	91.7%	139,414,417	8,913,434			148,327,851
114	Private Canadian CMBs	Private Canadian CMBs	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	86.2%	86.2%		58,926,258			58,926,258
116	Canadian Alt-A Mortgages	Canadian Alt-A Mortgages	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	90.0%	90.0%		132,481,735	60,000,000		192,481,735
117	Canadian Auto Leases	Canadian Auto Leases	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	99.5%	99.5%		58,465,961			58,465,961
118	Private Canadian CMBs	Private Canadian CMBs	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	84.6%	84.6%			15,000,000		15,000,000
121	US Home Equity	US Home Equity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	64.6%	64.6%		85,046,934	22,199,098	10,000,000	117,246,032
124	US Home Equity	US Home Equity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	40.0%	40.0%		58,452,400	20,000,000		78,452,400
125	US Home Equity	US Home Equity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	75.0%	75.0%		15,750,576			15,750,576
210	Cash	Cash	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	100.0%	37,712,381	168,319,035			206,031,415
8a	LSS iTraxx Index	Bank BA's and BDN's	Deutsche Bank	22.0%	70.0%	15.5x	12/20/2015	50.0%	(86.78)%	Triggered	100.0%	13.2%	200,000,000				200,000,000
247 <sup>1</sup>	Unfunded CDS Short	Unfunded CDS Short	Merrill Lynch	3.0%	100.0%	N/A	03/20/2009	N/A	1.47%	N/A	0.0%	1.5%	185,000,000				185,000,000
Settlement Liability Notional													1,163,040,232	619,641,997		85,000,000	1,867,682,228
Indicative weighted average asset value													34.84%	82.14%		86.06%	

<sup>1</sup>Trade is unfunded and is not backed by any collateral. The Mark-to-Market is included in the valuation, however the notional amount is not

- Note: The indicative weighted average asset value of a Series includes Ineligible Assets, where applicable. The Relative Contribution Analysis on p. 35, however, excludes Ineligible Assets

Please note that these values were not provided and are not intended for the purposes of accounting

The Indicative Valuations set forth in the table below are JPMorgan’s estimates as of March 4, 2008, and should be regarded as indicative. These Indicative Valuations do not, and should not be considered to be, estimates of the fair value or potential market value of any of these securities.

## Devonshire

Devonshire

Trade ID	Deal Description	Asset/ Collateral Description	Asset Provider /Seller	Attach Point	Detach Point	Leverage	Maturity	Trigger	Swap MTM	Distance to Trigger	Asset Value	Series A				Total
												Class A	Class E	Class FRN 1	Class FRN 2	
37	LSS Bespoke - IG Corporates	TRS	Barclays	15.0%	62.5%	10.0x	09/20/2016	50.0%	(88.51)%	Triggered	94.5%	92,643,786	134,069,094	11,104,109	62,183,012	300,000,000
38	LSS Bespoke - IG Corporates	TRS	Barclays	16.0%	60.0%	10.0x	09/20/2016	50.0%	(99.66)%	Triggered	94.5%	92,643,786	134,069,094	11,104,109	62,183,012	300,000,000
239	Cash -Margin posting	Cash	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	23,292,387	33,707,488	2,791,782	15,633,977	75,425,633
Settlement Liability Notional												208,579,999	301,845,675	25,000,000	140,000,000	675,425,633
Indicative weighted average asset value												11.52%	11.52%	11.52%	11.52%	

- Note: While Devonshire owns CAD 75mm of cash, Barclays has priority over Investors on the cash to fund termination payments under the swaps. The cash is collateral for the swaps and thus has an Indicative Value below 100.00%

- Note: The indicative weighted average asset value of a Series includes Ineligible Assets, where applicable. The Relative Contribution Analysis on p. 35, however, excludes Ineligible Assets

Please note that these values were not provided and are not intended for the purposes of accounting

The Indicative Valuations set forth in the table below are JPMorgan’s estimates as of March 4, 2008, and should be regarded as indicative. These Indicative Valuations do not, and should not be considered to be, estimates of the fair value or potential market value of any of these securities.

## Encore

Encore

Trade ID	Deal Description	Asset/Collateral Description	Asset Provider/Seller	Attach Point	Detach Point	Leverage	Maturity	Trigger	Swap MTM	Distance to Trigger	Asset Value	Combined	Series A	Series E	Total
15	LSS iTraxx Index	Bank BA's and BDNs	Deutsche Bank	22.0%	70.0%	16.0x	06/20/2016	50.1%	(96.25)%	Triggered	100.0%	3.8%	285,000,000		285,000,000
32	LSS Bespoke e - IG Corporates	TRS	Merrill Lynch	14.3%	19.3%	5.0x	12/20/2016	70.0%	(100.00)%	Triggered	94.4%	0.0%	125,000,000		125,000,000
36	LSS CDX Index	TRS	Merrill Lynch	15.0%	30.0%	22.0x	12/20/2013	70.0%	(70.42)%	Triggered	96.0%	25.6%	125,000,000		125,000,000
41a	LSS CDX Index	Bank BA's and BDNs	UBS	15.0%	30.0%	33.6x	12/20/2011	N/A	(100.00)%	N/A	100.0%	0.0%	18,004,115		18,004,115
41b	LSS CDX Index	Bank BA's and BDNs	UBS	15.0%	30.0%	33.6x	12/20/2013	N/A	(100.00)%	N/A	100.0%	0.0%	187,242,798		187,242,798
41c	LSS CDX Index	Bank BA's and BDNs	UBS	15.0%	30.0%	33.6x	12/20/2016	N/A	(100.00)%	N/A	100.0%	0.0%	44,753,086		44,753,086
49	LSS CDX Index	TRS	HSBC	10.0%	15.0%	8.0x	06/20/2013	70.0%	(75.24)%	Triggered	96.3%	21.1%	100,000,000		200,000,000
194	Canadian CMBS	Canadian CMBS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	91.3%	91.3%	100,000,000		100,000,000
195	Canadian CMBS	Canadian CMBS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	90.0%	90.0%	100,000,000		100,000,000
202	Canadian Auto leases	Canadian Auto leases	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	97.9%	97.9%	60,461,668		60,461,668
207	Cash	Cash	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	100.0%	26,964,471	159,246,878	186,211,349
Settlement Liability Notional													597,426,139	834,246,878	1,431,673,017
Indicative weighted average asset value													19.74%	47.19%	

- Note: Trade 41, originally a 15.0x levered, CAD 250mm LSS bespoke trade, will be converted upon the closing of the Restructuring to a combination of 3 index LSS swaps (with a combined notional of CAD 250mm). The revised swaps shown above are used to calculate relative contribution. Below are details of the original (current) UBS swap

### Original (current) UBS trade with Encore, Series E

Trade ID	Deal Description	Asset/Collateral Description	Asset Provider/Seller	Attach Point	Detach Point	Leverage	Maturity	Trigger	Swap MTM	Distance to Trigger	Asset Value	Combined	Series A	Series E	Total
41	LSS Bespoke - IG Corporates	Bank BA's and BDN's	UBS	20.0%	30.0%	15.0x	12/20/2013	75.0%	(100.00)%	Triggered	100.0%	0.0%		250,000,000	250,000,000

- Note: The indicative weighted average asset value of a Series includes Ineligible Assets, where applicable. The Relative Contribution Analysis on p. 35, however, excludes Ineligible Assets

Please note that these values were not provided and are not intended for the purposes of accounting



The Indicative Valuations set forth in the table below are JPMorgan’s estimates as of March 4, 2008, and should be regarded as indicative. These Indicative Valuations do not, and should not be considered to be, estimates of the fair value or potential market value of any of these securities.

# Gemini

Gemini																				
Trade ID	Deal Description	Asset/Collateral Description	Asset Provider /Seller	Attach Point	Detach Point	Leverage	Maturity	Trigger	Swap MTM	Distance to Trigger	Asset Value	Combined	Series A	Series E	Series F	Liquidity Liability	Total			
126	Canadian CMBS IO	Canadian CMBS IO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	100.0%		846,054		846,054				
127	Canadian Equipment Leases	Canadian Equipment Leases	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	99.5%	99.5%		23,308,135		23,308,135				
128	Canadian Equipment Leases	Canadian Equipment Leases	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	100.0%		150,000,000		150,000,000				
129 <sup>1</sup>	Canadian Lines of Credit	Canadian Lines of Credit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	100.0%	485,000,000				485,000,000			
130	Canadian CMBS IO	Canadian CMBS IO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	78.6%	78.6%		5,589,896		5,589,896				
131	Canadian CMBS	Canadian CMBS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	97.9%	97.9%		27,440,000		27,440,000				
133	Canadian CMBS	Canadian CMBS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	97.6%	97.6%	6,802,639	10,908,147		36,497,361	54,208,147			
134	Private Canadian CMBS	Private Canadian CMBS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	84.6%	84.6%		13,731,944	140,000,000		153,731,944			
137	Canadian CMBS IO	Canadian CMBS IO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	51.3%	51.3%		31,571,761		31,571,761				
139	Canadian CMBS	Canadian CMBS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	95.8%	95.8%		1,562,741		1,562,741				
140	Canadian Subprime Mortgages	Canadian Subprime Mortgages	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	90.0%	90.0%		249,724,031	83,466,967		333,190,998			
211	Cash	Cash	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	100.0%	30,244,039	175,916,644	11,533,033		217,693,716			
Settlement Liability Notional														235,000,000				36,497,361		1,484,143,392
Indicative weighted average asset value														93.53%				87.29%		97.56%

<sup>1</sup>This asset has been valued at par based on a Letter of Intent provided by the Seller to repurchase this asset at par. This value is subject to change dependent upon the completion of the repurchase

- Note: The indicative weighted average asset value of a Series includes Ineligible Assets, where applicable. The Relative Contribution Analysis on p. 35, however, excludes Ineligible Assets

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The Indicative Valuations set forth in the table below are JPMorgan’s estimates as of March 4, 2008, and should be regarded as indicative. These Indicative Valuations do not, and should not be considered to be, estimates of the fair value or potential market value of any of these securities.

# Ironstone

Ironstone															
Trade ID	Deal Description	Asset/ Collateral Description	Asset Provider/ Seller	Attach Point	Detach Point	Leverage	Maturity	Trigger	Swap MTM	Distance to Trigger	Asset Value	Combined	Class A	Series B (USD)	Total
90	US CDO	US CDO	CIBC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12.5%	12.5%	76,063,618		76,063,618
91	US CDO	US CDO	CIBC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12.5%	12.5%	76,063,618		76,063,618
92	US CDO	US CDO	CIBC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12.5%	12.5%	76,063,616		76,063,616
93	US CDO	US CDO	CIBC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5.0%	5.0%	54,425,834		54,425,834
94	US CDO	US CDO	CIBC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5.0%	5.0%	54,425,834		54,425,834
95	US CDO	US CDO	CIBC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5.0%	5.0%	54,425,832		54,425,832
96	US CDO	US CDO	CIBC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5.0%	5.0%	29,924,168		29,924,168
97	US CDO	US CDO	CIBC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5.0%	5.0%	29,924,166		29,924,166
98	US CDO	US CDO	CIBC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5.0%	5.0%	29,924,166		29,924,166
99	US CDO	US CDO	CIBC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7.5%	7.5%		63,123,335	63,123,335
100	US CDO	US CDO	CIBC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12.5%	12.5%		63,123,333	63,123,333
101	US CDO	US CDO	CIBC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12.5%	12.5%		63,123,333	63,123,333
102	US CDO	US CDO	CIBC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5.0%	5.0%		21,500,000	21,500,000
103	US CDO	US CDO	CIBC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5.0%	5.0%		21,500,000	21,500,000
104	US CDO	US CDO	CIBC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5.0%	5.0%		21,500,000	21,500,000
242	Cash	Cash	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	100.0%	11,768,548	10,250,451	22,018,999
Settlement Liability Notional													493,009,400	264,120,451	757,129,851
Indicative weighted average asset value													10.63%	12.76%	

Note: Liabilities arising from paying down the PSF Notes are deducted from the asset value in the above indicative weighted average asset value

- Note: The indicative weighted average asset value of a Series includes Ineligible Assets, where applicable. The Relative Contribution Analysis on p. 35, however, excludes Ineligible Assets

Please note that these values were not provided and are not intended for the purposes of accounting

The Indicative Valuations set forth in the table below are JPMorgan’s estimates as of March 4, 2008, and should be regarded as indicative. These Indicative Valuations do not, and should not be considered to be, estimates of the fair value or potential market value of any of these securities.

MMAI-I

MMAI-I															
Trade ID	Deal Description	Asset/ Collateral Description	Asset Provider/Seller	Attach Point	Detach Point	Leverage	Maturity	Trigger	Swap MTM	Distance to Trigger	Asset Value	Combined	Series A		Total
													Class A	Class E	
75	SCDO CDO Squared - Corporate	MTN	Deutsche Bank	10.3%	12.3%	1.0x	09/09/2016	N/A	(30.99)%	N/A	97.0%	66.0%	354,645,261	112,054,739	466,700,000
76	SCDO CDO Squared - Corporate	MTN	Deutsche Bank	10.3%	12.6%	1.0x	09/09/2016	N/A	(28.72)%	N/A	97.0%	68.3%	354,645,261	112,054,739	466,700,000
77	SCDO CDO Squared - Corporate	MTN	Deutsche Bank	10.1%	15.0%	1.0x	09/09/2016	N/A	(29.34)%	N/A	97.0%	67.7%	354,569,271	112,030,729	466,600,000
Settlement Liability Notional													1,060,251,123	335,000,000	1,395,251,123
Indicative weighted average asset value													66.78%	66.78%	

Note: Liabilities arising from paying down the PSF Notes are deducted from the asset value in the above indicative weighted average asset value

- Note: The indicative weighted average asset value of a Series includes Ineligible Assets, where applicable. The Relative Contribution Analysis on p. 35, however, excludes Ineligible Assets

Please note that these values were not provided and are not intended for the purposes of accounting



Note: See glossary of terms in Appendix IV, p. 94

The Indicative Valuations set forth in the table below are JPMorgan’s estimates as of March 4, 2008, and should be regarded as indicative. These Indicative Valuations do not, and should not be considered to be, estimates of the fair value or potential market value of any of these securities.

## Newshore Canadian

Newshore Canadian																
Trade ID	Deal Description	Asset/Collateral Description	Asset Provider / Seller	Attach Point	Detach Point	Leverage	Maturity	Trigger	Swap MTM	Distance to Trigger	Asset Value	Combined	Series A	Series 2001-1	Series 2001-1 - FRN	Total
208	Canadian Immigrant Program	Canadian Immigrant Program	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	90.0%	90.0%	200,000,000	160,125,000	50,000,000	410,125,000
Settlement Liability Notional												197,187.810	209,301,473	406,489,283		
Indicative weighted average asset value												91.28%	90.35%			

- Note: The indicative weighted average asset value of a Series includes Ineligible Assets, where applicable. The Relative Contribution Analysis on p. 35, however, excludes Ineligible Assets

Please note that these values were not provided and are not intended for the purposes of accounting



Note: See glossary of terms in Appendix IV, p. 94

The Indicative Valuations set forth in the table below are JPMorgan’s estimates as of March 4, 2008, and should be regarded as indicative. These Indicative Valuations do not, and should not be considered to be, estimates of the fair value or potential market value of any of these securities.

# Opus

## Opus

Trade ID	Deal Description	Asset/ Collateral Description	Asset Provider /Seller	Attach Point	Detach Point	Leverage	Maturity	Trigger	Swap MTM	Distance to Trigger	Asset Value	Combined	Series A	Series E	Total
16	LSS CDX Index	Bank BA's and BDN's	Deutsche Bank	30.0%	65.0%	40.0x	06/20/2010	50.0%	(53.54)%	Triggered	100.0%	46.5%	200,000,000		200,000,000
17	LSS iTraxx Index	Bank BA's and BDN's	Deutsche Bank	22.0%	70.0%	16.0x	12/20/2015	50.1%	(89.21)%	Triggered	100.0%	10.8%	200,000,000		200,000,000
24	LSS Bespoke - Financials	TRS	Merrill Lynch	15.0%	100.0%	12.0x	06/20/2016	50.0%	(65.02)%	Triggered	94.4%	29.6%		101,360,000	101,360,000
29	LSS Bespoke - IG Corporates	TRS	Merrill Lynch	14.3%	19.3%	5.0x	12/20/2016	70.0%	(100.00)%	Triggered	94.4%	0.0%	125,000,000		125,000,000
40a	LSS CDX Index	Bank BA's and BDN's	UBS	15.0%	30.0%	31.7x	12/20/2011	N/A	(100.00)%	N/A	100.0%	0.0%		18,004,115	18,004,115
40b	LSS CDX Index	Bank BA's and BDN's	UBS	15.0%	30.0%	31.7x	12/20/2013	N/A	(100.00)%	N/A	100.0%	0.0%		187,242,798	187,242,798
40c	LSS CDX Index	Bank BA's and BDN's	UBS	15.0%	30.0%	31.7x	12/20/2016	N/A	(100.00)%	N/A	100.0%	0.0%		44,753,086	44,753,086
48	LSS CDX Index	TRS	HSBC	10.0%	15.0%	8.0x	06/20/2013	70.0%	(75.26)%	Triggered	96.3%	21.1%	300,000,000		300,000,000
192	Canadian CMBS	Canadian CMBS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	91.0%	91.0%	140,000,000		140,000,000
193	Canadian CMBS	Canadian CMBS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	91.1%	91.1%	100,000,000		100,000,000
201	Canadian Auto Leases	Canadian Auto Leases	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	97.9%	97.9%	112,429,107		112,429,107
206	Cash	Cash	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	100.0%	137,905,906		137,905,906
Settlement Liability Notional															
Indicative weighted average asset value															
951,091,18031.69%729,245,90652.98%1,680,337,086															

- Note: Trade 40, originally a 15.0x levered, CAD 250mm LSS bespoke trade, will be converted upon the closing of the Restructuring to a combination of 3 index LSS swaps (with a combined notional of CAD 250mm). The revised swaps shown above are used to calculate relative contribution. Below are details of the original (current) UBS swap

## Original (current) UBS trade with Opus, Series E

Trade ID	Deal Description	Asset/Collateral Description	Asset Provider/Seller	Attach Point	Detach Point	Leverage	Maturity	Trigger	Swap MTM	Distance to Trigger	Asset Value	Combined	Series A	Series E	Total
40	LSS Bespoke - IG Corporates	Bank BA's and BDN's	UBS	20.0%	30.0%	15.0x	6/20/2013	75.0%	(100.00)%	Triggered	100.0%	0.0%		250,000,000	250,000,000

- Note: The indicative weighted average asset value of a Series includes Ineligible Assets, where applicable. The Relative Contribution Analysis on p. 35, however, excludes Ineligible Assets

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The Indicative Valuations set forth in the table below are JPMorgan's estimates as of March 4, 2008, and should be regarded as indicative. These Indicative Valuations do not, and should not be considered to be, estimates of the fair value or potential market value of any of these securities.

# Planet

## Planet

Trade ID	Deal Description	Asset/ Collateral Description	Asset Provider / Seller	Attach Point	Detach Point	Leverage	Maturity	Trigger	Swap MTM	Distance to Trigger	Asset Value	Combined	Series A (USD)	Series E	Series E (USD)	Series F	Series L8	Total
1	LSS Bespoke - IG Corporates	Bank BA's and BDNs	Deutsche Bank	8.7%	9.7%	2.5x	06/20/2012	62.5%	(72.20)%	Triggered	100.0%	27.8%	86,650,000			25,000,000		111,650,000
7	LSS Bespoke - IG Corporates	Bank BA's and BDNs	Deutsche Bank	8.7%	9.7%	2.5x	06/20/2012	62.5%	(71.72)%	Triggered	100.0%	28.3%	125,000,000			25,000,000		150,000,000
35	LSS CDX Index	TRS	Merrill Lynch	10.0%	15.0%	7.5x	12/20/2011	70.0%	(57.55)%	12.4%	97.3%	39.7%		245,000,000		20,000,000		265,000,000
43 <sup>1</sup>	Synthetic Corp CDO Squared with ABS Exposure	CDO	UBS	6.5%	16.5%	1.0x	06/20/2012	N/A	(15.34)%	N/A	20.0%	4.7%	243,360,000					243,360,000
44 <sup>1</sup>	Synthetic Corp CDO Squared with ABS Exposure	CDO	UBS	6.4%	16.4%	1.0x	12/20/2012	N/A	(16.65)%	N/A	20.0%	3.4%	148,000,000					148,000,000
141	US CDO	US CDO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	10.0%	10.0%		84,720,000				84,720,000
142	LSS Bespoke - IG Corporates	TRS	Wachovia	10.4%	11.9%	1.5x	03/20/2013	60.0%	(34.28)%	25.7%	96.5%	62.2%	53,461,572			13,245,810		66,707,382
143	US CDO	US CDO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7.5%	7.5%		58,650,000				58,650,000
144	US Alt-A	US Alt-A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	72.8%	72.8%		91,126,775	7,754,854			98,881,629
145	US Trust Preferred CDO	US Trust Preferred CDO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	77.5%	77.5%			28,017,890			28,017,890
147	US MBS	US MBS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	89.3%	89.3%	7,223,134		7,500,000			14,723,134
148	Private Canadian CMBS	Private Canadian CMBS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	84.6%	84.6%		34,761,426		110,000,000		144,761,426
151	Bank term deposit	Bank term deposit	Citi	22.0%	55.0%	13.6x	06/20/2016	52.5%	(95.42)%	Triggered	94.6%	0.0%		25,000,000				25,000,000
212	Cash	Cash	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	100.0%	19,652,627			50,000,000		163,399,820
8b	LSS ITraxx Index	Bank BA's and BDNs	Deutsche Bank	22.0%	70.0%	15.5x	12/20/2015	50.0%	(86.78)%	Triggered	100.0%	13.2%	199,923,665					199,923,665
Settlement Liability Notional													883,270,998	676,278,138	230,000,000	13,245,810	1,802,794,946	
Indicative weighted average asset value													18.29%	49.35%	71.76%	62.22%		

<sup>1</sup> UBS swaps secured by subprime CDO Trust Collateral

- Note: The indicative weighted average asset value of a Series includes Ineligible Assets, where applicable. The Relative Contribution Analysis on p. 35, however, excludes Ineligible Assets

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# Rocket

## Rocket

Trade ID	Deal Description	Asset/Collateral Description	Asset Provider/Seller	Attach Point	Detach Point	Leverage	Maturity	Trigger	Swap MTM	Distance to Trigger	Asset Value	Combined	Series A	Series A (USD)	Series E	Series F	Total
82a	LSS Bespoke - IG Corporates	Cash CDO	RBC	9.7%	13.7%	1.0x	03/20/2013	32.5%	(21.99)%	Triggered	20.0%	0.0%		139,699,835			139,699,835
81	LSS Bespoke - IG Corporates	Credit Cards	RBC	10.0%	18.0%	2.0x	06/20/2013	32.5%	(37.27)%	Triggered	98.0%	60.7%	100,000,000				100,000,000
82b <sup>2</sup>	Unfunded CDS Long	Unfunded CDS Long	RBC	13.7%	17.7%	N/A	03/20/2013	N/A	(15.14)%	Triggered	0.0%	(15.1)%	139,699,834				139,699,834
83	SCDO Bespoke - IG Corporates	TRS	Wachovia	8.2%	9.4%	1.0x	03/20/2013	N/A	(17.63)%	N/A	96.5%	78.9%			141,437,500	10,000,000	151,437,500
152	Canadian Equipment Leases	Canadian Equipment Leases	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	100.0%			87,683,163		87,683,163
153	Synthetic CDO of CMBs	Synthetic CDO of CMBs	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	52.0%	52.0%			162,630,000	45,000,000	207,630,000
155	Synthetic CDO of CMBs	TRS	Deutsche Bank	3.3%	7.0%	1.0x	07/15/2056	N/A	(27.75)%	N/A	95.3%	67.5%			248,200,000		248,200,000
156 <sup>1</sup>	Canadian Lines of Credit	Canadian Lines of Credit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	100.0%	679,000,000				679,000,000
157	SCDO Bespoke - IG Corporates	TRS	CIBC	9.8%	18.6%	1.0x	04/30/2008	N/A	N/A	N/A	99.9%	99.9%	138,450,000				138,450,000
158	Canadian Commercial Mortgages	Canadian Commercial Mortgages	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	99.3%	99.3%			52,940,847		52,940,847
159	Canadian Commercial Mortgages	Canadian Commercial Mortgages	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	99.3%	99.3%			85,383,767		85,383,767
160	Canadian Commercial Mortgages	Canadian Commercial Mortgages	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	99.3%	99.3%			15,192,399		15,192,399
161 <sup>1</sup>	Canadian Commercial Mortgages	Canadian Commercial Mortgages	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	100.0%			49,357,804		49,357,804
162	Canadian Equipment Leases	Canadian Equipment Leases	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	98.5%	98.5%			13,489,763		13,489,763
163	Private Canadian CMBs	Private Canadian CMBs	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	84.6%	84.6%			10,000,000		10,000,000
164	Canadian RCA Loans	Canadian RCA Loans	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	95.0%	95.0%			240,949,724		240,949,724
165	Canadian RCA Loans	Canadian RCA Loans	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	95.0%	95.0%			15,015,000		15,015,000
166	Canadian Subprime Mortgages	Canadian Subprime Mortgages	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	90.0%	90.0%			649,857,523	24,361,236	674,218,759
167	Canadian RMBS	Canadian RMBS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	99.5%	99.5%			3,843,315		3,843,315
213	Cash	Cash	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	100.0%			281,217,631	638,764	293,207,752
Settlement/Liability Notional														1,068,501,192	2,047,198,436	90,000,000	3,205,699,628
Indicative weighted average asset value														81.26%	86.92%	69.24%	

<sup>1</sup> These assets have been valued at par based on a Letter of Intent provided by the Seller to repurchase these assets at par. This value is subject to change dependent upon the completion of the repurchase

<sup>2</sup> Trade is unfunded and is not backed by any collateral. The Mark-to-Market is included in the valuation, however the funded amount is not included (see page 38)

- Note: The indicative weighted average asset value of a Series includes Ineligible Assets, where applicable. The Relative Contribution Analysis on p. 35, however, excludes Ineligible Assets

Please note that these values were not provided and are not intended for the purposes of accounting

The Indicative Valuations set forth in the table below are JPMorgan’s estimates as of March 4, 2008, and should be regarded as indicative. These Indicative Valuations do not, and should not be considered to be, estimates of the fair value or potential market value of any of these securities.

# SAT

SAT																
Trade ID	Deal Description	Asset/ Collateral Description	Asset Provider/ Seller	Attach Point	Detach Point	Leverage	Maturity	Trigger	Swap MTM	Distance to Trigger	Asset Value	Combined	Series A-1	Series E-1	Series L1	Total
26	LSS Bespoke - IG Corporates	TRS	Merrill Lynch	20.0%	30.0%	7.0x	09/20/2016	70.0%	(100.00)%	Triggered	94.5%	0.0%	125,000,000	125,000,000		250,000,000
34	LSS CDX Index	TRS	Merrill Lynch	10.0%	15.0%	7.5x	12/20/2011	52.5%	(57.55)%	Triggered	97.3%	39.7%		150,000,000		150,000,000
68	LSS Bespoke - IG Corporates	Educational Loan Funding Master Trust	HSBC	18.0%	75.0%	15.0x	09/20/2013	Spread/Loss	(75.36)%	N/A	97.4%	22.0%	256,796,242		43,203,647	299,999,889
72	LSS iTraxx Index	Bank term deposit	Citi	22.0%	55.0%	13.6x	06/20/2016	52.5%	(100.00)%	Triggered	94.6%	0.0%	225,000,000	50,000,000		275,000,000
84	LSS Bespoke - IG Corporates	Corporate Bond	CIBC	20.0%	50.0%	10.0x	03/20/2013	Spread/Loss	(56.18)%	N/A	93.4%	0.0%	250,000,000	250,000,000		250,000,000
85	Synthetic LSS of CMBS	Canadian RMBS	CIBC	20.0%	100.0%	10.0x	05/28/2046	Triggered	(181.58)%	N/A	98.5%	0.0%		112,000,000		112,000,000
209	Cash	Cash	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	100.0%	42,493,677			42,493,677
263	Cash - Margin Posting	Cash - Margin Posting	CIBC	N/A	N/A	N/A	N/A	N/A	(100.00)%	N/A	100.0%	0.0%		24,524,821		
Settlement Liability Notional													649,289,919	711,524,821	43,203,647	1,404,018,386
Indicative weighted average asset value													15.26%	8.38%	22.04%	

■ Note: Trades 84 and 85 have been cross-collateralized and hence the mark-to-market from one trade may be absorbed by the other if it exceeds the funded notional. This has been accounted for by reducing the combined value of Trade 84 to absorb the mark of Trade 85 in excess of its funded notional (the sum of the combined values is still floored at zero)

■ Note: The indicative weighted average asset value of a Series includes Ineligible Assets, where applicable. The Relative Contribution Analysis on p. 35, however, excludes Ineligible Assets

Please note that these values were not provided and are not intended for the purposes of accounting

The Indicative Valuations set forth in the table below are JPMorgan’s estimates as of March 4, 2008, and should be regarded as indicative. These Indicative Valuations do not, and should not be considered to be, estimates of the fair value or potential market value of any of these securities.

# Selkirk

Selkirk											
Trade ID	Deal Description	Asset/Collateral Description	Asset Provider/Seller	Attach Point	Detach Point	Leverage	Maturity	Trigger	Swap MTM	Distance to Trigger	Asset Value
23	L55 CDX Index	TRS	Swiss Re FP	30.0%	60.0%	10.0x	12/20/2016	70.0%	(77.71)%	Triggered	94.4%
248	Cash	Cash	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%
Settlement Liability Notional											
Indicative weighted average asset value											
										150,000,702	702
										150,000,702	16.6%

- Note: Indicative swap mark-to-market and the reduction in leverage from 20x to 10x reflect the change in the notional amount from 3,000,000,000 to 1,500,000,000

## Original (current) Selkirk trade

Trade ID	Deal Description	Asset/Collateral Description	Asset Provider/Seller	Attach Point	Detach Point	Leverage	Maturity	Trigger	Swap MTM	Distance to Trigger	Asset Value
23	L55 CDX Index	TRS	Swiss Re FP	30.0%	60.0%	20.0x	12/20/2016	70.0%	(100.00)%	Triggered	98.0%
										0.0%	150,000,000
										150,000,000	150,000,000

- Note: The indicative weighted average asset value of a Series includes Ineligible Assets, where applicable. The Relative Contribution Analysis on p. 35, however, excludes Ineligible Assets

Please note that these values were not provided and are not intended for the purposes of accounting

The Indicative Valuations set forth in the table below are JPMorgan’s estimates as of March 4, 2008, and should be regarded as indicative. These Indicative Valuations do not, and should not be considered to be, estimates of the fair value or potential market value of any of these securities.

# Silverstone

Silverstone											
Trade ID	Deal Description	Asset / Collateral Description	Asset Provider / Seller	Attach Point	Detach Point	Leverage	Maturity	Trigger	Swap MTM	Distance to Trigger	Asset Value
78	LSS Bespoke - IG Corporate	Corporate Bond	Deutsche Bank	15.0%	100.0%	10.0x	03/20/2015	Spread - loss	(44.16)%	5.8%	97.0%
Settlement Liability Notional											
Indicative weighted average asset value											
										Class A	Class E
										1,215,608,561	609,024,136
										52.8%	52.30%
										1,213,062,494	6,077,48,547
										52.30%	52.30%
										175,000,000	1,995,811,041
										52.30%	52.30%

Note: Liabilities arising from paying down the PSF Notes are deducted from the asset value in the above indicative weighted average asset value

- Note: The indicative weighted average asset value of a Series includes Ineligible Assets, where applicable. The Relative Contribution Analysis on p. 35, however, excludes Ineligible Assets

Please note that these values were not provided and are not intended for the purposes of accounting



Note: See glossary of terms in Appendix IV, p. 94

The Indicative Valuations set forth in the table below are JPMorgan’s estimates as of March 4, 2008, and should be regarded as indicative. These Indicative Valuations do not, and should not be considered to be, estimates of the fair value or potential market value of any of these securities.

## SIT III

SIT III															
Trade ID	Deal Description	Asset/Collateral Description	Asset Provider/Seller	Attach Point	Detach Point	Leverage	Maturity	Trigger	Swap MTM	Distance to Trigger	Asset Value	Combined	Series A	Series E	Total
9	LSS Bespoke - IG Corporates	Credit Cards	Deutsche Bank	12.0%	88.0%	10.0x	03/20/2010	50.0%	(9.76)%	40.2%	99.6%	89.8%	200,000,000		200,000,000
10	LSS Bespoke - IG Corporates	Credit Cards	Deutsche Bank	14.0%	54.0%	10.0x	09/20/2012	50.0%	(47.85)%	2.1%	96.0%	48.1%	400,000,000		400,000,000
27	LSS Bespoke - IG Corporates	TRS	Merrill Lynch	20.0%	30.0%	7.0x	09/20/2016	70.0%	(100.00)%	Triggered	94.5%	0.0%	125,000,000	125,000,000	250,000,000
39a	LSS CDX Index	Cash	UBS	15.0%	30.0%	10.9x	12/20/2011	N/A	(73.30)%	N/A	100.0%	26.7%		14,403,292	14,403,292
39b	LSS CDX Index	Cash	UBS	15.0%	30.0%	10.9x	12/20/2013	N/A	(73.30)%	N/A	100.0%	26.7%		149,794,239	149,794,239
39c	LSS CDX Index	Cash	UBS	15.0%	30.0%	10.9x	12/20/2016	N/A	(73.30)%	N/A	100.0%	26.7%		35,802,469	35,802,469
51	Synthetic Corp CDO Squared with ABS Exposure	TRS	HSBC	3.8%	5.8%	1.0x	03/20/2010	N/A	(21.71)%	N/A	98.5%	76.8%	75,000,000	50,000,000	125,000,000
69	Synthetic HY Corporate CDO	Credit Cards	Bank of America	5.5%	7.0%	1.0x	03/20/2011	N/A	(4.28)%	N/A	97.6%	93.3%	156,763,434		156,763,434
69b	Synthetic HY Corporate CDO	Credit Cards	Bank of America	5.5%	7.0%	1.0x	03/20/2011	N/A	(4.28)%	N/A	98.1%	93.8%	43,236,566		43,236,566
86	LSS Bespoke - IG Corporates	Canadian Credit Cards	CIBC	20.0%	50.0%	10.0x	03/20/2013	Spread/Loss	(55.37)%	N/A	96.0%	40.6%	250,000,000	250,000,000	500,000,000
87	SCDO Bespoke - IG Corporates	Canadian RMBS	RBC	6.9%	7.2%	1.0x	03/20/2012	N/A	(25.16)%	N/A	98.0%	72.8%	75,000,000	75,000,000	150,000,000
88	LSS Bespoke - IG Corporates	TRS	RBS	30.0%	60.0%	10.0x	12/20/2012	Spread/Loss	(26.43)%	N/A	96.6%	70.2%	184,000,000	46,000,000	230,000,000
184	US Trust Preferred CDO	US Trust Preferred CDO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	77.5%	77.5%	108,200,000		108,200,000
185	SCDO Bespoke -IG Corporates	TRS	Merrill Lynch	15.0%	25.0%	1.0x	03/20/2012	N/A	(15.27)%	N/A	97.1%	81.9%	124,500,000	124,500,000	249,000,000
214	Cash	Cash	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	100.0%	349,798,238	198,034,148	547,832,386
261	Affected CP - Planet Series A	Affected CP - Planet Series A	Coventree	N/A	N/A	N/A	N/A	N/A	N/A	N/A	18.3%	18.3%	26,833,000		26,833,000
245	Affected CP - Gemini Series A	Affected CP - Gemini Series A	Coventree	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	100.0%	27,124,000		27,124,000
Settlement Liability Notional													1,695,995,238	1,068,534,148	2,764,489,385
Indicative weighted average asset value													71.43%	54.29%	

- Note: Trade 39, originally a 9.00x levered, CAD 200mm LSS bespoke trade, will be converted upon the closing of the Restructuring to a combination of 3 index LSS swaps (with a combined notional of CAD 200mm). The revised swaps shown above are used to calculate relative contribution. Below are details of the original (current) UBS swap
- Trade 69: Swap indicative mark-to-market reflects changes to the swap detailed on p. 38 and below

### Original (current) UBS trade with SIT III, Series E

Trade ID	Deal Description	Asset/Collateral Description	Asset Provider/Seller	Attach Point	Detach Point	Leverage	Maturity	Trigger	Swap MTM	Distance to Trigger	Asset Value	Combined	Series A	Series E	Total
39	LSS Bespoke - IG Corporates	Cash	UBS	20.0%	50.0%	9.0x	12/20/2012	60.0%	(73.30)%	Triggered	100.0%	26.7%		200,000,000	200,000,000

### Original (current) Bank of America trade with SIT III, Series E

Trade ID	Deal Description	Asset/Collateral Description	Asset Provider/Seller	Attach Point	Detach Point	Leverage	Maturity	Trigger	Swap MTM	Distance to Trigger	Asset Value	Combined	Series A	Series E	Total
69	Synthetic CDO Squared of HY Corporate, AAA Muni, and AAA CMBs	Credit Cards	Bank of America	5.5%	7.0%	1.0x	03/20/2011	N/A	(6.55)%	N/A	97.7%	91.55%	200,000,000		200,000,000

- Note: The indicative weighted average asset value of a Series includes Ineligible Assets, where applicable. The Relative Contribution Analysis on p. 35, however, excludes Ineligible Assets

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The Indicative Valuations set forth in the table below are JPMorgan's estimates as of March 4, 2008, and should be regarded as indicative. These Indicative Valuations do not, and should not be considered to be, estimates of the fair value or potential market value of any of these securities.

# Slate

## Slate

Trade ID	Deal Description	Asset/Collateral Description	Asset Provider / Seller	Attach Point	Detach Point	Leverage	Maturity	Trigger	Swap MTM	Distance to Trigger	Asset Value	Combined	Series A-1 (USD)	Series E-1 (USD)	Liquidity Liability	Total
168	Private Canadian CMBS	Private Canadian CMBS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	96.4%	96.4%	9,313,633		15,923,149	25,236,782
169	US Alt-A	US Alt-A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	68.9%	68.9%	44,080,377	12,481,481		56,562,058
170	US Alt-A	US Alt-A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	82.4%	82.4%	88,048,076	6,917,704		94,966,380
171	US Alt-A	US Alt-A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	67.7%	67.7%	60,034,146	18,062,161		78,096,307
172	US Alt-A	US Alt-A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	75.4%	75.4%	57,896,096	1,187,487		59,083,583
173	Canadian CMBS IO	Canadian CMBS IO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	77.3%	77.3%	5,579,033			5,579,033
174	Canadian CMBS IO	Canadian CMBS IO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	69.0%	69.0%	10,792,791			10,792,791
175	Canadian CMBS IO	Canadian CMBS IO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	74.7%	74.7%	20,695,419			20,695,419
176	Canadian CMBS IO	Canadian CMBS IO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	74.8%	74.8%	18,965,846			18,965,846
177	US Alt-A	US Alt-A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	82.4%	82.4%	82,052,065			82,052,065
178	US Home Equity	US Home Equity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	75.0%	75.0%	4,980,690			4,980,690
179	US Home Equity	US Home Equity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	75.0%	75.0%	20,267,842			20,267,842
180	US Home Equity	US Home Equity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	89.8%	89.8%	3,464,101	9,388,671		12,852,772
182	US Home Equity	US Home Equity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	75.0%	75.0%		6,143,887		6,143,887
241	Cash	Cash	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	100.0%	33,695,452			33,695,452
Settlement Liability Notional																
Indicative weighted average asset value																
													125,061,150	432,005,845	15,923,149	572,990,144
													88.20%	77.37%	96.40%	

- Note: The indicative weighted average asset value of a Series includes Ineligible Assets, where applicable. The Relative Contribution Analysis on p. 35, however, excludes Ineligible Assets

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The Indicative Valuations set forth in the table below are JPMorgan's estimates as of March 4, 2008, and should be regarded as indicative. These Indicative Valuations do not, and should not be considered to be, estimates of the fair value or potential market value of any of these securities.

# Symphony

Symphony

Trade ID	Deal Description	Asset/Collateral Description	Asset Provider/Seller	Attach Point	Detach Point	Leverage	Maturity	Trigger	Swap MTM	Distance to Trigger	Asset Value	Combined	Series A	Series E	Total
18	LSS Bespoke - IG Corporates	Bank BA's and BDNs	Deutsche Bank	15.0%	85.0%	10.0x	06/20/2012	50.0%	(38.35)%	11.7%	100.0%	61.7%	187,500,000		187,500,000
19	LSS CDX Index	Bank BA's and BDNs	Deutsche Bank	30.0%	65.0%	40.0x	06/20/2010	50.0%	(53.54)%	Triggered	100.0%	46.5%	150,000,000		150,000,000
20	LSS CDX Index	Bank BA's and BDNs	Deutsche Bank	10.0%	15.0%	8.5x	12/20/2012	47.3%	(71.75)%	Triggered	100.0%	28.3%	175,000,000		175,000,000
30	LSS Bespoke - IG Corporates	TRS	Merrill Lynch	14.3%	19.3%	5.0x	12/20/2016	70.0%	(100.00)%	Triggered	94.4%	0.0%		125,000,000	125,000,000
46	LSS Bespoke - IG Corporates	TRS	HSBC	30.0%	100.0%	20.0x	03/20/2013	50.0%	(53.96)%	Triggered	96.5%	42.5%		125,000,000	125,000,000
47	LSS Bespoke - IG Corporates	TRS	HSBC	15.0%	50.0%	6.0x	09/20/2012	50.0%	(42.80)%	7.2%	96.8%	54.0%	350,000,000	100,000,000	450,000,000
189	Canadian CMBS	Canadian CMBS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	90.5%	90.5%		140,000,000	140,000,000
190	Canadian CMBS	Canadian CMBS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	90.6%	90.6%		112,000,000	112,000,000
191	Canadian CMBS	Canadian CMBS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	89.0%	89.0%		100,000,000	100,000,000
200	Canadian Auto Leases	Canadian Auto Leases	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	97.9%	97.9%	38,078,499		38,078,499
205	Cash	Cash	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100.0%	100.0%	173,478,380	128,083,492	301,561,872
Settlement Liability Notional													1,074,056,879	830,083,492	1,904,140,371
Indicative weighted average asset value													59.07%	66.56%	

- Note: The indicative weighted average asset value of a Series includes Ineligible Assets, where applicable. The Relative Contribution Analysis on p. 35, however, excludes Ineligible Assets

Please note that these values were not provided and are not intended for the purposes of accounting

The Indicative Valuations set forth in the table below are JPMorgan’s estimates as of March 4, 2008, and should be regarded as indicative. These Indicative Valuations do not, and should not be considered to be, estimates of the fair value or potential market value of any of these securities.

# Whitehall

Whitehall

Trade ID	Deal Description	Asset / Collateral Description	Asset Provider / Seller	Attach Point	Detach Point	Leverage	Maturity	Trigger	Swap MTM	Distance to Trigger	Asset Value	Series A			Total	
												Class A	Class E	Class FRN 1		
59	LSS Bespoke - ABS/Corporates	MTN	Deutsche Bank	15.0%	80.0%	10.0x	09/20/2015	50.0%	(54.09%)	Triggered	97.0%	475,823,493	102,813,384	100,713,414	750,000,000	
60	LSS Bespoke - ABS/Corporates	MTN	Deutsche Bank	15.0%	80.0%	10.0x	12/20/2015	50.0%	(54.21%)	Triggered	97.0%	475,823,493	102,813,384	100,713,414	750,000,000	
61	LSS Bespoke - ABS/Corporates	MTN	Deutsche Bank	15.0%	70.0%	10.0x	12/20/2015	50.0%	(63.47%)	Triggered	97.0%	317,215,662	68,542,256	67,142,276	500,000,000	
62	LSS Bespoke - ABS/Corporates	MTN	Deutsche Bank	15.0%	70.0%	10.0x	12/20/2015	50.0%	(63.47%)	Triggered	97.0%	158,607,831	34,271,128	33,571,138	250,000,000	
63	LSS Bespoke - ABS/Corporates	MTN	Deutsche Bank	15.0%	70.0%	10.0x	12/20/2015	50.0%	(63.28%)	Triggered	97.1%	158,607,831	34,271,128	33,571,138	250,000,000	
Settlement Liability Notional												1,582,717,366	341,985,067	335,000,000	235,000,000	2,494,702,433
Indicative weighted average asset value												39.23%	39.23%	39.23%	39.23%	

■ Note: The indicative weighted average asset value of a Series includes Ineligible Assets, where applicable. The Relative Contribution Analysis on p. 35, however, excludes Ineligible Assets

Please note that these values were not provided and are not intended for the purposes of accounting

# Agenda

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# Pricing process - synthetic CDOs

## Overview of pricing process

- JPMorgan's valuation team received official (signed) trade confirmations for each of the Credit Default Swaps in the Affected Conduits
- All economic trade level data was extracted from the confirmations, and used to create Aladdin files for each credit default swap
  - JPMorgan attempted to update any information that may have changed from the original confirmation (e.g. substitution, etc.)
- Aladdin is JPMorgan's proprietary model used by the Credit Hybrids trading desk to price synthetic CDO tranche transactions

## Asset Provider confirms

- Trade level data (Attachment, Detachment, maturity, notional, etc.) was extracted by the valuation team
- Reference entity data was also extracted directly from PDF'd, signed confirmations, with help from the production team
- Each transaction was assigned a JPMorgan ID and catalogued

## Credit Hybrids Aladdin input file

- Aladdin input files generated for each of the CDS transactions with
  - Reference Entity data (4-key combination: SPN, currency, seniority, restructuring for each reference entity)
  - Trade level data (Attachment point, Detachment point, notional, etc.)

Schedule A

Reference Entity	Senior/ Subordinated	Reference Entity Type	Monoline Positions Allocable (Yes/No)
ACCOR	Senior	Western European Investment Grade	No
ACE LIMITED	Senior	North American Investment Grade	No
Adecco S.A.	Senior	Western European Investment Grade	No
Aknebolaget Electrolux	Senior	Western European Investment Grade	No
AKZO Nobel N.V.	Senior	Western European Investment Grade	No
Alberlson's, Inc.	Senior	North American Investment Grade	No
ALLTEL Corporation	Senior	North American Investment Grade	No
Altria Group, Inc.	Senior	North American Investment Grade	No
American Axle & Manufacturing, Inc.	Senior	North American Investment Grade	No
AMERICAN ELECTRIC POWER COMPANY, INC.	Senior	North American Investment Grade	No
ARCELOR FINANCE	Senior	Western European Investment Grade	No
Arrow Electronics, Inc.	Senior	North American Investment Grade	No
AutoZone, Inc.	Senior	North American Investment Grade	No
Bertelsmann AG	Senior	Western European Investment Grade	No

CDO Portfolio (with Tranches)										* curve info *		* JIP *		* LE *	
Trade Item										Trade Item		Trade Item		Trade Item	
Portfolio Item										Portfolio Item		Portfolio Item		Portfolio Item	
Id	Status	Reference	Name	SPN	Cy	Security	Cash Type	Is Proxy?	Ref Name	Ref Date	Weight	ISIN	ISIN	ISIN	ISIN
1	E	152226	USDCENTURYTEL, INC.	152226	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
2	E	152227	USDCENTURYTEL, INC.	152227	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
3	E	152228	USDCENTURYTEL, INC.	152228	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
4	E	152229	USDCENTURYTEL, INC.	152229	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
5	E	152230	USDCENTURYTEL, INC.	152230	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
6	E	152231	USDCENTURYTEL, INC.	152231	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
7	E	152232	USDCENTURYTEL, INC.	152232	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
8	E	152233	USDCENTURYTEL, INC.	152233	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
9	E	152234	USDCENTURYTEL, INC.	152234	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
10	E	152235	USDCENTURYTEL, INC.	152235	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
11	E	152236	USDCENTURYTEL, INC.	152236	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
12	E	152237	USDCENTURYTEL, INC.	152237	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
13	E	152238	USDCENTURYTEL, INC.	152238	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
14	E	152239	USDCENTURYTEL, INC.	152239	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
15	E	152240	USDCENTURYTEL, INC.	152240	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
16	E	152241	USDCENTURYTEL, INC.	152241	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
17	E	152242	USDCENTURYTEL, INC.	152242	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
18	E	152243	USDCENTURYTEL, INC.	152243	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
19	E	152244	USDCENTURYTEL, INC.	152244	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
20	E	152245	USDCENTURYTEL, INC.	152245	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
21	E	152246	USDCENTURYTEL, INC.	152246	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
22	E	152247	USDCENTURYTEL, INC.	152247	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
23	E	152248	USDCENTURYTEL, INC.	152248	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
24	E	152249	USDCENTURYTEL, INC.	152249	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
25	E	152250	USDCENTURYTEL, INC.	152250	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
26	E	152251	USDCENTURYTEL, INC.	152251	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
27	E	152252	USDCENTURYTEL, INC.	152252	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
28	E	152253	USDCENTURYTEL, INC.	152253	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
29	E	152254	USDCENTURYTEL, INC.	152254	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
30	E	152255	USDCENTURYTEL, INC.	152255	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
31	E	152256	USDCENTURYTEL, INC.	152256	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
32	E	152257	USDCENTURYTEL, INC.	152257	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
33	E	152258	USDCENTURYTEL, INC.	152258	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
34	E	152259	USDCENTURYTEL, INC.	152259	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
35	E	152260	USDCENTURYTEL, INC.	152260	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
36	E	152261	USDCENTURYTEL, INC.	152261	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
37	E	152262	USDCENTURYTEL, INC.	152262	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
38	E	152263	USDCENTURYTEL, INC.	152263	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
39	E	152264	USDCENTURYTEL, INC.	152264	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
40	E	152265	USDCENTURYTEL, INC.	152265	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
41	E	152266	USDCENTURYTEL, INC.	152266	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
42	E	152267	USDCENTURYTEL, INC.	152267	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
43	E	152268	USDCENTURYTEL, INC.	152268	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
44	E	152269	USDCENTURYTEL, INC.	152269	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
45	E	152270	USDCENTURYTEL, INC.	152270	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
46	E	152271	USDCENTURYTEL, INC.	152271	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
47	E	152272	USDCENTURYTEL, INC.	152272	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
48	E	152273	USDCENTURYTEL, INC.	152273	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
49	E	152274	USDCENTURYTEL, INC.	152274	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
50	E	152275	USDCENTURYTEL, INC.	152275	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
51	E	152276	USDCENTURYTEL, INC.	152276	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
52	E	152277	USDCENTURYTEL, INC.	152277	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
53	E	152278	USDCENTURYTEL, INC.	152278	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
54	E	152279	USDCENTURYTEL, INC.	152279	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
55	E	152280	USDCENTURYTEL, INC.	152280	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
56	E	152281	USDCENTURYTEL, INC.	152281	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
57	E	152282	USDCENTURYTEL, INC.	152282	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
58	E	152283	USDCENTURYTEL, INC.	152283	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
59	E	152284	USDCENTURYTEL, INC.	152284	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
60	E	152285	USDCENTURYTEL, INC.	152285	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
61	E	152286	USDCENTURYTEL, INC.	152286	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
62	E	152287	USDCENTURYTEL, INC.	152287	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
63	E	152288	USDCENTURYTEL, INC.	152288	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
64	E	152289	USDCENTURYTEL, INC.	152289	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
65	E	152290	USDCENTURYTEL, INC.	152290	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
66	E	152291	USDCENTURYTEL, INC.	152291	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
67	E	152292	USDCENTURYTEL, INC.	152292	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
68	E	152293	USDCENTURYTEL, INC.	152293	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
69	E	152294	USDCENTURYTEL, INC.	152294	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
70	E	152295	USDCENTURYTEL, INC.	152295	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
71	E	152296	USDCENTURYTEL, INC.	152296	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
72	E	152297	USDCENTURYTEL, INC.	152297	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
73	E	152298	USDCENTURYTEL, INC.	152298	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
74	E	152299	USDCENTURYTEL, INC.	152299	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
75	E	152300	USDCENTURYTEL, INC.	152300	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
76	E	152301	USDCENTURYTEL, INC.	152301	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
77	E	152302	USDCENTURYTEL, INC.	152302	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
78	E	152303	USDCENTURYTEL, INC.	152303	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
79	E	152304	USDCENTURYTEL, INC.	152304	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
80	E	152305	USDCENTURYTEL, INC.	152305	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
81	E	152306	USDCENTURYTEL, INC.	152306	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
82	E	152307	USDCENTURYTEL, INC.	152307	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
83	E	152308	USDCENTURYTEL, INC.	152308	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
84	E	152309	USDCENTURYTEL, INC.	152309	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
85	E	152310	USDCENTURYTEL, INC.	152310	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
86	E	152311	USDCENTURYTEL, INC.	152311	USD	Senior Unsecured	CD394E	N			0.0100	48.17%	0.0100	48.17%	0.0100
87	E														

# Pricing process, cont.

## Moving from indicative portfolio pricing to precise stream creation

- Cash flow “streams” worksheets were generated for all trades by entering the trade specifics in Aladdin as listed in the trade confirms
- All trade details were reviewed by two members of the valuation team, and checked against the master spreadsheet before being booked into Pyramid
- Pyramid is JPMorgan’s credit hybrids system which is used to book all synthetic CDO tranche transactions after completion of pricing in Aladdin
- Pyramid monitors the value and risk characteristics of booked transactions on a daily basis

## Generated cashflow streams in Aladdin

- Components of the cashflow streams include: maturity, payment dates, payment frequency, coupon, tranche Attachment/Detachment, etc.
- Accuracy of basic economic inputs (against a spreadsheet populated from the confirms)
- Repricing (checked against previous Aladdin sheet valuations)

CDO Streams										CAD										Portfolio: Portfolio (1)										Trade: CDO CDO (1)									
Today 14-Sep-2007																																							
Trade Name CDO (001.1)																																							
Curity Charge 0																																							
CDO Price -14,355,596																																							
USD Price -14,853,371																																							
Aladdin										Aladdin										Secondary Active										Trade Active									

# Assumptions and valuation methodology

## Methodology—Synthetic CDOs

- JPMorgan uses a Gaussian Copula correlation framework to indicatively value synthetic CDO tranches (portfolio credit default swaps)
  - Inputs to the model include: Credit default swap premiums, recovery rates for each of the underlying reference entities, as well as interest rates, maturity, Attachment point, Detachment point, and correlation
    - All model inputs used in valuation were levels as marked by the appropriate JPMorgan trading desk
  - Correlation is the most challenging input as it is the least observable
  - The correlation used in this framework represents the correlation between the indicative net asset value of each reference credit to the indicative net asset value of the portfolio of reference credits as a whole
    - Note: Practically, these correlations would be difficult to obtain, but the market trades using implied correlations derived from market prices as described below
- The correlations used to price tranches in JPMorgan's Gaussian Copula model are base correlations
  - A base correlation is the correlation used to price the equity tranche up to a given Detachment point
  - A mezzanine or senior tranche will be defined by two base correlation numbers (i.e. a 7–10% tranche will have a 0–7% correlation and a 0–10% correlation)
    - Changing either of these correlations will affect the price of the tranche
    - In the example above, these correlations allow us to indicatively value the 0–7% tranche and the 0–10% tranche; the Indicative Value of the 7–10% mezzanine tranche is then the difference in Indicative Values of the 0–10% equity tranche less the Indicative Value of the 0–7% equity tranche
- Correlation curves for credit derivative indices are derived from observable tranche prices for the relevant index
  - This correlation curve is also applied to portfolios similar to the index
- Correlations for bespoke (customized) portfolios are calibrated using a combination of index tranche pricing and observable traded levels (either with clients or the street) of similar bespoke portfolios
  - The bespoke tranche market is active enough to give us confidence around the calibrated levels
  - At JPMorgan, we calibrate different correlation curves at different Spread levels within each geographical region, and at each standard maturity (3-yr, 5-yr, 7-yr, 10-yr)
    - While each Asset Provider has a different approach, most Asset Providers' methodologies provide similar results
    - Benchmark Spread levels are defined relative to the indices
    - Most credits are mapped to Europe or North America, including Asia/Japan/EM
  - For rare instances, such as all-financial portfolios, JPMorgan applies a separate correlation curve. No adjustments are made to base correlations for historical pair-wise correlations or industry concentrations in other instances



# Assumptions and valuation methodology, cont.

## Methodology—Synthetic CDOs (cont'd)

- Correlations are interpolated between Attachment points using a cubic spline
- For portfolios with multiple regions, or which fall between benchmark Spread levels or between On-the-run maturities, we take a weighted average of the correlations for each available correlation curve (i.e. a portfolio which is 50% European and 50% North American will use the average of correlations from the European and North American benchmarks)
- Pricing CDO Squared tranches
  - A CDO Squared is a CDO whose reference obligations are CDO tranches themselves
    - The first loss of the CDO Squared does not incur a loss until one of the inner tranches incurs a loss; Hence the CDO Squared benefits from the subordination of each of the inner CDO tranches
  - In order to price a CDO Squared we run a Monte Carlo simulation model
    - This model uses the generic Credit Metrics methodology (as opposed to the Base Correlation framework described earlier)
    - The Monte Carlo simulations give us a distribution of losses for the CDO Squared
    - We use this distribution to find a combination of three tranches on the “large pool” of corporates which has a very similar distribution of losses as the CDO Squared
      - This “large pool” is effectively one portfolio comprising all of the reference entities from each of the inner CDO portfolios with credit positions equal to the sum of the credit positions of each reference entity across the inner CDO portfolios
    - This 3 tranche combination is priced in our Base Correlation framework to obtain market prices and sensitivities on the CDO Squared

# Assumptions and valuation methodology, cont.

## Assumptions—Synthetic CDOs

- Compressed Super Senior Tranches (i.e. tranches which detach above 30% but below 100%)
  - The liquid index SS tranche is the 30–100% tranche, so correlations are not calibrated for any points between 30% and 100%
  - The output provided by the model for compressed SS trades may not result in market-clearing prices
    - Often there is little to no Spread in the upper portion of the tranche (i.e. 60–100%)
  - In this case, we manually allocate Spread between the 30–60% and 60–100% tranches
    - Depending on the Spread and maturity of the tranche, the fair Indicative Value of the 60–100% tranche will be set to 40–50% of the fair Indicative Value of the 30–100% tranche
      - The 60–100% tranche Spread is assumed to be flat (i.e. the 60–70% has the same Spread as the 60–100%)
    - Within the 30–60% tranche, we assume either a slightly downward sloping Spread, or a flat Spread, depending on the Spread and maturity of the tranche, as well as the Spread of the tranches just below the 30–100% tranche (i.e. 15–30%, 25–30%)
- Credits/Curves not in JPMorgan's database
  - For credits which do not have CDS marked in JPMorgan's systems, we searched for a proxy with similar Spread (where available), and if possible similar industry, region and Rating
    - In some cases, the proxy used was the parent or subsidiary of the entity provided, or a different seniority for the same entity
    - If restructuring type (i.e. Modified Restructuring, etc.) provided was not in the JPMorgan database, we used the primary (i.e. most liquid) restructuring type as marked by JPMorgan's flow CDS traders
    - We searched the MarkIt Partners' website for the corresponding Spread of the entity provided, to use as an override for the proxy
    - If Spreads were not available on MarkIt, we used the Spread of the selected proxy as marked in JPMorgan's system

# Assumptions and valuation methodology, cont.

## Methodology—Traditional Assets/Trust Collateral

- Whole-Loan
  - Market based approach to base-line creation of securitization valuation with emphasis on adjustments to account for market acceptance, originator, servicer, loan type and structure
  - Assess credit through collateral strats/layered risk components
    - Break out collateral into homogeneous pools/categories
    - Create replines for each category
  - Run proprietary loss/prepay vectors
  - Analyze structure of pool
    - If bond sizes are not provided by rating agency, produce loss coverage levels from internal models and generate bond sizes based on market spread assumptions
    - Use bond Spreads and bond sizes to determine cash proceeds
  - Derive residual value
    - Determine sensitivity of residual based on various prepayment and loss stresses
    - Evaluate market conditions to determine appropriate yield to discount residual cash flow
  - Final valuation
    - Cash proceeds less upfront expenses plus residual value
    - Adjust for servicing if necessary
- Residual valuation
  - Performance analysis
    - Use monthly collateral tapes and remittance reports to assess current pool status (i.e. delinquency, REO, cumulative loss)
    - Run proprietary model for prepayment and loss curves
    - Evaluation of current market conditions (HPA)
    - Finalize assessment of performance and credit profile of the pool
  - Cash flow analysis
    - Triggers passing or failing
    - Cash flows front loaded or back ended
  - Apply market yield
    - Formulate base case stress scenario coupled with forward LIBOR curve
    - Derive grid using multiples of base case
    - Yield determined by evaluating different stress scenarios and market comps

# Assumptions and valuation methodology, cont.

## Methodology—Traditional Assets/Trust Collateral (cont'd)

- Bonds
  - Similar methodology to residuals and whole loans
  - Additional factors include
    - Bid/Ask Price for given Rating
    - Spread to benchmark
    - Market price
- Commercial mortgages
  - Valued the various portfolios through internal and external research
  - Collateral review based on CMBS securitizations rated by DBRS for comparability of portfolios presented vs. securitized products
    - Identify similar pools and structure for assessing subordination levels
    - Isolating property types and DBRS treatment of the individual property type
  - Running collateral data including cash flows and monthly payments through an internal model in order to tranch collateral pools
  - Determine appropriate subordination levels
    - Analyze DBRS presales in comparison to individual pools
    - Analyze internal model's results on individual pools
    - Compare results of modeled information on individual pools to pools rated by DBRS
    - Adjust levels based on weighting of property types and credit characteristics
  - Final subordination levels
- CMBS valuation
  - Supply information to trading desk
    - Class sizes
    - Loan terms
    - Collateral cash flows
  - Modeling assumptions
    - Each class Spread is run to C\$ Swaps except the IOs which are run to C\$ Treasury
    - The balances are rounded down to the nearest \$1,000 per standard CMBS conventions
    - Minor adjustments were made to individual loans based on corrected amortization schedules

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# Selected explanations of tables, graphs and charts

## Explanations

- P. 7, graph 1:
  - The graph plots daily mid-market CDX Series 8 (the On-the-run, or current, index at the time) closing levels from June 1, 2007 to August 31, 2007. CDX Series 8 was launched March 20, 2007 and is composed of 125 equally weighted investment grade credits.
  - The graph illustrates the credit market sell-off experienced in the summer of 2007
- P. 7, graph 2:
  - The graph plots daily mid-market CDX Series 8 30-100% tranche Spreads from June 1, 2007 to August 31, 2007. The 30-100%, or Super Senior tranche, takes exposure to realized losses in CDX Series 8 in excess of 30%.
  - The graph indicates that Super Senior Spreads increased 400% over the period, due in part to concerns over LSS unwinds by the Affected Conduits
- P. 9:
  - The graph plots mid-market closing Spreads for the on-the run CDX index against Super Senior Spreads from June 1, 2007 to present. A new series of the CDX index is released each 6 months (March 20 and September 20). The most recently launched index is referred to as the 'On-the-run' index. CDX Series 8 was the On-the-run index from 3/20/07 until 9/20/07. CDX Series 9 is the current On-the-run index.
  - The graph illustrates the increased widening of Spreads from June 2007 to March 2008
- P. 28:
  - The analysis represents the portions of risk that comprise the current aggregate Leveraged Super Senior transactions
    - Current posted collateral is the amount of assets currently supporting LSS trades
    - Traditional & Unlevered collateral represents 'Traditional' cash assets and Unlevered Synthetic CDOs that will be pledged as additional collateral to support LSS trades in the event of future Margin Calls by Asset Providers
    - The margin funding commitment has been arranged to meet Collateral Calls in excess of the current posted collateral and Traditional and Unlevered collateral. The MAV1 margin funding commitment will be provided by Investors who will self-insure. Asset Providers, Canadian Banks and Investors, will provide the MAV 2 margin funding commitment through a Margin Funding Facility for MAV2
  - The analysis indicates that the aggregate average leverage of the Leveraged Super Senior transactions is approximately 12.5 times, but that the addition of Traditional and Unlevered Collateral and the presence of the margin funding commitment reduce leverage in the LSS trades to approximately 5.5 times



# Spread-loss margin Triggers for Restructured Notes

Spread-loss Trigger matrix: 10 year CDX7 (12/20/16 maturity)											
	Years remaining to maturity										
	9	8.67	8	7	6	5	4	3	2	1	0
0% loss	3.720%	3.927%	4.340%	5.510%	6.860%	8.960%	9.455%	10.889%	14.862%	15.936%	17.422%
2% loss	3.453%	3.645%	4.030%	5.110%	6.343%	8.752%	9.136%	10.778%	14.763%	15.820%	17.299%
4% loss	3.187%	3.365%	3.720%	4.710%	5.827%	7.577%	8.879%	10.645%	14.067%	14.568%	15.939%
6% loss	3.170%	3.333%	3.660%	4.310%	5.240%	6.641%	7.880%	9.696%	12.861%	13.370%	14.642%
8% loss	2.230%	2.480%	2.980%	4.180%	4.900%	5.608%	6.792%	7.418%	10.684%	12.887%	14.042%
10% loss	2.050%	2.137%	2.310%	3.870%	4.360%	4.610%	5.920%	6.819%	10.588%	12.726%	13.945%
12% loss	1.715%	1.907%	2.292%	3.058%	3.440%	3.617%	4.776%	6.080%	9.917%	11.982%	13.137%

Note: Highlighted Trigger Spread levels are interpolated as of April 20th (expected close). If the Restructuring closes before or after April 20th, the Trigger on that date and going forward is linearly interpolated based on the time elapsed between the two respective years on the matrix

## Description

- The Spread-loss matrix shows the CDX IG7 index Spreads at a given index maturity (x-axis) and the amount of losses (after recovery) in the CDX IG7 (Y-axis), that need to be reached for the matrix to be “breached”
- Linear Interpolation applies throughout. For example, on June 20, 2008 (8.5 years from the December 20, 2016 maturity) with no index realized losses, the relevant spread trigger would be halfway between 372bps and 434bps. The same methodology applies to the points on the Y-axis (i.e. if there is a 1% loss after recovery)
- The above Spread-loss matrix has been determined after consulting DBRS and the Asset Providers
- The remaining 5 Spread-loss matrices can be found on the subsequent pages

# Spread-loss margin Triggers for Restructured Notes, cont.

**Spread-loss Trigger matrix: 7 year CDX7 (12/20/13 maturity)**

	Years remaining to maturity							
	6	5.67	5	4	3	2	1	0
0% loss	3.060%	3.410%	4.110%	6.290%	7.840%	9.08%	9.50%	9.99%
2% loss	2.860%	3.227%	3.960%	6.090%	7.590%	8.88%	9.19%	9.90%
4% loss	2.760%	3.110%	3.810%	5.890%	7.390%	7.75%	8.94%	9.77%
6% loss	2.570%	2.883%	3.510%	5.440%	6.640%	6.85%	7.93%	8.91%
8% loss	1.830%	2.073%	2.560%	4.740%	5.390%	5.52%	6.70%	6.85%
10% loss	1.540%	1.635%	1.826%	3.946%	4.580%	4.56%	5.66%	6.25%
12% loss	1.300%	1.381%	1.543%	2.926%	3.328%	3.22%	4.17%	5.11%

Note: Highlighted Trigger Spread levels are interpolated as of April 20th (expected close). If the Restructuring closes before or after April 20th, the Trigger on that date and going forward is linearly interpolated based on the time elapsed between the two respective years on the matrix

**Spread-loss Trigger matrix: 5 year CDX7 (12/20/11 maturity)**

	Years remaining to maturity					
	4	3.67	3	2	1	0
0% loss	3.959%	4.168%	4.585%	5.878%	9.029%	9.378%
2% loss	3.646%	3.824%	4.181%	5.356%	8.819%	9.056%
4% loss	3.333%	3.481%	3.777%	4.835%	7.633%	8.796%
6% loss	3.323%	3.461%	3.737%	4.676%	6.687%	7.787%
8% loss	2.677%	2.997%	3.636%	4.626%	5.290%	6.486%
10% loss	2.576%	2.896%	3.535%	4.525%	5.189%	6.385%

Note: Highlighted Trigger Spread levels are interpolated as of April 20th (expected close). If the Restructuring closes before or after April 20th, the Trigger on that date and going forward is linearly interpolated based on the time elapsed between the two respective years on the matrix

# Spread-loss margin Triggers for Restructured Notes, cont.

**Spread-loss Trigger matrix: 10 year CDX5 (12/20/15 maturity)**

	Years remaining to maturity									
	8	7.67	7	6	5	4	3	2	1	0
0% loss	3.750%	3.957%	4.370%	6.490%	7.840%	10.210%	10.555%	11.789%	12.662%	13.036%
2% loss	3.483%	3.675%	4.060%	6.090%	7.323%	10.002%	10.236%	11.678%	12.563%	12.920%
4% loss	3.217%	3.395%	3.750%	5.690%	6.807%	8.827%	9.979%	11.545%	11.867%	11.668%
6% loss	2.950%	3.113%	3.440%	5.290%	6.290%	7.891%	8.980%	10.596%	10.661%	10.470%
8% loss	2.000%	2.250%	2.750%	5.000%	5.850%	6.508%	7.692%	8.318%	8.484%	9.987%
10% loss	1.820%	1.907%	2.080%	4.740%	5.260%	5.510%	6.820%	7.719%	8.388%	9.826%
12% loss	1.485%	1.677%	2.062%	3.928%	4.340%	4.517%	5.676%	6.980%	7.717%	9.082%

Note: Highlighted Trigger Spread levels are interpolated as of April 20th (expected close). If the Restructuring closes before or after April 20th, the Trigger on that date and going forward is linearly interpolated based on the time elapsed between the two respective years on the matrix

**Spread-loss Trigger matrix: 7 year CDX5 (12/20/12 maturity)**

	Years remaining to maturity						
	5	4.67	4	3	2	1	0
0% loss	4.600%	4.890%	5.470%	5.990%	7.110%	10.310%	10.655%
2% loss	4.333%	4.609%	5.160%	5.590%	6.593%	10.102%	10.336%
4% loss	4.067%	4.328%	4.850%	5.190%	6.077%	8.927%	10.079%
6% loss	3.800%	4.013%	4.440%	4.690%	5.560%	7.991%	9.080%
8% loss	2.800%	3.100%	3.700%	4.790%	5.330%	6.608%	7.792%
10% loss	2.620%	2.757%	3.030%	4.610%	4.880%	5.610%	6.920%
12% loss	2.285%	2.527%	3.012%	3.598%	3.960%	4.417%	5.576%

Note: Highlighted Trigger Spread levels are interpolated as of April 20th (expected close). If the Restructuring closes before or after April 20th, the Trigger on that date and going forward is linearly interpolated based on the time elapsed between the two respective years on the matrix

## Spread-loss margin Triggers for Restructured Notes, cont.

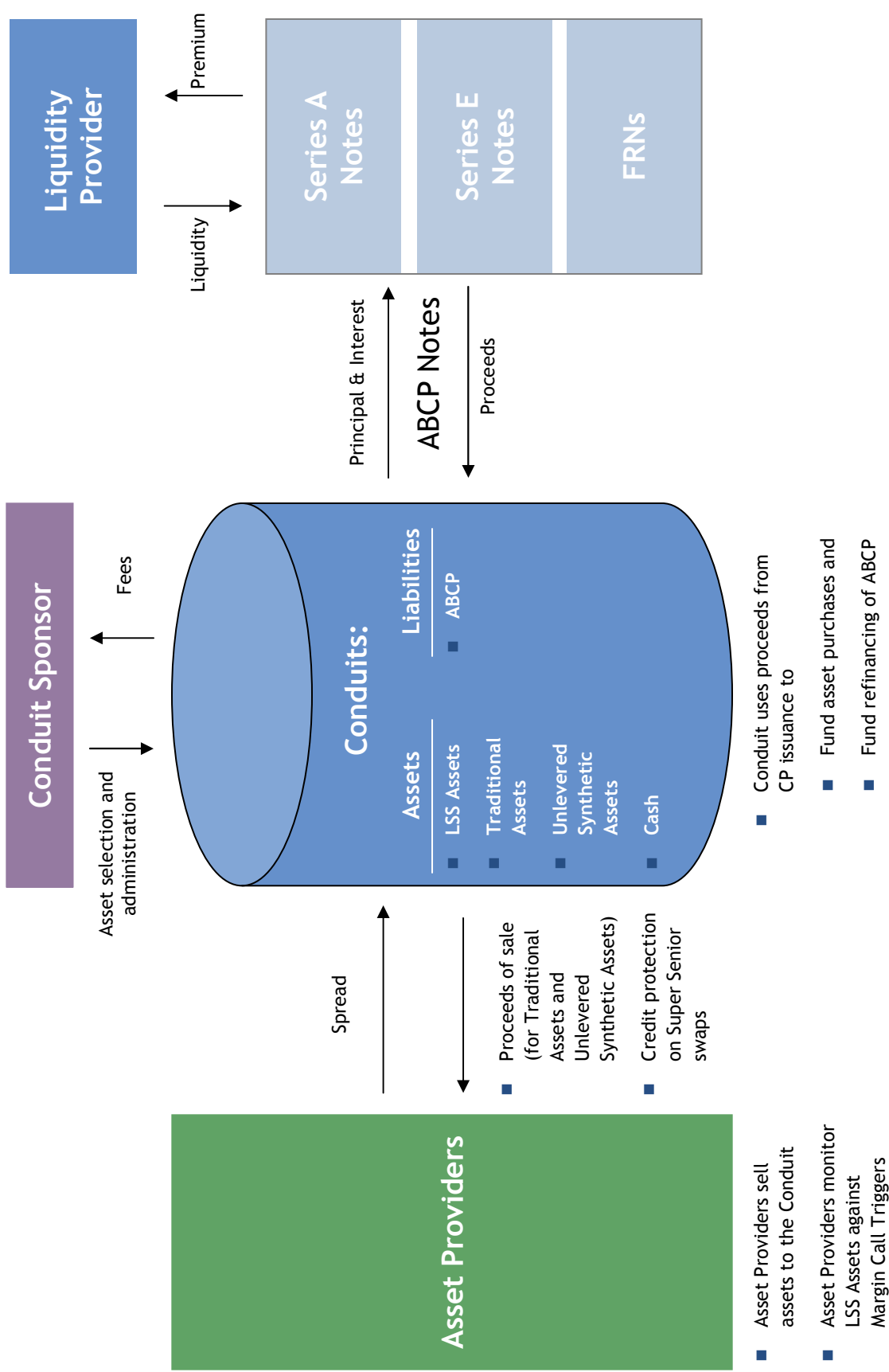
Spread-loss Trigger matrix: 10 year iTraxx S6 (12/20/16 maturity)

	Years remaining to maturity										
	9	8.67	8	7	6	5	4	3	2	1	0
0% loss	2.82%	3.00%	3.37%	4.43%	5.02%	5.61%	9.48%	10.78%	11.84%	12.236%	13.273%
2% loss	2.25%	2.54%	3.11%	4.08%	4.60%	5.48%	9.14%	10.66%	11.74%	12.114%	13.143%
4% loss	1.79%	2.15%	2.86%	3.73%	4.34%	4.86%	9.02%	10.67%	11.01%	10.797%	11.714%
6% loss	1.64%	1.96%	2.61%	3.38%	3.93%	4.25%	7.97%	9.67%	9.74%	9.538%	10.350%
8% loss	1.60%	1.90%	2.50%	3.35%	3.81%	4.21%	6.62%	7.27%	7.45%	9.030%	9.718%
10% loss	1.60%	1.69%	1.87%	3.30%	3.71%	4.11%	5.70%	6.64%	7.35%	8.860%	9.617%
12% loss	1.25%	1.45%	1.85%	2.66%	3.09%	3.28%	4.50%	5.87%	6.64%	8.078%	8.767%

Note: Highlighted Trigger Spread levels are interpolated as of April 20th (expected close). If the Restructuring closes before or after April 20th, the Trigger on that date and going forward is linearly interpolated based on the time elapsed between the two respective years on the matrix

# Sample of existing Conduit structure

Sample Conduit structure overview

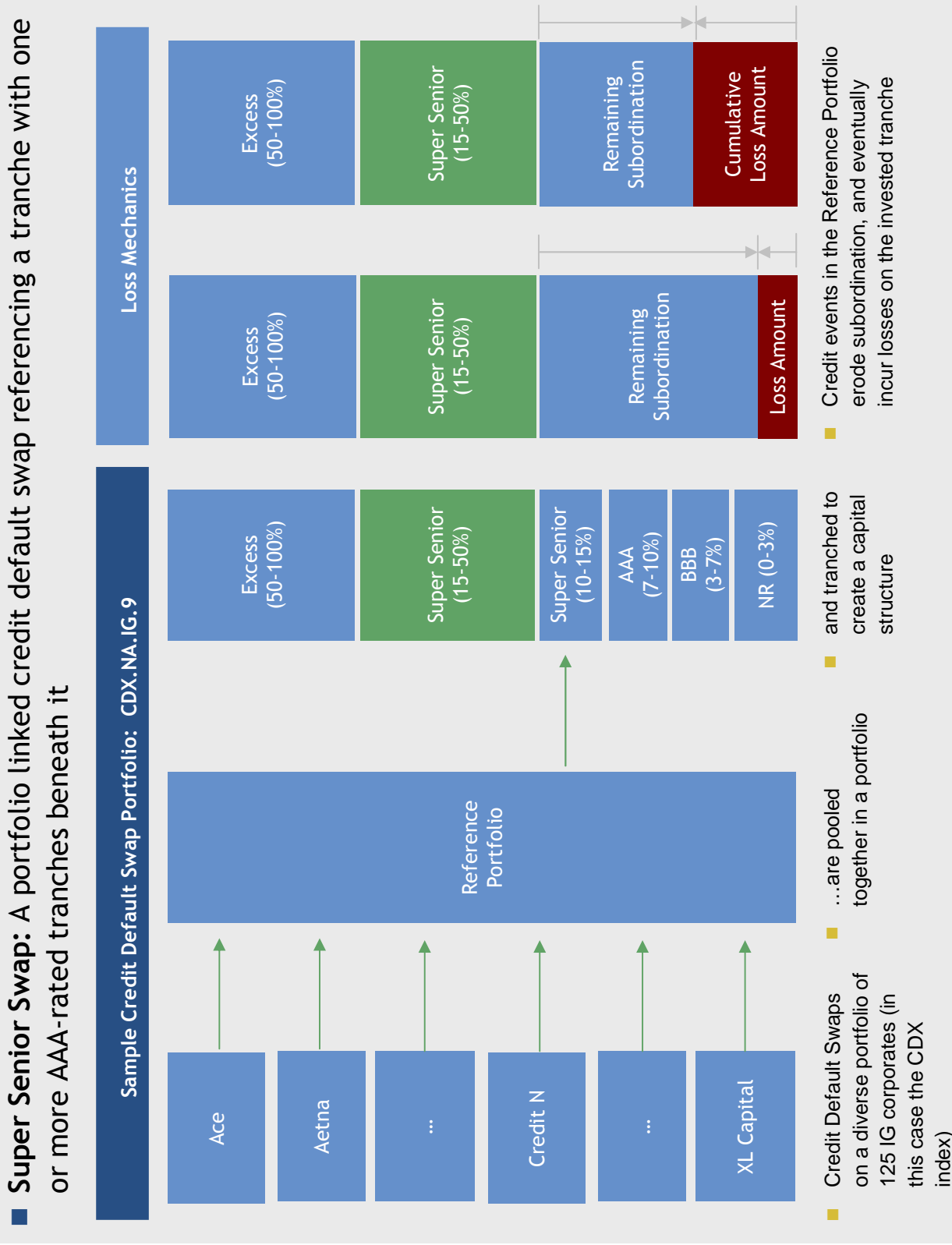


# Agenda

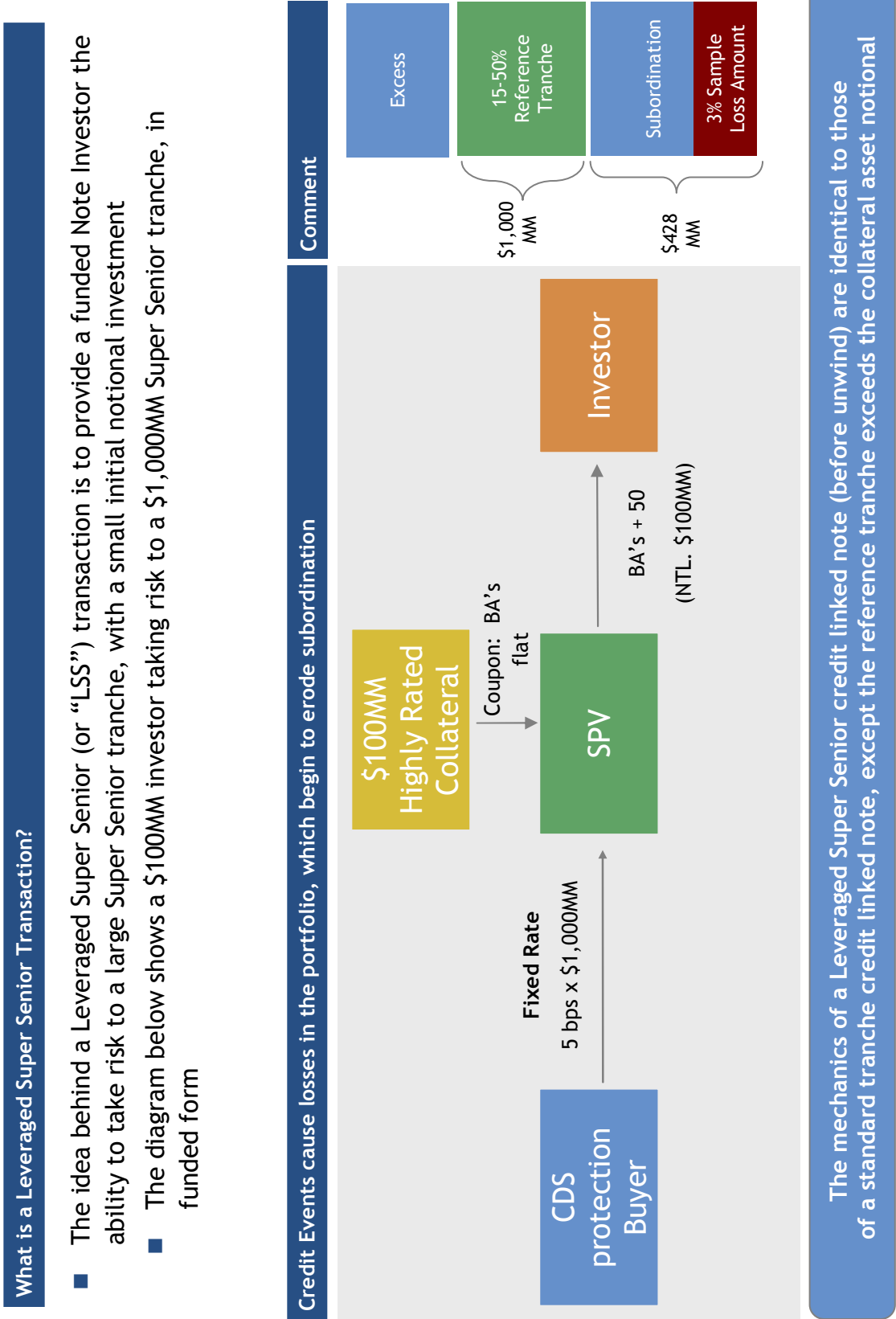
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# Review: Synthetic CDO tranches, CDX.NA.IG.9



# Overview of Leveraged Super Senior transaction

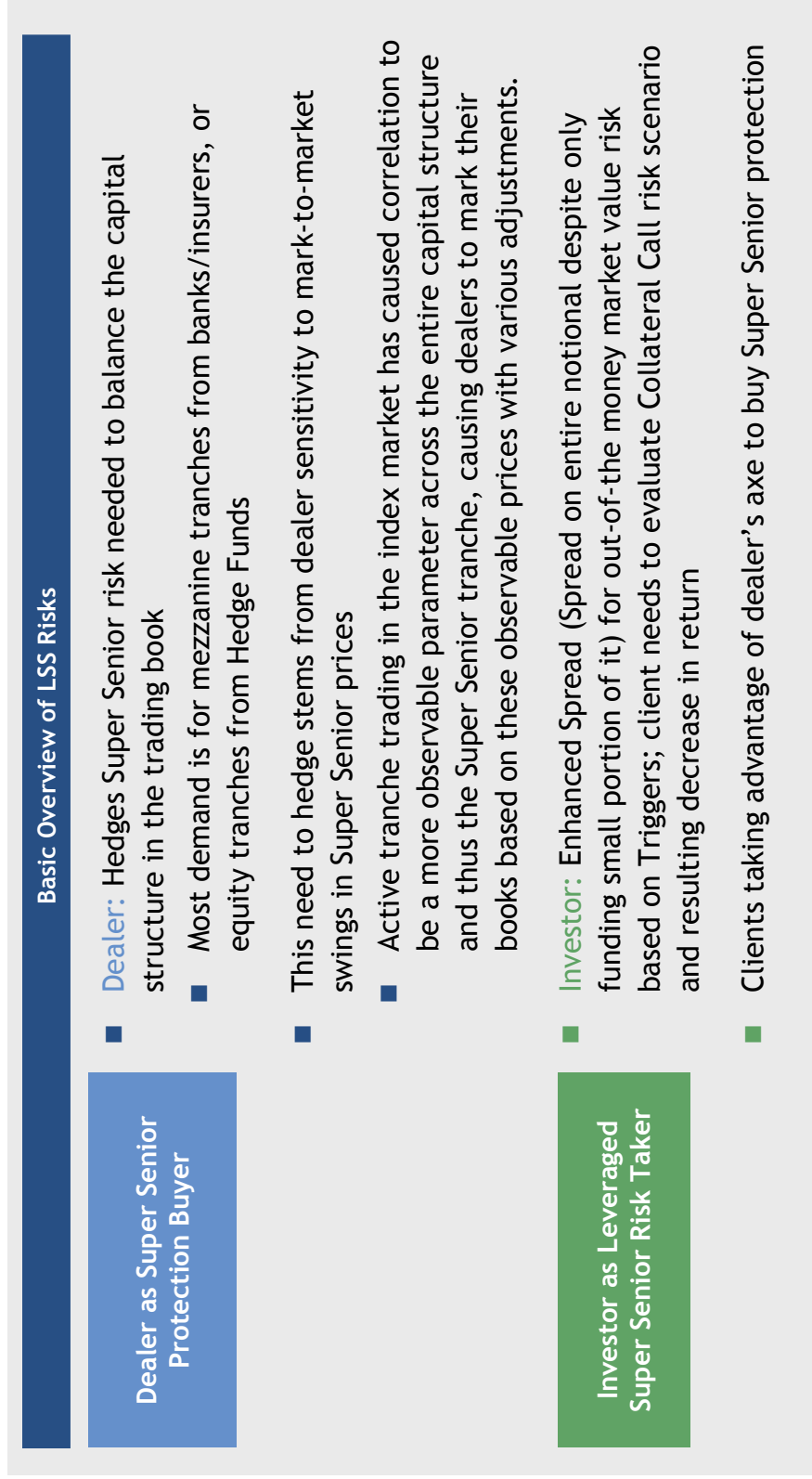


# Buying on margin

## LSS Transactions are similar to other purchases “on margin”

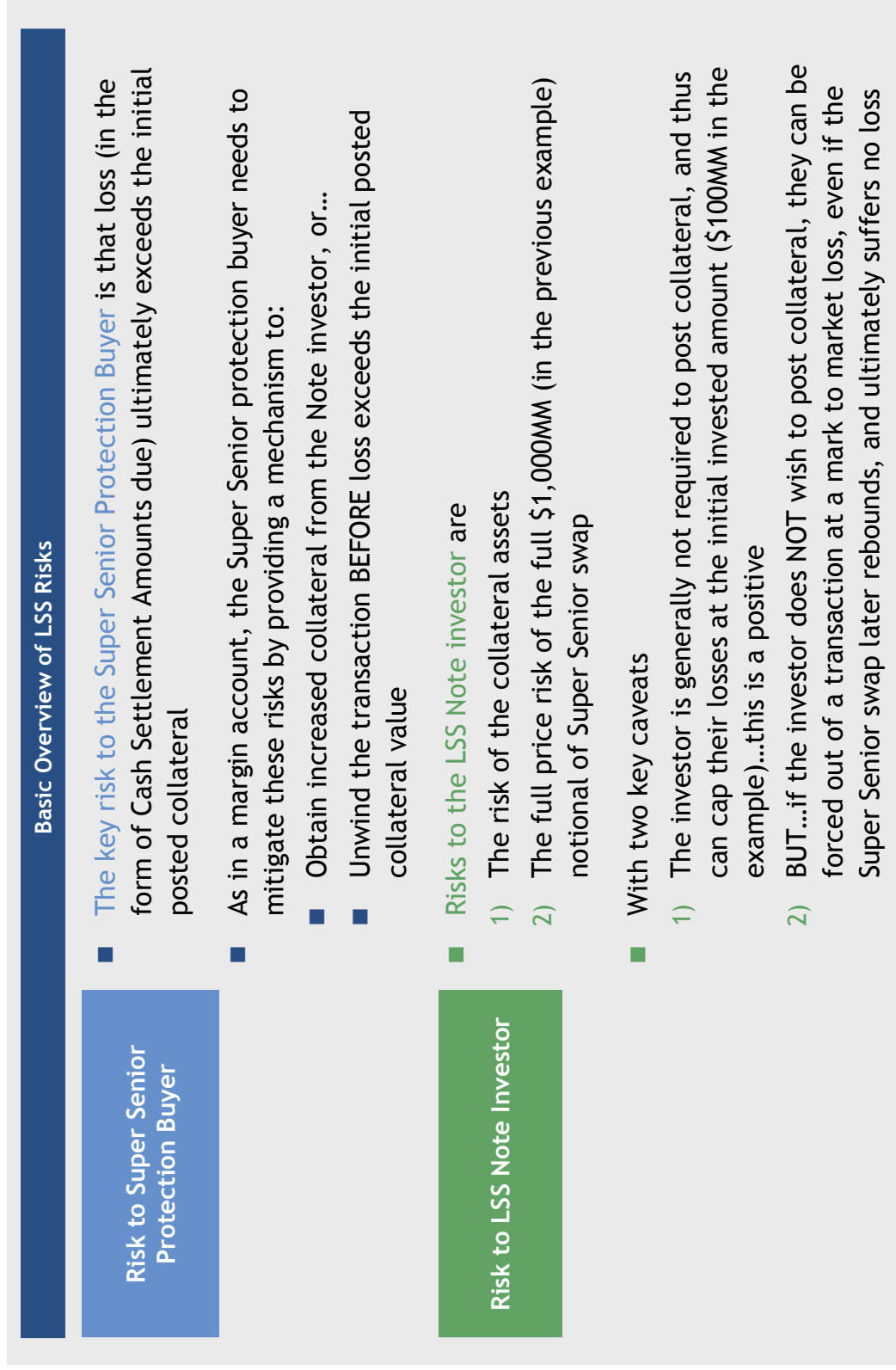
- The idea of an investor taking risk to a larger notional than the capital they initially put up is common to finance
- Think of a mortgage, where the investor purchases a \$200,000 home with a \$20,000 down payment
- Or a stock investor, who purchases \$20,000 in shares in a \$10,000 margin account
- In a sample Leveraged Super Senior transaction, an Investor would take risk on a \$1bn exposure (i.e. Super Senior swap) and put down \$100mm in collateral. Effectively, the Investor is levered 10 times

# Leveraged Super Senior: Investor and dealer rationale



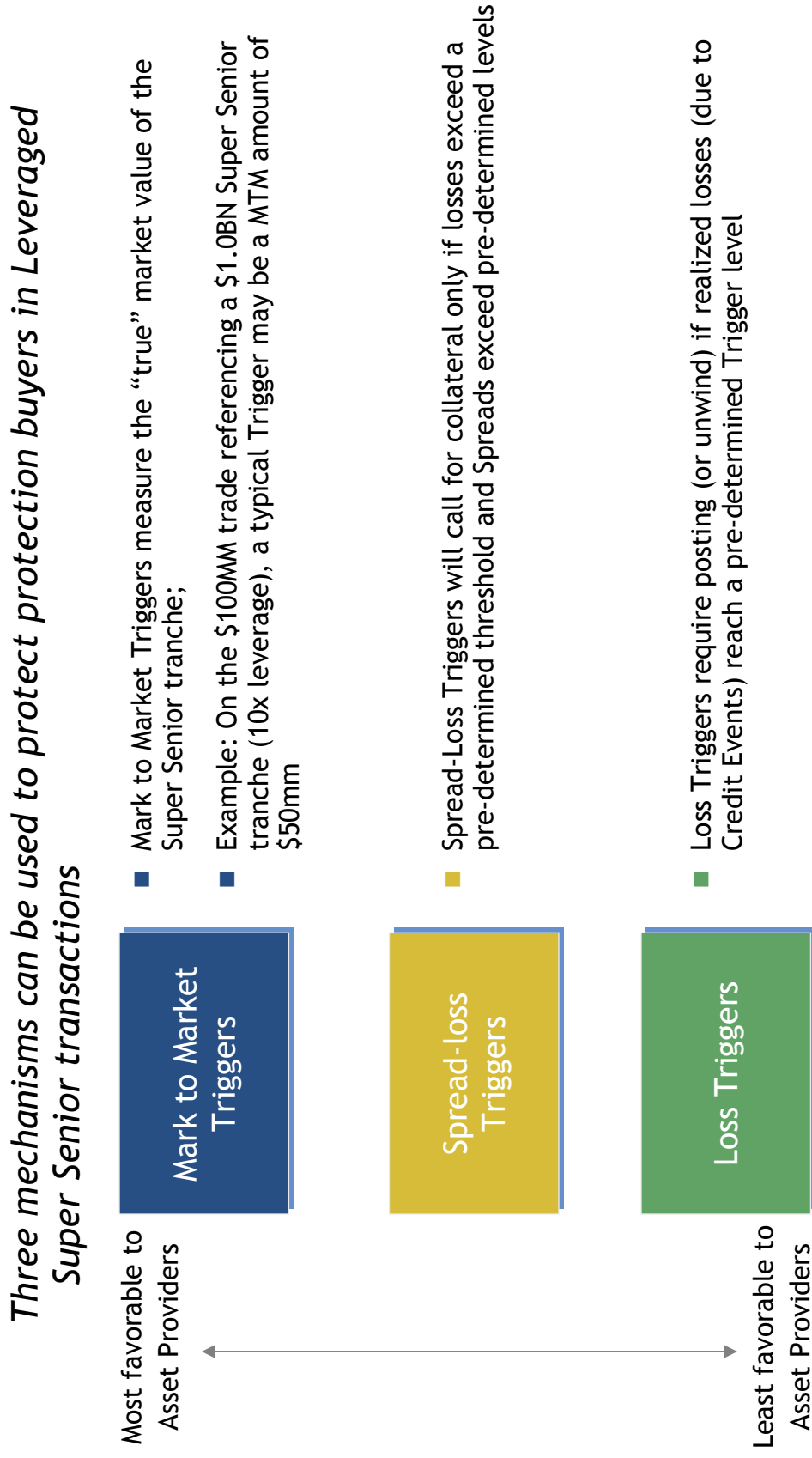
Leveraged Super Senior trades were designed to offer Investors enhanced Spreads for “out of the money risk,” and to complete the hedge from dealer mezzanine and equity tranche activity.

# Leveraged Super Senior: risks involved



Just like buying stocks on margin, an LSS investor receives premium (or return) based on the full notional they invested in, takes the price risk of this full notional, and may be forced to unwind their transaction based upon pre-defined “Trigger” events

# Leveraged Super Senior: Unwind Triggers





# Glossary

ABCP Dealer	■ See CP Dealer
Affected Conduits	■ ABCP Conduits which are subject to the Montreal Accord
Asset Provider	■ Credit derivative dealers who structured CDS swaps and sold CDO assets into the trusts, often providing Liquidity in exchange; Asset Providers are swap counterparties to CDS contracts to the Affected Conduits
Asset Value	■ Indicative Value of the assets securing the Affected Conduits
Attachment Point (subordination)	■ Notional amount of losses in a portfolio due to Credit Events in the Reference Portfolio that can be withstood without incurring cash settlement amounts (realized losses on a credit default swap)
Basis point (bps)	■ One one-hundredth (1/100) of a percent. Generally the unit used to measure movements in credit Spreads
Canadian Banks	■ Includes BMO, CIBC, National Bank, RBC, Scotiabank and TD Bank
Canadian Bank Agreement in Principle	■ The Canadian Banks' indicative commitment to partake in the restructuring through contributions in the Margin Funding Facility
CDO (Collateralized Debt Obligation)	■ Security backed by a pool of bonds, loans or other assets. The assets are tranching into different slices of risk with riskier portions paying more than the less risky portions
CDO - cash	■ Structured credit asset where underlying assets are cash assets (i.e. bonds, loans, mortgages). Cash CDOs are funded securities and do not require any additional Trust Collateral
CDO - synthetic	■ Structured credit asset where underlying 'assets' are credit derivatives. Synthetic CDOs are generally done in unfunded swap form and collateralized by Trust Collateral
CDX	■ Credit derivatives index administered by Markit Partners that tracks 125 investment grade corporate credit default swaps(CDX.NA.IG)
Class A-1 Notes	■ Tranche of Restructured Notes with priority over Class A-2, Class B and Class C Notes with respect to interest and principal on MAV assets
Class A-2 Notes	■ Tranche of Restructured Notes with priority over Class B and Class C Notes with respect to interest and principal on MAV assets
Class B Notes	■ Tranche of Restructured Notes with priority over Class C Notes with respect to interest and principal on MAV assets
Class C Notes	■ Tranche of Restructured Notes that is subordinated to Class A-1, Class A-2 and Class B Notes with respect to interest and principal on MAV assets. The tranche represents losses from 0-3% on the respective MAV portfolio

# Glossary, cont.

Collateral Call	■ See Margin Call
Combined Value	■ For each Synthetic Asset, the combined Indicative Value of the swaps and Trust Collateral securing the swaps
Committee	■ Pan-Canadian Investors Committee for Third-Party Structured Asset-Backed Commercial Paper
Committee Proposal	■ The proposal put forth by the Committee to restructure Canadian Third-party ABCP through a structure which includes the transfer of assets to Master Asset Vehicles, the modification of Margin Call Triggers, the creation of a committed Margin Funding Facility and the issuance of Restructured Notes and Tracking Notes
Conduit	■ Trust which issued Existing ABCP and used the proceeds to invest in structured securities
Conduit Sponsor	■ Management companies for the Affected Conduits which arranged deals with Asset Providers
CP Dealer	■ Banks which underwrote and sold Existing ABCP to Investors
Cross-collateralization	■ The pooling of assets so that Collateral Calls are made based on the weighted average price of the asset pool as a whole rather than on each individual LSS swap
Cross Default	■ A provision in an agreement or indenture that puts the borrower in default if the borrower defaults on another obligation
December 23rd Agreement in Principle	■ Accord between the Committee, Asset Providers and Conduit Sponsors that outlines the structure and process of the Restructuring
Detachment Point	■ Notional amount of losses in a portfolio due to Credit Events in the Reference Portfolio above which the related tranche credit default swap no longer incurs losses
E&Y	■ Ernst & Young
Existing ABCP	■ ABCP and FRNs issued by the Affected Conduits
Floating Rate Notes	■ Series of Existing ABCP with maturities that are longer than those of Series A and Series E Notes and not backed by Liquidity Agreements
Gap Risk	■ The possibility that the collateral posted for a LSS trade will not be sufficient to cover the replacement cost if a trade is unwound following an investor's failure to meet a Collateral Call, which would result in a loss to the Asset Providers
Indicative Value	■ A value determined using a mid-market model valuation for a swap, or the bid for a security. The value is an indication and not a market price because it does not represent a firm bid for a swap or asset. Ultimate market prices for such assets may vary based on size, bid/offer, liquidity, transparency, etc.

# Glossary, cont.

Ineligible Asset	■ An asset with significant exposure to the U.S. residential mortgage market
Ineligible Asset Tracking Note	■ Note issued to track the net return, maturity and other terms of an Ineligible Asset
Information Statement	■ The principal document to be filed with the Court and delivered to Investors
Investors	■ Holders of Existing ABCP
iTraxx Europe	■ Credit derivative index that tracks credit Spreads on a basket of 125 investment grade European credits
Leveraged Super Senior (LSS)	■ A leveraged form of synthetic CDO where the notional of risk is greater than the Trust Collateral securing the swap. LSS trades have embedded triggers whereby the Asset Provider can make a margin call to protect their interest under the swap
Liquidity	■ The ability to buy or sell an investment
Liquidity Agreement	■ Agreement between liquidity provider (often Asset Provider) and Affected Conduit detailing the specifics of the circumstances in which funding would be provided
Loss-only Triggers	■ Determination for a Collateral Call based on realized losses reaching a pre-determined level (due to a credit event)
LSS	■ See Leveraged Super Senior
LSS Notional	■ The full swap notional amount of the Super Senior swap
Margin Call	■ After a Trigger Event, the Asset Provider will require the trust to provide additional Trust Collateral (presumably by issuing new CP), failure to do so will result in a forced unwind of the swap
Margin Funding Facility	■ Credit facility provided by certain investors, Asset Providers and Canadian Banks used to fund Collateral Calls made by Asset Providers on LSS transactions
Market Disruption Event (MDE)	■ A phrase specific to the Canadian commercial paper market which defines when liquidity providers are required to fund maturing commercial paper. The definition of Market Disruption Event may differ by Liquidity Agreement
Mark-to-Market Triggers	■ Specified swap market value at which the Asset Provider can make a Margin Call for a LSS trade
Master Asset Vehicle	■ Vehicle structured to pool the eligible assets of the Affected Conduits
MAV 3 Tracking Note	■ Note issued to track the net return and maturity of the assets of 100% Ineligible Asset Series

## Glossary, cont.

Offer-side	■ In credit derivatives, the spread at which a dealer would assume risk
On-the-run index	■ The most recently created CDX or iTraxx index
PSF Notes	■ Notes issued by MMAL-I, Silverstone and Ironstone to NBF as compensation for services provided by NBF in its capacity as financial services agent of those Conduits
Rating	■ An evaluation of an asset's risk issued by an independent agency (most commonly S&P, Moody's, DBRS and Fitch)
Relative Contribution Analysis	■ Methodology used by the Investor Committee to determine the amount of Senior and Subordinated Notes issued to Investors
Restructured Notes	■ Class A-1, A-2, B and C Notes
Series	■ Subset of notes issued by the Affected Conduits
Series A Notes	■ Series of short-term (less than 270 days) Existing ABCP generally backed by Liquidity Agreements
Series E Notes	■ Also called Extendible Notes. Series of short-term (less than 270 days) Existing ABCP not backed by Liquidity Agreements, but can be extended to a pre-defined period if fail to refinance
Spread-loss Trigger	■ Determination for a Collateral Call based on a pre-defined matrix. Specified portfolio spread level and realized loss level must be exceeded in order for collateral to be called
Spreads	■ Generally used in credit markets to reflect the risk premium; cost (in bps) of purchasing protection in a credit default swap. Generally viewed as the "risk spread" over LIBOR
Super Senior	■ Market term describing CDO tranches which have a AAA rated tranche subordinated to them
Synthetic Assets	■ Assets backed by credit default swaps (including Synthetic CDOs)
Tracking Notes	■ Notes which track the yield, maturity, etc. of underlying assets. Please see Traditional Asset Tracking Notes and Ineligible Asset Tracking Notes
Traditional Assets	■ Non-synthetic assets held by the Affected Conduits. Includes trade receivables, credit cards, residential mortgage backed securities, commercial mortgage backed securities, cash CDOs, etc.
Traditional Asset Tracking Note	■ Note issued to track the net return and maturity of Traditional Assets of Series secured exclusively by Traditional Assets.
Transparency	■ The ability of an investor to have access to detailed information on an investment or an asset underlying the investment

## Glossary, cont.

Trigger	<ul style="list-style-type: none"> <li>■ The market price, portfolio spread, or cumulative portfolio loss level of the credit default swap, or any combination of these, at which the credit protection buyer (the Asset Provider) has the right to call for additional Collateral to be posted by the credit protection seller (investors) to support a LSS transaction</li> </ul>
Trigger Event	<ul style="list-style-type: none"> <li>■ For Leveraged Super Senior, when market conditions and/or realized portfolio losses cause the pre-defined triggers to be breached, resulting in a margin call. The protection seller (the trust in this case) has the option to meet the margin call or to unwind the trade, crystallizing a mark-to-market loss</li> </ul>
Trust Collateral	<ul style="list-style-type: none"> <li>■ The collateral held by a trust to support potential protection payments due to asset providers under the swaps. The value of the Trust Collateral will also affect the value of the asset held by the trust</li> </ul>
Unencumbered Collateral	<ul style="list-style-type: none"> <li>■ Collateral which has not been pledged against an asset and thus is available to be pledged against another asset. In the case of the Master Asset Partnerships, Traditional Assets, Unlevered Synthetic Assets and cash are considered Unencumbered Collateral</li> </ul>
Unlevered Synthetic	<ul style="list-style-type: none"> <li>■ A Synthetic CDO where the swap is fully collateralized by Trust Collateral</li> </ul>
VIX	<ul style="list-style-type: none"> <li>■ Chicago Board of Options Exchange Volatility Index which measures implied volatility of S&amp;P 500 Index options</li> </ul>







### *Information about the Structure Diagrams*

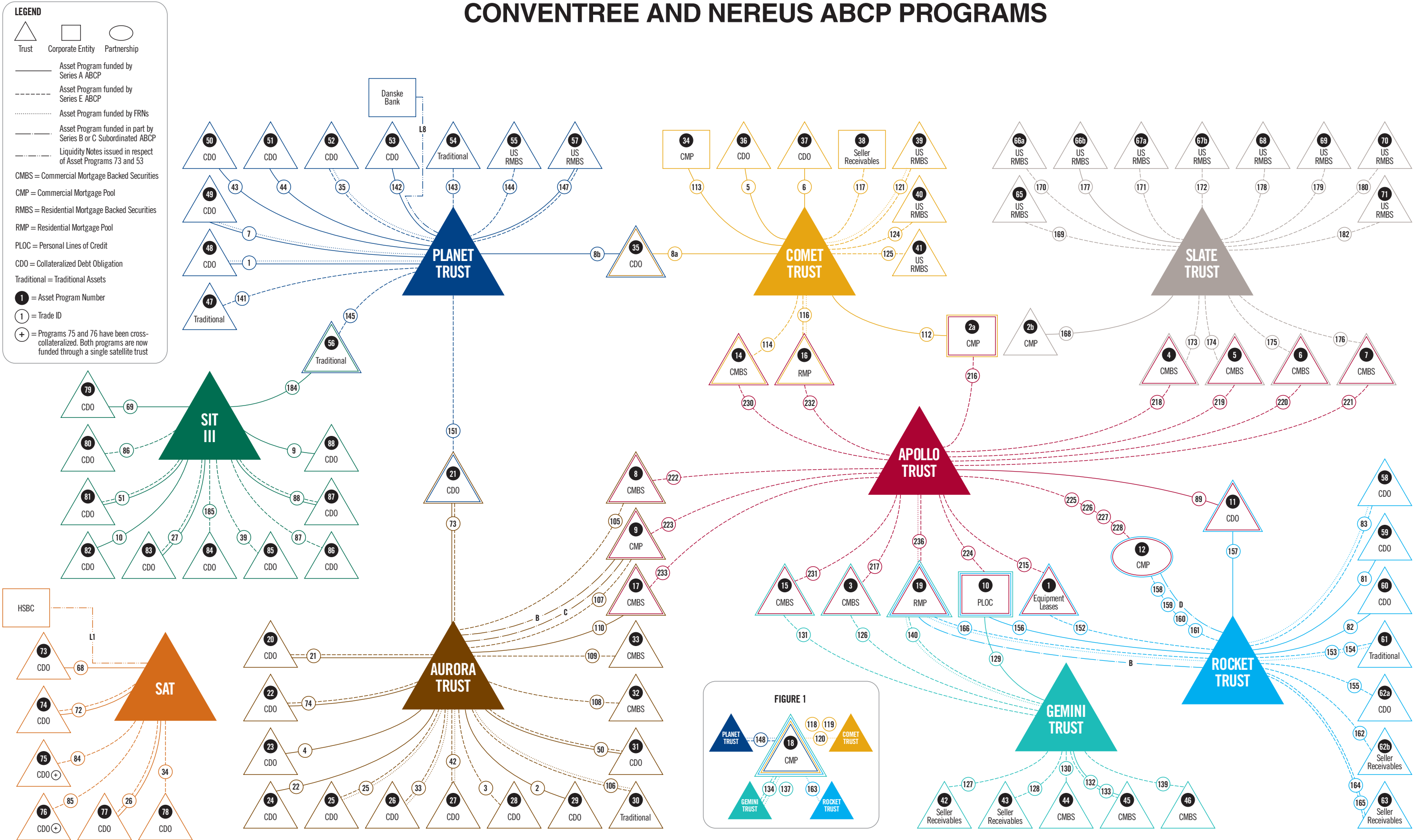
The structure diagrams are graphic representations of the asset programs funded by the Affected ABCP of each of the ABCP Conduits. For illustrative purposes, trust relationships are represented in the charts by triangles, corporate entities are represented by rectangles and partnerships are represented by ovals. Each ABCP Conduit is represented by a single large coloured triangle. The smaller triangles, rectangles and ovals represent the asset programs funded by the various respective ABCP Conduits. Each asset program is identified by a program number (in a black circle) and the type of asset program funded (either a Collateralized Debt Obligation/Synthetic asset program or type of Traditional Asset Program). Please note that program numbers start again at number 1 for each Sponsor-specific diagram.

Certain asset programs have been funded by more than one Series of Affected ABCP in which case multiple triangles, rectangles or ovals (in each case, matching the colour of the relevant ABCP Conduit(s)) enclose the asset program. For the most part, each asset program is funded by a single “trade” which is represented by a Trade ID number (in a white circle) over the Series funding that asset program. Where an asset program has been funded by more than a single “trade” there will be more than one Trade ID number corresponding to each program (in multiple white circles).

These structure diagrams should be read in conjunction with, and the program numbers correspond to, the more detailed descriptions of the asset programs in Appendix A “Description of Synthetic Asset Programs” and Appendix B “Description of Traditional Asset Programs”. The Trade ID numbers are used in the JPMorgan Report in the Appendix entitled “Valuation detail” to identify each “trade” entered into by the ABCP Conduits. The structure charts can therefore also be used to convert references between the Trade ID number and the program numbers used in this Information Statement (and vice versa).

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