

concession grantor will not legislate, impose regulations or change applicable laws or act contrary to the law in a way that would materially and adversely affect an Obligor's ability to operate the infrastructure asset or the revenue or taxation status of the Obligor, and accordingly, the ability of the Obligor to service its debt under the related Collateral Obligation.

Obligor Insolvency Considerations

Various laws enacted for the protection of creditors may apply to the Issuer or others and may affect the Collateral Obligations. The information in this and the following paragraph applies to U.S. Obligors. Insolvency considerations will differ with respect to non-U.S. Obligors. If a court in a lawsuit brought by an unpaid creditor or a representative of an Obligor's creditors, such as a trustee in bankruptcy, were to find that the Obligor did not receive fair consideration or reasonably equivalent value for incurring the indebtedness constituting such Collateral Obligation and, after giving effect to such indebtedness, the Obligor (i) was insolvent, (ii) was engaged in a business for which the remaining assets of such Obligor constituted unreasonably small capital, or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could determine to invalidate, in whole or in part, such indebtedness as a fraudulent conveyance, to subordinate such indebtedness to existing or future creditors of the Obligor or to recover amounts previously paid by the Obligor in satisfaction of such indebtedness. In addition, in the event of the insolvency of an Obligor of a Collateral Obligation, payments made on such Collateral Obligations could be subject to avoidance as a "preference" if made within a certain period of time (which may be as long as one year under federal bankruptcy law or even longer under state laws) before insolvency.

In general, if payments on Collateral Obligations were to be avoidable, whether as fraudulent conveyances or preferences, such payments could be recaptured, either from the initial recipient, such as the Issuer, or from subsequent transferees of such payments, such as the holders of the Securities. To the extent that any such payments are recaptured from the Issuer, the resulting loss will be borne by the holders of the Securities, starting with the Preferred Shareholders. However, a court in a bankruptcy or insolvency proceeding would be able to direct the recapture of any such payment from a holder of Securities only to the extent that such court has jurisdiction over such holder or its assets. Moreover, it is likely that avoidable payments could not be recaptured directly from a holder that has given value in exchange for its Securities, in good faith and without knowledge that the payments were avoidable. Nevertheless, since there is no judicial precedent addressing the recapture of available payments from holders of securities issued in structured transactions such as the Securities, there can be no assurance that a holder of Preferred Shares will be able to avoid recapture on this or any other basis.

THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE OR CONCLUSIVE DISCUSSION OF THE RISKS RELATED TO AN INVESTMENT IN THE PREFERRED SHARES. EACH POTENTIAL INVESTOR SHOULD READ THIS MEMORANDUM IN ITS ENTIRETY AND IS URGED TO CONSULT ITS PROFESSIONAL ADVISERS BEFORE DECIDING WHETHER TO INVEST IN THE PREFERRED SHARES.