IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE NON-U.S. PERSONS (AS DEFINED BELOW) LOCATED OUTSIDE OF THE UNITED STATES.

IMPORTANT: You must read the following before continuing. The following applies to the Prospectus following this page and you are therefore advised to read this page carefully before reading, accessing or making any other use of the Prospectus. In accessing the Prospectus, you agree to be bound by the following terms and conditions, including any subsequent modifications to them that you receive from the Company or the Lead Placement Agent (each, as defined in the Prospectus) as a result of such access. THE BONDS HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “Securities Act”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND THE BONDS MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (“Regulation S”)) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THE ATTACHED PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS RESTRICTION MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE BONDS DESCRIBED IN THE ATTACHED PROSPECTUS. Confirmation of your representation: In order to be eligible to view the attached Prospectus or make an investment decision with respect to the securities being offered, prospective investors must be non-U.S. persons (as defined in Regulation S) located outside the United States. This Prospectus is being sent to you at your request, and by accessing this Prospectus you shall be deemed to have represented to the Company, the Sponsor and the Lead Placement Agent that (i) you are purchasing the securities being offered in an offshore transaction (within the meaning of Regulation S) and the electronic mail address that you gave us and to which the attached Prospectus has been delivered is not located in the United States, its territories and possessions, any State of the United States or the District of Columbia and (ii) you consent to delivery of such Prospectus by electronic transmission. You are reminded that this Prospectus has been delivered to you on the basis that you are a person into whose possession this Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. The marketing, offering, distribution and sale of the Bonds in Lebanon shall comply with all applicable laws and regulations in Lebanon, in particular, The marketing, promotion, offering or the sale of the Bonds in Lebanon shall be in compliance with applicable laws and regulations in Lebanon, in particular Law N° 161 dated August 17, 2011, governing the financial markets and Capital Markets Authority, and Series 6000 "Offer of Securities" regulations dated August 7, 2017 issued by the Lebanese Capital Market (the "CMA Regulation"). You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Sponsor, the Company or the Lead Placement Agent, any person who controls any of them or any director, officer, employee or agent of them or affiliate of any of them accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version, which will be available to you on request from the Company or the Lead Placement Agent.
Legacy One Holding SAL
(incorporated in the Lebanese Republic as Lebanese Joint Stock Holding Company)
Commercial Registry: Beirut 1903869

US$ 250,000,000;
7.5% Senior Unsecured Extendable Bonds due 2023; Issue Price: 100%

6% Senior Unsecured Profit Participating Bonds due 2025; Issue Price: 100%
each series of Bonds is unconditionally and irrevocably guaranteed by
Legacy One Operations SAL

This is a public offering of Bonds of Legacy One Holding SAL (the “Company” or the “Issuer”). Before this offering, there has been no public or exempt offering of bonds or other debt instruments by the Company. The Company is a newly incorporated company with no operating history.

The US$ 250,000,000 7.5% Senior Unsecured Extendable Bonds due 2023 (“Series A Bonds”) and 6% Senior Unsecured Profit Participating Bonds due 2025 (“Series B Bonds”) (the Series A Bonds and the Series B Bonds shall be referred to as “Bonds”) offered hereby are being issued by the Company at an issue price of 100% of their principal amount. It is expected that the Bonds will be issued on or about [●] 2018 (the “Issue Date”).

The Series A Bonds, unless previously purchased by the Company or prepaid, shall be repaid on [], 2023 (the “Series A Maturity Date”) at their principal amount, together with accrued but unpaid interest (if any). The Series A Bonds will bear interest at the rate of 7.5% per annum, payable, in arrear, on each anniversary of the Issue Date through and including the Series A Maturity Date (the “Series A Fixed Coupon”). If the Company fails to repay the Series A Bonds in full on the Series A Maturity Date or within 2 business days thereafter, the Series A Maturity Date will be automatically extended by a maximum period of two years (the “Extendable Series A Maturity Date”) without constituting an event of default or giving the Series A Bondholders any right to accelerate payments on the Bonds. The Extendable Series A Maturity Date will be determined by the Company and communicated to the Series A Bondholders. In that event, the Series A Fixed Coupon payable in respect of the Bonds will change from the one applied up to the Series A Maturity Date (i.e. 7.5%) to become equal to the interest applicable to the 7 years Lebanese Government USD denominated T-Bill at the time of the extension.

The Series B Bonds, unless previously purchased by the Company or prepaid, shall be repaid on [], 2025 (the “Series B Maturity Date”) at their principal amount, together with accrued but unpaid interest (if any) and the Contingent Return (as defined below). The Bonds will bear interest at the rate of 6% per annum, payable, in arrear, on each anniversary of the Issue Date through and including the Series B Maturity Date (the “Series B Fixed Coupon”). Further, the Series B Bonds will be entitled to a contingent return equal to 12 per hundred thousand (100,000) of the Net Cash for each Series B Bond (i.e. nominal value of US$ 100,000) (“Contingent Return”). The Contingent Return will be paid as and when profits on the Priority Shares are being distributed in accordance with the Distributions Priorities. The Series B Bondholders will not be subject to any clawback or giveback obligation with respect to any Contingent Return they may receive from the Company on account of their Series B Bonds.

All payments in respect of the Bonds by the Issuer will be made after deduction or withholding for or on account of Lebanese Taxes (as defined below). If the Issuer shall be required to make any such deduction or withholding, it shall make payment of the amount so deducted or withheld to the appropriate governmental authority and Bondholders (as defined in the Terms and Conditions of the Bonds below) shall not be entitled to receive any additional or other amounts to reimburse them for any such withholding or deduction.

The Bonds will be fully and unconditionally guaranteed by the Operating Company (as defined below). The Bonds will be treated as senior unsecured obligations of the Company and the Operating Company and will rank equally in right of payment to the Company and Operating Company unsecured and unsubordinated indebtedness, if any, from time to time outstanding expect for obligations which are mandatorily preferred by law, operational expenses and Permitted Secured Indebtedness. See “Terms and Conditions of the Bonds—7. Status of the Bonds”.

The Issuer is a newly established Lebanese joint stock holding company to make investments through its fully owned subsidiary and operating arm Legacy One Operations SAL (the “Operating Company”) in opportunistic real estate investments in Lebanon. The investment objective of the Company is to provide its equity investors with medium to long-term capital appreciation resulting from its investments, thru the Operating Company, primarily in a diversified portfolio of apartments within projects located in Greater Beirut, Lebanon. The Bondholders will be debt investors and as such will be entitled to the Series A Fixed Coupon and the Series B Fixed Coupon and, with respect to the Series B Bonds, will also share, through the Contingent Return, in the Net Cash (if any) of the Company.
The Company will directly or through the Operating Company enter into a management agreement with Legacy Central SAL, (in such capacity the “Manager”), pursuant to which the Manager will, subject to the Company’s stated investment objectives and under the supervision and control of the Company’s Board, render management and administration services to the Company and the Operating Company. Legacy Central SAL will act as sponsor for the Company in connection with the offering of the Bonds (in such capacity the “Sponsor”). Lucid Investment Bank SAL will be engaged as financial administrator in relation to the operations of the Company (Lucid, in such capacity, shall be referred to as the “Financial Administrator”).

The Bonds are subject to acceleration upon the occurrence of certain events of default. See “Terms and Conditions of the Bonds—16. Events of Default”.

See “Certain Risk Factors” for a discussion of certain factors to be considered in connection with an investment in the Bonds.

This Prospectus and the accompanying Investors’ Presentation, and the prospectus for the offering of priority shares of the Company (the “Priority Shares Prospectus”) as well as other documents referred to hereunder provide important information that prospective Eligible Investors in the Bonds should know before investing in the Bonds and keep it for future reference.

The Issuer is, concurrently with the offering of the Bonds, carrying the offering of priority shares (the “Priority Shares”) on the basis of, and in accordance with, the Priority Shares Prospectus.

The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”), or any state securities law, and may not be offered, sold, transferred or delivered within the United States to, or for the account or benefit of, any U.S. person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Bonds will be offered and sold in offshore transactions outside the United States in reliance on Regulation S under the Securities Act (“Regulation S”).

Each of the Series A Bonds and the Series B Bonds will be issued in registered form in the specified denomination of US$100,000 without coupons attached. Upon issue, each of the Series A Bonds will be represented by a global certificate (the “Global Series A Certificate”) and the Series B Bonds will be represented by a global certificate (the “Global Series B Certificate”). The Global Series A Certificate and the Global Series B Certificate will be registered in the name of, and lodged with Midclear SAL (“Midclear”) as custodian.

Midclear will, as registrar, electronically record in a separate register the principal amount of each series of Bonds represented by the respective Global Certificate held within the Midclear system in the name of the Bondholders. Investors also may hold such interests directly through Midclear if they are participants, or indirectly through organizations which are participants in Midclear. The ownership of the Series A Bonds and the Series B Bonds will be evidenced by the records of the respective register held by Midclear, and in which all operations of issuance, transfer, assignment, substitution of bonds etc… as well as the constitution of any rights and or encumbrances (lien, pledge….) thereon be recorded. The Bonds are freely assignable and tradable. However, the assignment of the Bonds is effective between the concerned parties only if such assignment is recorded in the Register held by Midclear. The Bonds will not be listed on any stock exchange.

Lead Placement Agent, & Financial Administrator
Lucid Investment Bank S.A.L.

Sponsor & Manager
Legacy Central SAL

October 2018
IMPORTANT NOTICE

This prospectus (the “Prospectus”) contains information provided by the Issuer in connection with the offering of the Bonds (the “Offering” or the “Offer”). The Company has been incorporated on 25 September 2018 with the Beirut Commercial Register under number 1903869, having its registered office located at 126, Foch Street, Beirut Central District, Beirut 2012-6609, Lebanon.

The Company will own 99.9% of the share capital of Legacy One Operations SAL a Lebanese joint stock company to be incorporated in Lebanon (the "Operating Company"). The Offering proceeds will be invested in the Operating Company to finance the investment to be made by the Operating Company in the Lebanese real estate sector as described hereunder. The Company may for purposes of carrying out its investment activities incorporate one or more Lebanese joint stock companies other than the Operating Company and whose purpose is similar to the purpose of the Operating Company.

Legacy Central SAL, a Lebanese joint stock company incorporated on 25 November 2016 with the Beirut Commercial Register under number 1021923 having its registered office located at 126, Foch Street, Beirut Central District, Beirut 2012-6609, Lebanon, is acting as sponsor for the structuring of the Company and the Offering (hereinafter referred to, in such capacity, as the "Sponsor"). Legacy Central SAL, will also be appointed as manager for the Company and/or the Operating Company (hereinafter referred to, in such capacity, as "Legacy", or the "Manager").

Lucid Investment Bank SAL, a Lebanese investment bank registered under N° 1014668 with the Beirut Commercial Register and listed under no. 142 on the list of banks maintained by the Central Bank of Lebanon, (hereinafter referred to as "Lucid") has been appointed as lead placement agent in relation to the Offering and as financial advisor in accordance with the Series 6000 "Offer of Securities" regulations dated August 7, 2017 issued by the Lebanese Capital Markets Authority(the “CMA Regulation”) (Lucid, in such capacity, shall be referred to as the "Lead Placement Agent"). Other co-placement agents may be appointed, from time to time, to assist with the Offering subject to the prior approval of the Lead Placement Agent and the CMA. The co-placement agents shall comply with the applicable CMA regulations.

Lucid will be engaged as financial administrator in relation to the operations of the Company (Lucid, in such capacity, shall be referred to as the "Financial Administrator")The Lead Placement Agent has reviewed this Prospectus and has satisfied itself that this Offering meets all the requirements of a public offer within the meaning of the CMA Regulation.

The Issuer, Financial Administrator and the Sponsor confirm that all information regarding the Issuer and the Bonds contained in this Prospectus is true and accurate in all material respects as at the date of this Prospectus (or, if different, the date as at which such information is stated herein to be supplied) and does not omit any material facts the omission of which would make any statements of fact or opinion relating thereto and contained herein misleading. This Prospectus and the accompanying Investors’ Presentation and the Prospectus for the offering of Priority Shares of the Company (the “Priority Shares Prospectus”) provide important information that prospective Eligible Investors in the Bonds should know before investing in the Bonds and keep it for future reference. The Issuer is concurrently with the offering of the Bonds carrying the offering of priority shares on the basis of, and in accordance with, the Priority Shares Prospectus.

The information under the heading “Overview of the Lebanese Real Estate Market” and certain similar information relating to the Lebanon and the Lebanese Real Estate sector throughout this Prospectus are given as general information and have been reproduced from publicly-available information believed to be reliable; its accuracy, timeliness, continued availability or completeness cannot be guaranteed by the Sponsor, the Lead Placement Agent and the Issuer and may be subject to change. The Issuer confirms that such information has been accurately reproduced from publicly-available sources and that, as far as it is aware and is able to ascertain from publicly-available information, no facts have been omitted that would render the reproduced information inaccurate or misleading. Each prospective Eligible Investor is invited to meet with the representatives of the Lead Placement Agent or the Company to discuss the terms and conditions of this offering and to obtain any additional information to verify the information contained herein.

Investors should be aware that they will be required to bear the financial risks of this investment in the Bonds for an extended period of time.
Neither the Company, the Sponsor, nor the Lead Placement Agent has authorized anyone to provide prospective Eligible Investors with any information or to make any representations other than as contained in this Prospectus or in any other communications. Neither the Company, the Sponsor, nor the Lead Placement Agent takes responsibility for, and provide no assurance about the reliability of, any information that others may give you. This Prospectus is an offer to sell only the Bonds offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Prospectus is accurate only as of the date of this Prospectus, regardless of the time of delivery of this Prospectus or any sale of the Bonds. The situation of the Company, the Operating Company and the Lebanese economy and real estate market and prospects may have changed since that date.

The distribution of this Prospectus and the offer or sale of the Bonds may be restricted by law in certain jurisdictions. No action (except in the Lebanese Republic) has been taken by the Issuer, the Sponsor or the Lead Placement Agent, which would permit an offering of any Bonds or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable securities laws and regulations. Without limiting the foregoing, there are restrictions on the offer and sale of the Bonds or the distribution of this Prospectus and any other documents relating to the offering of the Bonds in the United States and Lebanon. For a further description of certain restrictions on offers and sales of the Bonds and on distribution of this Prospectus.

The delivery of this Prospectus does not at any time imply that the information contained herein is correct at any time subsequent to the date hereof or such other date as at which it is stated to be given or that any other information supplied in connection with the Bonds is correct as at any time subsequent to the date indicated in the document containing the same.

This Prospectus is provided solely for information purposes and is not intended to be and must not be taken alone as the basis for an investment decision. Prospective Eligible Investors should not construe the contents of this Prospectus as tax, accounting or legal advice. In addition, prospective Eligible Investors are strongly urged to consult their own legal counsel and accounting, and tax advisors regarding the implications of them investing in the Company.

Each prospective Eligible Investor, by accepting delivery of this Prospectus, agrees to return this Prospectus and all enclosed documents to the Company if such prospective investor does not agree or is not qualified to purchase the Bonds offered hereby. Any distribution or reproduction of all or any part of this Prospectus other than as specifically set forth herein is unauthorized.

The Prospectus has prepared in accordance with the requirements Law N° 161 dated August 17, 2011, governing the financial markets and Capital Markets Authority ("Law 161") and the CMA Regulation and is believed to be in compliance with Law 161 and the CMA Regulation.

The Company and the Lead Placement Agent as well as their respective directors, are responsible for the content of the Prospectus and are liable for damages if any material information is omitted from the Prospectus, or if it includes any information that is false or misleading in a material respect.

Pursuant to the CMA Regulation, the Prospectus must not be published or made available to the public in Lebanon unless it has been approved by the Capital Markets Authority. For that purpose, the Capital Markets Authority has approved the Prospectus on /21 May 2018 and consequently authorized the marketing, promotion, offering and sale of the Bonds in Lebanon. The Prospectus has been posted on the Lead Placement Agent website www.lucidinvestbank.com.

If, after consulting with the Lead Placement Agent, prospective Eligible Investors are in any doubt about the contents of the Prospectus, the Investors’ Presentation (which shall be delivered to the prospective investors together with the Prospectus) or the bylaws of the Company (the "By-laws") they should seek relevant independent legal, tax, and accounting professional advice. Prospective investors should remember that all investments carry varying levels of risk and that the value of their investment may go down as well as up.
THIS PROSPECTUS INCLUDES INFORMATION PROVIDED IN COMPLIANCE WITH THE
REGULATIONS OF THE CAPITAL MARKET AUTHORITY (CMA) OF LEBANON. THE CMA DOES
NOT ACCEPT ANY RESPONSIBILITY FOR THE CONTENT OF THE INFORMATION IN THIS
PROSPECTUS, INCLUDING THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.
THE LIABILITY FOR THE CONTENT OF THE PROSPECTUS LIES WITH THE ISSUER OF THE
PROSPECTUS, ITS DIRECTORS AND OTHER PERSONS, SUCH AS EXPERTS, WHOSE OPINIONS
ARE INCLUDED IN THE PROSPECTUS WITH THEIR CONSENT. THE CMA HAS ALSO NOT
ASSESSED THE SUITABILITY OF THE SECURITIES COVERED BY THIS PROSPECTUS FOR ANY
PARTICULAR INVESTOR OR TYPE OF INVESTOR.
SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus includes forward-looking statements. The words “anticipate”, “believe”, “expect”, “plan”, “intend”, “target”, “aim”, “estimate”, “project”, “will”, “would”, “may”, “could”, “continue”, “shall”, and similar expressions are intended to identify forward-looking statements. All statements other than statements of historical fact included in this Prospectus are forward-looking statements, including without limitation, (i) financial projections and estimates and their underlying assumptions, (ii) statements regarding strategy, plans, prospects, objectives and expectations, (iii) statements regarding general industry, market and macroeconomic growth rates and (iv) statements regarding future performance. Forward-looking statements are based on numerous assumptions and involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those expressed or implied by these forward-looking statements. Important factors that could cause actual results, performance or achievements to differ materially from those in forward-looking statements include among other factors referenced in this Prospectus:

- The ability of the Company to realize the benefits they expect from strategic actions that they undertake;
- Changes in political, social, legal or economic conditions in the markets in which the Company, the Lead Placement Agent and the Manager operate;
- Changes in the competitive environment in which the Company, the Lead Placement Agent and the Manager operate;
- Exposure to acts of God, terrorism, war, natural disasters, fires, explosions or other disruptive events;
- The impact of regulations and regulatory, investigative and legal actions; and,
- The behavior of markets in which the Company will invest, including fluctuations in the interest and currency exchange rates and commodity and equity prices in the markets in which the Company will operate;

Prospective Eligible Investors should be aware that these forward-looking statements are estimates, reflecting only the judgment of the Company, and prospective Eligible Investors should not place reliance on any forward-looking statements. Actual results and events could differ materially from those contemplated by these forward-looking statements as a result of factors described in section entitled, "Risk Factors," or elsewhere in this Prospectus. The Lead Placement Agent and the Company do not undertake any obligation to publicly update or revise the forward-looking statements contained in this Prospectus to reflect events or circumstances occurring after the date of this Prospectus or to reflect the occurrence of unanticipated events.
TABLE OF CONTENTS

IMPORTANT NOTICE ................................................................................................................................. iv
CERTAIN RISK FACTORS .......................................................................................................................... 9
THE STRUCTURE .......................................................................................................................................... 18
THE COMPANY ........................................................................................................................................... 19
THE MANAGER .......................................................................................................................................... 32
FINANCIAL ADMINISTRATOR .................................................................................................................... 35
OVERVIEW OF THE LEBANESE REAL ESTATE MARKET ........................................................................... 36
DESCRIPTION OF THE PRIORITY SHARES AND COMMON SHARES ................................................... 47
TERMS AND CONDITIONS OF THE BONDS ............................................................................................. 52
FEES AND EXPENSES ............................................................................................................................. 65
USE OF PROCEEDS ..................................................................................................................................... 68
LEBANESE LAWS AND REGULATIONS GOVERNING ISSUANCE OF BONDS BY JOINT STOCK COMPANIES ............................................................................................................................ 69
SCHEDULE OF INFORMATION REQUIRED TO BE DISCLOSED PURSUANT TO ARTICLE 126 OF THE CODE OF COMMERCE OF THE LEBANESE REPUBLIC WITH RESPECT TO THE SERIES A BONDS............................................................................................................................. 70
SCHEDULE OF INFORMATION REQUIRED TO BE DISCLOSED PURSUANT TO ARTICLE 126 OF THE CODE OF COMMERCE OF THE LEBANESE REPUBLIC WITH RESPECT TO THE SERIES B BONDS............................................................................................................................. 71
LEBANESE TAXATION ............................................................................................................................... 72
SUBSCRIPTION PROCESS; INVESTOR SUITABILITY REQUIREMENTS .................................................... 73
GENERAL INFORMATION ......................................................................................................................... 76
ANNEX A - GLOSSARY OF DEFINED TERMS ............................................................................................... 78
ANNEX B - APPLICATION FORM ................................................................................................................ 79
ANNEX C - BY-LAWS GOVERNING THE ASSOCIATION OF BONDOHOLDERS ...........................................
CERTAIN RISK FACTORS

The purchase of Bonds involves substantial risks and is suitable only for, and should be made only by, investors that are fully familiar with Lebanon in general and with the Lebanese real estate market and industry and that have such other knowledge and experience in financial and business matters as may enable them to evaluate the risks and merits of an investment in the Bonds. Prior to making an investment decision, prospective investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information set forth herein and, in particular, the Risk Factors set forth below. Prospective purchasers of Bonds should make such inquiries as they think appropriate regarding the Bonds, the Company, the Guarantor, Lebanon and the Lebanese real estate market and industry, without relying on the Lead Placement Agent, the Issuer, the Sponsor or the Manager. The following section does not describe all of the risks of an investment in the Bonds.

Considerations relating to Lebanon

The Company and the Operating Company operate in Lebanon and, accordingly, their financial condition, results of operations and business prospects are closely related to the overall political, social and economic situation in Lebanon, which, in turn, is tied to the geo-political situation in the region.

Political and Military Considerations. Usually the Lebanese market is subject to higher political and security concerns than other developed countries. Financial environment of the Lebanese market is related to the overall political, social and economic situation prevailing in Lebanon and its surrounding region, which mainly, in turn, is tied to the absence of military conflict and continued internal stability. Lebanon has experienced in the past, is experiencing currently, and may in the future experience, political and social instability and military operations that could adversely affect the Company’s investments. Such instability could result from, among other things, popular unrest associated with demands for improved political, economic and social conditions. The government of Lebanon may exercise adverse influence, which may impact both the general economic conditions within the country and specific private sector companies.

Regional and International Consideration. Lebanon is located in a region which has been subject to ongoing political and security concerns, especially in recent years. Political instability in the Middle East has increased since the terrorist attacks of September 11, 2001, the U.S. intervention in Iraq, Arab spring and the war in Syria. The tension between Lebanon and the gulf countries also have an impact on the economic and political situation in Lebanon.

The impact, if any, on Lebanon and, accordingly, the Company of the military actions and political uncertainties affecting Iraq, Iran, Syria and the surrounding region cannot be determined at this time.

Fiscal Deficit. Lebanon has been sustaining large fiscal deficits. Lebanon’s fiscal deficit has increased in recent years from LBP 4,632 billion (US$ 3.1 billion or 6.2% of GDP) in 2014 increasing to LBP 5,958 billion (US$ 4.0 billion or 7.8% of GDP) in 2015 and LBP 7,453 billion (US$ 4.9 billion or 9.6% of GDP) in 2016. Lebanon’s large fiscal deficits are primarily due to high debt service costs and transfers to Electricité du Liban (“EDL”), which is financed in part by the Treasury and is the state-owned supplier of virtually all electricity in Lebanon. EDL is a substantial contributor to the fiscal deficit in light of its large continuing losses. In addition, the Government has also implemented a new salary scale for public sector employees, as well as related revenue measures to finance such expenditure. Fixed expenditures, principally debt service (33.4% of total expenditures in 2016, as compared to 34.7% in 2015), personnel costs (32.7% of total expenditures in 2016, as compared to 34.7% in 2015) and treasury transfers to EDL (6.2% of total expenditures in 2016, as compared to 8.4% in 2015) make it challenging for the Government to reduce the fiscal deficit, in the absence of significant revenue measures, including an increase in EDL tariffs. In March 2017, the Government approved a budget proposal for the first time in 12 years, which has been transferred to Parliament for discussion and ratification. Lebanon’s fiscal deficits have led to increased levels of Government borrowing, which has, in turn, increased the public debt. If Lebanon is unable to control or reduce the fiscal deficit and the resulting impact on the public debt, it could raise Lebanon’s cost of funding of its debt, strain the general resources of the Government and the Government’s finances, materially impair the Republic’s capacity to service its debt and negatively affect the Lebanon’s economy.

Any continuation or worsening of economic conditions in Lebanon, including any significant increases in the budget deficit, could materially adversely affect the stakeholders of the projects in which the Company invested and other contractual counterparties of the Company or the Operating Company. This, in turn, could materially and adversely affect the Company’s business, liquidity, results of operations, financial condition and prospects.
The fiscal deficits that Lebanon has incurred have limited the Government’s ability to incur capital expenditures and other expenditures for discretionary items. Infrastructure in Lebanon is in need of significant investment, especially in light of the influx of Syrian refugees. The Government’s ability to finance capital projects is dependent on reducing the fiscal deficit in order that additional funds can be allocated to capital expenditures. Any failure to reduce the fiscal deficit will prevent the Government from financing such expenditures.

**Public Debt.** The Government has been incurring significant internal and external debt, principally for the purpose of financing the fiscal deficit. As at 31 December 2016, Lebanon’s gross public debt was LBP 112,890 billion (US$ 74.9 billion), consisting of LBP 70,528 billion (US$ 46.8 billion) of gross domestic debt and LBP 42,362 billion (US$ 28.1 billion) of public debt denominated in foreign currencies. Net outstanding public debt of Lebanon was LBP 98,622 billion (US$ 65.4 billion) as at 31 December 2016. As at 31 December 2015, the Republic’s gross public debt was LBP 106,015 billion (US$ 70.3 billion), consisting of LBP 65,195 billion (US$ 43.2 billion) of gross domestic debt and LBP 40,820 billion (US$ 27.1 billion) of public debt denominated in foreign currencies. Net outstanding public debt of the Lebanese Republic was LBP 92,788 billion (US$ 61.6 billion) as at 31 December 2015. The debt burden of Lebanon is significant and has been increasing. Net outstanding public debt as a percentage of estimated GDP increased from approximately 46% in 1992 to approximately 170% as at 31 December 2006 before decreasing to 111% as at 31 December 2012 and subsequently increasing to 113% as at 31 December 2013 and 116% as at 31 December 2014, 122% as at 31 December 2015 and an estimated 127% as at 31 December 2016. The IMF estimates that, unless significant fiscal reforms are urgently carried out, the public debt to GDP ratio is projected to increase to 160% in 2021. Although the Government intends to reduce Lebanon’s net outstanding public debt, as well as Lebanon’s net outstanding public debt as a percentage of GDP, there is no assurance that it will be able to do so. Any failure to reduce Lebanon’s net outstanding public debt could materially impair Lebanon’s capacity to service its debt, which may have a negative impact on the Lebanese economy and, in turn, materially adversely affect the Company’s business, liquidity, results of operations, financial condition and prospects.

**Economic Risk.** General economic conditions may affect the Company’s investments, interest rates, general level of economic activities, credit crunch etc. In particular, the economies of individual emerging market countries may differ favorably or unfavorably from other developed countries economies in such respects as growth of gross domestic product, rate of inflation, currency depreciation, capital reinvestment, resource self-sufficiency and balance of payments position. The Lebanese government has exercised and continues to exercise substantial influence over many aspects of the private sector. In some cases, the government owns or controls many companies, including some of the largest in the country. Accordingly, government actions could have a significant effect on economic conditions in the country and on investments held by the Company. Moreover, the economy of the Lebanese market may be heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which it trades. This economy also has been and may continue to be adversely affected by economic conditions in the countries with which they trade.

**Official Data.** The analysis of the economic situation and prospects in the Lebanese market are hampered by the lack of reliable data on the economy. Statistical weaknesses constitute a serious handicap to the analysis of the relevant market economy and available data should be viewed as best estimates by potential investors.

**Failure to Implement Economic Reforms and Privatization Program.** In May 2000, Parliament adopted a privatization law, which sets the framework for the privatization of state-owned enterprises. The privatization law established a Higher Council for Privatization and provides that the proceeds from privatization will be applied towards debt repayment. While the initial plans for privatization included, inter alia, the electricity, water and telecommunications sectors, due to political interference and disagreements within the executive branch of the Government, Lebanon’s privatization program has not been successfully implemented and may continue to be delayed or otherwise adversely affected due to ongoing political disputes. There can be no assurances that the new Government will succeed in the implementation of the privatization program.

As part of the Paris III Conference held in January 2007, the then-Government agreed to an economic reform program of which privatization is an essential component. Disagreements among political parties, the military conflict in July and August of 2006 and the current political situation have all contributed to delays in the implementation of the program. There is no assurance that some of these obstacles will not persist.

**Budget Deficit and Macroeconomic Instability.** The Company’s performance and the quality and growth of its assets are necessarily dependent on the health of the overall Lebanese economy.
Any continuation or worsening of economic conditions in Lebanon, including any significant increases in the budget deficit, could materially adversely affect the stakeholders of the projects in which the Company invested and other contractual counterparties of the Company or the Operating Company. This, in turn, could materially and adversely affect the Company’s business, liquidity, results of operations, financial condition and prospects.

**Foreign Exchange Risk; Monetary Policy.** The national currency, the Lebanese Pound, is convertible and its exchange rate is generally determined on the basis of demand and supply conditions in the exchange market. The Central Bank intervenes when necessary in order to maintain orderly conditions in the foreign exchange market.

The Central Bank’s exchange rate policy since October 1992 has been to anchor the Lebanese Pound nominal exchange rate to the U.S. Dollar. The Central Bank has been successful during the past several years (with no assurances in the future) in maintaining a stable rate of exchange, through the use of its foreign exchange reserves and its interest rate policy.

The possible depreciation of the Lebanese Pound against the U.S. Dollar, or the decline of the level of foreign reserves as a result of the Central Bank’s intervention in the currency markets, could materially impair the Lebanese economy and, in turn, materially adversely affect the Company’s business, liquidity, results of operations, financial condition and prospects.

**Lebanese Taxation and Regulatory Risk.** Lebanon tax authorities may exercise more scrutiny on the activities of the Company or the Operating Company. Any adjustment or penalty imposed could lead to additional taxes and substantially reduce the Company’s return on, or value of, its investments. There may be uncertainties regarding the interpretation and enforcement of the laws, rules and regulations of the Lebanese Republic;

**Reliance on Experts.** The reliance on the experts in order to determine the value of the Company’s investments.

**Considerations relating to the Company and the Guarantor**

**No Assurance of Investment Objective.** There can be no assurance that the Company will achieve its investment objective, or that it will be able to repay the Bonds or the Series A Fixed Coupon and the Series B Fixed Coupon. The Company and the Operating Company have no operating history upon which prospective investors can evaluate their likely performance. The success of the Company is significantly dependent upon the expertise of the Manager and the Management Team (i.e. which are present in the management of the Manager, the members of the Investment Committee and the Directors). Previous success achieved by the Management Team or entities with which they have been associated are not necessarily indicative of future results of investments of the Company. There can be no assurance that the Company will achieve its objectives during the period of its existence. Moreover, as a result of the nature of the Company’s investment activities, the results of the Company’s operations may fluctuate substantially from period to period and performance results of a particular period will not necessarily be indicative of results in future periods. The Company’s ability to achieve its investment objective is subject to many factors over which the Company may have no or limited control. No assurance can be given that the Company’s investment strategies will be successful under all or any market conditions. Market conditions and available investment opportunities may change significantly during the Investment Term. If the Company is unable to meet its investment objectives, its ability to pay the Series A Fixed Coupon and the Series B Fixed Coupon could be adversely affected.

**Investment Risk.** The investments will be made in real estate projects. There are several risks inherent in such investments, some of which are specifically referenced below. Not only are such investments subject to investment-specific price fluctuations but also to macro-economic, market and industry-specific conditions. Those risks may be significantly enhanced by the concentration of investments, and its consequent lack of diversification.

**Unspecified Investments.** The funds raised from the issuance of the Bonds and the Priority Shares (the “Funds Under Management”) will be invested in the targeted projects which the Company has not yet identified. As such, the risk of investment in the Company will remain since prospective investors are unable to evaluate the economic merit of any investment which may be made by the Company through the Operating Company. Investors must depend on the investment judgment of the Company and the Manager.
**Inability to Fully Invest Funds Under Management in Suitable Investments.** There is no assurance that the Company will be able to invest fully all the Funds Under Management. The Company will invest the Funds Under Management only at such times and in such amounts when suitable investment opportunities are identified by the Manager and approved by the Investment Committee. If the Company is unable to invest the Funds Under Management fully, its ability to pay the Series A Fixed Coupons and the Series B Fixed Coupons (as the return on Permitted Temporary Investments may be significantly less than the required Series A Fixed Coupons and the Series B Fixed Coupons) could be adversely affected.

**Failure to Raise the Targeted Funds Under Management.** If the Company fails to raise the targeted Funds Under Management, the investments in the targeted projects may be less diversified and the types of investments available to the Company may be more limited than if a larger portion of the maximum proceeds is obtained. This may have an adverse impact on the ability of the Company to achieve its investment objective. Further, there can be no assurance that the Company will be able to obtain or utilize additional financing arrangements in the future through the issuance of additional Priority Shares on subsequent closings or through issuance of Bonds.

**Inability to Invest the full Amount of the Contributed Funding.** The Company will not be investing the entire Contributed Funding as there will be expenses to be deduct upfront and the Cash Reserve. This may cause the investments of the Company in the targeted project to be less diversified and the types of investments available to the Company may be more limited than if the entire, or a bigger portion, of the Contributed Funding is invested.

**Concentrated Investments.** It is expected that the Company’s investments will generally be concentrated. Accordingly, it is likely that the Company’s portfolio will not be diversified and, therefore, may be subject to a more rapid change in value than in the case of a wider diversification. In addition, losses incurred on any one or more particular investments could have a material adverse effect on the Company’s overall financial condition.

**Currency Risks.** The Bonds will be denominated in US Dollars, whereas the underlying investments of the Company may be acquired, directly or indirectly, in a range of currencies and income or capital received by the Company may be denominated in the local currency of the Lebanese Republic. Prospective investors whose assets and liabilities are primarily denominated in currencies other than the currency of investment should take into account the potential risk of loss arising from fluctuations in the rate of exchange between the currency of investment and such other currency.

**Risks of Litigation.** Investing in real estate development projects can be a contentious and adversarial process. Different stakeholders may have qualitatively different, and frequently conflicting, interests. The Company's investment activities may risk being involved in a project that is facing various litigations.

**Contingent Liabilities on Disposition of Investments.** In connection with the disposition of a particular investment, the Company may be required to make representations and warranties in connection with such investment. The Company also may be required to indemnify the purchasers of such investment to the extent that any such representations or warranties are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the Company may be required to establish reserves or escrow accounts.

**Risks Related to the Relationship with the Manager and Dependence upon Key Individuals.** The Company depends on the Manager and the Management Team for its success. The Company may not find a suitable replacement for the Manager if the Management Agreement is terminated, or if key personnel cease to be part of the Manager or otherwise become unavailable to the Company, which would materially and adversely affect the Company. Further, the termination of the Management Agreement would be costly.

Although key decisions of the Company including investment and divestment decisions are adopted by the Company, the Company is externally managed. The Company does not have employees and its executives are part of the Management Team. The Success of the Company depends entirely the ongoing efforts, experience, diligence, skill, and network of business contacts of the Management Team in particular MM. Fares and Cortas.

Although, MM. Fares and Cortas are committed to the Company and the Manager, there can be no assurance that such key individuals will remain with the Company or the Manager. Moreover, there can be no assurance that the Company or the Manager will be able to attract and retain sufficient, additional, qualified personnel to replace key individuals who may leave. In the event of the departure, withdrawal, insolvency, death or other incapacity of any one or more of these individuals, the performance of the Company may be adversely affected.
Fees and Expenses. Whether or not the Company (whether directly or through the Operating Company) is profitable, it is required to meet certain fixed costs, including start-up and organizational expenses and ongoing administrative and operating expenses, and to pay Management Fees, Marketing Fees and Administration Fees. These fees would be paid before any disbursements to the Bonds.

Competition. The Company and the Operating Company operate in a competitive market for the origination and acquisition of attractive investment opportunities and competition may limit the ability of the Manager to originate or acquire attractive investments in the target assets, which could have a material adverse effect on the Company and its returns.

Conflict of Interest. The structure of the Company and related arrangements involve certain conflicts of interest.

Regulatory Risks. Legal and regulatory changes could occur during the term of the Company that may adversely affect the investments and the Company. The effect on the Company and its investments, of any future regulatory or tax changes, or related actions of regulators, is impossible to predict.

Changes in tax law. The business of the Company and the Operating Company is subject to the general tax frameworks in Lebanon. Its tax burden is dependent on various aspects of tax laws as well as their application and interpretation. Tax laws can be changed retroactively and their application/interpretation can be amended by the tax authorities and the courts. These possibilities can also increase the tax burden of the Company and/or the Operating Company and could have a material adverse effect on the business, net assets, financial position, cash flow and income of the Company.

Liquidity Risk. The Company is a Lebanese holding company structured as a closed-ended investment company designed primarily for medium-term investors and is not intended to be a trading vehicle. An Eligible Investor should not invest in the Company if the Eligible Investor is looking for a liquid investment. Bondholders in the Company do not have the right to redeem their Bonds. Bonds in the Company will not be traded on any securities exchange or other market. Furthermore, the Company will be targeting real estate properties and as a result an investment therein will be illiquid. The illiquidity of the investments may make it difficult to sell such investments if the need or desire arises.

Failure of Holders of Priority Shares to honour their Capital Commitments. If a holder of Priority Shares defaults in its obligation to fund any portion of its Committed Capital when and as called to do so by the Company, the Company may, in its sole discretion, exercise various remedies which may not be efficient leading to cause a shortage in the Company’s liquidity.

General Real Estate Risks.

Real estate investments generally will be subject to (i) risks associated with the general economic climate; (ii) local real estate conditions; (iii) risks due to dependence on cash flow; (iv) risks and operating problems arising out of the absence of certain construction materials; (v) changes in supply of, or demand for, competing properties in an area (as a result, for instance, of over-building); (vi) the financial condition of tenants, buyers and sellers of properties; (vii) changes in availability of debt financing; (viii) energy and supply shortages; (ix) changes in tax, real estate, environmental and zoning laws and regulations beyond the control of the Company; (x) various uninsured or uninsurable risks; (xi) natural disasters; and (xii) the ability of the developers to develop their projects in accordance with the stated plans. With respect to investments in the form of developed apartments owned by the Operating Company, the Operating Company will incur the burdens of ownership of the apartments, which include the paying of expenses, registration fees and taxes, maintaining such apartment and any improvements thereon and ultimately disposing of such apartment. With respect to investments in apartments under development, the Operating Company will in large part be dependent on the ability of the developers to successfully develop and finalize the underlying real estate projects. The Company’s investment strategy, which may frequently involve the acquisition of assets in a leveraged capital structure (resulting from the Bonds Financing and the leverage at the level of the targeted projects), will involve a high degree of legal and financial risk, and there can be no assurance that the Company’s rate of return objectives will be realized or that there will be any return of capital. There is no assurance that there will be a ready market for resale of investments because investments in real estate generally are not liquid. Illiquidity may result from the absence of an established market for the investments, as well as from legal or contractual restrictions on their resale by the Operating Company. The possibility of partial or total loss of capital will exist and investors should not subscribe unless they can readily bear the consequences of such loss.
**Construction Risks.** The business of the Company may be adversely affected by many factors commonly associated with large construction and development projects, including, without limitation, shortages of equipment and materials, labor disputes, lack of public acceptance, governmental action, hostilities, delays by other developers of property, war or political conflict, adverse weather conditions, natural disasters, accidents, other risks referred to herein and unforeseen circumstances and difficulties. The occurrence of any of these or other events could cause delays in the implementation and completion of certain projects. In addition, the failure to meet timetables for various phases of construction could result in reduced earnings.

**Uninsured Losses.** The Company and/or the Operating Company will attempt, through negotiations and assessment conducted by the Manager, to have insurance coverage to mitigate certain risks as is customary for similarly situated businesses. However, there can be no assurance that insurance will be available or sufficient to cover any such risks. Insurance against certain risks may be unavailable, available in amounts that are less than the market value of replacement costs of investments or underlying assets, or subject to a large deductible, or too costly relative to the benefit. Additionally, there can be no assurance that certain risks, which are currently insurable, will continue to be insurable on an economically feasible basis.

**Environmental Risks.** The Company may be exposed to risk of loss from environmental claims made against projects it has invested in and facing environmental problems, and the loss may exceed the Company's investment. Additionally, changes in environmental laws or in the environmental condition of an asset may create liabilities that did not exist at the time of acquisition of an investment and that could not have been foreseen.

**Developers/Owners Risks.** The Company is subject to the risk of having the developers/owners of the projects in which it invests (by purchasing properties) default on, or delay in the performance of, their obligations. To the extent such developers/owners fail effectively to satisfy their obligations to the Company or the Operating Company, respectively, there may be a material adverse impact on the Company and the Operating Company operations.

**Considerations Relating to the Bonds**

**Fixed income securities risk.** Fixed-income securities are subject to the risk of the Issuer’s inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility resulting from, among other things, interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk). Lower rated fixed income securities have greater volatility because there is less certainty that principal and interest payments will be made as scheduled.

**The Bonds will be unsecured.** The Bonds will not be secured by any assets of the Company or the Operating Company. As a result, the Bonds are effectively subordinated to obligations which are mandatorily preferred by law and operational expenses. In any liquidation, dissolution, bankruptcy or other similar proceeding, the holders of obligations mandatorily preferred by law and operational expenses may assert rights against the assets pledged or otherwise to secure that indebtedness in order to receive full payment of their indebtedness before the assets may be used to pay other creditors, including the holders of the Bonds.

**Re-investment Risk.** The Company is entitled to prepay the Bonds. In the case of such early prepayment an investor may not be able to reinvest the prepayment proceeds at an effective interest rate and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

**Legal investment considerations may restrict certain investments.** The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Bonds are legal investments for it, (2) the Bonds can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Bonds. Banks and financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

**No Market; Illiquidity.** The Bonds are a new issue of securities with no established trading market. Currently, no one intends to make a market in the Bonds. Accordingly, the purchase of Bonds is suitable only for investors who can bear the risks of no liquidity and the financial and other risks associated with an investment in the Bonds and who are willing and able to hold Bonds until their final maturity.
No Insurance. The Bonds (a) are not guaranteed, insured or otherwise backed, by the credit of any government or any agency or political subdivision thereof, and (b) are not guaranteed or insured by any private deposit insurance corporation or agency.

**Bonds Terms and Conditions.** The terms and conditions under which the Bonds will be issued offers limited protection to Bondholders. The terms and conditions of the Bonds do not restrict the Issuer or the Operating Company’s ability to engage in, or otherwise be a party to, a variety of corporate transactions, circumstances or events that could have an adverse impact on the investment in the Bonds. In particular, the terms and conditions of the Bonds will not place any restrictions on the Company’s ability to:

- issue further Priority Shares and Common Shares in accordance with the Priority Shares Prospectus;
- issue additional bonds that would be equal in right of payment to the Bonds and share the rights of the Bondholders, subject to the Bonds Issuance Threshold;
- subject to the allocation of 85% of the Excess Cashflow for the prepayment of the Bonds, effect distributions and return capital or make any payments in respect of, its equity securities (Common Shares and Priority Shares) in accordance with the Priority Shares Prospectus;
- extend the term of the Bonds beyond the Series A Maturity Date;
- Sell the assets of the Company and/or the Operating Company.

In addition, the terms and conditions will not require the Company to offer to purchase the Bonds under any circumstances. Furthermore, the terms and conditions of the Bonds do not protect Bondholders in the event that the Company and/or the Operating Company experience changes (including significant adverse changes) in their financial condition, results of operations. There is no requirement, other than the establishment of the Cash Reserve, that the Company or the Operating Company adhere to any financial tests or ratios or specified levels of net worth, revenues, income, cash flow, or liquidity.

30% quorum in case of certain Events of Default. Each of the Series A Bonds and the Series B Bonds provides that, in case of certain events of default, any notice declaring the Series A Bonds or the Series B Bonds due and payable shall become effective only when the Company has received such default notices from Series A Bondholders (in respect of the Series A Bonds) or Series B Bondholders (in respect of the Series B Bonds) representing at least 30% of the aggregate principal amount of the Series A Bonds or the Series B Bonds then outstanding.

Conflict of Interest

Due to the widespread operations undertaken by the Company, the Lead Placement Agent, the Sponsor, the Manager and the Escrow Agent and various individuals (the Management Team) who will serve on behalf of any of the above (collectively, with their respective Affiliates, the "Associated Parties"), and the nature of the investments to be made by the Company, conflicts of interest may arise, including, but not limited to, the following:

**Competition with the Company in the Purchase, Operation and Sale of Real Estate Investments.** Various Associated Parties presently furnish advisory, asset management and consulting services to other clients. In carrying out its responsibilities, an Associated Party may be subject to various conflicts of interest in allocating opportunities concerning the purchase, operation, sale or financing of investments among the Company and such other clients. Since such clients may from time to time be seeking investments similar to those desired by the Company, situations may arise in which the interests of the Associated Parties conflict with those of the Company. In addition, properties owned by the Company may compete with other properties owned or managed by the Company or another Associated Party or client thereof.

**Competition for Time and Services of Employees.** The Company will rely on the services of the Manager and other persons affiliated with the Company. The Manager and other Associated Parties may have conflicts in the allocation of management and staff time, services and functions among the Company and their other clients and interests.
**Interests of Associated Parties.** The Manager has agreed that, until the earlier of the second anniversary of the end of the Investment Period or such time as 70% of aggregate Paid-In Capital has been invested by the Company, to not participate in the formation of, or provide services to, an investment vehicle intended for investors to pursue the same investment strategy in real estate of the Company (as described herein) in Greater Beirut.

**Lack of Separate Representation.** Alem & Associates has acted as legal counsel to the Company in connection with this offering and is counsel to the Manager and the Operating Company in connection with this offering and may in the future act as counsel for each such company. Alem & Associates also currently and may in the future serve as counsel to certain affiliates of the Management Team and the Manager in matters unrelated to this offering. There is a possibility that in the future the interests of the various parties may become adverse. In the event that a dispute were to arise between the Company, the Operating Company and/or the Manager, or any of their respective affiliates, separate counsel for such parties would be retained as and when appropriate.

**Lack of Information Barriers.** There are no information barriers amongst the Manager, the Company and the Operating Company. If the Manager or certain members of the Management Team were to receive material non-public information about a particular project or investment, or have an interest in investing in a particular project, the Manager may be prevented from using such information i.e. prohibited from investing or arranging an investment in such project. Conversely, if the Manager or certain members of the Management Team were to receive material non-public information about a particular company or a project, or have an interest in investing in a particular company or project, the Company and the Operating Company may be prevented from making an investment therein.

The risk may affect the Company more than it does other investment vehicles, as the Manager does not use information barriers that many firms implement to separate persons who make investment related decisions from others who might possess material, non-public information that could influence such decisions. The Manager’s decision not to implement these barriers could prevent the Operating Company and the Company from undertaking certain transactions such as advantageous investments or dispositions that would be permissible for them otherwise.

**Nevertheless, each Associated Party,** including (subject to such agreement) the Manager, may make investments for its own account and serve as an officer, director or agent of other companies, in each case without any obligation to offer investment opportunities to the Company or to account for receipts relating thereto. Similarly, any Associated Party may hold securities or other interests in any of the projects in which the Company may invest or has invested.

**Non-Public Information.** The Manager may have material non-public information or other information that would be of value to the Company, but which they have no obligation to use, or may be prohibited from using, for the benefit of the Company.

**Incentive-Based Fee Structure.** Common Shares Distributions, if any, payable to the holders of the Common Shares (who controls the Manager) will be based on gains realized on investments in the Company. This may give the Manager an incentive to make investments that are more speculative than would be the case without such performance-based fees.

In addition to the above, the By-laws provides for the following under its Article 21:

- Any agreement between the Company and any of the Directors, whether direct, indirect or through a third party, shall be subject to the prior authorization of the Ordinary General Assembly, except for ordinary contracts having as subject matter transactions between the Company and its clients; and
- any agreement between the Company and any another firm owned by any Director, or in which he/she is a general partner, manager, or member of the board of directors, shall be subject to the prior authorization of the Ordinary General Assembly.

As at the date of this Prospectus, there is no conflict of interest between the Company and an Associated Party other than disclosed hereunder.
THE STRUCTURE

As at the date of this Prospectus, the Company has not effected any offering of equity or debt (whether private, public or exempt).

The following chart summarizes the Company’s organizational structure and equity ownership after giving effect to this Offering as well as the Priority Shares Offering. This chart is provided for illustrative purposes only and does not show ownership percentages:
THE COMPANY

General
Legacy One Holding SAL is a Lebanese joint-stock holding company that has been incorporated on 25 September 2018 in Lebanon with the Beirut Commercial Register under number 1903869 having its registered office located at 126, Foch Street, Beirut Central District, Beirut 2012-6609, Lebanon to enable Eligible Investors and Priority Shares Eligible Investors to take advantage of opportunistic real estate investments in Lebanon.

The Company’s email address is info@legacyone.co. All inquiries related to the Offering should be communicated to the Lead Placement Agent or the Sponsor at their respective addresses as set forth in this Prospectus.

The details of the address principal place of business and telephone numbers of the Company are as follows:

126, Foch Street
Beirut Central District
Beirut 2012-6609
Lebanon
01-332300

The Company is a newly established company and does not have any (i) assets and liabilities other than those disclosed hereunder (ii) activities other than those relating to the offering.

The Company will be governed by the provisions of the Lebanese Code of Commerce and Decree-Law No 45 dated June 24, 1983 governing Lebanese Holding companies. The Company will be deemed a Lebanese person for purposes of Decree-Law 11614 dated January 4, 1969 governing the acquisition by non-Lebanese of real estate rights in Lebanon. As a result, subscription for, and ownership of, shares issued by the Company, irrespective of the class thereof is restricted to persons or entities that are considered Lebanese under the real property law.

The Company will not be regulated by Banque Du Liban, the Central Bank of Lebanon (“BDL”, the “Central Bank” or “Banque du Liban”).

The offering is subject to the prior approval of the Capital Markets Authority in Lebanon (“CMA”).

The Company does not have any activities other than those in relation to the Offering. The fiscal year of the Company will end on December 31 of each year. The books and records of the Company will be kept, and all valuations and payments by the Company will be made in US Dollars.

THE CAPITAL MARKETS AUTHORITY IN LEBANON TAKES NO RESPONSIBILITY FOR THE INFORMATION CONTAINED IN THIS PROSPECTUS OR FOR THE MERITS OF ANY OFFERING OF BONDS.

The Company is not a member of any group of companies. The Company will substantially own the entire share capital of the Operating Company.

In order to finance its investment activities, the Company will raise funds through the following:

- The offering of the Bonds as contemplated herein; and

- The offering of Priority Shares for a minimum capital commitment of US$ 15,000,000 (subject to adjustment) and a maximum of US$ 75,000,000 in accordance with the Priority Shares Prospectus.

The issue size of the Bonds shall not exceed four times the Committed Capital.

The principal bank with which the Company intends to carry out its banking activities is Lucid Investment Bank SAL whose address is located at 109, Allenby Street, Beirut Central District, Beirut, Lebanon.

Investment Objective

The Company’s investment objective is to maximize medium to long-term investment return to the holders of Priority Shares (as defined below) through the acquisition (through the Operating Company) of a diversified portfolio of properties with the following criteria:
- High End predominately residential units with some exposure to commercial properties in prime locations within Greater Beirut, Lebanon.

- Acquisitions will primarily consist of attractively price discounted properties at wholesale basis from developers or contractors due to the current oversupply within the market and the scaling down of new similar projects.

- The targeted properties will be newly completed or nearing completion properties.

- The objective is to sell these properties to the retail market throughout the Investment Term at a profit.

The income of the Company is primarily determined by the performance of the investments made by the Operating Company.

**There is no guarantee that the Company will achieve the above investment objectives. An investment in the Company involves a significant degree of risk. Eligible Investors should carefully consider the risks described herein, under Section entitled “Certain Risk Factors” and elsewhere throughout this Prospectus before making an investment decision.**

**Investment Strategies**

- The Company intends to accumulate the required funds through sales of equity and bonds to the designated holders of Priority Shares and Bondholders. The scale of the offering proceeds will give the Company bargaining power to optimize purchasing terms with developers and other stakeholders on a whole sale basis.

- The Company will thought its Manager will follow a rigorous investment process with its major counterparties that include lenders, creditors and key contractors.

- The Company through its strategic and effective marketing tools plans to reach out to prospective buyers by targeting, among others, Lebanese residents, emigrants, and Diaspora.

- The Company will endeavor to acquire and sell the properties in a cost efficient manner while mitigating the risks involved in such process.

**Investment Restrictions:**

- The maximum investment in a single real estate development project (whether under development or completed) is capped at 30% of such project sellable area.

- Maximum investment in a single real estate project under development is capped at 20% of the total Contributed Funding.

- Maximum investment in a single completed real estate project is capped at 20% of the total Contributed Funding.

- Maximum investment in commercial properties is capped at 30% of the total Contributed Funding.

- Maximum investment with a single real estate developer is capped at 30% of the total Contributed Funding.

- Maximum investment in real estate projects located within a single cadastral zone of Greater Beirut will be capped at 35% of the total Contributed Funding.

- The Company will be investing and committing to invest a maximum of 85% of its Contributed Funding in properties.

The Company may change, amend or disregard any of the above restrictions subject to a Simple Majority Priority Shares Decision.
For the avoidance of doubt, the restrictions applied herein shall also capture any investment commitment in real estate projects made by the Company.

**Investment Highlights**

An investment in the Bonds (and ultimately the Company) involves a high degree of risk. See “Certain Risk Factors” for a discussion of certain factors to be considered in connection with an investment in the Bonds. However, an investment in the Company also offers the following advantages when competing for suitable investments, which might not be available to Eligible Investors seeking to engage directly in the transactions in which the Company will engage. An investment in the Company benefits from the following:

**Management Team Track Record:** Investment strategy for the Company will be made based on recommendations by the Manager (subject to the approval of the Investment Committee) which is led by the Management Team. The members of the Management Team are believed to possess knowledge, expertise and resources in, *inter alia*, Lebanese real estate sector with an in-depth familiarity with the economic, political and social conditions prevailing in Lebanon as well as with the financial services industry that would ordinarily not be available to many investors. Although the Manager is a newly formed entity, the synergies created by combining the complementary experience and skills of its management with the track record of the members of the Management Team are expected to enable the Company to carry out its investment objective. The Company intends to benefit from the Management Team diversified expertise in the real estate industry and its relations with various stakeholders on the ground, particularly in the banking sector. The Manager believes that its ability to draw on these resources will give the Company a competitive advantage. The close collaboration the Manager will have with the banks will give it valuable insights and added negotiation powers to ensure risk minimization.

**Access to Deal Flow:** The Sponsor believes that one of the key advantages the Management Team offers to the holders of Priority Shares is its access to deal flow. Individual members of the Management Team have spent a significant part of their professional lives engaging in business within the real estate sectors in Lebanon, and, as a result, have extensive and long-standing relationships of trust and access to various businesses. Due to the significant investment and Real Estate sector experience of the management team, the management team should be able to continually generate deal flow that fits the strategy and objectives of the Company.

**Outside Advisors:** The Manager, at its sole discretion, may consult with outside analysts, market consultants, technical experts, legal and other advisors available to it in connection with investment proposal and strategies. Such advisors may not be available, or the cost of retaining such advisors may be prohibitive to many investors.

**Scale:** The Sponsor believes that the Company can obtain considerable discounts on the targeted projects, allowing the satisfaction of the obligations imposed on the projects towards the lending banks and other creditors.

**Attractive Market Opportunities:** The niche sector of large apartments in prime locations of Greater Beirut is facing a serious slowdown that has been dragging for more than four years. This situation is affecting developers, contractors, suppliers and banks. Thus, it creates opportunities to obtain prime properties at interesting discounts, especially when considering the scale and purchasing power of the Company. The shifting market trend towards small units, the scarcity of large lands in prime areas of Beirut and the slow reactivity of the development market will ensure the uniqueness of these products, which will provide for attractive sales opportunities.

**Diversified Offerings:** The Manager will capitalize on the market knowledge and experience of the Management Team in endeavoring to constitute a largely diversified portfolio of real estate properties, within the investment objectives and constraints of the Company. The diversity, whether in terms of geography, typology or market positioning of the product portfolio constituted by the Company will enable an unprecedented range of choices that the Manager's sales teams will leverage to the Company's benefit. This diversity, associated with the scale of the Company, will enable the sales team to reach and pitch potential clients worldwide. The Lebanese Diaspora is indeed a vast and fragmented network that sometimes had lost touch with its origins. The Manager believes that the Company will be the only real estate entity able to approach this reservoir of potential clients.

**Alignment of Interests:** The interests of the holders of Priority Shares will be aligned with those of the Manager. The performance of the Company is directly linked to the compensation of the Manager.
Disciplined Investment Approach: The Manager will focus on constructing a diversified real estate portfolio and will pursue a disciplined value-added strategy. The Company will seek to capitalize on market opportunities that will be identified through the Management Team's extensive market knowledge and long-term relationships. A highly disciplined and methodic investment process will be implemented and followed through in all its steps, whether product identification, due diligence, investment structuring, asset management or divestment.

Bonds Financing: The Company will through the Bonds Financing obtain debt at a fixed rate until the Series A Maturity Date and the Series B Maturity Date and will be also pay a percentage of the Net Cash to the Series B Bondholders. This comes at a time where banks have reached their limits in terms of financing real estate, thus it constitutes a rare opportunity in the current market conditions.

Experienced Financial Administrator: Lucid has more than 15 years of experience in the set-up, management and administration of funds and fund like structures. It is currently acting as either the manager or the administrator of three funds. Lucid will provide the Company with its expertise in the field thanks to its impeccable reputation, highly advanced and efficient technological tools and quality and experience of its personnel.

Investment Rationale and Process

The Company foresees to profit from the current oversupply in high-end residential units and to a lesser extent the commercial real estate sector within the Greater Beirut Area, by constructing a diversified portfolio of undervalued properties with an emphasis on upscale residential developments.

The Company will follow a systematic assessment process when pursuing opportunistic investments or acquisitions.

Target Opportunities

The Manager places the most lucrative opportunities in the mid to high-end properties located in upscale neighborhoods in the Greater Beirut area.

The Manager assumes the following rationale for targeting such properties:

- Properties that are most likely to be purchased under deep discounts due to the lack of demand during this period in time, while preserving the strongest recovery rate.

- The targeted properties lay inside projects that have shaped modern Beirut with their distinctive architecture, state-of-the-art construction and finishing.

- Developers have shifted away from this class of projects. Accordingly when demand picks up, the current oversupply will convert into a shortage.

- The prime locations of the targeted properties and units anchor their value going forward.

The Company intends to acquire ancillary properties in order to facilitate the sales process in the future.

Investment Process

The Management’s team possesses an extensive expertise in the real estate sector spanning over 40 years, and furthermore through several industry cycles, in addition to its’ long term affiliation with developers, contractors, financial institutions among other essential entities within the real estate industry.

Therefore the Company is ideally positioned to capitalize on market opportunities using the following investment process:

- Identify and source the undervalued properties.

- Accurate risk assessment of each target property.

- Acquisitions will be skillfully structured and financed.
Effective portfolio management by means of meticulous timing of investment and divestment of the underlying properties.

The Investment Committee and the Company’s Board, will undertake investment decisions using a disciplined approach. The Manager will initiate the process under the close supervision of the Investment Committee.

**Deal Sourcing**

The Manager’s deal sourcing and listing of projects will primarily entail:

- In-house deal sourcing of high quality, privately negotiated investment opportunities.
- Minimal reliance on intermediaries in order to eliminate unwanted transaction fees. Lest they bring resourceful opportunities that went unnoticed by The Manager.
- Conduct a thorough market research with the aim of finding less evident opportunities in the market.
- Banks will constitute the core of the targeted leads during the sourcing phase. Due to their vital interest among all the key players within the industry such as the developers, contractors, sub-contractors, suppliers and ultimately the buyers.

The Manager’s preliminary assessment of individual projects/properties will be analyzed as follows:

- Availability and distinctive characteristics of the units within each project that will include location, amenities, design etc.
- Emphasize on the balance and design of the interior floor plans of each unit.
- Categorize and classify the project according to specifications and amenities.
- Aligned pricing with neighboring, comparable projects and units.

Projects and units that are identified as “Suitable for Investment” will have an individual detailed property brief (PB) henceforth will be brought to the attention of the Management Team for consideration of an investment in the project or unit.

**Due Diligence and Acquisitions**

**Sourcing**
- Market Expertise
- Market Research
- Bank Relationships
- Intermediaries Relationships
- Preliminary Analysis
- Property Brief (PB)

**Due Diligence & Acquisition**
- Preliminary Investment Proposal (PIP)
- Negotiations
- Due Diligence
- Final Investment Proposal (FIP)
- Investment Committee Approval
- Acquisition

**Asset Management**
- Monitoring during Construction Phase
- Property Management
- Developers Relationships
- Assets Valuations

**Marketing & Sales**
- Marketing Strategy
- Sales Strategy
- Periodic Strategic Reviews by Investment Committee
- Deal Closing
- Distribution of Proceeds
Following the approval of individual projects and units by the Management Team, a preliminary approach with the related lenders will take place for the financing process.

Negotiations regarding the developers’ debt obligations will aid in setting acceptable frameworks for each transaction.

When outcomes are acceptable, the Manager will draft a Preliminary Investment Proposal (PIP) and present it to the Investment Committee for review and initial approval. Following the approval of the PIP, the Manager will initiate the negotiations and conduct an in-depth due diligence.

Negotiations with developers will emphasize on the following:

- Selecting the units that were considered “Suitable for Investment” and that comply with the companies’ objectives.
- Obtaining the greatest discount possible compared to the publicly listed price.
- Payment schedules should be in line with the Company’s investment policies.
- Minimizing the standard common charges that accompany each acquisition.
- Negotiate the terms and conditions of each contract.

The Manager will conduct a thorough internal due diligence, in addition to the assistance of a third-party specialist when deemed necessary.

Due Diligence will cover the following subjects:

- **Strategic Investment**: The Manager will evaluate how each selected unit and project adds to the overall product mix of The Company’s portfolio. The Manager will also estimate the liquidity potential of the units and projects.
- **Marketing Materials & Finishing**: The Manager will review all existing marketing materials and issue new material when necessary at an estimated and predetermined budget. The Manager will also appraise the finishing and specifications of the units in relation to its marketability and thus assess the required modifications when necessary, along with the estimated budget for the job. The Manager will conduct these assessments unless the job requires external consultants and experts.
- **Technical Standards**: The Manager ensures that there are no flaws in design, installation, as well as the quality of construction and finishing of the units. The Manager will estimate the cost and set a time frame for completion and delivery of each unit. The Manager will conduct these assessments unless the job requires external consultants and experts.
- **Regulatory Positions**: The Manager will ensure and verify that there are no obstacles that may cause a delay or prevent the allotment process of each unit. The Manager will verify the absence of pending loopholes with different regularity bodies such as the Municipalities, Order of Engineers and Architects. The Manager will conduct these verifications unless the job requires external consultants and experts.
- **Legal**: The Company’s Legal Counsel, will conduct the legal due diligence at both the project and developer level, insuring that there are no pending lawsuits or subpoenas. In addition to confirming the absence of any form of conflict with third parties such as, neighbors, contractors, sub-contractors or suppliers. The Company’s Legal Counsel will conduct these verifications unless the job requires external consultants and experts.
- **Audit**: The Company’s Auditor will focus on the project level, ensuring absolute compliance with all the fiscal bodies namely the Ministry of Finance and Social Security. The Company’s Auditor will conduct these actions unless the job requires external consultants and experts.
Subsequent to both the negotiations and due diligence, and provided that the outcome is acceptable to the Management Team, the Manager will prepare a Final Investment Proposal and present it to the Investment Committee.

The Investment Committee will then undertake a thorough analysis of the due diligence report and decide whether to approve or disapprove the investment. Once the Investment Committee approves an investment proposal, it is then submitted to the Compliance Officer who will in turn prepare a relative report.

**Asset Management**

The Manager will actively monitor the underlying assets in-house, ensuring that the strategy, standards and the progress of the properties are maintained and in constant improvement.

The main responsibilities of the asset management team during the construction phase are as follows:

- Ensure that the progress of construction are maintained according to a predetermined time frame.
- Ensure that the quality and finishing of the work is as per agreed standards.
- Ensure that that all related installations and systems are functioning flawlessly.
- Ensure that all complications and obstacles that may occur are resolved prior to the hand-over of each unit.

The main responsibilities of the asset management team upon completion of the construction phase are as follows:

- Consistent cleaning and upkeep of the properties.
- Regular examination of all installed systems to ensure flawless functionality.
- Liaising with designated property management companies for each project, or alternatively working with one property management company that will cover and maintain all the underlying properties within the portfolio.
- Regular Attendance to related co-property meetings.

Proper communication channels with the developers will be maintained at the Management Team level. This will ensure that the development and allotments processes are on track. An active monitoring of the underlying assets valuation will be diligently performed on a regular basis.

**Marketing and Sales**

A flexible and effective marketing and sales strategy has been put in place by the Manager to contribute the success and profitability of the Company and ultimately the holders of Priority Shares. The Manager will adopt a multipronged approach to cater to the different products in the underlying portfolio as well as the changing market fundamentals such as demand/supply and pricing. The strategy will seek to create new demand through the access to unexploited markets in order to maintain the positive dynamics and provide liquidity and growth to Holders of Priority Shares.

The skills and knowledge accumulated by the Management Team over a period of 40 years and numerous industry cycles will play a major role in anticipating market dynamics and acting swiftly upon a change in the market conditions.

The Manager’s Marketing Strategy will be implemented as follows:

- Proficient coordination with advertising agencies on creating a brand identity.
- Creating strategic campaigns with marketing agencies periodically. While affirming that the content of the material is evolving in line with the marketing plan.
- Budgets will be set on an annual basis and followed up periodically.
- Screening and selection of sponsorship opportunities.
- Screening and selection of conferences and exhibitions including the direct coordination with all related parties (i.e. stand & furniture suppliers, audiovisual equipment and content, catering, hosting, giveaways & brochures etc.).
- Identifying potential buyers for each type of project by distinguishing the buyers of similar projects in the past.

The overall scale of the Company and its diversity in geography, underlying portfolio of assets and market positioning, will enable the sales team to reach a wide variety of potential clients worldwide, including a vast and fragmented network of the Lebanese Diaspora, making the Company the principal entity able to reach this reservoir of potential clients.

The Sales Strategy will be implemented as follows:

Due to the substantial number of underlying properties within the Company’s portfolio, it would be impractical for the Investment Committee to mediate each sale. Therefore the following approach has been set in its place:

- A global sales strategy will be discussed and approved by the Investment Committee in order to achieve and facilitate the Company's objectives.
- Specific sales targets and pricing levels will be set on a yearly basis and updated quarterly with the Investment Committee. This will stipulate the guidelines that must be respected by the sales team when closing a sale.
- Should a sale be diverging from the criteria approved by the Investment Committee, the sales representative will present the case to the Investment Committee for review and finally approve or reject the request.
- It is anticipated that brokers will be conveying clients to the Company. Nevertheless, the strategy and sales efforts of the Manager will aim to minimize the extent of any reliance on intermediaries, in order to avoid additional fees.

The Investment Committee may, in exceptional circumstances when investment opportunity arise, meet and decide to make the investment decisions without going through the process outlined above

**Company Board**

The Company will be governed by a board of directors ("Company Board"). On or after the Initial Closing Date, the Company Board will be comprised of three (3) directors (each a "Director" and collectively the "Directors") of which one (1) representing the holders of Common Shares selected by the Manager, and two (2) Independent Directors.

This allocation of seats shall be maintained at all times during the term of the Company. The number of Directors may be increased provided that the allocation of seats is maintained. The holders of Common Shares shall have the right to cause the replacement of any Director. The Chairman of the Company Board shall at all times be a holder of Common Shares.

The appointment of the Independent Directors shall be subject to the approval of the Financial Administrator, such approval not to be unreasonably withheld.

The Company Board shall meet at least four times per year, or more often as necessary.

The Independent Directors shall have experience and expertise in real estate industry and/or banking and financial services industry and an in-depth familiarity with the economic, political and social conditions prevailing in Lebanon.
The Company Board will have the ultimate power to manage the Company. While the Company intends to delegate certain management functions to the Manager, all investment and divestment decisions will remain with the Company (See “Investment Committee” below). The Company will procure that the Operating Company also delegates certain management functions to the Manager.

The Financial Administrator shall have the right to designate one observer who shall be permitted to be present at and participate in all Company Board meetings and the Company shall provide such person with such notice and other information with respect to such meetings as are delivered to each of the members of the Company Board. The Financial Administrator and the observer shall maintain the confidentiality of the Company Board meetings.

It is anticipated that the first members representing the Common Shares will be as follows:

Chairman-General Manager (representing holders of Common Shares): Mr. Namir Cortas

Mr. Cortas started his career in New York with Deloitte, where he qualified as a Certified Public Accountant. He then moved to the UK for 17 years, working in finance and consultancy in construction and real estate. In 1997, he returned to Lebanon and developed several projects in Beirut Central District. Recently, he oriented his development activities towards middle-income housing. Cortas is the president of the Real Estate Developers Association of Lebanon (REDAL). He holds a master’s degree in accounting from Long Island University and a bachelor’s degree in political studies from the American University of Beirut. The address of Mr. Namir Cortas is situated at S. Dagher Center, 7th Floor, Pasteur Street, Gemmayze, Beirut 4514-11, Lebanon.

Director (Independent Director) will be Mr. Pierre A. Gaspard

Pierre Gaspard is an independent advisor with 36 years of progressive experience in the finance industry. He is Board Member and Chairman of the Risk Committee at Bank of Beirut sal, Board Member of Saradar Family Office, Board Member of MySay sal and Advisor to the Boulos Group in Nigeria. From 2012 to 2017, he was Advisor to the Chairman of Saradar Group where he led the teams in charge of identifying and negotiating strategic acquisitions as well as other investment opportunities. He was also Board Member of the various entities of the Group. Prior to joining Saradar, Mr. Gaspard spent nine years as an independent financial advisor specializing in the structuring of investment products for institutional clients. Until 2003, Mr. Gaspard held several senior executive positions in local and international institutions. Latter included Banque Saradar sal where he headed Treasury, Capital Markets and Private Banking and Bank of Montreal (Canada) where he was Associate Director in the Risk Management team. Mr. Gaspard holds an MBA from California State University (1983) and a BBA from the American University of Beirut (1981). The address of Mr. Pierre Gaspard is situated at 24, Raymond Khalife Street, Achrafieh, Beirut, Lebanon.

Director (Independent Director) will be H.E. Me. Walid Daouk

H.E. Me. Walid Daouk is an accomplished lawyer in Lebanon specializing in commercial, civil, and property laws. In 1981, he started his practice as an associate in Takla & Trad law firm to become, thereafter, partner and vice-chair of the International Affairs Commission at the Beirut Bar Association in 2005, as well as a member of its arbitration commission in 2008. In 2011, he was appointed Minister of Information and per interim Minister of Justice until 2014. Today, Me. Daouk is a member of the Board of Directors of numerous local and international banking, real estate trading, and insurance corporations. He was appointed member of the board of Directors of the Council for Development and Reconstruction of Lebanon (CDR 2001-2004). In 1994, he was appointed the commissioner of the Lebanese Government at the Beirut Stock Exchange and continues in his functions until this day. Twenty years ago, he was one of the founders of Ajialouna and has been a member of its Board of Trustees ever since, followed by joining the board of Dar Al Aytam in 2005. He is also a member of the Board of Trustees of three major education institutions in Lebanon – College Louise Wegman since 2005, International College since 2009 and Université Saint Joseph since 2012. He holds a bachelor’s degree in Lebanese law and a master’s degree in French law from Saint Joseph University and prepared a degree in business management from LAU (formerly BUC). The address of H.E. Me. Walid Daouk is situated at Fransbank Center, Harma Street, Hamra, Beirut, Lebanon.

The term of the current Directors will expire on the date of Shareholders meeting held to approve the accounts of the 2021 fiscal year.
**Powers of the Company Board**

The Company Board will have the ultimate power to govern the Company. While the Company intends to delegate certain management functions to the Manager, all investment and divestment decisions will remain with the Company (See “Investment Committee” below).

The Company Board will act by majority consent.

The Company Board will approve and review periodically the marketing and sales strategies of the Company and the guidelines for the sale of investments made by the Company.

Through its oversight role, and indirectly through its Investment Committee and Compliance Officer, the Company Board will be performing a monitoring and supervisory function over the activities of the Company and the Operating Company, as well as the Manager’s performances consisting of, among other things, the following activities: (i) regular and special Company Board meetings, and on an ad hoc basis as needed, receiving and reviewing reports related to the performance and operations of the Company, the Operating Company and the Manager; (ii) reviewing and approving, as applicable, compliance reports; (iii) meeting with members of the Management Team and Investment Committee to review investment strategies, techniques and the processes used to manage related risks; (iv) meeting with, or reviewing reports prepared by the representatives of key service providers, including the real estate appraisers, Auditors and Legal Advisors, to review and discuss the activities of the Company and the Operating Company and to provide direction with respect thereto; and (v) engaging the services of third party service providers to test the compliance procedures of the Company and the Operating Company. However, not all risks that may affect the Company and the Operating Company can be identified or processes and controls developed to eliminate or mitigate their occurrence or effects, and some risks are beyond the control of the Company, the Operating Company, the Manager and their respective service providers. The Board will review the Compliance Officer reports to be submitted to it periodically. In addition, it will advise on and resolve conflict of interests’ situation and compliance issues.

**Investment Committee**

The Company Board will cause the establishment of the Investment Committee comprised of a minimum of three (3) members. The Company Board shall appoint to the Investment Committee one (1) member from the Management Team and two (2) Independent IC Members. The Company Board may remove or appoint new members to the Investment Committee provided that all times the majority of the Investment Committee remains constituted of Independent IC Members. The Investment Committee will be chaired by an Independent IC Member.

The Investment Committee will have, inter alia, the responsibility of approving all proposals relating investment/divestment in the Operating Company, which are in each case prepared by the Manager together with any reports submitted to it by the Compliance Officer.

The Investment Committee will act by way of unanimous consent.

The Investment Committee will convene periodically, as required, to review and approve investment proposals, gauge progress and assess the Company’s investment performance. The Compliance Officer shall have the right to attend the Investment Committee’s meetings. The Investment Committee may invite members of the Management Team to its meetings in order to provide explanation and further inquiries on the proposals prepared by the Manager.

Any matter proposed to the Investment Committee, in which a member of the Investment Committee has an interest or conflict, shall be determined by a unanimous vote of the other Investment Committee members. The member who has an interest or conflict shall not take part in voting and shall be required to immediately disclose such conflict of interest to the Investment Committee.

The Financial Administrator shall have the right to designate one observer who shall be permitted to be present at and participate in all Investment Committee meetings and the Company shall provide such person with such notice and other information with respect to such meetings as are delivered to each of the members of the Investment Committee. The Financial Administrator and the observer shall maintain the confidentiality of the Investment Committee meetings.
**Composition of the Investment Committee**

*Mr. Massaad Fares from the Management Team*

Mr. Fares brings more than 38 years of experience in real estate, covering several facets of the industry: development, marketing, sales and finance. He has worked in San Francisco, New York, Marbella, the Gulf and Beirut, where he returned in 1996 and founded Prime Consult. Fares has been on the forefront of the Lebanese real-estate industry and has relentlessly worked towards its increased regulation and institutionalization. He was the main founder of the Real Estate Syndicate of Lebanon (REAL) – which he presided from 2010 to 2017 and continues to be its Honorary President – and was instrumental in founding REDAL where he is the Board Secretary. Fares also sit on a variety of advisory boards for religious and social organization.

The address of Mr. Massaad Fares is situated at Park Tower, 1st Floor, Elias Sarkis Avenue, Achrafieh 2062 8306, Beirut, Lebanon.

The members of the Management Team and the Investment Committee are believed to possess knowledge, expertise and resources in the Real Estate and finance industries in Lebanon that would ordinarily not be available to many investors.

The Investment Committee may invite members of the Management Team to its meetings in order to provide explanation and further inquiries on the proposals prepared by the Manager.

**Powers of the Investment Committee**

The Investment Committee will have the following responsibilities:

- reviewing and approving all investment proposals prepared by the Manager;
- reviewing all exit/divestment proposals submitted to it by the Manager;
- setting the marketing and sales strategies of the Company and the guidelines for the sale of investments made by the Company;
- reviewing all proposals prepared by the Manager relating to the Operating Company’s businesses decisions, strategies and policies for further submission to the Company Board.

Once the Investment Committee approves an investment proposal, it will be submitted to the Compliance Officer who shall prepare a report in relation thereto.

In the event the Investment Committee disregards the recommendations and/or findings of the Compliance Officer, such matter will be referred to the Company Board for final decision.

Furthermore, the Investment Committee shall have the right to request further clarifications with respect to any matter relating to a proposal submitted to it by the Manager and to make any amendments its deems appropriate to such proposals subject to the Company’s stated investment objectives and strategies.

**Compliance Officer**

The Company will appoint a compliance officer (the “Compliance Officer”) in charge of reviewing the investment/divestment proposals approved by the Investment Committee to ensure their compliance with the investment objectives and guidelines of the Company and to detect any conflict of interest situation.

The Compliance Officer shall communicate all reports he prepares to the Financial Administrator.

**Investment Period**

It is expected that the Company will make investments and/or commit to make investments during the first two (2) years starting from the Initial Closing Date, subject to a one (1) year extension as determined by the Company Board at the recommendation of the Manager (the “Investment Period”). During the Investment Period the Company will make or commit to make investments.
Contributed Funding, to the extent not yet applied to make investments in the Operating Company, will be held with the Escrow Agent and invested in permitted temporary investments (bank deposits held by commercial banks or money market instruments or funds and similar investments earning interest) (“Permitted Temporary Investments”) until otherwise invested by the Company in the Operating Company.

Early Termination of Investment Period

If both MM. Massaad Fares and Namir Cortas are no longer actively involved in the management of the Manager and/or the Company (directly or indirectly) because of death, disability or any other reason, then the Investment Period will be terminated at the end of the first full calendar month after the date of such event unless the holders of Priority Shares elects otherwise by a Super Majority Priority Shares Decision based on a proposal made by the Financial Administrator. Notwithstanding the foregoing, the Company will be permitted to make investments after the Investment Period is terminated if such investments are made pursuant to commitments existing at the time the events described herein occurred.

Investment Term

The Investment Term of the Company will be ten (10) years from the date on which the first issuance of Priority Shares is completed or such earlier period if all investments have been duly offloaded. Should market conditions remain unfavorable for a period exceeding the Investment Term, the Company will, at the recommendation of the Manager, determine by a shareholders resolution (requiring an Absolute Majority Priority Shares Decision), the manner by which the Company will seek to liquidate its investments.

Dissolution of the Company

The By-laws will provide for a maximum term of the Company of 99 years. It is expected, however, that the Company will have a term equal to the Investment Term (10 years).

Any voluntary:

i. dissolution or liquidation of the Company prior to the sale or disposal of all its assets; or

ii. presentation or filing of a petition or application before any court for the declaration of bankruptcy, winding-up, administration or insolvency of the Company (or any analogous proceeding) or seeking any reorganization, arrangement, composition, re-adjustment, administration, liquidation, dissolution or similar relief under any present or future statute, law or regulation,

shall be subject to the adoption of a resolution by Holders of Shares requiring a Super Majority Priority Shares Decision.

Upon the dissolution of the Company, it is intended that the investments in the Operating Company will be sold, disposed of, transferred or otherwise liquidated in an orderly manner and all investments or the proceeds from the sale, disposition, transfer or liquidation of the investments (after deduction of all related fees and expenses) will be distributed to the shareholders in accordance with the Distributions Priorities subject to the Contingent Return. There is no guarantee as to the period of time during which the investments in the Operating Company will be liquidated.

Net Asset Value

The Net Asset Value will be calculated as the value of all of the Company's assets less all of the Company's liabilities, calculated in accordance with IFRS, except to the extent any provision herein has a contrary effect.

The valuation of the real estate properties owned by the Operating Company will be done by third party experts (i.e. real estate experts) on an annual basis. However, the auditors will determine annually at the end of each financial year the Net Asset Value of the Company based on the valuation of the assets as determined by the third party expert. The said Net Asset Value will be provided to each holder.

The total assets of the Company, the liabilities of the Company and the Net Asset Value shall be calculated under the supervision of the Company’s Board.
Net Asset Value will be determined in US Dollars.

The Company's (whether directly or through the Operating Company) liabilities will include the fees and expenses (where applicable) of the Manager and the Financial Administrator, including accrued but unpaid fees (including Management Fees and Marketing Fees); an allowance for the Company's estimated annual audit and legal fees; administration fees; withholding taxes (if any are due and not yet paid to the taxing authority); transfer taxes and other governmental charges and duties (if any); any guaranty fees; any reserve determined to be required for contingencies; and any other liabilities or expenses to be borne by the Company.

**Auditors**

Ernst & Young p.c.c. having its registered address at Starco Building, South Block B- 9th Floor, Mina El Hosn, Omar Daouk Street, Beirut 1107 2090, Lebanon or such other big 4 auditor as may be appointed by the Company

**Legal Counsel**

Alem & Associates shall act as legal counsel to the Company. The address of the Legal Counsel is located at 126, Foch Street, Beirut Central District, Beirut 2012-6609, Lebanon.

**Litigation**

Neither the Company nor the Operating Company is a party, as a plaintiff and as a defendant, to any legal proceedings.

**Compliance with Policies and Regulations**

As at the date of this Prospectus, the Company is believed to be in compliance with all policies and regulations applicable to it,
THE MANAGER

The Company and/or the Operating Company will enter into Management Agreement with Legacy Central SAL (as Manager) pursuant to which the Manager will, subject to the Company’s stated investment objectives and under the supervision and control of the Company’s Board, render management and administration services to the Company.

Legacy Central SAL is a management firm that manages and supports high impact entrepreneurs and financiers in building high growth ventures in the Real Estate industry. It is owned and controlled by the holders of the Common Shares. Legacy Central SAL is a Lebanese joint stock company incorporated on 25 November 2016 with the Beirut Commercial Register under number 1021923 having its registered office located at 126, Foch Street, Beirut Central District, Beirut 2012-6609, Lebanon.

The Management Agreement

THE MANAGEMENT AGREEMENT IS A RELATED PARTY TRANSACTION OF THE COMPANY.

Pursuant to the Management Agreement the Manager shall not have the right to make any investment, divestment or strategic decisions in relation to the business, operations and investments of the Operating Company. The Manager’s main responsibilities will include, inter alia, the following:

- identifying during the Investment Period investment opportunities in the targeted real estate development projects;
- undertaking initial screening, review and analysis of potential investments during the Investment Period;
- assuring a physical inspection and technical appraisal for potential investments;
- carrying out all negotiations with the developers and other stakeholders involved in the targeted project;
- manage the marketing and sales processes of the properties acquired by the Operating Company and keep the Operating Company and/or the Company informed of the marketing and sales activities;
- negotiate with the potential buyers the terms and conditions of the sales transactions subject to the instructions and directions set by the Operating Company;
- preparing recommendations to the Investment Committee for decisions relating to the Operating Company;
- carrying out the execution process of all investment, divestment decisions in accordance with the Investment Committee’s decisions;
- assist the Compliance Officer with his duties and make available all documents and information that may be reasonably requested by the Compliance Officer;
- overseeing the day-to-day management of investments in the Operating Company;
- follow up on the investment program of the Operating Company and the Company, advise the Operating Company and/or the Company on the investment program and strategy and keep such investment program under continuous review;
- act from time to time in accordance with all instructions given and authorities delegated to it by the Operating Company pursuant to the performance of its duties under this Agreement;
- conduct relations with any agents, accountants, attorneys, underwriters, brokers and advisors, insurers or banks and such other persons in any such other capacity deemed to be necessary or desirable insofar as they relate to management and financial and investment counselling of the Operating Company and/or the Company;
- select third party service providers in relation to the business and operations of the Operating Company;
- submit all instructions or advice concerning any acquisition, disposal or other dealing in any property of the Operating Company in such form as the Operating Company and the Manager may from time to time agree upon;
- carry out reviews of real properties held by the Operating Company whenever the Manager shall deem appropriate or as the Operating Company shall reasonably require;
- liaise with real estate appraisers and auditors from time to time to determination the valuation of the Operating Company’s investments;
- advise the Operating Company concerning all actions which, in the opinion of the Manager, the Operating Company should consider taking to carry into effect investment of the Operating Company's available capital and advise the Operating Company on the weighting necessary between different investments having regard to the Operating Company's liabilities;
- prepare material for inclusion in annual or other reports of the Operating Company and/or the Company whenever required by the Operating Company;
- together with the Operating Company, negotiate all arrangements and supervise the implementation of such arrangements;
- Manage the properties owned by the Operating Company until divestment;
- Relationship with the shareholders and Eligible Investors (regular reporting, answering specific queries, etc.) in coordination with the Financial Administrator;
- Provide administrative and financial management services to the Operating Company (paying developers, suppliers, advisors, etc...) subject to maintaining the money in the Operating Company’s bank account subject to the oversight of the Financial Administrator; and
- day to day management operations of the Operating Company.

The Manager is under the obligation to disclose all conflict of interest situation it becomes aware to the Operating Company and the Compliance Officer. The services of the Manager are not exclusive to the Operating Company and/or the Company. However, Until the earlier of (i) the end of the Investment Period or (ii) such time as 70% of the aggregate Committed Capital has been called by the Company, the Manager shall be prohibited from participating in the formation of, or provision of services to, an investment vehicle intended for investors to pursue the same investment strategy in real estate of the Company in Greater Beirut.

Under the Management Agreement, the Manager will commit to ensure that the sales team employed by the Manager will only be performing its sales activities for properties related to the Company, the Operating Company or such above-mentioned investment vehicles.

Pursuant to the Management Agreement, the Company will agree to indemnify the Manager against any error of judgment or mistake of law or for any loss suffered by the Company or any holder of Priority Shares in connection with the matters to which the Management Agreement relates, or for any loss or liability incurred by the Manager in connection with its services rendered to the Company, except that the Manager shall be liable for any such loss or liability resulting from fraud, willful misconduct or gross negligence by the Manager in the performance of its obligations under the Management Agreement.

This Management Agreement shall become effective on the Initial Closing Date and shall have an initial term of ten years and, if not sooner terminated, will continue in effect for successive periods of one (1) year each thereafter.

The Manager may not terminate the Management Agreement for convenience. The Manager’s right to terminate the Management Agreement is limited to the following instances:

- at any time by giving not less than 90 days’ notice in writing (or such shorter notice as the Operating Company may accept) to the Operating Company for Cause provided that the Cause has been confirmed by a final decision issued by a court of competent jurisdiction. For purposes hereof, “Cause” shall mean bad faith, willful misconduct, fraud or any material breach of this Agreement which is not cured after notice; or
- at any time by notice in writing to the Operating Company if the Operating Company or the Company shall go into liquidation or if a receiver or provisional liquidator or administrator or similar officer is appointed over any of the assets of the Operating Company or the Company.

The holders of Priority Shares may cause the termination of the Management Agreement for Cause subject to an Absolute Majority Priority Shares Decision and the confirmation of the breach by a final decision issued by a court of competent jurisdiction.

The Company and the Operating Company shall be under the obligation to enforce the terms and conditions of the Management Agreement and take appropriate actions as and when a breach is committed by the Manager. The Manager will be responsible for all of its day-to-day operating expenses, including:

- Marketing expenses;
- Employees’ salaries and social charges;
- Outsourcing fees for certain specific functions;
- Sales team incentives;
- Travel and accommodation expenses; and
- Office rental, equipment, expenses and utilities.

The Management Agreement is governed by Lebanese Law.
**Director of the Manager and the Management Team**

Mr. Massaad Fares and Mr. Namir Cortas will be the directors of the Manager. The presence of Mr. Fares and Mr. Cortas is essential to the business and development of the Company.

The management of the Manager shall be led by Messrs. Massaad Fares, Namir Cortas and Alain Bassoul (the "Management Team").

*Mr. Massaad Fares*

*Please see biography above*

*Mr. Namir Cortas*

*Please see biography above*

*Mr. Alain Bassoul*

With various experience in the fields of finance in France and Lebanon, Bassoul has specialized since 2010 in real-estate finance, when he joined Prime Consult. He has studied and analyzed since then more than 130 project of an aggregate value exceeding US$ 11 Billion. He was also handling the financial management of assets worth US$ 430 Million. He holds an MSc in Management (Diplôme HEC) from HEC Paris and a Bachelor in Mechanical Engineering from the American University of Beirut. The address of Mr. Alain Bassoul is situated at Park Tower, 1st Floor, Elias Sarkis Avenue, Achrafieh 2062 8306, Beirut, Lebanon.

*Allocation of Opportunities; Conflict of Interest*

Until the earlier of the end of the Investment Period or such time as 70% of aggregate Committed Capital has been called by the Company, the Manager shall be prohibited from participating in the formation of, or provision of services to, an investment vehicle intended for investors to pursue the same investment strategy in real estate of the Company (as described herein) in Greater Beirut.
The Company will enter into an Administration Agreement with Lucid (as Financial Administrator) pursuant to which the Financial Administrator will administer the Company. Under the Administration Agreement, the Financial Administrator will:

- Monitor the Operating Company’s business in general and exercise direct involvement in monitoring the execution of the investment strategy, and assessing the overall financial performance of the Company;
- Monitor compliance of investments with the investment objectives and guidelines;
- Assess the performance of the investment in the Operation Company, on a periodical basis, and report performance to the Company and its Shareholders;
- Supervise administration, legal and audit functions of the Company;
- Run KYC checks and the required compliance procedures on all potential investors in the Priority Shares and Bonds;
- Carry out investors relations: attend all calls and requests of investors. To this effect, the Financial Administrator will keep itself informed, through regular contacts with the Manager and its team, of all matters that might be of interest to investors;
- Investor Reporting: Assist the Manager in the preparation of regular reports, send reports to investors;
- Act as the primary banking service provider to the Company and the Operating Company as instructed and within the policies set out by the Company Board, and to provide these services on a competitive basis with respect to the Lebanese market. The Financial Administrator may also choose to entertain banking relations for the Company and Operating Company with other banks to maximize the interest of the Company and the Operating Company;
- Monitor all the Operating Accounts and hold, as a security agent for the Bondholders, a pledge over the Cash Reserve Account;
- Hold to the benefit of the Bondholders the Operating Company Corporate Guarantee; and
- KYC Services: Carry out credit, KYC and AML checks on all prospective sellers and buyers of properties.

The Administration Agreement provides, inter alia, that the agreement will be for the Investment Term and may not be terminated except for Cause.

The Financial Administrator shall not be liable to the Company or its Shareholders for any acts or omissions in the performance of its services except for its own negligence of its obligations under the Administration Agreement, and the Financial Administrator shall be indemnified in acting as financial administrator except in the case of its own negligence, willful misconduct or reckless disregard of its obligations under the Administration Agreement.

The Financial Administrator shall have access to all books, and records of the Operating Company and the Company.
The following provides an overview of the Lebanese real estate market.

**Property Market Overview**

Real estate is a major segment of the Lebanese economy. Between 2004 and 2016, the real estate and construction sectors grew rapidly from 6,038 billion LBP (US$ 4 billion) to 14,877 billion LBP (US$ 9.9 billion). The real estate share as a percentage of the GDP increased from 18.94% in 2004 to a peak of 20.25% in 2013, declining back to19.17% in 2016 (Source: Central Administration of Statistics-Lebanon National Accounts).

![Chart 1- Real Estate Share of Lebanese GDP](Source: Central Administration of Statistics-Lebanon National Accounts)

In Lebanon, the Governmental revenues are divided between tax and non-tax revenues. The tax revenues are sub divided into Value Added Tax, customs and other taxes that include taxes generated from the real estate sector, which amounts to 30% of the other taxes.

Between 2009 and 2016, real estate taxes increased by 20.74%, while the VAT and the Public Finance Revenues increased by 11.95% and 16.22% respectively. During the same period, the real estate taxes generated an average of 12.68% of the total Public Finance Revenues, reaching as high as 14.73% in 2010 compared to 23.12% for VAT in 2016(Source: Central Administration of Statistics, Banque du Liban). These figures however, do not take into account the portion of VAT revenues generated by the real estate sector.
In Lebanese culture and society, owning a home has a strong sentimental value. As of 2004, 71% of Lebanon’s population owned their homes (Source: Population and housing characteristics in Lebanon, Statistics In Focus (SIF), Central Administration of Statistics, Lebanon, Issue number 2, April 2012). This percentage has increased since then due to the real estate sector growth and the subsequent housing loans extended by Lebanese banks with preferential rates due to incentives offered by the Central Bank. This ratio is aligned with the EU Mediterranean countries, such as Cyprus 72.9%, Greece 74%, Italy 73.1% or Spain 78.8%. Countries with higher ratios are usually those of the former Eastern Bloc (e.g. Romania 96.1%, Hungary 86.3%, and Russia 83.5%) (Source: European Mortgage Federation, Eurostat).

With respect to the banking industry, real estate became the most significant income sector in terms of bank credits, representing 35.68% of the total credits as of March 2018 (Source: Banque du Liban). The Central Bank’s initiatives and incentives towards the housing loans have fueled this growth. The housing loans to GDP ratio increased from 11.8% in 2010 to 24% in 2016 (Sources: World Bank, Banque du Liban). When compared to the European Union countries, the only country with similar housing loans to GDP ratio and percentage of ownership is Italy (22% and 72.9%). Other European countries have either a very high ownership ratio, mainly for the former Eastern Bloc (e.g. Lithuania89.4%) or high loan to GDP ratio (e.g. The Netherlands, 95.3%) (Source: European Mortgage Federation, Eurostat).
**Chart 3- Real Estate Share of Bank Credits** *(Source: Banque du Liban)*

**Chart 4- Ownership and Housing Loan to GDP Ratios** *(Sources: European Mortgage Federation, Eurostat, World Bank, Central Administration of Statistics)*
Lebanon is predominantly centered around the capital Beirut due to the demographic, cultural and economic factors. Prior to 1975, Beirut was an attractive tourist destination and a strong financial capital, nicknamed "the Paris of the Middle East" thanks to its French influences and vibrant cultural and intellectual life. By 1990, it was tragically torn and destroyed due to the long civil war.

Mythically renowned for rebuilding itself, Beirut rose again from its rubble and dramatically regained its luster. In April 2018, Beirut and its suburbs accounted for 75.1% of the total credits granted by commercial banks to the private sector. This is slightly lower than the 79.1% recorded in April 2012, but nevertheless still amounts to nearly three quarters of the country's credits, or US$46.18 Billion (Source: Banque du Liban).

Chart 5- Beirut Share of Bank Credits (Source: Banque du Liban)

According to the last census of the Central Administration of Statistics in 2009 Beirut and its suburbs account for approximately 35.4% of the total Lebanese population, with 8.9% of the population living in Beirut. This percentage is in line with the number of real estate transactions in Beirut, which varied between 8.75% of the total transactions in 2009 to 7.44% for 2016. In terms of value, however, Beirut accounted for 26.72% of the total transactions for the same period (Source: General Directorate of Land Registry and Cadastre).
When comparing Beirut to other areas of Lebanon, Beirut had an average transaction value of up to 4.5 times higher than other areas between 2009 and 2016. The average value of mortgages offered in Beirut were similar. (Source: General Directorate of Land Registry and Cadastre).

Since 2011, the Lebanese economy witnessed a brutal slowdown that is prevailing until today. This weak economy has affected numerous sectors including real estate. (Source: Central Administration of Statistics).
Between 2010 and 2016, applications for the different building permits declined by 34.53% in Lebanon. This decline was more evident in Beirut, which dropped by 67.16%. While new residential building permits declined 37.27% between 2010 and 2016 in Lebanon, with Beirut declining by more than 72% over the same period (Source: Order of Engineers and Architects).
Despite the stagnation in the real-estate sector, prices have held firm. In 2016, the prices of new units in Beirut declined by 7.62% compared to their peak prices that were reached in 2011. As for the old units, their prices declined by 3.08% compared to their peak in 2013. The high-end sector displayed a higher volatility, with average prices dropping 8.73% from the 2011 peak. (Source: InfroPro Research, General Directorate of Land Registry and Cadastre).
Chart 12: Evolution of Real Estate Transactions and Average Price per Square Meter in Beirut
(Source: InfroPro Research, General Directorate of Land Registry and Cadastre)

Chart 13: Evolution of Real Estate Price Indexes in Selected Countries
(Source: The Economist House Price Index)
The price resilience is understandable through adaptations made by the developers, by providing the market with smaller units (Source: Order of Engineers and Architects).

*Chart 14- Size of Residential Areas Applied at Order of Engineers and Architects*
(Source: Order of Engineers and Architects)
Property Market Analysis-The Opportunity

Our analysis is specific to the residential sector of the property market in Beirut, which is strongly oriented towards end-users rather than investors:

- **Incentives on Housing Loans**: The notable success of the different housing loan programs offered in the market, demonstrates the high demand and desire for acquiring properties in Lebanon.

- **Low Rental Yields**: Residential rental yields in Beirut is approximately 4% per annum (source: Global Property Guide), which does not make it an attractive investment. The price increase along with the attractiveness of incentives on housing loans have further weakened the rental market against buying properties.

- **Fragmented, Individualized Ownership**: There are no major real-estate trusts or companies operating large property rental pools in Lebanon. The market is extremely fragmented, therefore it does not have prominent market leaders.

We have conducted a field research study on 57 large luxury developments in Beirut, that we believe have slow moving units, and concluded the following:

- 36 Projects, representing 23 developers, have bank financing with mortgages totaling US$ 1.12 Billion.
- 21 out of the 36 projects have obtained at least one loan increase during their lifetime.
- Only 3 developers have launched new projects since 2014.

The market has experienced a shift in the typology of units developed, leaning towards smaller units. This shift has exerted high pressure on large luxury units.

- **Reduced demand from foreign buyers and expats**: The demand for luxury real estate, and specifically for larger units, came from foreigners (mainly GCC nationals) and Lebanese expats. (Sources: Bank Audi Sector Research Real Estate, October 2016 & Blominvest Bank in Depth Review of the Lebanese Real Estate Sector in 2015, February 2016).

This demand was greatly diminished due to many factors including the Syrian war, the political crisis in Lebanon, security issues and threats on GCC nationals, the drop in oil prices, economic slowdown in Europe, Middle East, Africa, Brazil etc.

- **Prominent Developers are engaged in their large luxury projects**: These projects are located on large plots of lands in prime areas of Beirut, and feature high standards of finishing and amenities, thus making it capital intensive. The slowdown in demand and sales of these projects is forcing the developers to mobilize all their resources for the completion of these large projects, and is preventing them from entering new developments.

- **A ripple effect on the Grade-A supply chain of the sector**: The weak demand for luxury real estate units and the tendency towards small functional units has a direct effect on the supply chain of the luxury projects including grade-A architects, consultants, contractors, sub-contractors and suppliers whom are having difficulties in finding new projects as well as facing payment delays from their existing backlog.

- **Banks are exposed to the full real-estate value chain**: The banks finance the real estate projects including the developers, contractors and suppliers. Therefore, the difficulties encountered by the real estate value chain had a direct impact on the banks, which have faced payment delays and rescheduling the loans. The market stagnation impacts the classification of the loans, and forces the banks to take provisions as per accounting standards. The implementation of IFRS 9 norms in 2018 will limit the ability of the banks from seeking new real estate opportunities, due to the high sector exposure.

Accordingly there is an opportunity to purchase large units at favorable discounted prices.
• **Developers need to ease the pressure** from banks and contractors and re-launch their activities. These prominent developers have been forced to forgo new development opportunities. Used to large-scale projects, they will actively seek to apply their knowledge and experience to new areas other than the large luxury sector, while bringing along the grade-A consultants, contractors and suppliers. We are convinced thus that developers will be inclined to offer a substantial number of properties at attractive discounts in order to finish their current projects and move-on to new ventures and growth opportunities.

• **Banks** need to offload loans that were dragging and **finance new opportunities** in real estate. Real estate is a safe investment sector in Lebanon, due to the vast end-user market. Most significantly, and under the guidance of *Banque du Liban*, banks have always adopted a conservative approach and thorough analysis towards real estate project valuation. Thus, the loan-to-value ratios did not witness any distressed situations. Real estate financing is secured by mortgages on the properties, and this conservative approach makes it a safe sector for the banks. Deposits in banks keep growing while financing opportunities are getting scarce. There is a need for banks to open up new opportunities in real estate.

Nevertheless, large units will represent attractive opportunities in the near future:

• **Discrepancy between Land and Apartment Price Evolution:** Between 2011 and 2014, Legacy Central’s team has witnessed a discrepancy between the land and property price changes. Prices of both assets were increasing in similar pattern until 2011, where property prices started to stagnate while the land prices kept rising and remaining a long-term valued investment. The consequence of this discrepancy is the difficulty of finding a land with a developmental potential.

• **Slow reactivity on the supply-side of the market:** the lack of detailed statistics in Lebanon about the real estate supply and demand, has led to slow response from the developers to market needs as well as the trend-following behavior that often leads to under or over supply. For example, there were no new developments for corporate offices, until mid 2011, while today, the market in Beirut is saturated with 140,000 square meters of office spaces.
DESCRIPTION OF THE PRIORITY SHARES AND COMMON SHARES

General

Following the Issue Date, the share capital of the Company will be composed of the Common Shares and the Priority Shares.

Share Capital of the Company

Pursuant to the By-laws, the share capital of the Company is composed of two classes of shares (being the Priority Shares and the Common Shares). The share capital of the Company shall be constituted of 20,000 common shares or more each with a par value of US$ 1.00 to be exclusively offered to, and held by, certain persons designated by the Manager (the “Common Shares”), and such number of priority shares, each with a par value of US$ 1 and an issue price of US$ 10,000, to be offered to and held by, the investors in accordance with the Priority Shares Prospectus (the “Priority Shares”). The Company may issue up to 7,500 Priority Shares with an aggregate issue price of US$ 75,000,000. All shares issued by the Company are fully paid-up.

Prior to the date on which the first issuance of Priority Shares will occur as per the Priority Shares Prospectus (the “Initial Closing Date”), the Company's share capital will consist of 20,000 Common Shares or more.

The Priority Shares and the Common Shares are, and will be issued, in registered form. Issuance of the Priority Shares will be effected only by book-entry in the register of shareholders maintained by the Company. Certificates may be issued upon request and at the cost of the holders of the Priority Shares.

Holders of Common Shares and holders of Priority Shares will be entitled to vote on all matters properly submitted to a meeting of shareholders of the Company, subject to the provisions set out in the By-laws and applicable laws.

Nature of the Priority Shares

The Priority Shares will be equity shares of the Company and part of its share capital. The Priority Shares will be issued in accordance with Article 110 of the Lebanese Code of Commerce. All the Priority Shares will be issued directly to the Priority Shares Eligible Investors by the Company and will not be sold by a third party (including directors, officer, and controller) to the Priority Shares Eligible Investors.

The issue price (par value and issue premium) of the Priority Shares will be denominated in United States Dollars. The share capital of Lebanese joint stock holding company such as the Company may be denominated in foreign currency provided the accounting of the issuer is made in the same currency.

The Priority Shares will be offered by the Lead Placement Agent and any other co-placement agents (to the extent appointed and subject to the prior approval of the CMA). The co-placement agents shall comply with applicable CMA regulations with respect to the services they would be offering to the prospective Eligible Investors.

Neither the Company nor the Sponsor will be offering directly the Priority Shares.

The Priority Shares will be issued in registered form. Issuance of the Priority Shares will be effected only by book-entry in the register of shareholders maintained by the Company or by Midclear SAL. Certificates may be issued upon request and at the cost of the holders of the Priority Shares.

Principal Holder of Common Shares

LC Holding SAL will hold 99% of the issued and outstanding Common Shares. The Directors representing holders of Common Shares shall hold the minimum number of Common Shares, as may be legally required for them to assume their functions as Director.

The Management Team will, directly or indirectly, hold at least 75% of capital of LC Holding SAL during the Investment Term.
Directors’ Interest

The interests of the Directors of the Company in the share capital of the Company held directly as at prior to the Initial Closing Date will be as follows:

- He Walid Daouk: 0.005 %
- Mr. Namir Cortas: 0.005%
- Mr. Pierre Gaspard: 0.005%.

Distributions Priorities

Subject to applicable laws and the By-laws and the subject to the deduction of the Contingent Return (as and when applicable), the Excess Cashflow will be distributed or applied, in the following order of priorities:

- **First, Return of Contributed Capital and Bonds Financing**: (i) 85% of the Excess Cashflow will be used to prepay the outstanding principal amount of the Bonds; and (ii) 15% of the Excess Cashflow will be distributed to the holders of Priority Shares in repayment of their outstanding Contributed Capital. Upon full settlement of the outstanding principal amount of the Bonds, 100% of the Excess Cashflow will be distributed to the holders of Priority Shares in repayment of their outstanding Contributed Capital.

- **Second, Preferred Return**: 100% of the remaining Excess Cashflow pursuant to the paragraph "First, Return of Contributed Capital and Bonds Financing", less the corresponding deduction for the Contingent Return (as and when applicable) will be distributed to the holders of Priority Shares until the cumulative amount distributed to the holders of Priority Shares represents an 8% internal rate of return on the amounts distributed pursuant to the paragraph "First, Return of Contributed Capital and Bonds Financing".

- **Third, First Catch-Up**: pursuant to the paragraph "Second, Preferred Return", and after deduction of the Contingent Return (as and when applicable), (i) 50% of the remaining Excess Cashflow will be distributed to the holders of Priority Shares and (ii) 50% of the remaining Excess Cashflow will be distributed to the holders of Common Shares until the holders of Common Shares receive 20% of the total amount distributed to the holders of Priority Shares and holders of Common Shares (excluding amounts distributed as return of Contributed Capital as set forth in the paragraph "First, Return of Contributed Capital and Bonds Financing").

- **Fourth, First Carried Interest**: after deduction of the Contingent Return (as and when applicable) (i) 80% of the remaining Excess Cashflow pursuant to the paragraph "Third, First Catch up" to the holders of Priority Shares and (ii) 20% of the remaining Excess Cashflow pursuant to the paragraph "Third, First Catch up" to the holders of Common Shares.

- **Fifth, Second Catch-Up**: as and when the holders of Priority Shares receive such total amounts that represent a 20% internal rate of return on the amounts distributed pursuant to the paragraph "First, Return of Contributed Capital and Bonds Financing", the remaining Excess Cashflow pursuant to the paragraph "Fourth, First Carried Interest" after deduction of the Contingent Return (as and when applicable), will be distributed as follows (i) 50% to the holders of Priority Shares and (ii) 50% to the holders of Common Shares until the holders of Common Shares receive 25% of the total amount distributed to the holders of Priority Shares and holders of Common Shares (excluding the return of Contributed Capital as set forth under "First, Return of Contributed Capital and Bonds Financing" above).

- **Sixth, Second Carried Interest**: after deduction of the Contingent Return (as and when applicable) the remaining Excess Cashflow pursuant to the paragraph "Fifth, Second Catch Up" will be distributed as follows (i) 75% to the holders of Priority Shares and (ii) 25% to the holders of Common Shares.

The holders of Common Shares irrevocably agree to assign to the holders of Priority Shares all Distributions payable in respect of the Common Shares so as to ensure that Distributions are made in accordance with the priorities provided herein and the holders of Common Shares will irrevocably instruct the Company to implement the terms of this assignment with no further action required on the part of the holders of Common Shares.
Holders of Priority Shares hereby understand that Distributions will be made to them only from, and for the avoidance of doubt are limited to, distributions or any other amount received by the Company in respect of its investments in the Operating Company and proceeds arising from the sale or disposition of all or part of such investments.

The Excess Cashflow will be calculated and paid on a yearly basis following the issuance of the audited financial statements of the Company.

Following the issuance of the audited financial statements, the Contingent Return will be deducted - when applicable - from the Excess Cashflow. The remaining amount will be distributed to the holders of Priority Shares and holders of Common Shares according to the priorities listed herein.

For purposes hereof, "Excess Cashflow" shall mean the excess cashflow of the Company, comprised of proceeds, net of taxes and Cash Reserve requirements, expenses, capital expenditures, interest coupon payments on the Bonds, interest and principal repayments of the Permitted Secured Indebtedness payments, fees and any required legal reserves, received from the Company’s investments, on the basis of the audited financial statements.

Under Lebanese law, all Distributions to Holders are subject to the adoption of a resolution by Holders of Shares representing at least majority of all Shares present or represented and entitled to vote at a meeting of Holders, duly called and convened and at which the relevant quorum is present and acting throughout, approving such Distributions.

The Distributions Priorities (mainly for the return of Contributed Capital) will still apply upon liquidation (whether voluntary or involuntary), dissolution or winding-up of the Company.

There can be no assurance that the Company will achieve its objective and the Company’s investment results may vary substantially over time.

Changes to Terms and Conditions of the Priority Shares

Any amendment to the material terms and conditions of the Priority Shares as provided under the Priority Shares Prospectus shall require the prior approval of (i) the majority of 66.67% (2/3) of the holders of the Priority Shares convened at a shareholders meeting in accordance with the By-laws and (ii) the CMA.

Attendance and voting at Shareholders meetings

Pursuant to Article 105 of the Lebanese Code of Commerce all shares issued by a Lebanese joint stock company have voting rights. Each Common Share and Priority Share will be entitled to one vote. Priority Share or Common Share owned by the same shareholder for more than two years will grant their owner a double voting right in accordance with Article 117 of the Lebanese Code of Commerce.

In accordance with Lebanese law, there are two types of Shareholders' Meetings - ordinary and extraordinary.

Ordinary Meetings of Shareholders are required for matters such as the election and remuneration of directors, the appointment and remuneration of statutory auditors, the approval or modifications of the annual accounts, the declaration of dividends, if any, creation of reserves and the issue of debentures and bonds.

Extraordinary Meetings of Shareholders are required for approval of matters such as amendments to the By-laws, approval of mergers (including approval of the transfer of the Company’s assets to the resulting company of such a merger), increases in share capital, the creation of a new class of shares, the authorization of the issue of bonds convertible into or exchangeable for shares, the extension or reduction of the duration of the Company and the liquidation of the Company prior to the end of its statutory term. Resolutions proposing a modification of the Company's form or object require a quorum of at least three-quarters of the Company's voting capital. Resolutions put forward at an Extraordinary General Meeting proposing other changes require a quorum of at least two-thirds of the Company's voting capital. If the requisite quorum is not satisfied at the first Meeting of Shareholders, holders of at least one-half of the Company's voting capital must be present or represented at the second Meeting of Shareholders and at least one-third at the third Meeting of Shareholders.
Resolutions proposed at Extraordinary Meetings of Shareholders are passed by at least a two-thirds majority vote of the shareholders present or represented at a duly convened meeting.

The Company Board is required to convene an annual Ordinary Meeting of Shareholders, which, to the extent possible, must be held within six (6) months of the end of the Company's financial year for approval of the annual accounts and reports of the Company Board. The quorum required for the annual Ordinary Meeting of Shareholders is one-third (1/3) of the capital. If the quorum is not present, the Meeting is adjourned. Upon the recommencement of the adjourned Meeting, there is no quorum requirement and the resolutions of that Meeting will be valid regardless of the portion of capital represented. Resolutions are adopted by a simple majority vote of shareholders present or represented at a duly convened meeting. Other Ordinary or Extraordinary Meetings of Shareholders may be convened at any time during the year. Shareholders' Meetings may be convened by the Company Board, or, if the Company Board fails to call such a Meeting, by the Company's statutory auditors itself or upon the request of shareholders representing one-fifth (1/5) of the share capital.

Notice of all Shareholders’ Meetings shall at least fifteen (15) days before the date fixed for the Meeting, be personally delivered or sent by registered mail, or in the case of shareholders residing abroad by email or fax to the addresses of shareholders as shown in the Company’s records.

The notice of any Shareholders’ Meeting must state the date, time and venue of the Meeting and the agenda. The agenda for a Shareholders’ Meeting must be drawn up by the Company Board or the person that has convened the Shareholders’ Meeting (auditor, court-appointed agent or liquidator). Subject to certain exceptions, no action may be taken at any meeting on any matter not listed on the agenda for that Meeting.

Attendance and exercise of voting rights at Ordinary and Extraordinary Meetings of Shareholders are subject to certain conditions. Each shareholder has the right to vote at the Shareholders’ Meetings. Voting occurs by a show of hands or by any other method agreed by shareholders at a Shareholders’ Meeting. Each share confers on the holder thereof the right to one vote, except that any fully paid share which has been registered in the name of the same shareholder for at least two years prior to the convening of any Shareholders’ Meeting shall carry two (2) votes.

A shareholder may appoint a proxy to vote on his behalf. With the exception of legal representatives of incapacitated shareholders, such proxies must themselves be shareholders.

A shareholder may not vote in person, or by proxy, on any matter in which he has a vested interest, or in respect of a dispute between such shareholder and the Company.

At the request of a shareholder, voting shall be conducted secretly in matters of a personal character such as the removal of directors or the implication of liability for their acts.

A Shareholders’ Meeting held in accordance with Lebanese law represents all shareholders, whether present or not, and its resolutions shall be binding on all shareholders, including absent or dissenting shareholders.

Minutes of a Shareholders’ Meeting must be signed by the Chairman of the Meeting, one scrutineer and one secretary (who may be a non-shareholder) and are recorded in a special register maintained by or on behalf of the Company. An attendance sheet evidencing the number of shareholders present or represented, the numbers of their shares and their voting rights is attached to the Minutes and kept at the head office of the Company where every shareholder has the right to consult it.

**Lock-Up Transfer of Shares**

Holders of Priority Shares will be prohibited from transferring, selling, assigning, pledging or otherwise disposing of their Priority Shares during the Investment Period without the approval of the Company Board acting at its sole discretion, which approval shall not be unreasonably withheld.

After the end of the Investment Period, the transfer of Priority Shares shall be freely effected provided that the intended transferee is a Priority Shares Eligible Investor. The Company will have the right to reject the registration of a transfer of Priority Shares made to a transferee who is not a Priority Shares Eligible Investor.
Except for transfer of Common Shares required for the appointment of new Directors in the Company, holders of Common Shares shall not have the right to sell or transfer their Common Shares without the prior approval of 100% of the holders of Priority Shares during the Investment Period and 75% of the holders of Priority Shares thereafter provided they retain Control over the Manager.

The transfer of Shares shall be subject to the transferee entering into a deed of adherence whereby it agrees to be bound by the provisions of the Priority Shares Prospectus.

No Optional Redemptions; Compulsory Transfer and Assignment

The Priority Shares and the Common Shares are not redeemable at the option of their holders.

The shareholder shall be under the obligation to transfer its Priority Shares in the event that the Company Board believes that the relevant shareholder is not eligible to hold its Priority Shares or for any other circumstance contemplated herein (including, but not limited to, black listing by BDL, OFAC or other organization of international repute, money laundering, terrorism financing, etc.) or in the By-laws.

The Manager and Company Board shall determine the value of such Priority Shares based on the latest net asset value of the Company.

Preferential Subscription Rights

In the event of an increase in the share capital of the Company, the Lebanese Code of Commerce and the By-laws confer on existing holders of Common Shares and Priority Shares a preferential right to subscribe for newly issued Shares, for cash on a pro rata basis.

Existing Shareholders may decide at an Extraordinary General Assembly to exclude the preferential right to subscribe for new shares, in whole or in part, or that new shares shall not be offered for subscription in proportion to shares already held. Any allotment of newly issued shares pursuant to an exclusion of preferential rights, whether to persons who are not existing Shareholders or preferentially to a particular class of existing Shareholders, is subject to a process of verification by an expert appointed by the court. In the case of an issue to persons who are not existing Shareholders, this verification process applies to the full amount of newly issued shares. In the case of an issue to existing Shareholders, only the amount of newly issued shares, which is not offered to existing Holders, is subject to the verification process (Article 113 of the Lebanese Code of Commerce). Failure to comply with this verification process will render a capital increase null and void (Article 113 of the Lebanese Code of Commerce).

Notwithstanding a collective decision of existing Shareholders at an Extraordinary General Assembly to exercise their preferential rights of subscription, Shareholders may elect individually to refrain from exercise of their preferential right and take no further action, may assign their preferential right to a third party or may expressly waive their preferential right. In the event of a waiver, the newly issued shares may be offered for subscription to third parties.
TERMS AND CONDITIONS OF THE BONDS

The following terms and conditions are applicable to the Series A Bonds and the Series B Bonds (“Terms and Conditions”) (reference to Terms and Conditions shall include the Series A Conditions and the Series B Conditions). The descriptive headings appearing in this section is for convenience of reference only and shall not alter, limit or define the provisions hereof.

1. General

The Bonds are being issued under a duly authorized issue of the US$ 250,000,000 7.5% Senior Unsecured Extendable Bonds due 2023 (referred to as Series A Bonds) and 6% Senior Unsecured Profit Participating Bonds due 2025 (referred to as the Series B Bonds) issued by Legacy One Holding SAL in accordance with (i) Articles 122 to 143, inclusive, and Article 453 et seq. of the Code of Commerce of the Lebanese Republic; (ii) the custody and paying agency agreement dated [●] (the “Custody Agreement”) between the Issuer and Midclear S.A.L. (“Midclear”) and (iii) the Company’s bylaws. Midclear will act as a custodian and paying agent, hereinafter referred to as the “Custodian” or “Paying Agent”, respectively, which expressions include any successors appointed in these capacities from time to time in connection with the Series A Bonds and the Series B Bonds. The Series A Bondholders and the Series B Bondholders are bound by and deemed to have notice of the provisions of the Custody Agreement as applicable to each of the Series A Bonds and the Series B Bonds.

The Offering does not include the sale of any Bonds or other securities held by a Director, officer or controller of the Company.

2. Issue Size; Bonds Minimum First Issuance; Bonds Issuance Threshold;

- The issue size of the Series A Bonds and the Series B Bonds, in aggregate combined principle amount, is US$ 250,000,000.
- Minimum first issuance $50,000,000
- Subject to applicable laws and regulations, the issue size of the Bonds (and any future series thereof) may not exceed four times the total aggregate Committed Capital.

3. Bonds Offering Period;

The offering period for the first issuance of Bonds will start 5 days following the fulfilment of the conditions set out in the CMA decision approving the marketing and offering of the Bonds and will terminate six months thereafter, unless earlier terminated or extended by the Company for three (3) additional months (“First Issue Date”). The Company reserves the right to terminate the Bonds Offering Period earlier than its prescribed termination date and cause the Company to issue the Bonds when the Company proceeds with the first issuance of Priority Shares subject to a minimum first issuance of US$ 50,000,000.

The First Issue Date is expected to occur within a period of two weeks after the Initial Closing Date.

Subsequent issuances of Bonds (“Subsequent Issuances”) may be held from time to time in the sole discretion of the Company Board, at the recommendation of the Manager, provided that the final Subsequent Issuance will occur no later than twelve (12) months from the First Issue Date (subject to a one time extension by the Company Board at the recommendation of the Manager for an additional period not exceeding ninety (90) days) and the total issue size of Bonds (subject to the Bonds Issuance Threshold) does not exceed US$ 250,000,000 (two hundred and fifty million United States Dollars).

4. First Issue Date

On or around [●] 2018. Issuance of the Series A Bonds or the Series B Bonds [is expected to be] has been approved by the Issuer’s shareholders.
5. **Status of the Bonds; Ranking**

The Bonds will be treated as senior unsecured obligations of the Company and the Operating Company and will rank equally in right of payment to the Company and Operating Company unsecured and unsubordinated indebtedness, if any, from time to time outstanding expect for obligations which are mandatorily preferred by law, and operational expenses. The Bonds rank *pari passu* among themselves.

The Series A Bonds and the Series B Bonds will rank *pari passu* among themselves, particularly in respect of:

- The right to receive the Series A Coupons and the Series B Coupons (other than as to the amounts thereof);
- The right to be repaid the principal amount, including upon any prepayment made by the Issuer; and
- Other privileges and guarantees including the Cash Reserve and the Operating Company Corporate Guarantee.

Other than the Bonds and such Permitted Indebtedness, the Issuer and the Operating Company will not incur any indebtedness.

6. **Permitted Secured Indebtedness**

The Company and/or the Operating Company may use from time to time short term facilities, at commercial terms, for an amount not exceeding US$ [    ] and grant a corresponding security interest on the assets owned by the Company and/or the Operating Company (the “*Permitted Secured Indebtedness*”).

The Bonds will be subordinated to the Permitted Secured Indebtedness to the extent of the value of the assets securing such indebtedness.

For purposes hereof “*Permitted Indebtedness*” shall capture the following:

- any debt extended from the Company to the Operating Company;
- any inter-company current account credit between the Operating Company or the Company in the ordinary course of business as contemplated under this Prospectus or the Priority Shares Prospectus; and
- any payment or liability due by the Operating Company or the Company to third parties, on normal commercial terms and in the ordinary course of its business activities (i.e. operational expenses) as contemplated under this Prospectus or the Priority Shares Prospectus.

7. **Operating Company Corporate Guarantee**

The Bonds will be fully and unconditionally guaranteed by the Operating Company (in such capacity the “*Guarantor*”) through the issuance of the Operating Company Corporate Guarantee. The Operating Company is a fully owned subsidiary of the Company and its operating arm. All real estate investments will be done through the Operating Company.

The guarantee is an unsecured, unsubordinated obligation of the Guarantor, guaranteeing all monies due under the Bonds.

The Operating Company Corporate Guarantee will be issued to the Financial Administrator acting for the benefit of the Bondholders.

8. **Cash Reserve**

The Company shall at all times maintain out of the Contributed Funding a Cash Reserve on the Initial Closing Date of:

- an amount sufficient to cover 1.5 times the applicable fixed annual coupon of the outstanding Bonds until full repayment of the principal amount of the Bonds and accrued and unpaid interests thereon; and thereafter
- an amount equal to an agreed upon Projected Costs.
The Cash Reserve will be held in one or more interest bearing bank account opened with, or at the direction of, the Financial Administrator (the “Cash Reserve Account”).

The Cash Reserve Account will be pledged in favor of the Financial Administrator acting for the benefit of the Bondholders.

In the event of any shortage in the Cash Reserve, the Company shall immediately inform the Company Board of such occurrence and shall allocate all Excess Cashflow to reconstitute such shortage.

The Cash Reserve will be invested in Permitted Temporary Investments.

9. Early Prepayment

As and when the Issuer has Excess Cashflow, the Issuer is required to apply 85% of such Excess Cashflow for the prepayment of the principal amount of the Bonds on any Series A Interest Payment Date or Series B Interest Payment Date or within 30 days thereafter.

For purposes hereof, “Excess Cashflow” shall mean the excess cashflow of the Company, comprised of proceeds, net of taxes and Cash Reserve requirements, expenses, capital expenditures, debt interest payments or provisions thereof, fees and any required legal reserves, received from the Company’s investments, on the basis of the audited financial statements.

All prepayment amount will be applied on a pro rata basis among the Series A Bonds and the Series B Bonds.

The Issuer may at any time prepay all or part of the principal amount of the Bonds. Such prepayment shall not be subject to any prepayment penalty or break costs.

The Issuer is under the obligation to send not less than 10 days written notice to the Bondholders prior to the applicable Series A Interest Payment Date or the Series B Interest Payment Date informing them of the prepayment amount.

10. The Financial Administrator

The Financial Administrator, pursuant to the Administration Agreement, will (i) monitor the compliance by the Issuer of its obligations under the Bonds terms and conditions as well as applicable laws and regulations, including supervision of timely and correct payment of principal or interest, (ii) inform the Bondholders, of any breach of such obligations. Furthermore, the Financial Administrator will:

- Hold a pledge over the Cash Reserve Account and enforce such pledge upon the occurrence of a default on the Terms and Conditions;
- Act as agent of the Bondholders under the Operating Company Corporate Guarantee; and
- Monitor all the bank accounts of the Company and the Operating Company (the “Operating Accounts”).

The Financial Administrator is not obligated to assess the Company’s financial situation. The Financial Administrator shall act in good faith and with that degree of care that an ordinarily prudent person in a like position would use under similar circumstances.

11. Use of Proceeds

The proceeds of the issue of the Bonds will be solely used by the Company for purposes of financing the Operating Company through primary interest bearing long term loans. The Operating Company will use the funds to finance its investment activities. All proceeds not applied for investment activities will be placed in Permitted Temporary Investments and all returns accrued thereon will be used for the payment of the Series A Fixed Coupons and Series B Fixed Coupons.
12. Taxation

All payments of principal and interest in respect of Bonds will be made after deduction, or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of, or by or within any political subdivision of or any authority having power to tax in, any applicable jurisdiction, and each Bondholder will be required to assume and be solely responsible for any and all such taxes, including (but not limited to) such taxes as may be imposed in Lebanon (“Lebanese Taxes”).

If the Issuer shall be required to make any such deduction or withholding, it shall make payment of the amount so deducted or withheld to the appropriate governmental authority and Bondholders shall not be entitled to receive any additional or other amounts to reimburse them for any such withholding or deduction.

13. Warranties

The Issuer hereby certifies and warrants that all acts, conditions and things required to be done and performed and to have happened precedent to the creation and issuance of the Series A Bonds and Series B Bonds, respectively, and to constitute the same legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms, have been done and performed and have happened in due compliance with all applicable laws.

14. Prescription

Claims against the Issuer for the payment of principal and interest with respect to the Series A Bonds and Series B Bonds, respectively, shall be prescribed unless made within a period of ten years (in the case of principal) or five years (in the case of interest) from the date on which such payment first becomes due.

15. Notices

- Notices to be given by the Issuer to Series A Bondholders (with respect to the Series A Bonds) and to the Series B Bonds (with respect to the Series B Bonds) will be published, in all cases, in two daily newspapers of general circulation in Lebanon or otherwise in the manner and at the times required pursuant to the applicable provisions of Lebanese law. Any notice published as aforesaid shall be deemed to have been given on the date of such publication or if published more than once, on the date of the first such publication.

- So long as the Series A Bonds Register and the Series B Bonds Register are held by Midclear, there may be substituted for publication in newspapers in Lebanon the delivery of the relevant notice to Midclear for communication by it to the owners of the Bonds held in accounts with Midclear, provided that other applicable provisions of Lebanese law (if any) shall also have been complied with.

- Neither the failure to give notice nor any defect in any notice given to any particular Bondholder shall affect the sufficiency of any notice with respect to other Bondholders.

- Notice to be given by any Bondholder to the Issuer or the Guarantor shall be in writing at the following address: 126 Foch Street, Beirut Central District, Beirut, Lebanon.

16. Currency Indemnity

If any sum due from the Issuer in respect of the Series A Bonds, the Series B Bonds or any order or judgment given or made in relation thereto has to be converted from U.S. Dollar into another currency (the “second currency”) for the purpose of (i) making or filing a claim or proof against the Issuer, (ii) obtaining an order or judgment in any court or other tribunal or (iii) enforcing any order or judgment given or made in relation to the Series A Bonds or the Series B Bonds, the Issuer shall indemnify each Series A Bondholder or Series B Bondholder (as the case may be), on the written demand of such Series A Bondholder or Series B Bondholder addressed to the Issuer and delivered to the Issuer, against any loss suffered as a result of any discrepancy between (x) the rate of exchange used for such purpose to convert the sum in question from U.S. Dollars into the second currency and (y) the rate or rates of exchange at which such Series A Bondholder or Series B Bondholder may in the ordinary course of business purchase U.S. Dollars with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof. This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.
17. Agents

In acting in connection with the Series A Bonds or the Series B Bonds, each of the Paying Agent and the Custodian acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any of the Series A Bondholders or Series B Bondholders, except that any funds held by the Paying Agent for payment of principal of or interest on the Series A Bonds or the Series B Bonds shall be held by it in trust for the benefit of the Series A Bondholders or Series B Bondholders (as the case may be) and applied as set forth herein but need not be segregated from other funds held by it, except as required by law.

18. Governing Law and Jurisdiction

(a) The Series A Bonds or the Series B Bonds are governed by, and shall be construed in accordance with, the laws of Lebanon.

(b) By purchasing and continuing to hold Series A Bonds or Series B Bonds, each Series A Bondholder or Series B Bondholder (as applicable) will be deemed to submit to the jurisdiction of the courts of Beirut, Lebanon for the purposes of any proceedings for the settlement of all disputes, claims or legal actions arising out of or in connection with the Series A Bonds or the Series B Bonds.

(c) To the extent that the Issuer may in any jurisdiction claim for itself or its assets immunity (to the extent that such immunity may now or hereafter exist, whether on the grounds of sovereign immunity or otherwise) from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process (whether through service or notice or otherwise), and to the extent that in any such jurisdiction there may be attributed to itself or its assets such immunity (whether or not claimed), the Issuer irrevocably agrees for the benefit of the Series A Bondholders or Series B Bondholders not to claim, and irrevocably waives, such immunity to the full extent permitted by the laws of such jurisdiction.

19. Taxes and Stamp Duties

The Issuer shall pay any and all stamp and other taxes, expenses or duties which may be payable in connection with the issuance, delivery and enforcement of the Series A Bonds and the Series B Bonds.

20. Absence of an Established Market for the Bonds

Series A Bonds and/or Series B Bonds generally are freely transferable but are also new securities for which there is not initially a market. Neither the Issuer nor the Lead Placement Agent intends to list the Series A Bonds and/or the Series B Bonds on any exchange or to maintain a trading market for them. Accordingly, there can be no assurance as to the development or liquidity of any market for the Series A Bonds and/or the Series B Bonds.

21. Minimum Subscription

Each Eligible Investor is required to purchase Bonds for a minimum of US$ 1,000,000 (one million United States Dollars) (net of any bank charges). The Company may in its discretion accept lesser amounts but in no event less than US$ 100,000 per Eligible Investor.

22. Eligible Investors

Bonds may be offered, or transferred, only to or for the benefit of Eligible Investors who duly and properly complete an Application Form.

23. The Series A Bonds

The following is the text of the terms and conditions of the Series A Bonds (the “Series A Conditions”), which will apply upon each Series A Bond (reference to Series A Conditions shall include the Term and Conditions as applicable to the Series A Bonds).

a) Series A Issue Price

The Series A Bonds will be issued at 100% of the aggregate principal amount and will be denominated in United States Dollars.
b) Form, Denomination and Delivery

- The Series A Bonds will be issued in registered form in the specified denomination of US$ 100,000 without coupons attached. Upon issue, the Series A Bonds will be represented by a global certificate (the “Global Series A Certificate”) registered in the name of, and lodged with Midclear SAL (“Midclear”) as custodian.

- Midclear will electronically record the principal amount of the Series A Bonds represented by the Global Series A Certificate held within the Midclear system in the name of the Bondholders (the “Series A Bonds Register”). Investors also may hold such interests directly through Midclear if they are participants, or indirectly through organizations which are participants in Midclear, such interests to be represented through book-entry accounts.

- The ownership of the Series A Bonds will be evidenced by the records of the Series A Bonds Register held by Midclear, and in which all operations of issuance, transfer, assignment, substitution of bonds etc… as well as the constitution of any rights and or encumbrances (lien, pledge…. ) thereon be recorded.

- Midclear is a limited-purpose Lebanese joint company created by virtue of Law 139 dated October 26, 1999 organized under applicable Lebanese laws and regulations and owned at 99% by the Central Bank and which acts as the central depository and clearing house in Lebanon. Midclear was created to hold securities of institutions that have accounts with Midclear (“participants”) and to facilitate the clearance and settlement of securities transactions among its participants in such securities through electronic book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates.

c) Title and Transfer of Bonds

The Series A Bonds are freely assignable and tradable subject to the provisions of the Series A Conditions. However, the assignment of the Series A Bonds is effective between the concerned parties only if such assignment is recorded in the Series A Bonds Register held by Midclear. Transfers of Series A Bonds may be effected, exclusively through the book-entry settlement systems maintained by Midclear, subject to the usual operating procedures and management regulations established by Midclear, and otherwise subject to the provisions of these Conditions and the Custody Agreement.

d) Interest; Series A Fixed Coupon

- The Series A Bonds will bear interest from and including the Issue Date to but excluding the Series A Maturity Date at a rate of 7.5% per annum calculated on the outstanding balance of the nominal amount of the Series A Bonds. Accrued Series A Fixed Coupon shall be payable annually on ______ commencing on ______ [2018/2019] through and including the Series A Maturity Date (each, an “Series A Interest Payment Date”).

- If a Series A Interest Payment Date falls on a non-Business Day, the applicable the Series A Fixed Coupon payment will be made on the next Business Day. Payments made on the next Business Day in this situation will be treated under the Series A Conditions as if they were made on the original due date. Such payment will not result in a default under any of the Series A Conditions, and no interest will accrue on the payment amount from the original due date to the next day that is a Business Day.

- If interest is required to be calculated for a period other than one year, it will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed in such month.

- In these Series A Conditions, the term “Business Day” means a day (other than a Saturday or Sunday) (i) on which commercial banks and foreign exchange markets settle payments in New York City and the Lebanon; (ii) in relation to payments due on any Series A Bonds, on which commercial banks and foreign exchange markets settle payments in U.S. Dollars in the place of presentation or surrender; and (iii) in relation to the Global Certificate, on which Midclear is in operation.
e) **Maturity;**

Unless previously prepaid pursuant to Terms and Condition section 9, the Series A Bonds will be repaid at their principal amount, together with accrued but unpaid interest (if any) on [ ], 2023 (the “Series A Maturity Date”).

f) **Extended Maturity Date**

If the Company fails to repay the Series A Bonds in full on the Series A Maturity Date or within 2 business days thereafter, the Series A Maturity Date will be automatically extended by a maximum period of two years (the “Extendable Series A Maturity Date”) without constituting an event of default or giving the Series A Bondholders any right to accelerate payments on the Series A Bonds. The Extendable Series A Maturity Date will be determined by the Company and communicated to the Series A Bondholders. In that event, the Series A Fixed Coupon payable in respect of the Series A Bonds will change from the one applied up to the Series A Maturity Date (i.e. 7.5%) to become equal to the interest applicable to the 7 years Lebanese Government USD denominated T-Bill at the time of the extension.

g) **Payments**

- Payment of interest and principal (in case of a prepayment) will be made by the Paying Agent or the Issuer in U.S. Dollars to the person listed in the Series A Bonds Register as the owner of the Series A Bonds as at the Series A Interest Payment Date, even if that person no longer owns the Bonds as and when it receives the Series A Fixed Coupon interest payment.

- **Book-entry and other indirect holders should consult their banks or brokers for information on how they will receive payments on their Series A Bonds.**

- All payments in respect of the Series A Bonds (whether interest or principal) are subject in all cases to any applicable fiscal or other laws and regulations. No commissions or expenses shall be charged to the Series A Bondholders in respect of such payments.

h) **Series A Events of Default**

The occurrence of one or more of the following events shall constitute a “Series A Event of Default”:

- default by the Issuer in the payment of any principal amount in respect of the Bonds and continuance of such default for a period of twenty (20) Business Days;

- default by the Issuer in the payment of any accrued and unpaid Series A Fixed Coupons on any Series A Bonds and continuance of such default for a period of twenty (20) Business Days;

- default by the Issuer or the Guarantor in the performance or observance of any term, covenant or obligation in respect of any Series A Bond other than as set forth in clauses (i) and (ii) above and, if such default is capable of being remedied, continuance of such default for a period of more than 30 Business Days after notice of such default has been given to the Issuer, at its specified office, by Bondholders representing 10% in aggregate principal amount of the outstanding Series A Bonds;

- failure to obtain or maintain the existence, validity or enforceability of any government authorization necessary for the performance by the Issuer or the Guarantor of any obligation under the Series A Bonds or any other document delivered by the Issuer in connection therewith or, for any other reason, the obligations of the Issuer under the Series A Bonds or the performance and compliance with such obligations by the Issuer become unlawful;

- a decree or order by a court having jurisdiction having been entered adjudging the Issuer or the Guarantor as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization or suspension of payments of the Issuer or the Guarantor, and such decree or order of a court having jurisdiction for the appointment of a receiver, liquidator, trustee or assignee in bankruptcy or insolvency of the Issuer or the Guarantor, or of the property of the Issuer or the Guarantor, or for the winding-up or liquidation of the affairs of the Issuer or the Guarantor having been entered and such decree or order having continued undischarged and unstayed for a period of at least 60 days;
vi. initiation by the Issuer or the Guarantor of proceedings to be adjudicated as voluntary bankrupt, or consent to the filing of a bankruptcy, insolvency or similar proceeding against it, or filing of a petition or answer or consent seeking reorganization, suspension of payments or consent to the filing of any such petition, or consent to the appointment of a receiver, liquidator, trustee or assignee in bankruptcy or insolvency of it or its property, or proposing or making any agreement for the deferral, rescheduling or other readjustment of all of or a particular type of its debts (or of any part which it will or might otherwise be unable to pay when due), proposing or making a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any such debts or a moratorium being agreed or declared in respect of or affecting all or any part of (or a particular type of) the debts of the Issuer or the Guarantor; or

vii. occurrence of any event that, under the laws of any relevant jurisdiction, has an analogous effect to any of the events referred to in any of the foregoing clauses.

If a Series A Event of Default in respect of the Series A Bonds occurs and is continuing, then the holders of at least 30% in aggregate principal amount of the outstanding Series A Bonds may, by written notice to the Issuer declare all of the outstanding Series A Bonds to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality; provided, however, that, in the case of the occurrence at any time of any of the Events of Default described in (vi) or (vii) above, all outstanding Series A Bonds, without any notice to the Issuer or any other act by any Series A Bondholder, shall become immediately due and payable. Notice of any such declaration shall promptly be given to all other Bondholders by the Issuer in accordance with Terms and Conditions 15. Upon any acceleration of the Series A Bonds as provided herein, the principal amount, together with accrued but unpaid Series A Fixed Coupons (if any) to the date of repayment, shall become forthwith immediately due and payable without presentment, demand, protest or other notice of any kind.

If the Issuer receives notice in writing from holders of at least 30% in aggregate principal amount of outstanding Bonds to the effect that the Series A Event of Default or Events of Default giving rise to any above-mentioned declaration of acceleration is or are cured following any such declaration and that such Bondholders wish the relevant declaration to be withdrawn, the Issuer shall give notice thereof to the Bondholders, whereupon the relevant declaration shall be withdrawn and shall have no further effect but without prejudice to any rights or obligations that may have arisen before the Issuer gives such notice (whether pursuant to these Conditions or otherwise). No such withdrawal shall affect any other or any subsequent Series A Event of Default or any right of any Bondholder in relation thereto.

i) Meetings of Series A Bondholders, Modification and Waiver

- The Series A Conditions may be amended by the Issuer, without the consent of the Series A Bondholders, exclusively for the purposes of curing any ambiguity, or for curing, correcting or supplementing any provisions contained herein or therein, which may be defective or inconsistent with any other provision contained herein or therein, or in any other manner that the Issuer may deem necessary or desirable provided that such amendments do not affect the material interests of the Series A Bondholders appertaining hereto or thereto. Any such amendments to these Conditions will be conclusive and binding on all Series A Bondholders.

- Under Lebanese law, Series A Bondholders are required to create an association of bondholders (“Association of Series A Bondholders”) and to elect one or more representatives to act on behalf of all Series A Bondholders in connection with matters affecting the Bonds (the “Series A Representative”). By subscribing for Series A Bonds, each Series A Bondholder will be deemed to have granted a power of attorney to the Lead Placement Agent or its designee(s), to represent such Series A Bondholder at the first meeting of the Association of Series A Bondholders following the Issue Date and to vote at such meeting to elect such Series A Representative or Series A Representatives, to approve the by-laws of such Association of Series A Bondholders and to vote, as it may deem appropriate in its sole discretion, on all other resolutions that may be presented at such meeting of the Association of Series A Bondholders.
Meetings may be called by Series A Bondholders holding not less than 5% of the aggregate principal amount of the Series A Bonds then outstanding or by the Issuer. Subject as provided below, the quorum for any meeting will be two or more persons holding or representing no less than two-thirds of the aggregate principal amount of the Series A Bonds then outstanding or, at the first adjourned meeting (if any) two or more persons holding or representing a majority of the aggregate principal amount of the Series A Bonds then outstanding, or at any subsequent adjourned meeting two or more persons holding or representing not less than one-third of the aggregate principal amount of the Series A Bonds then outstanding. Notwithstanding the foregoing, the consideration of any of the following matters shall require a quorum of two or more persons holding or representing not less than two-thirds of the aggregate principal amount of the Series A Bonds then outstanding: (i) changing the Series A Maturity Date or any Series A Interest Payment Date; (ii) reducing any amounts payable in respect of the Series A Bonds (whether principal, interest, except as expressly contemplated by the Series A Conditions; (iii) changing the currency of payment of any amount payable in respect of the Series A Bonds; (iv) modifying the provisions of Terms and Conditions 5 through 9 or Series A Conditions (e), (f) and (g); or (v) any other matter which materially and adversely affects the rights of the Series A Bondholders, which it is agreed shall not include (A) the issuance of notes, bonds or other similar instruments evidencing indebtedness for borrowed money, whether subordinated or unsubordinated, by the Issuer or the Guarantor, within the meaning of Article 453 of the Lebanese Code of Commerce and subject to the Bonds Issuance Threshold or (B) the incorporation or acquisition by the Issuer of new subsidiaries. Resolutions of Series A Bondholders are adopted by an affirmative vote of persons holding or representing at least two-thirds of the aggregate principal amount of Series A Bonds represented at the meeting (so long as the required quorum is met but irrespective of that quorum). Any such modifications of or amendments to, or waivers with respect to, the Series A Bonds or the Series A Conditions will be conclusive and binding on all Series A Bondholders, whether or not they have given such consent or were present at such meeting, and on all future Series A Bondholders, whether or not notation of such modifications, amendments or waivers is made upon any Series A Bonds. Any instrument given by or on behalf of any Series A Bondholder in connection with any consent to any such modification, amendment or waiver will be irrevocable once given and will be conclusive and binding on all subsequent Bondholders.

24. The Series B Bonds

The following is the text of the terms and conditions of the Series B Bonds (the “Series B Conditions”), which will be apply upon each Series B Bond (reference to Series B Conditions shall include the Term and Conditions as applicable to the Series B Bonds).

a) Series B Issue Price

The Series B Bonds will be issued at 100% of the aggregate principal amount and will be denominated in United States Dollars.

b) Form, Denomination and Delivery

- The Series B Bonds will be issued in registered form in the specified denomination of US$ 100,000 without coupons attached. Upon issue, the Series B Bonds will be represented by a global certificate (the “Global Series B Certificate”) registered in the name of, and lodged with Midclear as custodian.

- Midclear will electronically record the principal amount of the Series B Bonds represented by the Global Series B Certificate held within the Midclear system in the name of the Bondholders (the “Series B Bonds Register”). Investors also may hold such interests directly through Midclear if they are participants, or indirectly through organizations which are participants in Midclear, such interests to be represented through book-entry accounts.

- The ownership of the Series B Bonds will be evidenced by the records of the Series B Bonds Register held by Midclear, and in which all operations of issuance, transfer, assignment, substitution of bonds etc… as well as the constitution of any rights and or encumbrances (lien, pledge…) thereon be recorded.
Midclear is a limited-purpose Lebanese joint company created by virtue of Law 139 dated October 26, 1999 organized under applicable Lebanese laws and regulations and owned at 99% by the Central Bank and which acts as the central depository and clearing house in Lebanon. Midclear was created to hold securities held with participants and to facilitate the clearance and settlement of securities transactions among its participants in such securities through electronic book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates.

e) Title and Transfer of Series B Bonds

The Series B Bonds are freely assignable and tradable subject to the provisions of the Series B Conditions. However, the assignment of the Series B Bonds is effective between the concerned parties only if such assignment is recorded in the Series B Bonds Register held by Midclear. Transfers of Series B Bonds may be effected, exclusively through the book-entry settlement systems maintained by Midclear, subject to the usual operating procedures and management regulations established by Midclear, and otherwise subject to the provisions of these Conditions and the Custody Agreement.

d) Interest; Series B Fixed Coupon

- The Series B Bonds will bear interest from and including the Issue Date to but excluding the Series B Maturity Date at a rate of 6% per annum calculated on the outstanding balance of the nominal amount of the Series B Bonds. Accrued Series B Fixed Coupon shall be payable annually on ______ commencing on ______ [2018/2019] through and including the Series B Maturity Date (each, an “Series B Interest Payment Date”).

- If a Series B Interest Payment Date falls on a non-Business Day, the applicable the Series B Fixed Coupon payment will be made on the next Business Day. Payments made on the next Business Day in this situation will be treated under the Series B Conditions as if they were made on the original due date. Such payment will not result in a default under any of the Series B Conditions, and no interest will accrue on the payment amount from the original due date to the next day that is a Business Day.

- If interest is required to be calculated for a period other than one year, it will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed in such month.

- In these Series B Conditions, the term “Business Day” means a day (other than a Saturday or Sunday) (i) on which commercial banks and foreign exchange markets settle payments in New York City and the Lebanon; (ii) in relation to payments due on any Series B Bonds, on which commercial banks and foreign exchange markets settle payments in U.S. Dollars in the place of presentation or surrender; and (iii) in relation to the Global Certificate, on which Midclear is in operation.

e) Maturity;

Unless previously prepaid pursuant to Terms and Condition section 9, the Series B Bonds will be repaid at their principal amount, together with accrued but unpaid interest (if any) on [], 2025 (the “Series B Maturity Date”). The right to receive the Contingent Return shall survive the Series B Maturity Date.

f) Contingent Return

- The Series B Bonds will, in addition to the Series B Fixed Coupons, be entitled to a contingent return equal to 12 per hundred thousand (100,000) of the Net Cash for each Series B Bond (i.e. nominal value of US$ 100,000) ("Contingent Return").

- The Contingent Return will be paid as and when profits on the Priority Shares are being distributed in accordance with the Distributions Priorities. Such payment to be effected within reasonable delay from the date of payment of the profits on the Priority Shares to the Series B Bondholders as shown the Series B Bonds Register as at the record date for the payment of the profits on the Priority Shares.

- The Series B Bondholders will not be subject to any clawback or giveback obligation with respect to any Contingent Return they may receive from the Company on account of their Series B Bonds.
- The right to receive the Contingent Return will remain to the Series B Bondholders following repayment of the Series B Bonds on the Series B Maturity Date or earlier.

- The early prepayment shall not affect the Bondholders’ rights to the Contingent Return.

g) Payments

- Payment of interest and principal (in case of a prepayment) will be made by the Paying Agent or the Issuer in U.S. Dollars to the person listed in the Series B Bonds Register as the owner of the Series B Bonds as at the Series B Interest Payment Date, even if that person no longer owns the Bonds as and when it receives the Series B Fixed Coupon interest payment.

- Book-entry and other indirect holders should consult their banks or brokers for information on how they will receive payments on their Series B Bonds.

- All payments in respect of the Series B Bonds (whether interest or principal) are subject in all cases to any applicable fiscal or other laws and regulations. No commissions or expenses shall be charged to the Series B Bondholders in respect of such payments.

- Payment of all Contingent Return occurring after the Series B Maturity Date will be made by the Paying Agent in U.S. Dollars to the person listed in the Series B Bonds Register as the owner of the Series B Bonds as at the Series B Maturity Date.

h) Series B Events of Default

The occurrence of one or more of the following events shall constitute a “Series B Event of Default”:

i. default by the Issuer in the payment of any principal amount in respect of the Bonds and continuance of such default for a period of twenty (20) Business Days;

ii. default by the Issuer in the payment of any accrued and unpaid Series B Fixed Coupons or Contingent Return on any Series B Bonds and continuance of such default for a period of twenty (20) Business Days;

iii. default by the Issuer or the Guarantor in the performance or observance of any term, covenant or obligation in respect of any Series B Bond other than as set forth in clauses (i) and (ii) above and, if such default is capable of being remedied, continuance of such default for a period of more than 30 Business Days after notice of such default has been given to the Issuer, at its specified office, by Bondholders representing 10% in aggregate principal amount of the outstanding Series B Bonds;

iv. failure to obtain or maintain the existence, validity or enforceability of any government authorization necessary for the performance by the Issuer or the Guarantor of any obligation under the Series B Bonds or any other document delivered by the Issuer in connection therewith or, for any other reason, the obligations of the Issuer under the Series B Bonds or the performance and compliance with such obligations by the Issuer become unlawful;

v. a decree or order by a court having jurisdiction having been entered adjudging the Issuer or the Guarantor as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization or suspension of payments of the Issuer or the Guarantor, and such decree or order of a court having jurisdiction for the appointment of a receiver, liquidator, trustee or assignee in bankruptcy or insolvency of the Issuer or the Guarantor, or of the property of the Issuer or the Guarantor, or for the winding-up or liquidation of the affairs of the Issuer or the Guarantor having been entered and such decree or order having continued undischarged and unstayed for a period of at least 60 days;
vi. initiation by the Issuer or the Guarantor of proceedings to be adjudicated as voluntary bankrupt, or consent to the filing of a bankruptcy, insolvency or similar proceeding against it, or filing of a petition or answer or consent seeking reorganization, suspension of payments or consent to the filing of any such petition, or consent to the appointment of a receiver, liquidator, trustee or assignee in bankruptcy or insolvency of it or its property, or proposing or making any agreement for the deferral, rescheduling or other readjustment of all of or a particular type of its debts (or of any part which it will or might otherwise be unable to pay when due), proposing or making a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any such debts or a moratorium being agreed or declared in respect of or affecting all or any part of (or a particular type of) the debts of the Issuer or the Guarantor; or

vii. occurrence of any event that, under the laws of any relevant jurisdiction, has an analogous effect to any of the events referred to in any of the foregoing clauses.

If a Series B Event of Default in respect of the Series B Bonds occurs and is continuing, then the holders of at least 30% in aggregate principal amount of the outstanding Series B Bonds may, by written notice to the Issuer declare all of the outstanding Series B Bonds to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality; provided, however, that, in the case of the occurrence at any time of any of the Events of Default described in (vi) or (vii) above, all outstanding Series B Bonds, without any notice to the Issuer or any other act by any Series B Bondholder, shall become immediately due and payable. Notice of any such declaration shall promptly be given to all other Bondholders by the Issuer in accordance with Terms and Conditions 15. Upon any acceleration of the Series B Bonds as provided herein, the principal amount, together with accrued but unpaid Series B Fixed Coupons (if any) and Contingent Return (if any) to the date of repayment, shall become forthwith immediately due and payable without presentment, demand, protest or other notice of any kind.

If the Issuer receives notice in writing from holders of at least 30% in aggregate principal amount of outstanding Bonds to the effect that the Series B Event of Default or Events of Default giving rise to any above-mentioned declaration of acceleration is or are cured following any such declaration and that such Bondholders wish the relevant declaration to be withdrawn, the Issuer shall give notice thereof to the Bondholders, whereupon the relevant declaration shall be withdrawn and shall have no further effect but without prejudice to any rights or obligations that may have arisen before the Issuer gives such notice (whether pursuant to these Conditions or otherwise). No such withdrawal shall affect any other or any subsequent Series B Event of Default or any right of any Bondholder in relation thereto.

i) Meetings of Series B Bondholders, Modification and Waiver

- The Series B Conditions may be amended by the Issuer, without the consent of the Series B Bondholders, exclusively for the purposes of curing any ambiguity, or for curing, correcting or supplementing any provisions contained herein or therein, which may be defective or inconsistent with any other provision contained herein or therein, or in any other manner that the Issuer may deem necessary or desirable provided that such amendments do not affect the material interests of the Series B Bondholders appertaining hereto or thereto. Any such amendments to these Conditions will be conclusive and binding on all Series B Bondholders.

- Under Lebanese law, Series B Bondholders are required to create an association of bondholders ("Association of Series B Bondholders") and to elect one or more representatives to act on behalf of all Series B Bondholders in connection with matters affecting the Bonds (the "Series B Representative"). By subscribing for Series B Bonds, each Series B Bondholder will be deemed to have granted a power of attorney to the Lead Placement Agent or its designee(s), to represent such Series B Bondholder at the first meeting of the Association of Series B Bondholders following the Issue Date and to vote at such meeting to elect such Series B Representative or Series B Representatives, to approve the by-laws of such Association of Series B Bondholders and to vote, as it may deem appropriate in its sole discretion, on all other resolutions that may be presented at such meeting of the Association of Series B Bondholders.
Meetings may be called by Series B Bondholders holding not less than 5% of the aggregate principal amount of the Series B Bonds then outstanding or by the Issuer. Subject as provided below, the quorum for any meeting will be two or more persons holding or representing no less than two-thirds of the aggregate principal amount of the Series B Bonds then outstanding or, at the first adjourned meeting (if any) two or more persons holding or representing a majority of the aggregate principal amount of the Series B Bonds then outstanding, or at any subsequent adjourned meeting two or more persons holding or representing not less than one-third of the aggregate principal amount of the Series B Bonds then outstanding. Notwithstanding the foregoing, the consideration of any of the following matters shall require a quorum of two or more persons holding or representing not less than two-thirds of the aggregate principal amount of the Series B Bonds then outstanding: (i) changing the Series B Maturity Date or any Series B Interest Payment Date; (ii) reducing any amounts payable in respect of the Series B Bonds (whether principal, interest, except as expressly contemplated by the Series B Conditions; (iii) changing the currency of payment of any amount payable in respect of the Series B Bonds; (iv) modifying the provisions of Terms and Conditions 5 through 9 or Series B Conditions (e), (f) and (g); or (v) any other matter which materially and adversely affects the rights of the Series B Bondholders, which it is agreed shall not include (A) the issuance of notes, bonds or other similar instruments evidencing indebtedness for borrowed money, whether subordinated or unsubordinated, by the Issuer or the Guarantor, within the meaning of Article 453 of the Lebanese Code of Commerce and subject to the Bonds Issuance Threshold or (B) the incorporation or acquisition by the Issuer of new subsidiaries. Resolutions of Series B Bondholders are adopted by an affirmative vote of persons holding or representing at least two-thirds of the aggregate principal amount of Series B Bonds represented at the meeting (so long as the required quorum is met but irrespective of that quorum). Any such modifications of or amendments to, or waivers with respect to, the Series B Bonds or the Series B Conditions will be conclusive and binding on all Series B Bondholders, whether or not they have given such consent or were present at such meeting, and on all future Series B Bondholders, whether or not notation of such modifications, amendments or waivers is made upon any Series B Bonds. Any instrument given by or on behalf of any Series B Bondholder in connection with any consent to any such modification, amendment or waiver will be irrevocable once given and will be conclusive and binding on all subsequent Bondholders.
FEES AND EXPENSES

Organizational Expenses

The Company’s Organizational Expenses, which are not expected to exceed US$ 2,500,000 (Two Million Five Hundred United States Dollars), will be paid by the Company.

The Organizational Expenses will be mainly use to pay taxes and duties arising from the issuance of the Priority Shares as follows:

- stamp duty at the rate of 4 per mill of the total issue price of the Priority Shares, i.e. assuming an issue size of US$ 75,000,000, the stamp duty due will be US$ 300,000;
- Judge Retirement Fund duty at the rate of 2 per mill of the total issue price of the Priority Shares, i.e. assuming an issue size of US$ 75,000,000, the Judge Retirement Fund duty due will be US$ 150,000;
- Notary Publics’ Retirement Fund duty at the rate of 1 per mill of the total issue price of the Priority Shares, i.e. assuming an issue size of US$ 75,000,000, the Notary Retirement Fund duty due will be US$ 75,000; and
- Lawyers’ Retirement Fund duty at the rate of 1 per mill of the total issue price of the Priority Shares, i.e. assuming an issue size of US$ 75,000,000, the Lawyers’ Retirement Fund duty due will be US$ 75,000.

It is expected that virtually the investments to be made by the Company in the Operating Company amounting to approximately US$ 300,000,000 will be effected through long term inter-company loans that will be subject to stamp duty at the rate of 4 per mill. i.e. US$ 1,200,000.

The Sponsor will not cause to Company to carry or bear any historical costs in relation to the set-up of the Company and the Offering except for legal, accounting, and tax advisory fees and pre-closing marketing fees.

Placement Fees

The fees due by the Company to the Lead Placement Agent (including other duly appointed placement and selling agents) upon the Initial Closing Date and Subsequent Closings in consideration of their placement efforts services in relation to the offering of Priority Shares shall be equal to three percent (3%) of the aggregate Committed Capital.

The above placement fees are in addition to the fees owed to the Lead Placement Agent in relation to the Offering, and which amount to one percent (1%) of the total issue size of the Bonds (or each series or tranches thereof).

Structuring Fee to the Sponsor

The fees due by the Company to the Sponsor upon the Initial Closing Date and Subsequent Closings in consideration of their structuring services in relation to the Offering and the Bonds Financing shall be equal to 0.5% of the Contributed Funding.

Licensing Fee to the Lead Placement Agent.

The one-time fee equal to US$ 250,000 (Two Hundred Fifty Thousand United States Dollars) due and payable by the Company to the Lead Placement Agent on the Initial Closing Date in consideration of their licensing services in relation to the offering of Priority Shares and the Offering.
Management Fees

The Manager is entitled to receive an annual Management Fees in the amount of:

- One and half percent (1.5%) per annum of the Contributed Funding during the first year after the Initial Closing Date.

- Two percent (2%) per annum of the Assets Under Management during the second year after the Initial Closing Date until the sixth year provided that the amount of annual Management Fees during that period do not exceed US$ 4,000,000 (Four Million United States Dollars) and not be less than US$ 2,500,000 (Two Million Five Hundred Thousand United States Dollars), and thereafter (i.e. following the sixth anniversary of the Initial Closing Date).

- Two percent (2%) per annum of the Assets Under Management during the seventh year after the Initial Closing Date provided that the amount of annual Management Fees during that period do not exceed US$ 3,000,000 (Three Million United States Dollars) and not be less than US$ 2,000,000 (Two Million United States Dollars), and thereafter (i.e. following the seventh anniversary of the Initial Closing Date).

- Two percent (2%) per annum of the Assets Under Management.

The Management Fees will be payable semi-annually in advance.

Marketing Fees

The Manager is entitled to receive an annual Marketing Fees in the amount of one percent (1%) per annum of the Assets Under Management.

For the first five years following the Initial Closing Date the total aggregate amount of the Marketing Fees cannot exceed 2.5% of the total amount invested or committed for investment in properties during the Investment Period.

Starting the sixth year following the Initial Closing Date, the Marketing Fees will be capped at USD 700,000.

The Marketing Fees will be payable semi-annually in advance.

Administration Fees

The Financial Administrator is entitled to receive an annual Administration Fees in the amount of:

- Quarter of a percent (0.25%) per annum of the Contributed Funding during the first year after the Initial Closing Date.

- Half a percent (0.5%) per annum of the Assets Under Management during the second year after the Initial Closing Date until the sixth year provided that the amount of annual Administration Fees during that period do not exceed US$ 1,000,000 (One Million United States Dollars) and not be less than US$ 625,000 (Six Hundred Twenty Five Thousand United States Dollars), and thereafter (i.e. following the sixth anniversary of the Initial Closing Date).

- Half a percent (0.5%) per annum of the Assets Under Management during the seventh year after the Initial Closing Date provided that the amount of annual Administration Fees during that period do not exceed US$ 750,000 (Seven Hundred Fifty Thousand United States Dollars) and not be less than US$ 500,000 (Five Hundred Thousand United States Dollars), and thereafter (i.e. following the seventh anniversary of the Initial Closing Date).

- Half a percent (0.5%) per annum of the Assets Under Management.

The Administration Fees will be payable annually in arrears.
On-Going Expenses

The Company will pay for its ordinary, legal (recurring and one-off), auditing and operating expenses, expense reimbursement and insurance; any and all reasonable costs and expenses incurred in connection with any outsourcing of the administration of the Company; professional fees (excluding fees of the Financial Administrator, the Manager or any of its shareholders and board members whether directly or indirectly and including technical advisors fees and expenses of auditors, legal counsel and consultants); government filing and registration fees and taxes, as incurred, and for all extraordinary expenses, if any. Operating expenses also include all expenses associated with the execution of all investments (such as, but not limited to, costs directly related to the evaluation, acquisition, holding, management, placement and/or disposal of investments, whether or not such investments proceed to completion). The Company may, in accordance with commercial customs, be required in certain instances to pay commissions or finder’s fees in consideration of certain services rendered in connection with the identification, negotiation or execution of an investment.

The costs and expenses incurred by the Manager in providing office facilities, equipment, travel and personnel in order to perform its obligations in such capacity will be borne by the Manager.

The costs and expenses incurred by the Financial Administrator in providing office facilities, equipment, travel and personnel in order to perform its obligations in such capacity will be borne by the Financial Administrator.
USE OF PROCEEDS

The proceeds of the issue of the Bonds will be solely used by the Company for purposes of financing the Operating Company through primary interest bearing long term loans. The Operating Company will use the funds to finance its investment activities. All proceeds not applied for investment activities will be placed in Permitted Temporary Investments and all returns accrued thereon will be used for the payment of the annual coupons on the Bonds.

It is expected to receive net proceeds from this Offering will range between:

- A minimum of approximately US$ 140,000,000 subject to deducting the fees and expenses listed in the previous section "Fees and Expenses"; and

- A maximum of not exceeding four time the aggregate Committed Capital which are capped at US$ 250,000,000 after deducting the corresponding fees and expenses listed in the previous section "Fees and Expenses".

The Company through the Operating Company intends to use the net proceeds from this Offering together with the proceeds of the Priority Shares i.e. the Contributed Funding to originate and acquire our target assets in a manner consistent with its investment objectives and investment guidelines described in this Prospectus.

Until appropriate investments can be identified, the Company intends to invest the Contributed Funding in Permitted Temporary Investments. These investments are expected to provide a lower net return than what is intended to be achieved from the targeted investments.

The Contributed Funding (whether at the lower or higher end) is sufficient to cover its intended use. Subject to a maximum of US$ 325,000,000, the Company will seek to raise more funds through the offering of additional Priority Shares on Subsequent Closing and concurrently will be issuing additional series of Bond subject to not exceeding four (4) times the aggregate Committed Capital.
LEBANESE LAWS AND REGULATIONS GOVERNING ISSUANCE OF BONDS BY JOINT STOCK COMPANIES

The issuance by Lebanese joint stock companies of bonds or notes, such as the Bonds, is governed by (i) the Code of Commerce of the Lebanese Republic, including, in particular, Articles 122 to 143, inclusive, and Articles 453 et seq. thereof and (ii) Decree-Law N°45 dated June 24, 1983 as amended from time to time.

The principal provisions of Code of Commerce, which govern the issuance by Lebanese Joint Stock Holding Companies of bonds, notes and other similar debt instruments, such as the Bonds, are as follows:

1. The aggregate principal amount of Series A Bonds and Series B Bonds (on combined basis) which may be outstanding at any one time may not exceed five times the issuer’s capital and reserves as per its last approved balance sheet;

2. The issuance of bonds requires the adoption of a resolution by the issuing company’s shareholders approving such issuance;

3. The issuing company is obligated to publish an offering memorandum or other similar document containing specified information regarding the issuing company and the terms of the bonds to be issued;

4. The Code of Commerce provides that (i) an association of holders is automatically formed upon each issuance of bonds, (ii) such association must elect one or more representatives and (iii) such association must adopt by-laws. Provisions relating to the notice, quorum and voting requirements with respect to matters submitted to the Series A Bondholders and Series B Bondholders (as the case may be) for approval or other action are reflected in the terms and conditions of the Series A Bonds and Series B Bonds and the form of respective by-laws of the Association of Series A Bondholders and Association of the Series B Bondholders attached to this Prospectus;
SCHEDULE OF INFORMATION REQUIRED TO BE DISCLOSED PURSUANT TO
ARTICLE 126 OF THE CODE OF COMMERCE OF THE LEBANESE REPUBLIC WITH RESPECT
TO THE SERIES A BONDS

Name of Issuer ........................................ Legacy One Holding SAL

Main Office ................................. 126, Foch Street
                                Beirut Central District
                                Beirut 2012-6609
                                Lebanon.

Principal Amount of Bonds........... US$ [ ].

Date of Ordinary General Meeting of
Shareholders Authorizing the

Interest Rate; Series A Fixed Coupons... 7.5% per annum and if extended it will be equal to the interest
applicable to the 7 years Lebanese Government USD denominated
T-Bill at the time of the extension

Fixed Return Payment Dates ............. The Series A Fixed Coupons will be paid _______________
commencing on [] until the Series A Maturity Date or earlier if the
Bonds has been fully prepaid, commencing on [].

Series A Issue Price ......................... 100%.

Series A Maturity Date ............... [], 2023. Under Series A Maturity Date specify that If the Company
fails to repay the Series A Bonds in full on the Series A Maturity
Date or within 2 business days thereafter, the Series A Maturity Date
will be automatically extended by a maximum period of two years

Date of Incorporation of the Issuer .... []

Capital ............................................ US$ ______________, fully paid.

Number of Bonds on Issue Date ........... [].

Denomination .......................... US$ 100,000.

Form of Bonds .......................... Registered.

Security .................................. Unsecured.

Guarantee .............................. The Bonds will be guarantees on a senior unsecured basis by the
Legacy One Operations SAL.

Previous Bonds Issues .................. Not applicable (none outstanding).

Names and Addresses of Members of the Board of Directors:

Mr. Namir Cortas, ________________

All c/o

[]

As required by Lebanese law, legal notices containing the information set forth above have been published in the
publications listed below:

<table>
<thead>
<tr>
<th>Name of Publication</th>
<th>Date of Publication</th>
<th>Reference No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Official Gazette</td>
<td>[]</td>
<td>[]</td>
</tr>
<tr>
<td></td>
<td>[]</td>
<td>[]</td>
</tr>
<tr>
<td></td>
<td>[]</td>
<td>[]</td>
</tr>
</tbody>
</table>
SCHEDULE OF INFORMATION REQUIRED TO BE DISCLOSED PURSUANT TO ARTICLE 126 OF THE CODE OF COMMERCE OF THE LEBANESE REPUBLIC WITH RESPECT TO THE SERIES B BONDS

Name of Issuer ........................................ Legacy One Holding SAL

Main Office ......................................... 126, Foch Street
Beirut Central District
Beirut 2012-6609
Lebanon.

Principal Amount of Bonds..................... US$ [ ].

Date of Ordinary General Meeting of Shareholders Authorizing the Issuance of the Bonds.................. [], 2018.

Interest Rate; Series B Fixed Coupons.... 6% per annum.

Contingent Return ................................. Each Series B Bond (i.e. nominal value of US$ 100,000) shall be entitled to a return contingent on the Net Cash of the Company equal to 12 per hundred thousand (100,000) of the Net Cash.

Fixed Return Payment Dates............... The Series B Fixed Coupons will be paid _______________ commencing on [] until the Series A Maturity Date or earlier if the Bonds has been fully prepaid, commencing on [].

Series B Issue Price ............................. 100%.

Series B Maturity Date ......................... [], 2025, subject to prepayment as provided in the terms and conditions.

Date of Incorporation of the Issuer......... [].

Capital ............................................. US$ ______________, fully paid.

Number of Bonds on Issue Date ............ [].

Denomination US$ 100,000.

Form of Bonds ................................. Registered.

Security ........................................... Unsecured.

Guarantee ........................................... The Bonds will be guarantees on a senior unsecured basis by the Legacy One Operations SAL.

Previous Bonds Issues ......................... Not applicable (none outstanding).

Names and Addresses of Members of the Board of Directors:

Mr. Namir Cortas, _________________________
All c/o
[]

As required by Lebanese law, legal notices containing the information set forth above have been published in the publications listed below:

<table>
<thead>
<tr>
<th>Name of Publication</th>
<th>Date of Publication</th>
<th>Reference No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Official Gazette</td>
<td>[]</td>
<td>[]</td>
</tr>
<tr>
<td>[]</td>
<td>[]</td>
<td>[]</td>
</tr>
<tr>
<td>[]</td>
<td>[]</td>
<td>[]</td>
</tr>
</tbody>
</table>
LEBANESE TAXATION

The following is a summary of certain Lebanese tax consequences resulting from the purchase, ownership and disposition of the Bonds. This summary does not purport to consider all of the possible Lebanese tax consequences of the purchase, ownership and disposition of the Bonds and is not intended to reflect the individual tax position of any holder (registered or not). This summary is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change (perhaps with retroactive effect). The summary does not include any description of the tax laws of any state, local or foreign governments (other than Lebanon) that may be applicable to the Bonds or the holders thereof. The legal authorities on which this summary is based are subject to various interpretations, and no rulings have been or will be sought from any tax agency with respect to the matters described herein.


Capital Gains Tax. No Lebanese tax will be payable in respect of any gain, whether realized or unrealized, made by a non-resident of Lebanon from any sale or other disposition of any Bonds.

Stamp Duties. No stamp, registration or similar duties or taxes will be payable in Lebanon by any non-resident of Lebanon in connection with its purchase of any of the Bonds upon issue.

Persons considering the purchase of the Bonds should consult their own tax advisers concerning the application of Lebanese tax laws to their particular situations, as well as any consequences of the purchase, ownership and disposition of the Bonds arising under the laws of any other taxing jurisdiction.
SUBSCRIPTION PROCESS; INVESTOR SUITABILITY REQUIREMENTS

Below is an expected summary timetable of the Bonds’ offering contemplated by this Prospectus that should be taken into consideration when subscribing to the Series A Bonds and/or the Series B Bonds.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Markets Authority of Lebanon approval is granted for the offering of the Bonds contemplated by this Prospectus.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>offering period start date</td>
</tr>
<tr>
<td></td>
<td>offering period end date</td>
</tr>
</tbody>
</table>

Subscription Process

Eligible Investors who have expressed interest in subscribing for Series A Bonds and/or Series B Bonds will be required to fill out and execute an Application Form.

Each Eligible Investor must complete all the relevant sections in the Application Form.

Applications to invest in Series A Bonds and/or Series B Bonds shall then be made by sending the duly completed and signed Application Form to the Lead Placement Agent at its address as indicated under this Prospectus and funding the corresponding issue price of the Bonds subscribed to (the “Subscription Amount”).

The Applicant must transfer the required subscription Amount to the Escrow Agent to the Bonds Subscription Account. In the event that the offering of the Bonds is terminated or if the Application Form is rejected (in whole or in part), the Subscription Amount (or a corresponding portion thereof) deposited by the Applicant into the Bonds Subscription Account will be promptly refunded to the Applicant as specified below.

Prospective Eligible Investors must provide all documents related to their initial subscription and certification of such documents might be requested if need be.

The Lead Placement Agent reserves the right to reject any Application Form, in part or in whole, if any of the subscription terms and conditions is not met. The Application Form cannot be amended or withdrawn once submitted. Furthermore, the Application Form shall, upon submission, be considered to be a legally binding offer by the relevant applicant (the “Applicant”) to the Lead Placement Agent and/or the Company. The Eligible Investor is not entitled to withdraw its Application Form once submitted.

In addition to consultation made with the Lead Placement Agent, prospective Eligible Investors are urged to read the Application Form, this Prospectus, the Investors’ Presentation, the Priority Shares Prospectus and the by-laws of each of the Company and the association of bondholders in which Bonds it is subscribing to and in their entitities and to discuss their contents with their professional legal, tax, and accounting advisors before subscribing to Series A Bonds and/or Series B Bonds.

Application Forms should be received by the Lead Placement Agent during the Offering Period and prior to the offering period end date.

Eligible Investors

The Bonds may be subscribed to only by Eligible Investors (i) who are aware of the risks associated with the investment activities to be undertaken by the Company, (ii) who do not require immediate liquidity from their investments and (iii) who are aware that there can be no assurance that the Company or the Bonds will be profitable or that the Company will be able to meet its investment objectives.

Allocation of the Bonds

Regardless of whether the Offering has been oversubscribed or not, the Company Board shall have full and discretionary power to either scale down (even to zero) the number of Series A Bonds and/or Series B Bonds applied for by any one or more Applicants and/or accept the Application of only a limited number of Applicants.
An allocation of subscriptions for Bonds is expected to be completed before the Issue Date. Applicants for Series A Bonds and/or Series B Bonds will be advised in writing of their allocation of Series A Bonds and/or Series B Bonds.

Subscriptions for the Series A Bonds and/or Series B Bonds will be allocated to Eligible Investors who have duly completed an Application Form.

**Suitability Requirements**

The Lead Placement Agent shall ensure that prior to accepting an Eligible Investor in the Company, such Eligible Investor will be urged to read this Prospectus, the Investors’ Presentation, the Priority Shares Prospectus and the by-laws of each of the Company and the association of bondholders in which it has subscribed to in their entireties and will be afforded by the Lead Placement Agent the opportunity to discuss their contents and ask questions relating thereto, and such Eligible Investor is also advised to obtain any necessary professional legal, tax and accounting advice before subscribing to investing in the Series A Bonds and/or Series B Bonds.

The Lead Placement Agent as well as other co-placement agents will do a proper suitability assessment to make sure that the prospective investors fall within the category of Eligible Investors as defined under this Prospectus and have the duty to conduct such suitability assessment in accordance with the Business Conduct Regulation – Series 3000.

Each Eligible Investor represents and warrants to the benefit of the Company and the Lead Placement Agent as follows:

(i) the CMA takes no responsibility for the accuracy of the statements and information contained in the Memorandum, nor shall the CMA have any liability to any person, an investor or otherwise, for any loss or damage resulting from reliance on any statement or information contained herein; and

(ii) the Eligible Investor certifies that the money representing its investment is not derived from money laundering connected to drug trafficking or other criminal offenses and agrees that it shall be personally liable to the Company, the Manager and the Lead Placement Agent for any misrepresentation in this respect.

**Further Restrictions**

The Company Board may impose such restrictions as it deems necessary for the purpose of ensuring that no Series A Bonds and/or Series B Bonds are acquired or held by or for the benefit of:

a. any person in breach of the law or requirements of any country or governmental authority;

b. any person who has given representations in the Application Form which were not true when given or have ceased to be true;

c. any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons, connected or not, or any other circumstances appearing to the Company Board to be relevant) in which the Company Board determines the continuing ownership of the Bonds by such person or persons would cause an undue risk of adverse tax or other consequences to the Company or any of the Bondholders, including, but not limited to, black listing by BDL, OFAC, or other organization of international repute, money laundering, terrorism financing, etc. or as contemplated in the By-laws.

A holder of Series A Bonds and/or Series B Bonds who becomes aware that he is holding or owning Series A Bonds and/or Series B Bonds in breach of any restriction in this Prospectus shall promptly deliver to the Company a written request for the transfer his Bonds to another person.

An investment in the Series A Bonds and/or Series B Bonds involves a high degree of risk that potential investors should consider before making an investment decision. Prospective Eligible Investors must be prepared to bear the economic risk of an investment in the Bonds and be able to withstand a total loss of their investment.
Additional Information

The following is a list of documents material to the Company, including the material agreements which have been or (on or before the Initial Closing Date) will be entered into by the Company:

- the By-laws;
- the Management Agreement;
- Administration Agreement; and
- the Investors’ Presentation.

Each investor should inform itself as to (i) the legal requirements applicable to it in respect of its subscription for Bonds; (ii) any foreign exchange restrictions which it may encounter; and (iii) the income and other tax consequences to it of a subscription for Bonds.

The Company will make available to any prospective investor any information, including copies of the material documents listed above, deemed necessary or appropriate by such prospective Eligible Investor to the extent such information can be reasonably obtained by the Company. Information concerning the Offering may be obtained by writing or electronic transmission to the Lead Placement Agent at 109 Allenby Street, first Floor Beirut Central District, Lebanon, Attn: Mr. Wael El Zein; Telephone: +961 1 999 533 and email: wael.zein@lucidinvestbank.com.
GENERAL INFORMATION

1. The issuance of the Series A Bonds and the Series B Bonds [was/will be] authorized by a resolution of the shareholders of the Company adopted at an ordinary meeting thereof held on ________________ and granted to the Company Board of Directors the power to determine the final terms and conditions of the Series A Bonds and the Series B Bonds. All necessary consents, approvals, registrations, authorizations, notifications or other orders of regulatory authorities required under the laws and regulations of Lebanon prior to the issuance of the Series A Bonds and the Series B Bonds by the Company have been obtained.

2. The Company has undertaken to record the issuance of the Series A Bonds and the Series B Bonds in the Register of Commerce of the Lebanese Republic promptly following the Issue Date, as required by Article 129 of the Code of Commerce.

3. The information required to be disclosed pursuant to Article 126 of the Lebanese Code of Commerce is set out on page [] of this Prospectus and made a part hereof.

4. The Series A Bonds and the Series B Bonds will not be listed on any stock exchange.

ANNEX A - GLOSSARY OF DEFINED TERMS

In this Prospectus, in addition to words and phrases specifically defined elsewhere in this Prospectus, the following words and phrases have the meanings set forth below:

**Absolute Majority Priority Shares Decision** means a decision of the Company requiring the approval or consent of holders of Priority Shares representing more than 50% of the issued Priority Shares. For the avoidance of doubt, Priority Shares held by a defaulting holder of Priority Shares shall not be taken into consideration for purposes of adopting an Absolute Majority Priority Shares Decision.

**Financial Administrator** means Lucid Investment Bank SAL acting in its capacity as financial administrator of the Company and/or the Operating Company pursuant to the Administration Agreement.

**Administration Agreement** means the administration agreement to be entered into between the Company and/or the Operating Company from one side and the Financial Administrator from the other side.

**Administration Fees** means the administration fees payable to the Financial Administrator as listed under section entitled Fees and Expenses.

**Applicant** means an Eligible Investor who has completed an Application Form.

**Application Form** means the application form to be signed by Eligible Investors upon subscription to the Bonds, substantially in the form attached hereto under "Annex B".

**Assets Under Management** means the acquisition value of the assets owned by the Operating Company.

**Association of Series A Bondholders** means the association of the Series A Bondholders as established in accordance with Article 136 of the Lebanese Code of Commerce.

**Association of Series B Bondholders** means the association of the Series B Bondholders as established in accordance with Article 136 of the Lebanese Code of Commerce.

**BDL, Central Bank or Banque du Liban** means *Banque du Liban*, the Central Bank of Lebanon.

**Bonds** means the Series A Bonds and the Series B Bonds.

**Bonds Financing** the financing of the Company through the Bonds issuance.

**Bondholders** means the holders of the Series A Bonds and the Series B Bonds.

**Bonds Subscription Account** means the non-interest bearing account to be opened by the Escrow Agent into which the Subscription Amount for the Bonds will be received.

**By-laws** means the bylaws of the Company.

**Cash Reserve** means the cash reserve to be established by the Company on the Initial Closing Date being:
- an amount sufficient to cover 1.5 times the applicable fixed annual coupon of the outstanding Bonds; and thereafter,
- equal to an agreed upon Projected Costs.

**Cash Reserve Account** means one or more interest bearing bank accounts into which the Cash Reserve will be deposited to be opened with, or at the direction of, the Financial Administrator until full repayment of the principal amount of the Bonds and accrued and unpaid interests thereon.

**Close Links** the relationship between a person, and any of the following persons: 1) a controller of such person (if such person is an entity), 2) a company controlled by such person 3) a company controlled by a controller of such person (if such person is an entity), or 4) a company controlled by any combination of the persons described in 1), 2) and 3) above.

**Closely Related Person** the direct ascendants, direct descendants and spouse of an insider who share the same home with an insider.

**CMA** means the Capital Markets Authority.
CMA Regulation means Series 6000 "Offer of Securities" regulations dated August 7, 2017 issued by the Lebanese Capital Market.

Committed Capital means as to any Priority Shares Eligible Investor, the commitment to pay the corresponding aggregate issue price for the Priority Shares it has subscribed to as and when called to do so by the Company Board during the Investment Period.

Common Shares means the common shares of the Company.

Company or Issuer Legacy One Holding SAL.

Company Board the board of directors of the Company.

Compliance Officer means the compliance officer to be appointed by the Company Board.

Contingent Return means the contingent return payable on the Series B Bonds which is equal to 12 per hundred thousand (100,000) of the Net Cash per Series B Bond (i.e. nominal value of US$ 100,000).

Contributed Capital means as to any Priority Shares Eligible Investor, the actual amount invested by each holder of Priority Shares in the Company on account of its Committed Capital.

Contributed Funding means the amount of Bonds Financing and Committed Capital.

Custodian or Paying Agent means Midclear.

Custody Agreement means the custody and paying agency agreement entered into between the Company and Midclear.

Director means a board member in the Company Board and "Directors" shall be construed as accordingly.

Distributions shall have the meaning given to it under Section "DISTRIBUTIONS PRIORITIES".

Eligible Investor means a person or entity who duly and properly complete an Application Form and who is either:

- NOT a Restricted Person; and
- NOT a U.S. Person, or any person or entity who is in breach of any restrictions or conditions imposed by the By-laws or by the Directors.

Escrow Agent means Lucid Investment Bank SAL acting in its capacity as Escrow Agent in respect of the subscription amounts received by the Company for the Offering and the offering of Priority Shares.

Extendable Series A Maturity Date has the meaning given to it under Section "Terms and Conditions of the Bonds – The Series A Conditions".

Excess Cashflow mean the excess cashflow of the Company, comprised of proceeds, net of taxes and Cash Reserve requirements, expenses, capital expenditures, interest coupon payments on the Bonds, interest and principal repayments of the Permitted Secured Indebtedness payments or provisions thereof, fees and any required legal reserves, received from the Company’s investments, on the basis of the audited financial statements.

Global Series A Certificate means the global certificate for the Series A Bonds.

Global Series B Certificate means the global certificate for the Series B Bonds.

Guarantor means the Operating Company in its capacity as issuer of the Operating Company Corporate Guarantee.

Holders or Shareholders means a holder of Shares in the Company.

Independent Director means a Director who meets the following cumulative conditions:

- Does not have any (i) administrative function in the Company, the Operating Company and the Manager, or (ii) consultative function for the Management Team;
- Is not a holder of Priority Shares;
- Is independent from the Management Team;
- Is not related by kinship, up to the fourth degree, to any of the Management Team, and
- has experience and expertise in real estate industry and/or banking and financial services industry and an in-depth familiarity with the economic, political and social conditions prevailing in Lebanon.

**Independent IC Member** means a member of the Investment Committee who meets the following cumulative conditions:

- Does not have any (i) administrative function in the Company, the Operating Company and the Manager, or (ii) consultative function for the Management Team;
- Is not a holder of Priority Shares;
- Is independent from the Management Team;
- Is not related by kinship, up to the fourth degree, to any of the Management Team, and
- has experience and expertise in real estate industry and/or banking and financial services industry and an in-depth familiarity with the economic, political and social conditions prevailing in Lebanon.

**Initial Closing Date** means the date on which the first Priority Shares will be issued occurring at the end of the Initial Offering Period.

**Initial Offering Period** means the initial offering period of the Bonds commencing 5 days following the fulfilments of the conditions set out in the CMA decision approving the Offering (tentative) and will terminate six months thereafter, unless earlier terminated or extended by the Company for three (3) additional months.

**Investment Committee** means the investment committee of the Company.

**Investment Period** means the period during which the Company Board will make calls on Committed Capital (i.e. send capital call requests to holders of Priority Shares) from time to time during the first two (2) years starting from the Initial Closing Date, subject to a one (1) year extension as determined by the Company Board at the recommendation of the Manager.

**Investment Term** means the investment term of the Company being ten (10) years from the Initial Closing Date or such earlier period if all investments have been duly offloaded.

**Issue Date or First Issue Date** means the issue date of the Bonds scheduled to be on or about [ ] 2018.

**Law 161** means Law N° 161 dated August 17, 2011, governing the financial markets and Capital Markets Authority.

**Lead Placement Agent** Lucid Investment Bank SAL acting as in its capacity as lead placement agent for the Offering.

**Lebanese Taxes** means the taxes that may be imposed in Lebanon.

**Lebanon** means the Republic of Lebanon.

**Legacy**, or the **Manager** means Legacy Central SAL acting in its capacity as manager of the Company and/or Operating Company pursuant to the Management Agreement.

**Lucid** means Lucid Investment Bank SAL.

**Management Agreement** means the management agreement to be entered into between the Company and/or the Operating Company from one side and the Manager from the other side.

**Management Fees** means the management fees payable to the Manager as listed under section entitled Fees and Expenses.

**Management Team** the team of the Manager led as the date hereof by Messrs. Namir Cortas, Massaad Fares and Alain Bassoul.
Marketing Fees means the marketing fees payable to the Manager as listed under section entitled Fees and Expenses.

Midclear means Midclear SAL.

Net Cash means the net profits of the Company, comprised of proceeds, net of taxes, expenses, capital expenditures, Bonds interest and principal repayments, Contributed Capital repayment, fees and any required legal reserves, received from the Company’s investments, on the basis of the audited financial statements.

Offer or Offering the offering of Bonds as contemplated by the Prospectus.

Operating Accounts means the banks accounts of the Company and the Operating Company.

Operating Company means Legacy One Operations SAL.

Operating Company Corporate Guarantee the corporate guarantee to be issued by the Operating Company for the benefit of the Bondholders.

Permitted Secured Indebtedness has the meaning given to it under Section "TERMS AND CONDITIONS OF THE BONDS".

Permitted Temporary Investments means bank deposits held by commercial banks or money market instruments and similar investments earning interest.

Priority Shares means the priority shares of the Company.

Priority Shares Eligible Investor means the eligible investors in the Priority Shares.

Priority Shares Prospectus means the prospectus for the Priority Shares in the Company.

Projected Cost means the projected costs of the Company for a period of not less than two (2) years as proposed, on annual basis, by the Manager and approved by the Company Board.

Prospectus means the present prospectus relating to the offering of the Bonds.

Restricted Person means any person holding Bonds:

(a) in breach of the law or requirements of any country of governmental authority; or

(b) in circumstances (whether directly or indirectly affecting such person and whether taken alone or in conjunction with any other person, connected or not, or any other circumstances) which, in the opinion of the Directors, might result in the Company incurring any liability to taxation or suffering any other pecuniary, legal or administrative disadvantage which the Company might not otherwise have incurred or suffered.

Series A Bondholders means the holders of the Series A Bonds.

Series A Bonds means the senior unsecured extendable bonds bearing a fixed coupon to be issued by the Company from time to time in accordance with the terms and conditions of the Bonds’ Prospectus.

Series A Bonds Register means the register of the Series A Bonds.

Series A Event of Default means the event of defaults as listed under “TERMS AND CONDITIONS OF THE BONDS – the Series A Conditions”.

Series A Fixed Coupon means the fixed annual coupon payable on an annual basis on the Series A Bonds.

Series A Interest Payment Date means the annual date on which the Series A Fixed Coupon shall be paid.

Series A Maturity Date means the date on which the Series A Bonds will be repaid at their outstanding principal amount, together with accrued but unpaid interest (if any) on a fixed date occurring not later than 5 years as of the issue date subject to extension until the Extendable Series A Maturity Date.
Series A Representative means the representative of the Association of the Series A Bondholders.

Series B Bondholders means the holders of the Series B Bonds.

Series B Bonds means the senior unsecured extendable bonds bearing a fixed coupon and a contingent return to be issued by the Company from time to time in accordance with the terms and conditions of the Bonds’ Prospectus.

Series B Bonds Register means the register of the Series B Bonds.

Series B Event of Default means the event of defaults as listed under “TERMS AND CONDITIONS OF THE BONDS – the Series B Conditions”.

Series B Fixed Coupon means the fixed annual coupon payable on an annual basis on the Series B Bonds.

Series B Interest Payment Date means the annual date on which the Series B Fixed Coupon shall be paid.

Series B Maturity Date means the date on which the Series B Bonds will be repaid at their outstanding principal amount, together with accrued but unpaid interest (if any) on a fixed date occurring not later than 7 years as of the issue date.

Series B Representative means the representative of the Association of the Series B Bondholders.

Simple Majority Priority Shares Decision means a decision of the Company requiring the approval or consent of the simple majority of holders of Priority Shares. For the avoidance of doubt, Priority Shares held by a defaulting holder of Priority Shares shall not be taken into consideration for purposes of adopting a Simple Majority Priority Shares Decision.

Shares means the Priority Shares and the Common Shares.

Sponsor means Legacy Central SAL acting in its capacity as the sponsor of the Company and the Offering.

Subsequent Closings means the subsequent issuances of Priority Shares subscribed to following the Initial Offering Period.

Subsequent Issuance means the subsequent issuances of Bonds as per the section “TERMS AND CONDITIONS OF THE BONDS”.

Subscription Amount means the subscription funds to be paid by an Applicant corresponding to Series A Bonds and/or Series B Bonds it has subscribed to pursuant to an Application Form.

Super Majority Priority Shares Decision means a decision of the Company requiring the approval or consent of holders of Priority Shares representing more than two third (66.67%) of the issued Priority Shares in addition to any quorum requirement that may be required under the Lebanese Code of Commerce. For the avoidance of doubt, Priority Shares held by a defaulting holder of Priority Shares shall not be taken into consideration for purposes of adopting a Super Majority Priority Shares Decision.

U.S. Person means any citizen or resident of the United States of America, any corporation, partnership or other entity created or organized in or under the laws of the United States of America or any person falling within the definition of the term U.S. Person under Regulation S adopted by the Securities and Exchange Commission of the United States of America, as amended from time to time.
ANNEX B - APPLICATION FORM

1. Applicant Information.

Applicant Name: _______________________________________________________________ (the “Applicant”)

Address: ____________________________________________________________

(Street)

(City) (Country)

Telephone Number:____________________________  Facsimile Number: ________________________

Email Address: _______________________________________________

Jurisdiction of Organization/Country of Residence: __________________________________________________

Authorized Signatory:

________________ has acted as co-placement agent (the “Co-Placement Agent”) in connection with this 
Application Form (please apply Co-Placement Agent’s stamp next to this statement)

2. Application to Purchase Bonds.

A. Acknowledgment. The Applicant acknowledges that Legacy One Holding SAL, a Lebanese joint 
stock holding company (the “Issuer” or the “Company”), intends to issue, in _______________ (the “First Issue 
Date” or “Issue Date”), up to US$ 250,000,000 of its 7.5% Senior Unsecured Extendable Bonds due 2023 
(“Series A Bonds”) and 6% Senior Unsecured Profit Participating Bonds due 2025 (“Series B Bonds”) (the 
Series A Bonds and the Series B Bonds shall be referred to as “Bonds”), the terms of which are set forth in the 
Prospectus dated October 2018, a copy of which is attached hereto (the “Prospectus”). The Applicant hereby 
acknowledges having carefully read the attached Prospectus, the Investors’ Presentation, the Priority Shares 
Prospectus, the bylaws of each of the Company and the association of bondholders for the Bonds in which he intends 
to subscribe to and declares and represents that it fully understands the contents thereof.

The Applicant acknowledges that the Issuer is a newly established Lebanese joint stock holding company 
organized as an investment company to make investments through its fully owned subsidiary and operating arm 
Legacy One Operations SAL (the “Operating Company”) in opportunistic real estate investments in Lebanon.

The Applicant acknowledges that Lucid Investment Bank SAL has acted as lead placement agent (the 
“Lead Placement Agent”) in connection with the issue, offer and sale of the Bonds and will also act as the financial 
administrator in relation to the operations of the Company (the “Financial Administrator”).

The Applicant acknowledges that Legacy Central SAL will act as sponsor for the Company in connection 
with the offering of the Bonds (in such capacity the “Sponsor”) and will also act as the manager of the Company (in 
such capacity the “Manager”).

The Applicant acknowledges that neither the Issuer nor the Lead Placement Agent (nor the Co-Placement 
Agent, if applicable), nor any other person, is acting as an adviser to the Applicant in connection with its application 
to purchase Bonds or has made any recommendation, representation or warranty, express or implied, regarding the 
Bonds or the advisability of an investment therein.
The terms of the Series A Bonds and the Series B Bonds offering are more fully set forth in the Prospectus. The Applicant acknowledges having received the Prospectus, the Investors’ Presentation and the By-laws and hereby represents that it has carefully reviewed it and fully understands the contents thereof.

The Applicant further acknowledges that subscription for, and investment in, the Series A Bonds and/or the Series B Bonds is restricted to certain qualifying investors who duly and properly complete this Application Form and who meet the requirements set out in the Prospectus (each an "Eligible Investor").

The Applicant acknowledges that the Company will directly or through the Operating Company enter into a management agreement with Legacy Central SAL, (in such capacity the “Manager”), pursuant to which the Manager will, subject to the Company’s stated investment objectives and under the supervision and control of the Company’s Board, render management and administration services to the Company and the Operating Company.

Capitalized terms used herein without otherwise being defined shall have the meanings set forth in the Prospectus.

B. Application to Purchase Bonds. [To be completed by the Applicant]. Subject to paragraph D.(ii) below, and on and subject to all other terms and conditions set forth herein, the Applicant hereby offers to purchase that principal amount of Bonds as is indicated below at the purchase price for the Bonds specified below [complete as appropriate]:

- US$ ___________________________ [insert principal amount] of Series A Bonds for a purchase price equal to 100% of the nominal value of the Series A Bonds; and
- US$ ___________________________ [insert principal amount] of Series B Bonds for a purchase price equal to 100% of the nominal value of the Series B Bonds;

i.e. a total Subscription Amount of US$ ___________________________.

Each Applicant is required to purchase Bonds for a minimum of US$ 1,000,000 (one million United States Dollars) (net of any bank charges). The Company may in its discretion accept lesser amounts but in no event less than US$ 100,000 per Applicant.

C. Denominations. The Applicant acknowledges and agrees that the Series A Bonds and the Series B Bonds will be issued in denominations of US$ 100,000.

D. Acceptance and Termination. The Applicant acknowledges and agrees that:

(i) This Application Form shall be deemed accepted only upon execution by the Applicant, payment of the full subscription monies payable by it (in an amount equal to the principal amount of Bonds being subscribed hereby times the purchase price, in each case, as specified in Paragraph B. above) and acceptance by, or on behalf of, the Issuer, such acceptance to be evidenced by delivery of a signed receipt to the Applicant. The Applicant acknowledges that the acceptance by, or on behalf of, the Issuer of this Application Form shall not entitle the Applicant to an allocation of all or part of the Series A Bonds and/or the Series B Bonds for which it has applied and the Applicant hereby accepts that it might be allocated only part or none of the Series A Bonds and/or the Series B Bonds for which it has applied and that, even if this Application Form has been accepted, the Issuer and/or the Lead Placement Agent retain the right to reduce, in their sole discretion, the principal amount of the Series A Bonds and/or the Series B Bonds (if any) allocated to the Applicant. Without limiting the generality of the foregoing, if the aggregate principal amount of Bonds subscribed hereby by the Applicant and other applicants to purchase Bonds exceeds the maximum aggregate principal amount of Bonds being offered, the Bonds will be allocated among the Applicant and such other applicants in the sole discretion of the Issuer prior to the Issue Date. The Applicant waives any right of discussion or challenge or contest in respect of any decision by the Issuer with respect to the allocation of all or any portion of the Series A Bonds and/or the Series B Bonds.

(ii) Whether or not this Application Form has been accepted by, or on behalf of, the Issuer, the Applicant may not rescind its agreement to purchase Bonds.
(iii) The Issuer or the Lead Placement Agent may, in its sole discretion, reject this Application Form in whole or in part and, whether or not this Application Form has been accepted, terminate the offering of the Bonds at any time and for any reason whatsoever. In either such event, the Applicant shall have no right to purchase Bonds from the Issuer at any time.

E. Payment. The Applicant represents that it has transferred funds to Lucid Investment Bank SAL as escrow (the “Escrow Agent”) for credit to the “Bonds Subscription Account”, in an amount equal to the full subscription monies for the Bonds being subscribed hereby as specified in Paragraphs B. and D. above together with any applicable governmental and bank charges. In the event that the offering of the Bonds is terminated or if this Application Form is rejected (in whole or in part), the funds deposited by the Applicant into the Bonds Subscription Account in respect of the subscription monies paid by it for the Bonds being subscribed hereby (or a corresponding portion thereof) will be promptly refunded to the Applicant as specified below.

Account to which the subscription monies paid by it for the Bonds being subscribed hereby (or corresponding portion thereof) shall be transferred in the event the offering of the Bonds is terminated or this Application Form is rejected (in whole or in part) and to which interest shall be paid:

Bank: ______________________________________

Account No.: __________________________

In favor of: __________________________

F. Application of Funds. Subject to paragraph D.(ii) above, and the other terms and conditions set forth herein, the Applicant hereby authorizes the Issuer to apply the subscription monies received by it hereunder, on behalf of the Applicant, in respect of the purchase price for the Bonds being subscribed by this Application Form on the Issue Date for the account of the Applicant.

G. Delivery of Bonds.

(i) The Applicant acknowledges that each of the Series A Bonds and the Series B Bonds will, respectively, be evidenced by a single global certificate, in registered form, without interest coupons, which will be lodged with Midclear SAL. (“Midclear”), as custodian. Initial subscriptions for the Series A Bonds and the Series B Bonds may only be made by entities who are Midclear participants. Midclear will, as registrar, electronically record:

- the principal amount of the Series A Bonds represented by the Global Series A Certificate held within the Midclear system in the name of the Series A Bondholders (the “Series A Bonds Register”); and

- the principal amount of the Series B Bonds represented by the Global Series B Certificate held within the Midclear system in the name of the Series A Bondholders (the “Series B Bonds Register”).

Investors also may hold such interests directly through Midclear if they are participants, or indirectly through organizations which are participants in Midclear. The ownership of the bonds will be evidenced by the records of the Series A Bonds Register and the Series B Bonds Register held by Midclear, and in which all operations of issuance, transfer, assignment, substitution of bonds etc… as well as the constitution of any rights and or encumbrances (lien, pledge…. ) thereon be recorded.

(ii) Unless alternative instructions are specified in paragraph G.(iii) below, interests in the Bonds will be delivered, upon issuance, by deposit to the account of the Issuer currently maintained with Midclear and the Applicant hereby instructs the Issuer to hold the Bonds purchased by it hereunder in custody for the benefit of the Applicant in accordance with its standard custody arrangements, the terms of which are available to the Applicant upon request. At any time after the Issue Date, the Applicant may request that the Issuer arrange for the transfer of the custody of the Bonds allocated to the Applicant to another participant in Midclear.

(iii) Notwithstanding paragraph G.(ii) above, the Applicant requests that the Bonds subscribed hereby, to the extent this Application Form is accepted by the Issuer and Bonds are allocated to the Applicant, be delivered by deposit to the account of another participant in Midclear, as follows:

Bank: ______________________________________

Account No.: __________________________

In favor of: __________________________
H. Representations and Undertakings.

(i) The Applicant hereby makes the representations and warranties set forth in Exhibit A hereto to, and for the benefit of, the Issuer, the Lead Placement Agent (and the Co-Placement Agent, if applicable), the Sponsor and the Manager, on the date hereof and on and as of the Issue Date. The Applicant understands that, if this Application Form is accepted (in whole or in part), the Series A Bonds and/or the Series B Bonds allocated to it will be sold to the Applicant in reliance on those representations and warranties.

(ii) The Applicant hereby agrees and undertakes, as promptly as possible after request by, or on behalf of, the Issuer, the Lead Placement Agent (and the Co-Placement Agent, if applicable) or the Sponsor, to complete and furnish to the Issuer all information requested in connection with the transactions contemplated by this Application Form and the Applicant represents, for the benefit of the Issuer, the Sponsor and the Lead Placement Agent (and the Co-Placement Agent, if applicable), and their respective agents and advisors, that all such information will be true, accurate and complete. The Applicant further acknowledges that its purchase and ownership of the Series A Bonds and/or the Series B Bonds shall constitute its authorization and direction to the Issuer, the Sponsor and the Lead Placement Agent (and the Co-Placement Agent, if applicable) to disclose the Applicant’s ownership of the Series A Bonds and/or the Series B Bonds, together with the principal amount and number of the Series A Bonds and/or the Series B Bonds held by it and such other relevant information concerning the Applicant and its interest in the Series A Bonds and/or the Series B Bonds, to Midclear.

(iii) The Applicant hereby waives banking secrecy and authorizes the Lead Placement Agent (or the Co-Placement Agent (in the event this Application Form is submitted to the Co-Placement Agent) to provide, to the extent needed or requested:

- the Company, and any and all parties and correspondents connected to the Bonds or relevant thereto or to the offering contemplated herein including without limitation parties who are related to the issuance, management, placing or administration; and,

- any supervisory, regulatory, or other authorities to the extent needed, requested or required;

with any and all information regarding the Applicant including without limitation its identity as being the holder of the Bonds, the Applicant’s holdings acquired pursuant to this subscription and in general such other information, to the extent needed or requested for any purpose, notably without limitation (i) for tax purposes or for implementation of tax laws and regulations (ii) to satisfy any applicable anti-money laundering laws and regulations, anti-terrorism financing, Know Your Customer policies and regulations (iii) for compliance with any relevant law or regulation and (iv) for any other concern.

3. Indemnification

Applicant hereby agrees to indemnify and hold harmless the Company, the Lead Placement Agent, the Co-Placement Agent, if applicable and the Sponsor, each director and officer of the Company, the Lead Placement Agent, the Co-Placement Agent, if applicable and the Sponsor, each of their affiliates, agents and each other person, if any, who controls, is controlled by, or is under common control with, any of the foregoing, against any and all loss, liability, claim, damage and expense whatsoever (including all expenses reasonably incurred in investigating, preparing or defending against any claim whatsoever) arising out of or based upon any false representation or warranty made by the Applicant, or breach or failure by the Applicant to comply with any covenant or agreement made by the Applicant, in this Application Form or in any other document furnished by the Applicant to any of the foregoing in connection with this transaction. Applicant also agrees to indemnify the Lead Placement Agent, the Co-Placement Agent, if applicable, the Company and the Sponsor and their affiliates, agents and control persons (as described above) for any and all costs, fees and expenses (including legal fees and disbursements) in connection with any damages resulting from the Applicant’s assertion of lack of proper authorization to enter into this Application Form or perform the obligations hereof.
4. **General.**

A. **Modification.** This Application Form may not be modified, discharged or terminated orally, but only by an instrument in writing, signed by the party against which enforcement is sought and, in the event this Application Form is submitted to the Co-Placement Agent, then its approval shall be required.

B. **Defined Terms.** Capitalized terms used herein without otherwise being defined shall have the meanings set forth in the Term Sheet.

C. **Counterparts.** This Application Form may be executed in multiple counterpart copies, each of which shall be considered an original and all of which shall constitute one and the same instrument, binding on all parties hereto, notwithstanding that all the parties are not signatories to the same counterpart.

D. **Successors and Assigns.** Except as otherwise provided herein, this Application Form shall be enforceable by and against the successors and assigns of the parties hereto, and shall inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns. This Application Form is not transferable or assignable by the Applicant.

E. **Applicable Law.** This Application Form shall be governed by and construed in accordance with the laws of the Republic of Lebanon. By submitting this Application Form for the subscription of Bonds, the Applicant will be deemed to submit to the jurisdiction of the courts of Beirut, Lebanon for purposes of any proceedings for the settlement of all disputes, claims or legal actions arising out of or in connection with this Application Form.

The Applicant acknowledges that the Lead Placement Agent (or the Co-Placement Agent, if applicable) has emphasized and the Applicant fully understands that financial investments such as the Bonds, particularly if for speculation purposes, are very risky and could entail important losses.

The Lebanese Capital Market Authority (CMA) has not passed upon and takes no responsibility for the information contained herein and the Prospectus.

We hereby confirm that we fully comprehend the English language and we have read this Application Form, the Prospectus, the Priority Shares Prospectus, the Investor Presentation, the Management Agreement, the Administration Agreement which are drafted in English and we have fully understood their content. Furthermore, we confirm that we were granted the opportunity to ask questions and receive answers thereto from the Issuer and/or the Lead Placement Agent, and have been informed of all information needed to understand and assess the merits and risks the purchase of Bonds subject of this Application Form and the Prospectus.

**Management Agreement** يقر المكتب أنه يتقن اللغة الإنجليزية وأنه أطلع على مضمون هذا المستند وكذب التعريف المتعلق به، والInvestor Presentation Administration Agreement الذي هو أيضاً في اللغة الإنجليزية، والادعاء تلقي الإجابات عنه من قبل المصدر أو وكيل الإصدار واستحصل على المعلومات الضرورية لفهم تفاصيلها ومخاطر شراء وامتلاك الأسهم موضوع هذا المستند وكذب التعريف.

The undersigned has executed this Application Form on this _______ day of __________, 2018.

Signed by the Applicant: _______________________________

Print Name and
(if applicable) Title of
Person Signing on
behalf of Applicant: ___________________________
EXHIBIT A

REPRESENTATIONS AND WARRANTIES OF THE APPLICANT

1. The Applicant represents that it has received a copy of the Prospectus, Priority Shares Prospectus, Investors’ Presentation and the by-laws of each of the Company and the association of bondholders in which it is subscribing, has read the them and understands their content, and acknowledges and accepts them and the objective, prospects and risks of an investment in the Company. The Applicant has carefully reviewed and considered all such information and matters included therein, including those described under the headings “RISK FACTORS” in the Prospectus. The Applicant further represents that it has been made well aware that the performance of its investment in the Company depends on the performance of the Company and its underlying investments which involves a high degree of risk and that there can be no assurance or guarantee that the Company’s investment objective will be achieved. The Applicant further understands that it may not request the redemption of its Series A Bonds and/or the Series B Bonds, in whole or in part, at any time. Further, the Applicant should be aware that they will be required to bear the financial risks of this investment in Bonds for an extended period of time.

2. The Applicant understands that the Issuer operates principally in Lebanon and, accordingly, its financial condition and results of operations are affected by the economic, political and social conditions prevailing in Lebanon and in the Middle East region. As a result, the Bonds are instruments reflecting general Lebanese sovereign risk, as well as the particular risk of the Issuer. The debt obligations of the Lebanese Republic have been assigned non-investment grade ratings by the principal international rating agencies. Lebanon’s below-investment grade credit ratings, large budget deficit and other weaknesses characteristic of certain emerging market economies make it susceptible to adverse effects similar to those suffered by other emerging market countries, and such factors, either alone or in combination, are likely to continue to affect Lebanon and the Issuer’s financial condition, including its ability to generate profits.

3. The Applicant understands that the Bonds will constitute senior unsecured obligations of the Issuer and the Operating Company and will rank equally in right of payment to the Company and Operating Company unsecured and unsubordinated indebtedness, if any, from time to time outstanding except for obligations which are mandatorily preferred by law, operational expenses and Permitted Secured Indebtedness.

4. All of the representations and warranties of the Applicant contained herein and all other information furnished by the Applicant to the Lead Placement Agent (or the Co-Placement Agent, if applicable), and/or Company are true, accurate, complete and correct in all respects and, if there shall be any change such as to cause these representations and warranties to no longer be true, accurate, complete and correct in all respects, the Applicant will notify the Company, the Manager and/or the Lead Placement Agent (or the Co-Placement Agent, if applicable) within thirty (30) days of such event.

5. (If the Applicant is not an individual) the Applicant represents and warrants that it is duly organized, validly existing, and in good standing under the laws of the jurisdiction in which it is organized and has the power and authority and legal capacity to enter into, and perform its obligations under this Application Form. The Applicant further represents and warrants that the person signing this Application Form has all requisite power and authority to sign and deliver such documents on behalf of the Applicant. The Applicant acknowledges that it has fully observed the legal requirements of all jurisdictions to which it is subject, including obtaining any government or other consents which may be required for it to invest in Bonds or completing any other necessary formalities in connection therewith.
6. The Applicant understands that all payments of principal and interest in respect of the Bonds by the Issuer will be made after deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of, or by or within any political subdivision of or any authority having power to tax in, any applicable jurisdiction and that the Applicant, in common with other Bondholders, will be required to assume and be solely responsible for any and all such taxes on payments in respect of Bonds held by it, including (but not limited to) such taxes as may be imposed in the Republic of Lebanon ("Lebanese Taxes"). The Applicant understands that, if the Issuer shall be required to make any such deduction or withholding, it shall make payment of the amount so deducted or withheld to the appropriate governmental authority and that Bondholders shall not be entitled to receive any additional or other amounts to reimburse them for any such withholding or deduction. Interest payable on the Bonds is currently subject to withholding of Lebanese Taxes at a rate of seven per cent.

7. The Bonds have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered, sold, transferred or delivered within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act), unless the Bonds are registered under the Securities Act or an exemption from the registration requirements thereof is available; the offer and sale of the Bonds are also subject to restrictions in certain other jurisdictions; and the Applicant is responsible for informing itself about and observing all such restrictions that are applicable to it.

8. The Applicant is not a U.S. person, as defined in Regulation S under the Securities Act; was outside the United States when it made this Application Form; and will be outside the United States when it purchases the Bonds.

9. The Applicant understands that there currently is no secondary market for the Bonds, that one is not likely to develop or, if a secondary market does develop, that it may not be sustained; that, in particular, neither the Issuer nor the Company does intend to make a market in the Bonds; and that, accordingly, the purchase of Bonds is suitable only for, and should be made only by, investors who can bear the risks of no liquidity and the financial and other risks associated with such an investment.

10. The Applicant agrees that an investment in the Bonds carries with it a high degree of risk, given the nature of its investment. These risks include, but are not limited to, the risks summarized in the Prospectus under “CERTAIN RISK FACTORS”, which prospective investors are urged to carefully consider along with the other matters discussed elsewhere in the Prospectus. No assurance can be given that investors will realize a profit on their investment. Moreover, investors may lose some or all of their investment and prospective investors should not subscribe unless they can readily bear the consequence of such loss. The “CERTAIN RISK FACTORS” section included in the Prospectus does not purport to be a comprehensive summary of all of the risks associated with an investment in the Bonds generally. Rather, these risks and uncertainties described therein, which potential investors should carefully consider, represent the risks the Lead Placement Agent, (or the Co-Placement Agent, if applicable) the Company and the Sponsor believes to be material but these risks and uncertainties are not the only risks and uncertainties the Company, the Operating Company and prospective investors face. Additional risks and uncertainties not presently known to the Lead Placement Agent, (or the Co-Placement Agent, if applicable) the Company or the Sponsor or that the Lead Placement Agent, (or the Co-Placement Agent, if applicable), the Company or the Sponsor currently believe are immaterial could also impair the Company’s business. Potential investors should review the Prospectus in its entirety before deciding whether to make an application for subscription for the Bonds.

11. The making of this Application Form and the purchase of the Bonds is not in breach of any regulatory or legal requirements of the jurisdiction in which the Applicant is a resident, citizen, domiciled or national or which are applicable to the Applicant in any manner.

12. The Applicant has been urged to discuss the content of the Prospectus, this Application Form, the Priority Shares Prospectus, the Investor Presentation and any other marketing material with its legal, tax and accounting advisors before purchasing the Bonds.

13. The Applicant agrees that the Capital Markets Authority takes no responsibility for the accuracy of the statements and information contained in the Prospectus, nor shall the Capital Markets Authority have any liability to any person, an investor or otherwise, for any loss or damage resulting from reliance on any statement or information contained herein.
14. The Applicant meets all qualifications to hold investments similar to the Bonds. All of the representations and warranties of the Applicant contained herein and all other information furnished by the Applicant to the Lead Placement Agent (or the Co-Placement Agent, if applicable) and/or Company are true, accurate, complete and correct in all respects and, if there shall be any change such as to cause these representations and warranties to no longer be true, accurate, complete and correct in all respects, the Applicant will notify the Lead Placement Agent (or the Co-Placement Agent, if applicable) and/or Company within 30 days of such event.

15. The Applicant assures that the funds representing its investment in the Bonds are not derived from money laundering, connected to drug smuggling or other criminal offenses and agrees that it shall be personally liable to the Lead Placement Agent (or the Co-Placement Agent, if applicable) and/or Company for any misrepresentation in this respect.

16. (If the Applicant is a legal entity) the Applicant represents and warrants that it is duly organized, validly existing, and in good standing under the laws of the jurisdiction in which it is organized and have the power and authority and legal capacity to enter into, and perform our obligations under this Application Form. The Applicant further represents and warrants that the person signing this Application Form has all the requisite power and authority to sign and deliver such documents on behalf of the Applicant. The Applicant acknowledges that it has fully observed the legal requirements of all jurisdictions to which it is subject, including the obtaining of any government or other consents which may be required or the compliance with other necessary formalities.

17. The Applicant acknowledges that, due to increased regulatory concerns with respect to anti money laundering, anti-terrorism financing or due to tax requirements (particularly in connection with the application of Foreign Account Tax Compliance Act (FATCA)), the Lead Placement Agent (or the Co-Placement Agent, if applicable), or any person or entity connected with the issuance or placement of the Bonds or any correspondent bank or financial institution may require further documentation verifying, among other things, such Applicant’s identity and source of funds used to purchase the Bonds. The Lead Placement Agent (or the Co-Placement Agent, if applicable) shall be held harmless and indemnified against any claim or loss if such information has been required and has not been provided by the Applicant. Requests for documentation and additional information may be made at any time during which an Applicant holds an interest in the Bonds. The Lead Placement Agent (or the Co-Placement Agent, if applicable) may be required to provide this information, or report the failure to comply with such requests, to appropriate governmental authorities, in certain circumstances without notifying the investors that the information has been provided. The Lead Placement Agent (or the Co-Placement Agent, if applicable) will take such steps as it determines are necessary to comply with applicable law, regulations, orders, directives or special measures. Governmental authorities are continuing to consider appropriate measures to implement and at this point it is unclear what steps the Lead Placement Agent (or the Co-Placement Agent, if applicable) may be required to take in this respect.

18. The Applicant also warrants and declares that the monies being invested in the Bonds are bona fide and do not represent directly or indirectly the proceeds of any criminal activity or tax evasion and that the investment is not designed to conceal such proceeds so as to avoid prosecution for an offence or otherwise.

19. The Applicant hereby agrees to indemnify and keep indemnified the Lead Placement Agent (or the Co-Placement Agent, if applicable) against any loss arising to it as a result of any breach of any representation, warranty, covenant or confirmation by the Applicant in this Application Form or from the Applicant’s failure to provide any relevant information or details. The Applicant understands that in the case if delay or failure to provide satisfactory information, the Lead Placement Agent (or the Co-Placement Agent, if applicable), and any other relevant party or correspondent may take such action as they deem fit.

20. The Applicant agrees to notify the Lead Placement Agent (or the Co-Placement Agent, if applicable) immediately if the Applicant becomes aware that any of these declarations and representations and warranties is no longer accurate and to take and complete in all respects any action that may be required in respect thereof or a consequence thereof.
21. In the event that the banking regulatory or supervisory authorities express reservation or objection on the Applicant for any reason whatsoever, or in case the Applicant is or becomes listed in any local or international sanction lists (including without limitation the sanction lists of the UN, EU or USA), or is or becomes involved in any terrorism financing or money laundering activity, its subscription in the Bonds will be rejected by the Lead Placement Agent (or the Co-Placement Agent, if applicable) and/or the Company, even following its acceptance, and will be considered as null and void, and the Applicant undertakes, if necessary, to transfer and assign the Bonds to another investor as soon as required by the Lead Placement Agent (or the Co-Placement Agent, if applicable) and/or the Company.

22. The Applicant represents that it is not located in the United States and is not purchasing the Bonds from the United States and is not a U.S. person or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to purchase the Bonds from the United States and is not a U.S. person. For the purposes of this Application Form, “United States” means the United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any State of the United States or the District of Columbia. The Applicant confirms that it has executed this Application Form outside of the United States and that any related buy order occurred outside of the United States and not using U.S. jurisdictional means.

23. The Applicant has the ability to bear all the risks associated with the Bonds and is able to sustain a complete loss of the investment.

24. The Applicant hereby represents and warrants to the Lead Placement Agent (or the Co-Placement Agent, if applicable) that the Applicant is not subject to any investment restriction in the Bonds and that the Applicant is not acting on behalf of or for the benefit of nor does the Applicant intend transferring any Bonds which the Applicant purchases to any person subject to any investment restriction. The Applicant further confirms that the Applicant will promptly notify the Lead Placement Agent (or the Co-Placement Agent, if applicable) in the event that the Applicant becomes subject to any investment restriction in the Bonds.

25. The Applicant is fully empowered and has the authority to make this investment whether the investment is its own or is made on behalf of another person or institution.

26. Where the Applicant is an individual, the Applicant confirms that the Applicant is 18 years of age or over (or of legal age in its jurisdiction of residence, if such is over 18 years).

27. The Applicant understands that the offering and the purchase of the Bonds may be restricted in certain jurisdictions and the Applicant is advised to consult professional legal, tax and accounting experts for matters related to applicable laws and regulations of any relevant jurisdiction and any other restrictions including without limitation those specified in the Bonds’ offering documents. The Applicant further acknowledges to be a person to whom the Bonds’ offering documents, this Application Form and any other information, letters or agreements relating to the Bonds may be circulated without contravention of any laws and/or regulations applicable to the Applicant, and the interest in the Bonds has not been offered or promoted to the Applicant in violation of any securities laws applicable to the Applicant.

28. The Applicant acknowledges and understands that: (i) Applicant shall not benefit from any redemption rights nor have the benefit of any put option or other right to require the redemption thereof. As a result, the Applicant must be willing and able to maintain its investment in the long term until the applicable maturity date; and (ii) the Bonds’ offering documents may set restrictions regarding the selling or transfer by an Applicant of the Bonds, and as such the Bonds will be illiquid. The Applicant acknowledges and is aware that it may have to bear the economic risk of its investment in the Bonds.
FORM OF SPECIAL POWER OF ATTORNEY FOR SERIES A BONDS

I/We, _____________________________ [INSERT FULL LEGAL NAME OF APPLICANT], residing at __________________________________________________________________________________ [INSERT FULL ADDRESS OF APPLICANT], being a holder of: US$ ____________________ in aggregate principal amount of the Senior Unsecured Extendable Bonds due 2023 (the “Series A Bonds”) issued by Legacy One Holding SAL (the “Issuer”), hereby appoint, in respect of all my/our Series A Bonds, Lucid Investment Bank SAL or its designee(s), acting with full power of substitution and delegation, as my/our attorney-in-fact to accomplish on my/our behalf the following:

1. To attend the first meeting of the Association of Series A Bondholders (or any adjournment thereof) to be convened, at the place, date and time as will be decided by the Issuer, after the date on which the Series A Bonds are issued, for the purposes of:
   
   (i) approving the by-laws of the Association of the Series A Bondholders; and
   
   (ii) electing one or more representatives to act on behalf of all Series A Bondholders (including me/us) in connection with matters affecting the Series A Bonds, subject as provided in the terms and conditions of the Bonds; and

2. To vote, as such attorney-in-fact may deem appropriate, in its sole discretion, on all resolutions to be passed at such first meeting of the Association of Series A Bondholders noting that any material resolution will be subject to the prior approval of the Capital Markets Authority.

The attorney-in-fact shall not bear any responsibility as a result of the exercise of the powers granted to it under this Special Power of Attorney.

Dated this _______________ day of ___________________ ----

Signature*: _____________________________________

* A proxy by an institution or corporation must be executed by an authorized representative under the corporate seal or by power of attorney.
FORM OF
SPECIAL POWER OF ATTORNEY FOR SERIES B BONDS

I/We, _____________________________ [INSERT FULL LEGAL NAME OF APPLICANT], residing at __________________________________________________________________________________ [INSERT FULL ADDRESS OF APPLICANT], being a holder of: US$ ____________________ in aggregate principal amount of the Senior Profit participating Bonds due 2025 (the “Series B Bonds”) issued by Legacy One Holding SAL (the “Issuer”), hereby appoint, in respect of all my/our Series B Bonds, Lucid Investment Bank SAL or its designee(s), acting with full power of substitution and delegation, as my/our attorney-in-fact to accomplish on my/our behalf the following:

1. To attend the first meeting of the Association of Series B Bondholders (or any adjournment thereof) to be convened, at the place, date and time as will be decided by the Issuer, after the date on which the Series B Bonds are issued, for the purposes of:
   (i) approving the by-laws of the Association of the Series B Bondholders; and
   (ii) electing one or more representatives to act on behalf of all Series B Bondholders (including me/us) in connection with matters affecting the Series B Bonds, subject as provided in the terms and conditions of the Bonds; and

2. To vote, as such attorney-in-fact may deem appropriate, in its sole discretion, on all resolutions to be passed at such first meeting of the Association of Series B Bondholders.

The attorney-in-fact shall not bear any responsibility as a result of the exercise of the powers granted to it under this Special Power of Attorney.

Dated this _________________ day of ___________________ ----

Signature*: _____________________________________

* A proxy by an institution or corporation must be executed by an authorized representative under the corporate seal or by power of attorney.
ANNEX C BY-LAWS GOVERNING THE ASSOCIATION OF BONDHOLDERS

BY-LAWS GOVERNING THE ASSOCIATION OF BONDHOLDERS
OF THE US$ [ ] 7.5 % SENIOR UNSECURED EXTENDABLE BONDS DUE 2023
(THE “SERIES A BONDS”)
ISSUED BY LEGACY ONE HOLDING SAL

ARTICLE ONE

SECTION 1. Formation of Association. An association (the “Series A Association”) is hereby formed among the holders (the “Series A Bondholders”) of the US$ [ ] 7.5 % Senior Unsecured Extendable Bonds due 2023 (the “Series A Bonds”) issued by Legacy One Holding SAL (the “Issuer”) on [ ], 2018 pursuant to a resolution of the shareholders of the Issuer, adopted at an ordinary general meeting thereof held in an exceptional manner on ______________. Capitalized terms not otherwise defined herein shall have the respective meanings set forth in the terms and conditions of the Series A Bonds (the “Series A Conditions”).

SECTION 2. Adoption of Series A Bondholders’ By-Laws. The Association hereby adopts these presents as its by –laws (the “Series A Bondholders’ By–Laws”), pursuant to Article 136 of the Code of Commerce of the Lebanese Republic (the “Code of Commerce”). The Series A Bondholders’ By-Laws may be amended from time to time in accordance with the provisions hereof.

SECTION 3. Object of Series A Association. The Series A Association is formed for the purpose of furthering and protecting the interests and rights of Series A Bondholders, including the taking of any conservatory measures.

SECTION 4. Name of Series A Association. The Association shall be known as “Association of Series A Bondholders”

ARTICLE TWO

MEETING OF SERIES A BONDHOLDERS

SECTION 1. Holding of Meetings. A Meeting (as hereinafter defined) of Series A Bondholders may be called at any time and from time to time to vote upon, or take any other action in respect of, any matter affecting the Series A Bonds.

SECTION 2. Notice of Meetings. (a) Each of the Series A Representative (as hereinafter defined) and the Issuer may, and on the request of the Series A Bondholders representing at least 5% in aggregate principal amount of the Series A Bonds then outstanding, call a Meeting for any purpose specified in Section 1 of this Article Two. Any such Meeting shall be held at such time and at such place as shall be specified in the notice thereof. Notice of every Meeting, setting forth the time and the place of, and the agenda for, such Meeting, shall be given, by publication of two notices at eight-day intervals, in each of the Official Gazette, an economic newspaper and a local newspaper published in Lebanon, not less than 20 days prior to the date fixed for the Meeting and, in any event, after the last publication is made.

Any person convening a Meeting shall give written notice thereof to the Representative.

(b) A Meeting may be held only on the date and at the time and place specified therefore in the notice of such Meeting and only such business as is specified in such notice (or waiver thereof as specified in Section 3 of this Article Two) may be transacted at such Meeting.

SECTION 3. Waiver of Notice. Notice of any Meeting need not be given if all Series A Bondholders submit a signed waiver of notice, in person or by proxy, whether before or during such Meeting, provided, in any event, that the Issuer shall notify the Series A Representative of any such Meeting at least 10 Business Days prior thereto (unless such Meeting shall have been called by the Series A Representative).

SECTION 4. Special Meeting. Meetings of Series A Bondholders called to vote upon, or take any other action in respect of, any of the following matters shall be deemed to constitute special meetings (each, a “Special Meeting”; a Special Meeting or Ordinary Meeting (as defined below) may sometimes be referred to herein as, a "Meeting"):
(a) changing the Series A Maturity Date of the principal of any Series A Bond or any Series A Interest Payment Date;

(b) reducing any amounts payable in respect of the Series A Bonds (whether principal, interest (Fixed Return or Contingent Return) or any other amount), except as expressly contemplated by the Conditions;

(c) changing the currency of payment of any amount payable in respect of the Series A Bonds;

(d) modifying the provisions of Terms and Conditions 5 through 9 or Series A Conditions (e), (f) and (g);

(e) reducing the percentage of the principal amount of Series A Bonds, the consent of the Series A Bondholders of which is required for the adoption of a resolution or the quorum required at any such meeting;

(f) reducing the percentage of the principal amount of the Series A Bonds, the consent of the Series A Bondholders of which is necessary to modify or amend the Series A Bonds or these Conditions or to waive any future compliance therewith or past default thereunder; and

(g) any other matter which materially and adversely affects the rights of the Series A Bondholders, which it is agreed shall not include (A) the issuance of notes, bonds or other similar instruments evidencing Indebtedness for borrowed money, whether subordinated or unsubordinated, by the Issuer, within the meaning of Article 453 of the Code of Commerce or (B) the incorporation or acquisition by the Issuer of new subsidiaries.

SECTION 5. Ordin ary Meetings. Meetings of Series A Bondholders called to vote upon, or take any other action in respect of, any matter other than those specified in Section 4 of this Article Two shall be deemed to constitute ordinary meetings (each, an "Ordinary Meeting" or a "Meeting").

SECTION 6. Quorums. (a) Except for electing the initial Series A Representative (as defined in Article Four) and approving these Series A Bondholder By-Laws, two or more persons representing two-thirds in aggregate principal amount of all Series A Bonds then outstanding shall constitute a quorum for purposes of any Ordinary Meeting. In the absence of a quorum within 45 minutes of the time appointed for any Ordinary Meeting, the Meeting may be adjourned for a period of not less than 15 days or until after the last publication of the required notice is made in accordance with Section 6(c) of this Article Two, whichever is later. At the initial reconvening of any Ordinary Meeting adjourned for lack of quorum, two or more persons representing a majority in aggregate principal amount of all Series A Bonds then outstanding shall constitute a quorum. If such Meeting is again adjourned for lack of quorum, at any subsequent reconvening thereof, two or more persons representing one-third in aggregate principal amount of all Series A Bonds then outstanding shall constitute a quorum.

(b) Except for electing the initial Series A Representative and approving these Series A Bondholder By-Laws (as defined in Article Four), two or more persons representing two-thirds in aggregate principal amount of all Bonds then outstanding shall constitute a quorum for purposes of any Special Meeting and any adjournment thereof.

(c) Notice of the reconvening of any adjourned Meeting shall be given as provided in Section 2 of this Article Two.

SECTION 7. Series A Bondholders Entitled to Vote at Meetings. (a) To be entitled to vote at any Meeting, a person shall be (1) a Series A Bondholder of one or more outstanding Series A Bonds or (2) a person appointed by an instrument in writing as proxy for a Series A Bondholder or Series A Bondholders of one or more outstanding Series A Bonds by such Series A Bondholder or Series A Bondholders and such person is not required to be a Series A Bondholder. The only persons who shall be entitled to be present or to speak at any Meeting shall be the persons entitled to vote at such Meeting, the Series A Representative and representatives of the Issuer.

(b) At any Meeting, each Series A Bondholder or proxy shall be entitled to one vote for each US$ 100,000 in aggregate principal amount of Series A Bonds held or represented by him; provided, however, that no vote shall be cast or counted at any Meeting in respect of any Series A Bond not outstanding or ruled by the Chairman (as hereinafter defined) to be not outstanding. The Chairman shall have no right to vote, except as a Series A Bondholder or proxy of a Series A Bondholder.
SECTION 8. Voting. (a) Resolutions of Series A Bondholders shall be adopted at any Meeting by a vote of Series A Bondholders (present in person or by proxy) owning Series A Bonds representing two-thirds in aggregate principal amount of all outstanding Series A Bonds represented at such Meeting. Any resolutions so adopted shall be binding on all the Series A Bondholders, whether or not present or represented at the Meeting.

(b) The Series A Bondholders’ By-Laws shall be without prejudice to, and shall not limit or otherwise affect, the actions of Series A Bondholders to be taken in accordance with the Series A Conditions.

SECTION 9. Proxies. Every Series A Bondholder entitled to vote at any Ordinary Meeting or Special Meeting may designate another person or persons to act for him by proxy and such person or persons are not required to be Series A Bondholders. Every proxy must be in writing, signed by the Series A Bondholder. No proxy shall be valid after the expiration of 11 months from the date of its issuance. Every proxy shall be revocable at the discretion of the Series A Bondholder executing it, except as otherwise provided therein and as permitted by law.

ARTICLE THREE
CONDUCT AT MEETINGS

SECTION 1. Conduct of Meetings. (a) The Series A Representative, or if it shall fail to do so, the Chairman of the Board of Directors of the Issuer, may adopt such regulations as it may deem advisable for any Meeting in regard to proof of the holding of Series A Bonds and of the appointment of proxies and in regard to the duties of proxies, the appointment and duties of scrutineers, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as appropriate.

(b) The Series A Representative (or, in his absence, the Chairman of the Board of Directors of the Issuer or such other person as may be designated for this purpose by the Board of Directors of the Issuer) shall act as chairman of the Meeting (the "Chairman"). The Chairman shall appoint a secretary for the Meeting.

(c) Any Meeting duly called at which a quorum is present may be adjourned by persons entitled to vote a majority in principal amount of the outstanding Series A Bonds represented at the Meeting; and the Meeting may be held as so adjourned without further notice.

SECTION 2. Counting Votes and Recording Action of Meetings. The vote upon any resolution submitted to any Meeting shall be by written ballots on which shall be mentioned the signatures of the Series A Bondholders or of their proxies and the principal amounts and serial numbers of the outstanding Series A Bonds held or represented by them. The Chairman shall appoint one scrutineer who shall count all votes cast at the Meeting for or against any resolution and who shall make and file with the secretary of the Meeting their verified written reports in duplicate of all votes cast at the Meeting. A record, at least in duplicate, of the proceedings of each Meeting shall be prepared by the secretary of the Meeting and there shall be attached to said record the original reports of the scrutineers on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts related to the convening of the Meeting, setting forth a copy of the notice of the Meeting and showing that said notice was given as provided in Section 2 of Article Two. Each record shall be signed and verified by the affidavits of the Chairman and secretary of the Meeting and one such copy shall be delivered to the Issuer and another to the Series A Representative to be preserved by the Series A Representative, the latter to have attached thereto the ballots voted at the Meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

ARTICLE FOUR
SERIES A REPRESENTATIVE

SECTION 1. Election of Series A Representative and approval of the Series A Bondholder By-Laws. The initial Series A Bondholders have mandated Lucid Investment Bank SAL, in its capacity as Lead Placement Agent, to represent them at the first Meeting of the Series A Association, which shall take place after the issue date, and to vote at such meeting to elect a representative or representatives of the Series A Bondholders (the “Series A Representative”), approve these Series A Bondholder By–Laws and vote as it deems appropriate at its sole discretion on all resolutions submitted during such Meeting.

SECTION 2. Powers of Series A Representative. The Series A Representative shall have such duties and powers as are provided in the Code of Commerce, including Article 140, which duties and powers shall, subject to Section 3 of this Article Four, include the following:

(a) the taking of any measures for the protection and defense of the interests of Series A Bondholders;
(b) the calling of Meetings;

(c) the implementation of resolutions adopted at Meetings;

(d) the attendance at all Meetings to the extent it shall be notified in writing as to the date and location of any such Meeting at least 10 Business Days prior thereto; and

(e) the right to attend meetings of the shareholders of the Issuer to the extent it shall be notified in writing as to the date and location of any such meeting at least 10 Business Days prior thereto.

SECTION 3. Duties and Liabilities.

(a) The Series A Representative may consult with counsel or financial advisors selected with due care and the advice of such counsel or financial advisors will be full and complete authorization and protection in respect of any action taken or omitted by it in good faith and in accordance with such advice.

(b) The Series A Representative shall not be obligated to take any action if (i) the Series A Bondholders shall have failed to adopt a resolution at a Meeting confirming or approving the action proposed to be taken by the Series A Representative or (ii) it shall have failed to receive indemnification from the Series A Bondholders to its reasonable satisfaction.

(c) No provision of these Series A Bondholder By-Laws shall be construed to relieve the Series A Representative from liability for its own gross negligent action, its own gross negligent failure to act or its own willful misconduct, except that:

(i) the Series A Representative shall not be liable to the Series A Bondholders with respect to any action taken or omitted to be taken by it in accordance with a resolution duly adopted at a Meeting;

(ii) none of the provisions of these Series A Bondholder By-laws shall be construed as requiring the Series A Representative to pay any amount or risk its own funds or otherwise to incur any personal financial liability in the performance of any of its duties hereunder; and

(iii) the Series A Representative shall not be deemed to have knowledge of an Series A Event of Default, nor shall it be obligated to exercise any remedies with respect thereto, unless it shall have received written notice of such Series A Event of Default from the Issuer or the Series A Bondholders of at least 30% in aggregate principal amount of the Bonds then outstanding.

(d) The Series A Bondholders agree to indemnify the Series A Representative for, and to hold it harmless against, any loss, liability or expense incurred, without gross negligence or willful misconduct on its part, arising out of or in connection with the exercise or performance by the Series A Representative of its powers or duties, including the reasonable costs and expenses of defending itself against any claim or liability in connection with the exercise or performance by the Series A Representative of its powers or duties hereunder.

SECTION 4. Resignation and Removal. (a) The Series A Representative may at any time resign by giving at least 30 days' prior written notice of resignation to the Issuer. Upon receiving such notice of resignation, the Issuer shall promptly call a Meeting to appoint a successor Series A Representative. The Series A Representative's resignation shall not be effective until the election of a successor by the Series A Bondholders or the appointment thereof by a court of competent jurisdiction. All expenses incurred by the Series A Representative in connection with its resignation and the appointment of a successor Series A Representative shall be deemed to be reimbursable pursuant to Section 3 (d) of this Article Four above.

(b) Holders, acting at a Meeting, may remove the Series A Representative. Such removal shall not be effective until the election of a successor.

SECTION 5. Acts of the Series A Representative. If there shall be more than one Representative, the actions of the Representative shall be taken by a decision of the majority of the Representatives.

SECTION 6. Independent Business by Series A Representative. The Series A Representative shall be entitled to transact business with the Issuer or any Series A Bondholder as fully as if it were not the Series A Representative and without any obligation to account to the Series A Bondholders with respect thereto.
ARTICLE FIVE
TERM

The Series A Association shall be deemed automatically dissolved at such time as no Series A Bonds remain outstanding.
BY-LAWS GOVERNING THE ASSOCIATION OF BONDHOLDERS
OF THE US$ || 6% SENIOR UNSECURED PROFIT PARTICIPATING BONDS DUE 2025
( THE “SERIES B BONDS”)
ISSUED BY LEGACY ONE HOLDING SAL

ARTICLE ONE

SECTION 1. Formation of Association. An association (the “Series B Association”) is hereby formed among the holders (the “Series B Bondholders”) of the US$ || 6% Senior Unsecured Profit Participating Bonds due 2025 (the “Series B Bonds”) issued by Legacy One Holding SAL (the “Issuer”) on [ ], 2018 pursuant to a resolution of the shareholders of the Issuer, adopted at an ordinary general meeting thereof held in an exceptional manner on ________________. Capitalized terms not otherwise defined herein shall have the respective meanings set forth in the terms and conditions of the Series B Bonds (the “Series B Conditions”).

SECTION 2. Adoption of Series B Bondholders’ By–Laws. The Association hereby adopts these presents as its by–laws (the “Series B Bondholders’ By–Laws”), pursuant to Article 136 of the Code of Commerce of the Lebanese Republic (the "Code of Commerce"). The Series B Bondholders' By-Laws may be amended from time to time in accordance with the provisions hereof.

SECTION 3. Object of Series B Association. The Series B Association is formed for the purpose of furthering and protecting the interests and rights of Series B Bondholders, including the taking of any conservatory measures.

SECTION 4. Name of Series B Association. The Association shall be known as “Association of Series B Bondholders”

ARTICLE TWO

MEETING OF SERIES B BONDHOLDERS

SECTION 1. Holding of Meetings. A Meeting (as hereinafter defined) of Series B Bondholders may be called at any time and from time to time to vote upon, or take any other action in respect of, any matter affecting the Series B Bonds.

SECTION 2. Notice of Meetings. (a) Each of the Series B Representative (as hereinafter defined) and the Issuer may, and on the request of the Series B Bondholders representing at least 6% in aggregate principal amount of the Series B Bonds then outstanding l, call a Meeting for any purpose specified in Section 1 of this Article Two. Any such Meeting shall be held at such time and at such place as shall be specified in the notice thereof. Notice of every Meeting, setting forth the time and the place of, and the agenda for, such Meeting, shall be given, by publication of two notices at eight-day intervals, in each of the Official Gazette, an economic newspaper and a local newspaper published in Lebanon, not less than 20 days prior to the date fixed for the Meeting and, in any event, after the last publication is made.

Any person convening a Meeting shall give written notice thereof to the Representative.

(b) A Meeting may be held only on the date and at the time and place specified therefore in the notice of such Meeting and only such business as is specified in such notice (or waiver thereof as specified in Section 3 of this Article Two) may be transacted at such Meeting.

SECTION 3. Waiver of Notice. Notice of any Meeting need not be given if all Series B Bondholders submit a signed waiver of notice, in person or by proxy, whether before or during such Meeting, provided, in any event, that the Issuer shall notify the Series B Representative of any such Meeting at least 10 Business Days prior thereto (unless such Meeting shall have been called by the Series B Representative).
SECTION 4. Special Meeting. Meetings of Series B Bondholders called to vote upon, or take any other action in respect of, any of the following matters shall be deemed to constitute special meetings (each, a “Special Meeting”; a Special Meeting or Ordinary Meeting (as defined below) may sometimes be referred to herein as, a "Meeting"):

(h) changing the Series B Maturity Date of the principal of any Series B Bond or any Series B Interest Payment Date;

(i) reducing any amounts payable in respect of the Series B Bonds (whether principal, interest (Fixed Return or Contingent Return) or any other amount), except as expressly contemplated by the Conditions;

(j) changing the currency of payment of any amount payable in respect of the Series B Bonds;

(k) modifying the provisions of Terms and Conditions 5 through 9 or Series B Conditions (e), (f) and (g);

(l) reducing the percentage of the principal amount of Series B Bonds, the consent of the Series B Bondholders of which is required for the adoption of a resolution or the quorum required at any such meeting;

(m) reducing the percentage of the principal amount of the Series B Bonds, the consent of the Series B Bondholders of which is necessary to modify or amend the Series B Bonds or these Conditions or to waive any future compliance therewith or past default thereunder; and

(n) any other matter which materially and adversely affects the rights of the Series B Bondholders, which it is agreed shall not include (A) the issuance of notes, bonds or other similar instruments evidencing Indebtedness for borrowed money, whether subordinated or unsubordinated, by the Issuer, within the meaning of Article 453 of the Code of Commerce or (B) the incorporation or acquisition by the Issuer of new subsidiaries.

SECTION 5. Ordinary Meetings. Meetings of Series B Bondholders called to vote upon, or take any other action in respect of, any matter other than those specified in Section 4 of this Article Two shall be deemed to constitute ordinary meetings (each, an "Ordinary Meeting" or a "Meeting").

SECTION 6. Quorums. (a) Except for electing the initial Series B Representative (as defined in Article Four) and approving these Series B Bondholder By-Laws, two or more persons representing two-thirds in aggregate principal amount of all Series B Bonds then outstanding shall constitute a quorum for purposes of any Ordinary Meeting. In the absence of a quorum within 45 minutes of the time appointed for any Ordinary Meeting, the Meeting may be adjourned for a period of not less than 15 days or until after the last publication of the required notice is made in accordance with Section 6(c) of this Article Two, whichever is later. At the initial reconvening of any Ordinary Meeting adjourned for lack of quorum, two or more persons representing a majority in aggregate principal amount of all Series B Bonds then outstanding shall constitute a quorum. If such Meeting is again adjourned for lack of quorum, at any subsequent reconvening thereof, two or more persons representing one-third in aggregate principal amount of all Series B Bonds then outstanding shall constitute a quorum.

(b) Except for electing the initial Series B Representative and approving these Series B Bondholder By-Laws (as defined in Article Four), two or more persons representing two-thirds in aggregate principal amount of all Bonds then outstanding shall constitute a quorum for purposes of any Special Meeting and any adjournment thereof.

(c) Notice of the reconvening of any adjourned Meeting shall be given as provided in Section 2 of this Article Two.
SECTION 7. Series B Bondholders Entitled to Vote at Meetings. (a) To be entitled to vote at any Meeting, a person shall be (1) a Series B Bondholder of one or more outstanding Series B Bonds or (2) a person appointed by an instrument in writing as proxy for a Series B Bondholder or Series B Bondholders of one or more outstanding Series B Bonds by such Series B Bondholder or Series B Bondholders and such person is not required to be a Series B Bondholder. The only persons who shall be entitled to be present or to speak at any Meeting shall be the persons entitled to vote at such Meeting, the Series B Representative and representatives of the Issuer.

(b) At any Meeting, each Series B Bondholder or proxy shall be entitled to one vote for each US$ 100,000 in aggregate principal amount of Series B Bonds held or represented by him; provided, however, that no vote shall be cast or counted at any Meeting in respect of any Series B Bond not outstanding or ruled by the Chairman (as hereinafter defined) to be not outstanding. The Chairman shall have no right to vote, except as a Series B Bondholder or proxy of a Series B Bondholder.

SECTION 8. Voting. (a) Resolutions of Series B Bondholders shall be adopted at any Meeting by a vote of Series B Bondholders (present in person or by proxy) owning Series B Bonds representing two-thirds in aggregate principal amount of all outstanding Series B Bonds represented at such Meeting. Any resolutions so adopted shall be binding on all the Series B Bondholders, whether or not present or represented at the Meeting.

(b) The Series B Bondholders’ By-Laws shall be without prejudice to, and shall not limit or otherwise affect, the actions of Series B Bondholders to be taken in accordance with the Series B Conditions.

SECTION 9. Proxies. Every Series B Bondholder entitled to vote at any Ordinary Meeting or Special Meeting may designate another person or persons to act for him by proxy and such person or persons are not required to be Series B Bondholders. Every proxy must be in writing, signed by the Series B Bondholder. No proxy shall be valid after the expiration of 11 months from the date of its issuance. Every proxy shall be revocable at the discretion of the Series B Bondholder executing it, except as otherwise provided therein and as permitted by law.

ARTICLE THREE
CONDUCT AT MEETINGS

SECTION 1. Conduct of Meetings. (a) The Series B Representative, or if it shall fail to do so, the Chairman of the Board of Directors of the Issuer, may adopt such regulations as it may deem advisable for any Meeting in regard to proof of the holding of Series B Bonds and of the appointment of proxies and in regard to the duties of proxies, the appointment and duties of scrutineers, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as appropriate.

(b) The Series B Representative (or, in his absence, the Chairman of the Board of Directors of the Issuer or such other person as may be designated for this purpose by the Board of Directors of the Issuer) shall act as chairman of the Meeting (the "Chairman"). The Chairman shall appoint a secretary for the Meeting.

(c) Any Meeting duly called at which a quorum is present may be adjourned by persons entitled to vote a majority in principal amount of the outstanding Series B Bonds represented at the Meeting; and the Meeting may be held as so adjourned without further notice.
SECTION 2. Counting Votes and Recording Action of Meetings. The vote upon any resolution submitted to any Meeting shall be by written ballots on which shall be mentioned the signatures of the Series B Bondholders or of their proxies and the principal amounts and serial numbers of the outstanding Series B Bonds held or represented by them. The Chairman shall appoint one scrutineer who shall count all votes cast at the Meeting for or against any resolution and who shall make and file with the secretary of the Meeting their verified written reports in duplicate of all votes cast at the Meeting. A record, at least in duplicate, of the proceedings of each Meeting shall be prepared by the secretary of the Meeting and there shall be attached to said record the original reports of the scrutineers on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts related to the convening of the Meeting, setting forth a copy of the notice of the Meeting and showing that said notice was given as provided in Section 2 of Article Two. Each record shall be signed and verified by the affidavits of the Chairman and secretary of the Meeting and one such copy shall be delivered to the Issuer and another to the Series B Representative to be preserved by the Series B Representative, the latter to have attached thereto the ballots voted at the Meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

ARTICLE FOUR
SERIES B REPRESENTATIVE

SECTION 1. Election of Series B Representative and approval of the Series B Bondholder By-Laws. The initial Series B Bondholders have mandated Lucid Investment Bank SAL, in its capacity as Lead Placement Agent, to represent them at the first Meeting of the Series B Association, which shall take place after the issue date, and to vote at such meeting to elect a representative or representatives of the Series B Bondholders (the “Series B Representative”), approve these Series B Bondholder By-Laws and vote as it deems appropriate at its sole discretion on all resolutions submitted during such Meeting.

SECTION 2. Powers of Series B Representative. The Series B Representative shall have such duties and powers as are provided in the Code of Commerce, including Article 140, which duties and powers shall, subject to Section 3 of this Article Four, include the following:

(f) the taking of any measures for the protection and defense of the interests of Series B Bondholders;

(g) the calling of Meetings;

(h) the implementation of resolutions adopted at Meetings;

(i) the attendance at all Meetings to the extent it shall be notified in writing as to the date and location of any such Meeting at least 10 Business Days prior thereto; and

(j) the right to attend meetings of the shareholders of the Issuer to the extent it shall be notified in writing as to the date and location of any such meeting at least 10 Business Days prior thereto.

SECTION 3. Duties and Liabilities.

(a) The Series B Representative may consult with counsel or financial advisors selected with due care and the advice of such counsel or financial advisors will be full and complete authorization and protection in respect of any action taken or omitted by it in good faith and in accordance with such advice.

(b) The Series B Representative shall not be obligated to take any action if (i) the Series B Bondholders shall have failed to adopt a resolution at a Meeting confirming or approving the action proposed to be taken by the Series B Representative or (ii) it shall have failed to receive indemnification from the Series B Bondholders to its reasonable satisfaction.

(c) No provision of these Series B Bondholder By-Laws shall be construed to relieve the Series B Representative from liability for its own gross negligent action, its own gross negligent failure to act or its own willful misconduct, except that:
(iv) the Series B Representative shall not be liable to the Series B Bondholders with respect to any action taken or omitted to be taken by it in accordance with a resolution duly adopted at a Meeting;

(v) none of the provisions of these Series B Bondholder By-laws shall be construed as requiring the Series B Representative to pay any amount or risk its own funds or otherwise to incur any personal financial liability in the performance of any of its duties hereunder; and

(vi) the Series B Representative shall not be deemed to have knowledge of an Series B Event of Default, nor shall it be obligated to exercise any remedies with respect thereto, unless it shall have received written notice of such Series B Event of Default from the Issuer or the Series B Bondholders of at least 30% in aggregate principal amount of the Bonds then outstanding.

(d) The Series B Bondholders agree to indemnify the Series B Representative for, and to hold it harmless against, any loss, liability or expense incurred, without gross negligence or willful misconduct on its part, arising out of or in connection with the exercise or performance by the Series B Representative of its powers or duties, including the reasonable costs and expenses of defending itself against any claim or liability in connection with the exercise or performance by the Series B Representative of its powers or duties hereunder.

SECTION 4. Resignation and Removal. (a) The Series B Representative may at any time resign by giving at least 30 days' prior written notice of resignation to the Issuer. Upon receiving such notice of resignation, the Issuer shall promptly call a Meeting to appoint a successor Series B Representative. The Series B Representative's resignation shall not be effective until the election of a successor by the Series B Bondholders or the appointment thereof by a court of competent jurisdiction. All expenses incurred by the Series B Representative in connection with its resignation and the appointment of a successor Series B Representative shall be deemed to be reimbursable pursuant to Section 3 (d) of this Article Four above.

(b) Holders, acting at a Meeting, may remove the Series B Representative. Such removal shall not be effective until the election of a successor.

SECTION 5. Acts of the Series B Representative. If there shall be more than one Representative, the actions of the Representative shall be taken by a decision of the majority of the Representatives.

SECTION 6. Independent Business by Series B Representative. The Series B Representative shall be entitled to transact business with the Issuer or any Series B Bondholder as fully as if it were not the Series B Representative and without any obligation to account to the Series B Bondholders with respect thereto.

ARTICLE FIVE
TERM

The Series B Association shall be deemed automatically dissolved at such time as no Series B Bonds remain outstanding.