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NOTE 11 – BORROWINGS – (Continued)

Commercial Finance Debt – No Longer Consolidated with the Company

Due to the November 2011 LCC Transaction and resulting deconsolidation of LEAF, the Company's commercial finance facilities are no longer included in the Company's consolidated financial statements.

Securitization of leases and loans. On October 28, 2011, LEAF completed a $105.0 million securitization. A newly-formed subsidiary of LEAF issued eight classes of notes which are asset-backed debt, secured and payable by certain assets of LEAF. The notes included eight fixed rate classes of notes ranging from 0.4% to 5.5%, rated by both Dominion Bond Rating Service, Inc. ("DBRS") and Moody's Investors Services, Inc., and mature from October 2012 to March 2019. The weighted average borrowings for the period from October 1 to November 16, 2011 were $42.7 million, at a weighted average borrowing rate of 2.6% and an effective interest rate (inclusive of amortization of deferred financing costs and interest rate swaps) of 5.6%.

Guggenheim Securities LLC ("Guggenheim"). At December 31, 2010, LEAF Financial had a short-term bridge loan with Guggenheim for borrowings up to $21.8 million. The bridge facility was repaid in January 4, 2011 and terminated on February 28, 2011. Beginning in January 2011, Guggenheim provided LEAF with a revolving warehouse credit facility with availability up to $110.0 million and committed to further expand the borrowing limit to $150.0 million. LEAF, through its wholly-owned subsidiary, issued to Guggenheim, as initial purchaser, six classes of DBRS-rated variable funding notes, with ratings ranging from "AAA" to "B", for up to $110.0 million. The notes are secured and payable only from the underlying equipment leases and loans. Interest is calculated at a rate of 30-day London Interbank Offered Rate ("LIBOR") plus a margin rate applicable to each class of notes. The revolving period of the facility ends on December 31, 2012 and the stated maturity of the notes is December 15, 2020, unless there is a mutual agreement to extend. Principal payments on the notes are required to begin when the revolving period ends. The Company was not an obligor or a guarantor of these securities and the facility was non-recourse to the Company. The weighted average borrowings for the period from October 1 to November 16, 2011 were $68.8 million, at a weighted average borrowing rate of 4.2% and an effective interest rate (inclusive of amortization of deferred financing costs and interest rate swaps) of 5.1%. The weighted average borrowings on the bridge loan for the three months ended December 31, 2010 were $20.9 million at a weighted average interest rate of 10.8%.

Series 2010-2 term securitization. In May 2010, LEAF Receivables Funding 3, LLC, a subsidiary of LEAF ("LRF3"), issued $120.0 million of equipment contract-backed notes ("Series 2010-2") to provide financing for leases and loans. In the connection with the formation of LEAF in January 2011, RCC contributed these notes, along with the underlying lease portfolio to LEAF. LRF3 is the sole obligator of these notes. The weighted average borrowings for the period from October 1 to November 16, 2011 were $70.1 million, at a weighted average borrowing rate of 5.1% and an effective interest rate (inclusive of amortization of discount and deferred finance costs) of 8.5%.

Note payable to RCC − commercial finance. On July 20, 2011, RCC entered into an agreement with LEAF pursuant to which RCC agreed to provide a $10.0 million loan to LEAF, of which $6.9 million was funded as of September 30, 2011, with additional funding of $3.1 million prior to the November 16, 2011 deconsolidation. The loan bears interest at a fixed rate of 8.0% per annum on the unpaid principal balance, payable quarterly. The loan was secured by the commercial finance assets of LEAF and LEAF's interest in LRF3. In the November 2011 LCC Transaction, RCC received $8.5 million from LCC in payment of the $10.0 million outstanding balance and extinguished the loan.

Debt repayments

Annual principal payments on the Company's aggregate borrowings over the next five years ending December 31, and thereafter, are as follows (in thousands):

2013	$	761
2014		15,729