DISCLAIMER

Attached please find an electronic copy of the final Offering Circular dated November 26, 2013 (the "Offering Circular") relating to the offering by ACAS CLO 2013-2, Ltd. and ACAS CLO 2013-2, LLC of certain notes (the "Offering").

The Offering Circular shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of any such jurisdiction.

In order to be eligible to access the Offering Circular or make an investment decision with respect to the securities described therein, you must either (a) not be a "U.S. person" within the meaning of Regulation S under the Securities Act of 1933, as amended (the "Securities Act"), or (b) be a "Qualified Institutional Buyer" within the meaning of Rule 144A under the Securities Act (or, solely in the case of the Subordinated Notes, an "accredited investor" within the meaning set forth in Rule 501(a) under the Securities Act) that is also a "qualified purchaser" within the meaning of Section 3(c)(7) of the Investment Company Act of 1940, as amended (the "Investment Company Act") (or, solely in the case of the Subordinated Notes, a "Knowledgeable Employee" with respect to the Issuer for purposes of Rule 3c-5 of the Investment Company Act).

Distribution of this electronic transmission of the Offering Circular to any person other than (a) the person receiving this electronic transmission from the Initial Purchaser on behalf of the Co-Issuers, and (b) any person retained to advise the person receiving this electronic transmission with respect to the offering contemplated by the Offering Circular (each, an "Authorized Recipient") is unauthorized. Any photocopying, disclosure or alteration of the contents of the Offering Circular, and any forwarding of a copy of the Offering Circular or any portion thereof by electronic mail or any other means to any person other than an Authorized Recipient, except as expressly authorized herein, is prohibited. By accepting delivery of the Offering Circular, each recipient hereof agrees to the foregoing.

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, EFFECTIVE FROM THE DATE OF COMMENCEMENT OF DISCUSSIONS, RECIPIENTS, AND EACH EMPLOYEE, REPRESENTATIVE OR OTHER AGENT OF THE RECIPIENTS, MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE U.S. TAX TREATMENT AND TAX STRUCTURE OF THE OFFERING AND ALL MATERIALS OF ANY KIND, INCLUDING OPINIONS OR OTHER TAX ANALYSES, THAT ARE PROVIDED TO THE RECIPIENTS RELATING TO SUCH TAX TREATMENT AND TAX STRUCTURE. THIS AUTHORIZATION TO DISCLOSE THE U.S. TAX TREATMENT AND TAX STRUCTURE DOES NOT PERMIT DISCLOSURE OF INFORMATION IDENTIFYING A CO-ISSUER, THE INITIAL PURCHASER, THE PLACEMENT AGENT THE COLLATERAL MANAGER OR ANY OTHER PARTY TO THE TRANSACTION, THIS OFFERING OR THE PRICING (EXCEPT TO THE EXTENT SUCH INFORMATION IS RELEVANT TO U.S. TAX STRUCTURE OR TAX TREATMENT) OF THIS OFFERING.

OFFERING CIRCULAR

ACAS CLO 2013-2, Ltd.
ACAS CLO 2013-2, LLC

U.S.$99,000,000 Class A-1A Senior Secured Floating Rate Notes due 2025
U.S.$140,000,000 Class A-1B Senior Secured Floating Rate Notes due 2025
U.S$10,000,000 Class A-1C Senior Secured Fixed Rate Notes due 2025
U.S.$43,750,000 Class A-2A Senior Secured Floating Rate Notes due 2025
U.S.$10,000,000 Class A-2B Senior Secured Fixed Rate Notes due 2025
U.S.$28,000,000 Class B Senior Secured Deferrable Floating Rate Notes due 2025
U.S.$20,000,000 Class C Senior Secured Deferrable Floating Rate Notes due 2025
U.S.$18,000,000 Class D Senior Secured Deferrable Floating Rate Notes due 2025
U.S.$7,000,000 Class E Senior Secured Deferrable Floating Rate Notes due 2025
U.S.$38,450,000 Subordinated Notes due 2025

The Issuer's investment portfolio will consist primarily of bank loans and Participation Interests.
The portfolio will be managed by American Capital CLO Management, LLC.
The Notes will be sold at negotiated prices determined at the time of sale. See "Plan of Distribution" beginning on page 153.
This Offering Circular uses defined terms. See "Glossary of Certain Defined Terms" beginning on page 177.

Investing in the Notes involves risks. See "Risk Factors" beginning on page 25.

No Notes will be issued unless upon issuance (i) the Class A-1A Notes, Class A-1B Notes and Class A-1C Notes are rated "Aaa (sf)" by Moody's and "AAA(sf)" by S&P, (ii) the Class A-2A Notes and Class A-2B Notes are rated at least "AA(sf)" by S&P, (iii) the Class B Notes are rated at least "A(sf)" by S&P, (iv) the Class C Notes are rated at least "BBB(sf)" by S&P, (v) the Class D Notes are rated at least "BB(sf)" by S&P and (vi) the Class E Notes are rated at least "B(sf)" by S&P. The Subordinated Notes will not be rated. See "Ratings of the Secured Notes" on page 93.

This Offering Circular has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under Directive 2003/71/EC, as amended (the "**Prospectus Directive**"). The Central Bank only approves this Offering Circular as meeting the requirements imposed under Irish and European Union ("**EU**") law pursuant to the Prospectus Directive. Such approval relates only to the Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purposes of Directive 2004/39/EC or which are to be offered to the public in any Member State of the European Economic Area (the "**EEA**"). This Offering Circular comprises a "prospectus" for the purposes of the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List (the "**Official List**") and trading on its regulated market. There can be no assurance that such listing will be maintained.

THE NOTES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT, AND NEITHER CO-ISSUER HAS BEEN REGISTERED UNDER THE INVESTMENT COMPANY ACT. THE NOTES ARE BEING OFFERED ONLY (I) TO NON-U.S. PERSONS OUTSIDE THE UNITED STATES IN RELIANCE ON REGULATION S AND (II) TO, OR FOR THE ACCOUNT OR BENEFIT OF, PERSONS THAT ARE (A) (I) QUALIFIED INSTITUTIONAL BUYERS OR (II) SOLELY IN THE CASE OF THE SUBORDINATED NOTES, ACCREDITED INVESTORS AND ALSO (B) (I) QUALIFIED PURCHASERS, (II) SOLELY IN THE CASE OF THE SUBORDINATED NOTES, KNOWLEDGEABLE EMPLOYEES WITH RESPECT TO THE ISSUER OR (III) ENTITIES OWNED EXCLUSIVELY BY QUALIFIED PURCHASERS OR (SOLELY IN THE CASE OF THE SUBORDINATED NOTES) KNOWLEDGEABLE EMPLOYEES WITH RESPECT TO THE ISSUER. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLERS OF THE NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A OR BY SECTION 4(a)(2) THEREUNDER. EACH ORIGINAL PURCHASER OF A NOTE WILL BE DEEMED TO MAKE CERTAIN ACKNOWLEDGMENTS, REPRESENTATIONS, WARRANTIES AND CERTIFICATIONS. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON TRANSFER, SEE "TRANSFER RESTRICTIONS" BEGINNING ON PAGE 157.

The Notes are expected to be delivered to investors in book-entry form through The Depository Trust Company and its participants and indirect participants, including, without limitation, Euroclear and Clearstream (or, in the case of Certificated Subordinated Notes, in physical form or, in the case of Uncertificated Subordinated Notes, on the books and records of the Issuer), on or about September 25, 2013.

Initial Purchaser of the Secured Notes and Placement Agent of Subordinated Notes.

Citigroup

A version of this Offering Circular was originally distributed on September 23, 2013 (the "**Original Distribution Date**") and has been amended for listing purposes on the date hereof. The Central Bank has not reviewed or approved the version of the Offering Circular distributed on the Original Distribution Date.

November 26, 2013

IMPORTANT INFORMATION REGARDING THIS OFFERING CIRCULAR AND THE NOTES

In making your investment decision, you should only rely on the information contained in this Offering Circular and in the Transaction Documents. No person has been authorized to give you any information or to make any representation other than those contained in this Offering Circular and in the Transaction Documents. If you receive any other information, you should not rely on it.

You should not assume that the information contained in this Offering Circular is accurate as of any date other than the date on the front cover of this Offering Circular.

The Notes are being offered and sold only in places where offers and sales are permitted.

The Co-Issuers, the Initial Purchaser and the Placement Agent reserve the right, for any reason, to reject any offer to purchase in whole or in part, to allot to you less than the full amount of Notes sought by you or to sell less than the stated initial principal amount of any Class of Notes.

The Notes do not represent interests in or obligations of, and are not insured or guaranteed by, Citigroup, the Collateral Manager, the Trustee, the Collateral Administrator or any of their respective affiliates.

The Notes are subject to restrictions on resale and transfer as described under "Description of the Notes", "Plan of Distribution" and "Transfer Restrictions". By purchasing any Notes, you will be deemed to have made certain acknowledgments, representations and agreements as described in "Transfer Restrictions". You may be required to bear the financial risks of investing in the Notes for an indefinite period of time.

Unless the context otherwise requires or as otherwise indicated herein, each reference to "Citigroup" in this Offering Circular means Citigroup Global Markets Inc. in its capacity as an initial purchaser of the Secured Notes and a placement agent of the Subordinated Notes.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

This Offering Circular is being provided only to prospective purchasers of the Notes. You should read this Offering Circular and the Transaction Documents before making a decision whether to purchase any Notes. Except as otherwise authorized above, you must not:

- use this Offering Circular for any other purpose;
- make copies of any part of this Offering Circular or give a copy of this Offering Circular or any portion thereof to any other person; or

- disclose any information in this Offering Circular to any other person.

The information contained in this Offering Circular has been provided by the Co-Issuers and other sources identified herein. The Co-Issuers accept responsibility for the information contained in this Offering Circular. The Collateral Manager accepts responsibility for the Collateral Manager Information. The "**Collateral Manager Information**" consists of the information contained under the headings "Risk Factors—Relating to the Collateral Manager" and the subheadings thereunder, "Risk Factors—Relating to Certain Conflicts of Interest—The Issuer will be subject to various conflicts of interest involving the Collateral Manager and its affiliates" and "The Collateral Manager" and the subheadings thereunder. To the best of the knowledge and belief of the Co-Issuers, the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information. To the best of the knowledge and belief of the Collateral Manager, the Collateral Manager Information is in accordance with the facts and does not omit anything likely to affect the import of such information.

You are responsible for making your own examination of the Co-Issuers and the Collateral Manager and your own assessment of the merits and risks of investing in the Notes. By purchasing any Notes, you will be deemed to have acknowledged that:

- you have reviewed this Offering Circular;
- you have had an opportunity to request any additional information that you need from the Issuer; and
- neither Citigroup nor the Collateral Manager is responsible for, or is making any representation to you concerning, (i) the future performance of the Issuer or (ii) the accuracy or completeness of this Offering Circular (except, in the case of the Collateral Manager, with respect to the Collateral Manager Information).

None of the Co-Issuers, Citigroup, the Collateral Manager or any other party to the transactions contemplated by this Offering Circular is providing you with any legal, business, tax or other advice in this Offering Circular. You should consult with your own advisors as needed to assist you in making an investment decision and to advise you as to whether you are legally permitted to purchase the Notes.

The Notes are being offered in reliance on exemptions from the registration requirements of the Securities Act. These exemptions apply to offers and sales of securities that do not involve a public offering. The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any state securities commission or other regulatory authority, and none of the foregoing authorities has confirmed the accuracy or determined the adequacy of this Offering Circular. Any representation to the contrary is a criminal offense.

You must comply with all laws that apply to you in any place where you buy, offer or sell any Notes or possess this Offering Circular. You must also obtain any consents or approvals that you need in order to purchase any Notes. None of the Co-Issuers, Citigroup, the Collateral Manager or any other party to the transactions contemplated by this Offering Circular is responsible for your compliance with these legal requirements.

You are hereby notified that a seller of the Notes may rely on an exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A or by Section 4(a)(2) of the Securities Act. These exemptions apply to offers and sales of securities that do not involve a public offering.

IMPORTANT INFORMATION REGARDING OFFERS AND SALES OF THE NOTES

The Notes offered hereby are subject to modification or revision and are offered on a "when, as and if issued" basis. You understand that, when you are considering the purchase of Notes, a binding contract of sale will not exist prior to the time that the relevant class of Notes has been priced and Citigroup has confirmed the allocation of such Notes to be made to you; prior to that time any "indications of interest" expressed by you, and any "soft

circles" generated by Citigroup or the Issuer, as applicable, will not create binding contractual obligations for you or Citigroup or the Issuer, as applicable, and may be withdrawn at any time.

You may commit to purchase one or more classes of Notes that have characteristics that may change, and you are advised that all or a portion of the Notes may not be issued with the characteristics described in this Offering Circular. The obligation of Citigroup or the Co-Issuers to sell and/or Citigroup to place, as applicable, such Notes to you is conditioned on the Notes having the characteristics described in this Offering Circular. If Citigroup or the Co-Issuers determine that condition is not satisfied in any material respect, you will be notified, and none of the Issuer, the Co-Issuer, Citigroup will have any obligation to you to deliver any portion of the Notes that you have committed to purchase, and there will be no liability among the Issuer, the Co-Issuer, their affiliates, Citigroup and you as a consequence of the non-delivery. Your payment for the Notes will confirm your agreement to the terms and conditions described in this Offering Circular.

The information contained herein supersedes any previous such information delivered to you and may be superseded by information delivered to you prior to the time of contract of sale.

No invitation may be made to the public in the Cayman Islands to subscribe for the Notes.

THIS OFFERING CIRCULAR DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, (I) ANY SECURITIES OTHER THAN THE NOTES OR (II) ANY NOTES IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH AN OFFER OR SOLICITATION. THE DISTRIBUTION OF THIS OFFERING CIRCULAR AND THE OFFER OR SALE OF THE NOTES MAY BE RESTRICTED BY LAW IN CERTAIN JURISDICTIONS. PERSONS INTO WHOSE POSSESSION THIS OFFERING CIRCULAR OR ANY OF THE NOTES COME ARE REQUIRED BY THE CO-ISSUERS, THE INITIAL PURCHASER AND THE PLACEMENT AGENT TO INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS.

EACH PROSPECTIVE PURCHASER OF ANY OF THE NOTES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS SUCH NOTES OR POSSESSES OR DISTRIBUTES THIS OFFERING CIRCULAR AND MUST OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED BY IT FOR THE PURCHASE, OFFER OR SALE BY IT OF THE NOTES UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTION TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS OR SALES, AND NONE OF THE CO-ISSUERS, THE INITIAL PURCHASER, THE PLACEMENT AGENT, THE COLLATERAL MANAGER AND ANY OF THEIR RESPECTIVE AFFILIATES SHALL HAVE ANY RESPONSIBILITY THEREFOR.

NOTICE TO FLORIDA RESIDENTS

The Notes are offered pursuant to a claim of exemption under section 517.061 of the Florida Securities and Investor Protection Act and have not been registered under said act in the state of Florida. All Florida residents who are not institutional investors described in section 517.061(7) of the Florida Securities and Investor Protection Act have the right to void their purchase of the Notes, without penalty, within three days after the first tender of consideration.

NOTICE TO GEORGIA RESIDENTS

The Notes have not been registered under the Georgia Uniform Securities Act of 2008, and may not be sold or transferred except in a transaction that is exempt under such act or pursuant to an effective registration under such act.

NOTICE TO RESIDENTS OF THE UNITED KINGDOM

WITHIN THE UNITED KINGDOM, THIS OFFERING CIRCULAR MAY NOT BE PASSED ON EXCEPT TO INVESTMENT PROFESSIONALS OR OTHER PERSONS IN CIRCUMSTANCES IN WHICH SECTION 21(1) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (AS AMENDED) DOES NOT APPLY TO THE ISSUER (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**"). THIS OFFERING CIRCULAR MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFERING CIRCULAR RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

RELEVANT PERSONS SHOULD NOTE THAT ALL, OR MOST, OF THE PROTECTIONS OFFERED BY THE UNITED KINGDOM REGULATORY SYSTEM WILL NOT APPLY TO AN INVESTMENT IN THE NOTES AND THAT COMPENSATION WILL NOT BE AVAILABLE UNDER THE UNITED KINGDOM FINANCIAL SERVICES COMPENSATION SCHEME.

NOTICE TO RESIDENTS OF AUSTRALIA

NO PROSPECTUS OR OTHER DISCLOSURE DOCUMENT (AS DEFINED IN THE CORPORATIONS ACT 2001 OF AUSTRALIA) IN RELATION TO THE NOTES HAS BEEN LODGED WITH THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION ("ASIC"), AND ACCORDINGLY:

(A) OFFERS MAY NOT BE MADE AND APPLICATIONS MAY NOT BE INVITED FOR THE ISSUE, SALE OR PURCHASE OF THE NOTES IN AUSTRALIA (INCLUDING AN OFFER OR INVITATION WHICH IS RECEIVED BY A PERSON IN AUSTRALIA); AND

(B) NO DRAFT, PRELIMINARY OR DEFINITIVE OFFERING MEMORANDUM, ADVERTISEMENT OR OTHER OFFERING MATERIAL RELATING TO THE NOTES MAY BE DISTRIBUTED OR PUBLISHED IN AUSTRALIA;

UNLESS (1) THE AGGREGATE CONSIDERATION PAYABLE BY EACH OFFEREE OR INVITEE IS AT LEAST AUD500,000 (OR ITS EQUIVALENT IN OTHER CURRENCIES, BUT DISREGARDING MONIES LENT BY THE OFFEROR OR ITS ASSOCIATES) OR THE OFFER OR INVITATION OTHERWISE DOES NOT REQUIRE DISCLOSURE TO INVESTORS IN ACCORDANCE WITH PART 6D.2 OF THE CORPORATIONS ACT, (2) SUCH ACTION COMPLIES WITH ALL APPLICABLE LAWS, REGULATIONS AND DIRECTIVES, AND (3) SUCH ACTION DOES NOT REQUIRE ANY DOCUMENT TO BE LODGED WITH ASIC.

NOTICE TO RESIDENTS OF FINLAND

THE NOTES MAY NOT BE OFFERED OR SOLD, AND THIS OFFERING CIRCULAR MAY NOT BE DISTRIBUTED, DIRECTLY OR INDIRECTLY, TO ANY RESIDENT OF THE REPUBLIC OF FINLAND OR IN THE REPUBLIC OF FINLAND, EXCEPT PURSUANT TO APPLICABLE FINNISH LAWS AND REGULATIONS. SPECIFICALLY, THE NOTES MAY ONLY BE ACQUIRED FOR DENOMINATIONS OF NOT LESS THAN EURO 50,000, AND THE NOTES MAY NOT BE OFFERED OR SOLD, AND THIS OFFERING CIRCULAR MAY NOT BE DISTRIBUTED, DIRECTLY OR INDIRECTLY, TO THE PUBLIC IN THE REPUBLIC OF FINLAND AS DEFINED UNDER THE FINNISH SECURITIES MARKET ACT OF 1989.

NOTICE TO RESIDENTS OF TAIWAN AND THE PEOPLE'S REPUBLIC OF CHINA

THE OFFER OF THE NOTES HAS NOT BEEN AND WILL NOT BE REGISTERED WITH THE SECURITIES AND FUTURES COMMISSION OF TAIWAN OR WITH THE RELEVANT REGULATORY AUTHORITIES IN THE PEOPLE'S REPUBLIC OF CHINA PURSUANT TO RELEVANT SECURITIES LAWS AND REGULATIONS AND THE SECURED NOTES MAY NOT BE OFFERED OR SOLD WITHIN TAIWAN OR THE PEOPLE'S REPUBLIC OF CHINA THROUGH A PUBLIC OFFERING OR IN CIRCUMSTANCES WHICH CONSTITUTE AN OFFER WITHIN THE MEANING OF THE SECURITIES AND EXCHANGE LAW

OF TAIWAN OR WITHIN THE MEANING OF RELEVANT SECURITIES LAWS AND REGULATIONS IN THE PEOPLE'S REPUBLIC OF CHINA THAT REQUIRE A REGISTRATION OR APPROVAL OF THE SECURITIES AND FUTURES COMMISSION OF TAIWAN OR THE RELEVANT SECURITIES REGULATORY AUTHORITIES IN THE PEOPLE'S REPUBLIC OF CHINA.

NOTICE TO RESIDENTS OF MEMBER STATES OF THE EUROPEAN ECONOMIC AREA

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a "**relevant member state**"), with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the "**relevant implementation date**") an offer of Notes which are the subject of the offering contemplated by this Offering Circular has not been made and will not be made to the public in that relevant member state other than:

(a) to any legal entity that is a "**qualified investor**" as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the relevant member state has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Issuer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of Notes shall require the Issuer, the Initial Purchaser or the Placement Agent to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that relevant member state by any measure implementing the Prospectus Directive in that relevant member state, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant member state) and includes any relevant implementing measure in the relevant member state and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

FORWARD-LOOKING STATEMENTS

This Offering Circular contains forward-looking statements, which can be identified by words like "anticipate", "believe", "plan", "hope", "goal", "initiative", "expect", "future", "intend", "will", "could", and "should" and by similar expressions. Other information herein, including any estimated, targeted or assumed information, also may constitute or contain forward-looking statements. You should not place undue reliance on forward-looking statements. Actual results could differ materially from those referred to in forward-looking statements for many reasons, including the risks described in "Risk Factors". Forward-looking statements are necessarily speculative in nature, and some of or all the assumptions underlying any forward-looking statements may not materialize or may vary significantly from actual results. Variations between assumptions and results may be material.

Without limiting the generality of the foregoing, you should not regard the inclusion of forward-looking statements in this Offering Circular as a representation by the Co-Issuers, the Collateral Manager, Citigroup, the Trustee, the Collateral Administrator or any of their respective affiliates or any other person of the results that will actually be achieved by the Issuer or the Notes. None of the foregoing persons has any obligation to update or otherwise revise any forward-looking statements, including any revisions to reflect changes in any circumstances arising after the Original Distribution Date relating to any assumptions or otherwise.

Notwithstanding the foregoing, you may assume that events described as anticipated or expected to occur on or prior to the Original Distribution Date or the Closing Date, events described as events that "will" occur on or

prior to the Original Distribution Date or the Closing Date, and circumstances described as anticipated or expected to be the case on or as of the Original Distribution Date or the Closing Date or at issuance of the Notes or as circumstances that "will" be the case on or as of the Original Distribution Date or the Closing Date, did occur or were the case on, prior to or as of such date or at issuance of the Notes, as applicable; that the expected initial ratings of the Notes were received; that the Notes were issued pursuant to the Indenture; that the Notes have the characteristics described as characteristics that they "will" have; that the opinions of Winston & Strawn LLP and Freshfields Bruckhaus Deringer US LLP described under "Certain U.S. Federal Income Tax Considerations" were received; that the circumstances described as expected to be the case and the events described as events that "will" happen under "Use of Proceeds—General" were the case and did happen; that the proposed capitalization and indebtedness of the Issuer described under "The Co-Issuers—Capitalization of the Issuer" was the Issuer's capitalization and indebtedness as of the Closing Date; and that provisions described as provisions that "will" be embodied in any Transaction Document, the Purchase Agreement or the Placement Agency Agreement are embodied in such Transaction Document, the Purchase Agreement or the Placement Agency Agreement, as the case may be.

CERTAIN DEFINITIONS AND RELATED MATTERS

Unless otherwise indicated, (i) references in this Offering Circular to "**U.S. Dollars**", "**Dollars**" and "**U.S.$**" will be to United States dollars; (ii) references to the term "**holder**" will mean the person in whose name a security is registered; except where the context otherwise requires, holder will include the beneficial owner of such security; and (iii) references to "**U.S.**" and "**United States**" will be to the United States of America, its territories and its possessions.

SUMMARIES OF DOCUMENTS

This Offering Circular summarizes certain provisions of the Notes, the Indenture, the Collateral Management Agreement and other transactions and documents. The summaries do not purport to be complete and (whether or not so stated in this Offering Circular) are subject to, are qualified in their entirety by reference to, and incorporate by reference, the provisions of the actual documents (including definitions of terms). Copies of the above documents are available on request from the Trustee. However, no documents incorporated by reference are part of this Offering Circular for purposes of the admission of the Notes to trading on the regulated market of the Irish Stock Exchange. You should direct any requests and inquiries requesting copies of this Offering Circular, or such other documents available from the Trustee, to the Trustee at the following address: 388 Greenwich Street, 14th Floor, New York, New York 10013, Attention: Global Transaction Services – ACAS CLO 2013-2, Ltd.

AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with the sale of the Notes, the Issuer (and, solely in the case of the Secured Notes other than the Class D Notes and Class E Notes, the Co-Issuer) under the Indenture referred to under "Description of the Notes" will be required to furnish upon request of a holder of a Note to such holder and a prospective purchaser designated by such holder the information required to be delivered under Rule 144A(d)(4) under the Securities Act if at the time of the request the Co-Issuers are neither (a) reporting companies under Section 13 or Section 15(d) of the Exchange Act nor (b) exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act. Neither of the Co-Issuers expects to become such a reporting company or to become so exempt from reporting. Such information may be obtained directly from the Issuer.

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OVERVIEW OF TERMS

The following overview does not purport to be complete and is qualified in its entirety by reference to the detailed information appearing elsewhere in this Offering Circular (the "**Offering Circular**") and related documents referred to herein. An index of defined terms appears at the back of this Offering Circular.

Principal Terms of the Notes

Designation	**Class A-1A Notes**	**Class A-1B Notes**	**Class A-1C Notes**	**Class A-2A Notes**	**Class A-2B Notes**	**Class B Notes**	**Class C Notes**	**Class D Notes**	**Class E Notes**	**Subordinated Notes**
Type	Senior Secured Floating Rate	Senior Secured Floating Rate	Senior Secured Fixed Rate	Senior Secured Floating Rate	Senior Secured Fixed Rate	Senior Secured Deferrable Floating Rate	Senior Secured Deferrable Floating Rate	Senior Secured Deferrable Floating Rate	Senior Secured Deferrable Floating Rate	Subordinated
Issuer(s)	Co-Issuers	Co-Issuers	Co-Issuers	Co-Issuers	Co-Issuers	Co-Issuers	Co-Issuers	Issuer	Issuer	Issuer
Initial Principal Amount (U.S.$)	$99,000,000	$140,000,000	$10,000,000	$43,750,000	$10,000,000	$28,000,000	$20,000,000	$18,000,000	$7,000,000	$38,450,000
Expected S&P Initial Rating	"AAA(sf)"	"AAA(sf)"	"AAA(sf)"	"AA(sf)"	"AA(sf)"	"A(sf)"	"BBB(sf)"	"BB(sf)"	"B(sf)"	N/A
Expected Moody's Initial Rating	"Aaa (sf)"	"Aaa (sf)"	"Aaa (sf)"	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest Rate*	LIBOR + 1.35%	LIBOR + 1.10%**	3.559%	LIBOR + 1.75%	4.550%	LIBOR + 2.65%	LIBOR + 3.25%	LIBOR + 4.50%	LIBOR + 5.75%	N/A
Interest Deferrable	No	No	No	No	No	Yes	Yes	Yes	Yes	N/A
Stated Maturity	October 25, 2025	October 25, 2025	October 25, 2025	October 25, 2025	October 25, 2025	October 25, 2025	October 25, 2025	October 25, 2025	October 25, 2025	October 25, 2025
Minimum Denominations (U.S.$) (Integral Multiples)	$500,000 ($1)	$500,000 ($1)	$500,000 ($1)	$500,000 ($1)	$500,000 ($1)	$500,000 ($1)	$250,000 ($1)	$500,000 ($1)	$500,000 ($1)	$500,000 ($1)
Ranking:										
Priority Class(es)	None	None	None	A-1	A-1	A-1, A-2	A-1, A-2, B	A-1, A-2, B, C	A-1, A-2, B, C, D	A-1, A-2, B, C, D, E
Pari Passu Class(es)	A-1B, A-1C	A-1A, A-1C	A-1A, A-1B	A-2B	A-2A	None	None	None	None	None
Junior Class(es)	A-2, B, C, D, E, Subordinated	A-2, B, C, D, E, Subordinated	A-2, B, C, D, E, Subordinated	B, C, D, E, Subordinated	B, C, D, E, Subordinated	C, D, E, Subordinated	D, E, Subordinated	E, Subordinated	Subordinated	None

* The spread over LIBOR applicable to any Class of Secured Notes may be reduced in connection with a Re-Pricing of such Class of Notes, subject to the conditions described under "Description of the Notes—Re-Pricing of the Secured Notes."

** The Class A-1B Notes shall accrue interest at an Interest Rate equal to (i) during the period from the Closing Date to but excluding the Payment Date in April 2015, LIBOR + 1.10%; (ii) from and including the Payment Date in April 2015 to but excluding the Payment Date in April 2016, LIBOR + 1.60%; and (iii) thereafter, LIBOR + 1.90%.

Issuer:	ACAS CLO 2013-2, Ltd., a Cayman Islands exempted company incorporated with limited liability.
Co-Issuer:	ACAS CLO 2013-2, LLC, a Delaware limited liability company.
Collateral Manager:	American Capital CLO Management, LLC, a Delaware limited liability company.
Trustee:	Citibank, N.A.
Collateral Administrator:	Virtus Group, LP
Initial Purchaser and Placement Agent:	Citigroup Global Markets Inc.
Administrator:	Appleby Trust (Cayman) Ltd.
Eligible Purchasers:	The Notes are being offered hereby (i) to non-U.S. persons in offshore transactions in reliance on Regulation S and (ii) in the United States to persons that are (x) either (A) Qualified Institutional Buyers or (B) in the case of the Subordinated Notes only, Accredited Investors and also (y) (A) Qualified Purchasers, (B) in the case of the Subordinated Notes only, Knowledgeable Employees with respect to the Issuer or (C) entities owned exclusively by Qualified Purchasers or (in the case of the Subordinated Notes only) Knowledgeable Employees with respect to the Issuer. See "Description of the Notes—Form, denomination and registration of the Notes" and "Transfer Restrictions".
Payments on the Notes:	
Payment Dates	The 25th day of January, April, July and October of each year (or, if such day is not a Business Day, then the next succeeding Business Day) commencing in April 2014.
Stated Note Interest	Interest on the Secured Notes is payable quarterly in arrears on each Payment Date in accordance with the Priority of Payments described herein.
Deferral of Interest	So long as any more senior Class of Secured Notes is outstanding, to the extent interest is not paid on the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes on any Payment Date, such non-payment will not constitute an Event of Default under the Indenture and such amounts will be deferred and added to the principal balance of the applicable Class of Secured Notes and will bear interest at the Interest Rate applicable to such Class of Secured Notes, until the earliest of (i) the Payment Date on which funds are available to pay such Secured Note Deferred Interest in accordance with the Priority of Payments, (ii) the Redemption Date with respect to the applicable Class of Secured Notes and (iii) the Stated Maturity of the applicable Class of Secured Notes. Regardless of

	whether any more senior Class of Notes is outstanding, to the extent that funds are not available on any Payment Date (other than the Redemption Date with respect to, or Stated Maturity of, the applicable Class of Secured Notes) to pay Secured Note Deferred Interest on the applicable Class of Secured Notes, such Secured Note Deferred Interest will not be due and payable on such Payment Date and any failure to pay such Secured Note Deferred Interest on such Payment Date will not be an Event of Default under the Indenture. See "Description of the Notes—Interest on the Secured Notes".
Distributions on Subordinated Notes.....	The Subordinated Notes will not bear a stated rate of interest but will be entitled to receive distributions on each Payment Date if and to the extent funds are available for such purpose. Such payments will be made on the Subordinated Notes only pursuant to the Priority of Payments. See "—Priority of Payments" and "Description of the Notes—The Subordinated Notes—Distributions on the Subordinated Notes".
Reinvestment Period:	The "**Reinvestment Period**" will be the period from and including the Closing Date to and including the earliest of (i) the last day of the Collection Period immediately preceding the Payment Date in October 2017, (ii) any date on which the maturity of any Class of Secured Notes is accelerated following an Event of Default pursuant to the Indenture and (iii) any date on which the Collateral Manager reasonably determines that it can no longer reinvest in additional Collateral Obligations in accordance with the Indenture or the Collateral Management Agreement, *provided*, in the case of this clause (iii), the Collateral Manager notifies the Issuer, the Trustee (who shall notify the holders of Notes), the Collateral Administrator and S&P thereof at least five Business Days prior to such date.
Optional Redemption:	
Non-Call Period.....	During the period from the Closing Date to but excluding the applicable Non-Call Expiration Date (such period, the "**Non-Call Period**"), the Secured Notes and the Subordinated Notes are not subject to Optional Redemption or Clean-Up Call Redemption, but are subject to Special Redemption and Tax Redemption. See "Description of the Notes—Optional Redemption and Tax Redemption". The "**Non-Call Expiration Date"** means (a) with respect to the Notes other than the Class A-1B Notes, the Payment Date in October 2015 and (b) with respect to the Class A-1B Notes, the Payment Date in April 2015.
Redemption After Non-Call Period.....	The Secured Notes are subject to redemption by the Co-Issuers or the Issuer, as applicable, on any Eligible Redemption Date after the Non-Call Period, as follows: (i) at the written direction of a Special Majority of the Subordinated Notes, subject, for so long as the Required

IRR Threshold Condition applies, to the satisfaction of the Required IRR Threshold Test (unless the Designated Subordinated Noteholder directs that such test be deemed satisfied), with the consent of the Collateral Manager, the Secured Notes are subject to redemption in whole (with respect to all Classes of Secured Notes) but not in part from Sale Proceeds and all other funds available for such purpose in the Collection Account and the Payment Account or (ii) at the written direction of a Majority of the Subordinated Notes, the Secured Notes are subject to redemption in part by Class from Refinancing Proceeds and Partial Refinancing Interest Proceeds (so long as the Secured Notes of any Class to be redeemed represent the entire Class of such Secured Notes) or in whole from Refinancing Proceeds and all other funds available for such purpose in the Collection Account and the Payment Account.

Upon any redemption in whole of the Secured Notes, the Collateral Manager will (unless the Secured Notes are redeemed solely from Refinancing Proceeds and all other funds available for such purpose in the Collection Account and the Payment Account) direct the sale (and the manner thereof) of all or part of the Assets in order to make payments as described under "Description of the Notes—Optional Redemption and Tax Redemption".

Upon any redemption of the Secured Notes from Refinancing Proceeds, the Co-Issuers or the Issuer, as applicable, shall obtain a loan or an issuance of replacement securities, whose terms in each case will be negotiated by the Collateral Manager on behalf of the Issuer, from one or more financial institutions or purchasers and to the extent and subject to the restrictions described herein. No such redemption shall be effective unless the proceeds of such loan or replacement securities are applied to repay the aggregate Redemption Prices of the Class or Classes being redeemed. Prior to effecting any Refinancing, the Issuer shall be required to satisfy certain conditions. See "Description of the Notes—Optional Redemption and Tax Redemption".

The Issuer may redeem the Subordinated Notes, in whole but not in part, on any Business Day on or after the redemption or repayment in full of the Secured Notes, at the direction of either (i) a Special Majority of the Subordinated Notes, or (ii) the Collateral Manager, so long as American Capital CLO Management, LLC or any affiliate thereof is the Collateral Manager.

There are certain other restrictions on the ability of the Co-Issuers to effect an Optional Redemption. See "Description of the Notes—Optional Redemption and Tax Redemption".

Clean-Up Call Redemption:

Redemption After Non-Call Period.....	At the written direction of the Collateral Manager to the Issuer and the Trustee, the Notes will be subject to redemption by the Issuer, in whole but not in part (a "**Clean-Up Call Redemption**") on any Business Day after the Non-Call Period on which the Collateral Principal Amount is less than 25% of the Target Initial Par Amount.
Clean-Up Call Redemption Price	Any Clean-Up Call Redemption is subject to (i) the purchase of all or part of the Assets (other than the expected proceeds from the sale or payments of the Eligible Investments (and all other available funds in the Collection Account) referred to in clause (c) of this sentence) from the Issuer by the Collateral Manager or any other Person, on or prior to the fifth Business Day immediately preceding the related Redemption Date, for a purchase price in cash (the "**Clean-Up Call Redemption Price**") at least equal to the sum of (a) the Redemption Prices of the Secured Notes plus (b) the aggregate of all other amounts owing by the Issuer on the date of such redemption that are payable in accordance with the Priority of Payments prior to distributions in respect of the Subordinated Notes (including, for the avoidance of doubt, all outstanding Administrative Expenses) minus (c) the Eligible Investments maturing, redeemable or putable to the issuer thereof at par prior to the scheduled Redemption Date and all other funds available for such purpose in the Collection Account and (ii) the receipt by the Trustee from the Collateral Manager, prior to such purchase, of certification from the Collateral Manager that the sum so received satisfies clause (i). On the Redemption Date related to any Clean-Up Call Redemption, the Clean-Up Call Redemption Price will be distributed pursuant to the Priority of Payments. There are certain other restrictions on the ability of the Issuer to effect a Clean-Up Call Redemption. See "Description of the Notes—Clean-Up Call Redemption".
Additional Issuance.....	At any time during the Reinvestment Period, at the direction of the Collateral Manager on behalf of the Issuer, the Co-Issuers may issue and sell additional Notes of any one or more Classes and/or additional notes of one or more new classes that are fully subordinated to the existing Secured Notes and use the net proceeds to purchase additional Collateral Obligations or for other purposes permitted under the Indenture if such issuance is consented to by a Majority of the Subordinated Notes and the other conditions for such additional issuance described under "Description of the Notes—The Indenture—Modification of Indenture" and "Description of the Notes—The Indenture—

	Additional issuance" are met.
Tax Redemption	On any Eligible Redemption Date, the Secured Notes shall be subject to redemption in whole but not in part at the written direction (delivered to the Issuer and the Trustee, with a copy to the Collateral Manager) of (x) a Majority of any Class of Secured Notes that, as a result of the occurrence of such Tax Event, has not received 100% of the aggregate amount of principal and interest that would otherwise be due and payable to such Class on any Payment Date (each such Class, an "**Affected Class**") or (y) a Special Majority of the Subordinated Notes, in either case following (I) the occurrence and continuation of a Tax Event with respect to payments under one or more Collateral Obligations forming part of the Assets which results in a payment by, or charge or tax burden to, the Issuer that results or will result in the withholding of 5.0% or more of scheduled distributions on the Collateral Obligations for any Collection Period or (II) the occurrence and continuation of a Tax Event resulting in a tax burden on the Issuer in an aggregate amount in any Collection Period in excess of U.S.$1,000,000.
Redemption Prices	The Redemption Price of each Secured Note to be redeemed in an Optional Redemption, a Clean-Up Call Redemption or a Tax Redemption will be (a) 100% of the outstanding principal amount of such Secured Note *plus* (b) accrued and unpaid interest thereon (including, if applicable, interest on any accrued and unpaid Secured Note Deferred Interest with respect to such Secured Note) to but excluding the Redemption Date; *provided* that, in connection with any Optional Redemption or Tax Redemption, any holder of Secured Notes of any Class may elect to receive less than 100% of the Redemption Price that would otherwise be payable to the holders of such Class of Secured Notes. The Redemption Price for each Subordinated Note will be its proportional share (based on the aggregate outstanding principal amount of the Subordinated Notes) of the amount of the proceeds of the Assets remaining after giving effect to the Optional Redemption, Clean-Up Call Redemption or Tax Redemption, as applicable, of the Secured Notes in whole or after all of the Secured Notes have been repaid in full and all expenses of the Co-Issuers have been paid in full and/or a reserve for such expenses (including all Management Fees, Administrative Expenses and Dissolution Expenses) has been created.

Re-Pricing of the Secured Notes:	On any Eligible Re-Pricing Date after the Non-Call Period, at the direction of a Majority of the Subordinated Notes, the Co-Issuers shall be required to reduce the spread over LIBOR applicable with respect to any Class of Re-Pricing Eligible Secured Notes. The holders of the proposed Re-Priced Class will be provided notice of the Re-Pricing and the opportunity to consent thereto. The Notes of a proposed Re-Priced Class held by holders that do not consent to such Re-Pricing will be required to be sold by such holders to transferees designated by, or on behalf of, the Co-Issuers at the applicable Re-Pricing Redemption Price. There are certain other restrictions on the ability of the Issuer to effect a Re-Pricing. See "Description of the Notes—Re-Pricing of the Secured Notes."
Noteholder Reporting Obligations:	
Noteholder Reporting Obligations.....	Each purchaser, beneficial owner and subsequent transferee of Notes or interest therein will: (1) be required or deemed to agree to provide the Issuer and Trustee and their agents and delegates (i) any information as is necessary (in the sole determination of the Issuer or the Trustee, as applicable) for the Issuer and the Trustee to determine whether such purchaser, beneficial owner or transferee is a specified United States person as defined in Section 1473(3) of the Code ("specified United States person") or a United States owned foreign entity as defined in Section 1471(d)(3) of the Code ("United States owned foreign entity") and (ii) any additional information that the Issuer or its agent requests in connection with Sections 1471-1474 of the Code and (2) if it is a specified United States person or a United States owned foreign entity that is a holder or beneficial owner of Notes or an interest therein, be required to (x) provide the Issuer and Trustee and their agents and delegates its name, address, U.S. taxpayer identification number and, if it is a United States owned foreign entity, the name, address and taxpayer identification number of each of its substantial United States owners as defined in Section 1473(2) of the Code ("substantial United States owner") and any other information requested by the Issuer or its agent upon request and (y) update any such information provided in clause (x) promptly upon learning that any such information previously provided has become obsolete or incorrect or is otherwise required (the foregoing agreements, the "**Noteholder Reporting Obligations**").
Transfer Requirement	If any purchaser, beneficial owner or subsequent transferee of Notes fails to comply with the Noteholder Reporting Obligations, the Issuer will have the right to demand that such person or entity transfer its Notes or interest therein and, if such person or entity fails to effect such transfer, the Issuer will have the right to sell such Notes or interest therein on behalf of such person

	or entity or the Issuer may assign such Notes a separate CUSIP or CUSIPs. See "Transfer Restrictions—Non-Permitted Holder/Non-Permitted ERISA Holder".
Special Redemption:	
Redemption after the Effective Date	After the Effective Date, the Co-Issuers or the Issuer, as applicable, may redeem the Secured Notes in part if the Collateral Manager notifies the Trustee that a redemption is required in order to satisfy the Moody's Rating Condition and/or to cause S&P to provide written confirmation (which may take the form of a press release or other written communication) of its initial ratings of the Secured Notes, in each case in connection with the Effective Date rating confirmation procedure described under "Use of Proceeds—Effective Date". See "Description of the Notes—Special Redemption".
Special Redemption Amount	The amount payable in connection with a Special Redemption in respect of each Class of Secured Notes subject to such Special Redemption will be equal to the amount in the Collection Account representing all Interest Proceeds available in accordance with the Priority of Payments. Such amounts will be used for application in accordance with the Note Payment Sequence in an amount sufficient to satisfy the Moody's Rating Condition and/or to cause S&P to provide written confirmation (which may take the form of a press release or other written communication) of its initial ratings of the Secured Notes, as applicable. See "—Priority of Payments" and "Description of the Notes—Special Redemption".
Priority of Payments:	
Application of Interest Proceeds	On each Payment Date and on any Redemption Date (to the extent that such Redemption Date is not a Payment Date) other than a Redemption Date in connection with a Refinancing in part by Class of one or more Classes of Secured Notes, unless an Enforcement Event has occurred and is continuing, Interest Proceeds on deposit in the Collection Account, to the extent received on or before the related Determination Date and that are transferred into the Payment Account as described under "Security for the Secured Notes—The Collection Account and Payment Account", shall be applied in the following order of priority: (A) (1) first, to the payment of taxes and governmental fees owing by the Issuer or the Co-Issuer, if any, and (2) second, to the payment of the accrued and unpaid Administrative Expenses, in the priority stated in the definition thereof, up to the Administrative Expense Cap; (B) to the payment of the Base Management Fee due and payable to the Collateral Manager;

(C) to the payment of accrued and unpaid interest on the Class A-1A Notes, the Class A-1B Notes and the Class A-1C Notes, *pro rata*, based on the respective amounts of accrued and unpaid interest on each such Class;

(D) to the payment of accrued and unpaid interest on the Class A-2A Notes and the Class A-2B Notes, *pro rata*, based on the respective amounts of accrued and unpaid interest on each such Class;

(E) if either of the Class A Coverage Tests (except, in the case of the Interest Coverage Test, if such Payment Date is the first Payment Date after the Closing Date) is not satisfied on the related Determination Date, to make payments in accordance with the Note Payment Sequence to the extent necessary to cause all Class A Coverage Tests that are applicable on such Payment Date to be satisfied on a *pro forma* basis after giving effect to all payments pursuant to this clause (E);

(F) to the payment of accrued and unpaid interest (excluding Secured Note Deferred Interest, but including interest on Secured Note Deferred Interest) on the Class B Notes;

(G) if either of the Class B Coverage Tests (except, in the case of the Interest Coverage Test, if such Payment Date is the first Payment Date after the Closing Date) is not satisfied on the related Determination Date, to make payments in accordance with the Note Payment Sequence to the extent necessary to cause all Class B Coverage Tests that are applicable on such Payment Date to be satisfied on a *pro forma* basis after giving effect to all payments pursuant to this clause (G);

(H) to the payment of any Secured Note Deferred Interest on the Class B Notes;

(I) to the payment of accrued and unpaid interest (excluding Secured Note Deferred Interest, but including interest on Secured Note Deferred Interest) on the Class C Notes;

(J) if either of the Class C Coverage Tests (except, in the case of the Interest Coverage Test, if such Payment Date is the first Payment Date after the Closing Date) is not satisfied on the related Determination Date, to make payments in accordance with the Note Payment Sequence to the extent necessary to cause all Class C Coverage Tests that are applicable on such Payment Date to be satisfied on a *pro forma* basis after giving effect to all payments pursuant to this clause (J);

(K) to the payment of any Secured Note Deferred

Interest on the Class C Notes;

(L) to the payment of accrued and unpaid interest (excluding Secured Note Deferred Interest, but including interest on Secured Note Deferred Interest) on the Class D Notes;

(M) if either of the Class D Coverage Tests (except, in the case of the Interest Coverage Test, if such Payment Date is the first Payment Date after the Closing Date) is not satisfied on the related Determination Date, to make payments in accordance with the Note Payment Sequence to the extent necessary to cause all Class D Coverage Tests that are applicable on such Payment Date to be satisfied on a *pro forma* basis after giving effect to all payments pursuant to this clause (M);

(N) to the payment of any Secured Note Deferred Interest on the Class D Notes;

(O) to the payment of (1) first, accrued and unpaid interest (excluding Secured Note Deferred Interest, but including interest on Secured Note Deferred Interest) on the Class E Notes and (2) second, any Secured Note Deferred Interest on the Class E Notes;

(P) if, with respect to any Payment Date following the Effective Date, either (x) the Moody's Rating Condition has not been satisfied as described in "Use of Proceeds—Effective Date" (unless the Issuer or the Collateral Manager has provided a Passing Report described in "Use of Proceeds—Effective Date" to Moody's) or (y) S&P has not yet confirmed its initial ratings (which confirmation may take the form of a press release or other communication) of the Secured Notes as described in "Use of Proceeds—Effective Date", amounts available for distribution pursuant to this clause (P) shall be used, at the option of the Collateral Manager, either (I) for application in accordance with the Note Payment Sequence on such Payment Date or (II) to make a deposit to the Collection Account as Principal Proceeds for the purchase of additional Collateral Obligations, in either such case in an amount sufficient to satisfy the Moody's Rating Condition and/or to cause S&P to provide written confirmation (which may take the form of a press release or other written communication) of its initial ratings of the Secured Notes, as applicable;

(Q) during the Reinvestment Period, if the Interest Diversion Test is not satisfied on the related Determination Date, an amount equal to the Required Interest Diversion Amount shall be

applied to either, as determined by the Collateral Manager in its sole discretion (subject to the proviso to this clause (Q) and with notice to the Collateral Administrator), (x) make a deposit to the Collection Account as Principal Proceeds for the purchase of additional Collateral Obligations or (y) after the Non-Call Period, make payments in accordance with the Note Payment Sequence; *provided* that the Collateral Manager may elect clause (y) only with the consent of a Majority of the Subordinated Notes;

(R) to the payment of the Subordinated Management Fee due and payable (including any accrued and unpaid interest thereon) to the Collateral Manager;

(S) to the payment (in the same manner and order of priority stated in the definition thereof) of any Administrative Expenses not paid pursuant to clause (A)(2) above due to the limitation contained therein;

(T) during the Reinvestment Period only, at the discretion of the Collateral Manager, up to 50% of any remaining Interest Proceeds to the Collection Account as Principal Proceeds for the purchase of additional Collateral Obligations; provided that the aggregate amount so deposited pursuant to this clause (T) on such date and all prior Payment Dates shall not exceed $9,000,000;

(U) to pay the holders of the Subordinated Notes until the Subordinated Notes have first realized a Subordinated Notes Internal Rate of Return of 13.0%; and

(V) any remaining Interest Proceeds to be paid (x) 20% to the Collateral Manager as part of the Incentive Management Fee payable on such Payment Date; and (y) 80% to the holders of the Subordinated Notes.

Application of Principal Proceeds..... On each Payment Date and on any Redemption Date (to the extent that such Redemption Date is not a Payment Date) other than a Redemption Date in connection with a Refinancing in part by Class of one or more Classes of Secured Notes, unless an Enforcement Event has occurred and is continuing, Principal Proceeds on deposit in the Collection Account that are received on or before the related Determination Date and Refinancing Proceeds received in connection with a Refinancing of all Secured Notes in whole, in each case that are transferred to the Payment Account as described under "Security for the Secured Notes—The Collection Account and Payment Account" (which will not include (i) amounts required to meet funding requirements with respect to Delayed Drawdown Collateral Obligations

and Revolving Collateral Obligations that are deposited in the Revolver Funding Account, (ii) during the Reinvestment Period, Principal Proceeds that will be used to reinvest in Collateral Obligations that the Issuer has already committed to purchase in accordance with the Investment Criteria and (iii) after the Reinvestment Period, Eligible Post Reinvestment Proceeds that will be used to reinvest in Substitute Obligations that the Issuer has already committed to purchase in accordance with the Investment Criteria and the Post-Reinvestment Period Substitution Criteria), shall be applied in the following order of priority:

(A) to pay the amounts referred to in clauses (A) through (D) of "—Application of Interest Proceeds" (and in the same manner and order of priority stated therein), but only to the extent not paid in full thereunder;

(B) to pay the amounts referred to in clause (E) of "—Application of Interest Proceeds" but only to the extent not paid in full thereunder and to the extent necessary to cause the Coverage Tests that are applicable on such Payment Date with respect to the Class A Notes to be met as of the related Determination Date on a *pro forma* basis after giving effect to any payments made through this clause (B);

(C) to pay the amounts referred to in clause (F) of "—Application of Interest Proceeds" to the extent not paid in full thereunder, only to the extent that the Class B Notes are the Controlling Class;

(D) to pay the amounts referred to in clause (G) of "—Application of Interest Proceeds" but only to the extent not paid in full thereunder and to the extent necessary to cause the Coverage Tests that are applicable on such Payment Date with respect to the Class B Notes to be met as of the related Determination Date on a *pro forma* basis after giving effect to any payments made through this clause (D);

(E) to pay the amounts referred to in clause (H) of "—Application of Interest Proceeds" to the extent not paid in full thereunder, only to the extent that the Class B Notes are the Controlling Class;

(F) to pay the amounts referred to in clause (I) of "—Application of Interest Proceeds" to the extent not paid in full thereunder, only to the extent that the Class C Notes are the Controlling Class;

(G) to pay the amounts referred to in clause (J) of "—Application of Interest Proceeds" but only to the extent not paid in full thereunder and to the extent necessary to cause the Coverage Tests that are

applicable on such Payment Date with respect to the Class C Notes to be met as of the related Determination Date on a *pro forma* basis after giving effect to any payments made through this clause (G);

(H) to pay the amounts referred to in clause (K) of "— Application of Interest Proceeds" to the extent not paid in full thereunder, only to the extent that the Class C Notes are the Controlling Class;

(I) to pay the amounts referred to in clause (L) of "— Application of Interest Proceeds" to the extent not paid in full thereunder, only to the extent that the Class D Notes are the Controlling Class;

(J) to pay the amounts referred to in clause (M) of "— Application of Interest Proceeds" but only to the extent not paid in full thereunder and to the extent necessary to cause the Coverage Tests that are applicable on such Payment Date with respect to the Class D Notes to be met as of the related Determination Date on a *pro forma* basis after giving effect to any payments made through this clause (J);

(K) to pay the amounts referred to in clause (N) of "— Application of Interest Proceeds" to the extent not paid in full thereunder, only to the extent that the Class D Notes are the Controlling Class;

(L) to pay the amounts referred to in clause (O) of "— Application of Interest Proceeds" to the extent not paid in full thereunder, only to the extent that the Class E Notes are the Controlling Class;

(M) if such Payment Date is a Redemption Date on which the Secured Notes are being redeemed in whole, to make payments in accordance with the Note Payment Sequence;

(N) (1) during the Reinvestment Period, to the Collection Account as Principal Proceeds to invest in Eligible Investments (pending the purchase of additional Collateral Obligations) and/or to the purchase of additional Collateral Obligations in accordance with the Investment Criteria and (2) after the Reinvestment Period, in the case of Eligible Post Reinvestment Proceeds, to the Collection Account as Principal Proceeds to invest in Eligible Investments (pending the purchase of Substitute Obligations) and/or to the purchase of Substitute Obligations in accordance with the Investment Criteria and the Post-Reinvestment Period Substitution Criteria;

(O) to make payments in accordance with the Note Payment Sequence;

(P) to pay the amounts referred to in clause (R) of "—Application of Interest Proceeds" only to the extent not already paid;

(Q) to pay the amounts referred to in clause (S) of "—Application of Interest Proceeds" only to the extent not already paid (in the same manner and order of priority stated therein);

(R) after giving effect to clause (T) of "—Application of Interest Proceeds", to pay the holders of the Subordinated Notes until the Subordinated Notes have first realized a Subordinated Notes Internal Rate of Return of 13.0%; and

(S) any remaining proceeds to be paid (x) 20% to the Collateral Manager as part of the Incentive Management Fee payable on such Payment Date; and (y) 80% to the holders of the Subordinated Notes.

Special Priority of Payments ..... Upon the occurrence and during the continuance of an Enforcement Event, Interest Proceeds and Principal Proceeds will be applied in accordance with the Special Priority of Payments described under "Description of the Notes—Priority of Payments". The Special Priority of Payments and the other priorities of payment described above under "—Priority of Payments—Application of Interest Proceeds" and "—Application of Principal Proceeds" are referred to herein as the "**Priority of Payments**".

Note Payment Sequence..... The "**Note Payment Sequence**" shall be the application, in accordance with the Priority of Payments described above, of Interest Proceeds or Principal Proceeds, as applicable, in the following order:

(i) to the payment of principal of the Class A-1A Notes, the Class A-1B Notes and the Class A-1C Notes, *pro rata*, based on their respective aggregate outstanding principal amounts, until the Class A-1A Notes, the Class A-1B Notes and the Class A-1C Notes have been paid in full;

(ii) to the payment of principal of the Class A-2A Notes and the Class A-2B Notes, *pro rata*, based on their respective aggregate outstanding principal amounts, until the Class A-2A Notes and the Class A-2B Notes have been paid in full;

(iii) to the payment of principal of the Class B Notes (including any Secured Note Deferred Interest in respect of the Class B Notes) until the Class B Notes have been paid in full;

(iv) to the payment of accrued and unpaid interest (including any interest on defaulted interest) on the Class B Notes until such amount has been paid in full;

	(v) to the payment of principal of the Class C Notes (including any Secured Note Deferred Interest in respect of the Class C Notes) until the Class C Notes have been paid in full; (vi) to the payment of accrued and unpaid interest (including any interest on defaulted interest) on the Class C Notes until such amount has been paid in full; (vii) to the payment of principal of the Class D Notes (including any Secured Note Deferred Interest in respect of the Class D Notes) until the Class D Notes have been paid in full; (viii) to the payment of accrued and unpaid interest (including any interest on defaulted interest) on the Class D Notes until such amount has been paid in full; (ix) to the payment of principal of the Class E Notes (including any Secured Note Deferred Interest in respect of the Class E Notes) until the Class E Notes have been paid in full; and (x) to the payment of accrued and unpaid interest (including any interest on defaulted interest) on the Class E Notes until such amount has been paid in full.
Management Fees:	The Collateral Manager will be entitled on each Payment Date to receive (i) a Base Management Fee equal to 0.20% per annum of the Fee Basis Amount, (ii) a Subordinated Management Fee equal to 0.30% per annum of the Fee Basis Amount and (iii) an Incentive Management Fee in an amount equal to 20% of any remaining Interest Proceeds and Principal Proceeds once the Subordinated Notes have first realized a Subordinated Notes Internal Rate of Return of 13.0% in accordance with the Priority of Payments as described herein, or as otherwise provided in the Special Priority of Payments in each case, calculated as described under "The Collateral Management Agreement" and subject to the Special Priority of Payments and the limitations described under "The Collateral Management Agreement". On any Payment Date, the Collateral Manager may, in its sole discretion, waive or defer all or a portion of the Subordinated Management Fee or waive all or a portion of the Incentive Management Fee. With respect to any such Subordinated Management Fee that is waived or deferred or any such Incentive Management Fee that is waived, the Collateral Manager may direct the Trustee (with notice to the Collateral Administrator) that such fee, instead of being paid to the Collateral Manager, be deposited to the Collection Account as Principal

	Proceeds for the purchase of additional Collateral Obligations. Any Subordinated Management Fee deferred at the election of the Collateral Manager shall be payable on subsequent Payment Dates to the extent of funds available therefor in accordance with, and subject to the limitations of, the Priority of Payments.
Collateral Management:	Pursuant to the Collateral Management Agreement, and subject to the limitations of the Indenture, the Collateral Manager will manage the selection, acquisition, reinvestment and disposition of the Assets, including exercising rights and remedies associated with the Assets, disposing of the Assets and certain related functions.
Security for the Secured Notes:	
General	The Secured Notes will be secured by the Assets, which include the various accounts pledged under the Indenture. In purchasing and selling Collateral Obligations, the Issuer will generally be required to meet certain requirements imposed by the Concentration Limitations described under "—Concentration Limitations", the Collateral Quality Test described under "—Collateral Quality Test", the Coverage Tests described under "—Coverage Tests and Interest Diversion Test" and various other criteria described under "Security for the Secured Notes—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria". Substantially all of the Collateral Obligations will be rated below investment grade and accordingly will have greater credit and liquidity risk than investment grade corporate obligations. See "Risk Factors—Relating to the Collateral Obligations—Below investment-grade Assets involve particular risks". It is expected that prior to the Closing Date the Issuer will have entered into commitments to purchase Collateral Obligations with an aggregate principal balance of approximately 83% of the Target Initial Par Amount. See "Risk Factors—Relating to the Collateral Obligations—Closing Date and pre-Closing Date acquisition of Collateral Obligations" and "Security for the Secured Notes—Collateral Obligations". During the Reinvestment Period, pending investment in Collateral Obligations, a portion of the net proceeds of the Notes will be invested in Eligible Investments. Each Collateral Obligation will be required to satisfy the criteria set forth in "Security for the Secured Notes—Collateral Obligations".
Purchase of Collateral Obligations; Effective Date:	The Issuer will use commercially reasonable efforts to purchase, on or before February 10, 2014, Collateral Obligations such that the Target Initial Par Condition is satisfied. See "Use of Proceeds—Effective Date".

Collateral Quality Test:	The "**Collateral Quality Test**" will be satisfied on any date of determination on and after the Effective Date during the Reinvestment Period (and in connection with the acquisition of Substitute Obligations, after the Reinvestment Period) if, in the aggregate, the Collateral Obligations owned (or in relation to a proposed purchase of a Collateral Obligation, proposed to be owned) by the Issuer satisfy each of the tests set forth below (or, after the Effective Date, if a test (other than, after the Reinvestment Period, the Maximum Moody's Rating Factor Test, which must be satisfied) is not satisfied on such date of determination, the degree of compliance with such test is maintained or improved after giving effect to any purchase or sale effected on such date of determination): (i) the Minimum Floating Spread Test; (ii) the Minimum Weighted Average Coupon Test; (iii) the Maximum Moody's Rating Factor Test; (iv) the Moody's Diversity Test; (v) the S&P CDO Monitor Test; (vi) the Minimum Weighted Average Moody's Recovery Rate Test; (vii) the Minimum Weighted Average S&P Recovery Rate Test; and (viii) the Weighted Average Life Test. The "**Minimum Floating Spread Test**" will be satisfied on any date of determination if the Weighted Average Floating Spread plus the Excess Weighted Average Coupon equals or exceeds the Minimum Floating Spread. "**Minimum Floating Spread**" means the number set forth in the column entitled "**Minimum Weighted Average Spread**" in the Minimum Diversity Score/Maximum Rating/Minimum Spread Matrix set forth below based upon the applicable "row/column combination" chosen by the Collateral Manager (or interpolating between two adjacent rows and/or two adjacent columns, as applicable) in accordance with the Indenture, reduced by the Moody's Weighted Average Recovery Adjustment; *provided* that the Minimum Floating Spread shall in no event be lower than 1.50%. The "**Minimum Weighted Average Coupon Test**" will be satisfied on any date of determination if the Weighted Average Coupon plus the Excess Weighted Average Floating Spread equals or exceeds the Minimum Weighted Average Coupon. "**Minimum Weighted Average Coupon**" means 6.50%.

The "**Maximum Moody's Rating Factor Test**" will be satisfied on any date of determination if the Adjusted Weighted Average Moody's Rating Factor of the Collateral Obligations is less than or equal to the sum of (i) the number set forth in the Minimum Diversity Score/Maximum Rating/Minimum Spread Matrix set forth below at the intersection of the applicable "row/column combination" chosen by the Collateral Manager (or interpolating between two adjacent rows and/or two adjacent columns, as applicable) in accordance with the Indenture *plus* (ii) the Moody's Weighted Average Recovery Adjustment.

The "**Moody's Weighted Average Recovery Adjustment**" means, as of any date of determination, the greater of (a) zero and (b) the product of (i)(A) the Weighted Average Moody's Recovery Rate as of such date of determination *multiplied by* 100 *minus* (B) 44 and (ii) (A) with respect to the adjustment of the Maximum Moody's Rating Factor Test, 85.00 and (B) with respect to the adjustment of the Minimum Floating Spread, 0.25%; *provided*, *however*, if the Weighted Average Moody's Recovery Rate for purposes of determining the Moody's Weighted Average Recovery Adjustment is greater than 60.0%, then such Weighted Average Moody's Recovery Rate shall equal 60.0% or such other percentage as shall have been notified to Moody's by or on behalf of the Issuer; *provided*, *further*, that the amount specified in clause (b)(i) above may only be allocated once on any date of determination and the Collateral Manager shall designate to the Collateral Administrator in writing on each such date the portion of such amount that shall be allocated to clause (b)(ii)(A) and the portion of such amount that shall be allocated to clause (b)(ii)(B) (it being understood that, absent an express designation by the Collateral Manager, all such amounts shall be allocated to clause (b)(ii)(A)).

The "**Moody's Diversity Test**" will be satisfied on any date of determination if the Diversity Score (rounded to the nearest whole number) equals or exceeds the number set forth in the column entitled "**Minimum Diversity Score**" in the Minimum Diversity Score/Maximum Rating/Minimum Spread Matrix set forth below based upon the applicable "row/column combination" chosen by the Collateral Manager (or interpolating between two adjacent rows and/or two adjacent columns, as applicable) in accordance with the Indenture.

The "**Minimum Diversity Score/Maximum Rating/Minimum Spread Matrix**" means the following chart used to determine which of the "row/column combinations" are applicable for purposes of determining compliance with the Moody's Diversity Test, the Maximum Moody's Rating Factor Test and the Minimum Floating Spread Test:

Minimum Weighted Average Spread	Minimum Diversity Score								
	40	45	50	55	60	65	70	75	80
2.70%	2010	2085	2160	2235	2300	2365	2430	2495	2560
2.80%	2040	2115	2190	2265	2330	2395	2460	2525	2590
2.90%	2070	2145	2220	2295	2360	2425	2490	2555	2620
3.00%	2100	2175	2250	2325	2390	2455	2520	2585	2650
3.10%	2130	2205	2280	2355	2420	2485	2550	2615	2680
3.20%	2160	2235	2310	2385	2450	2515	2580	2645	2710
3.30%	2190	2265	2340	2415	2480	2545	2610	2675	2740
3.40%	2220	2295	2370	2445	2510	2575	2640	2705	2770
3.50%	2250	2325	2400	2475	2540	2605	2670	2735	2800
3.60%	2280	2355	2430	2505	2570	2635	2700	2765	2830
3.70%	2310	2385	2460	2535	2600	2665	2730	2795	2860
3.80%	2340	2415	2490	2565	2630	2695	2760	2825	2890
3.90%	2370	2445	2520	2595	2660	2725	2790	2855	2920
4.00%	2400	2475	2550	2625	2690	2755	2820	2885	2950
4.10%	2430	2505	2580	2655	2720	2785	2850	2915	2980
4.20%	2460	2535	2610	2685	2750	2815	2880	2945	3010
4.30%	2490	2565	2640	2715	2780	2845	2910	2975	3040
4.40%	2520	2595	2670	2745	2810	2875	2940	3005	3050
4.50%	2550	2625	2700	2775	2840	2905	2970	3035	3050
4.60%	2580	2655	2730	2805	2870	2935	3000	3050	3050
4.70%	2610	2685	2760	2835	2900	2965	3030	3050	3050

The "**S&P CDO Monitor Test**" will be satisfied on any date of determination on or after the Effective Date if, after giving effect to the sale of a Collateral Obligation or the purchase of a Collateral Obligation, each Class Default Differential of the Proposed Portfolio is positive. The S&P CDO Monitor Test will be considered to be improved if each Class Default Differential of the Proposed Portfolio is greater than the corresponding Class Default Differential of the Current Portfolio.

The "**Minimum Weighted Average Moody's Recovery Rate Test**" will be satisfied on any date of determination if the Weighted Average Moody's Recovery Rate equals or exceeds 44.0%.

The "**Minimum Weighted Average S&P Recovery Rate Test**" will be satisfied on any date of determination if the Weighted Average S&P Recovery Rate for each Class of Secured Notes outstanding equals or exceeds the Weighted Average S&P Recovery Rate for such Class selected by the Collateral Manager in connection with the S&P CDO Monitor Test.

The "**Weighted Average Life Test**" will be satisfied on any date of determination if the Weighted Average Life of all Collateral Obligations as of such date is less than

	the number of years (rounded to the nearest one hundredth thereof) during the period from such date of determination to September 25, 2021.
Concentration Limitations:	The "**Concentration Limitations**" will be satisfied on any date of determination on or after the Effective Date during the Reinvestment Period (and in connection with the acquisition of Substitute Obligations, after the Reinvestment Period) if, in the aggregate, the Collateral Obligations owned (or in relation to a proposed purchase of a Collateral Obligation, proposed to be owned) by the Issuer comply with all of the requirements set forth below (or in relation to a proposed purchase after the Effective Date, if not in compliance, the relevant requirements (other than, after the Reinvestment Period, clauses (iv) and (v) below, which must be satisfied) must be maintained or improved after giving effect to the purchase):
Senior Secured Loans, Cash, Eligible Investments	(i) not less than 90.0% of the Collateral Principal Amount may consist of Senior Secured Loans, cash and Eligible Investments;
Second Lien Loans, Senior Secured Bonds, Senior Unsecured Bonds, Senior Secured Floating Rate Notes and Unsecured Loans	(ii) not more than 10.0% of the Collateral Principal Amount may consist, in the aggregate, of Second Lien Loans, Senior Secured Bonds, Senior Unsecured Bonds, Senior Secured Floating Rate Notes and Unsecured Loans; *provided* that not more than 1.0% of the Collateral Principal Amount may consist of Second Lien Loans, Unsecured Loans and Senior Unsecured Bonds issued by a single obligor and its Affiliates;
Single Obligor	(iii) not more than 2.0% of the Collateral Principal Amount may consist of obligations issued by a single obligor and its Affiliates, except that obligations (other than DIP Collateral Obligations) issued by up to five obligors and their respective Affiliates may each constitute up to 2.5% of the Collateral Principal Amount;
Rating of "Caa1" and below	(iv) not more than 7.5% of the Collateral Principal Amount may consist of Collateral Obligations with a Moody's Default Probability Rating of "Caa1" or below;
Rating of "CCC+" and below	(v) not more than 7.5% of the Collateral Principal Amount may consist of Collateral Obligations with an S&P Rating of "CCC+" or below;
Interest Paid Less Frequently than Quarterly	(vi) not more than 7.5% of the Collateral Principal Amount may consist of Collateral Obligations that pay interest less frequently than quarterly;
Fixed Rate Obligations	(vii) not more than 7.5% of the Collateral Principal Amount may consist of Fixed Rate Obligations;
Deferrable Securities	(viii) not more than 5.0% of the Collateral Principal Amount may consist of Deferrable Securities;

DIP Collateral Obligations.....	(ix) not more than 7.5% of the Collateral Principal Amount may consist of DIP Collateral Obligations;
Delayed Drawdown/Revolving Collateral Obligations	(x) not more than 10.0% of the Collateral Principal Amount may consist, in the aggregate, of unfunded commitments under Delayed Drawdown Collateral Obligations and unfunded and funded commitments under Revolving Collateral Obligations;
Participation Interests	(xi) not more than 20.0% of the Collateral Principal Amount may consist of Participation Interests;
Third Party Credit Exposure	(xii) the Third Party Credit Exposure may not exceed 20.0% of the Collateral Principal Amount and the Third Party Credit Exposure Limits may not be exceeded;
S&P Rating derived from a Moody's Rating.....	(xiii) not more than 10.0% of the Collateral Principal Amount may have an S&P Rating derived from a Moody's Rating as set forth in clause (iii)(a) of the definition of the term "S&P Rating";
Moody's Rating derived from an S&P Rating.....	(xiv) not more than 10.0% of the Collateral Principal Amount may consist of Collateral Obligations with a Moody's Rating derived from an S&P rating as provided in the definition of the term "Moody's Derived Rating";
Domicile of Obligor.....	(xv) (a) all of the Collateral Obligations must be issued by Non-Emerging Market Obligors; and (b) no more than the percentage listed below of the Collateral Principal Amount may be issued by obligors Domiciled in the country or countries set forth opposite such percentage:

% Limit	**Country or Countries**
20.0%	All countries (in the aggregate) other than the United States;
15.0%	Canada;
10.0%	all countries (in the aggregate) other than the United States, Canada and the United Kingdom;
10.0%	any individual Group I Country other than Australia, New Zealand or the United Kingdom;
7.5%	all Group II Countries in the aggregate;
5.0%	any individual Group II Country;
7.5%	all Group III Countries in the aggregate;
5.0%	all Tax Jurisdictions in the aggregate; and
3.0%	any individual country other than the United States, the United Kingdom,

	Canada, the Netherlands, Australia, New Zealand, any Group II Country or any Group III Country;
S&P Industry Classification	(xvi) not more than 10.0% of the Collateral Principal Amount may consist of Collateral Obligations that are issued by obligors that belong to any single S&P industry classification, except that (x) the largest S&P industry classification may represent up to 15.0% of the Collateral Principal Amount; and (y) each of the second-largest S&P industry classification and the third-largest S&P industry classification may represent up to 12.0% of the Collateral Principal Amount;
Moody's Industry Classification	(xvii) not more than 10.0% of the Collateral Principal Amount may consist of Collateral Obligations that are issued by obligors that belong to any single Moody's industry classification, except that (x) the largest Moody's industry classification may represent up to 15.0% of the Collateral Principal Amount; and (y) each of the second-largest Moody's industry classification and the third-largest Moody's industry classification may represent up to 12.0% of the Collateral Principal Amount;
Letter of Credit Reimbursement Obligations.....	(xviii) not more than 3.0% of the Collateral Principal Amount may consist of the LC Commitment Amount under Letter of Credit Reimbursement Obligations;
Bridge Loans.....	(xix) not more than 5.0% of the Collateral Principal Amount may consist of Bridge Loans; and
Cov-Lite Loans.....	(xx) not more than 60.0% of the Collateral Principal Amount may consist of Cov-Lite Loans.
Coverage Tests and Interest Diversion Test:	The Coverage Tests will be used primarily to determine whether principal and interest may be paid on the Secured Notes and distributions may be made on the Subordinated Notes or whether funds which would otherwise be used to pay interest on the Secured Notes other than the Class A Notes and to make distributions on the Subordinated Notes must instead be used to pay principal on one or more Classes of Secured Notes according to the priorities referred to in "—Priority of Payments". The "**Coverage Tests**" will consist of the Overcollateralization Ratio Test and the Interest Coverage Test, each as applied to each specified Class of Secured Notes. In addition, the Interest Diversion Test, which is not a Coverage Test, will apply as described herein. If on any Measurement Date, either of the Class A Coverage Tests is not satisfied, the Issuer shall not be permitted to purchase additional Collateral Obligations. See "Security for the Secured Notes—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria—Investment Criteria".

The "**Overcollateralization Ratio Test**" and "**Interest Coverage Test**" applicable to the indicated Class or Classes of Secured Notes will be satisfied as of any date of determination on which such Coverage Test is applicable, if (1) the applicable Overcollateralization Ratio or Interest Coverage Ratio, as the case may be, is at least equal to the applicable ratio indicated below or (2) such Class or Classes of Secured Notes is no longer outstanding.

Class	Required Interest Coverage Ratio
A	120.0%
B	115.0%
C	110.0%
D	105.0%
Class	**Required Overcollateralization Ratio**
A	122.1%
B	112.9%
C	108.0%
D	104.5%

Measurement of the degree of compliance with the Coverage Tests will be required as of each Measurement Date occurring (i) in the case of the Overcollateralization Ratio Tests, on or after the Effective Date and (ii) in the case of the Interest Coverage Tests, on or after the Determination Date immediately preceding the second Payment Date. If the Coverage Tests are not satisfied on any such Measurement Date, the Issuer will be required to apply available amounts in the Payment Account on the related Payment Date to the repayment of principal of the Secured Notes in accordance with the Priority of Payments to the extent necessary to achieve compliance with such Coverage Tests.

The "Interest Diversion Test" is a test that is satisfied as of any date of determination during the Reinvestment Period on which Class E Notes are Outstanding if the Overcollateralization Ratio with respect to the Class E Notes as of such date of determination is at least equal to 103.0%.

If the Interest Diversion Test is not satisfied on any Determination Date during the Reinvestment Period, the Issuer will be required to apply the amount specified in the following paragraph to either, as determined by the Collateral Manager in its sole discretion (subject to the proviso to this paragraph and with notice to the Collateral Administrator), (x) make a deposit to the Collection Account as Principal Proceeds for the purchase of additional Collateral Obligations or (y) after

the Non-Call Period, make payments in accordance with the Note Payment Sequence; *provided* that the Collateral Manager may elect clause (y) only with the consent of a Majority of the Subordinated Notes.

The amount applied as described in the preceding paragraph will be an amount equal to the lesser of (x) 50% of Available Funds from the Collateral Interest Amount on the related Payment Date after application of such Collateral Interest Amount to the payment of amounts set forth in clauses (A) through (P) under "—Priority of Payments—Application of Interest Proceeds" and (y) the minimum amount that needs to be added to the Adjusted Collateral Principal Amount (or subtracted from the aggregate outstanding principal amount of the Secured Notes, as the case may be) in order to cause the Interest Diversion Test to be satisfied.

Other Information:

Listing, Trading and Form of Notes..... Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. There can be no assurance that such listing will be maintained. See "Listing and General Information". There is currently no market for any Class of Notes and there can be no assurance that such a market will develop. See "Risk Factors—Relating to the Notes—The Notes will have limited liquidity and are subject to substantial transfer restrictions".

The Secured Notes sold to persons who are Qualified Institutional Buyers will be represented by global notes or certificates in fully registered form without interest coupons to be deposited with a custodian for and registered in the name of Cede & Co., c/o The Depository Trust & Clearing Corporation, 55 Water Street, New York, NY 10041, telephone (212) 855-5471. The Secured Notes and Subordinated Notes (other than certain Subordinated Notes sold in reliance on Regulation S which may be issued in definitive, fully registered form at the option of the Issuer (with the written consent of the Collateral Manager)) sold to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act will be represented by global notes or certificates in fully registered form without interest coupons to be deposited with a custodian for and registered in the name of Cede & Co., a nominee of DTC, for the accounts of Euroclear or Clearstream. All other Subordinated Notes will be issued either (i) in definitive, fully registered form without interest coupons or (ii) if requested by the beneficial owner thereof, in uncertificated, fully registered form.

Governing Law	The Notes and the Indenture, and any matters arising out of or relating in any way whatsoever to any of the Notes and the Indenture (whether in contract, tort or otherwise), will be governed by the laws of the State of New York.
Tax Matters	See "Certain U.S. Federal Income Tax Considerations" and "Cayman Islands Income Tax Considerations".
ERISA Considerations	See "Certain ERISA and Related Considerations".

RISK FACTORS

An investment in the Notes involves certain risks. You should carefully consider the following factors, in addition to the matters set forth elsewhere in this Offering Circular, prior to investing in the Notes.

General Economic Risks.

General economic conditions may affect the ability of the Co-Issuers to make payments on the Notes.

Beginning in mid-2007, there occurred an extreme downturn in the credit markets and other financial markets, which resulted in dramatic deterioration in the financial condition of many companies. However, there are some indications that credit markets and other financial markets are emerging from such downturn. Corporate default rates have been decreasing and rating upgrades have exceeded downgrades. It is difficult to predict how long and to what extent these conditions will continue to improve and which markets, products, businesses and assets will experience this improvement (or to what degree any such improvement is dependent on monetary policies by central banks, particularly the Federal Reserve). The ability of the Co-Issuers to make payments on the Notes may depend on the continued recovery of the economy, and there is no assurance that this recovery will continue. In addition, the business, financial condition or results of operations of the obligors on the Collateral Obligations may be adversely affected by a worsening of economic and business conditions. To the extent that economic and business conditions deteriorate, non-performing assets are likely to increase, and the value and collectability of the Assets is likely to decrease. A decrease in market value of the Collateral Obligations also would adversely affect the Sale Proceeds that could be obtained upon the sale of the Collateral Obligations and could ultimately affect the ability of the Issuer to pay in full or redeem the Secured Notes, as well as the ability to make any distributions in respect of the Subordinated Notes.

Many financial institutions including banks continue to suffer from capitalization issues. The bankruptcy or insolvency of a major financial institution may have an adverse effect on the Issuer, particularly if such financial institution is a grantor of a participation in an asset or is a hedge counterparty to a swap or hedge involving the Issuer, or a counterparty to a buy or sell trade that has not settled with respect to an asset. The bankruptcy or insolvency of another financial institution may result in the disruption of payments to the Issuer. In addition, the bankruptcy or insolvency of one or more additional financial institutions may trigger additional crises in the global credit markets and overall economy which could have a significant adverse effect on the Issuer, the Assets and the Notes.

Changes in the legislative and regulatory environment may affect the ability of the Co-Issuers to make payments on the Notes.

Recent changes in legislation, together with uncertainty about the nature and timing of regulations that will be promulgated to implement such legislation, may create uncertainty in the credit and other financial markets and create other unknown risks. In particular, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"), which was signed into law on July 21, 2010, includes provisions that are expected to have a broad impact on credit and other financial markets. Also, recently proposed rules regarding risk retention by sponsors of asset-backed securities could potentially limit the ability of the Issuer to issue additional Notes or undertake any Refinancing. Further, the "Volcker Rule" contained in the Dodd-Frank Act (which became effective on July 21, 2012) imposes limitations on the ability of banking entities and their affiliates to invest in private investment funds such as the Issuer. Compliance of such institutions with the Volcker Rule could have a substantial negative impact on the liquidity of the Notes. No prediction can be made on whether the Volcker Rule will be modified by legislation, rule or regulation following its effective date or the impact of any such modifications on the liquidity of the Notes. Furthermore, no assurance can be made that the United States federal government or any U.S. regulatory body (or other authority or regulatory body) will not continue to take further legislative or regulatory action in response to the economic crisis or otherwise, and the effect of such actions, if any, cannot be known or predicted.

In addition, under FATCA, the Issuer will be subject to a 30% U.S. withholding tax on (i) certain U.S.-source payments made after June 30, 2014, and the proceeds of certain sales received by the Issuer after December 31, 2016, with respect to an obligation that is not outstanding on or that is materially modified on or after July 1, 2014 and (ii) payments treated as "foreign passthru payments" within the meaning of FATCA received by the Issuer after December 31, 2016, with respect to an obligation that is not outstanding on or is materially modified on or after the date that is six months following the issuance of final regulations defining the term "foreign passthru payment", in each case, unless the Issuer has in effect an agreement with the United States Internal Revenue Service (the "**IRS**") to, among other things, provide certain information to the IRS about the holders and beneficial owners of the Notes or the United States and the Cayman Islands have entered into an intergovernmental agreement that provides an exemption from FATCA to financial institutions resident in the Cayman Islands. See "—Relating to the Notes—The Issuer may be subject to tax". The ability of the Co-Issuers to make payments on the Notes could be affected by the Dodd-Frank Act, FATCA and other recent legislation, regulations already promulgated thereunder and uncertainty about additional regulations to be promulgated thereunder in the future.

Collateral Obligation performance may not continue to improve.

Negative economic trends nationally as well as in specific geographic areas of the United States could result in an increase in loan defaults and delinquencies. Though levels of defaults and delinquencies have decreased from peak levels, there is a material possibility that economic activity will be volatile or will slow, and some obligors may be significantly and negatively impacted by negative economic trends. A continuing decreased ability of obligors to obtain refinancing (particularly as high levels of required refinancings approach) may result in an economic decline that could delay an economic recovery and cause a deterioration in loan performance generally and defaults of Collateral Obligations. There is no way to determine whether such trends in the credit markets will continue, improve or worsen in the future.

Illiquidity in the CDO, leveraged finance and fixed income markets may affect the holders of the Notes.

Events in the CDO (including CLO), leveraged finance and fixed income markets contributed to a severe liquidity crisis in global credit markets in recent years, as a result of which leveraged loans have experienced substantial price fluctuations and reduced liquidity. During periods of higher price volatility and reduced liquidity, the Issuer's ability to acquire or dispose of Collateral Obligations at a price and time that the Issuer deems advantageous may be severely impaired. As a result, in periods of rising market prices, the Issuer may be unable to participate in price increases fully to the extent that it is unable to acquire desired positions quickly; and the Issuer's inability to dispose fully and promptly of positions in declining markets may exacerbate losses suffered by the Issuer when Collateral Obligations are sold. Furthermore, significant additional risks for the Issuer and investors in the Notes exist. Those risks include, among others, (i) the possibility that, after the Closing Date, the prices at which Collateral Obligations can be sold by the Issuer will have deteriorated from their effective purchase price, (ii) the possibility that opportunities for the Issuer to sell its assets in the secondary market, including Credit Risk Obligations, Credit Improved Obligations and Defaulted Obligations, may be impaired or restricted by the Indenture, and (iii) increased illiquidity of the Notes because of reduced secondary trading in collateralized loan obligation securities. These additional risks may affect the returns on the Notes to investors or otherwise adversely affect holders of the Notes.

Regardless of current or future market conditions, certain Collateral Obligations purchased by the Issuer will have only a limited trading market (or none). The Issuer's investment in illiquid debt obligations may restrict its ability to dispose of investments in a timely fashion and for a fair price, as well as its ability to take advantage of market opportunities. Illiquid debt obligations may trade at a discount from comparable, more liquid investments.

In addition, lower liquidity levels than experienced in past years have adversely affected the primary market for a number of financial products, including leveraged loans, which may reduce opportunities for the Issuer to purchase recent issuances of Collateral Obligations. In addition, the ability of private equity sponsors and leveraged loan arrangers to effectuate new leveraged buy-outs and the ability of the Issuer to purchase such assets may be partially or significantly limited. There has been a very recent increase in primary leveraged loan market activity, but there can be no assurance that such increase will persist or that the primary leveraged loan market will not return to its previous levels or cease altogether for a period of time. The impact of another liquidity crisis on the

global credit markets could adversely affect the management flexibility of the Collateral Manager in relation to the portfolio and, ultimately, the returns on the Notes to investors.

Eurozone risk could adversely affect the value of the Assets.

The ongoing deterioration of the sovereign debt of several countries, in particular Greece, together with the risk of contagion to other, more stable, countries, particularly France and Germany, has exacerbated the global economic crisis. This situation has also raised a number of uncertainties regarding the stability and overall standing of the European Economic and Monetary Union and may result in changes to the composition of the Eurozone.

As a result of the credit crisis in Europe, in particular in Cyprus, Greece, Italy, Ireland, Portugal and Spain, the European Commission created the European Financial Stability Facility (the "**EFSF**") and the European Financial Stability Mechanism (the "**EFSM**") to provide funding to Eurozone countries in financial difficulties that seek such support. In March 2011, the European Council agreed on the need for Eurozone countries to establish a permanent stability mechanism, the European Stability Mechanism (the "ESM"), which will be activated by mutual agreement, to assume the role of the EFSF and the EFSM in providing external financial assistance to Eurozone countries after June 2013.

Despite these measures, concerns persist regarding the growing risk that other Eurozone countries could be subject to an increase in borrowing costs and could face an economic crisis similar to that of Cyprus, Greece, Italy, Ireland, Spain and Portugal, together with the risk that some countries could leave the Eurozone (either voluntarily or involuntarily), and that the impact of these events on Europe and the global financial system could be severe which could have a negative impact on the Assets.

Investors should carefully consider how changes to the Eurozone may affect their investment in the Notes.

Relating to the Notes.

The Notes will have limited liquidity and are subject to substantial transfer restrictions.

Currently, no market exists for the Notes. Citigroup is under no obligation to make a market for the Notes. There can be no assurance that any secondary market for any of the Notes will develop, or if a secondary market does develop, that it will provide the holders of the Notes with liquidity of investment or will continue for the life of the Notes. Consequently, a purchaser of Notes must be prepared to hold the Notes until their Stated Maturity or the liquidation of the Issuer, as applicable. In addition, the Notes are subject to certain transfer restrictions and can only be transferred to certain transferees as described herein under "Transfer Restrictions." As described herein, the Issuer may, in the future, impose additional restrictions to comply with changes in applicable law. Such restrictions on the transfer of the Notes may further limit their liquidity. The Notes will not be registered under the Securities Act or any state securities laws, and the Co-Issuers have no plans, and are under no obligation, to register the Notes under the Securities Act. This Offering Circular has been approved by the Central Bank, as competent authority under Directive 2003/71/EC. Application has been made to admit the Notes to the Official List of the Irish Stock Exchange and trading on its regulated market. There can be no assurance that such admission will be maintained.

Recent European risk retention rules may affect the liquidity of the Notes.

Under rules that became effective on January 1, 2011 pursuant to Article 122a of the European Union's Directive 2006/48/EC (such directive, the Capital Requirements Directive ("**CRD**"), and Article 122a, "**Article 122a**"), credit institutions (and from January 1, 2014, investment firms) established in a Member State of the European Economic Area ("**EEA**"") and consolidated group affiliates thereof (including those that are based in the United States) (each an "**Affected 122a Investor**") that acquire credit risk of a securitization may be subject to certain financial and other penalties, including but not limited to increased capital requirements, unless the originator, sponsor or original lender has explicitly disclosed to the credit institution that it will retain, on an ongoing basis, a material net economic interest of not less than 5% in respect of certain specified credit risk tranches or asset exposures. Guidance published by the Committee of European Banking Supervisors (now known as the European

Banking Authority) on December 31, 2010 confirmed that a fund managed by the asset manager that structured the relevant securitization does not constitute an "originator" for purposes of satisfying the risk retention requirements of Article 122a. Article 122a also requires that an Affected 122a Investor be able to demonstrate that it has undertaken certain due diligence in respect of, among other things, the credit risk it has acquired and the underlying exposures, and that procedures have been established for monitoring the performance of the underlying exposures on an on-going basis.

On April 16, 2013, the European Parliament adopted a new directive and a regulation, Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, which is expected to take effect on January 1, 2014, collectively referred to as "**CRD4**", which is intended to replace the CRD. Articles 404-410 (inclusive) of the proposed regulation restate and, in certain respects, amend the requirements in Article 122a. In addition, on May 22, 2013, the European Banking Authority published a consultation paper on draft regulatory technical standards and implementing technical standards which will replace the current Article 122a Guidelines (the "**Draft Technical Standards**"). There are significant differences between the Draft Technical Standards and the European Banking Authority's current guidelines and guidance on the implementation of Article 122a. CRD4 and the final regulatory and implementing technical standards will likely result in changes to the requirements applying to Affected 122a Investors.

Article 122a applies to new securitizations issued after December 31, 2010. Requirements similar to the retention requirement in Article 122a will apply to investments in securitizations by other types of EEA investors such as EEA insurance and reinsurance undertakings, investment firms, UCITS funds and by investment funds managed by EEA alternative investment fund managers (together with Affected 122a Investors, "**Affected Investors**"). In particular, the requirements applying to the EEA managers of alternative investment funds became effective on July 22, 2013 under EU Directive 2011/61/EU on Alternative Investment Fund Managers ("**AIFMD**"). Though these requirements are similar to those applying under Article 122a, they are not identical. In this regard, it is likely that EEA alternative investment fund managers will be required to undertake due diligence on underlying exposures in a securitization which may be more extensive than that required under Article 122a. Though the practical effect of these requirements, and the details of other such requirements remain unclear, Article 122a and any other changes to the regulation or regulatory treatment of securitizations or of the Notes for some or all Affected Investors may negatively impact the regulatory position of individual Noteholders and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

Article 122a will apply to Affected 122a Investors investing in the Notes, and requirements similar to Article 122a will apply to Affected Investors investing in the Notes. Any Affected 122a Investors should therefore make themselves aware of the requirements of Article 122a and AIFMD (and any implementing rules in relation to a relevant jurisdiction) in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. No party to the transaction has committed to retain a material net economic interest in the transaction in accordance with the requirements of Article 122a or take any other action which may be required by Affected Investors for the purposes of their compliance with Article 122a, AIFMD or any other applicable legal, regulatory or other requirement. Affected Investors in the Notes are responsible for analyzing their own regulatory position, and are encouraged to consult with their own investment and legal advisors regarding compliance with Article 122a, AIFMD or any other applicable legal, regulatory or other requirements, and the suitability of the Notes for investment. None of the Issuer, the Initial Purchaser, the Placement Agent, the Collateral Manager or the Trustee makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment in the Notes on the Closing Date or at any time in the future. If a regulator determines that the transaction did not comply or is no longer in compliance with applicable legal, regulatory or other requirements then Affected Investors may be required to set aside additional capital against their investment in the Notes or take other remedial actions.

Citigroup will have no ongoing responsibility for the Assets or the actions of the Collateral Manager or the Issuer.

Citigroup will have no obligation to monitor the performance of the Assets or the actions of the Collateral Manager or the Issuer and will have no authority to advise the Collateral Manager or the Issuer or to direct their actions, which will be solely the responsibility of the Collateral Manager (to the extent set forth in the Collateral

Management Agreement) and/or the Issuer, as the case may be. If Citigroup owns Notes, it will have no responsibility to consider the interests of any holders of Notes in actions it takes in such capacity. While Citigroup may own Notes at any time, it has no obligation to make any investment in any Notes and may sell at any time any Notes it does purchase.

The Notes are limited recourse obligations; investors must rely on available collections from the Collateral Obligations and will have no other source for payment.

The Secured Notes, other than the Class D Notes and Class E Notes, are limited recourse obligations of the Co-Issuers and the Class D Notes, Class E Notes and Subordinated Notes are limited recourse obligations of the Issuer. The Notes are payable solely from proceeds of the Collateral Obligations and all other Assets pledged by the Co-Issuers or the Issuer, as applicable, to the holders of the Secured Notes and other secured parties (but not including holders of the Subordinated Notes) pursuant to the Indenture. None of the Trustee, the Collateral Administrator, the Collateral Manager, Citigroup or any of their respective affiliates or the Co-Issuers' affiliates or any other person or entity will be obligated to make payments on the Notes. Consequently, holders of the Notes must rely solely on distributions on the Collateral Obligations and other Assets for payments on the Notes. If distributions on such Assets are insufficient to make payments on the Notes, no other assets (in particular, no assets of the Collateral Manager, the holders of the Notes, Citigroup, the Trustee, the Collateral Administrator or any affiliates of any of the foregoing) will be available for payment of the deficiency and all obligations of the Co-Issuers and any claims against the Co-Issuers in respect of the Notes will be extinguished and will not revive.

The Subordinated Notes are unsecured obligations of the Issuer.

The Subordinated Notes will not be secured by any of the Assets, and, while the Secured Notes are outstanding, holders of the Subordinated Notes will not generally be entitled to exercise remedies under the Indenture. The Trustee will have no obligation to act on behalf of the holders of Subordinated Notes except as expressly provided in the Indenture. Distributions to holders of the Subordinated Notes will be made solely from distributions on the Assets after all other payments have been made pursuant to the Priority of Payments described herein. See "Description of the Notes—Priority of Payments". There can be no assurance that the distributions on the Assets will be sufficient to make distributions to holders of the Subordinated Notes after making payments that rank senior to payments on the Subordinated Notes. The Issuer's ability to make distributions to the holders of the Subordinated Notes will be limited by the terms of the Indenture. If distributions on the Assets are insufficient to make distributions on the Subordinated Notes, no other assets will be available for any such distributions. See "Description of the Notes—The Subordinated Notes".

The subordination of the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Notes, as described below, will affect their right to payment.

The Class A-1 Notes are subordinated to certain amounts payable by the Issuer to other parties as set forth in the Priority of Payments (including taxes, certain Administrative Expenses and Base Management Fees), the Class A-2 Notes are subordinated on each Payment Date to the Class A-1 Notes and amounts to which the Class A-1 Notes are subordinate; the Class B Notes are subordinated on each Payment Date to the Class A-2 Notes and amounts to which the Class A-2 Notes are subordinate; the Class C Notes are subordinated on each Payment Date to the Class B Notes and amounts to which the Class B Notes are subordinate; the Class D Notes are subordinated on each Payment Date to the Class C Notes and amounts to which the Class C Notes are subordinate; the Class E Notes are subordinated on each Payment Date to the Class D Notes and amounts to which the Class D Notes are subordinate; and the Subordinated Notes are subordinated on each Payment Date to the Secured Notes, amounts to which the Secured Notes are subordinate and certain other fees and expenses (including, but not limited to, the diversion of Interest Proceeds to purchase additional Collateral Obligations or to make payments in accordance with the Note Payment Sequence if the Interest Diversion Test is not satisfied, to redeem Secured Notes if a Moody's Ramp-Up Failure or an S&P Rating Confirmation Failure occurs and is continuing, unpaid Administrative Expenses, including unexpected liabilities that may become payable by the Issuer or the Co-Issuer, whether by reason of the offering contemplated hereby or otherwise, and certain Management Fees), in each case to the extent described

herein. No payments of interest or distributions from Interest Proceeds of any kind will be made on any such Class of Notes on any Payment Date until interest due on the Notes of each Class to which it is subordinated has been paid in full, no payments of principal (other than Secured Note Deferred Interest with respect to the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, to the extent set forth in the Priority of Payments) or distributions from Principal Proceeds of any kind will be made on any such Class of Notes on any Payment Date until principal on the Notes of each Class to which it is subordinated has been paid in full, and no distributions from Principal Proceeds of any kind will be made on the Subordinated Notes on any Payment Date until interest due on and all principal of the Notes of each Class to which it is subordinated has been paid in full. Therefore, to the extent that any losses are suffered by any of the holders of any Notes, such losses will be borne in the first instance by holders of the Subordinated Notes, then by the holders of the Class E Notes, then by the holders of the Class D Notes, then by the holders of the Class C Notes, then by the holders of the Class B Notes, then by the holders of the Class A-2 Notes, and last by the holders of the Class A-1 Notes. Furthermore, payments on the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes are subject to diversion to pay more senior Classes of Notes pursuant to the priority of payments if certain Coverage Tests are not met, as described herein, and failure to make such payments will not be a default under the Indenture. In addition, if an Event of Default or Enforcement Event occurs, the holders of the Controlling Class of Notes will be entitled to determine the remedies to be exercised under the Indenture. See "Description of the Notes—The Indenture—Events of Default". Remedies pursued by the Controlling Class could be adverse to the interests of the holders of the Notes that are subordinated to the Notes held by the Controlling Class, and the Controlling Class will have no obligation to consider any possible adverse effect on such other interests. See "—The Controlling Class will control many rights under the Indenture and therefore, holders of subordinate Classes will have limited rights in connection with an Event of Default, Enforcement Event or distributions thereunder".

If an Event of Default has occurred and has not been cured or waived and the Secured Notes have been declared due and payable following such Event of Default (or have become due and payable following an Event of Default referred to in clause (e) of the definition thereof) and, in the case of such a declaration of acceleration, such declaration of acceleration has not been rescinded, or if the Secured Notes have become due and payable at Stated Maturity or on any Redemption Date and remain unpaid, the most senior Class of Notes then outstanding shall be paid in full in cash, or to the extent the Majority of such Class consents, other than in cash, before any further payment or distribution is made on account of any more subordinate Classes, in each case in accordance with the Special Priority of Payments. In such a case, investors in any such subordinate Class of Notes will not receive any payments until such senior Classes are paid in full. Notwithstanding any acceleration, if an Event of Default or an Enforcement Event has occurred and is continuing (unless the Trustee has commenced remedies under the Indenture), the Collateral Manager may continue to direct dispositions and purchases of Collateral Obligations to the extent permitted under the provisions of the Indenture described under "Security for the Secured Notes—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria". Subject to the rights of the Collateral Manager described in the preceding sentence, if an Event of Default or an Enforcement Event has occurred and is continuing, the Trustee will retain the Assets intact and collect and cause the collection of the proceeds thereof and make and apply all payments and deposits and maintain all accounts in respect of the Assets and the Notes in accordance with the Priority of Payments and otherwise in accordance with the Indenture unless certain conditions are satisfied as described under "—The Controlling Class will control many rights under the Indenture and therefore, holders of subordinate Classes will have limited rights in connection with an Event of Default, Enforcement Event or distributions thereunder" and "Description of the Notes—The Indenture—Events of Default". If an Event of Default has occurred and the Notes have not been accelerated, payments on the Notes will continue to be made in the order of priority described under "Overview of Terms—Priority of Payments—Application of Interest Proceeds" and "Overview of Terms—Priority of Payments—Application of Principal Proceeds". There can be no assurance that, after payment of principal and interest on the Notes senior to any Class, the Issuer will have sufficient funds to make payments in respect of such Class.

The Subordinated Notes are highly leveraged, which increases risks to investors in the Subordinated Notes.

The Subordinated Notes represent a highly leveraged investment in the Assets. Therefore, the market value of the Subordinated Notes would be anticipated to be significantly affected by, among other things, changes in the market value of the Assets, changes in the distributions on the Assets, defaults and recoveries on the Assets, capital gains and losses on the Assets, prepayments on Assets and the availability, prices and interest rates of Assets and

other risks associated with the Assets as described in "—Relating to the Collateral Obligations". Accordingly, the Subordinated Notes may not be paid in full and may be subject to up to 100% loss. Furthermore, the leveraged nature of the Subordinated Notes may magnify the adverse impact on the Subordinated Notes of changes in the market value of the Assets, changes in the distributions on the Assets, defaults and recoveries on the Assets, capital gains and losses on the Assets, prepayments on Assets and availability, prices and interest rates of Assets.

The Assets may be insufficient to redeem the Notes in an Event of Default.

It is anticipated that the proceeds received by the Issuer on the Closing Date from the issuance of the Notes, net of certain fees and expenses, will be less than the aggregate amount of Notes. Consequently, it is anticipated that on the Closing Date the Assets would be insufficient to redeem in full all of the Secured Notes and Subordinated Notes in the event of an Event of Default under the Indenture.

The Indenture requires Mandatory Redemption of the Secured Notes for failure to satisfy Coverage Tests and Special Redemption in the event of a Moody's Ramp-Up Failure or an S&P Rating Confirmation Failure.

If any Coverage Test with respect to any Class or Classes of Secured Notes is not met on any Determination Date on which such Coverage Test is applicable, or a Moody's Ramp-Up Failure or an S&P Rating Confirmation Failure occurs and is continuing, Interest Proceeds and, to the extent Interest Proceeds are insufficient for such purpose in the case of a Coverage Test failure, Principal Proceeds will be applied as follows: Interest Proceeds and Principal Proceeds that otherwise would have been used to pay certain fees and expenses or distributed to the holders of the Notes of each Class (other than Class A Notes) that is subordinated to such Class or Classes and (during the Reinvestment Period and, with respect to Eligible Post Reinvestment Proceeds, after the Reinvestment Period) Principal Proceeds that would otherwise have been reinvested in Collateral Obligations will instead be used to redeem the Secured Notes of the most senior Class or Classes then outstanding, in each case in accordance with the Priority of Payments, to the extent necessary to satisfy the applicable Coverage Tests or, in the case of Interest Proceeds, remedy a Moody's Ramp-Up Failure and/or S&P Rating Confirmation Failure (as the case may be) as described under "Overview of Terms—Priority of Payments". This could result in an elimination, deferral or reduction in the payments of Interest Proceeds to the holders of the Class B Notes, Class C Notes, Class D Notes, the Class E Notes and/or Subordinated Notes, as the case may be. In addition, a mandatory redemption of Secured Notes owing to a Moody's Ramp-Up Failure or an S&P Rating Confirmation Failure may cause the Collateral Manager to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the realized value of the Collateral Obligations sold.

The Notes are subject to Clean-Up Call Redemption at the option of the Collateral Manager.

At the direction of the Collateral Manager, the Notes will be subject to redemption by the Issuer, in whole but not in part, at the Redemption Price therefor, on any Business Day after the Non-Call Period on which the Collateral Principal Amount is less than 25% of the Target Initial Par Amount. Any such redemption is subject to certain conditions described below under "Description of the Notes—Clean-Up Call Redemption". The timing of a Clean-Up Call Redemption could affect the return to the holders of the Notes.

Additional issuances of Notes may have different terms and may have the effect of preventing the failure of the Coverage Tests and the occurrence of an Event of Default.

At any time during the Reinvestment Period, at the direction of the Collateral Manager on behalf of the Issuer, the Co-Issuers may issue and sell additional notes of any one or more new classes of notes that are fully subordinated to the existing Secured Notes (or to the most junior class of securities of the Issuer (other than the Subordinated Notes) issued pursuant to the Indenture, if any class of securities issued pursuant to the Indenture other than the Secured Notes and the Subordinated Notes is then outstanding) and/or additional notes of any one or more existing Classes and use the net proceeds to purchase additional Collateral Obligations or for other purposes permitted under the Indenture if the conditions for such additional issuance described under "Description of the Notes—The Indenture—Modification of Indenture" and "Description of the Notes—The Indenture—Additional

issuance" are met. Any such additional issuance will be made only with the consent of a Majority of the Subordinated Notes. Among other conditions that must be satisfied in connection with an additional issuance of notes, (i) unless only additional subordinated notes are being issued, the Moody's Rating Condition shall have been satisfied (or deemed inapplicable as described under "Ratings of the Secured Notes—Inapplicability of the Moody's Rating Condition") with respect to any Class A-1 Notes not constituting part of such additional issuance and S&P shall have been notified of such additional issuance (provided that if only additional subordinated notes are being issued, the Issuer notifies each Rating Agency of such issuance prior to the issuance date), (ii) in the case of the issuance of additional notes of an existing Class, the terms of the notes to be issued must be identical to the respective terms of previously issued Notes of the applicable Class (except that the interest, if any, due on additional notes will accrue from the issue date of such additional notes and the interest rate and price of such notes do not have to be identical to those of the initial Notes of that Class) and (iii) in the case of additional notes of any one or more existing Classes, unless only additional subordinated notes are being issued, additional notes of all Classes must be issued and such issuance of additional notes must be proportional across all Classes; *provided* that (A) the principal amount of subordinated notes issued in any such issuance may exceed the proportion otherwise applicable to the Subordinated Notes and (B) if additional subordinated notes are being issued, each holder of Subordinated Notes shall have the right to purchase additional subordinated notes to maintain its proportional ownership within the Class of Subordinated Notes. In addition, the use of such issuance proceeds as Principal Proceeds may have the effect of causing a Coverage Test that was otherwise failing to be cured or modifying the effect of events that would otherwise give rise to an Event of Default and permit the Controlling Class to exercise remedies under the Indenture.

The Controlling Class will control many rights under the Indenture and therefore, holders of subordinate Classes will have limited rights in connection with an Event of Default, Enforcement Event or distributions thereunder.

Under the Indenture, many rights of the holders of the Notes will be controlled by specified percentages of the Controlling Class. Remedies pursued by the holders of the Controlling Class upon an Event of Default could be adverse to the interests of the holders of Notes subordinated to the Controlling Class. After any Enforcement Event, proceeds of any realization on the Assets will be allocated in accordance with the Special Priority of Payments pursuant to which the Secured Notes and certain other amounts owing by the Co-Issuers will be paid in full before any allocation to the Subordinated Notes, and each Class of Notes (along with certain other amounts owing by the Co-Issuers) will be paid in order of seniority until it is paid in full before any allocation is made to the next Class of Notes. If an Event of Default or an Enforcement Event has occurred and is continuing, the holders of the Subordinated Notes will not have any creditors' rights against the Issuer and will not have the right to determine the remedies to be exercised under the Indenture. There is no guarantee that any funds will remain to make distributions to the holders of subordinated Classes of Notes following any liquidation of the Assets and the application of the proceeds from the Assets to pay senior Classes of Notes and the fees, expenses, and other liabilities payable by the Co-Issuers.

On the other hand, the ability of the Controlling Class to direct the sale and liquidation of the Assets after an Event of Default is subject to certain limitations. As described under "Description of the Notes—The Indenture—Events of Default", notwithstanding any acceleration, if an Event of Default or an Enforcement Event occurs and is continuing, then (a) if the Trustee has not commenced or been directed to commence remedies under the Indenture, the Collateral Manager may continue to direct dispositions and purchases of Collateral Obligations to the extent permitted under the provisions of the Indenture described under "Security for the Secured Notes—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria" or (b) if the foregoing clause (a) does not apply, the Trustee will retain the Assets intact and collect all payments in respect of the Assets and continue making payments in accordance with the Priority of Payments and otherwise in accordance with the Indenture unless, in the case of either (a) or (b):

(i) the Trustee determines (in the manner described in the Indenture) that the anticipated proceeds of a sale or liquidation of the Assets (after deducting the anticipated reasonable expenses of such sale or liquidation) would be sufficient to discharge in full the amounts then due (or, in the case of interest, accrued) and unpaid on the Secured Notes for principal and interest (including accrued and unpaid Secured Note Deferred Interest) and all other amounts payable pursuant to the Priority of Payments prior to payment of principal on such Secured Notes (including any amounts due and owing, and any amounts anticipated to be due and owing, as Administrative

Expenses (without regard to the Administrative Expense Cap) and any due and unpaid Base Management Fee) and a Supermajority of the Controlling Class agrees with such determination; or

(ii) so long as any Class A-1 Notes are outstanding and an Event of Default referred to in clause (a) of the definition of "Event of Default" with respect to the Class A-1 Notes, or clause (f) of the definition of "Event of Default", has occurred and is continuing, a Supermajority of the Class A-1 Notes directs the sale and liquidation of the Assets; or

(iii) a Supermajority of each Class of the Secured Notes (voting separately by Class) directs the sale and liquidation of the Assets (by notice to the Issuer, Trustee and Collateral Manager).

The Issuer may modify the Indenture by supplemental indentures, and some supplemental indentures do not require consent of all or any holders of Notes or confirmation of the ratings of the Secured Notes.

The Indenture provides that the Co-Issuers and the Trustee may enter into supplemental indentures to modify various provisions of the Indenture. Execution of supplemental indentures is subject to various conditions precedent. In certain cases, consent is required from all holders of Notes that would be materially and adversely affected by the supplemental indenture, but, in certain other cases, consent is not required from any holders or is only required from a Majority of a Class that would be materially and adversely affected by the supplemental indenture. In addition, while the Rating Agencies will be provided advance notice of proposed supplemental indentures, confirmation of the ratings of the applicable Secured Notes is not a condition precedent to the Issuer's entry into a supplemental indenture, except that the Moody's Rating Condition is required to be satisfied (or deemed inapplicable as described under "Ratings of the Secured Notes—Inapplicability of the Moody's Rating Condition") with respect to any supplemental indenture that modifies or amends any component of the Minimum Diversity Score/Maximum Rating/Minimum Spread Matrix or the definitions related thereto. Accordingly, a Class may be materially and adversely affected by a supplemental indenture that is entered into following consent thereto by a Majority of such Class, and the Issuer may be prevented from entering into a supplemental indenture that is beneficial to one or more Classes if consents required from other Classes are not obtained. See "Description of the Notes—The Indenture—Modification of Indenture".

The Notes are subject to Optional Redemption in whole or in part by Class and to Tax Redemption in whole.

The Secured Notes are subject to redemption by the Co-Issuers or the Issuer, as applicable, on any Eligible Redemption Date after the Non-Call Period, as follows: (i) at the written direction of a Special Majority of the Subordinated Notes, subject, for so long as the Required IRR Threshold Condition applies, to the satisfaction of the Required IRR Threshold Test (unless the Designated Subordinated Noteholder directs that such test be deemed satisfied), with the consent of the Collateral Manager, the Secured Notes are subject to redemption in whole (with respect to all Classes of Secured Notes) but not in part from Sale Proceeds and all other funds available for such purpose in the Collection Account and the Payment Account; or (ii) at the written direction of a Majority of the Subordinated Notes, the Secured Notes are subject to redemption in part by Class from Refinancing Proceeds and Partial Refinancing Interest Proceeds (so long as any Class of Secured Notes to be redeemed represents the entire Class of such Secured Notes) or in whole from Refinancing Proceeds and all other funds available for such purpose in the Collection Account and the Payment Account.

In addition, the Subordinated Notes may be redeemed, in whole but not in part, on any Business Day on or after the redemption or repayment in full of the Secured Notes, at the direction of either (i) a Special Majority of the Subordinated Notes, or (ii) the Collateral Manager, so long as American Capital CLO Management, LLC or any affiliate thereof is the Collateral Manager, as described under "Description of the Notes—Optional Redemption and Tax Redemption" and "Description of the Notes—The Subordinated Notes—Optional Redemption".

Following the occurrence of certain Tax Events as described under "Description of the Notes—Optional Redemption and Tax Redemption", the Notes are also subject to redemption in whole but not in part at the written direction (delivered to the Issuer and the Trustee, with a copy to the Collateral Manager) of (x) a Majority of any Affected Class or (y) a Special Majority of the Subordinated Notes.

In the event of an early redemption, the holders of the Notes to be redeemed will be repaid prior to the Stated Maturity date of such Notes. There can be no assurance that, upon any such redemption, the Sale Proceeds realized and other available funds would permit any distribution on the Subordinated Notes after all required payments are made to the holders of the Secured Notes. In addition, an Optional Redemption from Sale Proceeds could require the Collateral Manager to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect distributions on the Subordinated Notes.

As described under "Description of the Notes—Optional Redemption and Tax Redemption", Refinancing Proceeds may be used in connection with either a redemption in whole of the Secured Notes or a redemption in part of the Secured Notes by Class. The Indenture provides that the holders of the Subordinated Notes will not have any cause of action against any of the Co-Issuers, the Collateral Manager, the Collateral Administrator or the Trustee for any failure to obtain a Refinancing. If a Refinancing is obtained meeting the requirements of the Indenture, the Issuer and, at the direction of the Collateral Manager, the Trustee will amend the Indenture to the extent necessary to reflect the terms of the Refinancing and no consent for such amendments shall be required from the holders of any Class of Notes, other than a Majority of the Subordinated Notes. No assurance can be given that any such amendments to the Indenture or the terms of any Refinancing will not adversely affect the holders of any Class or Classes of Notes not subject to redemption (or, in the case of the Subordinated Notes, the holders of the Subordinated Notes who do not form a part of the holders of the Subordinated Notes directing such redemption).

The Re-Pricing Eligible Secured Notes are subject to Re-Pricing.

After the Non-Call Period, the Issuer at the direction of a Majority of the Subordinated Notes shall be required to cause the spread over LIBOR applicable with respect to any Class of Re-Pricing Eligible Secured Notes to be reduced, effective as of any Eligible Re-Pricing Date. Such Re-Pricing could occur, for example, if interest rates on investments similar to the Re-Pricing Eligible Secured Notes fall below current levels and may occur at a time when the Re-Pricing Eligible Secured Notes are trading at a premium in the market. The exercise of the Re-Pricing option may reduce or eliminate such premium on such Re-Pricing Eligible Secured Notes and may occur at a time when other investments bearing the same rate of interest relative to the level of risk assumed may be difficult or expensive to acquire. See "Description of the Notes—Optional Re-Pricing".

In addition, if any holders of a Re-Priced Class do not consent to the proposed Re-Pricing within the time period described herein, the Issuer (or a broker-dealer acting on behalf of the Issuer) will have the right to cause the non-consenting holders to sell their Notes of the Re-Priced Class on the Re-Pricing Date to one or more transferees at a sale price equal to the aggregate outstanding principal amount plus accrued and unpaid interest to (but excluding) the Re-Pricing Date. The consequence of such a sale to such non-consenting holder will be similar to that of an early redemption of such holders of the Re-Pricing Eligible Secured Notes.

Certain adverse U.S. federal income tax consequences may result to U.S. holders (as defined below) if Notes are subject to a Re-Pricing. See "Certain U.S. Federal Income Tax Considerations—Re-Pricing."

Recent regulatory changes may affect the Issuer's ability to enter into hedge agreements.

The Issuer is not entering into any hedge agreements on the Closing Date and does not anticipate entering into such agreements. Nevertheless, economic and market conditions could change, and the Issuer or the Collateral Manager could conclude that it would be in the interests of the Issuer to enter into hedge agreements to, for example, hedge interest rate risk. There have been recent developments, however, that may increase the cost of, or prevent the Issuer from, entering into such hedge agreements.

Pursuant to the Dodd-Frank Act, the Commodity Futures Trading Commission ("**CFTC**") has promulgated a range of new regulatory requirements that may affect the pricing, terms and compliance costs associated with hedge agreements. Such requirements include (i) the requirement that certain swaps be centrally cleared and in some cases traded on a designated contract market or swap execution facility, (ii) initial and variation margin requirements of any central clearing organization (with respect to cleared swaps) or initial or variation requirements as may otherwise be required with respect to uncleared swaps, (iii) swap reporting and recordkeeping obligations, and other matters. If the Issuer were to enter into a hedge agreement, such new requirements could significantly

increase the cost of such hedge agreement, have unforeseen legal consequences on the Issuer or the Collateral Manager or have other material adverse effects on the Issuer or the Noteholders.

In addition, the CFTC recently adopted rules under the Dodd-Frank Act that include "swaps" along with "commodities" as contracts which if traded by an entity may cause that entity to be a "commodity pool" under the Commodity Exchange Act and any person that, on behalf of such entity, engages in or facilitates such activity to be a "commodity pool operator" ("**CPO**") and a "commodity trading adviser" ("**CTA**"). Regulation of the Issuer as a commodity pool and/or regulation of the Collateral Manager (or another transaction party) as a CPO and CTA could cause the Issuer to be subject to extensive registration and reporting requirements that may involve material costs to the Issuer. As a result of these developments, the Co-Issuers and the Trustee shall not enter into any supplemental indenture that permits the Issuer to enter into a Synthetic Security or other hedge, swap or derivative transaction (each a "**hedge agreement**") without the consent of a Majority of the Controlling Class and a Majority of the Subordinated Notes; *provided* that before entering into any such hedge agreement, the following conditions must be satisfied: (a) except as the Initial Purchaser, a Majority of the Controlling Class and a Majority of the Subordinated Notes shall otherwise direct in a notice to the Issuer and the Trustee, the Issuer obtains an opinion of counsel to the effect that (i) the Issuer entering into such hedge agreement would fall within the scope of the exclusion from commodity pool regulation set forth in CFTC Letter No. 12-45 (Interpretation and No-Action) dated December 7, 2012 issued by the Division of Swap Dealer and Intermediary Oversight of the Commodity Futures Trading Commission, (ii) the Issuer entering into such hedge agreement would otherwise not cause the Issuer to be considered a "commodity pool" as defined in Section 1a(10) of the Commodity Exchange Act, as amended, or (iii) if the Issuer would be a commodity pool, that (A) the Collateral Manager and no other party would be the commodity pool operator and commodity trading adviser thereof, and (B) with respect to the Issuer as a commodity pool, the Collateral Manager is eligible for an exemption from registration as a commodity pool operator and commodity trading adviser and all conditions precedent to obtaining such an exemption have been satisfied; (b) the Collateral Manager agrees in writing that for so long as the Issuer is a commodity pool, the Collateral Manager shall take (or cause to be taken) all actions necessary to ensure ongoing compliance with the applicable exemption from registration as a commodity pool operator and commodity trading adviser with respect to the Issuer, and shall take (or cause to be taken) any other actions required as a commodity pool operator and commodity trading adviser with respect to the Issuer; (c) if the Issuer would be a commodity pool, the Issuer receives an opinion of counsel to the effect that the Issuer entering into such hedge agreement shall not, in and of itself, cause the Issuer to become a "hedge fund or a private equity fund" as defined for purposes of Section 13 of the Bank Holding Company Act, as amended; (d) the Moody's Rating Condition has been satisfied (or deemed inapplicable as described under "Ratings of the Secured Notes – Inapplicability of the Rating Conditions"); (e) the applicable S&P counterparty criteria then in effect are satisfied with respect to the counterparty under such hedge agreement; and (f) each of S&P and Moody's receives notice of such hedge agreement and a copy of such hedge agreement is sent to each of S&P and Moody's promptly after execution thereof.

Accordingly, there may be circumstances where it would otherwise be in the Issuer's interest to enter into a hedge agreement, but it will not be able to do so, which could reduce amounts available to make payments on the Notes.

The Notes may be affected by interest rate risks, including mismatches between the Notes and the Collateral Obligations.

The Fixed Rate Notes will bear interest at a fixed rate and, except in the case of the portion of the first Interest Accrual Period from the Closing Date to but excluding January 25, 2014, the Floating Rate Notes will bear interest at a rate based on 3-month LIBOR. The Collateral Obligations may bear interest based on other indices or on rates that reset at periods other than 3-month intervals. The aggregate outstanding principal amount of the Floating Rate Notes may be different than the aggregate principal balance of the Floating Rate Obligations, and the aggregate outstanding principal amount of the Fixed Rate Notes may be different from the aggregate principal balance of any portion of the Collateral Obligations that are Fixed Rate Obligations. In addition, any payments of principal of or interest on Collateral Obligations received during a Collection Period (and, during the Reinvestment Period or (solely with respect to Eligible Post Reinvestment Proceeds) after the Reinvestment Period, not reinvested in Collateral Obligations during such Collection Period) will be reinvested in Eligible Investments maturing not later than the earlier of (A) the date that is 60 days after the date of delivery thereof and (B) the Business Day immediately preceding the Payment Date immediately following the date of delivery thereof. There is no

requirement that such Eligible Investments bear interest at a floating rate, and the interest rates available for such Eligible Investments are inherently uncertain. As a result of such mismatches, changes in the level of LIBOR or any other applicable floating rate index could adversely affect the ability of the Co-Issuers or the Issuer, as applicable, to make payments on the Notes. The Subordinated Notes will be subordinated to the payment of interest on the Secured Notes. There can be no assurance that the Collateral Obligations and the Eligible Investments will in all circumstances generate sufficient Interest Proceeds to make timely payments of interest on the Secured Notes or to make distributions to the holders of the Subordinated Notes.

Additional information about LIBOR.

Regulators and law-enforcement agencies in a number of jurisdictions are conducting investigations into potential manipulation or attempted manipulation of LIBOR submissions to the British Bankers' Association (the "BBA"). Actions by the BBA, regulators or law-enforcement agencies may affect LIBOR (and/or the determination thereof) in unknown ways, which could adversely affect the value of the Notes. This could include a change in the methodology of setting LIBOR or reduced prominence for LIBOR as a benchmark interest rate. Any uncertainty in the value of LIBOR or the development of a widespread market view that LIBOR has been or is being manipulated may adversely affect liquidity of the Notes in the secondary market and their market value. An increase in alternative types of financing at the expense of LIBOR-based syndicated commercial loans may make it more difficult for the Issuer to source Collateral Obligations prior to the Effective Date or reinvest proceeds in Collateral Obligations that satisfy the reinvestment criteria specified herein or may increase interest expense.

The weighted average lives of the Notes may vary from their maturity date.

The Stated Maturity date of the Notes is October 25, 2025. The average life of each Class of Notes is expected to be shorter than the number of years until its respective Stated Maturity date. Each such average life may vary due to various factors affecting the early retirement of Collateral Obligations, the timing and amount of sales of such Collateral Obligations, the ability of the Collateral Manager to invest collections and proceeds in additional Collateral Obligations, and the occurrence of any Mandatory Redemption, Optional Redemption, Tax Redemption or Special Redemption. Retirement of the Collateral Obligations prior to their respective final maturities will depend, among other things, on the financial condition of the issuers of the underlying Collateral Obligations and the respective characteristics of such Collateral Obligations, including the existence and frequency of exercise of any optional redemption, mandatory redemption or sinking fund features, the prevailing level of interest rates, the redemption prices, the actual default rates and the actual amount collected on any Defaulted Obligations and the frequency of tender or exchange offers for such Collateral Obligations. In particular, loans are generally prepayable at par, and a high proportion of loans could be prepaid. The ability of the Issuer to reinvest proceeds in Collateral Obligations with comparable interest rates that satisfy the reinvestment criteria specified herein may affect the timing and amount of payments received by the holders of Notes and the yield to maturity of the Notes. See "Security for the Secured Notes—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria".

The Issuer may be subject to tax.

The Issuer expects to conduct its affairs so that its income generally will not be subject to tax on a net income basis in the United States or any other jurisdiction. In this regard, on the Closing Date, the Issuer will receive an opinion from Winston & Strawn LLP to the Issuer to the effect that, although no activity closely comparable to that contemplated by the Issuer has been the subject of any Treasury regulation, revenue ruling or judicial decision, the Issuer will not be treated as engaged in a trade or business within the United States for U.S. federal income tax purposes. This opinion will be based on certain assumptions and certain representations regarding restrictions on the future conduct of the activities of the Issuer and the Collateral Manager. There can be no assurance, however, that its net income will not become subject to U.S. federal income tax as the result of unanticipated activities by the Issuer, changes in law, contrary conclusions by the U.S. tax authorities or other causes. A determination by U.S. tax authorities that the Issuer is engaged in a U.S. trade or business and its income is, therefore, subject to U.S. federal income tax, or the imposition of unanticipated withholding taxes on the Issuer's income could materially impair the Issuer's ability to make payments on the Notes, cause the Issuer to sell the

relevant Collateral Obligations or cause a Tax Redemption in certain circumstances. See "Certain U.S. Federal Income Tax Considerations—Tax Treatment of the Issuer".

The Issuer also expects that payments received on the Collateral Obligations and Eligible Investments generally will not be subject to withholding taxes imposed by the United States or by other countries from which such payments are sourced, or that the issuers of the Collateral Obligations and Eligible Investments are required to make "gross-up" payments to cover the full amount of such withholding tax. Payments with respect to Equity Securities (if any), certain commitment fees and other similar fees may, however, be subject to U.S. or other withholding taxes. In addition, payments on the Collateral Obligations and Eligible Investments might become subject to U.S. or other withholding tax due to a change in law or other causes. The imposition of unanticipated withholding taxes could materially impair the Issuer's ability to make payments on the Secured Notes and make distributions with respect to the Subordinated Notes. In the event that the amount of withholding tax applied in certain circumstances results in the occurrence of a Tax Event, the Notes may be redeemed at the direction of a Majority of any Affected Class or a Special Majority of the Subordinated Notes, as described under "Description of the Notes—Optional Redemption and Tax Redemption". In addition, certain payments on Letter of Credit Reimbursement Obligations are expected to be subject to withholding taxes and, as a condition of their eligibility for acquisition, are required to be subject to withholding by the relevant agent bank, unless the Issuer has received an opinion of nationally recognized legal counsel to the effect that such withholding should or will not be required or the Issuer deposits into the LC Reserve Account an amount equal to 30% (or such other percentage equal to the withholding rate then in effect) of all of the fees received in respect of the Letter of Credit Reimbursement Obligation.

In addition, under FATCA, the Issuer will be subject to a 30% U.S. withholding tax on (x) certain U.S.-source payments made after June 30, 2014, and the proceeds of certain sales received by the Issuer after December 31, 2016, with respect to an obligation that is not outstanding on or that is materially modified on or after July 1, 2014 and (y) payments treated as "foreign passthru payments" within the meaning of FATCA received by the Issuer after December 31, 2016, with respect to an obligation that is not outstanding on or is materially modified on or after the date that is six months following the issuance of final regulations defining the term "foreign passthru payment", in each case, unless either (a) the United States and the Cayman Islands have entered into an intergovernmental agreement (an "**IGA**") that provides an exemption from FATCA to financial institutions resident in the Cayman Islands (as discussed below) and the Issuer is entitled to an exemption from FATCA under the IGA or (b) the Issuer has in effect an agreement with the IRS to (i) obtain information regarding each holder of its Notes (other than the Notes treated as regularly traded on an established securities market) as is necessary to determine which, if any, such holders are specified United States person as defined in Section 1473(3) of the Code ("specified United States person") or a United States owned foreign entity as defined in Section 1471(d)(3) of the Code ("United States owned foreign entity"), (ii) provide annually to the IRS the name, address, taxpayer identification number and certain other information with respect to holders and beneficial owners of Notes (other than Notes that are treated as regularly traded on an established securities market) that are specified United States persons or that are United States owned foreign entities (in which case the information must be provided with respect to the entity's "substantial United States owners") and (iii) comply with certain other due diligence procedures, IRS requests, withholding and other requirements. The Issuer expects to enter into such an agreement unless it is entitled to an exemption from FATCA under an IGA. However, the IRS has not yet issued final, comprehensive guidance as to the terms that must be included in, and the procedures for entering into, such an agreement.

The Cayman Islands Government recently announced that it had concluded negotiations with the United States on a Model 1 intergovernmental agreement (if adopted, the "**Cayman IGA**") with respect to the implementation of FATCA. The terms of the Cayman IGA would require the Issuer to comply with Cayman Islands legislation that would be implemented to give effect to FATCA. If the legislation is implemented, the Issuer would be responsible for collecting information in respect of any U.S. holders and providing such information to the Tax Information Authority of the Cayman Islands. The Tax Information Authority would then pass on such information to the IRS as required pursuant to the terms of the Cayman IGA. Under the terms of the IGA, withholding will not be imposed on payments made to the Issuer, or on payments made by the Issuer to holder of Notes, unless the IRS has specifically listed the Issuer as a non-participating financial institution.

To enable the Issuer to comply with FATCA, each purchaser, beneficial owner and subsequent transferee of Notes or interest therein will: (1) be required or deemed to agree to provide the Issuer and Trustee and their

agents and delegates (i) any information as is necessary (in the sole determination of the Issuer or the Trustee, as applicable) for the Issuer and the Trustee to determine whether such purchaser, beneficial owner or transferee is a specified United States person or a United States owned foreign entity and (ii) any additional information that the Issuer or its agent requests in connection with Sections 1471-1474 of the Code and (2) if it is a specified United States person or a United States owned foreign entity that is a holder or beneficial owner of Notes or an interest therein, be required to (x) provide the Issuer and Trustee and their agents and delegates its name, address, U.S. taxpayer identification number and, if it is a United States owned foreign entity, the name, address and taxpayer identification number of each of its substantial United States owners as defined in Section 1473(2) of the Code ("substantial United States owner") and any other information requested by the Issuer or its agent upon request and (y) update any such information provided in clause (x) promptly upon learning that any such information previously provided has become obsolete or incorrect or is otherwise required (the foregoing agreements, the "**Noteholder Reporting Obligations**"). See "Transfer Restrictions—Additional Restrictions; Information required to be provided by holders of Notes".

If any purchaser, beneficial owner or subsequent transferee of Notes fails to comply with the Noteholder Reporting Obligations, the Issuer will have the right to demand that such person or entity transfer its Notes or interest therein and, if such person or entity fails to effect such transfer, the Issuer will have the right to sell such Notes or interest therein on behalf of such person or entity, or may assign such Notes a different CUSIP or CUSIPs. See "Transfer Restrictions—Non-Permitted Holder/Non-Permitted ERISA Holder". In addition, the Co-Issuers will be permitted to amend the Indenture without the consent of the holder of the Notes to take any action advisable (including modifying the restrictions on and procedures for resales and other transfers of Notes to reflect any changes in FATCA or other applicable law or regulation (or the interpretation thereof)) to prevent the Issuer from becoming subject to withholding or other taxes, fees or assessments or to prevent the Issuer from being treated as engaged in a trade or business within the United States for United States federal income tax purposes or otherwise being subject to United States federal, state or local income tax on a net income basis. See "Description of the Notes—The Indenture—Modification of the Indenture".

Tax Characterization of the Secured Notes

Freshfields Bruckhaus Deringer US LLP, special U.S. federal income tax counsel to the Issuer, will provide an opinion to the Issuer to the effect that the Class A Notes, the Class B Notes and the Class C Notes will and the Class D Notes should be treated as debt for U.S. federal income tax purposes. The Issuer intends to treat the Secured Notes as debt for United States federal, state and local income and franchise tax purposes and the Indenture requires holders and beneficial owners of Notes to agree to treat the Secured Notes as debt for such purposes. However, as noted above, the opinion of special U.S. federal income tax counsel to the Issuer is not binding on the IRS, and no ruling will be sought from the IRS regarding this, or any other, aspect of the United States federal income tax treatment of the Secured Notes. Accordingly, there can be no assurances that the IRS will not contend, and that a court will not ultimately conclude, that one or more Classes of Secured Notes constitute equity interests in the Issuer for United States federal income tax purposes.

The Issuer may form Blocker Subsidiaries that would be subject to tax.

To reduce the risk that the Issuer will be engaged in a U.S. trade or business, in certain circumstances set forth in the Indenture, certain Equity Securities, Defaulted Obligations and securities or obligations received in an offer may be owned by one or more Blocker Subsidiaries wholly owned by the Issuer. Income on such securities or obligations may be subject to U.S. federal income tax, and possibly state and local tax, at regular corporate rates, and distributions by such subsidiaries to the Issuer (or, in the case of non-U.S. Blocker Subsidiaries, amounts distributed to the Blocker Subsidiary) attributable to such income may also be subject to U.S. withholding tax.

The Issuer will be treated as a passive foreign investment company for U.S. federal income tax purposes.

The Issuer will be a passive foreign investment company ("**PFIC**") for U.S. federal income tax purposes. In order to avoid certain adverse tax rules, U.S. holders of Subordinated Notes may wish to make an election to treat the Issuer as a qualified electing fund ("**QEF**"). A U.S. holder who makes a QEF election will be required to

recognize currently its proportionate share of the Issuer's income, which may be greater, in any given year, than the amount of cash distributed to the U.S. holder with respect to its Subordinated Notes. In this regard, prospective purchasers of Subordinated Notes should be aware that it is possible that a significant amount of the Issuer's income, as determined for U.S. federal income tax purposes, will not be distributed on a current basis for a number of reasons, including the investment by the Issuer in instruments which bear original issue discount, reinvestment by the Issuer of a portion of its income and the retirement of all or portions of Secured Notes. Thus, U.S. holders of the Subordinated Notes that make a QEF election may owe tax on a significant amount of "phantom" income. In certain cases in which a QEF does not distribute all of its earnings in a taxable year, U.S. holders may be permitted to elect to defer payment of some or all of these taxes subject to an interest charge.

The tax basis in the Subordinated Notes of a U.S. holder that makes a QEF election with respect to its Subordinated Notes will generally be increased by the amount of the Issuer's income included in the U.S. holder's gross income, and will be decreased by any amount already so included that is distributed to such holder. A U.S. holder that does not make a QEF election will generally not reduce its basis in its Subordinated Notes unless the Issuer makes a payment with respect to the Subordinated Notes in amounts in excess of the current and accumulated earnings and profits of the Issuer that is not an "excess distribution". Accordingly, as a practical matter, because the applicable U.S. federal income tax rules generally do not permit the amortization of basis of a security treated as a share in a corporation, it is not anticipated that a U.S. holder's original tax basis in its Subordinated Notes will be reduced other than in years in which the cash payments with respect to the Subordinated Notes exceed the Issuer's income, which may happen only in the later years, or not at all. Therefore, potential purchasers of the Subordinated Notes should be aware that although they may be required to recognize ordinary income annually based on their share of the Issuer's earnings for such year if they have made a QEF election with respect to such Notes, they may recognize a loss only upon the retirement or other disposition of their Subordinated Notes and such loss generally will be capital in character.

The Issuer may be treated as a Controlled Foreign Corporation for U.S. federal income tax purposes.

In addition, the Issuer may be treated as a controlled foreign corporation, in which case a different tax regime will apply and, among other potential consequences, a U.S. holder who is treated for U.S. federal income tax purposes as owning 10% or more of the Issuer's voting securities (a "**U.S. 10% Shareholder**") may be treated as receiving annually a deemed dividend (taxable as ordinary income) in an amount equal to its share of the Issuer's "subpart F income" for the tax year, as determined for U.S. federal income tax purposes, without regard to the amount actually distributed to such U.S. holders. A U.S. 10% Shareholder may recognize a significant amount of phantom income for the reasons described above applicable to a U.S. holder of Subordinated Notes who makes a QEF election and may have other potentially adverse tax consequences. See "Certain U.S. Federal Income Tax Considerations—United States Income Taxation of the Subordinated Notes".

Payments on the Notes are not required to be grossed up for tax withheld.

The Issuer expects that payments on the Notes will ordinarily not be subject to any withholding tax in the Cayman Islands, the United States or any other jurisdiction, except to the extent that FATCA withholding tax may be applicable to certain non-U.S. financial institutions holding or beneficially owning interests in Subordinated Notes. See "Certain U.S. Federal Income Tax Considerations" and "Cayman Islands Income Tax Considerations". In the event that withholding or deduction of any taxes from payments on the Notes is required by law in any jurisdiction, neither of the Co-Issuers shall be under any obligation to make any additional payments in respect of such withholding or deduction.

Each of the Issuer and the Co-Issuer is recently formed, has no significant operating history and has no significant assets other than the Assets.

Each of the Issuer and the Co-Issuer is a recently incorporated or organized entity and will have no operating history or track record prior to the Closing Date other than, in the case of the Issuer, the entry into commitments to purchase Collateral Obligations, and arrangements to finance the purchase of Collateral Obligations, prior to the Closing Date in contemplation of the transactions described herein. See "—Relating to the Collateral

Obligations—Closing Date and pre-Closing Date acquisition of Collateral Obligations". Accordingly, neither the Issuer nor the Co-Issuer has a performance history for you to consider in making your decision to invest in the Notes.

The Notes are not guaranteed by the Co-Issuers, Citigroup, the Collateral Manager, the Collateral Administrator or the Trustee.

None of the Co-Issuers, Citigroup, the Collateral Manager, the Collateral Administrator or the Trustee or any affiliate thereof makes any assurance, guarantee or representation whatsoever as to the expected or projected success, profitability, return, performance result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) to you of ownership of the Notes and you may not rely on any such party for a determination of expected or projected success, profitability, return, performance result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) to you of ownership of the Notes. You will be required to represent (or, in the case of certain interests in global Notes, deemed to represent) to the Issuer and Citigroup, among other things, that you have consulted with your own legal, regulatory, tax, business, investment, financial, and accounting advisors regarding investment in the Notes as you have deemed necessary and that the investment by you is within your powers and authority, is permissible under applicable laws governing such purchase, has been duly authorized by you and complies with applicable securities laws and other laws.

Non-compliance with restrictions on ownership of the Notes and the Investment Company Act could adversely affect the Issuer.

Neither the Issuer nor the Co-Issuer has registered with the United States Securities and Exchange Commission ("**SEC**") as an investment company pursuant to the Investment Company Act, in reliance on an exception under Section 3(c)(7) of the Investment Company Act for investment companies (a) whose outstanding securities are beneficially owned only by "qualified purchasers" and by "knowledgeable employees" with respect to the Issuer and certain transferees thereof identified in Rules 3c-5 and 3c-6 under the Investment Company Act and (b) which do not make a public offering of their securities in the United States.

No opinion or no-action position has been requested of the SEC with respect to the status of the Co-Issuers as investment companies under the Investment Company Act.

If the SEC or a court of competent jurisdiction were to find that the Issuer or the Co-Issuer is required, but in violation of the Investment Company Act had failed, to register as an investment company, possible consequences include, but are not limited to, the following: (i) the SEC could apply to a district court to enjoin the violation; (ii) investors in the Issuer and the Co-Issuer could sue the Issuer and the Co-Issuer and recover any damages caused by the violation; and (iii) any contract to which the Issuer and/or the Co-Issuer is party that is made in violation of the Investment Company Act or whose performance involves such violation would be unenforceable by any party to the contract unless a court were to find that under the circumstances enforcement would produce a more equitable result than non-enforcement and would not be inconsistent with the purposes of the Investment Company Act. In addition, such a finding would constitute an Event of Default under the Indenture. Should the Issuer or the Co-Issuer be subjected to any or all of the foregoing, the Issuer and the Co-Issuer would be materially and adversely affected.

Book-entry holders are not considered holders of Notes under the Indenture.

Holders of beneficial interests in any Notes held in global form will not be considered holders of such Notes under the Indenture. After payment of any interest, principal or other amount to DTC, neither the Issuer nor the Co-Issuer will have any responsibility or liability for the payment of such amount by DTC or to any holder of a beneficial interest in a Note. DTC or its nominee will be the sole holder for any Notes held in global form, and therefore each person owning a beneficial interest in a Note held in global form must rely on the procedures of DTC (and if such person is not a participant in DTC on the procedures of the participant through which such person holds such interest) with respect to the exercise of any rights of a holder of a Note under the Indenture (which may result in delays or difficulties in exercising rights or obtaining information, as well as potential delays in receiving

payments on the Notes). The procedures of these institutions may be changed without notice to or the consent of Citigroup, the Collateral Manager or the Issuer.

Future actions of any Rating Agency can adversely affect the market value or liquidity of the Notes.

The Rating Agencies may change their published ratings criteria or methodologies for securities such as the Secured Notes at any time in the future. Furthermore, the Rating Agencies may retroactively apply any such new standards to the ratings of the Secured Notes. Any such action could result in a substantial lowering (or even withdrawal) of any rating assigned to any Secured Note, despite the fact that such Secured Note might still be performing fully to the specifications set forth for such Secured Note in this Offering Circular and the Transaction Documents. The rating assigned to any Secured Note may also be lowered following the occurrence of an event or circumstance despite the fact that the related Rating Agency previously provided confirmation that such occurrence would not result in the rating of such Secured Note being lowered. In addition, either Rating Agency may, at any time and without any change in its published ratings criteria or methodology, lower or withdraw any rating assigned by it to any Class of Secured Notes. If any rating initially assigned to any Secured Note is subsequently lowered or withdrawn for any reason, holders of the Notes may not be able to resell their Notes without a substantial discount. Any reduction or withdrawal to the ratings on any Class of Secured Notes may significantly reduce the liquidity thereof and may adversely affect the Issuer's ability to make certain changes to the composition of the Assets.

In addition to the ratings assigned to the Secured Notes, the Issuer will be utilizing ratings assigned by the Rating Agencies to obligors of individual Collateral Obligations. Such ratings will primarily be publicly available ratings. There can be no assurance that the Rating Agencies will continue to assign such ratings utilizing the same methods and standards utilized today despite the fact that such Collateral Obligation might still be performing fully to the specifications set forth in its Underlying Instrument. Any change in such methods and standards could result in a significant rise in the number of CCC Collateral Obligations and Caa Collateral Obligations included in the Assets, which could cause the Issuer to fail to satisfy the Overcollateralization Ratio Test on subsequent Determination Dates. Any such failure could lead to the early amortization of some or all of one or more Classes of the Secured Notes. See "Description of the Notes—Mandatory Redemption" and "Security for the Secured Notes—The Coverage Tests and the Interest Diversion Test".

Either Rating Agency may revise or withdraw its ratings of the applicable Secured Notes as a result of a failure by the responsible party to provide it with information requested by such Rating Agency or comply with any of its obligations contained in the engagement letter with such Rating Agency, including the posting of information provided to the Rating Agency on a website that is accessible by rating agencies that were not hired in connection with the issuance of the Secured Notes as described under "—Rating agencies may have certain conflicts of interest; and the Secured Notes may receive an unsolicited rating, which may have an adverse effect on the liquidity or the market price of the Secured Notes". Any such revision or withdrawal of a rating as a result of such a failure might adversely affect the value of the Notes and, for regulated entities, could affect the status of the Secured Notes as a legal investment or the capital treatment of the Secured Notes.

Under current S&P policy, the Notes could be subject to early amortization even if the Issuer's investment portfolio is performing well.

On any Payment Date after the Effective Date, if S&P has not yet confirmed its initial ratings of the Secured Notes, the Secured Notes will be subject to redemption in part in an amount sufficient to cause S&P to provide written confirmation of its initial ratings of the Secured Notes. Under current S&P policy, S&P reserves the right not to provide such rating confirmations upon request, regardless of the terms agreed to among transaction participants. For example, even if the Issuer satisfies the requirements described under "Use of Proceeds—Effective Date", including by delivering to S&P a report that shows that as of the Effective Date, the Target Initial Par Condition was satisfied, the Overcollateralization Ratio Test was satisfied, the Concentration Limitations were complied with and the Collateral Quality Test (excluding the S&P CDO Monitor Test) was satisfied, S&P would not be obligated to provide confirmation of its initial ratings of the Secured Notes. As a result, under current S&P policy, the Secured Notes may be subject to a partial redemption even if the Issuer's investment portfolio is in compliance with the applicable tests under the Indenture.

Rating agencies may have certain conflicts of interest; and the Secured Notes may receive an unsolicited rating, which may have an adverse effect on the liquidity or the market price of the Secured Notes.

S&P and Moody's have been hired by the Issuer to provide their ratings on, in the case of S&P, the Secured Notes and, in the case of Moody's, the Class A-1 Notes. A rating agency may have a conflict of interest where, as is the case with the ratings of the Secured Notes (with the exception of unsolicited ratings), the issuer of a security pays the fee charged by the rating agency for its rating services.

To enable the Rating Agencies to comply with Rule 17g-5 of the Exchange Act, the Issuer agreed with each Rating Agency to the effect that it will post on a password-protected internet website, at the same time such information is provided to the Rating Agencies, all information (which shall not include any Accountants' Report) the Issuer provides to the Rating Agencies for the purposes of determining the initial credit rating of the Secured Notes or undertaking credit rating surveillance of the Secured Notes. Pursuant to the Indenture, the Issuer will appoint Citibank, N.A. as its agent (in such capacity, the "**Information Agent**") to post to such website any information that the Information Agent receives from the Issuer, the Trustee or the Collateral Manager (or their respective representatives or advisors) that is designated as information to be so posted. The Issuer, the Trustee, the Collateral Manager and the Collateral Administrator will agree to deliver to the Information Agent any information that such party provides to any Rating Agency for the purposes of undertaking credit rating surveillance of the Secured Notes. Nationally recognized statistical rating organizations ("**NRSROs**") providing the requisite certification will have access to all information posted on such website. As a result, an NRSRO other than the Rating Agencies may issue ratings on the Secured Notes (the "**Unsolicited Ratings**"), which may be lower, and could be significantly lower, than the ratings assigned by the Rating Agencies. Moody's may also issue Unsolicited Ratings with respect to the Secured Notes other than the Class A-1 Notes. The Unsolicited Ratings may be issued prior to, or after, the Closing Date and are not reflected in this Offering Circular. Issuance of any Unsolicited Rating will not affect the issuance of the Secured Notes. Issuance of an Unsolicited Rating lower than the ratings assigned by the Rating Agencies on the applicable Secured Notes might adversely affect the value of the Notes and, for regulated entities, could affect the status of the Secured Notes as a legal investment or the capital treatment of the Secured Notes. Investors in the Secured Notes should monitor whether an unsolicited rating of the Secured Notes has been issued by a non-hired NRSRO or (with respect to the Secured Notes other than the Class A-1 Notes) Moody's and should consult with their legal counsel regarding the effect of the issuance of a rating by a non-hired NRSRO or (with respect to the Secured Notes other than the Class A-1 Notes) Moody's that is lower than the expected ratings set forth in this Offering Circular.

Certain events or circumstances that require the satisfaction of the Moody's Rating Condition may occur without written confirmation from Moody's that such events or circumstances will not result in the downgrade or withdrawal of its rating assigned to the Class A-1 Notes.

Under the Indenture, certain events or circumstances require that the Moody's Rating Condition has been satisfied (or deemed inapplicable as described under "Ratings of the Secured Notes—Inapplicability of the Moody's Rating Condition"). The Moody's Rating Condition may be satisfied if Moody's provides written confirmation (which may take the form of a press release or other communication) to the effect that the occurrence of that event or circumstance will not cause Moody's to downgrade or withdraw its rating assigned to the Class A-1 Notes.

Moody's has no duty to review any notice given with respect to any event. If the Moody's Rating Condition is deemed inapplicable as to any particular event or circumstances (and, accordingly, such event occurs or such circumstance arises without affirmative assurance from Moody's that its rating of the Class A-1 Notes will not be reduced or withdrawn as a consequence of such event or circumstance), investors in the Class A-1 Notes will bear the risk that Moody's may downgrade or withdraw its rating assigned to the Class A-1 Notes as a result of the events or circumstances which required satisfaction of the Moody's Rating Condition.

Investors should consider certain ERISA considerations.

If the ownership of any class of equity interest of the Issuer (including for this purpose a class of Notes which is characterized as equity) by Benefit Plan Investors (as defined below) were to equal or exceed 25% of the

total value of such class, as determined under provisions of the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") and the U.S. Department of Labor's regulations set forth at 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA (the "**Plan Asset Regulation**"), assets of the Issuer would be deemed to be "plan assets" for purposes of ERISA. The Plan Asset Regulation further provides that in applying the 25% limitation noted above, Notes held by Controlling Persons must be disregarded. If for any reason the assets of the Issuer were deemed to be "plan assets", certain transactions that the Issuer might enter into, or may have entered into, in the ordinary course of its business might constitute non-exempt "prohibited transactions" under Section 406 of ERISA or Section 4975 of the Code and might have to be rescinded at significant cost to the Issuer. The Collateral Manager, on behalf of the Issuer, may be prevented from engaging in certain investments or other transactions or fee arrangements because they might be deemed to cause non-exempt prohibited transactions. Moreover, if the underlying assets of the Issuer were deemed to be plan assets, (i) the assets of the Issuer could be subject to ERISA's reporting and disclosure requirements, (ii) a fiduciary causing a Benefit Plan Investor to make an investment in the equity of the Issuer could be deemed to have delegated its responsibility to manage the assets of the Benefit Plan Investor, (iii) various providers of fiduciary or other services to the Issuer, and any other parties with authority or control with respect to the Issuer, could be deemed to be Plan fiduciaries or otherwise Parties in Interest or Disqualified Persons by virtue of their provision of such services, and (iv) it is not clear that Section 404(b) of ERISA, which generally prohibits plan fiduciaries from maintaining the indicia of ownership of assets of plans subject to Title I of ERISA outside the jurisdiction of the district courts of the United States, would be satisfied in all instances. The term "**Benefit Plan Investor**" is defined in Section 3(42) of ERISA as (a) any employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to the fiduciary responsibility provisions of Title I of ERISA, (b) any plan to which Section 4975 of the Code applies and (c) any entity whose underlying assets include plan assets by reason of such an employee benefit plan's or plan's investment in such entity.

An equity interest is defined under the Plan Asset Regulation as an interest other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. Although there is little guidance on how this definition applies, the Issuer believes that the Class A Notes, the Class B Notes and the Class C Notes will be treated as indebtedness without substantial equity features for purposes of the Plan Asset Regulation, although no assurance can be given in this regard. The Class D Notes and the Class E Notes may, and the Subordinated Notes will likely, be treated as equity interests in the Issuer for purposes of the Plan Asset Regulation.

The Issuer intends, through the use of written or deemed representations, to prohibit ownership of the Class D Notes by Benefit Plan Investors, and to restrict ownership of the Class E Notes and the Subordinated Notes by Benefit Plan Investors and Controlling Persons, so that no assets of the Issuer will be deemed to be "plan assets" subject to Title I of ERISA or Section 4975 of the Code as such term is defined in Section 3(42) of ERISA and the Plan Asset Regulation. However, there can be no assurance that ownership of the Class D Notes, the Class E Notes and the Subordinated Notes by Benefit Plan Investors will always remain below the 25% Limitation established under the Plan Asset Regulation.

See "Certain ERISA and Related Considerations" herein for a more detailed discussion of certain ERISA and related considerations with respect to an investment in the Notes.

The Issuer is subject to U.S. anti-money laundering legislation.

The Uniting and Strengthening America By Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "**USA PATRIOT Act**"), signed into law on and effective as of October 26, 2001, requires that financial institutions, a term that includes banks, broker-dealers and investment companies, establish and maintain compliance programs to guard against money laundering activities. The USA PATRIOT Act requires the Secretary of the United States Department of the Treasury (the "**Treasury**") to prescribe regulations in connection with anti-money laundering policies of financial institutions. The Financial Crimes Enforcement Network ("**FinCEN**"), an agency of the Treasury, has announced that it is likely that such regulations would require pooled investment vehicles such as the Co-Issuers to enact anti-money laundering policies. In addition, in December 2011, the Director of FinCEN announced that FinCEN is working on a regulatory proposal that would require investment advisers to establish anti-money laundering programs and report suspicious activity. It is possible that there could be promulgated legislation or regulations that would require the Co-Issuers, the Initial Purchaser, the Placement Agent or other service providers to the Co-Issuers, in connection with the establishment of

anti-money laundering procedures, to share information with governmental authorities with respect to investors in the Notes. Such legislation and/or regulations could require the Co-Issuers to implement additional restrictions on the transfer of the Notes. The Co-Issuers reserve the right to request such information as is necessary to verify the identity of a beneficial holder of Notes and the source of the payment of subscription monies, or as is necessary to comply with any customer identification programs required by FinCEN and/or the SEC. In the event of delay or failure by the applicant to produce any information required for verification purposes, an application for or transfer of Notes and the subscription monies relating thereto may be refused. See "Anti-Money Laundering and Anti-Terrorism Requirements and Disclosures".

Investors will indirectly bear expenses of the Issuer.

Through their investment in the Notes, investors bear the cost of the Base Management Fee, the Subordinated Management Fee, the Incentive Management Fee, and other expenses described in this Offering Circular. In the aggregate, these fees and expenses may be greater than if an investor were directly to make investments identical to the Collateral Obligations. Payment of any taxes and filing and registration fees is required to be payable before any of the other amounts owed by the Co-Issuers. In addition, Interest Proceeds and Principal Proceeds are required to be available for the payment of expenses in accordance with the Priority of Payments. If funds are not sufficient to pay the expenses incurred by the Co-Issuers, the ability of the Co-Issuers to operate effectively may be impaired, and the Issuer, the Collateral Manager and the Trustee may not be able to defend or prosecute legal proceedings brought against it or that it might otherwise bring to protect the interests of the Co-Issuers.

The Issuer has the right to require holders of the Notes to sell their holdings in certain circumstances.

In certain circumstances, if the Issuer reasonably determines in good faith that a holder or beneficial owner of the Notes does not have the status that it purports to have and such holder or beneficial owner is not otherwise qualified to hold such Notes, the Issuer will have the right to require such holder or beneficial owner to dispose of such holder's or beneficial owner's Notes, as applicable, within 30 days (or, in the case of a Non-Permitted ERISA Holder, 14 days) after receipt of a notice from the Issuer that such holder or beneficial owner is not so qualified, to a person or entity that is qualified to hold such Notes. See "Transfer Restrictions—Non-Permitted Holder/Non-Permitted ERISA Holder".

Potential regulation and enhanced scrutiny of the private investment fund industry.

The Dodd-Frank Act provides for a number of changes to the regulatory regime governing investment advisers and private investment funds, including the Collateral Manager (and the Issuer). Among other effects, the Dodd-Frank Act imposed increased recordkeeping and reporting obligations on the Collateral Manager with respect to the Issuer. Records and reports relating to the Issuer that must be maintained by the Collateral Manager and are subject to inspection by the SEC include (i) assets under management and use of leverage (including off-balance-sheet leverage), (ii) counterparty credit risk exposure, (iii) trading and investment positions, (iv) valuation policies and practices of the Issuer, (v) type of assets held, (vi) side arrangements or side letters, (vii) trading practices, and (viii) such other information as the SEC, in consultation with the Financial Stability Oversight Council, determines is necessary and appropriate. While the Dodd-Frank Act subjects such records and reports to certain confidentiality provisions and, as amended, provides a limited exemption from the Freedom of Information Act ("**FOIA**"), no assurance can be given that the mandated disclosure of records or reports to the SEC or other governmental entities will not have a significant negative impact on the Issuer, the Collateral Manager or any individual holder of Notes. Among other things, the costs of compliance with rules and regulations promulgated under the Dodd-Frank Act could have a material adverse impact on the Issuer and the holders of the Notes, particularly the Subordinated Notes.

Relating to the Collateral Manager.

Past performance of Collateral Manager not indicative of future results.

The performance of an investment in the Notes will be in part dependent on the analytical and managerial expertise of the investment professionals of the Collateral Manager. The past performance of any portfolio or investment vehicle managed by the Collateral Manager, its affiliates or its current personnel or authorized persons at prior places of employment may not be indicative of the results that the Issuer may be able to achieve with the

Assets. Similarly, the past performance of the Collateral Manager, its affiliates and its current personnel or authorized persons at a prior place of employment over a particular period may not be indicative of the results that may occur in future periods. Furthermore, the nature of, and risks associated with, the Issuer's investments may differ from those investments and strategies undertaken in connection with such other portfolios or investment vehicles. There can be no assurance that the Issuer's investments will perform as well as such past investments, that the Issuer will be able to avoid losses or that the Issuer will be able to make investments similar to such past investments. In addition, such past investments may have been made utilizing a capital structure and an asset mix that are different from the anticipated capital structure and/or asset mix of the Issuer. Moreover, because the investment criteria that govern investments in the Assets do not govern the investments and investment strategies of the Collateral Manager, its affiliates or its current personnel or authorized persons generally, the Assets, and the results they yield, are not directly comparable with, and may differ substantially from, other portfolios advised by the Collateral Manager, its affiliates and its current personnel or authorized persons at prior places of employment.

The Subordinated Management Fee and the Incentive Management Fee may create different incentives for the Collateral Manager.

On each Payment Date, the Collateral Manager will be paid the Subordinated Management Fee and the Incentive Management Fee to the extent of funds available on such Payment Date as described in "Overview of Terms—Priority of Payments" and "Description of the Notes—Priority of Payments," and, in the case of the Incentive Management Fee, if the holders of the Subordinated Notes have realized an annualized internal rate of return greater than or equal to 13% as of such Payment Date. This fee structure could create a further incentive for the Collateral Manager to make more speculative investments in the Collateral Obligations than the Issuer would otherwise make in order to increase the yield on the Collateral Obligations and the likelihood that the holders of the Subordinated Notes will realize an annualized internal rate of return of greater than or equal to 13% for the Collateral Manager to be entitled to be paid the Incentive Management Fee. Managing the portfolio of Collateral Obligations with the objective of increasing the yield on such Collateral Obligations, even though the Collateral Manager is constrained by the various investment restrictions contained in the Indenture, could result in an increase in defaults or volatility and could contribute to a decline in the aggregate market value of the Collateral Obligations.

The Issuer will depend on the managerial expertise available to the Collateral Manager and its key personnel.

The performance of the Notes will be highly dependent upon the skills of the Collateral Manager in analyzing, acquiring and managing the Collateral Obligations. The holders of the Notes will generally not make decisions with respect to the management, disposition or other realization of any Collateral Obligation, or other decisions regarding the business and affairs of the Issuer. Consequently, the success of the Issuer will depend, in large part, on the skill and expertise of the Collateral Manager's investment professionals. Although such investment professionals will devote such time as they determine in their discretion is reasonably necessary to fulfill the Collateral Manager's obligations to the Issuer, they will not devote all of their professional time to the affairs of the Issuer. There can be no assurance that such investment professionals will continue to serve in their current positions or continue to be authorized persons of the Collateral Manager. The loss of one or more of these individuals could have a material adverse effect on the performance of the Notes. In addition, individuals not currently associated with the Collateral Manager may become associated with the Collateral Manager and the performance of the Collateral Obligations may also depend on the financial and managerial experience of such individuals. Moreover, the Collateral Management Agreement may be terminated under certain circumstances. See "The Collateral Management Agreement."

The Investment Professionals of the Collateral Manager will attend to matters unrelated to the investment activities of the Issuer.

The Collateral Manager has informed the Issuer that the investment professionals associated with the Collateral Manager are actively involved in other investment activities not concerning the Issuer and will not be able to devote all of their time to the Issuer's business and affairs. In addition, individuals not currently associated with the Collateral Manager may become associated with the Collateral Manager and the performance of the Collateral Obligations may also depend on the financial and managerial experience of such individuals. See "The Collateral Management Agreement" and "The Collateral Manager."

On the Closing Date, all holders of Subordinated Notes will be excluded from participating in a vote to remove the Collateral Manager for "cause".

The Collateral Management Agreement provides that the Collateral Manager may be removed for "cause" upon 30 days' prior written notice by the Issuer or the Trustee, at the direction of a Supermajority of the Controlling Class or a Special Supermajority of the Subordinated Notes. It is expected that on the Closing Date, all of the Subordinated Notes either will be held by the Designated Subordinated Noteholder or will constitute Collateral Manager Notes. The Designated Subordinated Noteholder is expected hold approximately 80% of the Subordinated Notes on the Closing Date and therefore will be excluded from a Special Supermajority of the Subordinated Notes, and Collateral Manager Notes are disregarded and deemed not to be outstanding in connection with a vote on removal for "cause" of the Collateral Manager. Accordingly, until such time, if any, as Subordinated Notes that are not Collateral Manager Notes are held by holders other than the Designated Subordinated Noteholder, no Subordinated Noteholders will be entitled to vote on removal for "cause" of the Collateral Manager and, if a "cause" event occurs, only a Supermajority of the Controlling Class will be entitled to direct a removal of the Collateral Manager.

Relating to the Collateral Obligations.

Below investment-grade Assets involve particular risks.

The Assets will consist primarily of non-investment grade loans or interests in non-investment grade loans and, to a lesser extent, non-investment grade debt securities, which are subject to liquidity, market value, credit, interest rate, reinvestment and certain other risks. It is anticipated that the Assets generally will be subject to greater risks than investment grade corporate obligations. These risks could be exacerbated to the extent that the portfolio is concentrated in one or more particular types of Collateral Obligations.

Prices of the Assets may be volatile, and will generally fluctuate due to a variety of factors that are inherently difficult to predict, including but not limited to changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic and international economic or political events, developments or trends in any particular industry, and the financial condition of the obligors of the Assets. The current uncertainty affecting the United States economy and the economies of other countries in which issuers of Collateral Obligations are domiciled and the possibility of increased volatility in financial markets could adversely affect the value and performance of the Collateral Obligations. Additionally, loans and interests in loans have significant liquidity and market value risks since they are not generally traded in organized exchange markets but are traded by banks and other institutional investors engaged in loan syndications. Because loans are privately syndicated and loan agreements are privately negotiated and customized, loans are not purchased or sold as easily as publicly traded securities. In addition, historically the trading volume in the loan market has been small relative to the debt securities market.

Leveraged loans and high-yield debt securities have historically experienced greater default rates than has been the case for investment grade securities. There can be no assurance as to the levels of defaults and/or recoveries that may be experienced on the Collateral Obligations, and an increase in default levels could adversely affect payments on the Notes.

A non-investment grade loan or other debt obligation or an interest in a non-investment grade loan or other debt obligation is generally considered speculative in nature and may become a Defaulted Obligation for a variety of reasons. Upon any Collateral Obligation becoming a Defaulted Obligation, such Defaulted Obligation may become subject to either substantial workout negotiations or restructuring, which may entail, among other things, a substantial reduction in the interest rate, a substantial write-down of principal, and a substantial change in the terms, conditions and covenants with respect to such Defaulted Obligation. In addition, such negotiations or restructuring may be quite extensive and protracted over time, and therefore may result in substantial uncertainty with respect to the ultimate recovery on such Defaulted Obligation. The liquidity for Defaulted Obligations may be limited, and to the extent that Defaulted Obligations are sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon. Furthermore, there can be no assurance that the ultimate recovery on any Defaulted Obligation will be at least equal to either the minimum recovery rate assumed by either Rating Agency in rating the applicable Secured Notes or any recovery rate used in connection with any analysis of the Notes that may have been prepared by Citigroup for or at the direction of holders of any Notes.

Credit ratings are not a guarantee of quality.

The following considerations apply, to the extent relevant, to the ratings of the Collateral Obligations and the Notes:

Credit ratings of assets represent the rating agencies' opinions regarding their credit quality and are not a guarantee of quality. A credit rating is not a recommendation to buy, sell or hold assets and may be subject to revision or withdrawal at any time by the assigning rating agency, including to the extent the Issuer does not comply with its covenants to enable the Rating Agencies to comply with their obligations under Rule 17g-5 of the Exchange Act. See "—Relating to the Notes—Rating agencies may have certain conflicts of interest; and the Secured Notes may receive an unsolicited rating, which may have an adverse effect on the liquidity or the market price of the Secured Notes". In the event that a rating assigned to any Collateral Obligation is lowered for any reason, no party is obligated to provide any additional support or credit enhancement with respect to such Collateral Obligation. Rating agencies attempt to evaluate the safety of principal and interest payments and do not evaluate the risks of fluctuations in market value; therefore, ratings may not fully reflect the true risks of an investment. Also, rating agencies may fail to make timely changes in credit ratings in response to subsequent events, so that an obligor's current financial condition may be better or worse than a rating indicates. Consequently, credit ratings of any Collateral Obligation should be used only as a preliminary indicator of investment quality and should not be considered a completely reliable indicator of investment quality. Rating reductions or withdrawals may occur for any number of reasons and may affect numerous assets at a single time or within a short period of time, with material adverse effects upon the Notes. It is possible that many credit ratings of assets included in or similar to the Collateral Obligations will be subject to significant or severe adjustments downward. See "—Relating to the Notes—Future actions of any Rating Agency can adversely affect the market value or liquidity of the Notes".

Closing Date and pre-Closing Date acquisition of Collateral Obligations.

Acquisition of Collateral Obligations from a subsidiary of Citibank, N.A.

Prior to the Closing Date, an affiliate of the Collateral Manager entered into a total return swap transaction (the "**TRS**") with Citibank, N.A. (in its capacity as counterparty to the TRS, the "**TRS Provider**"), an affiliate of the Initial Purchaser and the Placement Agent. The TRS referenced a portfolio of bank loans and debt securities, some of which are expected to satisfy the criteria expected to be applicable to the purchase by the Issuer of Collateral Obligations. Such assets were selected by an affiliate of the Collateral Manager, subject to the approval of the TRS Provider, to serve as reference assets for the TRS, and were purchased by a wholly owned, special purpose vehicle subsidiary of the TRS Provider (the "**TRS Merger Subsidiary**") as a hedge to the TRS Provider's obligations under the TRS. On the pricing date of the Secured Notes the TRS was terminated. The Issuer expects to acquire the bank loans and debt securities in the TRS reference portfolio from the TRS Merger Subsidiary through the Closing Merger described below.

On the Closing Date, the Issuer expects to use a portion of the proceeds from the issuance of the Notes to pay merger consideration to the TRS Provider, which will cause the TRS Merger Subsidiary to then merge into the Issuer, with the Issuer being the entity surviving such merger (such merger transaction, the "**Closing Merger**"). Under the terms of the Closing Merger, the rights and property of the TRS Merger Subsidiary (including the Collateral Obligations and Eligible Investments (if any) purchased by the TRS Merger Subsidiary as a hedge for the TRS Provider's obligations under the TRS) will immediately vest in the Issuer. In addition, the Issuer will become liable for and subject, in the same manner as the TRS Merger Subsidiary, to all funding obligations on any Revolving Collateral Obligations and Delayed Drawdown Collateral Obligations and all other liabilities and obligations related to the Collateral Obligations previously owned by the TRS Merger Subsidiary. So far as the Issuer is aware, no claim, cause or proceeding, whether civil (including arbitration) or criminal, is pending by or against the TRS Merger Subsidiary. Further, so far as the Issuer is aware, no petition or other similar proceeding has ever been filed or order made or resolution adopted to wind up or liquidate the TRS Merger Subsidiary in any jurisdiction. It is a condition to the issuance of the Notes that a search of certain public filing records be concluded that reveals no effective notices of any security interest or other lien (other than those to be released on the Closing Date) on the assets of the TRS Merger Subsidiary.

The purchase prices payable by the Issuer for such Collateral Obligations acquired from the TRS Merger Subsidiary via the Closing Merger will be the respective acquisition costs of such loans upon addition to the TRS reference portfolio.

Acquisition of Collateral Obligations from an affiliate of the Designated Subordinated Noteholder.

Prior to the Closing Date, a wholly owned subsidiary of the Designated Subordinated Noteholder (the "**Loan Facility Seller**") entered into a loan agreement (the "**Loan Facility**") with Citibank, N.A. (in its capacity as lender under the Loan Facility, the "**Loan Facility Lender**"), an affiliate of the Initial Purchaser and the Placement Agent. Under the terms of the Loan Facility, assets were selected by the sub-adviser to the investment adviser to the Designated Subordinated Noteholder, subject to the approval of the Loan Facility Lender, for purchase by the Loan Facility Seller using proceeds of loans made under the Loan Facility. A subset of such assets was selected by the sub-adviser to the investment adviser to the Designated Subordinated Noteholder for potential sale to the Issuer, and from such subset the Collateral Manager selected certain assets for purchase by the Issuer from the Loan Facility Seller. The investment adviser to the Designated Subordinated Noteholder and its sub-adviser are not affiliated with the Collateral Manager.

On or prior to the Closing Date, the Loan Facility Seller will enter into a master participation and assignment agreement (the "**Master Participation and Assignment Agreement**") with the Issuer pursuant to which the Loan Facility Seller will sell such assets to the Issuer for settlement on the Closing Date. Such agreement will require that the Issuer and the Loan Facility Seller elevate to an assignment, as soon as reasonably practicable, each participation interest subject to such agreement. However, certain circumstances may occur that could cause a delay in the elevation of the participation in certain assets. For example, the related administrative agent may place the credit on hold and refuse to acknowledge assignment for a period of time, or the applicable obligor, administrative agent or letter of credit provider may withhold a required consent.

The purchase prices payable by the Issuer for such Collateral Obligations acquired from the Loan Facility Seller will be the "mid-point" between the "bid" and "ask" prices provided by Markit Loans, Inc. or another qualified independent pricing service for each such Collateral Obligation on or about the pricing date of the Secured Notes.

Acquisition of Collateral Obligations pursuant to a Participation Agreement with Citibank, N.A.

To finance the purchase of a portion of the Collateral Obligations prior to the Closing Date, the Issuer entered into a master participation agreement providing for the sale of participations to Citibank, N.A. (Citibank, N.A. in such capacity, the "**Participant**"), an affiliate of the Initial Purchaser and the Placement Agent. Although the Issuer committed prior to the Closing Date to the purchase of certain Collateral Obligations to be financed by the sale of participations to the Participant, such purchases will not have settled prior to the Closing Date, and accordingly the Issuer did not finance the acquisition of any Collateral Obligations pursuant to such agreement. With respect to each such Collateral Obligation approved for purchase pursuant to such master participation agreement but for which the settlement date has not yet occurred, the Issuer is required to pay to the Participant a portion of any delayed compensation that accrues on or before the Closing Date (any such delayed compensation to be calculated in a manner consistent with the guidelines of the Loan Syndications and Trading Association). The Participant will benefit from its receipt of such delayed compensation.

Market valuation deviations from cost of purchase are expected to occur.

Because the Issuer will acquire the assets as described above under "—Acquisition of Collateral Obligations from a subsidiary of Citibank, N.A.", "—Acquisition of Collateral Obligations from an affiliate of the Designated Subordinated Noteholder" and "—Acquisition of Collateral Obligations pursuant to a Participation Agreement with Citibank, N.A." at prices determined prior to the Closing Date, the prevailing market prices of such Collateral Obligations on the Closing Date may be higher or lower than such purchase prices. If the market price of such a Collateral Obligation increases from the date on which its price was determined to the Closing Date (or the settlement date of such a Collateral Obligation, if later), the Issuer will on the Closing Date (or the settlement date of such a Collateral Obligation, if later) hold a Collateral Obligation whose market value exceeds its cost of purchase. Likewise, if the market price of such a Collateral Obligation decreases from the date on which its price was determined to the Closing Date (or the settlement date of such a Collateral Obligation, if later), the Issuer will on the

Closing Date (or the settlement date of such a Collateral Obligation, if later) hold a Collateral Obligation whose market value is less than its cost of purchase. Such market valuation deviations from cost of purchase are expected to occur, and the deviations could be material (either individually or in the aggregate).

By its acquisition of such Collateral Obligations, the Issuer is deemed to have consented on behalf of itself and prospective investors in the Issuer to such transactions, and, by its purchase of Notes, each holder is deemed to have consented on behalf of itself to such acquisitions described above under "—Acquisition of Collateral Obligations from a subsidiary of Citibank, N.A.", "—Acquisition of Collateral Obligations from an affiliate of the Designated Subordinated Noteholder" and "—Acquisition of Collateral Obligations pursuant to a Participation Agreement with Citibank, N.A." and the arrangements described above in relation to such acquisitions.

Holders of the Notes will receive limited disclosure about the Collateral Obligations.

The Issuer and the Collateral Manager will not be required to provide the holders of the Notes or the Trustee with financial or other information (which may include material non-public information) either receives pursuant to the Collateral Obligations and related documents. The Collateral Manager also will not be required to disclose to any of these parties the contents of any notice it receives pursuant to the Collateral Obligations or related documents. In particular, the Collateral Manager will not have any obligation to keep any of these parties informed as to matters arising in relation to any Collateral Obligations, except with respect to certain information required to be reported under the Collateral Management Agreement and the Indenture.

The holders of the Notes and the Trustee will not have any right to inspect any records relating to the Collateral Obligations, and the Collateral Manager will not be obligated to disclose any further information or evidence regarding the existence or terms of, or the identity of any obligor on, any Collateral Obligations, unless specifically required by the Collateral Management Agreement. Furthermore, the Collateral Manager may, with respect to any information that it elects to disclose, demand that persons receiving such information execute confidentiality agreements before being provided with the information.

Lender liability considerations and equitable subordination can affect the Issuer's rights with respect to Collateral Obligations.

A number of judicial decisions have upheld judgments of borrowers against lending institutions on the basis of various evolving legal theories, collectively termed "lender liability". Generally, lender liability is founded on the premise that a lender has violated a duty (whether implied or contractual) of good faith, commercial reasonableness and fair dealing, or a similar duty owed to the borrower or has assumed an excessive degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. Because of the nature of the Assets, the Issuer may be subject to allegations of lender liability.

In addition, under common law principles that in some cases form the basis for lender liability claims, if a lender or bondholder (a) intentionally takes an action that results in the undercapitalization of a borrower to the detriment of other creditors of such borrower, (b) engages in other inequitable conduct to the detriment of such other creditors, (c) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (d) uses its influence as a stockholder to dominate or control a borrower to the detriment of other creditors of such borrower, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors, a remedy called "equitable subordination". Because of the nature of the Assets, the Assets may be subject to claims of equitable subordination.

Because affiliates of, or persons related to, the Collateral Manager may hold equity or other interests in obligors of Collateral Obligations, the Issuer could be exposed to claims for equitable subordination or lender liability or both based on such equity or other holdings.

The preceding discussion is based upon principles of United States federal and state laws. Insofar as Collateral Obligations that are obligations of non-United States obligors are concerned, the laws of certain foreign jurisdictions may impose liability upon lenders or bondholders under factual circumstances similar to those

described above, with consequences that may or may not be analogous to those described above under United States federal and state laws.

Loan prepayments may affect the ability of the Issuer to invest and reinvest available funds in appropriate Assets.

Loans are generally prepayable in whole or in part at any time at the option of the obligor thereof at par *plus* accrued unpaid interest thereon. Prepayments on loans may be caused by a variety of factors which are often difficult to predict. Consequently, there exists a risk that loans purchased at a price greater than par may experience a capital loss as a result of such a prepayment. In addition, principal proceeds received upon such a prepayment are subject to reinvestment risk. Any inability of the Issuer to reinvest payments or other proceeds in Assets with comparable interest rates that satisfy the Investment Criteria specified herein may adversely affect the timing and amount of payments received by the holders of Notes and the yield to maturity of the Secured Notes and the distributions on the Subordinated Notes. There is no assurance that the Issuer will be able to reinvest proceeds in assets with comparable interest rates that satisfy the Investment Criteria or (if it is able to make such reinvestments) as to the length of any delays before such investments are made.

Balloon loans and bullet loans present refinancing risk.

The Assets will primarily consist of Collateral Obligations that are either balloon loans or bullet loans. Balloon and bullet loans involve a greater degree of risk than other types of transactions because they are structured to allow for either small (balloon) or no (bullet) principal payments over the term of the loan, requiring the obligor to make a large final payment upon the maturity of the Collateral Obligation. The ability of such obligor to make this final payment upon the maturity of the Collateral Obligation typically depends upon its ability either to refinance the Collateral Obligation prior to maturity or to generate sufficient cash flow to repay the Collateral Obligation at maturity. The ability of any obligor to accomplish any of these goals will be affected by many factors, including the availability of financing at acceptable rates to such obligor, the financial condition of such obligor, the marketability of the collateral (if any) securing such Collateral Obligation, the operating history of the related business, tax laws and the prevailing general economic conditions. Consequently, such obligor may not have the ability to repay the Collateral Obligation at maturity, and the Issuer could lose all or most of the principal of the Collateral Obligation. Given their relative size and limited resources and access to capital, some obligors may have difficulty in repaying or refinancing their balloon and bullet Collateral Obligation on a timely basis or at all.

Significant numbers of obligors are facing the need to refinance their debt over the next few years, and significant numbers of collateralized debt obligation transactions are facing the end of their reinvestment periods or the final maturities of their own debt. As a result of the foregoing "refinancing cliff", there could be significant pressure on the ability of obligors to refinance their debt over the next few years. If the issue is not addressed through adequate systemic liquidity or other measures, increased defaults could result, and there could be downward pressure on the prices and markets for debt instruments, including Collateral Obligations.

The Issuer may not be able to acquire Collateral Obligations that satisfy the Investment Criteria.

Trades to purchase a substantial portion of the Collateral Obligations will be entered into after the date on which the Interest Rates applicable to the Secured Notes are set (the "**Pricing Date**"). The establishment of interest rates on the Secured Notes and other economic terms of the Notes on the Pricing Date may be based on assumptions and projections about the prices of Collateral Obligations that may not be realized. The actual purchase prices of a portion of the Collateral Obligations will not be known until after the Closing Date and may be higher or lower than the purchase prices expected at the Pricing Date. The ability of the Issuer to acquire an initial portfolio of Collateral Obligations that satisfies the Investment Criteria at the projected prices, ratings, rates of interest and any other applicable characteristics will be subject to market conditions and availability of such Collateral Obligations. Any inability of the Issuer to acquire Collateral Obligations that satisfy the Investment Criteria specified herein may adversely affect the timing and amount of payments received by the holders of Notes and the yield to maturity of the Secured Notes and the distributions on the Subordinated Notes. Additionally, if the actual purchase prices of the Collateral Obligations acquired after the Pricing Date are significantly higher than the purchase prices expected at

the Pricing Date, it may not be possible for the Issuer to purchase a principal amount of Collateral Obligations at least equal to the Target Initial Par Amount, in which case Interest Proceeds and Principal Proceeds may be diverted to pay principal of the Notes as set forth under the Priority of Payments to the extent necessary to cause each Class of Notes to have its Closing Date rating confirmed or be paid in full. There is no assurance that the Issuer will be able to acquire Collateral Obligations that satisfy the Investment Criteria.

Investing in loans involves particular risks.

The Issuer may acquire interests in loans either directly (by way of assignment from the selling institution) or indirectly (by purchasing a Participation Interest from the selling institution). As described in more detail below, holders of Participation Interests are subject to additional risks not applicable to a holder of a direct interest in a loan.

Participations by the Issuer in a selling institution's portion of a loan typically result in a contractual relationship only with such selling institution, not with the borrower. In the case of a Participation Interest, the Issuer will generally have the right to receive payments of principal, interest and any fees to which it is entitled only from the institution selling the participation and only upon receipt by such selling institution of such payments from the borrower. By holding a Participation Interest in a loan, the Issuer generally will have no right to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of set off against the borrower, and the Issuer may not directly benefit from the collateral supporting the loan in which it has purchased the participation. As a result, the Issuer will assume the credit risk of both the borrower and the institution selling the participation, which will remain the legal owner of record of the applicable loan. In the event of the insolvency of the selling institution, the Issuer, by owning a Participation Interest, may be treated as a general unsecured creditor of the selling institution, and may not benefit from any set off between the selling institution and the borrower. In addition, the Issuer may purchase a participation from a selling institution that does not itself retain any portion of the applicable loan and, therefore, may have limited interest in monitoring the terms of the loan agreement and the continuing creditworthiness of the borrower. When the Issuer holds a Participation Interest in a loan it will not have the right to vote under the applicable loan agreement with respect to every matter that arises thereunder, and it is expected that each selling institution will reserve the right to administer the loan sold by it as it sees fit and to amend the documentation evidencing such loan in all respects. Selling institutions voting in connection with such matters may have interests different from those of the Issuer and may fail to consider the interests of the Issuer in connection with their votes.

Certain of the loans or Participation Interests may be governed by the law of a jurisdiction other than a United States jurisdiction. The Issuer is unable to provide any information with respect to the risks associated with purchasing a loan or a Participation Interest under an agreement governed by the laws of a jurisdiction other than a United States jurisdiction, including characterization under such laws of such Participation Interest or sub-Participation Interest in the event of the insolvency of the institution from whom the Issuer purchases such Participation Interest or sub-Participation Interest or the insolvency of the institution from whom the grantor of the sub-Participation Interest purchased its Participation Interest. See also "—International Investing" below.

The purchaser of an assignment of an interest in a loan typically succeeds to all the rights and obligations of the assigning selling institution and becomes a lender under the loan agreement with respect to that loan. As a purchaser of an assignment, the Issuer generally will have the same voting rights as other lenders under the applicable loan agreement, including the right to vote to waive enforcement of breaches of covenants or to enforce compliance by the borrower with the terms of the loan agreement, and the right to set off claims against the borrower and to have recourse to collateral supporting the loan. Assignments are, however, arranged through private negotiations between assignees and assignors, and in certain cases the rights and obligations acquired by the purchaser of an assignment may differ from, and be more limited than, those held by the assigning selling institution.

Assignments and participations are sold strictly without recourse to the selling institutions, and the selling institutions will generally make no representations or warranties about the underlying loan, the borrowers, the documentation of the loans or any collateral securing the loans. In addition, the Issuer will be bound by provisions of the underlying loan agreements, if any, that require the preservation of the confidentiality of information provided by the borrower. Because of certain factors including confidentiality provisions, the unique and customized nature of the loan agreement, and the private syndication of the loan, loans are not purchased or sold as easily as are publicly traded securities.

Limited control of administration and amendment of Collateral Obligations.

As a holder of an interest in a bank loan or other Collateral Obligation, the Issuer will have limited consent and control rights and such rights may not be effective in view of the expected proportion of such obligations held by the Issuer. The Collateral Manager will exercise or enforce, or refrain from exercising or enforcing, any or all of the Issuer's rights in connection with the Collateral Obligations or any related documents or will refuse amendments or waivers of the terms of any Collateral Obligation and related documents in accordance with its Collateral Management practices and the standard of care set forth in the Collateral Management Agreement. The Collateral Manager's ability to change the terms of the Collateral Obligations will generally not otherwise be restricted by the Indenture, except as described herein with respect to amendments that would extend the stated maturity date of a Collateral Obligation. The holders of Notes will not have any right to compel the Collateral Manager to take or refrain from taking any actions other than in accordance with its Collateral Management practices and the standard of care set forth in the Collateral Management Agreement.

The Collateral Manager may, in accordance with its Collateral Management standards and subject to the Transaction Documents (including the restrictions described herein on amendments that would extend the stated maturity date of a Collateral Obligation), agree to extend or defer the maturity, or adjust the outstanding balance of any Collateral Obligation, or otherwise amend, modify or waive the terms of any loan agreement or other related document, including the payment terms thereunder. Any amendment, waiver or modification of a Collateral Obligation could postpone the expected maturity of the Notes and/or reduce the likelihood of timely and complete payment of interest on or principal of the Secured Notes or distributions on the Subordinated Notes.

Voting restrictions on Collateral Obligations for minority holders.

The Issuer will generally purchase each Collateral Obligation in the form of an assignment of, or Participation Interest in, a note or other obligation issued under a loan facility to which more than one lender is a party or as a debt security issued under an indenture. Loan facilities are administered for the lenders by a lender or other agent acting as the lead administrator, and bond indentures have an indenture trustee. The terms and conditions of these loan facilities and indentures may generally be amended, modified or waived only by the agreement of the lenders or securityholders, as applicable. Generally, any such agreement must include a majority or a super-majority (measured by outstanding loans or commitments or principal amount) or, in certain circumstances, a unanimous vote of the lenders or securityholders, and the Issuer may have a minority interest in such loan facilities or under such indenture. Consequently, the terms and conditions of a Collateral Obligation issued or sold in connection with a loan facility or indenture could be modified, amended or waived in a manner contrary to the preferences of the Issuer if the amendment, modification or waiver of such term or condition does not require the unanimous vote of the lenders or securityholders and a sufficient number of the other lenders or securityholders concur with such modification, amendment or waiver. There can be no assurance that any Collateral Obligations issued or sold in connection with any loan facility or indenture will maintain the terms and conditions to which the Issuer or a predecessor in interest to the Issuer originally agreed.

Participation on Creditors' Committees.

The Issuer, or the Collateral Manager on behalf of itself, the Issuer and its other clients and affiliates, may participate on committees formed by creditors to negotiate the management of financially troubled companies that may or may not be in bankruptcy or the Issuer may seek to negotiate directly with the debtors with respect to restructuring issues. The participants on such a committee will attempt to achieve an outcome that is in their respective individual best interests and there can be no assurance that results that are the most favorable to the Issuer will be obtained in such proceedings. By participating on such committees, the Issuer may be deemed to have duties to other creditors represented by the committees, which might thereby expose the Issuer to liability to such other creditors who disagree with the Issuer's actions.

The Issuer may also be provided with material non-public information that may restrict the Issuer's ability to trade in the securities of such a company. While the Issuer intends to comply with all applicable securities laws and to make judgments concerning restrictions on trading in good faith, the Issuer may trade in such a company's

securities while engaged in the company's restructuring activities. Such trading creates a risk of litigation and liability that may cause the Issuer to incur significant legal fees and potential losses.

Third party litigation; limited funds available.

The Issuer's investment activities may subject it to the risks of becoming involved in litigation by third parties. This risk may be greater where the Issuer exercises control or significant influence over a company's direction. See "—Lender liability considerations and equitable subordination can affect the Issuer's rights with respect to Collateral Obligations". The expense of defending against claims against the Issuer by third parties and paying any amounts pursuant to settlements or judgments would be borne by the Issuer. The funds available to the Issuer to pay certain fees and expenses of the Trustee, the Collateral Administrator and the Administrator and for payment of the Issuer's other accrued and unpaid Administrative Expenses are limited as described in "Description of the Notes—Priority of Payments". In the event that such funds are not sufficient to pay the expenses incurred by the Issuer, the ability of the Issuer to operate effectively may be impaired, and the Issuer may not be able to defend or prosecute legal proceedings that may be brought against it or that the Issuer might otherwise bring to protect its interests.

Concentration risk.

The Issuer will invest in a portfolio of Collateral Obligations consisting of assignments of or Participation Interests in loans and, to a lesser extent, letters of credit and other debt obligations. Although no significant concentration with respect to any particular obligor, industry or country (other than the United States) is expected to exist at the Effective Date, such concentration can increase over time as Collateral Obligations mature or are sold after the Reinvestment Period ends, the concentration of the portfolio in any one obligor would subject the Notes to a greater degree of risk with respect to defaults by such obligor, and the concentration of the portfolio in any one industry would subject the Notes to a greater degree of risk with respect to economic downturns relating to such industry. See "Security for the Secured Notes".

International Investing.

A portion of the Assets may consist of Collateral Obligations that are obligations of non-U.S. obligors. Investing outside the United States may involve greater risks than investing in the United States. These risks include: (i) less publicly available information, (ii) varying levels of governmental regulation and supervision and (iii) the difficulty of enforcing legal rights in a non-U.S. jurisdiction and uncertainties as to the status, interpretation and application of laws. Moreover, non-U.S. obligors may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those applicable to United States companies. Generally, there is less governmental supervision and regulation of exchanges, brokers and issuers in foreign countries than there is in the United States. For example, there may be no comparable provisions under certain foreign laws with respect to insider trading and similar investor protection afforded by securities laws that apply with respect to securities transactions consummated in the United States. Moreover, if the sovereign rating of a country in which an obligor on a Collateral Obligation is located is downgraded, the ratings applicable to such Collateral Obligation may decline as well.

Foreign markets also have different clearance and settlement procedures, and in certain markets there have been times when settlements have failed to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. Delays in settlement could result in periods when assets of the Issuer are uninvested and no return is earned thereon. The inability of the Issuer to make intended purchases of Collateral Obligations due to settlement problems or the risk of intermediary counterparty failures could cause the Issuer to miss investment opportunities. The inability to dispose of a Collateral Obligation due to settlement problems could result either in losses to the Issuer due to subsequent declines in the value of such Collateral Obligation or, if the Issuer has entered into a contract to sell the Collateral Obligation, could result in possible liability to the purchaser. Transaction costs of buying and selling foreign debt obligations, including brokerage, tax and custody costs, also are generally higher than those involved in domestic transactions. Furthermore, foreign financial markets, while generally growing in

volume, have, for the most part, substantially less volume than U.S. markets, and debt obligations of many foreign companies are less liquid and their prices more volatile than debt obligations of comparable domestic companies.

In many foreign countries, there is the possibility of expropriation, nationalization or confiscatory taxation, limitations on the convertibility of currency or the removal of debt obligations, property or other assets of the Issuer, political, economic or social instability or adverse diplomatic developments, each of which could have an adverse effect on the Issuer's investments in such foreign countries (which may make it more difficult to pay U.S. Dollar-denominated obligations). The economies of individual non-U.S. countries may also differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rate of inflation, volatility of currency exchange rates, depreciation, capital reinvestment, resource self-sufficiency and balance of payments position.

Insolvency considerations with respect to issuers of Collateral Obligations may affect the Issuer's rights.

Various laws enacted for the protection of creditors may apply to the Collateral Obligations. The information in this and the following paragraph is applicable with respect to U.S. issuers. Insolvency considerations will differ with respect to non-U.S. issuers. If a court in a lawsuit brought by an unpaid creditor or representative of creditors of an issuer of a Collateral Obligation, such as a trustee in bankruptcy, were to find that the issuer did not receive fair consideration or reasonably equivalent value for incurring the indebtedness constituting such Collateral Obligation and, after giving effect to such indebtedness, the issuer (i) was insolvent, (ii) was engaged in a business for which the remaining assets of such issuer constituted unreasonably small capital or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could determine to invalidate, in whole or in part, such indebtedness as a fraudulent conveyance, to subordinate such indebtedness to existing or future creditors of the issuer or to recover amounts previously paid by the issuer in satisfaction of such indebtedness. The measure of insolvency for purposes of the foregoing will vary. Generally, an issuer would be considered insolvent at a particular time if the sum of its debts were then greater than all of its property at a fair valuation or if the present fair salable value of its assets were then less than the amount that would be required to pay its probable liabilities on its existing debts as they became absolute and matured. There can be no assurance as to what standard a court would apply in order to determine whether the issuer was "insolvent" after giving effect to the incurrence of the indebtedness constituting the Collateral Obligations or that, regardless of the method of valuation, a court would not determine that the issuer was "insolvent" upon giving effect to such incurrence. In addition, in the event of the insolvency of an issuer of a Collateral Obligation, payments made on such Collateral Obligations could be subject to avoidance as a "preference" if made within a certain period of time (which may be as long as one year under federal bankruptcy law or even longer under state laws) before insolvency.

In general, if payments on Collateral Obligations are avoidable, whether as fraudulent conveyances or preferences, such payments can be recaptured, either from the initial recipient (such as the Issuer) or from subsequent transferees of such payments (such as the holders of the Notes). To the extent that any such payments are recaptured from the Issuer, the resulting loss will be borne by the holders of the Notes in inverse order of seniority as described under "—Relating to the Notes—The subordination of the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Notes will affect their right to payment". However, a court in a bankruptcy or insolvency proceeding would be able to direct the recapture of any such payment from a holder of Notes only to the extent that such court has jurisdiction over such holder or its assets. Moreover, it is likely that avoidable payments could not be recaptured directly from a holder that has given value in exchange for its Note, in good faith and without knowledge that the payments were avoidable. Nevertheless, since there is no judicial precedent relating to a structured transaction such as the Notes, there can be no assurance that a holder of Notes will be able to avoid recapture on this or any other basis.

Relating to Certain Conflicts of Interest.

Various potential and actual conflicts of interest may arise from the overall advisory, investment and other activities of the Collateral Manager, its affiliates and their respective clients, and Citigroup and its affiliates. The following briefly summarizes some of these conflicts, but is not intended to be an exhaustive list of all such conflicts or their potential consequences.

The Issuer will be subject to various conflicts of interest involving the Collateral Manager and its affiliates.

The following briefly summarizes certain potential and actual conflicts of interest which may arise from the overall investment activity of the Collateral Manager, its clients and its affiliates, but is not intended to be an exhaustive list of all such conflicts. The scope of the activities of the Collateral Manager, its affiliates, and the funds and clients advised by the Collateral Manager or any of its affiliates, may give rise to conflicts of interest or other restrictions and/or limitations imposed on the Issuer in the future that cannot be foreseen or mitigated at this time.

The Issuer may be subject to various conflicts of interest involving the Collateral Manager, its personnel, its affiliates, or their personnel (collectively, "**CM Affiliates**"), and other collateralized debt obligation transactions, investment funds, clients and accounts for which the Collateral Manager or one of its affiliates acts as collateral manager ("**Other Accounts**").

The Collateral Manager and/or the CM Affiliates may, but are not obligated to, purchase Notes from time to time. Notes held by the Collateral Manager and its affiliates will have no voting rights with respect to (i) the removal of the Collateral Manager for "cause" and (ii) the waiver of any event constituting "cause" for removal of the Collateral Manager under the Collateral Management Agreement; and in each such case, such Notes will be deemed not to be outstanding in connection with any such vote. See "The Collateral Management Agreement." However, Notes held by the Collateral Manager and its affiliates will have voting rights with respect to all other matters as to which the holders of Notes of the applicable Classes are entitled to vote, including, without limitation, any vote to direct an Optional Redemption (including a Refinancing), any vote to accelerate or not to accelerate the Secured Notes (to the extent such Collateral Manager Notes include Notes of the Controlling Class), any termination of the Collateral Management Agreement other than for "cause", and any vote relating to the proposal or approval of a Successor Manager. See "Description of the Notes—Optional Redemption and Tax Redemption", "Description of the Notes—The Indenture" and "The Collateral Management Agreement". Accordingly, the Collateral Manager and its affiliates may have significant voting rights in relation to the selection and timing of appointment of a Successor Manager. In particular, holders of Collateral Manager Notes could have the ability to delay the removal of the Collateral Manager because the Subordinated Notes and Controlling Class have certain proposal and approval rights in relation to a Successor Manager, and no removal will be effective until a Successor Manager has been appointed as described under "The Collateral Management Agreement—Removal, Resignation and Replacement of the Collateral Manager". If no Successor Manager has been appointed after the expiration of 90 days following notice of a removal of the Collateral Manager for "cause", any holder of Notes may petition a court of competent jurisdiction for the appointment of a Successor Manager, but there is no assurance that a court would promptly appoint a Successor Manager.

The Collateral Manager has advised the Issuer that the Collateral Manager and/or one or more affiliates of the Collateral Manager intend to purchase approximately 20% of the aggregate outstanding principal amount of the Subordinated Notes issued on the Closing Date. Any such investment in the Subordinated Notes may give the Collateral Manager an incentive to take actions that may vary from the interests of the holders of the Secured Notes. In addition, the Collateral Manager, any of its affiliates and any fund or account managed or advised by the Collateral Manager or its affiliates may at any time acquire other Notes. Any such Person will act in their own interests with respect to such Notes and such interests may conflict with or be adverse to the interests of other holders of Notes. Any such Notes acquired by the Collateral Manager, any affiliate of the Collateral Manager or any fund or account managed or advised by the Collateral Manager or its affiliates may be sold by any such Person to related and/or unrelated parties at any time.

If the Closing Date occurs, amounts received in respect of the Notes sold to investors on the Closing Date will be used by the Issuer on or after the Closing Date to acquire certain Collateral Obligations that served as reference assets for the TRS. The parties to the TRS, which include affiliates of the Initial Purchaser and affiliates of the Collateral Manager, may have interests adverse to those of the Issuer and holders of the Notes. See "—Closing Date and pre-Closing Date acquisition of Collateral Obligations".

The Collateral Manager has advised the Issuer that it expects to enter into an agreement to pay to the Designated Subordinated Noteholder (or an affiliate thereof) a portion of the Subordinated Management Fee. See "The Collateral Manager". The Collateral Manager may enter into additional side letter agreements with one or more holders of the Notes pursuant to which the Collateral Manager may direct the Trustee to pay such holders a

portion of its Management Fee. The Collateral Manager may after the Closing Date amend or terminate existing side-letter agreements. Such future side letter agreements may also allow for varying arrangements with respect to the scope and frequency of information provided about the portfolio. No holder of Notes will have the right to review (or to receive the economic or other benefits of) any of such side-letter agreements to which it is not a party. Such arrangements may affect the incentives of the Collateral Manager in managing the Collateral Obligations and may also affect the incentives of that relevant holders of Notes in taking actions that such holders may be permitted to take under the Indenture, including votes concerning amendments.

The Subordinated Management Fee and the Incentive Management Fee could provide an incentive for the Collateral Manager to seek to acquire Collateral Obligations on behalf of the Issuer at a lower price than would otherwise be the case, or could provide the Collateral Manager an incentive to take other actions that may vary from the interests of the holders of the Secured Notes. See "—Relating to the Collateral Manager—The Subordinated Management Fee and the Incentive Management Fee may create different incentives for the Collateral Manager".

Neither the Collateral Manager nor any CM Affiliate is under any obligation to offer investment opportunities of which they become aware to the Issuer or to account to the Issuer for (or share with the Issuer or inform the Issuer of) any such transaction or any benefit received by them from any such transaction or to inform the Issuer of any investments before offering any investments to any Other Account. Furthermore, the Collateral Manager and/or CM Affiliates may make an investment on behalf of any Other Account without offering the investment opportunity or making any investment on behalf of the Issuer. In addition, CM Affiliates may make an investment on their own behalf without offering the investment opportunity to, or the Collateral Manager making any investment on behalf of, the Issuer. Affirmative obligations may exist or may arise in the future, whereby CM Affiliates are obligated to offer certain investments to certain Other Accounts before or without the Collateral Manager offering those investments to the Issuer. The Collateral Manager may make investments on behalf of the Issuer in securities, or other assets, that it has declined to invest in for its own account, the account of any CM Affiliates or the account of its other clients. The Collateral Manager will endeavor to resolve conflicts arising therefrom in a manner that it deems equitable to the extent possible under the prevailing facts and circumstances and applicable law.

In addition, CM Affiliates may invest in the Notes and/or loan obligations or other securities that are senior to, or have interests different from or adverse to, the securities that are pledged to secure the Notes (e.g., an Other Account may acquire senior debt while the Issuer may acquire subordinated debt). In addition, the Collateral Manager or any CM Affiliate may serve as a general partner, adviser, officer, director, sponsor or manager of partnerships or companies organized to issue collateralized debt obligations secured by non-investment grade loans. In such instances the Collateral Manager and CM Affiliates may give advice or take action with respect to such securities or investments which may differ from the advice given or the timing or nature of any action taken with respect to the investments of the Issuer. As a result of such advice or actions, the prices and availability of securities and other financial investments in which the Issuer invests or may seek to invest, and the performance of the Issuer, may be adversely affected.

The Collateral Manager and one or more of the CM Affiliates may serve as collateral managers of Other Accounts in the future. Such Other Accounts may be organized to issue notes or certificates, similar to the Notes, which are secured by high-yield debt securities, loans and other investments, or may manage third party accounts which invest in high-yield debt securities, loans and other investments. The Collateral Manager will have no obligation to purchase, sell or exchange any security or financial instrument for the Issuer which the Collateral Manager may purchase, sell or exchange for its Other Accounts. There is no assurance that any collateralized debt obligation or other client with strategies or investment objectives similar to the Issuer will hold the same assets or perform in a similar manner.

The Collateral Manager and/or CM Affiliates may at certain times be simultaneously seeking to purchase or dispose of investments for their respective accounts, the Issuer, and any Other Accounts they manage (collectively, "**Managed Accounts**"). Subject to the requirements of the governing instruments pertaining to the Collateral Manager or CM Affiliates, investment opportunities sourced by the Collateral Manager will generally be allocated to its funds and clients in a manner that the Collateral Manager believes, in its judgment, to be appropriate given factors that it believes to be relevant. Such factors may include any fiduciary duties and contractual obligations to other funds and clients, the investment objectives, liquidity, diversification, covenants and other

limitations of the Issuer and the Collateral Manager or CM Affiliates and the amount of funds each of them has available for such investment. In the event that the Issuer and another Managed Account managed by the Collateral Manager should purchase or sell the same securities or loans at the same time, such purchases or sales, respectively, may be aggregated and allocated if in the Collateral Manager's reasonable judgment such aggregation shall not result in an overall economic loss to the Issuer. In assessing the best overall terms available for any purchase or sale of any Collateral Obligation, the Collateral Manager will consider all factors it deems relevant including, but not limited to, the requirements of the Indenture and of the Collateral Management Agreement, the timing for such purchase or sale, the breadth of the market in the relevant security or loan, market conditions, price, the financial condition and execution capability of the broker or dealer. When any aggregate sales or purchase orders occur, the Collateral Manager (and any of its Affiliates involved in such transactions) shall allocate the executions among the accounts and shall execute or direct the execution of all such transactions in an equitable manner and in accordance with applicable law. Although the Collateral Manager and CM Affiliates will attempt to allocate such investments (and any related expenses) on a basis that they consider equitable, there can be no assurance that such investments (and any related expenses) will in all cases be allocated appropriately among such parties. In addition to the foregoing and subject to the objective of obtaining best overall terms and best execution and to the extent permitted by applicable law, the Collateral Manager may, on behalf of the Issuer, acquire or direct the Trustee in writing to acquire any and all of the Eligible Investments or other Assets from, or sell Collateral Obligations or other Assets to, the Collateral Manager's Affiliates, the Initial Purchaser or its Affiliates.

The Collateral Manager and CM Affiliates may also have or establish relationships with companies whose equity securities (including controlling interests) or debt obligations are Collateral Obligations of the Issuer, or may be considered for the Issuer or Other Accounts, and may now or in the future own or seek to acquire equity securities (including controlling interests) or debt obligations issued by issuers of Collateral Obligations, and such equity securities or debt obligations may have interests different from or adverse to the securities that are Collateral Obligations. The Collateral Manager and/or CM Affiliates may have ongoing relationships with, render services to or engage in transactions with other issuers of collateralized debt obligations that invest in assets of a similar nature to those of the Issuer, and with companies whose securities are pledged to secure the Notes. The investment policies, fee arrangements and other circumstances applicable to such other parties may vary from those applicable to the Issuer. The Collateral Manager will be free, in its sole discretion, to make recommendations to others, or effect transactions on behalf of itself or for others, which may be the same as or different from those effected with respect to the Assets and the Issuer. If, in light of market conditions and investment objectives, the Collateral Manager determines that it would be advisable to facilitate the sale of the same Collateral Obligation both for the Issuer and for either the proprietary account of the Collateral Manager or any CM Affiliate or for another client of the Collateral Manager or any CM Affiliate or (ii) facilitate the acquisition of the same Collateral Obligation both for the Issuer and for either the proprietary account of the Collateral Manager or any CM Affiliate or for another client of the Collateral Manager or any CM Affiliate, then, in each such case, the purchases or sales will be allocated in a manner believed by the Collateral Manager to be equitable and that is consistent with the Collateral Manager's obligations under the Collateral Management Agreement, its standard practices and applicable law.

The Collateral Manager and/or CM Affiliates may also provide investment banking or commercial lending services or other advisory services for a negotiated fee to issuers whose debt obligations or other securities are Collateral Obligations (including without limitation, the origination of debt obligations acquired by the Issuer), and, except to the limited extent provided in the Collateral Management Agreement with respect to services provided by the Collateral Manager related to the purchase by the Issuer of obligations included in the Assets, neither the holders of Notes, nor the Co-Issuers shall have any right to such fees. In connection with the foregoing activities, the Collateral Manager and/or CM Affiliates may from time to time come into possession of material non-public information that limits the ability of the Collateral Manager to effect a transaction for the Issuer and the Issuer's investments may be constrained as a consequence of the Collateral Manager's inability to use such information for advisory purposes or otherwise to effect transactions that otherwise may have been initiated on behalf of its clients, including the Issuer.

In addition, because the Collateral Manager and/or CM Affiliates may trade in the public equity or debt securities of obligors of Collateral Obligations (or their affiliates) or as a result of institutional procedures, the Collateral Manager may elect not to receive or may be restricted from receiving material non-public information with respect to various obligors. As a result, the Collateral Manager may not have access to information relating to obligors of Collateral Obligations that is or may be known to other personnel who are investing in the same

Collateral Obligation. The Collateral Manager may refrain from, or be restricted from, directing the purchase or sale hereunder of obligations issued by persons about whom the Collateral Manager or any CM Affiliate has information (including confidential information received by the Collateral Manager from its affiliates that is not available to all lenders in the loan or credit agreement under which the Collateral Obligation was issued) that the Collateral Manager determines might prohibit it from trading such obligations in accordance with applicable law.

Although the professional staff of the Collateral Manager will devote as much time to the Issuer as the Collateral Manager deems appropriate to perform its duties in accordance with the Collateral Management Agreement and in accordance with reasonable commercial standards, the staff may have conflicts in allocating its time and services among the Issuer and the Collateral Manager's Other Accounts. The Indenture places significant restrictions on the Collateral Manager's ability to buy and sell Collateral Obligations. Accordingly, during certain periods or in certain circumstances, the Collateral Manager may be unable as a result of such restrictions to buy or sell securities or to take other actions that it might consider to be in the best interests of the Issuer and the holders of the Notes. In addition, because of the different seniorities and other characteristics of the various Classes of Notes, decisions by the Collateral Manager with respect to the Issuer are likely to affect such Classes differently (and may even affect one or more Classes adversely while affecting one more other Classes positively). Such conflicts are inherent in a multiclass capital structure within a single entity.

The Collateral Manager may participate on creditors' committees with respect to the bankruptcy, restructuring or workout of issuers of Collateral Obligations. In such circumstances, the Collateral Manager may take positions on behalf of itself or Other Accounts that are adverse to the interests of the Issuer in the Collateral Obligations. As a result of such participation, the Collateral Manager may be restricted in trading such Collateral Obligations.

The Collateral Management Agreement permits the Collateral Manager and CM Affiliates to act as principal, agent, or fiduciary for other clients in connection with the transactions to which Issuer is a party, subject to obtaining any consents required by the Advisers Act. The Collateral Management Agreement requires that all purchases from or sales to the Collateral Manager, its affiliates, or their respective clients (including the Co-Issuers) be made in compliance with the provisions of the Advisers Act. The Collateral Manager will endeavor to resolve conflicts arising therefrom in a manner that it deems equitable to the extent possible under the prevailing facts and circumstances and applicable law. The Collateral Management Agreement and the Indenture provide that each of the Co-Issuers and each holder of a Note consents and agrees that, if any transaction, including any transaction effected between the Issuer and the Collateral Manager or its affiliates, will be subject to the disclosure and consent requirements of Section 206(3) of the Advisers Act, such requirements will be satisfied with respect to the Co-Issuers and all securityholders thereof if disclosure will be given to, and consent obtained from, the board of directors of the Issuer or an independent advisor who is not an affiliate of the Collateral Manager or in any other matter permitted by applicable law.

The Collateral Manager may, to the extent permitted under applicable law, including the Advisers Act, and the Collateral Management Agreement, effect cross-transactions where the Collateral Manager causes a transaction to be effected between the Issuer and another account advised by the Collateral Manager or any CM Affiliate, including, with the consent of the Issuer, accounts for affiliates and principals of the Collateral Manager. In addition, with the prior authorization of the Issuer, which can be revoked at any time, the Collateral Manager may enter into agency cross-transactions where it or any CM Affiliate acts as broker for the Issuer and for the other party to the transaction, to the extent permitted under applicable law, in which case any such affiliate will receive commissions from, and have a potentially conflicting division of loyalties and responsibilities regarding, both parties to the transaction.

There is no limitation or restriction on the Collateral Manager or any CM Affiliate with regard to acting as collateral manager (or in a similar role, as applicable) to other parties or persons. This and other future activities of the Collateral Manager and/or CM Affiliates may give rise to additional conflicts of interest. See "The Collateral Management Agreement—Conflicts of Interest."

The Collateral Manager may discuss the composition of the Issuer's assets and other matters relating to the Issuer and the Collateral Manager's duties and rights with respect to the transactions described herein with potential

holders of Notes or other stakeholders in the transactions described herein, as well as Other Accounts the Collateral Manager or its Affiliates may manage, and may continue to do so in the future.

The Issuer will be subject to various conflicts of interest involving Citigroup.

Various potential and actual conflicts of interest may arise as a result of the investment banking, commercial banking, asset management, financing and financial advisory services and products provided by the Citigroup Companies, to the Issuer, the Trustee, the Collateral Manager, the issuers of the Collateral Obligations and others, as well as in connection with the investment, trading and brokerage activities of the Citigroup Companies. The following briefly summarizes some of these conflicts, but is not intended to be an exhaustive list of all such conflicts.

Citigroup will serve as initial purchaser for the Secured Notes, and as placement agent for the Subordinated Notes, and will be paid fees and commissions for such service by the Issuer from the proceeds of the issuance of the Notes. Citibank, N.A., an affiliate of Citigroup, will serve as Trustee under the Indenture and will be paid fees for such service by the Issuer. One or more of the Citigroup Companies may from time to time hold Notes for investment, trading or other purposes. None of the Citigroup Companies are required to own or hold any Notes and may sell any Notes held by them at any time. As described above under "—Relating to the Collateral Obligations—Closing Date and pre-Closing Date acquisition of Collateral Obligations", (a) the Issuer will purchase certain assets from wholly owned a subsidiary of Citibank, N.A., (b) Citibank, N.A. acted as TRS Provider and Loan Facility Lender in connection with certain financing arrangements related to assets to be purchased by the Issuer on or prior to the Closing Date and (c) to finance the purchase of a portion of the Collateral Obligations prior to the Closing Date, the Issuer entered into a master participation agreement providing for the sale of participations to Citibank, N.A., an affiliate of Citigroup, and a portion of the proceeds of the offering of the Notes will be paid to Citibank, N.A., in respect of delayed compensation that accrues on or before the Closing Date on Collateral Obligations that the Issuer committed to purchase in connection with such master participation agreement but for which the settlement date has not yet occurred. Certain Eligible Investments may be issued, managed or underwritten by one or more of the Citigroup Companies. One or more of the Citigroup Companies may provide investment banking, commercial banking, asset management, financing and financial advisory services and products to the Collateral Manager, its affiliates, and funds managed by the Collateral Manager and its affiliates, and purchase, hold and sell, both for their respective accounts or for the account of their respective clients, on a principal or agency basis, loans, securities, and other obligations and financial instruments of the Collateral Manager, its affiliates, and funds managed by the Collateral Manager and its affiliates. As a result of such transactions or arrangements, one or more of the Citigroup Companies may have interests adverse to those of the Issuer and holders of the Notes.

One or more of the Citigroup Companies may:

- have placed or underwritten, or acted as a financial arranger, structuring agent or advisor in connection with the original issuance of, or may act as a broker or dealer with respect to, certain of the Collateral Obligations;

- act as trustee, paying agent and in other capacities in connection with certain of the Collateral Obligations or other classes of securities issued by an issuer of a Collateral Obligation or an affiliate thereof;

- be a counterparty to issuers of certain of the Collateral Obligations under swap or other derivative agreements;

- lend to certain of the issuers of Collateral Obligations or their respective affiliates or receive guarantees from the issuers of those Collateral Obligations or their respective affiliates;

- provide other investment banking, asset management, commercial banking, financing or financial advisory services to the issuers of Collateral Obligations or their respective affiliates; or

- have an equity interest, which may be a substantial equity interest, in certain issuers of the Collateral Obligations or their respective affiliates.

When acting as a trustee, paying agent or in other service capacities with respect to a Collateral Obligation, the Citigroup Companies will be entitled to fees and expenses senior in priority to payments to such Collateral Obligation. When acting as a trustee for other classes of securities issued by the issuer of a Collateral Obligation or an affiliate thereof, the Citigroup Companies will owe fiduciary duties to the holders of such other classes of securities, which classes of securities may have differing interests from the holders of the class of securities of which the Collateral Obligation is a part, and may take actions that are adverse to the holders (including the Issuer) of the class of securities of which the Collateral Obligation is a part. As a counterparty under swaps and other derivative agreements, the Citigroup Companies might take actions adverse to the interests of the Issuer, including, but not limited to, demanding collateralization of its exposure under such agreements (if provided for thereunder) or terminating such swaps or agreements in accordance with the terms thereof. In making and administering loans and other obligations, the Citigroup Companies might take actions including, but not limited to, restructuring a loan, foreclosing on or exercising other remedies with respect to a loan, requiring additional collateral or other credit enhancement, charging significant fees and interest, placing the obligor in bankruptcy or demanding payment on a loan guarantee or under other credit enhancement. The Issuer's purchase, holding and sale of Collateral Obligations may enhance the profitability or value of investments made by the Citigroup Companies in the issuers thereof. As a result of all such transactions or arrangements between the Citigroup Companies and issuers of Collateral Obligations or their respective affiliates, the Citigroup Companies may have interests that are contrary to the interests of the Issuer and the holders of the Notes.

As part of their regular business, the Citigroup Companies may also provide investment banking, commercial banking, asset management, financing and financial advisory services and products to, and purchase, hold and sell, both for their respective accounts or for the account of their respective clients, on a principal or agency basis, loans, securities, and other obligations and financial instruments and engage in private equity investment activities. The Citigroup Companies will not be restricted in their performance of any such services or in the types of debt or equity investments, which they may make. In conducting the foregoing activities, the Citigroup Companies will be acting for their own account or the account of their customers and will have no obligation to act in the interest of the Issuer.

The Citigroup Companies may from time to time enter into financing and derivative transactions (including repurchase transactions) with third parties (including the Collateral Manager and its affiliates) with respect to the Notes, and the Citigroup Companies in connection therewith may acquire (or establish long, short or derivative financial positions with respect to) Notes, Collateral Obligations or one or more portfolios of financial assets similar to the portfolio of Collateral Obligations acquired by (or intended to be acquired by) the Issuer, including the right to exercise the voting rights with respect to such Notes or other assets.

The Citigroup Companies may, by virtue of the relationships described above or otherwise, at the Original Distribution Date or at any time thereafter, be in possession of information regarding certain of the issuers of Collateral Obligations and their respective affiliates, that is or may be material in the context of the Notes and that is or may not be known to the general public. None of the Citigroup Companies has any obligation, and the offering of the Notes will not create any obligation on their part, to disclose to any purchaser of the Notes any such relationship or information, whether or not confidential.

DESCRIPTION OF THE NOTES

The Indenture and the Secured Notes

All of the Notes will be issued pursuant to the Indenture. However, only the Secured Notes will be secured obligations of the Issuer. The following summary describes certain provisions of the Secured Notes and the Indenture and, to a limited extent, the Subordinated Notes. The summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Indenture. Additional information regarding the Subordinated Notes appears under "—The Subordinated Notes".

Status and security

The Secured Notes will be limited recourse obligations of the Co-Issuers or the Issuer, as applicable, secured as described below, and will rank in priority with respect to each other and the Subordinated Notes as described herein. Under the terms of the Indenture, the Issuer will grant to the Trustee for the benefit of the Secured Parties a security interest in the Assets to secure the Issuer's obligations under the Indenture and the Secured Notes. See "Security for the Secured Notes".

Payments of interest and principal on the Secured Notes will be made from the proceeds of the Assets, in accordance with the priorities described under "Overview of Terms—Priority of Payments" and "—Priority of Payments". The aggregate amount that will be available from the Assets for payment on the Secured Notes and of certain expenses of the Co-Issuers on any Payment Date prior to the occurrence of an Enforcement Event will be the sum of Interest Proceeds and Principal Proceeds for the related Collection Period; *provided* that during the Reinvestment Period (and after the Reinvestment Period, in the case of Eligible Post Reinvestment Proceeds), it is expected that Principal Proceeds will be reinvested in additional Collateral Obligations, unless otherwise required by the Priority of Payments. To the extent that the proceeds of the Assets are insufficient to meet payments due in respect of the Secured Notes and expenses following liquidation of the Assets, the Co-Issuers will have no obligation to pay such deficiency.

Interest on the Secured Notes

The Secured Notes will bear stated interest from the Closing Date and such interest will be payable quarterly in arrears on each Payment Date at the applicable Interest Rate indicated under "Overview of Terms—Principal Terms of the Notes" on the aggregate outstanding principal amount thereof on the first day of the related Interest Accrual Period (after giving effect to payments of principal thereof on such date).

Any payment of interest due on the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes on any Payment Date to the extent sufficient funds are not available to make such payment in accordance with the Priority of Payments on such Payment Date, but only if one or more Classes of Notes more senior to such Class is outstanding, shall constitute Secured Note Deferred Interest and will not be considered due and payable on such Payment Date, but will be deferred and added to the principal balance of the applicable Class of Secured Notes and, thereafter, will bear interest at the Interest Rate for such Class, until the earliest of (i) the Payment Date on which funds are available to pay such Secured Note Deferred Interest in accordance with the Priority of Payments, (ii) the Redemption Date with respect to such Class and (iii) the Stated Maturity (or the earlier date of maturity) of such Class, and the failure to pay such Secured Note Deferred Interest on such Payment Date will not be an Event of Default under the Indenture; *provided*, that any such Secured Note Deferred Interest must, in any case, be paid no later than the earlier of the Redemption Date or Stated Maturity (or the earlier date of maturity) of such Class. Regardless of whether any more senior Class of Secured Notes is outstanding, to the extent that funds are not available on any Payment Date (other than the Redemption Date with respect to, or Stated Maturity of, the relevant Class of Secured Notes) to pay previously accrued Secured Note Deferred Interest, such previously accrued Secured Note Deferred Interest will not be due and payable on such Payment Date and any failure to pay such previously accrued Secured Note Deferred Interest on such Payment Date will not be an Event of Default under the Indenture. See "—The Indenture—Events of Default". Interest may be deferred (i) on the Class B Notes as long as any Class A Note is outstanding, (ii) on the Class C Notes as long as any Class A Notes or Class B Notes are outstanding, (iii) on the Class D Notes as long as any Class A Notes, Class B Notes or Class C Notes are outstanding and (iv) on

the Class E Notes as long as any Class A Notes, Class B Notes, Class C Notes or Class D Notes are outstanding. Interest will cease to accrue on Secured Note Deferred Interest on the date of payment thereof.

If any interest due and payable in respect of any Class A-1 Note or Class A-2 Note (or, if there are no Class A Notes outstanding, any Class B Note or, if there are no Class A Notes or Class B Notes outstanding, any Class C Note, or, if there are no Class A Notes, Class B Notes or Class C Notes outstanding, any Class D Note, or, if there are no Class A Notes, Class B Notes, Class C Notes or Class D Notes outstanding, any Class E Note) is not punctually paid or duly provided for on the applicable Payment Date or at the applicable Stated Maturity and such default continues for five Business Days (or, in the case of a failure to disburse due to an administrative error or omission by the Collateral Manager, the Trustee, the Collateral Administrator, the Administrator, the note registrar of the Issuer or any Paying Agent (as defined herein), for five Business Days after a trust officer of the Trustee receives written notice or has actual knowledge of such administrative error or omission), an Event of Default will occur. To the extent lawful and enforceable, interest on any interest that is not paid when due on any Secured Note and does not constitute Secured Note Deferred Interest will accrue at the Interest Rate applicable to such Class until paid as provided in the Indenture.

Interest on the Floating Rate Notes will be calculated on the basis of the actual number of days elapsed in the applicable Interest Accrual Period (or, for each calculation during the first Interest Accrual Period, the related portion thereof) *divided* by 360. Interest on the Fixed Rate Notes will be calculated on the basis of a 360-day year consisting of twelve 30-day months (with the first Interest Accrual Period consisting of 210 days).

The Calculation Agent will determine LIBOR for each Interest Accrual Period (or, for the first Interest Accrual Period, the related portion thereof) on the Interest Determination Date. The Issuer has initially appointed the Trustee as the Calculation Agent.

As soon as possible after 11:00 a.m. London time on each Interest Determination Date, but in no event later than 11:00 a.m. New York time on the London Banking Day immediately following each Interest Determination Date, the Calculation Agent will calculate the Interest Rate applicable to each Class of Floating Rate Notes during the related Interest Accrual Period (or, for the first Interest Accrual Period, the related portion thereof) and, except in the case of the first Interest Determination Date, the Calculation Agent will calculate the Note Interest Amount (in each case, rounded to the nearest cent, with half a cent being rounded upward) payable in respect of each Class of Secured Notes on the related Payment Date in respect of the related Interest Accrual Period. At such time, the Calculation Agent will communicate such rates and amounts to the Co-Issuers, the Trustee, the Paying Agents, Euroclear, Clearstream and the Collateral Manager. The Calculation Agent will also specify to the Co-Issuers the quotations upon which the Interest Rate for each Class of Floating Rate Notes is based, and in any event the Calculation Agent shall notify the Co-Issuers (with a copy to the Collateral Manager) before 5:00 p.m. (New York time) on every Interest Determination Date if it has not determined and is not in the process of determining any such Interest Rate or (except in the case of the first Interest Determination Date) Note Interest Amount, together with its reasons therefor. The Calculation Agent's determination of the foregoing rates and amounts for any Interest Accrual Period (or any portion thereof, in the case of the first Interest Accrual Period) will (in the absence of manifest error) be final and binding upon all parties.

The Issuer will agree that for so long as any Secured Notes remain outstanding there will at all times be a Calculation Agent which shall not control, be controlled by or be under common control with the Issuer or its affiliates or the Collateral Manager or its affiliates. The Calculation Agent may be removed by the Issuer or the Collateral Manager, on behalf of the Issuer, at any time. If the Calculation Agent is unable or unwilling to act as such or is removed by the Issuer or the Collateral Manager, on behalf of the Issuer, or if the Calculation Agent fails to determine any of the information required to be published on the Irish Stock Exchange via the Companies Announcement Office, the Issuer or the Collateral Manager, on behalf of the Issuer, will be required to appoint promptly a replacement Calculation Agent which does not control and is not controlled by or under common control with the Issuer, the Collateral Manager or their respective affiliates. The Calculation Agent may not resign its duties or be removed without a successor having been duly appointed.

Principal of the Secured Notes

The Secured Notes of each Class will mature at par on the Stated Maturity, unless previously redeemed or repaid prior thereto as described herein. Principal will not be payable on the Secured Notes except with respect to

Secured Note Deferred Interest and in the limited circumstances described under "—Optional Redemption and Tax Redemption", "—Mandatory Redemption", "—Special Redemption", "Overview of Terms—Priority of Payments—Application of Interest Proceeds", "Overview of Terms—Priority of Payments—Application of Principal Proceeds" and "—Priority of Payments".

On each Payment Date prior to the occurrence of an Enforcement Event, Principal Proceeds (other than (i) amounts required to meet funding requirements with respect to Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations that are deposited in the Revolver Funding Account, (ii) during the Reinvestment Period, Principal Proceeds that will be used to reinvest in Collateral Obligations that the Issuer has already committed to purchase and (iii) after the Reinvestment Period, Eligible Post Reinvestment Proceeds that will be used to reinvest in Substitute Obligations that the Issuer has already committed to purchase) will be applied in accordance with the priorities set forth under "Overview of Terms—Priority of Payments—Application of Principal Proceeds". Upon the occurrence and during the continuance of an Enforcement Event, Interest Proceeds and Principal Proceeds will be applied in accordance with the Special Priority of Payments described under "—Priority of Payments".

At any time during which the Coverage Tests are not met, principal payments on the Secured Notes will be made as described under "—Mandatory Redemption".

The average life of each Class of Secured Notes is expected to be less than the number of years until the Stated Maturity of such Secured Notes. See "Risk Factors—Relating to the Notes—The weighted average lives of the Notes may vary from their maturity date".

Payments of principal to each holder of the Secured Notes of each Class shall be made ratably among the holders of the Secured Notes of such Class in the proportion that the aggregate outstanding principal amount of the Secured Notes of such Class registered in the name of each such holder on the applicable Record Date bears to the aggregate outstanding principal amount of all Secured Notes of such Class on such Record Date (or (i) in the case of the Class A-1 Notes, ratably among the Class A-1A Notes, the Class A-1B Notes and the Class A-1C Notes in the proportion that the aggregate outstanding principal amount of the Class A-1A Notes, the Class A-1B Notes and the Class A-1C Notes bears to the aggregate outstanding principal amount of all Class A-1 Notes on such Record Date, and (ii) in the case of the Class A-2 Notes, ratably among the holders of the Class A-2A Notes and the Class A-2B Notes in the proportion that the aggregate outstanding principal amount of the Class A-2A Notes and the Class A-2B Notes bears to the aggregate outstanding principal amount of all Class A-2 Notes on such Record Date.

Optional Redemption and Tax Redemption

Optional Redemption. The Secured Notes are subject to redemption by the Co-Issuers or the Issuer, as applicable, on any Eligible Redemption Date after the Non-Call Period, as follows: (i) at the written direction of a Special Majority of the Subordinated Notes, subject, for so long as the Required IRR Threshold Condition applies, to the satisfaction of the Required IRR Threshold Test (unless the Designated Subordinated Noteholder directs that such test be deemed satisfied), with the consent of the Collateral Manager, the Secured Notes are subject to redemption in whole (with respect to all Classes of Secured Notes) but not in part from Sale Proceeds and all other funds available for such purpose in the Collection Account and the Payment Account; or (ii) at the written direction of a Majority of the Subordinated Notes, the Secured Notes are subject to redemption in part by Class from Refinancing Proceeds and Partial Refinancing Interest Proceeds (so long as the Secured Notes of any Class to be redeemed represent the entire Class of such Secured Notes) or in whole from Refinancing Proceeds and all other funds available for such purpose in the Collection Account and the Payment Account. In connection with any such redemption (each such redemption, an "**Optional Redemption**") the Secured Notes shall be redeemed at the applicable Redemption Prices. To effect an Optional Redemption, the specified percentage of the Subordinated Notes must provide the above described written direction to the Issuer and the Trustee (with a copy to the Collateral Manager) not later than 30 days prior to the Business Day on which such redemption is to be made; *provided* that all Secured Notes to be redeemed must be redeemed simultaneously. In connection with any Optional Redemption, any holder of any Class of Secured Notes may (but is under no obligation to) elect to receive less than 100% of the Redemption Price that would otherwise be payable to the holders of such Class of Secured Notes.

"**Designated Subordinated Noteholder**" means, collectively, beneficial owners of Subordinated Notes that are any of the following: (a) the party (as notified by the Issuer to the Trustee as of the Closing Date) that, together with its Affiliates, beneficially owns approximately 80% of the aggregate outstanding principal amount of

Subordinated Notes as of the Closing Date (the "**Initial Holder**") and (b) the Initial Holder's Affiliates (as notified by the Initial Holder to the Trustee from time to time); *provided* that, solely for purposes of this definition, no entity shall constitute an Affiliate of the Initial Holder if the status of such entity as an Affiliate of the Initial Holder would be based solely on the fact that such entity and the Initial Holder are under common control by an investment adviser that provides investment management or advisory services to such entity and to the Initial Holder.

A "**Special Majority of the Subordinated Notes**" means a Majority of the Subordinated Notes, excluding from both the numerator and the denominator in the calculation of the Majority, for so long as the Designated Subordinated Noteholder holds a Majority of the Subordinated Notes, Subordinated Notes held by the Designated Subordinated Noteholder.

A "**Special Supermajority of the Subordinated Notes**" means a Supermajority of the Subordinated Notes, excluding from both the numerator and the denominator in the calculation of the Supermajority, for so long as the Designated Subordinated Noteholder holds a Majority of the Subordinated Notes, Subordinated Notes held by the Designated Subordinated Noteholder.

The Initial Holder shall, prior to any determination that the Designated Subordinated Noteholder holds less than a Majority of the Subordinated Notes (taking into account Regulation S Global Subordinated Notes), deliver to the Trustee a certificate confirming the aggregate principal amount of any Subordinated Notes beneficially owned by the Designated Subordinated Noteholder in the form of Regulation S Global Notes (or, if applicable, confirming that the Designated Subordinated Noteholder does not beneficially own any Subordinated Notes in the form of Regulation S Global Notes).

Upon receipt of a notice of an Optional Redemption of the Secured Notes in whole but not in part (subject to the two immediately succeeding paragraphs with respect to a redemption from Refinancing Proceeds), the Collateral Manager will direct the sale (and the manner thereof), acting in a commercially reasonable manner to maximize the proceeds of such sale, of all or part of the Collateral Obligations and other Assets in an amount sufficient that the proceeds from such sale and all other funds available for such purpose in the Collection Account and the Payment Account will be at least sufficient to pay the Redemption Prices of the Secured Notes to be redeemed (or with respect to any Secured Note the holder of which has elected to receive less than 100% of the Redemption Price that would otherwise be payable to the holders of the Secured Notes of the relevant Class, such lesser amount that such holder has elected to receive) and to pay all Administrative Expenses (regardless of the Administrative Expense Cap) and Base Management Fee payable under the Priority of Payments. If such proceeds of such sale and all other funds available for such purpose in the Collection Account and the Payment Account would not be sufficient to redeem all Secured Notes and to pay such Administrative Expenses (regardless of the Administrative Expense Cap) and Base Management Fee, the Secured Notes may not be redeemed. The Collateral Manager, in its sole discretion, may effect the sale of all or any part of the Collateral Obligations or other Assets through the direct sale of such Collateral Obligations or other Assets or by participation or other arrangement.

In the case of any redemption of the Secured Notes in whole, or in part by Class, from Refinancing Proceeds, the Co-Issuers or the Issuer, as applicable, shall obtain a loan or an issuance of replacement securities, whose terms in each case will be negotiated by the Collateral Manager on behalf of the Issuer, from one or more financial institutions or purchasers, it being understood that any rating of such replacement securities by a Rating Agency will be based on a credit analysis specific to such replacement securities and independent of the rating of the Secured Notes being refinanced (any such redemption and refinancing, a "**Refinancing**"); *provided* that the terms of such Refinancing are consented to by the Collateral Manager (such consent not to be unreasonably withheld) and a Majority of the Subordinated Notes and such Refinancing otherwise satisfies the conditions described below.

In the case of a Refinancing upon a redemption of all Classes of the Secured Notes in whole but not in part as described above, such Refinancing will be effective only if (i) the Refinancing Proceeds and all other available funds will be at least sufficient to redeem simultaneously the Secured Notes, in whole but not in part, and to pay the other amounts included in the aggregate Redemption Prices and all accrued and unpaid Administrative Expenses (regardless of the Administrative Expense Cap), including the reasonable fees, costs, charges and expenses incurred by the Issuer, the Co-Issuer, the Trustee and the Collateral Administrator (including reasonable attorneys' fees and expenses), and (ii) the Refinancing Proceeds and other available funds are used (to the extent necessary) to make such redemption.

In the case of a Refinancing upon a redemption of the Secured Notes in part by Class as described above, such Refinancing will be effective only if (i) Moody's has been notified in advance with respect to any remaining Class A-1 Notes that were not the subject of the Refinancing and S&P has been notified in advance with respect to any remaining Secured Notes that were not the subject of such Refinancing, (ii) the Refinancing Proceeds, together with available Partial Refinancing Interest Proceeds, will be at least sufficient to pay in full the aggregate Redemption Prices of the entire Class or Classes of Secured Notes subject to Refinancing, (iii) the Refinancing Proceeds are used (to the extent necessary) to make such redemption, (iv) the agreements relating to the Refinancing contain limited recourse and non-petition provisions equivalent (*mutatis mutandis*) to those contained in the Indenture, (v) the aggregate principal amount of each class of obligations providing the Refinancing is equal to the corresponding aggregate outstanding principal amount of each Class of Secured Notes being redeemed with the proceeds of such obligations, (vi) the stated maturity date of each class of obligations providing the Refinancing is the same as the corresponding Stated Maturity of each Class of Secured Notes being refinanced, (vii) the reasonable fees, costs, charges and expenses incurred in connection with such Refinancing have been paid or will be adequately provided for from the Refinancing Proceeds (except for expenses owed to persons that the Collateral Manager informs the Trustee will be paid solely as Administrative Expenses payable in accordance with the Indenture), (viii) the spread over LIBOR (or the Interest Rate, in the case of a Refinancing of a Class of Fixed Rate Notes) of any obligations providing the Refinancing will not be greater than the spread over LIBOR (or the Interest Rate, in the case of a Refinancing of a Class of Fixed Rate Notes) of the Secured Notes subject to such Refinancing, (ix) the obligations providing the Refinancing are subject to the Priority of Payments and do not rank higher in priority pursuant to the Priority of Payments than the Class of Secured Notes being refinanced, (x) the voting rights, consent rights, redemption rights and all other rights of the obligations providing the Refinancing are the same as the rights of the corresponding Class of Secured Notes being refinanced except that, at the Issuer's election, the earliest date, if any, on which the obligations providing the Refinancing may be redeemed or re-priced at the option of the Issuer may be different than the earliest date on which the Secured Notes redeemed in connection with such Refinancing were subject to redemption or re-pricing at the option of the Issuer, (xi) the ratings by the Rating Agencies of each class of obligations providing the Refinancing are the same as the corresponding ratings by the Rating Agencies of the respective Class of Secured Notes being refinanced (determined at the time of the Refinancing), and (xii) a copy shall be delivered to the Trustee of an opinion of tax counsel of nationally recognized standing in the United States experienced in such matters addressed to the Issuer to the effect that (A) any remaining Class A Notes, Class B Notes and Class C Notes that were not the subject of the Refinancing will not (and any remaining Class D Notes that were not the subject of the Refinancing should not), solely as a result of such Refinancing, be treated as other than debt for U.S. federal income tax purposes and (B) any obligations providing the refinancing of Class A Notes, Class B Notes, and Class C Notes will be treated as debt (or, in the case of any obligations providing refinancing for the Class D Notes, to the effect that such obligations should be treated as debt) for U.S. federal income tax purposes.

The holders of the Subordinated Notes will not have any cause of action against any of the Co-Issuers, the Collateral Manager, the Collateral Administrator or the Trustee for any failure to obtain a Refinancing. If a Refinancing is obtained meeting the requirements specified above as certified by the Collateral Manager, the Issuer and the Trustee shall amend the Indenture to the extent necessary to reflect the terms of the Refinancing and no further consent for such amendments shall be required from the holders of Notes other than a Majority of the Subordinated Notes. The Trustee will not be obligated to enter into any amendment that, in its view, adversely affects its duties, obligations, liabilities or protections under the Indenture, and the Trustee will be entitled to conclusively rely upon an officer's certificate and/or an opinion of counsel as to matters of law (which may be supported as to factual (including financial and capital markets) matters by any relevant certificates and other documents necessary or advisable in the judgment of counsel delivering such opinion of counsel) provided by the Issuer to the effect that such amendment meets the requirements specified above and is permitted under the Indenture (except that such counsel will have no obligation to opine as to the sufficiency of the Refinancing Proceeds).

Tax Redemption. On any Eligible Redemption Date, the Secured Notes shall be subject to redemption in whole but not in part (any such redemption, a "**Tax Redemption**") at the written direction (delivered to the Issuer and the Trustee, with a copy to the Collateral Manager) of (x) a Majority of any Class of Secured Notes that, as a result of the occurrence of such Tax Event, has not received 100% of the aggregate amount of principal and interest that would otherwise be due and payable to such Class on any Payment Date (each such Class, an "**Affected Class**") or (y) a Special Majority of the Subordinated Notes, in either case following (I) the occurrence and continuation of a Tax Event with respect to payments under one or more Collateral Obligations forming part of the Assets which

results in a payment by, or charge or tax burden to, the Issuer that results or will result in the withholding of 5.0% or more of scheduled distributions on the Collateral Obligations for any Collection Period or (II) the occurrence and continuation of a Tax Event resulting in a tax burden on the Issuer in an aggregate amount in any Collection Period in excess of U.S. $1,000,000. In connection with any Tax Redemption, any holder of any Class of Secured Notes may (but is under no obligation to) elect to receive less than 100% of the Redemption Price that would otherwise be payable to the holders of such Class of Secured Notes.

Upon receipt of a notice of a Tax Redemption of the Secured Notes, the Collateral Manager in its sole discretion will direct the sale (and the manner thereof), acting in a commercially reasonable manner to maximize the proceeds of such sale, of all or part of the Collateral Obligations and other Assets such that the proceeds from such sale and all other funds available for such purpose in the Collection Account and the Payment Account will be at least sufficient to pay the Redemption Prices of the Secured Notes to be redeemed (or with respect to any Secured Note the holder of which has elected to receive less than 100% of the Redemption Price that would otherwise be payable to the holders of the Secured Notes of the relevant Class, such lesser amount that such holder has elected to receive) and to pay all Administrative Expenses (regardless of the Administrative Expense Cap) payable under the Priority of Payments. If such proceeds of such sale and all other funds available for such purpose in the Collection Account and the Payment Account would not be sufficient to redeem all Secured Notes and to pay such fees and expenses, the Secured Notes may not be redeemed. The Collateral Manager, in its sole discretion, may effect the sale of all or any part of the Collateral Obligations or other Assets through the direct sale of such Collateral Obligations or other Assets or by participation or other arrangement.

Redemption of the Subordinated Notes. The Subordinated Notes may be redeemed, in whole but not in part, on any Business Day on or after the redemption or repayment in full of the Secured Notes, at the direction of either (i) a Special Majority of the Subordinated Notes, or (ii) the Collateral Manager, so long as American Capital CLO Management, LLC or any affiliate thereof is the Collateral Manager. See "—The Subordinated Notes". The Subordinated Notes may also be redeemed in connection with a Clean-Up Call Redemption. See "—Clean-Up Call Redemption".

Redemption Procedures. In the event of any Optional Redemption, the written direction of the specified percentage of the Subordinated Notes shall be provided to the Issuer and the Trustee (with a copy to the Collateral Manager) as set forth above under "—Optional Redemption". In the event of any Tax Redemption, the written direction of a Majority of any Affected Class or a Special Majority of the Subordinated Notes, as applicable, shall be provided to the Issuer and the Trustee (with a copy to the Collateral Manager) as set forth above under "—Tax Redemption". The Issuer shall, at least 12 Business Days prior to the Redemption Date in the case of an Optional Redemption and at least 8 Business Days prior to the Redemption Date in the case of a Tax Redemption, notify the Trustee in writing with a copy to the Collateral Manager of such Redemption Date, the applicable Record Date, the principal amount of Notes to be redeemed on such Redemption Date and the applicable Redemption Prices. Notice of an Optional Redemption or Tax Redemption will be given by first-class mail, postage prepaid, mailed not later than nine Business Days prior to the applicable Redemption Date, in the case of an Optional Redemption, and at least five Business Days prior to the Redemption Date, in the case of a Tax Redemption, to each Rating Agency and each holder of Notes at such holder's address in the register maintained by the registrar under the Indenture. In addition, for so long as any Notes are listed on the Irish Stock Exchange and so long as the guidelines of such exchange so require, notice of Optional Redemption or Tax Redemption to the holders of such Notes shall also be given by publication on the Irish Stock Exchange via the Companies Announcement Office. Failure to give notice of redemption, or any defect therein, to any holder of any Note selected for redemption shall not impair or affect the validity of the redemption of any other Notes. Notes called for redemption (other than Uncertificated Subordinated Notes) must be surrendered at the office of any Paying Agent. The initial Paying Agent for the Notes will be the Trustee.

The Co-Issuers will have the option to withdraw any such notice of an Optional Redemption or Tax Redemption on any day up to and including the later of (x) the day on which the Collateral Manager is required to deliver to the Trustee the sale agreement or agreements or certifications as described in the following paragraph and (y) the day on which the holders of Notes are notified of such redemption in accordance with the Indenture. Any withdrawal of such notice of an Optional Redemption or Tax Redemption may be made only if (A) neither the Issuer nor the Collateral Manager has entered into a binding agreement in connection with the sale of any portion of the Assets or the Refinancing of any Secured Notes or taken any other action in connection with the liquidation of any

portion of the Assets pursuant to such notice of redemption and (B) either (i) the Collateral Manager has notified the Co-Issuers that it is unable to deliver the sale agreement or agreements or certifications as described in the following paragraph in form satisfactory to the Trustee or is unable to obtain the applicable Refinancing on behalf of the Issuer, (ii) the Issuer receives written direction from a Special Supermajority of the Subordinated Notes (in the case of an Optional Redemption of the Secured Notes in whole from Sale Proceeds), from a Majority of the Subordinated Notes (in the case of an Optional Redemption of the Secured Notes in whole, or in part by Class, by Refinancing) or from a Special Majority of the Subordinated Notes or a Majority of an Affected Class, as applicable (in the case of a Tax Redemption), to withdraw such notice of redemption or (iii) in the case of a Tax Redemption, proceeds of the Assets will be insufficient to pay, together with other required amounts, the Redemption Price of any Class of Secured Notes, and holders of such Class have not elected to receive the lesser amount that will be available. If the Co-Issuers so withdraw any notice of an Optional Redemption or Tax Redemption or are otherwise unable to complete an Optional Redemption or Tax Redemption of the Notes, the proceeds received from the sale of any Collateral Obligations and other Assets sold in contemplation of such redemption may during the Reinvestment Period, at the Collateral Manager's sole discretion, be reinvested in accordance with the Investment Criteria described herein.

Unless Refinancing Proceeds are being used to redeem the Secured Notes in whole or in part, in the event of any Optional Redemption or Tax Redemption, no Secured Notes may be optionally redeemed unless (i) at least five Business Days before the scheduled Redemption Date the Collateral Manager shall have furnished to the Trustee an officer's certificate certifying that the Collateral Manager on behalf of the Issuer has entered into a binding agreement or agreements with a financial or other institution or institutions whose short-term unsecured debt obligations (other than such obligations whose rating is based on the credit of a person other than such institution) are rated, or guaranteed by a Person whose short-term unsecured debt obligations are rated, at least "A-1" by S&P and at least "P-1" by Moody's to purchase (directly or by participation or other arrangement), not later than the Business Day immediately preceding the scheduled Redemption Date in immediately available funds, all or part of the Assets at a purchase price at least sufficient, together with the Eligible Investments maturing, redeemable or putable to the issuer thereof at par on or prior to the scheduled Redemption Date and other available funds in the Collection Account, to pay all Administrative Expenses (regardless of the Administrative Expense Cap) and Base Management Fee payable in accordance with the Priority of Payments and redeem all of the Secured Notes on the scheduled Redemption Date at the applicable Redemption Prices (or in the case of any Secured Note the holder of which has elected to receive less than 100% of the Redemption Price that would otherwise be payable to the holders of the Secured Notes of the relevant Class, such lesser amount that such holder has elected to receive), (ii) at least five Business Days before the scheduled Redemption Date, the Issuer shall have received proceeds of disposition of all or part of the Assets, which together with the Eligible Investments maturing, redeemable or putable to the issuer thereof at par prior to the scheduled Redemption Date and other available funds in the Collection Account, shall be at least sufficient to pay all Administrative Expenses (regardless of the Administrative Expense Cap) and Base Management Fee payable in accordance with the Priority of Payments and redeem all of the Secured Notes on the scheduled Redemption Date at the applicable Redemption Prices (or in the case of any Secured Note the holder of which has elected to receive less than 100% of the Redemption Price that would otherwise be payable to the holders of the Secured Notes of the relevant Class, such lesser amount that such holder has elected to receive), or (iii) prior to selling any Collateral Obligations and/or Eligible Investments, the Collateral Manager shall certify to the Trustee that, in its judgment, the aggregate sum of (A) expected proceeds from the sale or payment of Eligible Investments and all other funds available for such purpose in the Collection Account, and (B) for each Collateral Obligation, the product of its principal balance and its Market Value and its Applicable Advance Rate, shall exceed the sum of (x) the aggregate Redemption Prices (or in the case of any Secured Note the holder of which has elected to receive less than 100% of the Redemption Price that would otherwise be payable to the holders of such Class, such lesser amount that such holder has elected to receive) of the outstanding Secured Notes and (y) all Administrative Expenses (regardless of the Administrative Expense Cap) and Base Management Fee payable under the Priority of Payments. Any certification delivered by the Collateral Manager pursuant to this section "Optional Redemption and Tax Redemption—Redemption Procedures" must include (1) the prices of, and expected proceeds from, the sale (directly or by participation or other arrangement) of any Collateral Obligations and/or Eligible Investments and (2) all calculations required by this section "Optional Redemption and Tax Redemption—Redemption Procedures". Any holder of Notes, the Collateral Manager or any of their respective Affiliates shall have the right, subject to the same terms and conditions afforded to other bidders, to bid on Assets to be sold as part of an Optional Redemption or a Tax Redemption.

If a Class or Classes of Secured Notes is redeemed in connection with a Refinancing in part by Class, Refinancing Proceeds, together with Partial Refinancing Interest Proceeds, shall be used to pay the Redemption Price(s) of such Class or Classes of Secured Notes without regard to the Priority of Payments. See "Security for the Secured Notes—The Collection Account and Payment Account".

Notice of redemption shall be given to holders of Notes by the Co-Issuers or, upon an issuer order, by the Trustee in the name and at the expense of the Co-Issuers. Failure to give notice of redemption, or any defect therein, to any holder of any Note selected for redemption shall not impair or affect the validity of the redemption of any other Notes.

From and after the Redemption Date (unless the Issuer shall default in the payment of the Redemption Prices and accrued interest) all Notes to be redeemed that are Secured Notes shall cease to bear interest on the Redemption Date. Failure to effect any Optional Redemption relating to a Refinancing shall not constitute an Event of Default.

Mandatory Redemption

If a Coverage Test (as described under "Security for the Secured Notes—The Coverage Tests and the Interest Diversion Test") is not met on any Determination Date on which such Coverage Test is applicable, the Issuer will be required to apply available amounts in the Payment Account pursuant to the Priority of Payments on the related Payment Date to make payments in accordance with the Note Payment Sequence (a "**Mandatory Redemption**") to the extent necessary to achieve compliance with such Coverage Tests, as described under "Overview of Terms—Priority of Payments".

Special Redemption

The Secured Notes will be subject to redemption in part by the Co-Issuers or the Issuer, as applicable, on any Payment Date after the Effective Date, if the Collateral Manager notifies the Trustee that a redemption is required in order to satisfy the Moody's Rating Condition and/or to cause S&P to provide written confirmation (which may take the form of a press release or other written communication) of its initial ratings of the Secured Notes, in each case in connection with the Effective Date rating confirmation procedure described under "Use of Proceeds—Effective Date" (a "**Special Redemption**"). On the first Payment Date (and all subsequent Payment Dates) following the Collection Period in which such notice is given (a "**Special Redemption Date**"), the amount in the Collection Account representing all Interest Proceeds available in accordance with the Priority of Payments will be applied in accordance with the Priority of Payments for application in accordance with the Note Payment Sequence in an amount sufficient to satisfy the Moody's Rating Condition and/or to cause S&P to provide written confirmation (which may take the form of a press release or other written communication) of its initial ratings of the Secured Notes, as applicable, as described in "Use of Proceeds—Effective Date". Notice of Special Redemption will be given by the Trustee not less than two Business Days prior to the applicable Special Redemption Date to each holder of Secured Notes and to both Rating Agencies (with a copy to the Collateral Manager). In addition, for so long as any Notes are listed on the Irish Stock Exchange and so long as the guidelines of such exchange so require, notice of Special Redemption to the holders of such Notes shall also be given by publication on the Irish Stock Exchange via the Companies Announcement Office.

Clean-Up Call Redemption

At the written direction of the Collateral Manager to the Issuer and the Trustee, with copies to the Rating Agencies, at least 20 Business Days prior to the proposed Redemption Date, the Notes will be subject to redemption by the Issuer, in whole but not in part (a "**Clean-Up Call Redemption**"), at the respective Redemption Prices therefor, on any Business Day after the Non-Call Period on which the Collateral Principal Amount is less than 25% of the Target Initial Par Amount. In connection with any Clean-Up Call Redemption, any holder of a Secured Note may (but is under no obligation to) elect to receive less than 100% of the Redemption Price that would otherwise be payable to the holders of such Class of Secured Notes.

Any Clean-Up Call Redemption is subject to (i) the purchase of all or part of the Assets (other than the expected proceeds from the sale or payments of the Eligible Investments (and all other available funds in the Collection Account) referred to in clause (c) of this sentence) from the Issuer by the Collateral Manager or any other

Person, on or prior to the fifth Business Day immediately preceding the related Redemption Date, for a purchase price in cash (the "**Clean-Up Call Redemption Price**") at least equal to the sum of (a) the Redemption Prices of the Secured Notes, plus (b) the aggregate of all other amounts owing by the Issuer on the date of such redemption that are payable in accordance with the Priority of Payments prior to distributions in respect of the Subordinated Notes (including, for the avoidance of doubt, all outstanding Administrative Expenses without regard to the Administrative Expense Cap, the Base Management Fee and the Subordinated Management Fee), minus (c) the Eligible Investments maturing, redeemable or putable to the issuer thereof at par prior to the scheduled Redemption Date and all other funds available for such purpose in the Collection Account and (ii) the receipt by the Trustee from the Collateral Manager, prior to such purchase, of certification from the Collateral Manager that the sum so received satisfies clause (i). Upon receipt by the Trustee of the certification referred to in the preceding sentence, the Trustee (pursuant to written direction from the Issuer) and the Issuer will take all actions necessary to sell, assign and transfer the Assets referred to in clause (i) above to the Collateral Manager or such other Person upon payment in immediately available funds of a price at least equal to the Clean-Up Call Redemption Price. The Trustee will deposit such payment into the Collection Account in accordance with the instructions of the Collateral Manager.

Upon receipt from the Collateral Manager of a direction in writing to effect a Clean-Up Call Redemption, the Issuer will set the related Redemption Date and the Record Date and give written notice thereof to the Trustee, the Collateral Administrator, the Collateral Manager and the Rating Agencies not later than 15 Business Days prior to the proposed Redemption Date. A notice of redemption will be given by first-class mail, postage prepaid, mailed not later than 10 Business Days prior to the applicable Redemption Date, to each holder of Notes, at such holder's address in the register maintained by the registrar under the Indenture, and each Rating Agency. So long as any Notes are listed on the Irish Stock Exchange and so long as the guidelines of such exchange so require, such a notice of redemption shall also be given to the holders thereof by publication on the Irish Stock Exchange via the Companies Announcement Office.

Any notice of Clean-Up Call Redemption may be withdrawn by the Issuer up to the fourth Business Day prior to the related scheduled Redemption Date by written notice to the Trustee, the Rating Agencies and the Collateral Manager only if amounts equal to the Clean-Up Call Redemption Price are not received in full in immediately available funds by the fifth Business Day immediately preceding such Redemption Date. The Trustee will give notice of any such withdrawal of a Clean-Up Call Redemption, at the expense of the Issuer, to each holder of Notes that were to be redeemed at such holder's address in the Note register, by overnight courier guaranteeing next day delivery not later than the third Business Day prior to the related scheduled Redemption Date. So long as any Notes are listed on the Irish Stock Exchange and the guidelines of such exchange so require, the Trustee will also provide a copy of the notice of such withdrawal to the Irish Listing Agent for delivery to the Irish Stock Exchange.

On the Redemption Date related to any Clean-Up Call Redemption, the Clean-Up Call Redemption Price will be distributed pursuant to the Priority of Payments.

Optional Re-Pricing

On any Eligible Re-Pricing Date after the Non-Call Period, at the direction of a Majority of the Subordinated Notes, the Issuer shall be required to reduce the spread over LIBOR (or the Interest Rate, in the case of Fixed Rate Notes) applicable with respect to any Class of Re-Pricing Eligible Secured Notes (such reduction, a "**Re-Pricing**" and any such Class to be subject to a Re-Pricing, a "**Re-Priced Class**"); provided that the Issuer shall not effect any Re-Pricing unless (i) each condition specified below is satisfied with respect thereto and (ii) each outstanding Note of a Re-Priced Class shall be subject to the related Re-Pricing. In connection with any Re-Pricing, the Issuer may engage a broker-dealer (the "**Re-Pricing Intermediary**") upon the recommendation and subject to the approval of a Majority of the Subordinated Notes and such Re-Pricing Intermediary shall assist the Issuer in effecting the Re-Pricing.

At least 30 Business Days prior to the Business Day selected by a Majority of the Subordinated Notes for the Re-Pricing (the "**Re-Pricing Date**"), the Issuer, or the Re-Pricing Intermediary on behalf of the Issuer, shall deliver a notice (the "**Re-Pricing Notice**") in writing (with a copy to the Collateral Manager, the Trustee and each Rating Agency) to each holder of the proposed Re-Priced Class, which notice shall: (i) specify the proposed Re-Pricing Date and the revised spread over LIBOR (or the revised Interest Rate, in the case of Fixed Rate Notes) to be applied with respect to such Class (the "**Re-Pricing Rate**"), (ii) request each holder of the Re-Priced Class to

approve the proposed Re-Pricing, and (iii) specify the price at which Notes of any holder or beneficial owner of the Re-Priced Class which does not approve the Re-Pricing may be sold and transferred pursuant to the following paragraph, which, for purposes of such Re-Pricing, shall be 100% of the aggregate outstanding principal amount of such Secured Note plus all accrued and unpaid interest thereon to but excluding the Re-Pricing Date (in the case of a Re-Pricing Date occurring on a Payment Date, after giving effect on a pro forma basis to all payments to be made pursuant to the Priority of Payments on the Re-Pricing Date) (the "**Re-Pricing Redemption Price**").

In the event that any holders of the Re-Priced Class do not deliver to the Issuer written consent to the proposed Re-Pricing on or before the date that is 20 Business Days prior to the proposed Re-Pricing Date, the Issuer, or the Re-Pricing Intermediary on behalf of the Issuer, shall deliver written notice thereof to the consenting holders or beneficial owners of the Re-Priced Class, specifying the aggregate outstanding principal amount of the Notes of the Re-Priced Class held by such non-consenting holders or beneficial owners, and shall request each such consenting holder or beneficial owner to provide written notice to the Issuer, the Trustee, the Collateral Manager and the Re-Pricing Intermediary if such holder or beneficial owner would like to purchase all or any portion of the Notes of the Re-Priced Class held by the non-consenting holders or beneficial owners at the Re-Pricing Redemption Price with respect thereto (each such notice, an "**Re-Pricing Exercise Notice**") within five Business Days after receipt of such notice. In the event the Issuer shall receive Re-Pricing Exercise Notices with respect to an amount equal to or more than the aggregate outstanding principal amount of the Notes of the Re-Priced Class held by non-consenting holders or beneficial owners, the Issuer, or the Re-Pricing Intermediary on behalf of the Issuer, shall cause the sale and transfer of such Notes at the Re-Pricing Redemption Price with respect thereto for settlement on the Re-Pricing Date, without further notice to the non-consenting holders or beneficial owners thereof, on the Re-Pricing Date to the holders or beneficial owners delivering Re-Pricing Exercise Notices with respect thereto, *pro rata* based on the aggregate outstanding principal amount of the Notes such holders or beneficial owners indicated an interest in purchasing pursuant to their Re-Pricing Exercise Notices (subject to reasonable adjustment, as determined by the Re-Pricing Intermediary on behalf of the Issuer, to comply with minimum denomination requirements and the applicable procedures of DTC). In the event the Issuer shall receive Re-Pricing Exercise Notices with respect to less than the aggregate outstanding principal amount of the Notes of the Re-Priced Class held by non-consenting holders or beneficial owners the Issuer, or the Re-Pricing Intermediary on behalf of the Issuer, shall cause the sale and transfer of such Notes, without further notice to the non-consenting holders or beneficial owners thereof, on the Re-Pricing Date to the holders delivering Re-Pricing Exercise Notices with respect thereto (subject to reasonable adjustment, as determined by the Re-Pricing Intermediary on behalf of the Issuer, to comply with minimum denomination requirements and the applicable procedures of DTC), and any excess Notes of the Re-Priced Class held by non-consenting holders or beneficial owners shall be sold at the Re-Pricing Redemption Price with respect thereto for settlement on the Re-Pricing Date to one or more transferees designated by the Re-Pricing Intermediary on behalf of the Issuer. All sales of Notes to be effected pursuant to this paragraph shall be made at the Re-Pricing Redemption Price with respect to such Notes, and shall be effected only if the related Re-Pricing is effected in accordance with the provisions of the Indenture. Each holder and beneficial owner of each Note, by its acceptance of an interest in the Notes, agrees to sell and transfer its Notes in accordance with the provisions of the Indenture described in this section and agrees to cooperate with the Issuer, the Re-Pricing Intermediary and the Trustee to effect such sales and transfers. The Issuer, or the Re-Pricing Intermediary on behalf of the Issuer, shall deliver written notice to the Trustee and the Collateral Manager not later than 12 Business Days prior to the proposed Re-Pricing Date confirming that the Issuer has received written commitments to purchase all Notes of the Re-Priced Class held by non-consenting holders or beneficial owners.

The Issuer shall not effect any proposed Re-Pricing unless: (i) the Co-Issuers and the Trustee shall have entered into a supplemental indenture dated as of the Re-Pricing Date (such supplemental indenture to be prepared and provided by the Issuer or the Collateral Manager acting on its behalf) solely to reduce the spread over LIBOR (or the Interest Rate, in the case of Fixed Rate Notes) applicable to the Re-Priced Class (and to make changes necessary to give effect to such reduction); (ii) each Rating Agency shall have been notified of such Re-Pricing; and (iii) all expenses of the Issuer and the Trustee (including the fees of the Re-Pricing Intermediary and fees of counsel) incurred in connection with the Re-Pricing (including in connection with the supplemental indenture described in preceding subclause (i)) shall not exceed the amount of Interest Proceeds available to be applied to the payment thereof under the Priority of Payments on the subsequent Payment Date, after taking into account all amounts required to be paid pursuant to the Priority of Payments on the subsequent Payment Date prior to distributions to the holders of the Subordinated Notes, unless such expenses shall have been paid or shall be adequately provided for by an entity other than the Issuer.

Notice of a Re-Pricing will be given by the Trustee, at the expense of the Issuer, by first class mail, postage prepaid, mailed not less than 10 Business Days prior to the proposed Re-Pricing Date, to each holder of Notes of the Re-Priced Class at the address in the Note register (with a copy to the Collateral Manager), specifying the applicable Re-Pricing Date, Re-Pricing Rate and Re-Pricing Redemption Price. Any notice of a Re-Pricing may be withdrawn by a Majority of the Subordinated Notes on or prior to the fourth Business Day prior to the scheduled Re-Pricing Date by written notice to the Issuer, the Trustee, and the Collateral Manager for any reason. Upon receipt of such notice of withdrawal, the Trustee shall transmit such notice to the holders and each Rating Agency. Notwithstanding anything contained herein to the contrary, failure to effect a Re-Pricing, whether or not notice of Re-Pricing has been withdrawn, will not constitute an Event of Default.

Issuer purchases of Secured Notes

Notwithstanding anything to the contrary in the Indenture, the Issuer may purchase Secured Notes, in whole or in part, in accordance with, and subject to, the terms and conditions set forth below. Notwithstanding the provisions of the Indenture described under "Security for the Secured Notes—The Collection Account and Payment Account", amounts in the Principal Collection Subaccount may be disbursed for purchases of Secured Notes in accordance with the provisions described in this section. The Trustee shall cancel as described under "—Cancellation" any such purchased Secured Notes surrendered to it for cancellation or, in the case of any Global Notes, the Trustee shall decrease the aggregate outstanding principal amount of such Global Notes in its records by the full par amount of the purchased Secured Notes, and instruct DTC or its nominee, as the case may be, to conform its records.

No such purchases of the Secured Notes by or on behalf of the Issuer may occur unless each of the following conditions is satisfied:

(a) (i) such purchases of Secured Notes shall occur in the following sequential order of priority: *first*, the Class A-1 Notes, until the Class A-1 Notes are retired in full; *second*, the Class A-2 Notes, until the Class A-2 Notes are retired in full; *third*, the Class B Notes, until the Class B Notes are retired in full; *fourth*, the Class C Notes, until the Class C Notes are retired in full; *fifth*, the Class D Notes, until the Class D Notes are retired in full; and, *sixth*, the Class E Notes, until the Class E Notes are retired in full

(ii) (1) each such purchase of Secured Notes of any Class shall be made pursuant to an offer made to all holders of the Secured Notes of such Class, by notice to such holders, which notice shall specify the purchase price (as a percentage of par) at which such purchase will be effected, the maximum amount of Principal Proceeds that will be used to effect such purchase and the length of the period during which such offer will be open for acceptance, (2) each such holder shall have the right, but not the obligation, to accept such offer in accordance with its terms and (3) if the aggregate outstanding principal amount of Notes of the relevant Class held by holders who accept such offer exceeds the amount of Principal Proceeds specified in such offer, a portion of the Notes of each accepting holder shall be purchased *pro rata* based on the respective principal amount held by each such holder (subject to minimum denomination requirements and the applicable procedures of DTC);

(iii) each such purchase shall be effected only at prices discounted from par;

(iv) each such purchase of Secured Notes shall be effected with Principal Proceeds;

(v) each Coverage Test is satisfied immediately prior to each such purchase and will be satisfied after giving effect to such purchase;

(vi) no Event of Default shall have occurred and be continuing;

(vii) with respect to each such purchase, (1) the Moody's Rating Condition shall have been satisfied (or deemed inapplicable as described under "Ratings of the Secured Notes—Inapplicability of

the Rating Condition") with respect to any Class A-1 Notes that will remain outstanding following such purchase and (2) notice shall have been provided to S&P;

(viii) each such purchase will otherwise be conducted in accordance with applicable law;

(ix) each such purchase occurs during the Reinvestment Period; and

(x) all amounts due and payable to the Trustee and Collateral Administrator on the immediately preceding Payment Date were paid in full; and

(b) the Trustee has received an officer's certificate of the Issuer to the effect that the conditions in the foregoing paragraph (a) have been satisfied; and

(c) any Secured Notes to be purchased shall be surrendered to the Trustee for cancellation as described under "—Cancellation".

Cancellation

All Notes surrendered for payment, registration of transfer, exchange or redemption, or mutilated, defaced or deemed lost or stolen, shall be promptly cancelled by the Trustee and may not be reissued or resold. No Note may be surrendered (including in connection with any abandonment, donation, gift, contribution or other event or circumstance) except (a) for payment as provided herein, (b) for registration of transfer, exchange or redemption or (c) for replacement in connection with any Note that is mutilated, defaced or deemed lost or stolen.

The Issuer may not acquire any of the Notes (including any Notes surrendered or abandoned) except as described above under "—Issuer Purchases of Secured Notes." The preceding sentence shall not limit an optional, tax, special, clean-up call or mandatory redemption pursuant to the terms of the Indenture.

Entitlement to payments

Payments on the Notes will be made to the person in whose name the Note is registered on the Record Date. Payments on interests in notes not in global form will be made in U.S. Dollars by wire transfer, as directed by the investor, in immediately available funds to the investor; *provided*, that wiring instructions have been provided to the Trustee before the related Record Date and *provided*, *further*, that if appropriate instructions for any such wire transfer are not received before the Record Date, then such payment shall be made by check drawn on a U.S. bank mailed to such holder of a Note at such holder's address specified in the applicable register maintained by the Trustee. Final payments in respect of principal on the Notes will be made only against surrender of the Notes at the office of any Paying Agent appointed under the Indenture.

Payments on any Global Secured Notes or Regulation S Global Subordinated Notes will be made to DTC or its nominee, as the registered owner thereof. Neither the Co-Issuers, the Collateral Manager, the Trustee nor any Paying Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in Global Secured Notes or Regulation S Global Subordinated Notes or for maintaining, supervising or reviewing any records relating to the beneficial ownership interests. The Co-Issuers expect that DTC or its nominee, upon receipt of any payment of principal or interest in respect of a Global Secured Note or a payment of a distribution in respect of a Regulation S Global Subordinated Note representing a Class of Notes held by it or its nominee, will immediately credit participants' accounts (through which, in the case of Regulation S Global Secured Notes or Regulation S Global Subordinated Notes, Euroclear and Clearstream hold their respective interests) with payments in amounts proportionate to their respective beneficial interests in the stated original principal amount of a Global Secured Note or Regulation S Global Subordinated Note for a Class of Notes, as applicable, as shown on the records of DTC or its nominee. The Co-Issuers also expect that payments by participants to owners of beneficial interests in a Global Secured Note or Regulation S Global Subordinated Note held through the participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for the customers. The payments will be the responsibility of the participants.

Prescription. Except as otherwise required by applicable law, claims by holders of Notes in respect of principal and interest must be made to the Trustee or any Paying Agent if made within two years of such principal or interest becoming due and payable. Any funds deposited with the Trustee or any Paying Agent in trust for the payment of principal or interest remaining unclaimed for two years after such principal or interest has become due and payable shall be paid to the Issuer pursuant to the Indenture; and the holder of a Note shall thereafter, as an unsecured general creditor, look only to the Issuer for payment of such amounts and all liability of the Trustee and any Paying Agent with respect to such trust funds shall thereupon cease.

Priority of Payments

On each Payment Date, unless an Enforcement Event has occurred and is continuing, and on any Redemption Date (to the extent that such Redemption Date is not a Payment Date) other than a Redemption Date in connection with a Refinancing in part by Class of one or more Classes of Secured Notes, Interest Proceeds will be applied in the order of priority described under "Overview of Terms—Priority of Payments—Application of Interest Proceeds".

On each Payment Date, unless an Enforcement Event has occurred and is continuing, and on any Redemption Date (to the extent that such Redemption Date is not a Payment Date) other than a Redemption Date in connection with a Refinancing in part by Class of one or more Classes of Secured Notes, Principal Proceeds will be applied in the order of priority described under "Overview of Terms—Priority of Payments—Application of Principal Proceeds".

Notwithstanding the provisions of "Overview of Terms—Priority of Payments—Application of Interest Proceeds" and "Overview of Terms—Priority of Payments—Application of Principal Proceeds", (i) if the Secured Notes have been declared due and payable following an Event of Default (or have become due and payable following an Event of Default referred to in clause (e) of the definition thereof) and, in the case of such a declaration of acceleration, such declaration of acceleration has not been rescinded and annulled, or (ii) if the Secured Notes have become due and payable at Stated Maturity or on any Redemption Date and shall remain unpaid, other than any proposed Redemption Date relating to a Refinancing that fails to occur on such date (any such event, an "**Enforcement Event**"), on any Payment Date and on each date or dates fixed by the Trustee, proceeds in respect of the Assets will be applied in the following order of priority (the "**Special Priority of Payments**"):

(A) (1) first, to the payment of taxes and governmental fees owing by the Issuer or the Co-Issuer, if any, and (2) second, to the payment of the accrued and unpaid Administrative Expenses, in the priority stated in the definition thereof, up to the Administrative Expense Cap (provided that following the commencement of any sales of Assets pursuant to the provisions of the Indenture described in the third paragraph under "—The Indenture", the Administrative Expense Cap shall be disregarded);

(B) to the payment of the Base Management Fee due and payable to the Collateral Manager;

(C) to the payment of accrued and unpaid interest on the Class A-1A Notes, the Class A-1B Notes and the Class A-1C Notes, *pro rata*, based on the respective amounts of accrued and unpaid interest on each such Class;

(D) to the payment of principal of the Class A-1A Notes, the Class A-1B Notes and the Class A-1C Notes, *pro rata*, based on their respective aggregate outstanding principal amounts;

(E) to the payment of accrued and unpaid interest on the Class A-2A Notes and the Class A-2B Notes, *pro rata*, based on the respective amounts of accrued and unpaid interest on each such Class;

(F) to the payment of principal of the Class A-2A Notes and the Class A-2B Notes, *pro rata*, based on their respective aggregate outstanding principal amounts;

(G) to the payment of accrued and unpaid interest (excluding Secured Note Deferred Interest, but including interest on Secured Note Deferred Interest) on the Class B Notes;

(H) to the payment of any Secured Note Deferred Interest on the Class B Notes;

(I) to the payment of principal of the Class B Notes;

(J) to the payment of accrued and unpaid interest (excluding Secured Note Deferred Interest, but including interest on Secured Note Deferred Interest) on the Class C Notes;

(K) to the payment of any Secured Note Deferred Interest on the Class C Notes;

(L) to the payment of principal of the Class C Notes;

(M) to the payment of accrued and unpaid interest (excluding Secured Note Deferred Interest, but including interest on Secured Note Deferred Interest) on the Class D Notes;

(N) to the payment of any Secured Note Deferred Interest on the Class D Notes;

(O) to the payment of principal of the Class D Notes;

(P) to the payment of accrued and unpaid interest (excluding Secured Note Deferred Interest, but including interest on Secured Note Deferred Interest) on the Class E Notes;

(Q) to the payment of any Secured Note Deferred Interest on the Class E Notes;

(R) to the payment of principal of the Class E Notes;

(S) to the payment of the Subordinated Management Fee due and payable (including any accrued and unpaid interest thereon) to the Collateral Manager;

(T) to the payment of (in the same manner and order of priority stated in the definition thereof) any Administrative Expenses not paid pursuant to clause (A)(2) above due to the limitation contained therein;

(U) to pay the holders of the Subordinated Notes until the Subordinated Notes have first realized a Subordinated Notes Internal Rate of Return of 13.0%; and

(V) to pay the balance to the Collateral Manager and the holders of the Subordinated Notes, such balance to be allocated as follows: (x) 20% to the Collateral Manager as the Incentive Management Fee payable on such Payment Date; and (y) 80% to the holders of the Subordinated Notes.

The Indenture

Events of Default. "**Event of Default**" is defined in the Indenture as:

(a) a default in the payment, when due and payable, of (i) any interest on any Class A Note or, if there are no Class A Notes outstanding, any Class B Note or, if there are no Class A Notes or Class B Notes outstanding, any Class C Note or, if there are no Class A Notes, Class B Notes or Class C Notes outstanding, any Class D Note or, if there are no Class A Notes, Class B Notes, Class C Notes or Class D Notes outstanding, any Class E Note and, in each case, the continuation of any such default for five Business Days, or (ii) any principal of, or interest or Secured Note Deferred Interest on, or any Redemption Price in respect of, any Secured Note at its Stated Maturity or on any Redemption Date (unless such redemption has been withdrawn or, if such redemption relates to a Refinancing, such Refinancing fails to occur on the proposed Redemption Date); *provided* that (x) in the case of a default in the payment of any principal of any Secured Note on any Redemption Date related to an Optional Redemption or Tax Redemption where (A) such default is due solely to a delayed or failed settlement of any Asset sale by the Issuer (or the Collateral Manager on the Issuer's behalf), (B) the Issuer (or the Collateral Manager on the Issuer's behalf) had entered into a binding agreement for the sale of such Asset prior to the applicable Redemption Date, (C) such delayed or failed settlement is due solely to circumstances beyond the control of the Issuer and the Collateral Manager, and (D) the Issuer (or the Collateral Manager on the Issuer's behalf) has used commercially reasonable efforts to cause such settlement to occur prior to the Redemption Date and without such delay or failure, then such default will not be an Event of Default unless such failure

continues for 60 calendar days after such Redemption Date and (y) in the case of a default under clause (i) or (ii) resulting from a failure to disburse due to an administrative error or omission by the Collateral Manager, the Trustee, the Collateral Administrator, the Administrator, the note registrar of the Issuer or any Paying Agent, such default will not be an Event of Default unless such failure continues for five Business Days after a trust officer of the Trustee receives written notice or has actual knowledge of such administrative error or omission (irrespective of whether the cause of such administrative error or omission has been determined);

(b) the failure on any Payment Date to disburse amounts available in the Payment Account in an aggregate amount exceeding U.S.$1,000 (other than a default in payment described in clause (a) above) in accordance with the Priority of Payments set forth in the Indenture and continuation of such failure for a period of 5 Business Days; *provided* that (x) a failure to disburse amounts available in the Payment Account in an aggregate amount not exceeding $1,000 on any Payment Date shall be an Event of Default if such failure continues for a period of 30 days (or, if such failure can only be remedied on a Payment Date, continues after the next Payment Date) and (y) in the case of a default resulting from a failure to disburse due to an administrative error or omission by the Collateral Manager, the Trustee, the Collateral Administrator, the note registrar of the Issuer or any Paying Agent or due to another non-credit related reason (as determined by the Collateral Manager in its sole discretion), such default will not be an Event of Default unless such failure continues for 10 Business Days (or, if such failure can only be remedied on a Payment Date, continues after the next Payment Date) after a trust officer of the Trustee receives written notice or has actual knowledge of such administrative error or omission (irrespective of whether the cause of such administrative error or omission has been determined);

(c) either of the Co-Issuers or the Assets becomes an investment company required to be registered under the Investment Company Act and such requirement has not been eliminated after a period of 45 days;

(d) except as otherwise provided in this definition of "**Event of Default**", a default in a material respect in the performance, or breach in a material respect, of any other covenant or other agreement of the Issuer or the Co-Issuer in the Indenture (it being understood, without limiting the generality of the foregoing, that any failure to meet any Concentration Limitation, any Collateral Quality Test, the Interest Diversion Test or any Coverage Test is not an Event of Default and any failure to satisfy the requirements described under "Use of Proceeds—Effective Date" is not an Event of Default, except in either case to the extent provided in clause (f) below), or the failure of any representation or warranty of the Issuer or the Co-Issuer made in the Indenture or in any certificate or other writing delivered pursuant thereto or in connection therewith to be correct in each case in all material respects when the same shall have been made, and the continuation of such default, breach or failure for a period of 45 days after the Issuer or the Co-Issuer has actual knowledge of such default, breach or failure or for a period of 45 days after notice to the Issuer or the Co-Issuer, as applicable, and the Collateral Manager by registered or certified mail or overnight courier, by the Trustee, the Issuer, the Co-Issuer or the Collateral Manager or to the Issuer or the Co-Issuer, as applicable, the Collateral Manager and the Trustee at the direction of either (x) the Designated Class A-1 Noteholder, for so long as the Designated Class A-1 Noteholder beneficially owns at least 25% of the aggregate outstanding principal amount of Class A-1 Notes or (y) a Majority of the Controlling Class, in each case specifying such default, breach or failure and requiring it to be remedied and stating that such notice is a "**Notice of Default**" under the Indenture;

(e) certain events of bankruptcy, insolvency, receivership or reorganization of either of the Co-Issuers; or

(f) on any Measurement Date, failure of the percentage equivalent of a fraction (i) the numerator of which is equal to (1) the sum of (x) the aggregate principal balance of the Collateral Obligations, excluding Defaulted Obligations and (y) without duplication, the amounts on deposit in the Collection Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds *plus* (2) the

aggregate Market Value of all Defaulted Obligations on such date and (ii) the denominator of which is equal to the aggregate outstanding principal amount of the Class A-1 Notes, to equal or exceed 102.5%.

In connection with any direction by the Designated Class A-1 Noteholder to deliver a Notice of Default under clause (d) of the definition of "Event of Default", the Designated Class A-1 Noteholder shall deliver to the Trustee a certificate confirming the aggregate principal amount of Class A-1 Notes beneficially owned by the Designated Class A-1 Noteholder (upon which the Trustee shall be permitted to conclusively rely).

If an Event of Default occurs and is continuing (other than an Event of Default referred to in clause (e) above), the Trustee may (with the written consent of a Supermajority of the Controlling Class), and shall (upon the written direction of a Supermajority of the Controlling Class), by notice to the applicable Co-Issuers, the Collateral Manager and each Rating Agency, declare the principal of the Secured Notes to be immediately due and payable (the principal of the Secured Notes becoming immediately due and payable, whether by such a declaration or automatically as described in the following sentence, an "**acceleration**"), and upon any such declaration the principal of the Notes, together with accrued and unpaid interest thereon (including, in the case of the Class B Notes, Class C Notes, Class D Notes and Class E Notes, any Secured Note Deferred Interest) through the date of acceleration, shall become immediately due and payable. If an Event of Default described in clause (e) above occurs, such an acceleration will occur automatically.

Notwithstanding any acceleration, if an Event of Default or an Enforcement Event shall have occurred and be continuing (unless the Trustee has commenced remedies pursuant to the Indenture), then the Collateral Manager may continue to direct sales and other dispositions, and purchases, of Collateral Obligations in accordance with and to the extent permitted pursuant to the provisions of the Indenture described under "Security for the Secured Notes—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria". Subject to the rights of the Collateral Manager described in the preceding sentence, if an Event of Default or Enforcement Event shall have occurred and be continuing, the Trustee will retain the Assets intact, collect all payments in respect of the Assets and make and apply all payments and deposits and maintain all accounts in respect of the Assets and the Notes in accordance with the Priority of Payments and otherwise in accordance with the Indenture, unless: (I) the Trustee determines (in the manner described in the Indenture) that the anticipated proceeds of a sale or liquidation of the Assets (after deducting the anticipated reasonable expenses of such sale or liquidation) would be sufficient to discharge in full the amounts then due (or, in the case of interest, accrued) and unpaid on the Secured Notes for principal and interest (including accrued and unpaid Secured Note Deferred Interest) and all other amounts payable pursuant to the Priority of Payments prior to payment of principal on such Secured Notes (including any amounts due and owing, and any amounts anticipated to be due and owing, as Administrative Expenses (without regard to the Administrative Expense Cap) and any due and unpaid Base Management Fee) and a Supermajority of the Controlling Class agrees with such determination; or (II) so long as any Class A-1 Notes are outstanding and an Event of Default referred to in clause (a) above with respect to the Class A-1 Notes, or clause (f) above, has occurred and is continuing, a Supermajority of the Class A-1 Notes directs the sale and liquidation of the Assets; or (III) a Supermajority of each Class of the Secured Notes (voting separately by Class) directs the sale and liquidation of the Assets (by notice to the Issuer, Trustee and Collateral Manager).

Prior to the sale of any Collateral Obligation in connection with a sale or liquidation of all or any portion of the Assets pursuant to the immediately preceding paragraph, the Trustee will offer the Collateral Manager or an Affiliate thereof the right to purchase such Collateral Obligation at a price equal to the highest bid price received by the Trustee in connection with any such sale and liquidation.

A Majority of the Controlling Class will have the right following the occurrence, and during the continuance of, an Event of Default or an Enforcement Event to cause the institution of and direct the time, method and place of conducting any proceeding for any remedy available to the Trustee; *provided*, that (a) such direction shall not conflict with any rule of law or with any express provision of the Indenture, (b) the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction, (c) the Trustee shall have been provided with indemnity reasonably satisfactory to it, and (d) notwithstanding the foregoing, any direction to the Trustee to undertake a sale of Assets may be given only in accordance with the preceding paragraph and the other applicable provisions of the Indenture.

Subject to the provisions of the Indenture relating to the duties of the Trustee, the Trustee will be under no obligation to exercise the rights or powers vested in it under the Indenture in respect of an Event of Default or

Enforcement Event at the request or direction of the holders of any Notes unless such holders have provided to the Trustee security or indemnity reasonably satisfactory to the Trustee. Prior to the time a judgment or decree for payment of the money due has been obtained by the Trustee, as provided in the Indenture, a Majority of the Controlling Class may on behalf of the holders of all the Notes waive any past Event of Default or any occurrence that is, or with notice or the lapse of time or both would become, an Event of Default, and its consequences (*provided* that an acceleration may only be rescinded at the direction of a Supermajority of the Controlling Class, subject to certain conditions specified in the Indenture), except any such Event of Default or occurrence (a) in the payment of the principal of or interest on any Secured Note (which may be waived only with the consent of the holder of such Secured Note), (b) in the payment of interest on the Secured Notes of the Controlling Class (which may be waived only with the consent of the holders of 100% of the Controlling Class), (c) in respect of a covenant or provision of the Indenture that, under the provision of the Indenture providing for supplemental indentures with the consent of holders of Notes, cannot be modified or amended without the waiver or consent of the holder of each such outstanding Note materially and adversely affected thereby (which may be waived only with the consent of each such holder) or (d) in respect of certain representations contained in the Indenture relating to the security interests in the Assets.

No holder of a Note will have the right to institute any proceeding with respect to the Indenture, or for the appointment of a receiver or trustee, or for any other remedy thereunder, unless (i) such holder previously has given to the Trustee (with a copy to the Collateral Manager) written notice of an Event of Default, (ii) the holders of not less than 25% in aggregate outstanding principal amount of the Controlling Class have made a written request upon the Trustee to institute such proceedings in its own name as Trustee and such holders have provided the Trustee indemnity reasonably satisfactory to the Trustee, (iii) the Trustee, for 30 days after its receipt of such notice, request and provision of such indemnity to the Trustee, has failed to institute any such proceeding and (iv) no direction inconsistent with such written request has been given to the Trustee during such 30-day period by a Majority of the Controlling Class.

In determining whether the holders of the requisite aggregate outstanding principal amount have given any request, demand, authorization, direction, notice, consent or waiver under the Indenture, the following Notes shall be disregarded and deemed not to be outstanding:

(a) Notes owned by the Issuer, the Co-Issuer or any other obligor upon the Notes; and

(b) any other Notes that are Collateral Manager Notes, but only in the case of a vote on (i) a removal of the Collateral Manager for "cause" and (ii) the waiver of any event constituting "cause" for removal of the Collateral Manager under the Collateral Management Agreement;

except that (1) in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes that a trust officer of the Trustee actually knows to be so owned or to be Collateral Manager Notes shall be so disregarded; and (2) Notes so owned that have been pledged in good faith may be regarded as outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not one of the Persons specified above.

Notices. Notices to the holders of the Notes shall be given by first-class mail, postage prepaid, to registered holders of Notes at each such holder's address appearing in the register maintained by the Trustee. The Trustee will agree in the Indenture to notify the holders of the Notes and the Rating Agencies of its receipt of any written notice expressly required to be provided to the Trustee by the Collateral Manager under the Collateral Management Agreement.

Modification of Indenture. With the consent of a Majority of the Secured Notes of each Class materially and adversely affected thereby, if any, and if the Subordinated Notes are materially and adversely affected thereby, a Majority of the Subordinated Notes (and with the consent of a Majority of each Class of Notes, voting separately, regardless of whether any such Class would be materially and adversely affected thereby, if such supplemental indenture would modify the Weighted Average Life Test or the Investment Criteria or Post-Reinvestment Period Substitution Criteria), the Trustee and the Co-Issuers may execute one or more supplemental indentures to add provisions to, or change in any manner or eliminate any provisions of, the Indenture or modify in any manner the rights of the holders of the Notes of any Class under the Indenture; *provided* that without the consent of each holder

of each outstanding Note of each Class materially and adversely affected thereby, no such supplemental indenture described above may:

(i) change the Stated Maturity of the principal of or the due date of any installment of interest on any Secured Note, reduce the principal amount thereof or the rate of interest thereon (other than in connection with a Re-Pricing) or the Redemption Price or Re-Pricing Redemption Price with respect to any Note (*provided* that, in connection with any Optional Redemption, Tax Redemption or Re-Pricing, any holder of Secured Notes of any Class may elect to receive less than 100% of the Redemption Price or Re-Pricing Redemption Price that would otherwise be payable to the holders of such Class of Secured Notes), or change the earliest date on which Notes of any Class may be redeemed or repriced at the option of the Issuer, change the provisions of the Indenture relating to the application of proceeds of any Assets to the payment of principal of or interest on the Secured Notes, or distributions on the Subordinated Notes, or change any place where, or the coin or currency in which, Notes or the principal thereof or interest or any distribution thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the applicable Redemption Date);

(ii) reduce the percentage of the aggregate outstanding principal amount of holders of Notes of each Class whose consent is required for the authorization of any such supplemental indenture or for any waiver of compliance with certain provisions of the Indenture or certain defaults thereunder or their consequences provided for in the Indenture;

(iii) impair or adversely affect the Assets except as otherwise permitted in the Indenture;

(iv) except as otherwise permitted by the Indenture, permit the creation of any lien ranking prior to or on a parity with the lien of the Indenture with respect to any part of the Assets or terminate such lien on any property at any time subject thereto or deprive the holder of any Secured Note of the security afforded by the lien of the Indenture;

(v) reduce or increase the percentage of the aggregate outstanding principal amount of holders of any Class of Secured Notes whose consent is required to request the Trustee to preserve the Assets or rescind the Trustee's election to preserve the Assets or to sell or liquidate the Assets pursuant to the Indenture;

(vi) modify any of the provisions of the Indenture with respect to entering into supplemental indentures, except to increase the percentage of outstanding Notes the consent of the holders of which is required for any such action or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the holder of each Note outstanding and affected thereby;

(vii) modify the definition of the term "Controlling Class", the definition of the term "Majority", the definition of the term "Outstanding", the Priority of Payments set forth in the Indenture or the definition of the term "Supermajority"; or

(viii) modify any of the provisions of the Indenture in such a manner as to affect the calculation of the amount of any payment of interest or principal on any Secured Note, or the calculation of the amount of distributions payable to the Subordinated Notes, or to affect the rights contained therein of the holders of any Secured Notes or the Subordinated Notes to the benefit of any provisions for the redemption of such Secured Notes or such Subordinated Notes, for a Re-Pricing of such Secured Notes or for an additional issuance of Notes.

The Co-Issuers and the Trustee may also enter into supplemental indentures, without a legal opinion of counsel being provided to the Co-Issuers or the Trustee as to whether or not any Class of Notes would be materially and adversely affected thereby (except in the case of clause (iii), (vi) or (xi) below) and without obtaining the consent of holders of the Notes (except any consent required by clause (iii), (vi), (x) or (xi) below) at any time and from time to time, subject to certain requirements described in the Indenture:

(i) to evidence the succession of another person to the Issuer or the Co-Issuer and the assumption by any such successor person of the covenants of the Issuer or the Co-Issuer in the Indenture and in the Notes;

(ii) to add to the covenants of the Co-Issuers or the Trustee for the benefit of the Secured Parties;

(iii) to convey, transfer, assign, mortgage or pledge any property to or with the Trustee or add to the conditions, limitations or restrictions on the authorized amount, terms and purposes of the issue, authentication and delivery of the Notes, *provided* that, if the holders of any Class of Notes would be materially and adversely affected by such supplemental indenture entered into pursuant to this clause (iii), the consent to such supplemental indenture has been obtained from a Majority of each such Class;

(iv) to evidence and provide for the acceptance of appointment under the Indenture by a successor Trustee and to add to or change any of the provisions of the Indenture as shall be necessary to facilitate the administration of the trusts under the Indenture by more than one Trustee, pursuant to the requirements of the Indenture;

(v) to correct or amplify the description of any property at any time subject to the lien of the Indenture, or to better assure, convey and confirm unto the Trustee any property subject or required to be subjected to the lien of the Indenture (including, without limitation, any and all actions necessary or desirable as a result of changes in law or regulations) or to subject to the lien of the Indenture any additional property;

(vi) to modify the restrictions on and procedures for resales and other transfers of Notes to reflect any changes in ERISA or other applicable law or regulation (or the interpretation thereof) or to enable the Co-Issuers to rely upon any exemption from registration under the Securities Act or the Investment Company Act or to remove restrictions on resale and transfer to the extent not required by the Indenture, *provided* that, if the holders of any Class of Notes would be materially and adversely affected by such supplemental indenture entered into pursuant to this clause (vi), the consent to such supplemental indenture has been obtained from a Majority of each such Class;

(vii) to make such changes as shall be necessary or advisable in order for the listed Notes to be or remain listed on an exchange, including the Irish Stock Exchange (including to authorize the appointment of any listing agent, transfer agent, paying agent or additional registrar for any Class of Notes required or advisable in connection with the listing of any Class of listed Notes on the Irish Stock Exchange or any other stock exchange);

(viii) otherwise to correct any inconsistency or cure any ambiguity, omission or manifest errors in the Indenture or to conform the provisions of the Indenture to this Offering Circular;

(ix) to take any action (including modifying the restrictions on and procedures for resales and other transfers of Notes to reflect any changes in FATCA or other applicable law or regulation or the interpretation thereof) advisable to prevent the Issuer from becoming subject to withholding or other taxes, fees or assessments or to prevent the Issuer from being treated as engaged in a trade or business within the United States for United States federal income tax purposes or otherwise being subject to tax in any jurisdiction outside its jurisdiction of incorporation;

(x) at any time during the Reinvestment Period, subject to the consent of a Majority of the Subordinated Notes, to make such changes as shall be necessary to permit the Co-Issuers (A) to issue additional notes of any one or more new classes that are fully subordinated to the existing Secured Notes (or to the most junior class of securities of the Issuer (other than the Subordinated Notes) issued pursuant to the Indenture, if any class of securities issued pursuant to the Indenture other than the Secured Notes and the Subordinated Notes is then outstanding), *provided* that any such additional issuance of notes shall be issued in accordance with the Indenture; (B) to issue additional notes of any one or more existing Classes, *provided* that any such

additional issuance of notes shall be issued in accordance with the Indenture; or (C) to effect a Re-Pricing or to issue replacement securities in connection with a Refinancing in accordance with the Indenture;

(xi) to (A) evidence any waiver by any Rating Agency as to any requirement in the Indenture that such Rating Agency confirm (or to evidence any other elimination of any requirement in the Indenture that any Rating Agency confirm) that an action or inaction by the Issuer or any other Person will not result in a reduction or withdrawal of its then-current rating of any Class of Secured Notes as a condition to such action or inaction or (B) conform to ratings criteria and other guidelines relating generally to collateral debt obligations published by any Rating Agency, including any alternative methodology published by any Rating Agency; *provided* that (1) with respect to any proposed supplemental indenture pursuant to this clause (xi), if a Majority of the Controlling Class, a Majority of the Subordinated Notes or, for so long as the Designated Class D Noteholder beneficially owns at least 40% of the aggregate outstanding principal amount of Class D Notes, the Designated Class D Noteholder, has provided written notice to the Trustee (with a copy to the Collateral Manager) at least one Business Day prior to the execution of such supplemental indenture that the Controlling Class, the Subordinated Notes or the Class D Notes, respectively, would be materially and adversely affected thereby, the Trustee and the Co-Issuers shall not enter into such supplemental indenture without the consent of a Majority of the Controlling Class, a Majority of the Subordinated Notes or the Designated Class D Noteholder, respectively and (2) this subclause (xi) shall be subject to the provisions of the Indenture described in the fourth following paragraph below;

(xii) to accommodate the issuance of any Notes in book-entry form through the facilities of DTC or otherwise;

(xiii) to change the name of the Issuer or the Co-Issuer in connection with any change in name or identity of the Collateral Manager or as otherwise required pursuant to a contractual obligation or to avoid the use of a trade name or trademark in respect of which the Issuer or the Co-Issuer does not have a license;

(xiv) to amend, modify or otherwise accommodate changes to the Indenture to comply with Rule 17g-5 or any other rule or regulation enacted by any regulatory agency of the United States federal government after the Closing Date that is applicable to the Notes;

(xv) to reduce the permitted minimum denomination of the Notes; *provided* that such reduction does not have an adverse effect on the trading or clearing of the Notes (including through any clearance or settlement system) or on the availability of any resale exemption for the Notes under applicable securities laws; or

(xvi) to change the date on which monthly and quarterly reports are required to be delivered under the Indenture (but not the frequency with which any such report is required to be delivered).

The Collateral Manager will not be bound to follow any amendment or supplement to the Indenture unless it has received written notice of such supplement and a copy of such supplement from the Issuer or the Trustee. The Issuer agrees that it will not permit to become effective any supplement or modification to the Indenture which would, as reasonably determined by the Collateral Manager, alter or affect the rights or obligations of the Collateral Manager in any way, including a supplement or modification that would (i) increase the duties or liabilities of, reduce or eliminate any right or privilege of (including as a result of an effect on the amount or priority of any fees or other amounts payable to the Collateral Manager), or adversely change the economic consequences to, the Collateral Manager, (ii) modify the restrictions on acquisitions or sales of Collateral Obligations or the Investment Criteria, the Collateral Quality Tests, the Coverage Tests or the Concentration Limitations, (iii) expand or restrict the Collateral Manager's discretion or (iv) adversely affect the Collateral Manager, unless the Collateral Manager has consented in advance thereto in writing, such consent to not be unreasonably withheld or delayed; provided that the Collateral Manager may withhold its consent in its sole discretion if such amendment or supplement affects the amount, timing or priority of payment of the Collateral Manager's fees or increases or adds to the obligations of the Collateral Manager. The Trustee will not be obligated to enter into any amendment or supplement that, as determined by the Trustee, adversely affects its duties, obligations, liabilities or protections under the Indenture. No amendment to the Indenture will be effective against the Collateral Administrator if such amendment would

adversely affect the Collateral Administrator, including, without limitation, any amendment or supplement that would increase the duties or liabilities of, or adversely change the economic consequences to, the Collateral Administrator, unless the Collateral Administrator otherwise consents in writing.

With respect to any supplemental indenture pursuant to clause (iii) or (vi) of the second preceding paragraph or pursuant to the third preceding paragraph, the Trustee may conclusively rely upon an opinion of counsel as to matters of law (which may be supported as to factual (including financial and capital markets) matters by any relevant certificates and other documents necessary or advisable in the judgment of counsel delivering such opinion of counsel, upon which the Trustee may also rely as to such matters) as to (i) whether or not any Class of Secured Notes would be materially and adversely affected by any supplemental indenture described above, *provided* that if the holders of 33-1/3% in aggregate outstanding principal amount of the Notes of such Class have provided written notice to the Trustee (with a copy to the Collateral Manager) at least one Business Day prior to the execution of such supplemental indenture that such Class would be materially and adversely affected thereby, the Trustee shall not be entitled so to rely upon an opinion of counsel as to whether or not the holders of such Class would be materially and adversely affected by such supplemental indenture and the Trustee shall not enter into such supplemental indenture without the consent of a Majority of such Class (or the consent of all holders of such Class, in the case of a supplemental indenture listed in the proviso to the third preceding paragraph) and (ii) whether or not the Subordinated Notes would be materially and adversely affected by any supplemental indenture described above, *provided* that if the holders of 33-1/3% of the Subordinated Notes have provided written notice to the Trustee (with a copy to the Collateral Manager) at least one Business Day prior to the execution of such supplemental indenture that the Subordinated Notes would be materially and adversely affected thereby, the Trustee shall not be entitled so to rely upon an opinion of counsel as to whether or not the Subordinated Notes would be materially and adversely affected by such supplemental indenture and the Trustee shall not enter into such supplemental indenture without the consent of a Majority of the Subordinated Notes (or the consent of all holders of the Subordinated Notes, in the case of a supplemental indenture listed in the proviso to the third preceding paragraph). The Trustee shall not be liable for any reliance made in good faith upon an opinion of counsel delivered to the Trustee as described in the Indenture. Such determination shall be conclusive and binding on all present and future holders.

For so long as any Notes are listed on the Irish Stock Exchange and the guidelines of such exchange shall so require, the Issuer will notify the Irish Stock Exchange of any material modification of the Indenture. At the cost of the Co-Issuers, for so long as any Notes shall remain outstanding, not later than 15 Business Days prior to the execution of any proposed supplemental indenture, the Trustee shall mail to the Collateral Manager, the Collateral Administrator, the Rating Agencies and the holders of the Notes a notice attaching a copy of such supplemental indenture and indicating the proposed date of execution of such supplemental indenture. Following such delivery by the Trustee, if any changes are made to such supplemental indenture other than to correct typographical errors, to complete or change dates, or to adjust formatting, then at the cost of the Co-Issuers, for so long as any Notes shall remain outstanding, not later than five Business Days prior to the execution of such proposed supplemental indenture (provided that the execution of such proposed supplemental indenture shall not in any case occur earlier than the date 15 Business Days after the initial distribution of such proposed supplemental indenture pursuant to the second sentence of this paragraph), the Trustee shall mail to the Collateral Manager, the Collateral Administrator, the Rating Agencies and the holders of the Notes a copy of such supplemental indenture as revised, indicating the changes that were made. In the case of a supplemental indenture to be entered into pursuant to clause (x)(C) of the third preceding paragraph, the foregoing notice periods shall not apply and a copy of the proposed supplemental indenture shall be included in, in the case of a Re-Pricing, the notice of Re-Pricing delivered to each holder of the Re-Priced Class (with a copy to the Collateral Manager) described in the last paragraph under "—Optional Re-Pricing" and, in the case of a Refinancing, the notice of Optional Redemption given to each Rating Agency and each holder of Notes under the provisions of the Indenture described under "—Optional Redemption and Tax Redemption of the Secured Notes—Redemption Procedures"; and, upon execution of the supplemental indenture, a copy thereof shall be delivered to each Rating Agency and each holder of Notes.

Notwithstanding anything in the first two paragraphs under the subheading "—Modification of the Indenture" to the contrary, if any Class A-1 Notes are then outstanding and are rated by Moody's and if any supplemental indenture modifies or amends any component of the Minimum Diversity Score/Maximum Rating/Minimum Spread Matrix or the definitions related thereto, such supplemental indenture shall not be entered into without satisfaction of the Moody's Rating Condition (or deemed inapplicability thereof as described under "Ratings of the Secured Notes—Inapplicability of the Moody's Rating Condition"). The satisfaction, or deemed

inapplicability as described under "Ratings of the Secured Notes—Inapplicability of the Moody's Rating Condition", of the Moody's Rating Condition shall not imply that the holders of Notes are not materially and adversely affected by such supplemental indenture. If any supplemental indenture modifies or amends (a) the restrictions on the sales of Assets set forth in the Indenture, (b) the Collateral Quality Test (including any component thereof), the Concentration Limitations or the definition of "Cov-Lite Loan" or (c) except in the case of a supplemental indenture pursuant to clause (ix), (xi) or (xiv) of the fourth preceding paragraph above, the Investment Criteria or the Post-Reinvestment Period Substitution Criteria, such supplemental indenture shall be subject to the consent of a Majority of the Controlling Class. In connection with any notice by the Designated Class D Noteholder under clause (xi) of the fourth preceding paragraph above, the Designated Class D Noteholder shall deliver to the Trustee a certificate confirming the aggregate principal amount of Class D Notes beneficially owned by the Designated Class D Noteholder (upon which the Trustee shall be permitted to conclusively rely). Any supplemental indenture referred to in this paragraph shall additionally be subject to any other consents required by the terms of the Indenture described in this section "—Modification of the Indenture", including the fourth and fifth preceding paragraphs, as applicable. At the cost of the Co-Issuers, the Trustee shall provide to the holders of Notes (in the manner described in the Indenture) a copy of the executed supplemental indenture after its execution. Any failure of the Trustee to publish, mail or deliver such notice, or any defect therein, shall not in any way impair or affect the validity of any such supplemental indenture.

Hedge Agreements. The Co-Issuers and the Trustee shall not enter into any supplemental indenture that permits the Issuer to enter into a Synthetic Security or other hedge, swap or derivative transaction (each a "hedge agreement") without the consent of a Majority of the Controlling Class and a Majority of the Subordinated Notes; *provided* that before entering into any such hedge agreement, the following conditions must be satisfied: (a) except as the Initial Purchaser, a Majority of the Controlling Class and a Majority of the Subordinated Notes shall otherwise direct in a notice to the Issuer and the Trustee, the Issuer obtains an opinion of counsel to the effect that (i) the Issuer entering into such hedge agreement would fall within the scope of the exclusion from commodity pool regulation set forth in CFTC Letter No. 12-45 (Interpretation and No-Action) dated December 7, 2012 issued by the Division of Swap Dealer and Intermediary Oversight of the Commodity Futures Trading Commission, (ii) the Issuer entering into such hedge agreement would otherwise not cause the Issuer to be considered a "commodity pool" as defined in Section 1a(10) of the Commodity Exchange Act, as amended, or (iii) if the Issuer would be a commodity pool, that (A) the Collateral Manager and no other party would be the commodity pool operator and commodity trading adviser thereof, and (B) with respect to the Issuer as a commodity pool, the Collateral Manager is eligible for an exemption from registration as a commodity pool operator and commodity trading adviser and all conditions precedent to obtaining such an exemption have been satisfied; (b) the Collateral Manager agrees in writing that for so long as the Issuer is a commodity pool, the Collateral Manager shall take (or cause to be taken) all actions necessary to ensure ongoing compliance with the applicable exemption from registration as a commodity pool operator and commodity trading adviser with respect to the Issuer, and shall take (or cause to be taken) any other actions required as a commodity pool operator and commodity trading adviser with respect to the Issuer; (c) if the Issuer would be a commodity pool, the Issuer receives an opinion of counsel to the effect that the Issuer entering into such hedge agreement shall not, in and of itself, cause the Issuer to become a "hedge fund or a private equity fund" as defined for purposes of Section 13 of the Bank Holding Company Act, as amended; (d) the Moody's Rating Condition has been satisfied (or deemed inapplicable as described under "Ratings of the Secured Notes – Inapplicability of the Rating Conditions"); (e) the applicable S&P counterparty criteria then in effect are satisfied with respect to the counterparty under such hedge agreement; and (f) each of S&P and Moody's receives notice of such hedge agreement and a copy of such hedge agreement is sent to each of S&P and Moody's promptly after execution thereof.

Additional issuance. The Indenture will provide that, at any time during the Reinvestment Period, at the direction of the Collateral Manager on behalf of the Issuer, the Co-Issuers may issue and sell additional notes of any one or more new classes of notes that are fully subordinated to the existing Secured Notes (or to the most junior class of securities of the Issuer (other than the Subordinated Notes) issued pursuant to the Indenture, if any class of securities issued pursuant to the Indenture other than the Secured Notes and the Subordinated Notes is then outstanding) and/or additional notes of any one or more existing Classes (subject, in the case of additional notes of an existing Class of Secured Notes, to clause (e) below) and use the net proceeds to purchase additional Collateral Obligations or as otherwise permitted under the Indenture; *provided* that the following conditions are met: (a) such issuance is consented to by a Majority of the Subordinated Notes; (b) if additional secured notes are being issued, a Majority of the Class A-1 Notes consents to such issuance; (c) if additional subordinated notes are being issued, then

either (i) a Majority of the Controlling Class consents to such issuance or (ii) the Additional Issuance Threshold Test is satisfied; (d) additional subordinated notes may be issued only once during any Interest Accrual Period; (e) in the case of additional notes of any one or more existing Classes, the aggregate principal amount of Notes of such Class issued in all additional issuances may not exceed 100% of the respective original outstanding principal amount of the Notes of such Class; (f) in the case of additional notes of any one or more existing Classes, the terms of the notes issued must be identical to the respective terms of previously issued Notes of the applicable Class (except that the interest due on additional notes will accrue from the issue date of such additional notes, and the interest rate and price of such notes do not have to be identical to those of the initial Notes of that Class); (g) in the case of additional secured notes of any one or more existing Classes, such additional secured notes must be issued at a cash sales price equal to or greater than the principal amount thereof; (h) in the case of additional notes of any one or more existing Classes, unless only additional subordinated notes are being issued, additional notes of all Classes must be issued and such issuance of additional notes must be proportional across all Classes, *provided* that (i) the principal amount of Subordinated Notes issued in any such issuance may exceed the proportion otherwise applicable to the Subordinated Notes and (ii) if additional subordinated notes are being issued, each holder of Subordinated Notes shall have the right to purchase additional subordinated notes to maintain its proportional ownership within the Class of Subordinated Notes; (i) unless only additional subordinated notes are being issued, the Moody's Rating Condition shall have been satisfied (or deemed inapplicable as described under "Ratings of the Secured Notes—Inapplicability of the Moody's Rating Condition") with respect to any Class A-1 Notes not constituting part of such additional issuance and S&P shall have been notified of such additional issuance, *provided* that if only additional subordinated notes are being issued, the Issuer notifies each Rating Agency of such issuance prior to the issuance date; (j) the proceeds of any additional notes (net of fees and expenses incurred in connection with such issuance) will be treated as Principal Proceeds and used to purchase additional Collateral Obligations, to invest in Eligible Investments or to apply pursuant to the Priority of Payments; (k) immediately after giving effect to such issuance and the application of the proceeds thereof, (i) the Overcollateralization Ratio with respect to the Class A-1 Notes is maintained or improved and (ii) each Coverage Test is satisfied or, with respect to any Coverage Test that was not satisfied immediately prior to giving effect to such issuance and will continue not to be satisfied immediately after giving effect to such issuance, the degree of compliance with such Coverage Test is maintained or improved immediately after giving effect to such issuance and the application of the proceeds thereof; and (l) unless only additional subordinated notes are being issued, an opinion of tax counsel of nationally recognized standing in the United States experienced in such matters shall be delivered to the Trustee, by or on behalf of the Issuer, to the effect that any additional Class A Notes, Class B Notes, and Class C Notes will, and any additional Class D Notes should, be treated as debt for U.S. federal income tax purposes. Any such additional issuance will be issued in a manner that will allow the Issuer to accurately provide the information described in Treasury Regulations section 1.1275-3(b)(1)(i). The use of such issuance proceeds as Principal Proceeds may have the effect of causing a Coverage Test that was otherwise failing to be cured or modifying the effect of events that would otherwise give rise to an Event of Default and permit the Controlling Class to exercise remedies under the Indenture. Such additional notes of an existing Class may be offered at prices that differ from the applicable initial offering price.

Any additional notes of an existing Class issued as described above will, to the extent reasonably practicable, be offered first to holders of that Class in such amounts as are necessary to preserve (on an approximate basis) their *pro rata* holdings of Notes of such Class.

Consolidation, Merger or Transfer of Assets. Except under the limited circumstances set forth in the Indenture, neither the Issuer nor the Co-Issuer may consolidate with, merge into, or transfer or convey all or substantially all of its assets to, any other corporation, partnership, trust or other person or entity.

Petitions for Bankruptcy. The Indenture will provide that none of the holders and beneficial owners of the Notes, the Trustee and the Secured Parties may institute against, or join any other Person in instituting against, the Issuer, the Co-Issuer or any Blocker Subsidiary any bankruptcy, reorganization, arrangement, insolvency, moratorium or liquidation proceedings, or other proceedings under Cayman Islands, U.S. federal or state bankruptcy or similar laws until the payment in full of all Notes (and any other debt obligations of the Issuer that have been rated upon issuance by any rating agency at the request of the Issuer) and the expiration of a period equal to one year and one day or, if longer, the applicable preference period then in effect plus one day, following such payment in full.

In the event one or more holders of Notes cause the filing of a petition in bankruptcy against the Issuer, the Co-Issuer or any Blocker Subsidiary prior to the expiration of such period, any claim that such holder(s) have against the Issuer (including under all Notes of any Class held by such holder(s)) or with respect to any Assets (including any proceeds thereof) shall, notwithstanding anything to the contrary in the Priority of Payments described herein and notwithstanding any objection to, or rescission of, such filing, be fully subordinate in right of payment to the claims of each holder of any Note (and each other secured creditor of the Issuer) that does not seek to cause any such filing, with such subordination being effective until each Note held by each holder of any Note (and each claim of each other secured creditor of the Issuer) that does not seek to cause any such filing is paid in full in accordance with the Priority of Payments described herein (after giving effect to such subordination). The foregoing agreement will constitute a "subordination agreement" within the meaning of Section 510(a) of the United States Bankruptcy Code. The Issuer shall direct the Trustee to segregate payments and take other reasonable steps to effect the foregoing, including obtaining a separate CUSIP for the Notes of each Class held by such holder(s).

Even though each holder will agree not to cause the filing of an involuntary petition in bankruptcy in relation to the Issuer (and will agree to subordinate its claims with respect to the Issuer and the Assets in the event it breaches such agreement) as described above, there is the possibility that a bankruptcy court may in the exercise of its equitable or other powers determine not to enforce such an agreement on the ground that such an agreement violates an essential policy underlying the United States Bankruptcy Code. In addition, there is no assurance that the Issuer or its directors would object to a breach by a holder of its obligation not to cause the filing of an involuntary petition even though they are required to do so as described below. In the event that a bankruptcy proceeding is commenced, it is possible that the Assets could be sold or otherwise liquidated in a manner that is inconsistent with the rights of the holders of the various Classes of Notes as described herein under "Description of the Notes—The Indenture—Events of Default".

The Issuer, the Co-Issuer or any Blocker Subsidiary, as applicable, shall, provided funds are available for such purpose in accordance with the Priority of Payments, timely file an answer and any other appropriate pleading objecting to (i) the institution of any proceeding to have the Issuer, Co-Issuer or any Blocker Subsidiary, as the case may be, adjudicated as bankrupt or insolvent or (ii) the filing of any petition seeking relief, reorganization, arrangement, adjustment or composition of or in respect of the Issuer, Co-Issuer or any Blocker Subsidiary, as the case may be, under applicable bankruptcy law or other applicable law; *provided* in each case that neither the Issuer, the Co-Issuer nor any Blocker Subsidiary shall be required to take any such action unless sufficient funds are available in accordance with the Priority of Payments to cover the expenses of the Issuer, the Co-Issuer and any Blocker Subsidiary incurred in connection with such filings and other pleadings. The reasonable fees, costs, charges and expenses incurred by the Issuer, Co-Issuer or any Blocker Subsidiary (including reasonable attorneys' fees and expenses) in connection with taking any such action shall be paid as "Administrative Expenses".

Satisfaction and Discharge of the Indenture. The Indenture will be discharged with respect to the Assets securing the Secured Notes upon (i) (A) delivery to the Trustee for cancellation of all of the Notes (or, in the case of any Uncertificated Subordinated Notes, deregistration by the Trustee of all Uncertificated Subordinated Notes), or, upon deposit with the Trustee of funds sufficient for the payment or redemption thereof and (B) payment by or on behalf of the Co-Issuers of all other sums payable by the Co-Issuers under the Indenture and under the Collateral Administration Agreement and the Collateral Management Agreement or (ii) realization of all Assets of the Issuer that are subject to the lien of the Indenture and the distribution of the proceeds thereof and the closing of each of the accounts pledged under the Indenture, in each case in accordance with the Indenture. Upon discharge, the Indenture shall cease to be of further effect, subject to certain exceptions including rights of holders of Secured Notes to receive payments of principal thereof and interest that accrued prior to maturity (and, to the extent lawful and enforceable, interest on due and unpaid accrued interest) thereon, subject to the provision of the Indenture providing that the obligations of the Issuer or Co-Issuers, as applicable, under the Notes and the Indenture are limited recourse obligations of the Issuer or Co-Issuers, as applicable, payable solely from proceeds of the Collateral Obligations and the other Assets and following realization of the Assets, and application of the proceeds thereof in accordance with the Indenture, all obligations of and any claims against the Co-Issuers thereunder or in connection therewith after such realization shall be extinguished and shall not thereafter revive.

Disposition of Illiquid Assets. If at any time the Assets consists exclusively of (a) Eligible Investments, (b) cash, and/or (c) one or more of the following: a Defaulted Obligation, an Equity Security, an obligation received in connection with an offer or other exchange or any other security or debt obligation that are part of the Assets, in

respect of which the Collateral Manager certifies to the Trustee that (i) the Issuer has not received a payment in cash during the preceding twelve calendar months and (ii) the Collateral Manager is not aware, after reasonable inquiry, that the issuer or obligor of such asset has publicly announced or informed the holders of such asset that it intends to make a payment in cash in respect of such asset within the next twelve calendar months (each, an "**Illiquid Asset**"), then the Collateral Manager may give notice to the Trustee of an auction of such Illiquid Asset and, promptly after receipt of written notice from the Collateral Manager of such auction, the Trustee will forward a notice in the Issuer's name (in such form as is prepared by the Collateral Manager) to the Holders (and, for so long as any Notes rated by S&P are outstanding, S&P) of an auction, setting forth in reasonable detail a description of each Illiquid Asset and the following auction procedures: (i) any holder or beneficial owner of Notes may submit a written bid to purchase for cash one or more Illiquid Assets no later than the date specified in the auction notice (which will be at least 15 Business Days after the date of such notice); (ii) each bid must include an offer to purchase for a specified amount of cash on a proposed settlement date no later than 20 Business Days after the date of the auction notice; (iii) if no holder or beneficial owner of Notes submits such a bid within the time period specified under clause (i) above, unless the Collateral Manager determines that delivery in-kind is not legally or commercially practicable and provides written notice thereof to the Trustee, the Trustee will provide notice thereof to each holder and offer to deliver a pro rata portion (as determined by the Collateral Manager) of each unsold Illiquid Asset to the holders or beneficial owners of the most senior Class that provide delivery instructions to the Trustee on or before the date specified in such notice, subject to minimum denominations and at the expense of such holders or beneficial owners; *provided* that, to the extent that minimum denominations do not permit a pro rata distribution, the Trustee will distribute the Illiquid Assets on a pro rata basis to the extent possible and the Collateral Manager will select by lottery the holder or beneficial owner to whom the remaining amount will be delivered and deliver written notice thereof to the Trustee; provided, further, that the Trustee will use commercially reasonable efforts to effect delivery of such interests and, for the avoidance of doubt, any such delivery to the holders shall not operate to reduce the principal amount of the related Class of Notes held by such holders; (iv) if no such Holder or beneficial owner provides delivery instructions to the Trustee, the Trustee will promptly notify the Collateral Manager and offer to deliver (at the cost of the Collateral Manager) the Illiquid Asset to the Collateral Manager; and (v) if the Collateral Manager declines such offer, the Trustee will take such action as directed by the Collateral Manager (on behalf of the Issuer) in writing to dispose of the Illiquid Asset, which may be by donation to a charity, abandonment or other means. The Trustee shall have no duty, obligation or responsibility with respect to the sale of any Illiquid Asset under the Indenture other than to act upon the written instructions of the Collateral Manager in accordance with the Indenture. The proceeds of the sale of Illiquid Assets (after payment of fees and expenses of the Trustee incurred in connection with dispositions under the provisions described in this section), if any, shall be applied to pay or provide for Administrative Expenses without regard to the limitations thereon set forth in clause (A) of "Overview of Terms—Priority of Payments—Application of Interest Proceeds" (including any dissolution and discharge expenses) and, notwithstanding the order of priority described under "Overview of Terms—Priority of Payments—Application of Interest Proceeds" and "Overview of Terms—Priority of Payments—Application of Principal Proceeds", any remaining amounts shall be applied to the payment of unpaid principal and interest (including defaulted interest and Secured Note Deferred Interest, if any) on the highest Priority Class of Notes until each such Class has been paid in full or such net proceeds have been exhausted.

Notwithstanding the foregoing, the Trustee shall not be under any obligation to dispose or offer for sale any Illiquid Assets pursuant to the preceding paragraph if it is not reasonably satisfied that payment of all expenses, costs and liabilities to be incurred by it are indemnified or provided for in a manner acceptable to it. In addition, the Trustee shall not dispose of Illiquid Assets in accordance with the immediately preceding paragraph if directed (with a copy to the Collateral Manager), at any time following notice of such disposal and prior to release, or acceptance of an offer for sale, of such Illiquid Asset, by a Majority of the Controlling Class or a Majority of the Subordinated Notes not to dispose of such Illiquid Assets in accordance with the immediately preceding paragraph; *provided* that arrangements satisfactory to the Trustee have been made to pay for any accrued and unpaid Administrative Expenses and any additional Administrative Expenses (including any dissolution and discharge expenses) reasonably expected to be incurred (after giving effect to the provision described under "—Limitation on Obligation to Incur Administrative Expenses" below). If the Trustee is so directed and no satisfactory arrangements for payment have been made, then the Trustee shall be entitled to disregard such direction and shall have no liability for taking or omitting to take any action in respect of such direction. In any event, the Trustee shall have no liability for the results of any such sale or disposition of Illiquid Assets, including, without limitation, if the proceeds received, if any, are insufficient to pay all outstanding Administrative Expenses in full.

Limitation on Obligation to Incur Administrative Expenses. If at any time (i) the sum of (A) Eligible Investments, (B) cash and (C) amounts reasonably expected to be received by the Issuer in cash during the current Collection Period (as certified by the Collateral Manager in its reasonable judgment) is less than (ii) the sum of (A) an amount not to exceed the greater of (x) $40,000 and (y) the amount (if any) reasonably estimated by the Trustee (which estimation may be based on quotes from vendors), as the sum of expenses reasonably likely to be incurred in connection with the discharge of the Indenture, the liquidation of the Assets and the dissolution of the Co-Issuers and any Blocker Subsidiaries and (B) any accrued and unpaid Administrative Expenses (the "**Dissolution Expenses**"), then notwithstanding any other provision of the Indenture, the Issuer shall no longer be required to incur Administrative Expenses as otherwise required by the Indenture to any person or entity other than the Trustee, the Collateral Administrator (or any other capacity in which Citibank, N.A. is acting pursuant to the Transaction Documents), the Administrator and their Affiliates, including for opinions of counsel in connection with supplemental indentures, annual opinions under the Indenture, services of accountants and fees of the Rating Agencies, in each case under the Indenture and failure to pay such amounts or provide or obtain such opinions, reports or services shall not constitute a default under the Indenture, and the Trustee shall have no liability for any failure to obtain or receive any of the foregoing opinions, reports or services. The foregoing shall not, however, limit, supersede or alter any right afforded to the Trustee under the Indenture to refrain from taking action in the absence of its receipt of any such opinion, report or service which it reasonably determines is necessary for its own protection.

Trustee. Citibank, N.A. will be the Trustee under the Indenture for the Notes. The payment of the fees and expenses of the Trustee relating to the Notes is solely the obligation of the Issuer and solely payable out of the Assets. The Trustee and/or its affiliates may receive compensation in connection with the Trustee's investment of trust assets in certain Eligible Investments as provided in the Indenture. Eligible Investments may include investments for which the Trustee or an affiliate of the Trustee provides services. The Co-Issuers, the Collateral Manager and their affiliates may maintain other banking relationships in the ordinary course of business with the Trustee or its affiliates.

The Indenture contains provisions for the indemnification of the Trustee by the Issuer, payable solely out of the Assets, for any loss, liability or expense incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of the trust. The Trustee may resign at any time by providing 30 days' notice. The Trustee may be removed at any time by an act of a Majority of each Class of Secured Notes or, at any time when an Event of Default or Enforcement Event shall have occurred and be continuing, by an act of a Majority of the Controlling Class as set forth in the Indenture. No resignation or removal of the Trustee will become effective until the acceptance of the appointment of the successor Trustee.

The Trustee will make certain reports with respect to the Collateral Obligations and any notices or communications required to be delivered to the holders of Notes pursuant to the Indenture available via its internet website. The Trustee's internet website shall initially be located at www.sf.citidirect.com. Assistance in using the website can be obtained by calling the Trustee's customer service desk at 800-422-2066. Parties that are unable to use the above distribution option are entitled to have a paper copy mailed to them via first-class mail by calling the customer service desk and indicating such. The Trustee shall have the right to change the way such statements are distributed in order to make such distribution more convenient and/or more accessible to the above parties and the Trustee shall provide timely and adequate notification to all above parties regarding any such changes. As a condition to access to the Trustee's internet website, the Trustee may require registration and the acceptance of a disclaimer. The Trustee will not be liable for the dissemination of information in accordance with the Indenture. The Trustee shall be entitled to rely on but shall not be responsible for the content or accuracy of any information provided in the information set forth in such reports and may affix thereto any disclaimer it deems appropriate in its reasonable discretion. The Trustee is authorized to, and shall, grant access to the Trustee's internet website to Intex Solutions, Inc. and its successors and assigns for purposes of accessing the monthly and quarterly reports prepared under the Indenture and the other materials posted on such website.

Amendment of Transaction Documents. The Indenture provides that the Issuer shall not enter into any agreement amending, modifying or terminating any Transaction Document without notifying each Rating Agency (with a copy to the Collateral Manager).

Form, denomination and registration of the Notes

The Secured Notes will be sold only to (i) non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act or (ii) persons that are Qualified Institutional Buyers and (a) Qualified Purchasers or (b) entities owned by Qualified Purchasers. Each Secured Note (other than a Class E Note) sold to a person that, at the time of the acquisition, purported acquisition or proposed acquisition of any such Secured Note, is both a Qualified Institutional Buyer and a Qualified Purchaser will be issued in the form of one or more permanent global notes in definitive, fully registered form without interest coupons (the "**Rule 144A Global Secured Notes**"). The Class E Notes sold to a person that, at the time of the acquisition, purported acquisition or proposed acquisition of such Class E Note, is both a Qualified Institutional Buyer and a Qualified Purchaser (or an entity (other than a trust) owned exclusively by Qualified Purchasers) shall be issued in the form of one or more definitive, fully registered notes without coupons (each, a "**Certificated Class E Note**"). The Secured Notes sold to non-U.S. persons in offshore transactions in reliance on Regulation S will be issued in the form of one or more permanent global notes in definitive, fully registered form without interest coupons (the "**Regulation S Global Secured Notes**"). The Rule 144A Global Secured Notes and the Regulation S Global Secured Notes are referred to herein collectively as the "**Global Secured Notes**".

No purported transfer of a Class D Note or any interest therein to a Benefit Plan Investor will be effective, and the Trustee will not recognize any such transfer to a Person that has been determined by the Issuer to be a Benefit Plan Investor. Each initial investor in a Class E Note and each subsequent transferee of a Certificated Class E Note will be required to provide a purchaser representation letter in which it will be required to certify, and each initial investor and subsequent transferee of an interest in a Global Secured Note (except, in the case of an initial purchaser, as may be expressly agreed in writing between such initial purchaser and the Co-Issuers) will be required or deemed to represent, among other matters, as to its status under the Securities Act and the Investment Company Act and ERISA. The Issuer has the right, under the Indenture, to compel any beneficial owner of a Secured Note who has made or has been deemed to make a prohibited transaction, Benefit Plan Investor, Other Plan Law or Similar Law representation that is subsequently shown to be false or misleading or whose ownership otherwise causes a violation of the 25% Limitation to sell its interest in such Note, or may sell such interest on behalf of such owner. See "Transfer Restrictions—Non-Permitted Holder/Non-Permitted ERISA Holder".

The Subordinated Notes are being initially offered, and may subsequently be transferred, only to (i) non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act or (ii) persons that are (x) Qualified Institutional Buyers or (y) Accredited Investors and, in the case of (x) and (y), Qualified Purchasers, Knowledgeable Employees with respect to the Issuer or entities owned exclusively by Qualified Purchasers or by Knowledgeable Employees with respect to the Issuer.

All Subordinated Notes sold to U.S. purchasers and, at the option of the Issuer (with the written consent of the Collateral Manager), certain Subordinated Notes sold to certain non-U.S. purchasers in offshore transactions in reliance on Regulation S, will be evidenced by notes in definitive, fully registered form without interest coupons ("**Certificated Subordinated Notes**") or, if requested by the beneficial owner thereof, will be issued in uncertificated, fully registered form ("**Uncertificated Subordinated Notes**"). All other Subordinated Notes sold to non-U.S. persons in offshore transactions in reliance on Regulation S will each be represented by one or more permanent global notes in definitive, fully registered form without interest coupons (the "**Regulation S Global Subordinated Notes**"). Uncertificated Subordinated Notes registered in the name of a Person shall be considered "held" by such Person for all purposes under the Indenture.

Each initial investor and each subsequent transferee of a Certificated Subordinated Note or an Uncertificated Subordinated Note will be required to provide a purchaser representation letter in which it will be required to certify, among other matters, as to its status under the Securities Act, the Investment Company Act and ERISA. Each initial investor and each subsequent transferee of an interest in a Regulation S Global Subordinated Note will be deemed (or, in the case of a transferee of a Certificated Subordinated Note or Uncertificated Subordinated Note taking delivery in the form of an interest in a Regulation S Global Subordinated Note, required) to make certain representations and warranties as to its status under ERISA.

As used above, "**U.S. person**" and "**offshore transaction**" shall have the meanings assigned to such terms in Regulation S under the Securities Act.

The Global Secured Notes and the Regulation S Global Subordinated Notes will be deposited with the Trustee as custodian for, and registered in the name of Cede & Co., a nominee of, DTC and, in the case of the Regulation S Global Secured Notes and the Regulation S Global Subordinated Notes, for the respective accounts of Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream**").

A beneficial interest in a Regulation S Global Secured Note (other than the Regulation S Global Class E Note) may be transferred to a person who takes delivery in the form of an interest in the corresponding Rule 144A Global Secured Note only upon receipt by the Trustee of (i) a written certification from the transferor in the form required by the Indenture to the effect that such transfer is being made to a person whom the transferor reasonably believes is a Qualified Institutional Buyer in a transaction meeting the requirements of Rule 144A under the Securities Act and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction and (ii) a written certification from the transferee in the form required by the Indenture to the effect, among other things, that such transferee (x) is a Qualified Institutional Buyer and is a Qualified Purchaser and (y) with respect to an interest in a Class D Note, is not a Benefit Plan Investor. Beneficial interests in a Rule 144A Global Secured Note may be transferred to a person who takes delivery in the form of an interest in the corresponding Regulation S Global Secured Note only upon receipt by the Trustee of a written certification from the transferor in the form required by the Indenture to the effect that such transfer is being made in accordance with Regulation S under the Securities Act and a written certification from the transferee in the form required by the Indenture to the effect, among other things, that such transferee (x) is a non-U.S. person purchasing such Note in an offshore transaction pursuant to Regulation S and (y) with respect to an interest in a Class D Note, is not a Benefit Plan Investor. Any beneficial interest in one of the Global Secured Notes that is transferred to a person who takes delivery in the form of an interest in another Global Secured Note will, upon transfer, cease to be an interest in such Global Secured Note, and become an interest in such other Global Secured Note, and accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Secured Notes for as long as it remains such an interest.

A beneficial interest in a Regulation S Global Class E Note may be transferred to a person who takes delivery in the form of a Certificated Class E Note only upon receipt by the Trustee of (i) written certification from the transferor in the form prescribed by the Indenture to the effect that such transfer is being made to a person whom the transferor reasonably believes is a Qualified Institutional Buyer in a transaction meeting the requirements of Rule 144A under the Securities Act and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction and (ii) certificates substantially in the form of Annex A-2 and Annex A-3 attached hereto executed by the transferee in which the transferee will be required to certify, among other matters, as to its status under the Securities Act, the Investment Company Act and ERISA. A beneficial interest in a Regulation S Global Subordinated Note may be transferred to a person who takes delivery in the form of a Certificated Subordinated Note or an Uncertificated Subordinated Note only upon receipt by the Trustee of (i) written certification from the transferor in the form prescribed by the Indenture to the effect that such transfer is being to a person whom the transferor reasonably believes is a Qualified Institutional Buyer in a transaction meeting the requirements of Rule 144A under the Securities Act or an Accredited Investor and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction and (ii) certificates substantially in the form of Annex A-1 and Annex A-2 attached hereto executed by the transferee in which the transferee will be required to certify, among other matters, as to its status under the Securities Act, the Investment Company Act and ERISA. A beneficial interest in a Regulation S Global Class E Note or a Regulation S Global Subordinated Note may be transferred to a person who takes delivery in the form of an interest in such Regulation S Global Class E Note or Regulation S Global Subordinated Note, as applicable, without the provision of any transferor or transferee certifications.

A Certificated Class E Note, a Certificated Subordinated Note or an Uncertificated Subordinated Note may be transferred to a person who takes delivery in the form of an interest in a Regulation S Global Class E Note or a Regulation S Global Subordinated Note, as applicable, only upon receipt by the Trustee of (i) in the case of a Certificated Class E Note or a Certificated Subordinated Note, the transferor's Certificated Class E Note or Certificated Subordinated Note, as applicable, together with written certification from the transferor in the form prescribed by the Indenture to the effect that such transfer is being made in accordance with Regulation S under the Securities Act and (ii) a certificate substantially in the form of Annex A-2 attached hereto executed by the transferee in which the transferee will be required to certify as to its status under ERISA. A Certificated Class E Note may be

transferred to a person who takes delivery in the form of an interest in a Certificated Class E Note only upon receipt by the Trustee of (i) the transferor's Certificated Class E Note together with a written certification from the transferor in the form prescribed by the Indenture to the effect that such transfer is being made to a person whom the transferor reasonably believes is a Qualified Institutional Buyer in a transaction meeting the requirements of Rule 144A under the Securities Act and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction and (ii) certificates substantially in the form of Annex A-2 and Annex A-3 attached hereto executed by the transferee in which the transferee will be required to certify, among other matters, as to its status under the Securities Act, the Investment Company Act and ERISA. A Certificated Subordinated Note may be transferred to a person who takes delivery in the form of an interest in a Certificated Subordinated Note or an Uncertificated Subordinated Note only upon receipt by the Trustee of (A) the transferor's Certificated Subordinated Note together with written certification from the transferor in the form prescribed by the Indenture to the effect that such transfer is being made to a person whom the transferor reasonably believes is a Qualified Institutional Buyer in a transaction meeting the requirements of Rule 144A under the Securities Act or an Accredited Investor and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction and (B) certificates substantially in the form of Annex A-1 and Annex A-2 attached hereto executed by the transferee in which the transferee will be required to certify, among other matters, as to its status under the Securities Act, the Investment Company Act and ERISA. An Uncertificated Subordinated Note may be transferred to a person who takes delivery in the form of an interest in a Certificated Subordinated Note or an Uncertificated Subordinated Note only upon receipt by the Issuer and the Trustee of certificates substantially in the form of Annex A-1 and Annex A-2 attached hereto executed by the transferee.

No transfer of any Class E Note (or any interest therein) or a Subordinated Note (or any interest therein) will be effective, and the Trustee will not recognize any such transfer, if after giving effect to such transfer 25% or more of the value of the Class E Notes or the Subordinated Notes, as applicable, would be held by Persons who have represented that they are Benefit Plan Investors, disregarding Class E Notes and Subordinated Notes held by Controlling Persons. No purported transfer of a Regulation S Global Class E Note or a Regulation S Global Subordinated Note to a Benefit Plan Investor or a Controlling Person will be effective, and the Trustee will not recognize any such transfer to a Person that has been determined by the Issuer to be a Benefit Plan Investor or a Controlling Person, unless such person has obtained the prior written consent of the Issuer. The Issuer has the right, under the Indenture, to compel any beneficial owner of a Class E Note or Subordinated Note who has made or has been deemed to make a prohibited transaction Benefit Plan Investor, Controlling Person, Other Plan Law, or Similar Law representation that is subsequently shown to be false or misleading or whose ownership otherwise causes a violation of the 25% Limitation to sell its interest in such Note, or may sell such interest on behalf of such owner. See "Transfer Restrictions—Non-Permitted Holder/Non-Permitted ERISA Holder". If the Issuer consents to the purchase of an interest in a Class E Note or Regulation S Global Subordinated Note by a Controlling Person, the Issuer shall treat such interest as being held by a Controlling Person until such time, if any, as a transferee of such interest certifies to the Issuer and the Trustee that it is not a Controlling Person.

No service charge will be made for any registration of transfer or exchange of Notes but the Co-Issuers, the registrar or the Trustee may require payment of a sum sufficient to cover any transfer, tax or other governmental charge payable in connection therewith. The registrar or the Trustee will be permitted to request such evidence reasonably satisfactory to it documenting the identity and/or signatures of the transferor and transferee.

The registered owner of the relevant Global Secured Note or Regulation S Global Subordinated Note will be the only person entitled to receive payments in respect of the Notes represented thereby, and the Co-Issuers or the Issuer, as applicable, will be discharged by payment to, or to the order of, the registered owner of such Global Secured Note or Regulation S Global Subordinated Note in respect of each amount so paid. No person other than the registered owner of the relevant Global Secured Note or Regulation S Global Subordinated Note will have any claim against the Co-Issuers or the Issuer, as applicable, in respect of any payment due on that Global Secured Note or Regulation S Global Subordinated Note. Account holders or participants in Euroclear and Clearstream shall have no rights under the Indenture with respect to Global Secured Notes or Regulation S Global Subordinated Notes held on their behalf by the Trustee as custodian for DTC, and DTC may be treated by the Co-Issuers, the Trustee and any agent of the Co-Issuers or the Trustee as the holder of Global Secured Notes or Regulation S Global Subordinated Notes for all purposes whatsoever.

Except in the limited circumstances described below, owners of beneficial interests in the Global Secured Notes will not be entitled to have Notes registered in their names, will not receive or be entitled to receive definitive physical Notes, and will not be considered "holders" of Notes under the Indenture or the Notes, *provided* that owners of beneficial interests in the Global Notes who deliver a certificate of ownership to the Trustee shall be entitled to receive the monthly and quarterly reports prepared under the Indenture. If DTC notifies the Co-Issuers that it is unwilling or unable to continue as depositary for Global Secured Notes of any Class or Classes or ceases to be a "clearing agency" registered under the Exchange Act and a successor depositary or custodian is not appointed by the Co-Issuers within 90 days after receiving such notice (a "**Depository Event**"), the Issuer will issue or cause to be issued, Notes of such Class or Classes in the form of definitive physical certificates in exchange for the applicable Global Secured Notes to the beneficial owners of such Global Secured Notes in the manner set forth in the Indenture. In addition, the owner of a beneficial interest in a Global Secured Note will be entitled to receive a definitive physical Note in exchange for such interest if an Event of Default or Enforcement Event has occurred and is continuing. In the event that definitive physical certificates are not so issued by the Issuer to such beneficial owners of interests in Global Secured Notes, the Issuer expressly acknowledges that such beneficial owners shall be entitled to pursue any remedy that the holders of a Global Secured Note would be entitled to pursue in accordance with the Indenture (but only to the extent of such beneficial owner's interest in the Global Secured Note) as if definitive physical Notes had been issued; *provided*, that the Trustee shall be entitled to receive and rely upon any certificate of ownership provided by such beneficial owners and/or other forms of reasonable evidence of such ownership as it may require. In the event that definitive physical Notes are issued in exchange for Global Secured Notes as described above, the applicable Global Secured Note will be surrendered to the Trustee by DTC and the Co-Issuers or the Issuer, as applicable, will execute and the Trustee will authenticate and deliver an equal aggregate outstanding principal amount of definitive physical Notes.

Owners of beneficial interests in Regulation S Global Subordinated Notes will receive definitive Subordinated Notes registered in their names in connection with a Depository Event, and may also exchange such beneficial interests for Certificated Subordinated Notes or Uncertificated Subordinated Notes in accordance with the procedures described under "Transfer Restrictions".

The Notes will be subject to certain restrictions on transfer set forth therein and in the Indenture and the Notes (other than Uncertificated Subordinated Notes) will bear the restrictive legend set forth under "Transfer Restrictions".

The Secured Notes other than the Class C Notes will be issued in minimum denominations of U.S.$500,000 and integral multiples of U.S.$1.00 in excess thereof. The Class C Notes will be issued in minimum denominations of U.S.$250,000 and integral multiples of U.S.$1.00 in excess thereof. The Subordinated Notes will be issued in minimum denominations of U.S.$500,000 and integral multiples of U.S.$1.00 in excess thereof.

The Subordinated Notes

The Subordinated Notes will be issued pursuant to the Indenture, but will not be secured obligations thereunder. The following summary, together with the preceding summary of certain principal terms of the Indenture, describes certain provisions of the Subordinated Notes, but does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Indenture.

Status and Ranking. The Subordinated Notes will be unsecured, subordinated, limited recourse obligations issued by the Issuer under the Indenture. The Subordinated Notes will be fully subordinated to the Secured Notes and to the payment of all other amounts payable in accordance with the Priority of Payments. The Subordinated Notes will not be secured by the Assets or any pledge of the Assets but, under the terms of the Indenture, the Trustee will pay to the holders of the Subordinated Notes amounts available pursuant to the Priority of Payments. To the extent that following realization of the Assets, these amounts are insufficient to repay the principal amount of the Subordinated Notes or to make distributions thereon, no other funds will be available to make such payments.

Distributions on the Subordinated Notes. On the Stated Maturity of the Notes, the Trustee will pay the net proceeds from the liquidation of the Assets and all available cash (but only after the payment of (or establishment of a reserve for) all Administrative Expenses (in the same manner and order of priority in the definition thereof), Management Fees and interest and principal on the Secured Notes) to the holders of the Subordinated Notes in final payment of the Subordinated Notes, unless the Subordinated Notes were previously redeemed or repaid prior thereto

as described herein. To the extent funds are available for such purpose under the Indenture as described above, payments will be made to the holders of the Subordinated Notes on each Payment Date, or in connection with any optional or mandatory redemption of the Subordinated Notes as set forth below.

Payments on the Subordinated Notes will be made to the person in whose name the Subordinated Note is registered on the applicable Record Date in the same manner as payments are made to the holders of the Secured Notes as described under "—Entitlement to payments" and any unclaimed payments will be subject to the terms described under "—Entitlement to payments—Prescription".

Mandatory Redemption. The Subordinated Notes will be fully redeemed on the Stated Maturity indicated in "Overview of Terms—Principal Terms of the Notes" unless previously redeemed as described herein. The average life of the Subordinated Notes is expected to be less than the number of years until their Stated Maturity. See "Risk Factors—Relating to the Notes—The weighted average lives of the Notes may vary from their maturity date".

Optional Redemption. The Subordinated Notes will be redeemed by the Issuer, in whole but not in part, on any Business Day on or after the date on which all of the Secured Notes have been redeemed or repaid, from the proceeds of the Assets remaining after giving effect to redemption or repayment of the Secured Notes and payment in full of all expenses of the Co-Issuers, at the direction of either (i) a Special Majority of the Subordinated Notes, or (ii) the Collateral Manager, so long as American Capital CLO Management, LLC or any affiliate thereof is the Collateral Manager. The Redemption Price payable to each holder of the Subordinated Notes will be its proportionate share of the proceeds of the Assets remaining after the payments described above. The Subordinated Notes may also be redeemed in connection with a Clean-Up Call Redemption. See "—Clean-Up Call Redemption".

Voting and other rights. Holders of the Subordinated Notes will have no consent rights, voting rights or rights to direct any action except as set forth in the Indenture, the Collateral Management Agreement or the other Transaction Documents.

No Gross-Up

All payments on the Notes will be made without any deduction or withholding for or on account of any tax unless such deduction or withholding is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, then in effect. If the Issuer is so required to deduct or withhold, then neither the Issuer nor the Co-Issuer will be obligated to pay any additional amounts in respect of such withholding or deduction.

Tax Characterization

The Issuer intends to treat, and the Indenture will provide that the Issuer, the Co-Issuer and the Trustee agree, and each holder and beneficial owner of Secured Notes, by accepting a Secured Note or beneficial interest therein, agrees, to treat (i) the Secured Notes as debt instruments of the Issuer only and (ii) the Subordinated Notes as equity interests in the Issuer, in each case for U.S. federal and, to the extent permitted by law, state and local income and franchise tax purposes. The Indenture will provide that each holder or beneficial owner, by accepting a Secured Note or beneficial interest therein, agrees to report all income (or loss) in accordance with such treatment and to take no action inconsistent with such treatment unless otherwise required by a relevant taxing authority.

The Issuer will be treated as a corporation for U.S. federal income tax purposes and the Indenture will provide that the Issuer agrees not to elect to be treated otherwise.

Compliance with Rule 17g-5

To enable the Rating Agencies to comply with Rule 17g-5 of the Exchange Act, the Issuer has agreed with each Rating Agency to the effect that it will post on a password-protected internet website, at the same time such information is provided to the Rating Agencies, all information the Issuer provides or causes to be provided to the Rating Agencies for the purposes of determining the initial credit rating of the Secured Notes or undertaking credit rating surveillance of the Secured Notes. The Issuer has arranged to provide access to the website to other NRSROs that provide the Issuer with the certification required by Rule 17g-5. As a result, an NRSRO other than the Rating Agencies may issue ratings on the Secured Notes, which may be lower, and could be significantly lower, than the

ratings assigned by the Rating Agencies. Moody's may also issue unsolicited ratings with respect to the Secured Notes other than the Class A-1 Notes. See "Risk Factors—Relating to the Notes—Rating agencies may have certain conflicts of interest; and the Secured Notes may receive an unsolicited rating, which may have an adverse effect on the liquidity or the market price of the Secured Notes".

RATINGS OF THE SECURED NOTES

The Secured Notes

It is a condition of the issuance of the Notes that the Secured Notes of each Class receive from S&P and that the Class A-1 Notes receive from Moody's the minimum rating indicated under "Overview of Terms—Principal Terms of the Notes". In addition, a rating agency not hired by the Issuer to rate the transaction may provide an unsolicited rating that differs from (or is lower than) the ratings provided by the Rating Agencies, and Moody's may provide unsolicited ratings with respect to Secured Notes other than the Class A-1 Notes. A security rating is not a recommendation to buy, sell or hold securities and is subject to withdrawal at any time. There is no assurance that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by the assigning Rating Agency if in its judgment circumstances in the future so warrant. See "Risk Factors—Relating to the Notes—Rating agencies may have certain conflicts of interest; and the Secured Notes may receive an unsolicited rating, which may have an adverse effect on the liquidity or the market price of the Secured Notes".

The ratings of the Secured Notes address the likelihood of full and ultimate payment to holders of the Secured Notes of all distributions of stated interest (or, in the case of the S&P ratings of the Class A-1 Notes and the Class A-2 Notes, with respect to interest, timely payment of stated interest) and the ultimate payment in full of the principal amount of each such Class not later than its respective Stated Maturity. The ratings assigned to the Secured Notes of each Class by the applicable Rating Agency are based upon its assessment of the probability that the Collateral Obligations will provide sufficient funds to pay the Secured Notes of such Class (based upon the Interest Rate and principal balance or face amount, as applicable, of such Class), based largely upon such Rating Agency's statistical analysis of historical default rates on debt securities with various ratings, the terms of the Indenture, the asset and interest coverage required for the Secured Notes (which is achieved through the subordination of the Subordinated Notes and certain Classes of Secured Notes as described herein), and the Concentration Limitations and the Collateral Quality Test, each of which must be satisfied, maintained or improved in order to reinvest in additional Collateral Obligations.

In addition to their respective quantitative tests, the ratings of each Rating Agency take into account qualitative features of a transaction, including the legal structure and the risks associated with such structure, such Rating Agency's view as to the quality of the participants in the transaction and other factors that it deems relevant.

Inapplicability of the Moody's Rating Condition

With respect to any event or circumstance that requires satisfaction of the Moody's Rating Condition, the Moody's Rating Condition shall be deemed inapplicable with respect to such event or circumstance if:

(a) Moody's has made a public statement to the effect that Moody's will no longer review events or circumstances of the type requiring satisfaction of the Moody's Rating Condition in the Indenture for purposes of evaluating whether to confirm the then-current ratings (or initial ratings) of obligations rated by Moody's;

(b) Moody's has communicated to the Issuer, the Collateral Manager or the Trustee (or their counsel) that Moody's will not review such event or circumstance for purposes of evaluating whether to confirm the then-current rating (or initial rating) of the Class A-1 Notes; or

(c) with respect to amendments requiring unanimous consent of all holders of Notes, such holders have been advised prior to consenting that the current Moody's rating of the Class A-1 Notes may be reduced or withdrawn as a result of such amendment.

SECURITY FOR THE SECURED NOTES

The "**Assets**" will consist of, and the Issuer will grant to the Trustee a perfected security interest for the benefit of the Secured Parties in all of the Issuer's accounts, chattel paper, deposit accounts, money, financial assets, general intangibles, instruments, investment property, letter-of-credit rights and supporting obligations, including, but not limited to:

(a) the Collateral Obligations that the Issuer causes to be delivered to the Trustee (directly or through an intermediary or bailee) pursuant to the Indenture and all payments thereon or with respect thereto, and all Collateral Obligations which are delivered to the Trustee in the future pursuant to the terms of the Indenture and all payments thereon or with respect thereto;

(b) the Issuer's interest in (A) the Payment Account, (B) the Interest Reserve Account, (C) the Collection Account, (D) the Ramp-Up Account, (E) the Revolver Funding Account, (F) the Expense Reserve Account, (G) the Custodial Account and (H) the LC Reserve Account, and in each case any Eligible Investments purchased with funds on deposit therein, and all income from the investment of funds therein;

(c) the Issuer's rights under the Collateral Management Agreement and the Collateral Administration Agreement;

(d) all cash or money delivered to the Trustee (or its bailee) for the benefit of the Secured Parties; and

(e) all proceeds with respect to the foregoing;

provided that such grants shall not include the U.S.$250 transaction fee paid to the Issuer in consideration of the issuance of the Notes, the proceeds of the issue and allotment of the Issuer's ordinary shares, the bank account in the Cayman Islands in which such funds are deposited (or any interest thereon), and the membership interests of the Co-Issuer.

Collateral Obligations

It is anticipated that the Issuer will have completed the purchase (or commitment to purchase) of at least 83% (by principal amount) of the initial portfolio of Collateral Obligations on the Closing Date. It is expected (but there can be no assurance) that the Concentration Limitations, the Collateral Quality Test and all of the Coverage Tests will be satisfied on or before the Effective Date (or, in the case of the Interest Coverage Test with respect to each Class of Secured Notes, on or before the Determination Date occurring immediately prior to the second Payment Date).

An obligation meeting the standards set forth below that is pledged by the Issuer to the Trustee will constitute a "**Collateral Obligation**". An obligation will be eligible for purchase by the Issuer and will be eligible to be pledged by the Issuer to the Trustee as a Collateral Obligation if it is a Senior Secured Loan, Senior Secured Bond, Senior Unsecured Bond, Second Lien Loan, Senior Secured Floating Rate Note or an Unsecured Loan (including, but not limited to, interests in bank loans acquired by way of a purchase or assignment) or Participation Interest therein, or a Letter of Credit Reimbursement Obligation, that as of the date a commitment to purchase is entered into by the Issuer:

(i) is U.S. Dollar denominated and is neither convertible by the issuer thereof into, nor payable in, any other currency;

(ii) is not (A) a Defaulted Obligation, (B) a Credit Risk Obligation or (C) a Current Pay Obligation;

(iii) is not a lease;

(iv) is not an Interest Only Security, a Step-Up Obligation or a Step-Down Obligation;

(v) provides (in the case of a Delayed Drawdown Collateral Obligation, Revolving Collateral Obligation or Letter of Credit Reimbursement Obligation, with respect to amounts drawn thereunder) for a fixed amount of principal payable in cash on scheduled payment dates and/or at maturity and does not by its terms provide for earlier amortization or prepayment at a price of less than par;

(vi) does not constitute Margin Stock;

(vii) payments due under the terms of which and proceeds from disposing of which will be received by the Issuer free and clear of withholding tax (other than withholding tax under FATCA), other than (A) withholding tax as to which the obligor or issuer must make additional payments so that the net amount received by the Issuer after satisfaction of such tax is the amount due to the Issuer before the imposition of any withholding tax and (B) withholding tax on (x) fees received with respect to a Letter of Credit Reimbursement Obligation, (y) amendment, waiver, consent and extension fees and (z) commitment fees and other similar fees in respect of Revolving Collateral Obligations and Delayed Drawdown Collateral Obligations;

(viii) has a Moody's Rating and an S&P Rating;

(ix) is not a debt obligation whose repayment is subject to substantial non-credit related risk as determined by the Collateral Manager in its reasonable judgment;

(x) except for Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations, is not an obligation pursuant to which any future advances or payments to the borrower or the obligor thereof may be required to be made by the Issuer;

(xi) does not have an "f", "r", "p", "pi", "q", "t" or "sf" subscript assigned by S&P;

(xii) is not a Related Obligation, a Zero Coupon Bond, a Middle Market Loan, a Structured Finance Obligation or a Repack Obligation;

(xiii) will not require the Issuer, the Co-Issuer or the pool of Assets to be registered as an investment company under the Investment Company Act;

(xiv) is not, by its terms, convertible into or exchangeable for an Equity Security at any time over its life;

(xv) is not the subject of a tender offer, voluntary redemption, exchange offer, conversion or other similar action;

(xvi) does not have an S&P Rating that is below "CCC" or a Moody's Default Probability Rating that is below "Caa2";

(xvii) does not mature after the latest Stated Maturity of the Notes;

(xviii) if a Floating Rate Obligation, accrues interest at a floating rate determined by reference to (a) the Dollar prime rate, federal funds rate or LIBOR or (b) a similar interbank offered rate or commercial deposit rate or (c) with notice to S&P, any other then-customary index;

(xix) is Registered;

(xx) the acquisition (including the manner of acquisition), ownership, enforcement and disposition of such obligation or security will not cause the Issuer to be treated as engaged in a U.S. trade or business for U.S. federal income tax purposes;

(xxi) is not a Synthetic Security;

(xxii) does not pay interest less frequently than semi-annually;

(xxiii) if it is a Letter of Credit Reimbursement Obligation, payments in respect of such obligation or security will be subject to withholding by the agent bank in respect of fee income, unless (a) the Issuer has received an opinion of nationally recognized external legal counsel to the effect that such withholding should or will not be required or (b) the Issuer deposits into the LC Reserve Account an amount equal to 30% (or such other percentage equal to the withholding rate then in effect) of all of the fees received in respect of such Letter of Credit Reimbursement Obligation;

(xxiv) unless it is a Letter of Credit Reimbursement Obligation, does not include or support a letter of credit;

(xxv) is not an interest in a grantor trust unless all of the assets of such trust meet the standards set forth herein for Collateral Obligations (other than clause (xix));

(xxvi) is purchased at a price at least equal to 50% of its principal balance;

(xxvii) is issued by an obligor that is (A) Domiciled in the United States, Canada, a Group I Country, a Group II Country, a Group III Country or a Tax Jurisdiction and (B) not Domiciled in Greece, Italy, Portugal or Spain;

(xxviii) is not issued by a sovereign, or by a corporate issuer located in a country, which sovereign or country on the date on which the obligation is acquired by the Issuer imposed foreign exchange controls that effectively limit the availability or use of U.S. Dollars to make when due the scheduled payments of principal thereof and interest thereon; and

(xxix) is not a "commodity interest" as such term is used in the definition of "commodity pool" in Section 1a of the Commodity Exchange Act, as amended, except a hedge agreement that falls within the scope of the exclusion from commodity pool regulation set forth in CFTC Letter No. 12-45 (Interpretation and No-Action) dated December 7, 2012.

The composition of the Collateral Obligations will change over time as a result of (i) scheduled and unscheduled principal payments on the Collateral Obligations and (ii) subject to the limitations described under "—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria", (A) during the Reinvestment Period, the acquisition of additional Collateral Obligations, sales of Assets and reinvestment of Sale

Proceeds and other Principal Proceeds and (B) after the Reinvestment Period, the acquisition of Substitute Obligations and sales of Assets.

The Concentration Limitations

In connection with any investment in Collateral Obligations on or after the Effective Date during the Reinvestment Period (and in connection with the acquisition of Substitute Obligations, after the Reinvestment Period), the Collateral Obligations in the aggregate are required to comply with all of the requirements of the Concentration Limitations set forth under "Overview of Terms—Concentration Limitations" or, if not in compliance at the time of reinvestment, the relevant requirements (other than, after the Reinvestment Period, clauses (iv) and (v) of the Concentration Limitations, which must be satisfied) must be maintained or improved as a result of such reinvestment as described in the Investment Criteria and in the Post-Reinvestment Period Substitution Criteria. See "—Collateral Assumptions" below for a description of the assumptions applicable to the determination of satisfaction of the Concentration Limitations.

The Collateral Quality Test

On any date of determination on and after the Effective Date during the Reinvestment Period (and in connection with the acquisition of Substitute Obligations, after the Reinvestment Period), the Collateral Obligations in the aggregate are required to comply with all of the requirements of the Collateral Quality Test set forth under "Overview of Terms—Collateral Quality Test" or, if not in compliance at the time of reinvestment, the relevant requirements (other than, after the Reinvestment Period, the Maximum Moody's Rating Factor Test, which must be satisfied) must be maintained or improved after giving effect to such reinvestment as described in the Investment Criteria and in the Post-Reinvestment Period Substitution Criteria. Measurement of the degree of compliance with the Collateral Quality Test will be required on every Measurement Date on and after the Effective Date during the Reinvestment Period (and in connection with the acquisition of Substitute Obligations, after the Reinvestment Period). See "—Collateral Assumptions" for a description of the assumptions applicable to the determination of satisfaction of the Collateral Quality Test.

Minimum Floating Spread Test and Minimum Weighted Average Coupon Test

The "**Minimum Floating Spread Test**" will be satisfied on any date of determination if the Weighted Average Floating Spread plus the Excess Weighted Average Coupon equals or exceeds the Minimum Floating Spread.

The "**Weighted Average Floating Spread**" as of any Measurement Date, is the number obtained by dividing:

(a) the amount equal to (i) the Aggregate Funded Spread plus (ii) the Aggregate Unfunded Spread plus (iii) for purposes other than the S&P CDO Monitor Test, the Aggregate Excess Funded Spread, minus any amount required to be deposited in the LC Reserve Account as described under "—The LC Reserve Account" in respect of any Floating Rate Obligation; by

(b) an amount equal to (i) for purposes other than the S&P CDO Monitor Test, the lesser of (A) the Reinvestment Target Par Balance and (B) an amount equal to the aggregate principal balance (including for this purpose any capitalized interest) of all Floating Rate Obligations as of such Measurement Date and (ii) for purposes of the S&P CDO Monitor Test only, the amount in clause (B) above.

The "**Aggregate Funded Spread**" is, as of any Measurement Date, the sum of:

(a) in the case of each Floating Rate Obligation that bears interest at a spread over a London interbank offered rate based index, (i) the stated interest rate spread (excluding any Deferrable Security to the extent of any non-cash interest and the unfunded portion of any Delayed Drawdown Collateral Obligation and Revolving Collateral Obligation) on such Collateral Obligation above such index multiplied by (ii) the principal balance (including for this purpose any capitalized interest but excluding the unfunded portion of any

Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation) of such Collateral Obligation; and

(b) in the case of each Floating Rate Obligation that bears interest at a spread over an index other than a London interbank offered rate based index, (i) the excess of the sum of such spread and such index (excluding any Deferrable Security to the extent of any non-cash interest and the unfunded portion of any Delayed Drawdown Collateral Obligation and Revolving Collateral Obligation) over LIBOR as of the immediately preceding Interest Determination Date (which spread or excess may be expressed as a negative percentage) multiplied by (ii) the principal balance (including for this purpose any capitalized interest but excluding the unfunded portion of any Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation) of each such Collateral Obligation;

provided that, for purposes of this definition, the interest rate spread with respect to any Floating Rate Obligation that has a floor based on the London interbank offer rate will be deemed to be the stated interest rate spread plus, if positive, (x) the value of such floor *minus* (y) LIBOR as of the immediately preceding Interest Determination Date.

The "**Aggregate Unfunded Spread**" is, as of any Measurement Date, the sum of the products obtained by multiplying (i) for each Delayed Drawdown Collateral Obligation and Revolving Collateral Obligation (other than Defaulted Obligations), the related commitment fee then in effect as of such date and (ii) the undrawn commitments of each such Delayed Drawdown Collateral Obligation and Revolving Collateral Obligation as of such date.

The "**Aggregate Excess Funded Spread**" is, as of any Measurement Date, the amount obtained by multiplying:

(a) the amount equal to LIBOR applicable to the Floating Rate Notes during the Interest Accrual Period (or portion thereof, in the case of the first Interest Accrual Period) in which such Measurement Date occurs; by

(b) the amount (not less than zero) equal to (i) the aggregate principal balance (including for this purpose any capitalized interest with respect to which current cash interest is being paid but excluding any portion of the Principal Balance or capitalized interest with respect to which current cash interest is not being paid) of the Collateral Obligations as of such Measurement Date minus (ii) the Reinvestment Target Par Balance.

"**Excess Weighted Average Floating Spread**" means a percentage equal as of any date of determination to a number obtained by multiplying (a) the excess, if any, of the Weighted Average Floating Spread over the Minimum Floating Spread by (b) the number obtained, including for this purpose any capitalized interest, by dividing the aggregate principal balance of all Floating Rate Obligations by the aggregate principal balance of all Fixed Rate Obligations.

The "**Minimum Weighted Average Coupon Test**" will be satisfied on any date of determination if the Weighted Average Coupon plus the Excess Weighted Average Floating Spread equals or exceeds the Minimum Weighted Average Coupon.

The "**Weighted Average Coupon**" as of any Measurement Date, is the number obtained by dividing:

(a) the amount equal to the Aggregate Coupon minus any amount required to be deposited in the LC Reserve Account as described under "—The LC Reserve Account" in respect of any Fixed Rate Obligation; by

(b) an amount equal to the aggregate principal balance (including for this purpose any capitalized interest) of all Fixed Rate Obligations as of such Measurement Date.

The "**Aggregate Coupon**" as of any Measurement Date, is the sum of the products obtained by multiplying, in the case of each Fixed Rate Obligation, (i) the stated coupon on such Collateral Obligation (excluding any Deferrable Security to the extent of any non-cash interest and the unfunded portion of any Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation) expressed as a percentage and (ii) the principal balance (including for this purpose any capitalized interest) of such Collateral Obligation.

"**Excess Weighted Average Coupon**" means a percentage equal as of any date of determination to a number obtained by multiplying (a) the excess, if any, of the Weighted Average Coupon over the Minimum Weighted Average Coupon by (b) the number obtained, including for this purpose any capitalized interest, by dividing the aggregate principal balance of all Fixed Rate Obligations by the aggregate principal balance of all Floating Rate Obligations.

Maximum Moody's Rating Factor Test.

The "**Maximum Moody's Rating Factor Test**" will be satisfied on any date of determination if the Adjusted Weighted Average Moody's Rating Factor of the Collateral Obligations is less than or equal to the sum of (i) the number set forth in the Minimum Diversity Score/Maximum Rating/Minimum Spread Matrix at the intersection of the applicable "row/column combination" chosen by the Collateral Manager (or interpolating between two adjacent rows and/or two adjacent columns, as applicable) in accordance with the Indenture *plus* (ii) the Moody's Weighted Average Recovery Adjustment; *provided* that the Maximum Moody's Rating Factor Test will not be satisfied if the Adjusted Weighted Average Moody's Rating Factor of the Collateral Obligations is greater than 3050.

The "**Weighted Average Moody's Rating Factor**" is the number (rounded up to the nearest whole number) determined by:

(a) summing the products of (i) the principal balance of each Collateral Obligation (excluding Equity Securities) multiplied by (ii) the Moody's Rating Factor of such Collateral Obligation (as described below) and

(b) dividing such sum by the outstanding principal balance of all such Collateral Obligations.

The "**Moody's Rating Factor**" relating to any Collateral Obligation is the number set forth in the table below opposite the Moody's Default Probability Rating of such Collateral Obligation.

Moody's Default Probability Rating	Moody's Rating Factor	Moody's Default Probability Rating	Moody's Rating Factor
Aaa	1	Ba1	940
Aa1	10	Ba2	1,350
Aa2	20	Ba3	1,766
Aa3	40	B1	2,220
A1	70	B2	2,720
A2	120	B3	3,490
A3	180	Caa1	4,770
Baa1	260	Caa2	6,500
Baa2	360	Caa3	8,070
Baa3	610	Ca or lower	10,000

For purposes of the Maximum Moody's Rating Factor Test, any Collateral Obligation issued or guaranteed by the United States government or any agency or instrumentality thereof is assigned a Moody's Rating Factor set forth above opposite the then-current rating of the U.S. government.

Moody's Diversity Test.

The "**Moody's Diversity Test**" will be satisfied on any date of determination if the Diversity Score (rounded to the nearest whole number) equals or exceeds the number set forth in the column entitled "**Minimum Diversity Score**" in the Minimum Diversity Score/Maximum Rating/Minimum Spread Matrix based upon the applicable "row/column combination" chosen by the Collateral Manager (or interpolating between two adjacent rows and/or two adjacent columns, as applicable) in accordance with the Indenture.

For purposes of the Moody's Diversity Test, the Diversity Score (the "**Diversity Score**") is a single number that indicates collateral concentration in terms of both issuer and industry concentration. A higher Diversity Score reflects a more diverse portfolio in terms of issuer and industry concentration. The Diversity Score is calculated as follows:

(i) An "**Issuer Par Amount**" is calculated for each issuer of a Collateral Obligation, and is equal to the aggregate principal balance of all Collateral Obligations issued by that issuer and all affiliates.

(ii) An "**Average Par Amount**" is calculated by summing the Issuer Par Amounts for all issuers, and dividing by the number of issuers.

(iii) An "**Equivalent Unit Score**" is calculated for each issuer, and is equal to the lesser of (x) one and (y) the Issuer Par Amount for such issuer *divided* by the Average Par Amount.

(iv) An "**Aggregate Industry Equivalent Unit Score**" is then calculated for each of the Moody's industry classification groups (as defined in the Indenture) and is equal to the sum of the Equivalent Unit Scores for each issuer in such industry classification group.

(v) An "**Industry Diversity Score**" is then established for each Moody's industry classification group by reference to the following table for the related Aggregate Industry Equivalent Unit Score; *provided*, that if any Aggregate Industry Equivalent Unit Score falls between any two such scores, the applicable Industry Diversity Score will be the lower of the two Industry Diversity Scores:

Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score
0.0000	0.0000	5.0500	2.7000	10.1500	4.0200	15.2500	4.5300
0.0500	0.1000	5.1500	2.7333	10.2500	4.0300	15.3500	4.5400
0.1500	0.2000	5.2500	2.7667	10.3500	4.0400	15.4500	4.5500
0.2500	0.3000	5.3500	2.8000	10.4500	4.0500	15.5500	4.5600
0.3500	0.4000	5.4500	2.8333	10.5500	4.0600	15.6500	4.5700
0.4500	0.5000	5.5500	2.8667	10.6500	4.0700	15.7500	4.5800
0.5500	0.6000	5.6500	2.9000	10.7500	4.0800	15.8500	4.5900
0.6500	0.7000	5.7500	2.9333	10.8500	4.0900	15.9500	4.6000
0.7500	0.8000	5.8500	2.9667	10.9500	4.1000	16.0500	4.6100
0.8500	0.9000	5.9500	3.0000	11.0500	4.1100	16.1500	4.6200
0.9500	1.0000	6.0500	3.0250	11.1500	4.1200	16.2500	4.6300
1.0500	1.0500	6.1500	3.0500	11.2500	4.1300	16.3500	4.6400
1.1500	1.1000	6.2500	3.0750	11.3500	4.1400	16.4500	4.6500
1.2500	1.1500	6.3500	3.1000	11.4500	4.1500	16.5500	4.6600
1.3500	1.2000	6.4500	3.1250	11.5500	4.1600	16.6500	4.6700
1.4500	1.2500	6.5500	3.1500	11.6500	4.1700	16.7500	4.6800
1.5500	1.3000	6.6500	3.1750	11.7500	4.1800	16.8500	4.6900
1.6500	1.3500	6.7500	3.2000	11.8500	4.1900	16.9500	4.7000
1.7500	1.4000	6.8500	3.2250	11.9500	4.2000	17.0500	4.7100
1.8500	1.4500	6.9500	3.2500	12.0500	4.2100	17.1500	4.7200
1.9500	1.5000	7.0500	3.2750	12.1500	4.2200	17.2500	4.7300
2.0500	1.5500	7.1500	3.3000	12.2500	4.2300	17.3500	4.7400
2.1500	1.6000	7.2500	3.3250	12.3500	4.2400	17.4500	4.7500
2.2500	1.6500	7.3500	3.3500	12.4500	4.2500	17.5500	4.7600
2.3500	1.7000	7.4500	3.3750	12.5500	4.2600	17.6500	4.7700

Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score
2.4500	1.7500	7.5500	3.4000	12.6500	4.2700	17.7500	4.7800
2.5500	1.8000	7.6500	3.4250	12.7500	4.2800	17.8500	4.7900
2.6500	1.8500	7.7500	3.4500	12.8500	4.2900	17.9500	4.8000
2.7500	1.9000	7.8500	3.4750	12.9500	4.3000	18.0500	4.8100
2.8500	1.9500	7.9500	3.5000	13.0500	4.3100	18.1500	4.8200
2.9500	2.0000	8.0500	3.5250	13.1500	4.3200	18.2500	4.8300
3.0500	2.0333	8.1500	3.5500	13.2500	4.3300	18.3500	4.8400
3.1500	2.0667	8.2500	3.5750	13.3500	4.3400	18.4500	4.8500
3.2500	2.1000	8.3500	3.6000	13.4500	4.3500	18.5500	4.8600
3.3500	2.1333	8.4500	3.6250	13.5500	4.3600	18.6500	4.8700
3.4500	2.1667	8.5500	3.6500	13.6500	4.3700	18.7500	4.8800
3.5500	2.2000	8.6500	3.6750	13.7500	4.3800	18.8500	4.8900
3.6500	2.2333	8.7500	3.7000	13.8500	4.3900	18.9500	4.9000
3.7500	2.2667	8.8500	3.7250	13.9500	4.4000	19.0500	4.9100
3.8500	2.3000	8.9500	3.7500	14.0500	4.4100	19.1500	4.9200
3.9500	2.3333	9.0500	3.7750	14.1500	4.4200	19.2500	4.9300
4.0500	2.3667	9.1500	3.8000	14.2500	4.4300	19.3500	4.9400
4.1500	2.4000	9.2500	3.8250	14.3500	4.4400	19.4500	4.9500
4.2500	2.4333	9.3500	3.8500	14.4500	4.4500	19.5500	4.9600
4.3500	2.4667	9.4500	3.8750	14.5500	4.4600	19.6500	4.9700
4.4500	2.5000	9.5500	3.9000	14.6500	4.4700	19.7500	4.9800
4.5500	2.5333	9.6500	3.9250	14.7500	4.4800	19.8500	4.9900
4.6500	2.5667	9.7500	3.9500	14.8500	4.4900	19.9500	5.0000
4.7500	2.6000	9.8500	3.9750	14.9500	4.5000		
4.8500	2.6333	9.9500	4.0000	15.0500	4.5100		
4.9500	2.6667	10.0500	4.0100	15.1500	4.5200		

(vi) The Diversity Score is then calculated by summing each of the Industry Diversity Scores for each Moody's industry classification group.

For purposes of calculating the Diversity Score, affiliated issuers in the same industry are deemed to be a single issuer except as otherwise agreed to by Moody's.

S&P CDO Monitor Test.

The S&P CDO Monitor Test will be satisfied on any date of determination if, after giving effect to the sale of a Collateral Obligation or the purchase of a Collateral Obligation, each Class Default Differential of the Proposed Portfolio is positive; provided that the S&P CDO Monitor Test will not apply unless S&P has provided the Issuer and the Collateral Administrator with the S&P CDO Monitor. The S&P CDO Monitor Test will be considered to be improved if each Class Default Differential of the Proposed Portfolio is greater than the corresponding Class Default Differential of the Current Portfolio.

Compliance with the S&P CDO Monitor Test will be measured by the Collateral Manager on each Measurement Date on or prior to the last day of the Reinvestment Period.

There can be no assurance that actual defaults of the Collateral Obligations will not exceed those assumed in the application of the S&P CDO Monitor or that recovery rates with respect thereto will not differ from those assumed in the S&P CDO Monitor. None of the Collateral Manager, the Initial Purchaser, the Placement Agent, the Co-Issuers, the Trustee or the Collateral Administrator makes any representation as to the expected rate of defaults of the Collateral Obligations or the timing of defaults or as to the expected recovery rate or the timing of recoveries.

Minimum Weighted Average Moody's Recovery Rate Test.

The "**Minimum Weighted Average Moody's Recovery Rate Test**" will be satisfied on any date of determination if the Weighted Average Moody's Recovery Rate equals or exceeds the applicable percentage specified under "Overview of Terms—Collateral Quality Test."

The "**Weighted Average Moody's Recovery Rate**" is, as of any date of determination, the number, expressed as a percentage, obtained by summing the product of the Moody's Recovery Rate on such Measurement Date of each Collateral Obligation and the principal balance of such Collateral Obligation, dividing such sum by the aggregate principal balance of all such Collateral Obligations and rounding up to the first decimal place.

The "**Moody's Recovery Rate**" is, with respect to any Collateral Obligation, as of any date of determination, the recovery rate determined in accordance with the following, in the following order of priority:

(a) if the Collateral Obligation has been specifically assigned a recovery rate by Moody's (for example, in connection with the assignment by Moody's of an estimated rating), such recovery rate;

(b) if the preceding clause does not apply to the Collateral Obligation and the Collateral Obligation is not a DIP Collateral Obligation, the rate determined pursuant to the table below based on the number of rating subcategories difference between the Collateral Obligation's Moody's Rating and its Moody's Default Probability Rating (for purposes of clarification, if the Moody's Rating is higher than the Moody's Default Probability Rating, the rating subcategories difference will be positive and if it is lower, negative):

Number of Moody's Ratings Subcategories Difference Between the Moody's Rating and the Moody's Default Probability Rating	**Senior Secured Loans**	**Senior Secured Bonds, Second Lien Loans, Senior Secured Floating Rate Notes**	**Other Collateral Obligations**
+2 or more	60%	55%*	45%
+1	50%	45%*	35%
0	45%	35%*	30%
-1	40%	25%	25%
-2	30%	15%	15%
-3 or less	20%	5%	5%

* If the obligation does not have both a corporate family rating by Moody's and an instrument rating from Moody's, then its Moody's Recovery Rate will be determined under the "Other Collateral Obligations" column.

(c) if the Collateral Obligation is a DIP Collateral Obligation (other than a DIP Collateral Obligation which has been specifically assigned a recovery rate by Moody's), 50%.

Minimum Weighted Average S&P Recovery Rate Test.

This test will be satisfied on any date of determination if the Weighted Average S&P Recovery Rate for each Class of Secured Notes outstanding equals or exceeds the Weighted Average S&P Recovery Rate for such Class selected by the Collateral Manager in connection with the S&P CDO Monitor Test.

"**Weighted Average S&P Recovery Rate**" means, as of any date of determination, the number, expressed as a percentage and determined separately for each Class of Secured Notes, obtained by summing the products obtained by multiplying the outstanding principal balance of each Collateral Obligation by its corresponding recovery rate as determined in accordance with Section 1 of Annex C hereto, dividing such sum by the aggregate principal balance of all Collateral Obligations, and rounding to the nearest tenth of a percent.

Weighted Average Life Test.

The "**Weighted Average Life Test**" will be satisfied on any date of determination if the Weighted Average Life of all Collateral Obligations as of such date is less than the number of years (rounded to the nearest one hundredth thereof) during the period from such date of determination to the applicable date specified under "Overview of Terms—Collateral Quality Test."

The "**Weighted Average Life**" is, as of any date of determination with respect to all Collateral Obligations other than Defaulted Obligations, the number of years following such date obtained by summing the products obtained by multiplying:

(a) the Average Life at such time of each such Collateral Obligation by (b) the outstanding principal balance of such Collateral Obligation

***and dividing such sum by*:**

the aggregate remaining principal balance at such time of all Collateral Obligations other than Defaulted Obligations.

The "**Average Life**" is, on any date of determination with respect to any Collateral Obligation, the quotient obtained by dividing (i) the sum of the products of (a) the number of years (rounded to the nearest one hundredth thereof) from such date of determination to the respective dates of each successive scheduled distribution of principal of such Collateral Obligation and (b) the respective amounts of principal of such scheduled distributions by (ii) the sum of all successive scheduled distributions of principal on such Collateral Obligation.

Collateral Assumptions

Unless otherwise specified, the assumptions described below will be applied to the determination of the Concentration Limitations, the Collateral Quality Test, the Coverage Tests, the Interest Diversion Test and other determinations and calculations required by the Indenture.

For purposes of calculating all Concentration Limitations, in both the numerator and the denominator of any component of the Concentration Limitations, Defaulted Obligations will be treated as having a principal balance equal to zero. Except where expressly referenced herein for inclusion in such calculations, Defaulted Obligations will not be included in the calculation of the Collateral Quality Test.

After the Effective Date, the Excess Participation Interests shall be deemed to have a principal balance equal to zero.

For purposes of calculating the Coverage Tests and the Interest Diversion Test, except as otherwise specified in the Coverage Tests or the Interest Diversion Test, such calculations will not include scheduled interest and principal payments on Defaulted Obligations.

For purposes of calculating clause (i) of the Concentration Limitations, the amounts on deposit in the Collection Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds shall each be deemed to be a Floating Rate Obligation that is a Senior Secured Loan.

For purposes of calculating compliance with each of the Concentration Limitations, all calculations will be rounded to the nearest 0.1%. All other calculations, unless otherwise set forth in the Indenture or the context otherwise requires, shall be rounded to the nearest ten-thousandth if expressed as a percentage, and to the nearest one-hundredth if expressed otherwise.

For all purposes, including calculation of the Coverage Tests and the Interest Diversion Test (but excluding calculation of the Aggregate Funded Spread), the principal balance of a Revolving Collateral Obligation or a

Delayed Drawdown Collateral Obligation will include all unfunded commitments that have not been irrevocably reduced or withdrawn.

For purposes of calculating the sale proceeds of a Collateral Obligation in sale transactions, sale proceeds will include any Principal Financed Accrued Interest received in respect of such sale.

For each Collection Period and as of any date of determination, the scheduled payment of principal and/or interest on any Asset (other than a Defaulted Obligation, which, except as otherwise provided herein, shall be assumed to have scheduled distributions of zero unless and until actually received) shall be the sum of (i) the total amount of payments and collections to be received during such Collection Period in respect of such Asset (including the proceeds of the sale of such Asset received and, in the case of sales which have not yet settled, to be received during the Collection Period and not reinvested in additional Collateral Obligations or Eligible Investments or retained in the Collection Account for subsequent reinvestment) that, if received as scheduled, will be available in the Collection Account at the end of the Collection Period and (ii) any such amounts received by the Issuer in prior Collection Periods that were not disbursed on a previous Payment Date.

Each scheduled payment of principal and/or interest receivable with respect to an Asset shall be assumed to be received on the applicable due date thereof, and each such scheduled payment of principal and/or interest shall be assumed to be immediately deposited in the Collection Account to earn interest at an assumed reinvestment rate. All such funds shall be assumed to continue to earn interest until the date on which they are required to be available in the Collection Account for application, in accordance with the terms of the Indenture, to payments of principal of or interest on the Secured Notes, distributions on the Subordinated Notes or other amounts payable pursuant to the Indenture.

All calculations with respect to scheduled distributions on the Assets shall be made on the basis of information as to the terms of each such Asset and upon reports of payments, if any, received on such Asset that are furnished by or on behalf of the issuer of such Asset and, to the extent they are not manifestly in error, such information or reports may be conclusively relied upon in making such calculations.

For purposes of calculating compliance with the Investment Criteria and Post-Reinvestment Period Substitution Criteria, upon the direction of the Collateral Manager by notice to the Trustee and the Collateral Administrator, any Eligible Investment representing Principal Proceeds received upon the sale or other disposition of a Collateral Obligation may be deemed to have the characteristics of such Collateral Obligation until reinvested in an additional Collateral Obligation. Such calculations shall be based upon the principal amount of such Collateral Obligation, except in the case of Defaulted Obligations and Credit Risk Obligations, in which case the calculations will be based upon the Principal Proceeds received on the sale or other disposition of such Defaulted Obligation or Credit Risk Obligation.

If a Collateral Obligation included in the Assets would be deemed a Current Pay Obligation but for the applicable percentage limitation in the proviso to clause (x) of the proviso to the definition of "Defaulted Obligation", then that portion of the Current Pay Obligations with the lowest Market Value (assuming that such Market Value is expressed as a percentage of the principal balance of such Current Pay Obligation as of the date of determination) in excess of such percentage limitation will be deemed Defaulted Obligations. Each such Defaulted Obligation will be treated as a Defaulted Obligation for all purposes until such time as the aggregate principal balance of Current Pay Obligations would not exceed, on a *pro forma* basis including such Defaulted Obligation, the applicable percentage of the Collateral Principal Amount.

References under "Overview of Terms—Priority of Payments" to calculations made on a "*pro forma* basis" shall mean such calculations after giving effect to all payments, in accordance with the Priority of Payments described herein, that precede (in priority of payment) or include the clause in which such calculation is made.

For purposes of calculating the Collateral Quality Test, DIP Collateral Obligations will be treated as having an S&P Recovery Rate equal to the S&P Recovery Rate for Senior Secured Loans.

All monetary calculations under the Indenture will be in U.S. Dollars.

If withholding tax is imposed on (x) the fees associated with any Letter of Credit Reimbursement Obligation, (y) any amendment, waiver, consent or extension fees or (z) commitment fees or other similar fees in respect of Revolving Collateral Obligations and Delayed Drawdown Collateral Obligations, the calculations of the Weighted Average Floating Spread, the Weighted Average Coupon and the Interest Coverage Test (and all component calculations of such calculations and tests, including when such a component calculation is calculated independently), as applicable, shall be made on a net basis after taking into account such withholding, unless the obligor is required to make "gross-up" payments to the Issuer that cover the full amount of any such withholding tax on an after-tax basis pursuant to the Underlying Instrument with respect thereto.

Any reference in the Indenture to an amount of the Trustee's or the Collateral Administrator's fees calculated with respect to an Interest Accrual Period at a per annum rate shall be computed on the basis of a 360-day year of twelve 30-day months prorated for such Interest Accrual Period and shall be based on the simple average of the Fee Basis Amount as determined on the first day and the last day of such Interest Accrual Period.

To the extent there is, in the reasonable determination of the Collateral Administrator or the Trustee, any ambiguity in the interpretation of any definition or term contained in the Indenture or to the extent the Collateral Administrator or the Trustee reasonably determines that more than one methodology can be used to make any of the determinations or calculations set forth therein, the Collateral Administrator and/or Trustee, as the case may be, shall be entitled to request direction from the Collateral Manager as to the interpretation and/or methodology to be used, and the Collateral Administrator and Trustee, as applicable, shall be entitled to follow such direction and conclusively rely thereon without any responsibility or liability therefor; *provided* that (A) the Collateral Manager may provide a direction under this paragraph in its sole and absolute discretion and will have no liability to any Person in connection with providing or not providing any such direction and (B) if the Collateral Manager fails to provide a direction under this paragraph, the Collateral Administrator or the Trustee, as the case may be, may, upon not less than 10 Business Days' prior written notice to the Collateral Manager, seek direction from the Majority of the Controlling Class.

All calculations or determinations to made and all reports which are to be prepared pursuant to the Indenture will be made on the basis of the trade date (and not the settlement date) unless otherwise expressly set forth in the Indenture. With respect to calculations, determinations and reports made on the basis of the trade date, any Principal Proceeds allocated to the acquisition of a Collateral Obligation or Eligible Investment that the Issuer has committed to purchase shall for such purposes be deemed not to be held by the Issuer and any Principal Proceeds to be received by the Issuer in connection with the disposition of a Collateral Obligation or Eligible Investment that the Issuer has committed to sell shall be deemed to be held by the Issuer, it being understood that no such amounts so deemed to be held by the Issuer, but which have not yet been received by the Issuer in connection with the disposition of a Collateral Obligation or Eligible Investment, shall be transferred to the Payment Account or shall constitute "Principal Proceeds on deposit in the Collection Account" for purposes of the application of Principal Proceeds as described under "Overview of Terms—Priority of Payments – Application of Principal Proceeds".

The Coverage Tests and the Interest Diversion Test

See "—Collateral Assumptions" for a description of the assumptions applicable to the determination of satisfaction of the Coverage Tests and the Interest Diversion Test.

See "Overview of Terms—Coverage Tests and Interest Diversion Test" for a description of the calculation of the Overcollateralization Ratio Test, Interest Coverage Test and Interest Diversion Test.

If a Coverage Test is not satisfied on any applicable Determination Date, the Issuer will be required to apply available amounts in the Payment Account on the related Payment Date to the repayment of principal of the Secured Notes in accordance with the Priority of Payments (with no make whole amount or premium applicable in respect of such repayment) to the extent necessary to achieve compliance with such Coverage Test.

If on any Measurement Date, either of the Class A Coverage Tests is not satisfied, the Issuer shall not be permitted to purchase additional Collateral Obligations. See "Security for the Secured Notes—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria—Investment Criteria".

Measurement of the degree of compliance with the Coverage Tests will be required as of each Measurement Date occurring (i) in the case of the Overcollateralization Ratio Test, on or after the Effective Date and (ii) in the case of the Interest Coverage Test, on or after the Determination Date immediately preceding the second Payment Date. Measurement of the degree of compliance with the Interest Diversion Test will be required as of each Measurement Date occurring during the Reinvestment Period on or after the Effective Date.

If the Interest Diversion Test is not satisfied on any Determination Date during the Reinvestment Period, the Issuer will be required to apply the amount specified in the following paragraph to either, as determined by the Collateral Manager in its sole discretion (subject to the proviso to this paragraph and with notice to the Collateral Administrator), (x) make a deposit to the Collection Account as Principal Proceeds for the purchase of additional Collateral Obligations or (y) after the Non-Call Period, make payments in accordance with the Note Payment Sequence; *provided* that the Collateral Manager may elect clause (y) only with the consent of a Majority of the Subordinated Notes.

The amount applied as described in the preceding paragraph will be an amount equal to the lesser of (x) 50% of Available Funds from the Collateral Interest Amount on the related Payment Date after application of such Collateral Interest Amount to the payment of amounts set forth in clauses (A) through (P) under "Overview of Terms—Priority of Payments—Application of Interest Proceeds" and (y) the minimum amount that needs to be added to the Adjusted Collateral Principal Amount (or subtracted from the aggregate outstanding principal amount of the Secured Notes, as the case may be) in order to cause the Interest Diversion Test to be satisfied.

Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria

Subject to the other requirements set forth in the Indenture and, notwithstanding any acceleration, Event of Default or Enforcement Event (unless the Trustee has commenced exercising remedies pursuant to the Indenture (except for a sale or other disposition pursuant to clauses (a), (b), (c), (d), (g), (h) and (j) below)), the Collateral Manager on behalf of the Issuer may, but will not be required to (except as otherwise specified below), direct the Trustee to sell or otherwise dispose of, and the Trustee shall sell or otherwise dispose of, on behalf of the Issuer in the manner directed by the Collateral Manager pursuant to the provisions of the Indenture described in this paragraph, any Collateral Obligation or Equity Security (which shall include the direct sale or liquidation of the equity interests of any Blocker Subsidiary or assets held by a Blocker Subsidiary) if such sale or other disposition meets any one of the following requirements (subject in each case to any applicable requirement of disposition under clause (g) or (h) below), for purposes of which the Sale Proceeds of a Collateral Obligation sold by the Issuer shall include any Principal Financed Accrued Interest received in respect of such sale or other disposition:

(a) The Collateral Manager may direct the Trustee to sell or otherwise dispose of any Credit Risk Obligation at any time without restriction;

(b) The Collateral Manager may direct the Trustee to sell or otherwise dispose of any Credit Improved Obligation either:

(i) at any time if (A) the Sale Proceeds from such sale or other disposition are at least equal to the Investment Criteria Adjusted Balance of such Credit Improved Obligation or (B) after giving effect to such sale or other disposition, the aggregate principal balance of all Collateral Obligations (excluding the Collateral Obligation being disposed of but including, without duplication, the anticipated net proceeds of such disposition) plus, without duplication, the amounts on deposit in the Collection Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds, will be at least equal to the Reinvestment Target Par Balance; or

(ii) solely during the Reinvestment Period, if the Collateral Manager reasonably believes prior to such sale or other disposition that either (A) after giving effect to such sale or other disposition and subsequent reinvestment, the aggregate principal balance of all Collateral Obligations (excluding the Collateral Obligation being disposed of but including, without duplication, the Collateral Obligation being purchased and the anticipated cash proceeds, if any, of such disposition that are not applied to the purchase of such additional Collateral Obligation) plus, without duplication, the amounts on

deposit in the Collection Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds, will be at least equal to the Reinvestment Target Par Balance, or (B) it will be able to enter into one or more binding commitments to reinvest all or a portion of the proceeds of such sale or other disposition, in compliance with the Investment Criteria, in one or more additional Collateral Obligations with an Investment Criteria Adjusted Balance at least equal to the Investment Criteria Adjusted Balance of such Credit Improved Obligation within 30 Business Days after such sale or other disposition;

(c) The Collateral Manager may direct the Trustee to sell or otherwise dispose of any Defaulted Obligation at any time during or after the Reinvestment Period without restriction. With respect to each Defaulted Obligation that has not been disposed of within three years after becoming a Defaulted Obligation, the Market Value and principal balance of such Defaulted Obligation shall be deemed to be zero;

(d) The Collateral Manager may direct the Trustee to sell or otherwise dispose of any Equity Security at any time without restriction, and shall (unless such Equity Security is required to be sold or otherwise disposed of as set forth in clause (h) below or has been transferred to a Blocker Subsidiary as set forth in clause (i) below) use its commercially reasonable efforts to effect the sale or other disposition of any Equity Security (other than an interest in a Blocker Subsidiary), regardless of price:

(i) within 45 Business Days after receipt in the case of Equity Securities received on the exercise of a conversion option relating to any Collateral Obligation (other than any Equity Security that is (A) received upon the conversion of a Defaulted Obligation, or (B) received in an exchange initiated by the obligor to avoid bankruptcy); and

(ii) within 45 days after receipt if such Equity Security constitutes Margin Stock unless such sale or other disposition is prohibited by applicable law or an applicable contractual restriction, in which case such Equity Security shall be sold or otherwise disposed of as soon as such sale or other disposition is permitted by applicable law and not prohibited by such contractual restriction;

provided that the Collateral Manager shall use commercially reasonable efforts to effect the sale of each Equity Security within three years after receipt or after such security becoming an Equity Security (unless such Equity Security is required to be sold as set forth in clause (h) below), regardless of whether such Equity Security has been transferred to a Blocker Subsidiary as set forth in clause (i) below, unless such sale is prohibited by applicable law or an applicable contractual restriction, in which case such Equity Security shall be sold as soon as such sale is permitted by applicable law and not prohibited by such contractual restriction;

(e) After the Issuer has notified the Trustee of an Optional Redemption of the Notes (other than an Optional Redemption by Refinancing effected solely from Refinancing Proceeds) or a Majority of an Affected Class or a Special Majority of the Subordinated Notes has directed (by a written direction delivered to the Trustee) a Tax Redemption and all requirements for an Optional Redemption or a Tax Redemption, as applicable, as set forth in the Indenture are met, the Collateral Manager shall (or, in connection with an Optional Redemption by Refinancing, may if necessary or advisable in connection therewith) direct the Trustee to sell or otherwise dispose of (which disposition may be through participation or other arrangement) all or a portion of the Collateral Obligations, without regard to the limitations set forth in these clauses (a) through (j). If any such disposition is made through participations, the Issuer shall use reasonable efforts to cause such participations to be converted to assignments within six months after the disposition;

(f) During the Reinvestment Period, the Collateral Manager may direct the Trustee to sell or otherwise dispose of any Collateral Obligation at any time if:

(i) after giving effect to such disposition, the aggregate principal balance of all Collateral Obligations disposed of as described in this sub-paragraph (f) during the preceding period of 12 calendar months (or, for the first 12 calendar months after the Closing Date, during the period commencing on the Closing Date) is not greater than 25% of the Collateral Principal Amount as of the first day of such 12 calendar month period (or as of the Closing Date, as the case may be); and

(ii) either:

(A) the Collateral Manager reasonably believes prior to such disposition that it will be able to enter into one or more binding commitments to reinvest all or a portion of the proceeds of such disposition, in compliance with the Investment Criteria, in one or more additional Collateral Obligations with an Investment Criteria Adjusted Balance at least equal to the Investment Criteria Adjusted Balance of such Collateral Obligation within 30 Business Days after the settlement of such disposition; or

(B) either (1) the Sale Proceeds from such disposition are at least equal to the Investment Criteria Adjusted Balance of such Collateral Obligation or (2) after giving effect to such disposition, the aggregate principal balance of all Collateral Obligations (excluding the Collateral Obligation being disposed of but including, without duplication, the anticipated net proceeds of such disposition) plus, without duplication, the amounts on deposit in the Collection Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds, will be at least equal to the Reinvestment Target Par Balance;

(g) The Collateral Manager on behalf of the Issuer shall use its commercially reasonable efforts to effect the sale or other disposition (regardless of price) of any Collateral Obligation that (i) no longer meets the criteria described in clauses (vii) and (xxiii) of the definition of "Collateral Obligation", within 18 months after the failure of such Collateral Obligation to meet any such criteria and (ii) no longer meets the criteria described in clause (vi) of the definition of "Collateral Obligation" (unless such disposition is prohibited by applicable law or an applicable contractual restriction) within 45 days after the failure of such Collateral Obligation to meet either such criteria;

(h) The Collateral Manager on behalf of the Issuer shall (unless such security or obligation has been transferred to a Blocker Subsidiary as set forth in clause (i) below) sell or otherwise dispose of any investment which will be exchanged for an Equity Security, Defaulted Obligation or security or other consideration that is received in an offer that, in each case, does not comply with clause (xx) of the definition of "Collateral Obligation" prior to the receipt of such asset;

(i) In lieu of disposing of a security or obligation required to be disposed of pursuant to clause (h) above, the Collateral Manager may effect the transfer to a Blocker Subsidiary of such security or obligation prior to the Issuer's receipt, in exchange therefor, of an Equity Security, Defaulted Obligation or security or other consideration received in an offer that, in each case, does not comply with clause (xx) of the definition of "Collateral Obligation". In connection with the incorporation of, or transfer of any security or obligation to, any Blocker Subsidiary, the Issuer shall not be required to satisfy the Moody's Rating Condition or obtain confirmation from S&P that such incorporation or transfer will not cause S&P to downgrade or withdraw its rating assigned to any Class of Secured Notes; *provided* that prior to the incorporation of any Blocker Subsidiary, the Collateral Manager will, on behalf of the Issuer, provide written notice thereof to S&P and Moody's. For financial accounting reporting purposes (including each monthly report prepared under the Indenture) and the Coverage Tests, the Interest Diversion Test and the Collateral Quality Test (and, for the avoidance of doubt, not for tax purposes), the Issuer will be deemed to own an Equity Security or Collateral Obligation held by a Blocker Subsidiary rather than its interest in that Blocker Subsidiary; *provided*, that any future anticipated tax liabilities of the Blocker Subsidiary related to an Equity Security or Collateral Obligation held by a Blocker Subsidiary shall be reflected in such financial accounting reporting (including each monthly report

prepared under the Indenture) and the Coverage Tests, the Interest Diversion Test and the Collateral Quality Test;

(j) On any Business Day after the Reinvestment Period, the Collateral Manager on behalf of the Issuer, in its sole discretion, may provide written notice to the Trustee regarding an auction on behalf of the Issuer of Unsalable Assets in accordance with the procedures described in this clause (j). Promptly after receipt of written notice from the Collateral Manager of such auction, the Trustee will forward a notice in the Issuer's name (in such form as is prepared by the Collateral Manager) to the holders of Notes, setting forth in reasonable detail a description of each Unsalable Asset and the following auction procedures: (i) any holder or beneficial owner of Notes may submit a written bid within 10 Business Days after the date of such notice to purchase one or more Unsalable Assets no later than the date specified in the auction notice (which will be at least 15 Business Days after the date of such notice); (ii) each bid must include an offer to purchase for a specified amount of cash on a proposed settlement date no later than 20 Business Days after the date of the auction notice; (iii) if no holder or beneficial owner submits such a bid within the time period specified under clause (i) above, unless the Collateral Manager determines that delivery in-kind is not legally or commercially practicable and provides prior written notice thereof to the Trustee, the Trustee will provide notice thereof to each holder and offer to deliver a pro rata portion (as determined by the Collateral Manager) of each unsold Unsalable Asset to the holders or beneficial owners of the most senior Class that provide delivery instructions to the Trustee on or before the date specified in such notice, subject to minimum denominations and at the expense of such holders or beneficial owners; provided that, to the extent that minimum denominations do not permit a pro rata distribution, the Trustee will distribute the Unsalable Assets on a pro rata basis to the extent possible and the Collateral Manager will select by lottery the holder or beneficial owner to whom the remaining amount will be delivered and deliver written notice thereof to the Trustee; provided, further, that the Trustee will use commercially reasonable efforts to effect delivery of such interests and, for the avoidance of doubt, any such delivery to the holders shall not operate to reduce the principal amount of the related Class of Notes held by such holders; and (iv) if no such holder or beneficial owner provides delivery instructions to the Trustee, the Trustee will promptly notify the Collateral Manager and offer to deliver the Unsalable Asset to the Collateral Manager. If the Collateral Manager declines such offer, the Trustee will take such action as directed by the Collateral Manager (on behalf of the Issuer) in writing to dispose of the Unsalable Asset, which may be by donation to a charity, abandonment or other means. The Trustee shall have no duty, obligation or responsibility with respect to the sale of any Unsalable Asset other than to act upon the written instruction of the Collateral Manager; and

(k) After the Collateral Manager has notified the Issuer and the Trustee of a Clean-Up Call Redemption in accordance with "Description of the Notes—Clean-Up Call Redemption", the Collateral Manager may at any time effect the sale (which sale may be through participation or other arrangement) of any Collateral Obligation without regard to the limitations set forth in the foregoing clauses (a) through (j) by directing the Trustee to effect such sale; *provided* that the Sale Proceeds therefrom are used for the purposes specified in "Description of the Notes—Clean-Up Call Redemption" (and applied pursuant to the Priority of Payments). If any such sale is made through participations, the Issuer shall use reasonable efforts to cause such participations to be converted to assignments within six months after the sale.

The Indenture will provide that (A) the Issuer shall not permit a Blocker Subsidiary to incur any indebtedness (other than the guarantee and grant of security interest in favor of the Trustee described in clause (G) below); (B) the constitutive documents of such Blocker Subsidiary shall provide that (i) recourse with respect to the costs, expenses or other liabilities of such Blocker Subsidiary shall be solely to the assets of such Blocker Subsidiary and no creditor of such Blocker Subsidiary shall have any recourse whatsoever to the Issuer or its assets except to the extent otherwise required under applicable law, (ii) the activities and business purposes of such Blocker Subsidiary shall be limited to holding securities or obligations in accordance with clause (i) in the preceding paragraph that are otherwise required to be sold pursuant to clause (h) in the preceding paragraph and activities reasonably incidental thereto (including holding interests in other Blocker Subsidiaries), (iii) such Blocker Subsidiary will not incur any indebtedness (other than the guarantee and grant of security interest in favor of the

Trustee described in clause (G) below), (iv) such Blocker Subsidiary will not create, incur, assume or permit to exist any lien (other than a lien arising by operation of law), charge or other encumbrance on any of its assets, or sell, transfer, exchange or otherwise dispose of any of its assets, or assign or sell any income or revenues or rights in respect thereof, (v) such Blocker Subsidiary will be subject to the limitations on powers set forth in the organizational documents of the Issuer, (vi) if such Blocker Subsidiary is a foreign corporation for U.S. federal income tax purposes, such Blocker Subsidiary shall file a U.S. federal income tax return reporting all effectively connected income, if any, (vii) after paying Taxes and expenses payable by such Blocker Subsidiary or setting aside adequate reserves for the payment of such Taxes and expenses, such Blocker Subsidiary will distribute 100% of the cash proceeds of the assets acquired by it (net of such Taxes, expenses and reserves), (viii) such Blocker Subsidiary will not form or own any subsidiary or any interest in any other entity other than interests in another Blocker Subsidiary or securities or obligations held in accordance with clause (i) in the preceding paragraph that would otherwise be required to be sold by the Issuer pursuant to clause (h) in the preceding paragraph, (ix) such Blocker Subsidiary will not acquire or hold title to any real property or a controlling interest in any entity that owns real property and (x) such Blocker Subsidiary will not be entitled to petition or take any other steps for the winding up or bankruptcy of either of the Co-Issuers and shall not have any claim in respect to any assets of either of the Co-Issuers; (C) the constitutive documents of such Blocker Subsidiary shall provide that such Blocker Subsidiary will (i) maintain books and records separate from any other Person, (ii) maintain its accounts separate from those of any other Person, (iii) not commingle its assets with those of any other Person, (iv) conduct its own business in its own name, (v) maintain separate financial statements (if any), (vi) pay its own liabilities out of its own funds; *provided* that the Issuer may, subject to the Priority of Payments, pay expenses of such Blocker Subsidiary to the extent that collections on the assets held by such Blocker Subsidiary are insufficient for such purpose, (vii) observe all corporate formalities and other formalities in its organizational documents, (viii) maintain an arm's length relationship with its Affiliates, (ix) not have any employees, (x) not guarantee or become obligated for the debts of any other person (other than the Issuer) or hold out its credit as being available to satisfy the obligations of others (other than the Issuer), (xi) not acquire obligations or securities of the Issuer, (xii) allocate fairly and reasonably any overhead for shared office space, (xiii) use separate stationery, invoices and checks, (xiv) not pledge its assets for the benefit of any other Person (other than the Trustee) or make any loans or advance to any Person, (xv) hold itself out as a separate Person, (xvi) correct any known misunderstanding regarding its separate identity and (xvii) maintain adequate capital in light of its contemplated business operations; (D) the constitutive documents of such Blocker Subsidiary shall provide that the business of such Blocker Subsidiary shall be managed by or under the direction of a board of at least one director or manager and that at least one such director or manager shall be a person who is not at the time of appointment and for the five years prior thereto has not been (i) a direct or indirect legal or beneficial owner of the Collateral Manager, such Blocker Subsidiary or any of their respective Affiliates (excluding de minimis ownership), (ii) a creditor, supplier, officer, director, manager, or contractor of the Collateral Manager, such Blocker Subsidiary or any of their respective Affiliates or (iii) a person who controls (whether directly, indirectly or otherwise) the Collateral Manager, such Blocker Subsidiary or any of their respective Affiliates or any creditor, supplier, officer, manager or contractor of the Collateral Manager, such Blocker Subsidiary or any of their respective Affiliates; *provided* that the constitutive documents of such Blocker Subsidiary shall permit the directors and managers of such Blocker Subsidiary to be officers, directors or managers of such Blocker Subsidiary or officers, independent directors or independent managers of other bankruptcy remote special purpose vehicles of the Collateral Manager, the Issuer or their respective Affiliates; (E) the constitutive documents of such Blocker Subsidiary shall provide that, so long as the Blocker Subsidiary is owned directly or indirectly by the Issuer, upon the occurrence of the earliest of the date on which the aggregate outstanding principal amount of each Class of Secured Notes is to be paid in full or the date of any voluntary or involuntary dissolution, liquidation or winding-up of the Issuer or the Co-Issuer, (x) the Issuer shall sell or otherwise dispose of all of its equity interests in such Blocker Subsidiary within a reasonable time or (y) such Blocker Subsidiary shall (i) sell or otherwise dispose of all of its property or, to the extent such Blocker Subsidiary is unable to sell or otherwise dispose of such property within a reasonable time, distribute such property in kind to its shareholders, (ii) make provision for the filing of a tax return and any action required in connection with winding up such Blocker Subsidiary and (iii) initiate procedures for the winding up and dissolution of such Blocker Subsidiary and the distribution of the proceeds of liquidation to its equityholders; (F) to the extent payable by the Issuer, with respect to any Blocker Subsidiary, any expenses related to such Blocker Subsidiary will be considered Administrative Expenses pursuant to subclause (v) of clause *third* of the definition thereof and will be payable as Administrative Expenses as described under "Overview of Terms—Priority of Payments" and "Description of the Notes—Priority of Payments"; and (G) the Issuer shall cause each Blocker Subsidiary (x) to give a guarantee in favor of the Trustee pursuant to which such Blocker Subsidiary absolutely and unconditionally guarantees, to the Trustee for the benefit of the Secured Parties,

the obligations secured by the Indenture, including the payment of all amounts due on the Secured Notes in accordance with their terms (subject to limited recourse provisions equivalent (*mutatis mutandis*) to those contained in the Indenture and limited to the assets held by such Blocker Subsidiary), and (y) to enter into a security agreement between such Blocker Subsidiary and the Trustee pursuant to which such Blocker Subsidiary grants a perfected, first-priority continuing security interest in all of its property to secure its obligations under such guarantee. The Co-Issuers and the Trustee will agree in the Indenture, notwithstanding any other provision of the Indenture, and the Collateral Manager will agree in the Collateral Management Agreement, not to institute against any Blocker Subsidiary any proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law, or a petition for its winding-up or liquidation (other than, in the case of the Issuer, a winding-up or liquidation of a Blocker Subsidiary that no longer holds any assets), until the payment in full of all Notes (and any other debt obligations of the Issuer that have been rated upon issuance by any rating agency at the request of the Issuer) and the expiration of a period equal to one year and one day or, if longer, the applicable preference period then in effect plus one day, following such payment in full.

Notwithstanding the other requirements set forth in the Indenture and described above and without limiting the right to make any other permitted purchases, sales or other dispositions, the Issuer shall also have the right to effect the sale or other disposition of any Asset or purchase of any Collateral Obligation (*provided* that, in the case of a purchase of a Collateral Obligation, such purchase must comply with the applicable tax requirements set forth or referenced in the Indenture) (x) that has been consented to by holders of Notes evidencing (i) with respect to purchases during the Reinvestment Period and sales or other dispositions during or after the Reinvestment Period, at least 75% of the aggregate outstanding principal amount of each Class of Secured Notes and at least a Majority of the aggregate outstanding principal amount of the Subordinated Notes and (ii) with respect to purchases after the Reinvestment Period, 100% of the aggregate outstanding principal amount of each Class of Notes and (y) of which each Rating Agency and the Trustee (with a copy to the Collateral Manager) has been notified; *provided* that cash on deposit in any account constituting part of the Assets (other than the Payment Account) may be invested in Eligible Investments at any time.

In addition, any remaining Assets held by the Issuer will be liquidated immediately prior to the Stated Maturity of the Notes so that the net proceeds of such liquidation will be available on the Stated Maturity of the Notes.

Investment Criteria. On any date during the Reinvestment Period, the Collateral Manager on behalf of the Issuer may subject to the other requirements in the Indenture, but will not be required to, direct the Trustee to invest Principal Proceeds, proceeds of additional notes issued in accordance with the Indenture, amounts on deposit in the Ramp-Up Account and accrued interest received with respect to any Collateral Obligation to the extent used as Principal Financed Accrued Interest, and the Trustee shall invest such Principal Proceeds and other amounts in accordance with such direction. After the Reinvestment Period, the Collateral Manager, on behalf of the Issuer, may, subject to the other requirements of the Indenture, but will not be required to, direct the Trustee to invest Eligible Post Reinvestment Proceeds in additional Collateral Obligations by the later of (x) the date occurring 20 Business Days after the Issuer's receipt thereof and (y) the last day of the related Collection Period (each a "**Substitute Obligation**"); *provided*, that the Investment Criteria are satisfied and the following criteria (the "**Post-Reinvestment Period Substitution Criteria**") are satisfied: (i) the aggregate principal balance of the Substitute Obligations equals or exceeds the amount of the Eligible Post Reinvestment Proceeds; (ii) the stated maturity of each Substitute Obligation is not later than the stated maturity of the Collateral Obligation that produced the Eligible Post Reinvestment Proceeds; (iii) the Weighted Average Life Test is satisfied after giving effect to the investment in the Substitute Obligations; (iv) after giving effect to the investment in the Substitute Obligations, (x) the Maximum Moody's Rating Factor Test and clauses (iv) and (v) of the Concentration Limitations are all satisfied and (y) all other Concentration Limitations are satisfied, or if any such Concentration Limitation is not satisfied, is maintained or improved; (v) the Coverage Tests are satisfied after giving effect to the investment in the Substitute Obligations; (vi) a Restricted Trading Period is not then in effect; (vii) either (x) the Class Scenario Default Rate with respect to each Class of Secured Notes then rated by S&P is maintained or improved or (y) the S&P Rating of each Substitute Obligation is equal to or higher than the S&P Rating of the Collateral Obligation that produced the Eligible Post Reinvestment Proceeds; and (viii) the Moody's Rating of each Substitute Obligation is equal to or higher than the Moody's Rating of the Collateral Obligation that produced the Eligible Post Reinvestment Proceeds. Except as described in the preceding sentence, after the Reinvestment Period, the Collateral Manager shall not direct the Trustee to invest any amounts on behalf of the Issuer unless (x) consent thereto has been obtained from holders of

Notes evidencing 100% of the aggregate outstanding principal amount of each Class of Notes and (y) each Rating Agency and the Trustee has been notified of such investment; *provided* that cash on deposit in any account constituting part of the Assets (other than the Payment Account) may be invested in Eligible Investments at any time.

Such proceeds may be used to purchase additional obligations subject to the requirement that each of the following conditions (the "**Investment Criteria**") is satisfied as of the date the Collateral Manager commits on behalf of the Issuer to make such purchase, in each case after giving effect to such purchase and all other sales (or other dispositions) or purchases previously or simultaneously committed to and any Trading Plan; *provided* that the conditions set forth in clauses (d), (f) and (g) below need only be satisfied with respect to purchases of Collateral Obligations occurring on or after the Effective Date:

(a) such obligation is a Collateral Obligation;

(b) such obligation is not, by its terms, convertible into or exchangeable for Equity Securities, or attached with a warrant to purchase Equity Securities;

(c) if such obligation is a Participation Interest or Letter of Credit Reimbursement Obligation, the Moody's Counterparty Criteria are met;

(d) if the commitment to make such purchase occurs on or after the Effective Date (or, in the case of the Interest Coverage Tests, on or after the Determination Date occurring immediately prior to the second Payment Date), (A) each Coverage Test (other than the Class A Coverage Tests) will be satisfied, or during the Reinvestment Period, if not satisfied, such Coverage Test will be maintained or improved and (B) if each Coverage Test (other than the Class A Coverage Tests) is not satisfied, the Principal Proceeds received in respect of any Defaulted Obligation or the proceeds of any sale or other disposition of a Defaulted Obligation will not be reinvested in additional Collateral Obligations;

(e) the Class A Coverage Tests will be satisfied;

(f) (A) in the case of an additional Collateral Obligation purchased with the proceeds from the sale or other disposition of a Credit Risk Obligation or a Defaulted Obligation, either (1) the aggregate principal balance of all additional Collateral Obligations purchased with the proceeds from such disposition will at least equal the Sale Proceeds from such disposition, (2) the sum of the aggregate principal balance of all Collateral Obligations *plus*, without duplication, the amounts on deposit in the Collection Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds, will be equal to or greater than such sum as determined immediately prior to such disposition or (3) the Collateral Principal Amount (excluding the Collateral Obligation being sold but including, without duplication, the Collateral Obligation being purchased and the anticipated cash proceeds, if any, of such disposition that are not applied to the purchase of such additional Collateral Obligation) plus, without duplication, the amounts on deposit in the Collection Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds, will be at least equal to the Reinvestment Target Par Balance and (B) in the case of any other purchase of additional Collateral Obligations purchased with the proceeds from the sale or other disposition of a Collateral Obligation, either (1) the Collateral Principal Amount will be maintained or increased (when compared to the Collateral Principal Amount immediately prior to such disposition) or (2) the Collateral Principal Amount (excluding the Collateral Obligation being sold but including, without duplication, the Collateral Obligation being purchased and the anticipated cash proceeds, if any, of such disposition that are not applied to the purchase of such additional Collateral Obligation) plus, without duplication, the amounts on deposit in the Collection Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds, will be at least equal to the Reinvestment Target Par Balance;

(g) either (A) each requirement or test, as the case may be, of the Concentration Limitations and the Collateral Quality Test (except the S&P CDO Monitor Test, in the case of (x) an additional Collateral Obligation purchased with the proceeds from the sale or other disposition of a Credit Risk Obligation, a Defaulted Obligation or an Equity Security or (y) a Substitute Obligation) will be satisfied or (B) if any such requirement or test was not satisfied immediately prior to such investment, such requirement or test will be maintained or improved after giving effect to the investment; provided that, in determining whether the Weighted Average Life Test will be maintained or improved during the Reinvestment Period, the level of compliance with the Weighted Average Life Test will be measured immediately before receipt of the proceeds from any scheduled or unscheduled principal payments on, or sales or dispositions of, any Collateral Obligations and after giving effect to the reinvestment of such proceeds; and

(h) except in the case of the purchase of a Substitute Obligation, the date on which the Issuer (or the Collateral Manager on its behalf) commits to purchase such Collateral Obligation occurs during the Reinvestment Period.

For purposes of calculating compliance with the Investment Criteria, at any time during the Reinvestment Period, at the election of the Collateral Manager in its sole discretion, any proposed investment (whether a single Collateral Obligation or a group of Collateral Obligations) identified by the Collateral Manager as such at the time when compliance with the Investment Criteria is required to be calculated (a "**Trading Plan**") may be evaluated after giving effect to all sales and reinvestments proposed to be entered into within five Business Days following the date of determination of such compliance (such period, the "**Trading Plan Period**"); *provided* that (i) no Trading Plan may result in the purchase of Collateral Obligations having an aggregate principal balance that exceeds 5% of the Collateral Principal Amount as of the first day of the Trading Plan Period, (ii) no Trading Plan Period may include a Determination Date, (iii) no more than one Trading Plan may be in effect at any time during a Trading Plan Period, (iv) the Collateral Manager reasonably believes that each Trading Plan will satisfy the Investment Criteria and (v) if the Investment Criteria are not satisfied upon the expiry of the related Trading Plan Period, the Collateral Manager shall notify each Rating Agency and the Issuer shall obtain confirmation with respect to each subsequent Trading Plan that the S&P Rating Condition has been satisfied with respect to such Trading Plan. Upon completion of a Trading Plan, the Collateral Manager shall, as soon as reasonably practicable, notify the Trustee that a Trading Plan was executed, and the Trustee shall, as soon as reasonably practicable, make such notice available on the Trustee's internet website for viewing by the holders of Notes.

During the Reinvestment Period, following the sale or other disposition of any Credit Improved Obligation or any discretionary sale or other discretionary disposition of a Collateral Obligation as described in clause (f) of the first paragraph under "—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria", the Collateral Manager shall use its reasonable efforts to purchase additional Collateral Obligations within 30 Business Days after such disposition; *provided* that any such purchase must comply with the Investment Criteria.

Not later than the Business Day immediately preceding the end of the Reinvestment Period, the Collateral Manager shall deliver to the Trustee a schedule of Collateral Obligations purchased by the Issuer with respect to which purchases the trade date has occurred but the settlement date has not yet occurred and shall certify to the Trustee that sufficient Principal Proceeds are available (including for this purpose, cash on deposit in the Principal Collection Subaccount as well as any Principal Proceeds that will be received by the Issuer from the sale of Collateral Obligations for which the trade date has already occurred but the settlement date has not yet occurred) to effect the settlement of such Collateral Obligations.

In addition, notwithstanding anything in the Indenture to the contrary, the Collateral Manager may enter into commitments to acquire Collateral Obligations the purchase price of which will be paid using Principal Proceeds that have not yet been received, but (x) that will be received by the Issuer from the sale of Collateral Obligations for which the trade date has already occurred but the settlement date has not yet occurred and (y) with respect to which the Collateral Manager has received written notice from the obligor, administrative agent or other similar person in writing are scheduled to be paid (including, without limitation, by the dissemination or posting to an internet site of a report stating or indicating that such payment is scheduled to be paid).

During and after the Reinvestment Period, the Issuer (or the Collateral Manager on the Issuer's behalf) may vote in favor of a Maturity Amendment only if the Collateral Manager determines that, after giving effect to any relevant Trading Plan, (i) after giving effect to such Maturity Amendment, the stated maturity of the Collateral Obligation that is the subject of such Maturity Amendment is not later than the latest Stated Maturity of the Secured Notes and (ii) either (x) the Weighted Average Life Test will be satisfied after giving effect to such Maturity Amendment or (y) such Maturity Amendment is a Credit Amendment; *provided* that it shall not be a violation of the foregoing restrictions if a Maturity Amendment that violates either or both of the foregoing restrictions in clauses (i) and (ii) is executed without the consent of the Issuer or Collateral Manager.

The Collection Account and Payment Account

All distributions on the Assets, any proceeds received from the disposition of any Assets, any Refinancing Proceeds and the proceeds of any issuance of additional notes will be remitted to either the segregated trust account designated the "Interest Collection Subaccount" (the "**Interest Collection Subaccount**") or the segregated trust account designated the "Principal Collection Subaccount" (the "**Principal Collection Subaccount**"), each held in the name of the Trustee for the benefit of the Secured Parties, and which collectively shall comprise the "Collection Account" (the "**Collection Account**"). Such distributions and proceeds of distributions will be available, together with reinvestment earnings thereon, for application to the payment of the amounts set forth under "Overview of Terms—Priority of Payments" and for the acquisition of additional Collateral Obligations under the circumstances and pursuant to the requirements described herein and in the Indenture. All Interest Proceeds received by the Trustee after the Closing Date or transferred to the Collection Account from the Expense Reserve Account, Interest Reserve Account or LC Reserve Account will be deposited in the Interest Collection Subaccount. All other amounts received by the Trustee or transferred from the Expense Reserve Account, Interest Reserve Account, Revolver Funding Account or LC Reserve Account and remitted to the Collection Account will be deposited in the Principal Collection Subaccount, including (i) any funds designated as Principal Proceeds by the Collateral Manager in accordance with the Indenture and (ii) all other Principal Proceeds (unless simultaneously reinvested in additional Collateral Obligations in accordance with the provisions of the Indenture described under "—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria" or in Eligible Investments), including any Refinancing Proceeds and the proceeds of any issuance of additional notes. The Issuer may, but under no circumstances shall be required to, deposit from time to time into the Collection Account, in addition to any amount required hereunder to be deposited therein, such monies received from external sources for the benefit of the Secured Parties (other than payments on or in respect of the Collateral Obligations, Eligible Investments or other existing Assets) as the Issuer deems, in its sole discretion, to be advisable and to designate them as Interest Proceeds or Principal Proceeds. The Collection Account will be established at Citibank, N.A.

The Collateral Manager on behalf of the Issuer may direct the Trustee to pay from amounts on deposit in the Collection Account on any Business Day during any Interest Accrual Period (i) any amount required to exercise a warrant or right to acquire securities held in the Assets in accordance with the requirements of "—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria" and (ii) from Interest Proceeds only, any Administrative Expenses (such payments to be counted against the Administrative Expense Cap for the applicable period and to be subject to the order of priority as stated in the definition of Administrative Expenses); *provided*, that the aggregate Administrative Expenses paid as described in this paragraph during any Collection Period shall not exceed the Administrative Expense Cap for the related Payment Date. The Trustee shall not be obligated to make such payment if, in the reasonable determination of the Trustee, such payment would leave insufficient funds, taking into account the Administrative Expense Cap, for payments anticipated to be or become due or payable on the next Payment Date that are given a higher priority in the definition of "Administrative Expenses". The Collateral Manager on behalf of the Issuer may direct the Trustee to transfer from amounts on deposit in the Interest Collection Subaccount to the Principal Collection Subaccount, amounts necessary for application as described under "Use of Proceeds—Effective Date". In addition, the Collateral Manager on behalf of the Issuer may direct the Trustee to deposit (x) from the Principal Collection Subaccount amounts representing Principal Proceeds into the Revolver Funding Account amounts that are required to meet funding requirements with respect to Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations and (y) from the Interest Collection Subaccount into the LC Funding Account amounts representing Interest Proceeds in order to satisfy obligations (if any) arising under the provisions of the Indenture described under "—The LC Funding Account".

In connection with a Refinancing in part by Class of one or more Classes of Secured Notes, the Collateral Manager on behalf of the Issuer may direct the Trustee to apply Partial Refinancing Interest Proceeds from the Interest Collection Account on the Refinancing Date to the payment of the Redemption Price(s) of the Class or Classes of Secured Notes subject to Refinancing without regard to the Priority of Payments.

Amounts received in the Collection Account during a Collection Period will be invested in Eligible Investments with stated maturities not later than the earlier of (A) the date that is 60 days after the date of delivery thereof and (B) the Business Day immediately preceding the Payment Date immediately following the date of delivery thereof. All proceeds from the Eligible Investments will be retained in the Collection Account unless used to purchase additional Collateral Obligations in accordance with the Investment Criteria and, if applicable, the Post-Reinvestment Period Substitution Criteria, or used as otherwise permitted under the Indenture. See "—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria" and "Overview of Terms—Priority of Payments".

On the Business Day immediately preceding each Payment Date and on any Redemption Date (to the extent that such Redemption Date is not a Payment Date) and, in the case of proceeds received in connection with a Refinancing of the Secured Notes in whole or an issuance of additional notes, on the day of receipt thereof, the Trustee will deposit into a single, segregated non-interest bearing trust account held in the name of the Trustee for the benefit of the Secured Parties (the "**Payment Account**") all funds in the Collection Account (other than (x) amounts to be applied in connection with a Refinancing in part by Class of one or more Classes of Secured Notes, which amounts may be retained in the Collection Account for application to the redemption of such Secured Notes and (y) amounts that the Issuer is entitled to reinvest in accordance with the Investment Criteria and, if applicable, the Post-Reinvestment Period Substitution Criteria described herein, which amounts may be retained in the Collection Account for subsequent reinvestment) required for payments to holders of the Secured Notes and distributions on the Subordinated Notes and payments of fees and expenses in accordance with the Priority of Payments. The Co-Issuers shall not have any legal, equitable or beneficial interest in the Payment Account other than in accordance with the Indenture and the Priority of Payments. The Payment Account will be established at Citibank, N.A. Amounts in the Payment Account shall remain uninvested.

The Ramp-Up Account

The net proceeds of the issuance of the Notes remaining after payment of fees and expenses, after making deposits to the Expense Reserve Account, the Interest Reserve Account and the Revolver Funding Account and after (i) paying merger consideration to the TRS Provider (as sole member of the TRS Merger Subsidiary) in connection with the Closing Merger, (ii) paying to the Participant an amount in respect of delayed compensation and (iii) purchasing Collateral Obligations from the Loan Facility Seller, in each case as described under "Risk Factors—Relating to the Collateral Obligations—Closing Date and pre-Closing Date acquisition of Collateral Obligations", will be deposited on the Closing Date into a single, segregated non-interest bearing trust account held in the name of the Trustee for the benefit of the Secured Parties (the "**Ramp-Up Account**"). On behalf of the Issuer, the Collateral Manager will direct the Trustee to, from time to time prior to the Effective Date, purchase additional Collateral Obligations and invest in Eligible Investments any amounts not used to purchase such additional Collateral Obligations. On the first Business Day after a trust officer of the Trustee has received written notice from the Collateral Manager making reference to the account transfer required by this paragraph and stating that both (i) the Moody's Rating Condition has been satisfied as described in "Use of Proceeds—Effective Date" (or the Issuer or the Collateral Manager has provided a Passing Report to Moody's) and (ii) S&P has confirmed its initial ratings of the Secured Notes as described in "Use of Proceeds—Effective Date", or upon the occurrence of an Event of Default, the Trustee will deposit any remaining amounts in the Ramp-Up Account (excluding any proceeds that will be used to settle binding commitments entered into prior to that date, and except as provided in the next sentence) into the Principal Collection Subaccount as Principal Proceeds. Any income earned on amounts deposited in the Ramp-Up Account will be deposited in the Interest Collection Subaccount as Interest Proceeds. The Ramp-Up Account will be established at Citibank, N.A.

The Custodial Account

The Trustee will, on or prior to the Closing Date, establish a single, segregated non-interest bearing trust account in the name of the Trustee for the benefit of the Secured Parties which will be designated as the "**Custodial Account**". All Collateral Obligations, Equity Securities and equity interests in Blocker Subsidiaries shall be

credited to the Custodial Account as provided in the Indenture. The only permitted withdrawals from the Custodial Account shall be in accordance with the provisions of the Indenture. The Co-Issuers shall not have any legal, equitable or beneficial interest in the Custodial Account other than in accordance with the Indenture and the Priority of Payments. Amounts in the Custodial Account will remain uninvested. The Custodial Account will be established at Citibank, N.A.

The Revolver Funding Account

Upon the purchase of any Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation, funds in an amount equal to the undrawn portion of such obligation shall be withdrawn first from the Ramp-Up Account and, if necessary, from the Principal Collection Subaccount, as directed by the Collateral Manager, and deposited pursuant to such direction in a single, segregated non-interest bearing trust account established in the name of the Trustee for the benefit of the Secured Parties (the "**Revolver Funding Account**"); *provided* that, if such Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation is a Participation Interest with respect to which the Selling Institution requires funds to be deposited with the Selling Institution or its custodian in an amount equal to any portion of the undrawn amount of such obligation as collateral for the funding obligations under such obligation (such funds, the "**Selling Institution Collateral**"), the Collateral Manager on behalf of the Issuer shall direct the Trustee to (and pursuant to such direction the Trustee shall) deposit such funds in the amount of the Selling Institution Collateral with such Selling Institution or custodian rather than in the Revolver Funding Account, subject to the following sentence. Any such deposit of Selling Institution Collateral shall satisfy the following requirement (as determined and directed by the Collateral Manager): either (1) the aggregate amount of Selling Institution Collateral deposited with such Selling Institution or its custodian (other than an Eligible Custodian) under all Participation Interests shall not have an aggregate principal balance in excess of 5% of the Collateral Principal Amount and shall not remain on deposit with such Selling Institution or custodian for more than 30 calendar days after such Selling Institution first fails to satisfy the rating requirements set out in the Third Party Credit Exposure Limits, as monitored, and advised to the Collateral Administrator and the Trustee, by the Collateral Manager (and the terms of each such deposit shall permit the Issuer to withdraw the Selling Institution Collateral if such Selling Institution fails at any time to satisfy the rating requirements set out in the Third Party Credit Exposure Limits); or (2) such Selling Institution Collateral shall be deposited with an Eligible Custodian.

An amount equal to approximately U.S.$3,500,000 will be deposited in the Revolver Funding Account on the Closing Date to be reserved for the unfunded funding obligations under the Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations purchased on or before the Closing Date. Upon initial purchase of any Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation, funds deposited in the Revolver Funding Account in respect of such Collateral Obligation and Selling Institution Collateral deposited with the Selling Institution in respect of such Collateral Obligation will be treated as part of the purchase price therefor. Amounts in the Revolver Funding Account will be invested in overnight funds that are Eligible Investments and earnings from all such investments will be deposited in the Interest Collection Subaccount as Interest Proceeds. The Revolver Funding Account will be established at Citibank, N.A.

Funds will be deposited in the Revolver Funding Account upon the purchase of any Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation, and upon the receipt by the Issuer of any Principal Proceeds with respect to a Revolving Collateral Obligation as directed by the Collateral Manager, such that the amount of funds on deposit in the Revolver Funding Account shall be equal to or greater than the aggregate amount of unfunded funding obligations (disregarding the portion, if any, of any such unfunded funding obligations that is collateralized by Selling Institution Collateral) under all such Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations then included in the Assets, as determined by the Collateral Manager.

Any funds in the Revolver Funding Account (other than earnings from Eligible Investments therein) will be available solely to cover any drawdowns on the Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations; *provided*, that any excess of (A) the amounts on deposit in the Revolver Funding Account over (B) the sum of the unfunded funding obligations (disregarding the portion, if any, of any such unfunded funding obligations that is collateralized by Selling Institution Collateral) under all Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations that are included in the Assets (which excess may occur for any reason, including upon (i) the sale or maturity of a Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation, (ii) the occurrence of an event of default with respect to any such Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation or (iii) any other event or circumstance which results in the irrevocable reduction of

the undrawn commitments under such Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation) shall be transferred by the Trustee (at the written direction of the Collateral Manager on behalf of the Issuer) from time to time as Principal Proceeds to the Principal Collection Subaccount.

The Expense Reserve Account

The Trustee will, prior to the Closing Date, establish a single, segregated non-interest bearing trust account held in the name of the Trustee for the benefit of the Secured Parties which will be designated as the "**Expense Reserve Account**". Approximately U.S.$4,300,000 will be deposited in the Expense Reserve Account as Interest Proceeds on the Closing Date for the payment of certain expenses of the Issuer incurred in connection with the issuance of the Notes. On any Business Day from the Closing Date to and including the Determination Date relating to the second Payment Date following the Closing Date, the Trustee will apply funds from the Expense Reserve Account, as directed by the Collateral Manager, to pay expenses of the Co-Issuers incurred in connection with the establishment of the Co-Issuers, the structuring and consummation of the Offering and the issuance of the Notes and any additional issuance. By the Determination Date relating to the second Payment Date following the Closing Date, all funds in the Expense Reserve Account (after deducting any expenses paid on such Determination Date) will be deposited in the Collection Account as Interest Proceeds and/or Principal Proceeds (in the respective amounts directed by the Collateral Manager in its sole discretion). If, in connection with an additional issuance of notes in accordance with the Indenture, funds are deposited in the Expense Reserve Account after the Determination Date relating to the second Payment Date following the Closing Date, the Trustee shall apply such funds from the Expense Reserve Account (except as provided in the next sentence), as directed by the Collateral Manager, to pay expenses of the Co-Issuers incurred in connection with any additional issuance of notes or as a deposit to the Collection Account as Principal Proceeds. Any income earned on amounts deposited in the Expense Reserve Account will be deposited in the Interest Collection Subaccount as Interest Proceeds as it is paid. The Expense Reserve Account will be established at Citibank, N.A.

The Interest Reserve Account

The Trustee will, prior to the Closing Date, establish a single, segregated non-interest bearing trust account held in the name of the Trustee for the benefit of the Secured Parties which will be designated as the "**Interest Reserve Account**". On the Closing Date, at the direction of the Collateral Manager, the Trustee will deposit in the Interest Reserve Account proceeds from the offering of the Notes in an amount equal to the Interest Reserve Amount. On or before the Determination Date relating to the first Payment Date, at the direction of the Collateral Manager, the Issuer may direct that any portion then remaining of the Interest Reserve Amount be transferred to the Collection Account and included as Interest Proceeds or Principal Proceeds for the related Collection Period. On the first Payment Date, all amounts on deposit in the Interest Reserve Account will be transferred to the Payment Account and applied as Interest Proceeds or Principal Proceeds (as directed by the Collateral Manager) in accordance with the Priority of Payments, and the Trustee will close the Interest Reserve Account. The Interest Reserve Account will be established at Citibank, N.A.

The LC Reserve Account

If a LOC Agent Bank does not withhold on payments of fee income in respect of any Collateral Obligation that is a Letter of Credit Reimbursement Obligation and the Issuer has not received an opinion of nationally recognized external legal counsel to the effect that such withholding should or will not be required, the Collateral Manager will notify the Issuer (with a copy to the Trustee) and shall direct the Trustee to transfer (and the Trustee shall so transfer) funds from the Interest Collection Subaccount in an amount equal to 30% (or such other percentage equal to the withholding rate then in effect) of all of the fees received in respect of such Letter of Credit Reimbursement Obligation into a single, segregated non-interest bearing trust account held in the name of the Trustee for the benefit of the Secured Parties which will be designated as the "**LC Reserve Account**". Amounts on deposit in the LC Reserve Account will be invested in overnight funds that are Eligible Investments selected by the Collateral Manager pursuant to the Indenture and earnings from all such investments will be deposited in the Interest Collection Subaccount as Interest Proceeds. The LC Reserve Account will be established at Citibank, N.A.

The Issuer shall withdraw funds from the LC Reserve Account to pay (or to provide for the payments of) the related withholding taxes when due. The Issuer also may withdraw funds from the LC Reserve Account and

apply them as Interest Proceeds (a) if the Issuer receives an opinion of nationally recognized U.S. federal income tax counsel to the effect that the Issuer should or will not be subject to U.S. withholding tax with respect to the letter of credit fees from which such funds were reserved or (b) to the extent such amounts will not be due after such date, (i) at Stated Maturity or (ii) on a Redemption Date in connection with an Optional Redemption (other than pursuant to a Refinancing), a Tax Redemption or a Clean-Up Call Redemption. The Issuer shall provide to each Rating Agency a copy of any such opinion obtained pursuant to clause (a) of the preceding sentence.

Account Requirements

Each account established under the Indenture shall be established and maintained in segregated trust accounts with the corporate trust department of a federal or state-chartered deposit institution subject to regulations regarding fiduciary funds on deposit similar to Title 12 of the Code of Federal Regulations Section 9.10(b) that (i) has a long-term senior unsecured debt rating of at least "BBB" by S&P and (ii) either (x) has a long-term senior unsecured debt rating of at least "A3" by Moody's or (y) with respect to securities accounts, if the relevant account is a segregated trust account, has a rating of at least "Baa3" by Moody's (an institution satisfying clauses (i) and (ii), an "**Eligible Institution**") provided that if any such institution is downgraded such that it no longer constitutes an Eligible Institution hereunder, the Issuer shall use commercially reasonable efforts to replace such institution with a replacement Eligible Institution within 30 calendar days of the ratings downgrade. Such institution shall have a combined capital and surplus of at least U.S.$200,000,000. All cash deposited in the accounts shall be invested only in Eligible Investments or Collateral Obligations in accordance with the terms of the Indenture.

USE OF PROCEEDS

General

The net proceeds from the issuance of the Notes, after payment of applicable fees and expenses in connection with the structuring and placement of the Notes (including by making a deposit to the Expense Reserve Account of funds to be used to pay expenses following the Closing Date) and after making a deposit to the Interest Reserve Account, are expected to be approximately U.S.$399,400,000.

On the Closing Date, approximately U.S.$284,200,000 of the net proceeds of the issuance of the Notes will be used to (a)(i) pay merger consideration to the TRS Provider (as sole member of the TRS Merger Subsidiary) in connection with the Closing Merger in an aggregate amount expected on the Original Distribution Date to be approximately U.S.$230,900,000, (ii) paying to the Participant an amount in respect of delayed compensation in an aggregate amount expected on the Original Distribution Date to be approximately U.S.$1,000 and (iii) purchase Collateral Obligations from the Loan Facility Seller in an aggregate amount expected on the Original Distribution Date to be approximately U.S.$53,300,000, in each case as described under "Risk Factors—Relating to the Collateral Obligations—Closing Date and pre-Closing Date acquisition of Collateral Obligations" and (b) make a deposit into the Ramp-Up Account on the Closing Date for the purchase of additional Collateral Obligations prior to the Effective Date and for deposit into the Collection Account on the Effective Date as described herein.

Approximately U.S.$4,300,000 will be deposited into the Expense Reserve Account on the Closing Date for use as described herein, an amount equal to the Interest Reserve Amount will be deposited into the Interest Reserve Account on the Closing Date for use as described herein and approximately U.S.$3,500,000 will be deposited in the Revolver Funding Account on the Closing Date for use as described herein.

Effective Date

The Issuer will use commercially reasonable efforts to purchase (or enter into commitments to purchase), on or before February 10, 2014, Collateral Obligations such that the Target Initial Par Condition is satisfied.

(a) Unless clause (b) below is applicable, within 15 Business Days after the Effective Date, the Issuer will provide, or cause the Collateral Manager to provide, the following documents: (i) to each Rating Agency, a report (which the Issuer will cause the Collateral Administrator to prepare on its behalf in accordance with, and subject to the terms of, the Collateral Administration Agreement) identifying the Collateral Obligations and requesting that S&P reaffirm its initial ratings of the Secured Notes; (ii) to the Trustee and each Rating Agency, (x) a report (which the Issuer will cause the Collateral Administrator to prepare on its behalf in accordance with, and subject to the terms of, the Collateral Administration Agreement) stating the following information (the "**Effective Date Report**"): (A) as of the Effective Date, with respect to each Collateral Obligation (and substantially similar information with respect to every other asset included in the Assets (to the extent such asset is a security or loan)), by reference to such sources as shall be specified therein, (1) the obligor, principal balance, coupon/spread, stated maturity, Moody's Default Probability Rating, Moody's industry classification, S&P Rating and country of Domicile, (2) an indication of whether such Collateral Obligation has a LIBOR floor (and if such Collateral Obligation has a LIBOR floor, specifying the LIBOR floor) and whether such Collateral Obligation is a First Lien Last Out Loan and (3) if the purchase of such Collateral Obligation has not yet settled, the purchase price, and (B) as of the Effective Date, the level of compliance with, and satisfaction or non-satisfaction of, (1) the Target Initial Par Condition, (2) each Overcollateralization Ratio Test, (3) the Concentration Limitations and (4) the Collateral Quality Test (excluding the S&P CDO Monitor Test) and (y) a certificate of the Collateral Manager, on behalf of the Issuer (such certificate, the "**Effective Date Issuer Certificate**"), certifying that the Issuer has received an Accountants' Report that recalculates and compares the following information set forth in the Effective Date Report (such Accountants' Report, the "**Effective Date Accountants' Report**"): (A) with respect to each Collateral Obligation as of the Effective Date, by reference to such sources as shall be specified therein: coupon/spread, stated maturity, Moody's Default Probability Rating, S&P Rating and country of Domicile; and (B) as of the Effective Date,

the level of compliance with, and satisfaction or non-satisfaction of, (1) the Target Initial Par Condition, (2) each Overcollateralization Ratio Test, (3) the Concentration Limitations and (4) the Collateral Quality Test (excluding the S&P CDO Monitor Test); (iii) to the Trustee (upon its execution of an acknowledgement letter, if required by the accountants), the Effective Date Accountants' Report and (iv) to the Trustee, an opinion of counsel confirming the matters set forth in the opinion of counsel regarding perfection of security interests furnished on the Closing Date with respect to the Assets granted to the Trustee after the Closing Date. Upon receipt of the Effective Date Report, the Trustee and the Collateral Manager will each compare the information contained in such Effective Date Report to the information contained in their respective records with respect to the Assets and will, within three Business Days after receipt of such Effective Date Report, notify such other party and the Issuer, the Collateral Administrator and the Rating Agencies if the information contained in the Effective Date Report does not conform to the information maintained by the Trustee or the Collateral Manager, as the case may be, with respect to the Assets. In the event that any discrepancy exists, the Trustee and the Issuer, or the Collateral Manager on behalf of the Issuer, will attempt to resolve the discrepancy. If such discrepancy cannot be resolved within five Business Days after the delivery of such a notice of discrepancy, the Collateral Manager shall, on behalf of the Issuer, request that the Independent accountants selected by the Issuer pursuant to the Indenture perform agreed-upon procedures on the Effective Date Report and the Collateral Manager's and Trustee's records to determine the cause of such discrepancy. If such procedures reveal an error in the Effective Date Report or the Collateral Manager's or Trustee's records, the Effective Date Report or the Collateral Manager's or Trustee's records will be revised accordingly and notice of an error in the Effective Date Report will be sent as soon as practicable by the Issuer to all recipients of such report.

(b) (x) If (1) the Issuer or the Collateral Manager, as the case may be, has not provided to Moody's both (A) an Effective Date Report that shows that the Target Initial Par Condition was satisfied, the Overcollateralization Ratio Test was satisfied, the Concentration Limitations were complied with and the Collateral Quality Test (excluding the S&P CDO Monitor Test) was satisfied and (B) the Effective Date Issuer Certificate (such an Effective Date Report, together with such Effective Date Issuer Certificate, a "**Passing Report** ") within 15 Business Days after the Effective Date or (2) any of the tests referred to in (ii)(x)(B) of the foregoing clause (a) are not satisfied ((1) or (2) constituting a "**Moody's Ramp-Up Failure**"), then (A) the Issuer (or the Collateral Manager on the Issuer's behalf) shall either (i) provide a Passing Report to Moody's within 25 Business Days following the Effective Date or (ii) satisfy the Moody's Rating Condition within 25 Business Days following the Effective Date and (B) if, by the 25th Business Day following the Effective Date, the Issuer (or the Collateral Manager on the Issuer's behalf) has not provided a Passing Report to Moody's or satisfied the Moody's Rating Condition, each as described in the preceding clause (A) of this paragraph, the Issuer (or the Collateral Manager on the Issuer's behalf) will instruct the Trustee to transfer amounts from the Interest Collection Subaccount to the Principal Collection Subaccount and may, prior to the first Payment Date, purchase additional Collateral Obligations in an amount sufficient to enable the Issuer (or the Collateral Manager on the Issuer's behalf) to (i) provide a Passing Report to Moody's or (ii) satisfy the Moody's Rating Condition; provided that, in lieu of complying with the preceding clauses (A) and (B), the Issuer (or the Collateral Manager on the Issuer's behalf) may take such action, including but not limited to, a Special Redemption and/or transferring amounts from the Interest Collection Subaccount to the Principal Collection Subaccount as Principal Proceeds (for the purchase of additional Collateral Obligations), sufficient to enable the Issuer (or the Collateral Manager on the Issuer's behalf) to (1) provide to Moody's a Passing Report or (2) satisfy the Moody's Rating Condition; and (y) if S&P (which must receive the Effective Date Report and Effective Date Issuer Certificate to provide written confirmation (which may take the form of a press release or other written communication) of its initial ratings of the Secured Notes) does not provide written confirmation of its initial ratings of the Secured Notes (such event, an "**S&P Rating Confirmation Failure**") within 45 Business Days after the Effective Date, then in the sole discretion of the Collateral Manager (on the Issuer's behalf) the Collateral Manager will instruct the Trustee to transfer amounts from the Interest Collection Subaccount to the Principal Collection Subaccount and may, prior to the first Payment Date, use such funds on behalf of the Issuer for the purchase of

additional Collateral Obligations until such time as S&P has provided written confirmation (which may take the form of a press release or other written communication) of its initial ratings of the Secured Notes; *provided* that, in lieu of complying with this clause (y), the Issuer (or the Collateral Manager on the Issuer's behalf) may take such action, including but not limited to, a Special Redemption and/or transferring amounts from the Interest Collection Subaccount to the Principal Collection Subaccount as Principal Proceeds (for the purchase of additional Collateral Obligations), sufficient to enable the Issuer (or the Collateral Manager on the Issuer's behalf) to obtain written confirmation (which may take the form of a press release or other written communication) from S&P of its initial ratings of the Secured Notes; it being understood that, if the events specified in both of clauses (x) and (y) occur, the Issuer (or the Collateral Manager on the Issuer's behalf) will be required to satisfy the requirements of both clause (x) and clause (y); *provided further*, that in the case of each of the foregoing clauses (x) and (y), amounts may not be transferred from the Interest Collection Subaccount to the Principal Collection Subaccount if, after giving effect to such transfer, (I) the amounts available pursuant to the Priority of Payments on the next succeeding Payment Date would be insufficient to pay the full amount of the accrued and unpaid interest on any Class of Secured Notes on such next succeeding Payment Date or (II) such transfer would result in a deferral of interest with respect to the Class B Notes, Class C Notes, Class D Notes or Class E Notes on the next succeeding Payment Date.

THE COLLATERAL MANAGER

The information appearing in this section has been prepared by American Capital CLO Management, LLC (the "**Collateral Manager**") and has not been independently verified by the Co-Issuers or Citigroup. The Co-Issuers have taken reasonable care to ensure that this information has been accurately reproduced and as far as the Co-Issuers are aware and are able to ascertain from information provided by the Collateral Manager, no facts have been omitted which would render the reproduced information inaccurate or misleading. Accordingly, notwithstanding anything to the contrary herein, Citigroup does not assume any responsibility for the accuracy, completeness or applicability of such information.

American Capital CLO Management, LLC (formerly known as American Capital Leveraged Finance Management, LLC, which was formerly known as American Capital Asset Management, LLC) ("**ACCLOM**"), is a Delaware limited liability company formed in March 2006. The Collateral Manager is an indirect subsidiary of a wholly-owned portfolio company of American Capital, Ltd. (NASDAQ: ACAS) ("**ACAS**"). ACAS is a publicly traded private equity firm and global asset manager with approximately $117 billion in assets under management as of December 31, 2012. ACCLOM is registered with the Securities and Exchange Commission as an investment adviser under the Investment Advisers Act of 1940, as amended. Copies of its most recent Form ADV are publicly available. ACCLOM presently serves as portfolio manager for three other entities similar to the Issuer that have issued collateralized loan obligations secured principally by non-investment grade loans.

The Collateral Manager will perform its principal duties as Collateral Manager from ACAS' office located in New York, New York. As the Collateral Manager, ACCLOM will be responsible for all portfolio management activities on behalf of the Issuer.

The Collateral Manager has advised the Issuer that the Collateral Manager and/or one or more affiliates of the Collateral Manager intend to acquire, on the Closing Date, approximately 20% of the aggregate outstanding principal amount of the Subordinated Notes. Such Notes may be subsequently sold by any such party to related or unrelated parties at any time. The Collateral Manager has also advised the Issuer that it expects to enter into an agreement to pay to the Designated Subordinated Noteholder (or an affiliate thereof) a portion of the Subordinated Management Fee.

Certain management, advisory and administrative functions with respect to the Collateral Obligations will be performed by the Collateral Manager under the Collateral Management Agreement. Pursuant to the terms of the Collateral Management Agreement and the Indenture, the Collateral Manager will (i) select the Collateral Obligations and Eligible Investments to be acquired by the Issuer and (ii) monitor the Collateral Obligations and provide the Issuer and the Trustee certain information with respect to the composition and characteristics of the Collateral Obligations, any disposition or tender of a Collateral Obligation, the reinvestment of the proceeds of any such disposition in Eligible Investments and with respect to the retention of the proceeds of any such disposition or the application thereof toward the purchase of an additional Collateral Obligation.

Biographies

Set forth below is certain biographical information for those personnel of the Collateral Manager who will have primary responsibility for the selection and management of Collateral Obligations and Eligible Investments. A number of other employees of the Collateral Manager and its affiliates may be involved in the selection, management and administration of Collateral Obligations and Eligible Investments. There can be no assurance that any such persons will continue to be employed by or associated with the Collateral Manager and its affiliates during the entire term of the Collateral Management Agreement or, if so employed or associated, will continue to be responsible for the Collateral Manager's performance of its obligations under the Collateral Management Agreement. References in the biographies below to ACAS include such investment professional's association with ACCLOM.

Mark Pelletier, Managing Director and Portfolio Manager

Mr. Pelletier has 25 years of investment experience. Mr. Pelletier has served as a Senior Vice President and Managing Director of ACAS since 2005. Prior to joining ACAS, Mr. Pelletier served as a senior portfolio

manager and analyst for Flagship Capital Management, Inc. where he covered the commercial, industrial and technology sectors. Flagship Capital was part of the asset management arm of Bank of America, and focused on managing approximately $3 billion in leveraged loans across seven CLO portfolios. Mr. Pelletier was a founding member of Flagship Capital, which commenced operations during 2000.

Before joining Flagship at its inception in 2000, Mr. Pelletier spent three years in leveraged finance with FleetBoston (predecessor institution to Bank of America), where his primary responsibilities included sourcing and analyzing syndicated loans. He also participated in managing Fleet's $2 billion CDO investment portfolio, which consisted of senior, mezzanine and equity tranches of approximately 40 different CDO managers. Before joining Fleet Bank (predecessor institution to FleetBoston) in 1997 as Vice President in Leveraged Finance, Mr. Pelletier spent three years as an Investment Analyst at GE Capital, two years as a senior analyst at BankBoston, and three years as Assistant Vice President at Heller Financial in the leveraged debt market, where he focused on underwriting, structuring, and monitoring leveraged credits.

Mr. Pelletier holds BS and MBA degrees from Northeastern University, and is a CFA charterholder.

Michael Cerullo, Managing Director and Head of Research

Mr. Cerullo has 25 years of investment experience. Mr. Cerullo joined ACAS in December 2005 as a Vice President in the Leveraged Finance Group, became Vice President and Principal in July 2007 and became Senior Vice President and Managing Director in January 2013. Prior to joining ACAS, he was Senior Vice President and Credit Products Officer in Bank of America's Commercial Bank, serving mid-sized commercial and industrial companies based in New Jersey. His prior experience also includes over nine years lending to companies in the media and entertainment industries, three years lending to middle market companies located in the Upstate New York market, and two years in commercial loan workouts, all with predecessor institutions of Bank of America.

Mr. Cerullo received his MBA from New York University's Stern School of Business and BA/BS degrees from the Wharton School of the University of Pennsylvania.

Dana Dratch, Principal and Head of Trading

Mr. Dratch has 17 years of investment experience. Mr. Dratch joined ACAS in November 2005 as a Vice President. Prior to joining ACAS, Mr. Dratch was employed at Merrill Lynch Capital (which was subsequently acquired by General Electric) underwriting leveraged transactions that were primarily sourced through the firm's brokerage force. Prior to joining Merrill, he was employed at RBC Capital Markets' Corporate Credit group covering a portfolio of large-cap borrowers. Prior to joining RBC, Mr. Dratch underwrote and monitored leveraged transactions in the Media and Healthcare divisions of FleetBoston Financial (which was subsequently acquired by Bank of America).

Mr. Dratch holds a BA in economics from Bates College and an MBA in Finance from Babson College. He is a CFA charterholder.

William Weiss, Vice President and Portfolio Analyst

Mr. Weiss has 19 years of investment experience. Mr. Weiss joined ACAS in January 2007 as a Vice President. Prior to joining ACAS, Mr. Weiss was employed with Deutsche Asset Management as a research analyst covering large and middle market companies operating in diversified industries including media, cable, telecommunications, business services, and food products. Prior to joining Deutsche Asset Management, he was employed with Bank of America's CLO group as a portfolio analyst covering diversified industries. Prior to joining Bank of America, Mr. Weiss underwrote and monitored leveraged transactions in the Media and Communications division of FleetBoston Financial (which was subsequently acquired by Bank of America).

Mr. Weiss holds a BA from Gettysburg College and an MBA in Finance from Hofstra University.

Juan Estela, Vice President and Portfolio Analyst

Mr. Estela has 13 years of financial services industry experience. Mr. Estela joined ACAS in May 2004 as a Senior Treasury Analyst, where he focused on the structuring and administration of structured debt. Mr. Estela became an Associate in the Leveraged Finance Group in January 2006, where he was focused on investing in third-party managed CLOs as well as covering companies operating in the Paper and Packaging, Aerospace and Defense, Real Estate, and Transportation sectors, and became a Vice President in January 2007. Prior to joining ACAS, Mr. Estela was a Credit Analyst for Citibank Colombia where his responsibilities included underwriting and monitoring corporate credits across the Food, Beverage and Retail industries. More recently he was part of the Organization of American States, where he evaluated and made recommendations on the budget assignments of the Inter-American Agency for Cooperation & Development.

Mr. Estela received his BS in Business Administration from the Pontificia Universidad Javeriana (Colombia) and his MBA in Finance from The George Washington University.

Christian Toro, Vice President and Structured Products Analyst

Mr. Toro has 15 years of financial services industry experience. Mr. Toro joined ACAS in March 2003 as a Treasury Manager where he focused on the execution, administration, and monitoring of secured and unsecured corporate debt. In August 2006, Mr. Toro joined the Leveraged Finance Group where he is focused on evaluating and executing principal CLO investments for the firm as well as covering companies operating in the Retail and Diversified manufacturing sector. Prior to joining ACAS, Mr. Toro was with Deloitte & Touche LLP, most recently as a member of the Global Capital Markets Group where he was focused on the implementation of Generally Accepted Accounting Principles for asset-backed and mortgage-backed securities transactions. Previously, he was a senior consultant in the Asset Securitization Group of PricewaterhouseCoopers LLP where he focused on reviewing transactions for the Securitization Accounting and Modeling Solutions practice – a specialized securitization accounting, cash-flow modeling and valuation group.

Mr. Toro graduated with a dual BS in Finance and Accounting from New York University's Stern School of Business and is a CFA charterholder and Certified Public Accountant.

Jay Heirshberg, Vice President and Portfolio Analyst

Mr. Heirshberg has 14 years of investment experience. Mr. Heirshberg joined ACAS in January 2013 as a Vice President in the Leveraged Finance Group. Prior to joining ACAS, Mr. Heirshberg was employed with Siemens Financial Services underwriting middle market leveraged transactions across North America, Europe and Asia. Prior to Siemens, Mr. Heirshberg was employed as a credit analyst with Ares Management and earlier with ACAS, covering various industries including diversified manufacturing and capital equipment, electronics, building products and utilities. Mr. Heirshberg began his career in the credit markets with BNP Paribas' Merchant Banking Group underwriting middle market leveraged transactions.

Mr. Heirshberg holds a BA in economics from Brown University and an MBA from the UCLA Anderson School of Management.

Nicoleen Prince-Burrell, Vice President and Portfolio Analyst

Ms. Prince-Burrell has 13 years of financial services industry experience. Ms. Prince-Burrell joined ACAS in November 2012 as Vice President. Prior to joining ACAS, Ms. Prince-Burrell was employed with GSO Capital Partners/The Blackstone Group as an investment research analyst covering the Paper & Packaging, Gaming & Lodging and Building Materials industries. Prior to joining GSO Capital Partners/The Blackstone Group, she was employed with Callidus Capital Management as an investment research analyst covering various industries. Ms. Prince-Burrell began her career at JPMorgan Chase as a credit analyst in the Mid-Corporate Banking Group.

Ms. Prince-Burrell received her BS in Business Administration with a concentration in Finance from Boston University and is a CFA charterholder.

Ajay Nanda, Vice President and Portfolio Analyst

Mr. Nanda has 13 years of investment experience. Mr. Nanda joined ACAS in June 2013 as a Vice President in the Leveraged Finance Group and is responsible for underwriting and managing transactions in the Healthcare and Oil & Gas sectors. Before joining ACAS, Mr. Nanda was a Portfolio/Deal Manager at Siemens Financial Services underwriting and managing middle market leveraged loans. Prior to joining Siemens Financial in 2011, Mr. Nanda was a Senior Vice President in the CLO group at Avenue Capital where he was responsible for underwriting, managing, and trading broadly syndicated loans. Prior to joining Avenue Capital in 2004, Mr. Nanda was a credit analyst at HVB Credit Advisors' (now UniCredit) CLO group for approximately three years. Mr. Nanda began his career in leveraged finance in 2000 with Fuji Bank's (now Mizuho) Leveraged Finance and CLO group. He received credit training at Citibank through an agreement with Fuji Bank.

Mr. Nanda holds an MBA in Finance from The College of William & Mary and a BS in Business Administration from Berea College.

Leona Clague, Vice President and Structured Products Analyst

Ms. Clague has 13 years of financial services industry experience. Ms. Clague joined ACAS in May 2013 as a Vice President in the Leveraged Finance Group. Prior to joining ACAS, Ms. Clague was a structured finance consultant. Prior to that, she was employed with Callidus Capital Management as a Vice President investing in CLO securities and assisting with new business initiatives. Ms. Clague began her financial services career at JPMorgan as a structurer in the CLO/CDO group.

Ms. Clague holds a dual B.A. in Mathematics and Political & Social Thought from the University of Virginia.

James Watson, Senior Associate and Portfolio Analyst

Mr. Watson has six years of financial services industry experience. Mr. Watson joined ACAS in January 2013 as a Senior Associate. Prior to joining ACAS, Mr. Watson was employed by ING Capital underwriting and managing leveraged middle market transactions. Prior to joining ING, Mr. Watson was employed at Deutsche Bank covering a portfolio of large-cap borrowers. Previously, Mr. Watson underwrote leveraged transactions in the Sponsor Finance division of CIT Group.

Mr. Watson holds a BS in Finance and General Management from Boston College. He is a 2013 Level III CFA candidate.

Kalina Ivanova, Senior Associate and Portfolio Analyst

Ms. Ivanova has seven years of financial services industry experience. Prior to joining ACAS in 2013, Ms. Ivanova was employed by CIFC Asset Management underwriting and managing broadly syndicated loans covering the Business Services industry. Prior to joining CIFC Asset Management, Ms. Ivanova was employed by Houlihan Lokey in its Financial Advisory Group providing valuation services to a wide range of clients.

Ms. Ivanova holds an MBA from the University of Chicago Booth School of Business and a B.S. in Economics from Elmhurst College.

Matthew Seifert, Senior Associate and Structured Products Analyst

Mr. Seifert has four years of financial services industry experience. Mr. Seifert joined American Capital in July 2013 as a Senior Associate. Prior to joining American Capital, Mr. Seifert was with PNC Capital Markets' Asset Backed Finance group where he focused on the origination and structuring of broadly syndicated and middle market CLOs. Mr. Seifert began his career as an aerospace and flight dynamics engineer for the Orbital Sciences Corporation where he focused on earth orbiting satellites.

Mr. Seifert holds a B.S.E. in Aerospace Engineering, an M.Eng. in Space Engineering, and an M.S.E. in Financial Engineering, all from the University of Michigan.

Maria Jones, Director of Operations

Ms. Jones has 16 years of asset management operations experience. Ms. Jones joined ACAS in April 2013 as Director of Operations. Prior to joining ACAS, Ms. Jones was employed at Canaras Capital Management, LLC where she as the chief Operating Officer responsible for establishing and reviewing policies and procedures for operational and risk control, accounting and compliance. Prior to joining Canaras Capital Management, LLC, Ms. Jones was employed at Goldman Sachs Asset Management where she was responsible for establishing daily operations procedures to monitor hedge fund's direct investments in bank loans. Prior to Goldman Sachs Asset Management, she was employed at INVESCO where she had responsibility for bank loans settlement and reporting and later in the capacity of operations manager overseeing 17 CLO structures and several separately managed accounts. She began her career in 1997 at Loan Pricing Corporation, a Thompson Reuters company.

Ms. Jones holds a B.S. in Finance & Management Information Systems from New York University's Stern School of Business.

Robert Lin, CLO Operations Manager

Mr. Lin has 15 years of financial services industry experience. Mr. Lin joined American Capital in April 2013 as CLO Operations Manager. Prior to joining American Capital, Mr. Lin was employed at Deutsche Bank Securities as a book-runner/risk analyst for secondary CMBS flow desk and other ABS trading desks. Prior to joining Deutsche Bank Securities, Mr. Lin was employed at various buy-side CLO firms, including Credit Suisse Asset Management, Mountain Capital Advisors (a subsidiary of Mizuho Alternative Investments), and PPM America. Mr. Lin began his financial services career at Citigroup analyzing global economies and financial markets.

Mr. Lin holds a B.S. in Finance and Economics from New York University's Stern School of Business and an MBA from Fordham University's Graduate School of Business.

Shelly-Ann Glover, CLO Operations Manager

Ms. Glover joined American Capital in January of 2006 as a Treasury CLO Operations Analyst where she focused on the loan closing process, cash reconciliation and oversight of the daily maintenance of the portfolio. Prior to joining American Capital, Mrs. Glover was an Associate Manager of the Operations group for Prudential Financial where her responsibilities included overseeing the Bank Loan Operations which was responsible for cash forecasting, loan servicing and maintenance, disbursement of general accounts funds, data quality and input, and reporting for Public Fixed Income executives and Investment Operations management. Mrs. Glover has a total of 11 years of experience in the bank loan market.

Mrs. Glover received her B.S. in Finance from William Paterson University in Wayne, New Jersey.

Lauren Schultz, CLO Operations Manager

Ms. Schultz has 11 years of financial services industry experience. Ms. Schultz joined American Capital in March of 2006 as a Debt Servicing Analyst where she focused on compliance and reporting requirements for American Capital's first European securitization. In January of 2009 Ms. Schultz transitioned to the CLO Operations Team, focusing on compliance, pre-trade portfolio analysis, and reporting. Prior to joining American Capital, Ms. Schultz was an Asset-Based Lending Examiner for RSM McGladrey where she was responsible for managing line of credit exposure for local and national banks.

Ms. Schultz received her B.S. in Finance from Towson University in Baltimore, Maryland.

THE COLLATERAL MANAGEMENT AGREEMENT

General

The Issuer and the Collateral Manager will enter into the Collateral Management Agreement pursuant to which the Collateral Manager will perform certain administrative and consultative functions with respect to the Assets. Pursuant to the terms of the Collateral Management Agreement, and in accordance with the requirements set forth in the Indenture, the Collateral Manager will select the portfolio of Collateral Obligations and will instruct the Trustee with respect to any acquisition, disposition or sale of a Collateral Obligation or Eligible Investment. The Collateral Manager will, among other things, have the right, on behalf of the Issuer, to vote or refrain from voting any Collateral Obligation and to exercise any other rights or remedies with respect thereto consistent with the terms of the Indenture.

Pursuant to the terms of the Collateral Management Agreement, the Collateral Manager will monitor the Collateral Obligations and provide the Issuer with certain information with respect to the composition and characteristics of the Collateral Obligations, any disposition or tender of a Collateral Obligation, the reinvestment of the proceeds of any such disposition in Eligible Investments and with respect to the retention of the proceeds of any such disposition or the application thereof toward the purchase of an additional Collateral Obligation.

The Indenture places significant restrictions on the Collateral Manager's ability to buy and sell Assets, and the Collateral Manager is required to comply with these restrictions contained in the Indenture. Accordingly, during certain periods or in certain specified circumstances, the Collateral Manager may be unable to buy or sell assets or to take other actions which it might consider in the best interest of the Issuer and the holders of Notes, as a result of the restrictions set forth in the Indenture.

When purchasing or entering into Collateral Obligations on behalf of the Issuer, the Collateral Manager will be required to comply with requirements in the Collateral Management Agreement intended to prevent the Issuer from being engaged in a trade or business within the United States for U.S. federal income tax purposes (such requirements, the "**Investment Guidelines**"). The Issuer and the Collateral Manager will be deemed to have complied with the Investment Guidelines if, with respect to a particular transaction, the Issuer (or the Collateral Manager on the Issuer's behalf) has received written advice of Winston & Strawn LLP (including by email), or the opinion of other tax counsel of nationally recognized standing in the United States experienced in such matters, to the effect that the acquisition of such Collateral Obligation (or otherwise participating in such transaction) will not cause the Issuer to be treated as engaged in a trade or business within the United States for U.S. federal income tax purposes that (i) is based on knowledge by the person giving the advice of all relevant facts and circumstances of the Issuer and transaction (which are described in the advice or in a written description referred to in the advice which may be provided by the Issuer or Collateral Manager), and (ii) is intended by the person rendering the advice to be relied upon by the Issuer in connection with the transaction.

Standard of Care

The Collateral Management Agreement provides that the Collateral Manager will perform its obligations under the Collateral Management Agreement with reasonable care using a degree of skill and attention no less than that which the Collateral Manager exercises with respect to comparable assets that it manages for itself and others and in a manner consistent with the degree of skill and attention exercised by reasonable and prudent institutional managers of assets of the nature and character of the Collateral Obligations, except as expressly provided otherwise in accordance with the Collateral Management Agreement, the Indenture and applicable law. To the extent not inconsistent with the foregoing, the Collateral Manager shall follow its customary standards, policies and procedures in performing its duties under the Collateral Management Agreement.

Liability of the Collateral Manager

The Collateral Manager and its Affiliates, equityholders, members, managers, officers, directors, employees, agents and professionals, will not be liable to the Issuer, the Trustee, the Noteholders or any other person for any loss incurred, or any decrease in the value of the Assets, that arise out of or in connection with the

performance by the Collateral Manager of its duties under the Collateral Management Agreement or the Indenture, except, in the case of the Collateral Manager only, (i) by reason of acts constituting bad faith, willful misconduct, reckless disregard or gross negligence in the performance of its obligations thereunder and (ii) in respect of the portions of the preliminary Offering Circular for the Notes and this Offering Circular entitled "The Collateral Manager" and the sub-headings thereunder, "Risk Factors—Relating to the Collateral Manager" and the sub-headings thereunder and "Risk Factors—Relating to Certain Conflicts of Interest—The Issuer will be subject to various conflicts of interest involving the Collateral Manager and its affiliates", including any amendment or supplement to such information contained in any amendment or supplement to this Offering Circular approved in writing by the Collateral Manager (including any offering circular approved in writing by the Collateral Manager for additional notes issued pursuant to the provisions of the Indenture described under "Description of the Notes—The Indenture—Additional Issuance" or for replacement securities issued in connection with a Refinancing in part by Class of one or more Classes of Secured Notes, or any offering circular in connection with a Re-Pricing), containing any untrue statement of a material fact or omitting to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (in each case under this clause (ii), determined as of the date of the applicable offering circular or amendment or supplement thereto), in each case as finally determined by a court of competent jurisdiction (the occurrences set forth in clauses (i) and (ii), "**Collateral Manager Breaches**").

Subject to the above mentioned standard of conduct and the foregoing limitations, the Collateral Manager and its directors, officers, stockholders, members, partners, agents and employees, and its Affiliates and their trustees, directors, officers, stockholders, members, partners, agents and employees, will be entitled to indemnification by the Issuer for any losses or liabilities, including legal or other expenses, relating to the issuance of the Notes, the transactions contemplated by the Indenture or the performance of the Collateral Manager's obligations under the Collateral Management Agreement, which will be payable in accordance with the Priority of Payments. The Issuer and its directors, officers, stockholders, agents and employees will be entitled to indemnification by the Collateral Manager for any losses or liabilities, including legal or other expenses, caused by, or arising out of or in connection with, any Collateral Manager Breach.

Assignment

The Collateral Manager may assign its rights or responsibilities (including its asset selection, credit review, trade execution and/or related Collateral Management duties) under the Collateral Management Agreement subject to the following requirements, and in each case subject to any consent required for an assignment under the Advisers Act: (a) with (except as set forth in clause (b) below) the consent of a Majority of the Controlling Class and a Majority of the Subordinated Notes; or (b) without obtaining consent of any Holder of Notes, to the surviving entity of a merger, consolidation or restructuring, to an affiliate of the Collateral Manager or to any other entity to which all or substantially all of the assets, or at the time of such transfer, the collateral management business, of the Collateral Manager has been transferred, so long as the entity satisfies the Successor Criteria. The consent of the Board of Directors of the Issuer will constitute consent to any transaction considered to be an assignment under the Advisers Act that does not require consent of Noteholders as described above.

In addition, the Collateral Manager may delegate to third parties (including its affiliates) that it shall select with reasonable care and may employ third parties in the performance of its obligations under the Collateral Management Agreement; *provided* that (A) the Collateral Manager will not be relieved of any of its duties thereunder as a result of such delegation to or employment of third parties and shall be liable for acts and omissions of such third parties to the same extent (including the same standard of care) as if such acts and omissions were acts or omissions of the Collateral Manager and (B) the Collateral Manager will be solely responsible for the fees and expenses payable to any such third party except to the extent such expenses are payable by the Issuer thereunder.

No assignment or delegation of the Collateral Manager's rights or duties shall be permitted or be effective to the extent such assignment or delegation would cause the Issuer or the holders or beneficial owners of the Notes to be subject to material additional taxes.

Amendments

The Collateral Management Agreement may be amended to (i) correct inconsistencies, typographical or other errors, defects or ambiguities or (ii) conform the Collateral Management Agreement to this Offering Circular or the Indenture, in each case without the consent of the holders of any Notes. In addition, the Collateral Management Agreement may be amended to make any other changes to the Collateral Management Agreement without the consent of any holders of any Notes unless such change would (i) have a material adverse effect on any Class of Notes or (ii) modify in a way adverse to any Class of Notes the standard of care, the provisions of the Collateral Management Agreement on removal for "cause" of the Collateral Manager or assignment by the Collateral Manager or any other provision of the Collateral Management Agreement pursuant to which the consent of a specified percentage of a Class of Notes is required as a condition to an action. Any other amendment to the Collateral Management Agreement shall be permitted with the consent of a Majority of the Controlling Class and a Majority of the Subordinated Notes, notice to S&P and satisfaction of the Moody's Rating Condition.

Removal, Resignation and Replacement of the Collateral Manager

The Collateral Manager may be removed for "**cause**" upon 30 days' prior written notice by the Issuer or the Trustee, at the direction of a Supermajority of the Controlling Class or a Special Supermajority of the Subordinated Notes. Notice of such removal for cause will be given by or on behalf of the Issuer to the holders of each Class of Notes. No such removal shall be effective (A) until the date as of which a successor Collateral Manager has agreed in writing to assume all of the Collateral Manager's duties and obligations pursuant to the Collateral Management Agreement and (B) unless the party seeking such termination (or a representative thereof), prior to delivering any notice of termination to the Collateral Manager, shall have given three days' prior written notice to the Holders of the Notes of its decision that the Collateral Manager's services should be terminated. For purposes of the Collateral Management Agreement, "cause" will mean the occurrence of one or more of the following:

(a) willful violation by the Collateral Manager of any material provision of the Collateral Management Agreement or the Indenture applicable to the Collateral Manager;

(b) violation by the Collateral Manager of any provision of the Collateral Management Agreement or the Indenture applicable to the Collateral Manager (except for any such violations that could not, either individually or in the aggregate, reasonably be expected to have a material adverse effect on the Issuer, the Assets or any Noteholder; it being understood that any failure by the Issuer to meet any of the Concentration Limitations, Collateral Quality Tests or the Coverage Tests is not such a violation), which violation (A) is not cured by the Collateral Manager within 30 days after its becoming aware of, or its receipt of notice from the Issuer or the Trustee of, such violation, or (B) if such violation is capable of cure, but is not capable of cure within 30 days, the Collateral Manager fails to cure such violation within the period in which a reasonably diligent Person could cure such violation, which period shall not, in any case, exceed 60 days after the Collateral Manager becoming aware of, or receiving notice from the Issuer or the Trustee of, such violation;

(c) the failure of any representation, warranty, certification or statement made or delivered by the Collateral Manager pursuant to the Collateral Management Agreement or the Indenture to be correct in any material respect when made, which failure (A) is not corrected by the Collateral Manager within 30 days after its becoming aware of, or its receipt of notice from the Issuer or the Trustee of, such failure or (B) if such failure is capable of cure, but is not capable of cure within 30 days, the Collateral Manager fails to cure such failure within the period in which a reasonably diligent Person could cure such failure, which period shall not, in any case, exceed 60 days after the Collateral Manager becoming aware of, or receiving notice from the Issuer or the Trustee of, such failure;

(d) certain events of bankruptcy or insolvency in respect of the Collateral Manager specified in the Collateral Management Agreement; or

(e) the occurrence of an Event of Default under the Indenture that is described in clauses (a) or (f) of the definition of "Event of Default" (other than any such Event of Default that would not have occurred but for breach by the Trustee, the Collateral Administrator or any Paying Agent of its obligations under the

Indenture or any related transaction document to which it is a party) that results primarily from any breach by the Collateral Manager of its duties under the Collateral Management Agreement or the Indenture;

(f) (i) the occurrence of any act by the Collateral Manager that constitutes fraud or criminal activity in the performance of its obligations under the Collateral Management Agreement, the Indenture or the Collateral Administration Agreement or the Collateral Manager being convicted for a criminal offense related to its business of providing asset management services or (ii) the occurrence of any act by any director, manager or executive officer of the Collateral Manager or any employee of the Collateral Manager or any Affiliate who has primary responsibility for the oversight and management of the Assets that constitutes fraud or criminal activity in the performance of the Collateral Manager's obligations under the Collateral Management Agreement, the Indenture or the Collateral Administration Agreement, or any such person being indicted for a criminal offense related to the Collateral Manager's business of providing asset management services; *provided* that any indictment arising from practices that have become the subject of contemporaneous actions against multiple investment advisers shall not constitute "cause" for purposes of this clause (A) unless such indictment otherwise meets the requirements of this clause and (B) until more than 30 days have expired since the commencement of such indictment during which period the Collateral Manager has failed to cure such indictment. For purposes of the foregoing subclause (B), an indictment against no more than two such officers or employees will be deemed to be cured if the Collateral Manager removes responsibility for the management of the Assets from such officers or employees of the Collateral Manager that are the subject of the applicable indictment.

If any of the events specified above occur, the Collateral Manager will be required to give prompt written notice thereof to the Issuer, the Rating Agencies and the Trustee upon the Collateral Manager's becoming aware of such occurrence. Any event described in (a), (b), (c), (e) or (f) above may be waived as a basis for removal of the Collateral Manager by a Majority of the Controlling Class and a Special Majority of the Subordinated Notes. Upon receipt of written notice of the occurrence of the removal of the Collateral Manager for "cause", the Trustee will notify each Noteholder of such occurrence within one Business Day after receipt of such written notice.

The Collateral Manager may resign or terminate its obligations under the Collateral Management Agreement upon 30 days' (or such shorter notice as is acceptable to the Issuer) written notice to the Issuer and the Trustee; *provided* that the Collateral Manager shall have the right to resign immediately upon the effectiveness of any material change in applicable law or regulations which renders the performance by the Collateral Manager of its duties under the Collateral Management Agreement or under the Indenture to be a violation of such law or regulation, unless such violation can be reasonably remedied without adverse effect or liability on the Collateral Manager (as determined by the Collateral Manager in its sole discretion). The Collateral Management Agreement will automatically terminate if the Collateral Manager determines in good faith that the Issuer, the Co-Issuer or the pool of Assets has become an investment company required to be registered under the Investment Company Act and the Collateral Manager notifies the Issuer of such determination.

No such resignation or removal of the Collateral Manager or termination of the Collateral Management Agreement shall become effective until the acceptance of appointment by a successor Collateral Manager (the "**Successor Manager**") satisfying the Successor Criteria described below and notice of which has been given to the Rating Agencies. Within 30 days after the date of a notice of removal or resignation of the Collateral Manager (the "**Manager Termination Date**"), by written notice to the Issuer and the Trustee, a Majority of the Subordinated Notes may propose a Successor Manager. The Issuer will appoint such Successor Manager if it satisfies the Successor Criteria, subject to the approval of the holders of a Majority of the Controlling Class. If the holders of a Majority of the Controlling Class do not approve the proposed successor, the holders of a Majority of the Controlling Class may propose a Successor Manager, which the Issuer will appoint if it satisfies the Successor Criteria, subject to the consent of the holders of a Majority of the Subordinated Notes. If no Successor Manager has been selected within 90 days of the Manager Termination Date, the Issuer, the resigning Collateral Manager, the Trustee or any holder of Notes may petition a court of competent jurisdiction for the appointment of a Successor Manager that satisfies the Successor Criteria.

A Successor Manager will satisfy the "**Successor Criteria**" if: (i) it has demonstrated an ability to professionally and competently perform duties similar to those imposed upon the Collateral Manager under the Collateral Management Agreement; (ii) it is legally qualified and has the capacity to act as Collateral Manager; (iii)

its appointment would not cause or result in the Issuer becoming, or require the pool of Assets to be registered as, an investment company under the Investment Company Act; (iv) its appointment would not cause the Issuer to be subject to net income tax outside the Issuer's jurisdiction of incorporation or cause the holders or beneficial owners of the Notes to become subject to additional withholding taxes; (v) the Rating Agencies have been notified of such Successor Manager and (vi) it is not an Affiliate of any holder of Notes that has appointed such Successor Manager.

No compensation payable to a successor Collateral Manager from payments on the Assets will be greater than that permitted to the Collateral Manager under the Collateral Management Agreement without (a) the prior written consent of a Majority of each Class of Notes (each Class voting separately) and (b) prior notice to each Rating Agency. Upon expiration of the applicable notice periods with respect to termination specified in the Collateral Management Agreement, all authority and power of the Collateral Manager under the Collateral Management Agreement, whether with respect to the Assets or otherwise, will automatically and without action by any Person pass to and be vested in the successor institution upon the acceptance by such institution of its appointment under the Collateral Management Agreement. The Issuer and the successor will take such action (or cause the outgoing Collateral Manager to take such action) consistent with the Collateral Management Agreement and as will be necessary to effect any such succession.

Votes Under the Collateral Management Agreement

Collateral Manager Notes will be disregarded and have no voting rights with respect to any vote in respect of (i) the removal of the Collateral Manager for "cause" under the Collateral Management Agreement and (ii) the waiver of any event constituting "cause" as a basis for termination of the Collateral Management Agreement and removal of the Collateral Manager, and such Notes will be deemed not to be outstanding in connection with any such vote, except that only Notes that a trust officer of the Trustee actually knows to be Collateral Manager Notes shall be so disregarded. Collateral Manager Notes will have voting rights with respect to all other matters as to which the holders of the Notes of the applicable Classes are entitled to vote.

In connection with any vote under the Collateral Management Agreement, in determining whether the holders of the requisite aggregate outstanding principal amount of Notes have given any request, demand, authorization, direction, notice, consent or waiver or made any proposal, if Collateral Manager Notes are disregarded and deemed not to be outstanding in connection with such vote and a Class of Notes entitled to vote is comprised entirely of Collateral Manager Notes, then, unless all Classes of Notes are comprised entirely of Collateral Manager Notes, the next most senior Class of Notes that is not comprised entirely of Collateral Manager Notes shall be entitled to exercise the specified voting rights, disregarding any Collateral Manager Notes, in lieu of such other Class of Notes.

Conflicts of Interest

The Collateral Management Agreement generally permits the Collateral Manager or any of its various affiliates to acquire or sell obligations or securities, for its own account or for the accounts of its clients, without either requiring or precluding the purchase or sale of such obligations or securities for the account of the Issuer. In the event that, in light of market conditions and investment objectives, the Collateral Manager determines that it would be advisable to purchase the same Collateral Obligation both for the Issuer, and either the proprietary account of the Collateral Manager or any affiliate of the Collateral Manager or another client of the Collateral Manager, the Collateral Manager will employ allocation procedures as more fully set forth in the Collateral Management Agreement.

The Collateral Management Agreement does not (a) preclude the Collateral Manager or its affiliates from acting as principal, agent or fiduciary for other clients in connection with obligations or securities simultaneously held by the Issuer or of the type eligible for investment by the Issuer or (b) generally speaking, limit any relationships the Collateral Manager or any of its affiliates may have with any obligor of any Collateral Obligation. The Collateral Management Agreement requires that all such purchases from or sales to the Collateral Manager, an Affiliate of the Collateral Manager or the Collateral Manager's clients (including the Issuer) be made in compliance with the provisions of the Advisers Act. Should a conflict of interest actually arise, the Collateral Manager will endeavor to resolve it in a manner which it deems to be fair to the extent possible under the prevailing facts and circumstances. The provisions of the Collateral Management Agreement do not override any fiduciary and other

duties the Collateral Manager may have under the Advisers Act. See "Risk Factors—Relating to Certain Conflicts of Interest—The Issuer will be subject to various conflicts of interest involving the Collateral Manager and its affiliates."

Subject to the terms of the Collateral Management Agreement, the Collateral Manager may cause the Issuer to purchase Collateral Obligations for inclusion in the Assets directly from, or sell Collateral Obligations directly to, the Collateral Manager or an affiliate of the Collateral Manager. Such a transaction may be considered a principal transaction under the Advisers Act and, if so considered a principal transaction, would be subject to procedures set forth below. To the extent that applicable law requires disclosure to and the consent and approval of the Issuer to any purchase or sale transaction on a principal basis with the Collateral Manager or its affiliates, such requirements may be satisfied with respect to the Issuer and all holders (i) if (A) the Collateral Manager presents such trade to the Board of Directors of the Issuer or an independent advisor to, and appointed by, the Board of Directors that is not an affiliate of the Collateral Manager for review, and (B) such trade is approved in writing by the Board of Directors of the Issuer or such independent advisor in accordance with such procedures; or (ii) pursuant to any other manner that is permitted pursuant to then applicable law.

Compensation of the Collateral Manager

As compensation for the performance of its obligations as Collateral Manager, the Collateral Manager will be entitled to receive a fee, which will accrue quarterly in arrears on each Payment Date (prorated for the related Interest Accrual Period), in an amount equal to the sum of (i) 0.20% per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) of the Fee Basis Amount at the beginning of the Collection Period relating to such Payment Date (the "**Base Management Fee**"), (ii) 0.30% per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) of the Fee Basis Amount at the beginning of the Collection Period relating to such Payment Date (the "**Subordinated Management Fee**"); *provided* that the Subordinated Management Fee payable on any Payment Date shall not include any such fee (or any portion thereof) the payment of which has been irrevocably waived by the Collateral Manager pursuant to the Collateral Management Agreement and (iii) an amount equal to, as applicable on such Payment Date, (x) the sum of 20% of any remaining Interest Proceeds distributable pursuant to clause (V) of the Priority of Payments as described in "Overview of Terms—Priority of Payments—Application of Interest Proceeds" and 20% of any remaining Principal Proceeds distributable pursuant to clause (S) of the Priority of Payments as described in "Overview of Terms—Priority of Payments—Application of Principal Proceeds" or (y) 20% of any remaining Interest Proceeds and Principal Proceeds distributable pursuant to clause (V) of the Priority of Payments as described in "Description of the Notes—Priority of Payments" (such payments described in clause (iii), collectively, the "**Incentive Management Fee**") and, together with the Base Management Fee and the Subordinated Management Fee, the "**Collateral Management Fee**"); *provided* that the Incentive Management Fee payable on any Payment Date shall not include any such fee (or any portion thereof) the payment of which has been irrevocably waived by the Collateral Manager pursuant to the Collateral Management Agreement. No waiver of Collateral Management Fee by the Collateral Manager shall affect the amount of any Base Management Fee or Subordinated Management Fee that would be payable to any successor Collateral Manager.

The Collateral Management Fee is payable on each Payment Date only to the extent that sufficient Interest Proceeds or Principal Proceeds are available. On any Payment Date, the Collateral Manager may, in its sole discretion, waive or defer all or a portion of the Subordinated Management Fee or waive all or a portion of the Incentive Management Fee. With respect to any such Subordinated Management Fee that is waived or deferred or any such Incentive Management Fee that is waived, the Collateral Manager may direct the Trustee (with notice to the Collateral Administrator) that such fee, instead of being paid to the Collateral Manager, be deposited to the Collection Account as Principal Proceeds for the purchase of additional Collateral Obligations. Any Subordinated Management Fee deferred at the election of the Collateral Manager shall be payable on subsequent Payment Dates to the extent of funds available therefor in accordance with, and subject to the limitations of, the Priority of Payments.

To the extent they are not paid when due on any Payment Date due to the operation of the Priority of Payments (and not as the result of a waiver by the Collateral Manager), the Base Management Fee and the Subordinated Management Fee will be deferred and will be payable on subsequent Payment Dates in accordance with, and subject to the limitations of, the Priority of Payments. Any accrued and unpaid Base Management Fee will

bear interest at a rate per annum equal to three-month LIBOR plus 1.50% and any accrued and unpaid Subordinated Management Fee (other than any Subordinated Management Fee that is waived at the election of the Collateral Manager, but including any Subordinated Management Fee that is deferred at the election of the Collateral Manager) will bear interest at a rate per annum equal to three-month LIBOR plus 1.50%, in each case, for the period from (and including) the date on which such Base Management Fee or Subordinated Management Fee, as applicable, is due and payable to (but excluding) the date of payment thereof.

If the Collateral Management Agreement is terminated for any reason, or if the Collateral Manager resigns or is removed, (i) the Collateral Management Fee shall be prorated (and considered accrued) for any partial period elapsing from the last Payment Date on which such Collateral Manager received the Collateral Management Fees to the effective date of such termination, resignation or removal and (ii) the amount of any unpaid (and considered accrued on the basis of such proration) or previously deferred Collateral Management Fee shall be determined as of the effective date of such termination, resignation or removal and, in each case, shall be due and payable on each Payment Date following the effective date of such termination, resignation or removal in accordance with the Priority of Payments until paid in full. Otherwise, such Collateral Manager shall not be entitled to any further compensation for further services but shall be entitled to receive any expense reimbursement accrued to the effective date of termination, resignation or removal and any indemnity amounts owing (or that may become owing) under the Collateral Management Agreement. Any Collateral Management Fee, expense reimbursement and indemnities owed to such Collateral Manager or owed to any successor Collateral Manager on any Payment Date shall be paid *pro rata* based on the amount thereof then owing to each such Person, subject to the Priority of Payments. With respect to any Incentive Management Fee, the Incentive Management Fees payable on each Payment Date occurring after the replacement date of the former Collateral Manager shall be payable to the former Collateral Manager and the replacement Collateral Manager based on the respective duration of each such Collateral Manager's appointment during the period from the Closing Date to such Payment Date.

The Issuer shall pay or reimburse the Collateral Manager (at closing in the case of clause (i) below) for its payment of any and all reasonable costs and expenses incurred on behalf of the Issuer, including, without limitation: (i) the costs and expenses of the Collateral Manager incurred in connection with the negotiation and preparation of the Collateral Management Agreement and all other agreements and matters related to the issuance of the Notes; (ii) any transfer fees necessary to register any Collateral Obligation in accordance with the Indenture; (iii) any fees and expenses in connection with the acquisition, management or disposition of Assets or otherwise in connection with the Notes or the Issuer (including (a) investment related travel, communications and related expenses, (b) loan processing fees, legal fees and expenses and other expenses of professionals retained by the Collateral Manager on behalf of the Issuer and (c) amounts in connection with the termination, cancellation or abandonment of a potential acquisition or disposition of any Assets that is not consummated); (iv) any and all taxes and governmental charges that may be incurred or payable by the Issuer; (v) any and all insurance premiums or expenses incurred in connection with the activities of the Issuer by the Collateral Manager; (vi) any and all costs, fees and expenses incurred in connection with the rating of the Notes or obtaining ratings or credit estimates on Collateral Obligations, and communications with the Rating Agencies; (vii) any and all costs, fees and expenses incurred in connection with the Collateral Manager's communications with the holders; (viii) costs and fees of one or more firms that provide software databases and applications for the purpose of modeling, evaluating and monitoring the Assets and the Notes pursuant to a licensing or other agreement; (ix) fees and expenses for services to the Issuer in respect of the Assets relating to asset pricing and rating services; (x) any and all expenses incurred to comply with any law or regulation related to the activities of the Issuer, to the extent relating to the Issuer and the Assets; and (xi) the fees and expenses of any independent advisor employed to value or consider Collateral Obligations. Other than as stated above, the Issuer will bear, and will pay directly in accordance with the Indenture, all other costs and expenses incurred by it or on its behalf in connection with the organization, operation or liquidation of the Issuer.

On the Closing Date, the Collateral Manager will be reimbursed by the Issuer for certain of its expenses incurred in connection with the acquisition of the initial Collateral Obligations and the issuance of the Notes (including, without limitation, legal fees and expenses).

THE CO-ISSUERS

General

ACAS CLO 2013-2, Ltd. (the "**Issuer**") is an exempted company incorporated with limited liability under the laws of the Cayman Islands and is a special purpose entity established for the sole purpose of acquiring the Collateral Obligations, issuing the Notes and engaging in certain related transactions. The Issuer was incorporated on August 5, 2013 in the Cayman Islands with registered number HL-279995 and has an indefinite existence. The Issuer's registered office is at the offices of Appleby Trust (Cayman) Ltd., Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The telephone number of the Issuer is +1 (345) 949-4900. The directors of the Issuer are George Bashforth, David Boyd and Richard McMillan. The directors of the Issuer serve as directors of and provide services to other special purpose entities that issue collateralized obligations and perform other duties for the Administrator. The Issuer will have no operating history prior to the Closing Date other than the entry into commitments to purchase Collateral Obligations, and arrangements to finance the purchase of Collateral Obligations, prior to the Closing Date in contemplation of the transactions described herein. See "Risk Factors—Relating to the Collateral Obligations—Closing Date and pre-Closing Date acquisition of Collateral Obligations". The Issuer does not publish any financial statements.

Subject to the contracting restrictions imposed upon the Issuer by the Indenture, the directors of the Issuer have the power to borrow on behalf of the Issuer. A director of the Issuer is not required to own any shares in the Issuer in order to qualify as a director.

A director of the Issuer (or his alternate director or duly appointed proxy in his absence) is at liberty to vote in respect of any contract or transaction in which he is interested; *provided* that the nature of the interest of any director or alternate director in any such contract or transaction is disclosed by him or the alternate director appointed by him at or prior to its consideration and any vote on it.

As of the Closing Date, the authorized share capital of the Issuer will consist of U.S.$250, divided into 250 ordinary voting shares of U.S.$1.00 par value per share (the "**Issuer Ordinary Shares**"). As of the Closing Date, all of the Issuer Ordinary Shares will be held by Appleby Trust (Cayman) Ltd., (in such capacity, the "**Share Trustee**"), under the terms of a declaration of trust ultimately for charitable purposes. The Issuer will not have any material assets other than the Collateral Obligations and certain other eligible assets. The Collateral Obligations and such other eligible assets will be pledged to the Trustee as security for the Issuer's obligations under the Secured Notes and the Indenture.

ACAS CLO 2013-2, LLC (the "**Co-Issuer**") was formed under the laws of the State of Delaware and is a special purpose entity established for the sole purpose of co-issuing the Secured Notes other than the Class D Notes and Class E Notes. The Co-Issuer was formed on September 12, 2013 in the State of Delaware with registered number 5397809 and has an indefinite existence. The Co-Issuer's registered office is at 2711 Centerville Road, Suite 400, City of Wilmington, State of Delaware 19808, County of New Castle, telephone no. (302) 738-6680. The Co-Issuer has no substantial assets and will not pledge any assets to secure the Notes.

The sole manager the Co-Issuer is Donald J. Puglisi. The principal outside function of Donald J. Puglisi consists of being a finance professor emeritus at the University of Delaware and serving as a corporate director for a variety of entities. Donald J. Puglisi may be contacted at the registered office of the Co-Issuer. The Co-Issuer has no prior operating history. Unless otherwise required pursuant to the Indenture, the Co-Issuer will not publish any financial statements.

The Co-Issuer will only be capitalized to the extent of its membership interests of U.S.$10.00. As of the Closing Date, the sole member of the Co-Issuer will be the Issuer.

The Notes are not obligations of the Trustee, the Collateral Manager, Citigroup, the Collateral Administrator, or any of their respective affiliates, the Administrator, the Share Trustee or any directors or officers of the Co-Issuers. The Co-Issuer will not make any payments of interest or principal or other distributions on the Notes.

Capitalization of the Issuer

The Issuer's initial proposed capitalization and indebtedness as of the Closing Date after giving effect to the issuance of the Notes and the Issuer Ordinary Shares (before deducting expenses of the offering) is set forth below:

	Amount
Class A-1A Notes	$99,000,000
Class A-1B Notes	$140,000,000
Class A-1C Notes	$10,000,000
Class A-2A Notes	$43,750,000
Class A-2B Notes	$10,000,000
Class B Notes	$28,000,000
Class C Notes	$20,000,000
Class D Notes	$18,000,000
Class E Notes	$7,000,000
Subordinated Notes	$38,450,000
Total Debt	$414,200,000
Issuer Ordinary Shares	250
Retained Earnings	
Total Equity	$250
Total Capitalization	$414,200,250[1]

1 Unaudited.

The Co-Issuer has no liabilities other than the Class A Notes, the Class B Notes and the Class C Notes.

Business of the Co-Issuers

The Issuer's Memorandum of Association describes the objects of the Issuer, which include the activities to be carried out by the Issuer in connection with the Notes. The Co-Issuer's certificate of incorporation describes the objects of the Co-Issuer, which include the activities to be carried out by the Co-Issuer in connection with the Secured Notes (other than the Class D Notes and Class E Notes). The Co-Issuers have not issued securities, other than ordinary or common shares, prior to the Original Distribution Date and have not listed any securities on any exchange prior to the date hereof. The Issuer will covenant in the Indenture not to undertake any activities other than issuing, paying and redeeming the Notes and any additional notes issued pursuant to the Indenture, acquiring, holding, selling, exchanging, redeeming and pledging, solely for its own account, Collateral Obligations and Eligible Investments, acquiring, holding, selling, exchanging, redeeming and pledging shares in Blocker Subsidiaries and other activities incidental thereto, including entering into the Purchase Agreement, the Placement Agency Agreement and the Transaction Documents to which it is a party. The Co-Issuer will covenant in the Indenture not to engage in any business or activity other than issuing and selling the Secured Notes (other than the Class D Notes and Class E Notes) and any additional rated notes issued pursuant to the Indenture and other activities incidental thereto, including entering into the Purchase Agreement and the Transaction Documents to which it is a party. Neither of the Co-Issuers will have any subsidiaries (other than any Blocker Subsidiaries, in the case of the Issuer). In general, subject to the credit quality and diversity of the Collateral Obligations and general market conditions and the need (in the judgment of the Collateral Manager) to satisfy the Coverage Tests, the Interest Diversion Test, the Concentration Limitations and the Collateral Quality Test or to obtain funds for the redemption or payment of the Notes, the Issuer will own the Assets and will receive payments of interest and principal on the Collateral Obligations and Eligible Investments as the principal source of its income. The ability to purchase additional Collateral Obligations and sell Collateral Obligations prior to maturity is subject to significant restrictions under the Indenture. See "Security for the Secured Notes—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria".

In addition, pursuant to the terms of an agreement to be entered into on or prior to the Closing Date among the Issuer, the Collateral Manager and the Collateral Administrator (the "**Collateral Administration Agreement**"), the Issuer will retain Virtus Group, LP, in such capacity as collateral administrator (the "**Collateral Administrator**") to, among other things, perform certain administrative duties of the Issuer with respect to the Assets, including the

compilation of certain reports and the performance of certain calculations with respect to the Collateral Quality Test and the Coverage Tests, subject, in each case, to the Collateral Administrator's receipt from the Collateral Manager of information with respect to the Assets that is not contained in the collateral database maintained under the Collateral Administration Agreement. The compensation paid by the Issuer for such services will be in addition to the fees paid to the Collateral Manager and will be treated as an expense of the Issuer and will be subject to the Priority of Payments.

In addition, the Issuer (or the Collateral Manager on behalf of the Issuer) may retain one or more firms to provide software databases and applications for the purpose of modeling, evaluating and monitoring the Assets and the Notes pursuant to a licensing or other agreement and the compensation paid to such firms will be treated as an expense of the Issuer and will be subject to the Priority of Payments.

Appleby Trust (Cayman) Ltd. will act as the administrator of the Issuer (in such capacity, the "**Administrator**"). The office of the Administrator will serve as the general business office of the Issuer. Through the office, and pursuant to the terms of an Administration Agreement to be entered into between the Issuer and the Administrator (the "**Administration Agreement**"), the Administrator will perform in the Cayman Islands or such other jurisdiction as may be agreed by the parties from time to time various corporate management functions on behalf of the Issuer and the provision of certain clerical, administrative and other corporate services until termination of the Administration Agreement. In consideration of the foregoing, the Administrator will receive various fees payable by the Issuer at rates agreed upon from time to time, plus expenses. The Administration Agreement may be terminated by either the Issuer or the Administrator upon 30 days' written notice. Upon the occurrence of such event, the Issuer will promptly appoint a successor administrator. The activities of the Administrator under the Administration Agreement will be subject to the overview of the Issuer's Board of Directors.

The Administrator's principal office and the business address of each of the directors of the Issuer is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

General

The following summary describes the principal United States federal income tax consequences of the purchase, ownership and disposition of the Notes. It addresses only purchasers that buy in the original offering at the original offering price and hold their Notes as capital assets. It does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase the Notes. In particular, special tax considerations that may apply to certain types of taxpayers, including but not limited to securities dealers, financial institutions, regulated investment companies, entities treated as partnerships for United States federal income tax purposes, tax-exempt investors, insurance companies, investors holding Notes as part of a hedge, straddle, conversion, constructive sale or integrated transaction, and subsequent purchasers of the Notes are not addressed. In addition, this summary does not describe any state, local or other tax consequences arising under the laws of any taxing jurisdiction other than the United States federal government.

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, NOTEHOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS OFFERING CIRCULAR IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY NOTEHOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON NOTEHOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN BY THE CO-ISSUERS; AND (C) NOTEHOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

This summary is based on the United States federal income tax laws, regulations (final, temporary, and proposed), administrative rulings and practice and judicial decisions in effect or available on the Original Distribution Date, as well as the expected Cayman Islands undertaking described in "Cayman Islands Income Tax Considerations". All of the foregoing are subject to change, and any change may apply retroactively and could affect the continued validity of this summary.

This summary is included herein for general information only, and there can be no assurances that the Internal Revenue Service ("**IRS**") will take a similar view of the United States federal income tax consequence of an investment in the Notes as described herein. **ACCORDINGLY, PROSPECTIVE PURCHASERS OF A NOTE SHOULD CONSULT THEIR TAX ADVISORS AS TO THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF SUCH NOTE, INCLUDING THE POSSIBLE APPLICATION OF STATE, LOCAL, NON-U.S. OR OTHER TAX LAWS.**

As used in this section, the term "**U.S. holder**" means a beneficial owner of a Note who is, as determined for United States federal income tax purposes, a citizen or resident of the United States, a corporation created or organized under the laws of the United States, any state thereof, or the District of Columbia, any estate the income of which is subject to United States federal income tax regardless of the source of its income or any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons, as defined in Section 7701(a)(30) of the Code, have the authority to control all substantial decisions of the trust. As used in this section, the term "**non-U.S. holder**" means a beneficial owner of Notes who is neither a U.S. holder nor a partnership. If an entity treated as a partnership for U.S. federal income tax purposes holds Notes, the U.S. federal income tax treatment of a partner therein will generally depend on the status of the partner and upon the activities of the partnership. Partners in partnerships holding Notes should consult their tax advisors.

Tax Treatment of the Issuer

United States Federal Income Taxes

For U.S. federal income tax purposes, the Issuer, and not the Co-Issuer, will be treated as the issuer of the Notes. The Issuer's profits will not be subject to U.S. federal income tax on a net income basis (including the branch

profits tax), unless the Issuer is treated as engaged in a trade or business within the United States. Prior to the issuance of the Notes, the Issuer will receive an opinion from Winston & Strawn LLP to the effect that, although no activity closely comparable to that contemplated by the Issuer has been the subject of any Treasury regulation, revenue ruling or judicial decision, the Issuer will not be treated as engaged in a trade or business within the United States for U.S. federal income tax purposes. This opinion will be based on certain assumptions and certain representations regarding restrictions on the future conduct of the activities of the Issuer and the Collateral Manager. The Issuer intends to conduct its business in accordance with the assumptions, representations and agreements upon which such opinion is based. In acting in accordance with such assumptions, representations and agreements, the Issuer and the Collateral Manager are entitled to rely in the future upon the advice and/or opinions of their selected counsel, and the opinion of Winston & Strawn LLP will assume that any such advice and/or opinions are correct and complete. Investors should be aware, also, that the opinion of Winston & Strawn LLP simply represents counsel's best judgment and is not binding on the United States IRS or the courts. In this regard, there are no authorities that deal with situations substantially identical to the Issuer's and the Issuer could be treated as engaged in a trade or business within the United States as a result of unanticipated activities, changes in law or administrative practice, procedure or interpretations thereof, contrary conclusions by the IRS or other causes.

Accordingly, although the Issuer intends to operate so as not to be subject to United States federal income taxes on its net income, there can be no assurance that the Issuer will not become subject to net income tax in the United States or another jurisdiction. If the Issuer were treated as engaged a trade or business in the United States, it potentially would be subject to the regular U.S. corporate income tax on income effectively connected with such trade or business (computed possibly without any allowance for deductions) and also to the 30% branch profits tax on "dividend equivalent" amounts. The imposition of such taxes could materially affect the Issuer's financial ability to repay the Notes. The remainder of this discussion assumes that the Issuer will not become subject to United States net income tax.

Withholding Taxes

The Issuer expects that interest payments received on Collateral Obligations and Eligible Investments that consist of obligations of U.S. issuers (to the extent that they are treated as debt for U.S. federal income tax purposes) either (i) will not be subject to withholding taxes imposed by the United States (due to the portfolio interest exemption or short-term debt exception) or (ii) will require the obligor to make "gross-up" payments to offset fully any such tax on any such payment. However, there can be no assurance that the Issuer will not become subject to withholding tax in the United States or another jurisdiction (as to which the obligor may not be obliged to make gross-up payments) a result of a change in law or administrative practice, procedure, or interpretations thereof. Any such change could constitute a Tax Event. See "Description of the Notes—Optional Redemption and Tax Redemption".

Any commitment or similar fees received by the Issuer in respect of Revolving Collateral Obligations, Delayed Drawdown Collateral Obligations or letters of credit (or interests therein) or any payments with respect to Equity Securities may be subject to a United States withholding tax, which would, if such amounts were so subject, reduce the Issuer's net income from such investments. In general, the Issuer does not anticipate that it will derive material amounts of any such fees, payments or other items of income potentially subject to United States withholding tax. Certain payments on Letter of Credit Reimbursement Obligations also are expected to be subject to withholding, and as a condition of their eligibility for acquisition, they are required to be subject to withholding by the relevant agent bank unless the Issuer either receives an opinion of nationally recognized external legal counsel to the effect that such withholding should or will not be required or the Issuer deposits into the LC Reserve Account an amount equal to 30% (or such other percentage equal to the withholding rate then in effect) of all the fees received in respect of the letter of credit.

In addition, under FATCA, the Issuer will be subject to a 30% U.S. withholding tax on (i) certain U.S.-source payments made after June 30, 2014, and the proceeds of certain sales received by the Issuer after December 31, 2016, with respect to an obligation that is not outstanding on or that is materially modified on or after July 1, 2014 and (ii) payments treated as "foreign passthru payments" within the meaning of FATCA received by the Issuer after December 31, 2016, with respect to an obligation that is not outstanding on or is materially modified on or after the date that is six months following the issuance of final regulations defining the term "foreign passthru payment", in each case, unless either (a) the United States and the Cayman Islands have entered into an intergovernmental agreement (an "**IGA**") that provides an exemption from FATCA to financial institutions resident

in the Cayman Islands (as discussed below) and the Issuer is entitled to an exemption from FATCA under that IGA or (b) the Issuer has in effect an agreement with the IRS to (i) obtain information regarding each holder of its Notes (other than the Notes treated as regularly traded on an established securities market) as is necessary to determine which, if any, such holders are specified United States persons or United States owned foreign entities, (ii) provide annually to the IRS the name, address, taxpayer identification number and certain other information with respect to holders and beneficial owners of Notes (other than Notes that are treated as regularly traded on an established securities market) that are specified United States persons or that are United States owned foreign entities (in which case the information must be provided with respect to the entity's "substantial United States owners") and (iii) comply with certain other due diligence procedures, IRS requests, withholding and other requirements. The Issuer expects to enter into such an agreement unless it is entitled to an exemption from FATCA under an IGA. See "Transfer Restrictions—Additional Restrictions; Information required to be provided by holders of Notes".

The Cayman Islands Government recently announced that it had concluded negotiations with the United States on a Model 1 intergovernmental agreement (if adopted, the "**Cayman IGA**") with respect to the implementation of FATCA. The terms of the Cayman IGA would require the Issuer to comply with Cayman Islands legislation that would be implemented to give effect to FATCA. If the legislation is implemented, the Issuer would be responsible for collecting information in respect of any U.S. holders and providing such information to the Tax Information Authority of the Cayman Islands. The Tax Information Authority would then pass on such information to the IRS as required pursuant to the terms of the Cayman IGA. Under the terms of the IGA, withholding will not be imposed on payments made to the Issuer, or on payments made by the Issuer to holder of Notes, unless the IRS has specifically listed the Issuer as a non-participating financial institution.

Tax Treatment of U.S. holders of Secured Notes

Status of the Secured Notes

The Issuer will receive an opinion from Freshfields Bruckhaus Deringer US LLP, special U.S. federal income tax counsel to the Issuer, that the Class A Notes, the Class B Notes and the Class C Notes will and the Class D Notes should be treated as debt for United States federal income tax purposes. However, as noted above, such opinion is not binding on the IRS, and no ruling will be sought from the IRS regarding this, or any other, aspect of the United States federal income tax treatment of the Secured Notes. Accordingly, there can be no assurances that the IRS will not contend, and that a court will not ultimately conclude, that one or more Classes of Secured Notes constitute equity interests in the Issuer for United States federal income tax purposes. If any Class of Secured Notes were treated as equity in, rather than debt of, the Issuer for United States federal income tax purposes, the U.S. holders thereof would be subject to the treatment described below for U.S. holders of Subordinated Notes that do not make an election to treat the Issuer as a "qualified electing fund". The Issuer intends to treat each Class of the Secured Notes as debt for United States federal income tax purposes. The Indenture requires that each holder and beneficial owner of Notes will, by acquisition of its Notes or beneficial interest therein agree to such treatment and the remainder of this discussion assumes that each Class of the Secured Notes are debt for United States federal income tax purposes.

Interest, Discount and Fees on the Secured Notes

All interest on a Class A Note, other than a Class A-1B Note, will be treated as qualified stated interest, which is includible in the gross income of a U.S. holder in accordance with its regular method of tax accounting. Interest on the Class A Notes which is determined at a single floating rate will be treated as accruing at a hypothetical fixed rate equal to the value of that floating rate on the issue date. The amount of interest actually recognized for any accrual period will increase (or decrease) if the interest actually paid during the period is more (or less) than the amount accrued at the hypothetical rate. U.S. holders of Class A Notes (other than Class A-1B Notes) therefore generally will recognize interest for each period equal to the amount paid during that period. Because the interest rate on the Class A-1B Notes will step up over their term, a portion of the stated interest on those Notes will not be qualified stated interest, but rather will be original issue discount ("**OID**"), unless both the Issuer is treated as having an unconditional right to redeem the Class A-1B Notes prior to the first step-up date and exercise of that right would, taking into account any discount to par at which those Notes are issued as well as the rate increase, minimize the yield to maturity on the Class A-1B Notes. The Issuer will treat the Class A-1B Notes as issued with OID.

A U.S. holder of a Secured Note issued with more than *de minimis* OID must include the OID in income on a constant yield to maturity basis, without regard to the timing of receipt of cash payments. A Class of Secured Notes will have been issued with more than *de miminis* OID if the sum of all payments due (other than payments of qualified stated interest, if any) exceeds their issue price by an amount that is at least 0.25% of their stated redemption price multiplied by the number of full years to their weighted average maturity. The issue price of each Class of Secured Notes is the price at which a substantial portion is sold to investors (other than the Initial Purchaser, dealers or other distributors). Qualified stated interest is generally interest that is unconditionally payable at a single fixed rate or qualified floating rates.

For purposes of calculating OID, the Issuer will treat the Class A-1B Notes as if they provided for interest at three different hypothetical fixed rates in succession equal to the value on the issue date of the three different floating rates provided by the terms of those Notes, and as if each of those fixed rates were in effect during the period in which the corresponding floating rate applies. Interest at the lowest of those three hypothetical fixed rates will be treated as qualified stated interest, and projected hypothetical interest in excess of that rate will be added to stated redemption price, and thus will be included in OID (together with any excess of stated principal over issue price) on the Class A-1B Notes. The amount of interest or OID actually recognized for any accrual period will increase (or decrease) if the interest actually paid during the period is more (or less) than the payment projected for such period using the hypothetical fixed rate determined on the issue date.

Because the Issuer has not determined that deferral of payments of stated interest on the Class B Notes, Class C Notes, Class D Notes and Class E Notes is a remote possibility, it will not treat such stated interest as qualified stated interest and, therefore, will treat all interest on the Class B Notes, Class C Notes, Class D Notes and Class E Notes (together with any excess of stated principal over issue price) as OID. Even if the likelihood of deferral were remote, a U.S. holder must accrue OID on the unpaid amount (including accrued but undistributed OID) of any Class of Notes on which interest actually was deferred.

Assuming the Issuer is not engaged in a trade or business within the United States, interest and OID on the Secured Notes will generally be from sources outside the United States.

Interest received and OID accrued by certain non-corporate U.S. holders on the Secured Notes will generally be includible in "net investment income" for purposes of the Medicare contribution tax.

Sale, Exchange, Redemption and Retirement of the Secured Notes

In general, a U.S. holder of a Secured Note will have a basis in such Secured Note equal to the cost of the Secured Note to such holder, increased by any amount includible in income by such holder as OID and reduced by any payments thereon other than payments of qualified stated interest. Upon a sale, exchange, redemption or retirement of the Secured Note, a U.S. holder will generally recognize gain or loss equal to the difference between the amount realized (other than accrued but unpaid qualified stated interest, which would be taxable as such) and the holder's adjusted tax basis in the Secured Note. Such gain or loss will be long-term capital gain or loss if the U.S. holder has held the Secured Note for more than one year at the time of disposition. In certain circumstances, U.S. holders that are individuals may be entitled to preferential treatment for net long-term capital gains; *however*, the ability of U.S. holders to offset capital losses against ordinary income is limited. Gain realized by a U.S. holder on the sale, exchange, redemption or retirement of a Secured Note generally will be treated as from sources within the United States. Gain realized by certain non-corporate U.S. holders will generally be includible in "net investment income" for purposes of the Medicare contribution tax.

United States Income Taxation of the Subordinated Notes

Status of the Subordinated Notes

The Issuer will treat, and each holder and beneficial owner of Notes, by acquiring their Notes or interests therein, will agree to treat the Subordinated Notes as equity of the Issuer for United States federal income tax purposes, and the following discussion assumes the Subordinated Notes constitute equity for such purposes.

Passive Foreign Investment Company Rules

The Issuer will constitute a "passive foreign investment company" ("**PFIC**") for United States federal income tax purposes, and the Subordinated Notes will be subject to treatment as equity in a PFIC. In general, a U.S. holder of a Subordinated Note may desire to make an election to treat the Issuer as a "qualified electing fund" ("**QEF**") with respect to such U.S. holder in order to avoid the application of certain potentially adverse United States tax rules (discussed below) applicable to ownership of PFIC equity by United States persons. Generally, a QEF election should be made on or before the due date for filing a U.S. holder's federal income tax return for the first taxable year for which it holds the Subordinated Notes. If a timely QEF election is made, an electing U.S. holder would be required in each taxable year to include in gross income as long-term capital gain its pro rata share of the Issuer's net capital gain (limited by the Issuer's net earnings for such year) and as ordinary income its pro rata share of the excess of the Issuer's net earnings for the year over its net capital gain, whether or not those amounts are distributed, assuming that the Issuer does not constitute a "controlled foreign corporation" with respect to which the holder is treated as a "**U.S. 10% Shareholder**," as discussed further below.

A U.S. holder will not be eligible for a dividends received deduction in respect of such income or gain, nor will interest paid with respect to the Subordinated Notes to a U.S. holder who is an individual be eligible to be taxed at the reduced rates generally applicable to dividends paid by certain United States corporations and "qualified foreign corporations". In addition, any losses of the Issuer in a taxable year may not be available to such U.S. holder and may not be carried back or forward in computing the Issuer's ordinary earnings and net capital gain in other taxable years. The electing U.S. holder may recognize income in a taxable year in respect of the Subordinated Notes in amounts significantly greater than the distributions received from the Issuer on such Subordinated Notes in such taxable year. In certain cases in which a QEF does not distribute all of its earnings in a taxable year, U.S. holders may be permitted to elect to defer payment of some or all of their taxes with respect to the QEF's income subject to an interest charge on the deferred amount. In this respect, prospective purchasers of the Subordinated Notes should be aware that it is expected that the Collateral Obligations may be purchased by the Issuer with substantial OID the cash payment of which may be deferred, perhaps for a substantial period of time, and the Issuer may use interest and other income from the Collateral Obligations to purchase additional Collateral Obligations or to retire Secured Notes. As a result, the Issuer may have in any given year substantial amounts of earnings for United States federal income tax purposes that are not distributed on the Subordinated Notes. Thus, absent an election to defer payment of taxes, U.S. holders that make a QEF election with respect to the Issuer may owe tax on significant "phantom" income. If applicable, the rules pertaining to a "controlled foreign corporation," discussed below, generally override those pertaining to a PFIC with respect to which a QEF election is in effect.

The Issuer will provide, upon request, all information and documentation that a U.S. holder of a Subordinated Note making a QEF election is required to obtain for United States federal income tax purposes (e.g., the U.S. holder's pro rata share of net earnings and net capital gain, and a PFIC annual information statement as described in applicable Treasury Regulations).

If a U.S. holder does not make a timely QEF election, a U.S. holder of Subordinated Notes would generally be required to report any gain on disposition of such Subordinated Notes (including any deemed disposition resulting from the use of such Subordinated Notes as security for a loan) as ordinary income rather than capital gain. A U.S. holder would generally be required to compute tax liability on any such disposition gain and on certain "excess" distributions received by the U.S. holder as if the items had been earned ratably over each day in the U.S. holder's holding period for such Subordinated Notes and would be subject to the highest ordinary income tax rate for each taxable year (other than the current year of the U.S. holder) in which the items were treated as having been earned, regardless of the rate otherwise applicable to the U.S. holder. Such U.S. holder would also be liable for an additional tax equal to an interest charge on the tax liability attributable to income that is treated as allocated to prior years as if such liability had actually been due in each such prior year. For purposes of these rules, gifts, exchanges pursuant to corporate reorganizations and use of Subordinated Notes as security for a loan may be treated as a taxable disposition of such Subordinated Notes. An "**excess distribution**" is the amount by which distributions during a taxable year in respect of a Subordinated Note exceed 125% of the average amount of distributions in respect thereof during the three preceding taxable years (or, if shorter, the U.S. holder's holding period for such Subordinated Note). Where a QEF election is not timely made by a U.S. holder for the year in which it acquired its Subordinated Notes, but is made for a later year, the excess distribution rules can be avoided by making an election

to recognize gain from a deemed sale of the Subordinated Notes at the time when the QEF election becomes effective.

In many cases, application of the tax on gain on disposition and receipt of excess distributions will be substantially more onerous than the treatment applicable if a timely QEF election is made. ACCORDINGLY, U.S. HOLDERS OF SUBORDINATED NOTES SHOULD CONSIDER CAREFULLY WHETHER TO MAKE A QEF ELECTION WITH RESPECT TO THE SUBORDINATED NOTES AND THE CONSEQUENCES OF NOT MAKING SUCH AN ELECTION.

Controlled Foreign Corporation Rules

The Issuer may be classified as a controlled foreign corporation ("**CFC**"). In general, a foreign corporation will be classified as a CFC if more than 50% of the shares of the corporation, measured by reference to combined voting power or value, are held, directly or indirectly, by U.S. 10% Shareholders. A "**U.S. 10% Shareholder**," for this purpose, is in general any U.S. holder that possesses, directly, indirectly or constructively, 10% or more of the combined voting power of all classes of shares of the corporation. Holders should assume that the Subordinated Notes are treated as voting equity. If the Issuer were to constitute a CFC, a U.S. 10% Shareholder of the Issuer would be required, subject to certain exceptions, to include in gross income (as ordinary income) at the end of the taxable year of the Issuer an amount equal to that person's pro rata share of the subpart F income and certain United States source income of the Issuer whether or not such income is distributed to the U.S. 10% Shareholder. Any such inclusion would increase the U.S. 10% Shareholder's basis in its Subordinated Notes. Among other items, and subject to certain exceptions, "subpart F income" includes dividends, interest, gains from the sale of securities, and income from certain transactions with related parties. It is likely that, if the Issuer were to constitute a CFC, all or substantially all of its income would be subpart F income.

If the Issuer were treated as a CFC, a U.S. 10% Shareholder of the Issuer would generally be taxable on the subpart F income of the Issuer under the rules described in the preceding paragraph and not under the PFIC rules previously described. As a result, to the extent subpart F income of the Issuer includes net capital gains, such gains would be treated as ordinary income of the U.S. 10% Shareholder under the CFC rules, notwithstanding the fact that the character of such gains generally would otherwise be preserved under the PFIC rules if a QEF election were made.

In general, if a U.S. holder is not initially subject to the CFC inclusion rules described above (e.g., because the holder is not a U.S. 10% Shareholder or because the Issuer is not a CFC) and does not elect to treat the Issuer as a QEF, and if such U.S. holder subsequently becomes subject to the CFC inclusion rules (e.g., as a result of changes in the holder's holdings of Subordinated Notes or in the status of the Issuer), and if at a later date such U.S. holder ceases to be subject to the CFC inclusion rules, then at such later date such U.S. holder would be required to treat the Issuer as a PFIC that was not a QEF and, for purposes of the PFIC rules described above, the U.S. holder would treat the date on which it first acquired the Subordinated Notes as the date on which its holding period began. If, however, the U.S. holder had made the QEF election before becoming subject to the CFC inclusion rules, then such U.S. holder would be treated as acquiring an interest in a QEF on the day following such later date on which it ceased to be subject to the CFC inclusion rules.

Similarly, if a U.S. holder of Subordinated Notes is subject to the CFC inclusion rules at issuance, but subsequently ceases to be subject to the CFC inclusion rules while continuing to hold Subordinated Notes, then such U.S. holder would be treated as acquiring a new equity interest in the Issuer on the day following the date on which the holder ceased to be subject to the CFC inclusion rules. Because such Subordinated Notes would thereafter be treated as stock in a PFIC, if there was not a QEF election in effect with respect to the holder's taxable year that includes the date of cessation of its status as a U.S. 10% Shareholder subject to the CFC inclusion rules, the U.S. holder would become subject to the adverse rules applicable to non-QEF PFICs described above.

THE TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF SUBORDINATED NOTES UNDER SUCH CIRCUMSTANCES, INCLUDING THE POTENTIAL INTERPLAY OF THE PFIC, QEF AND CFC RULES, ARE QUITE COMPLEX, AND U.S. HOLDERS OF SUBORDINATED NOTES (ACTUALLY OR CONSTRUCTIVELY BY ATTRIBUTION) SHOULD CONSULT THEIR TAX ADVISORS IN THIS REGARD.

Distributions on the Subordinated Notes

The treatment of actual distributions of cash on the Subordinated Notes, in very general terms, will vary depending on whether a U.S. holder has made a timely QEF election as described above or has included income under the CFC inclusion rules as a U.S. 10% Shareholder. See "—Passive Foreign Investment Company Rules" and "—Controlled Foreign Corporation Rules" above. If a timely QEF election has been made, distributions should be allocated first to amounts previously taxed pursuant to the QEF election (or pursuant to the CFC inclusion rules, if applicable) and to that extent would not be taxable to U.S. holders. Distributions in excess of such previously taxed amounts will be taxable to U.S. holders as ordinary dividend income upon receipt, to the extent of any remaining amounts of untaxed current and accumulated earnings and profits of the Issuer. Distributions in excess of (i) previously taxed amounts and (ii) any remaining current and accumulated earnings and profits will be treated first as a nontaxable return of capital, which reduces the tax basis in the Subordinated Notes to the extent thereof, and then as capital gain.

In the event that a U.S. holder does not make a timely QEF election, then except to the extent that distributions may be attributable to amounts previously taxed pursuant to the CFC inclusion rules, some or all of any distributions with respect to the Subordinated Notes may constitute "excess" distributions, taxable as previously described. See "—Passive Foreign Investment Company Rules" above.

In any event, distributions will not be eligible for a dividends received deduction, nor will distributions paid to a U.S. holder who is an individual be eligible to be taxed at the reduced rates generally applicable to qualified dividend income received from certain United States corporations and "qualified foreign corporations".

Distributions on the Subordinated Notes received by certain individuals, estates and trusts will generally be includible in "net investment income" for purposes of the Medicare contribution tax whether or not such distributions otherwise are taxable to U.S. holders as ordinary income. Provided that the Issuer is not engaged in a trade or business of trading in securities or commodities, QEF or Subpart F inclusions in respect of the Subordinated Notes generally will not be includible in "net investment income" subject to the Medicare contribution tax at the time such amounts otherwise are includible in ordinary income by a U.S. holder. Under recently proposed regulations, a U.S. holder may elect to compute investment income from an interest in a QEF or CFC for purposes of the Medicare contribution tax in the same manner as inclusions, distributions and gain or loss are determined for ordinary income tax purposes. Under these proposed regulations, once such an election is made, it will apply to all interests in CFCs and PFICs owned by the electing U.S. holder, including interest in CFCs and PFICs that subsequently are acquired by the electing U.S. holder, and cannot be revoked, except with the consent of the IRS. U.S. holders making QEF elections or required to include income under the CFC inclusion rules as a U.S. 10% Shareholder should consult their own tax advisors with respect to the tax consequences to them of income inclusions and receipt of distributions with respect to the Subordinated Notes for purposes of the Medicare contribution tax.

Sale or Other Disposition of the Subordinated Notes

In general, and subject to the discussion below regarding U.S. holders that do not elect to make a timely QEF election and regarding the rules applicable to U.S. 10% Shareholders of a CFC, a U.S. holder will recognize gain or loss upon the sale or other disposition of a Subordinated Note equal to the difference between the amount realized and such holder's adjusted tax basis in such Subordinated Note. Such gain or loss will be long-term capital gain or loss if the U.S. holder has held such Subordinated Note for more than one year at the time of the sale or other disposition. In certain circumstances, U.S. holders that are individuals (or whose income is taxable to United States individuals) may be entitled to preferential treatment for net long-term capital gains; however, the ability of U.S. holders to offset capital losses against ordinary income is limited. The tax basis of a U.S. holder will generally include the amount paid for the Subordinated Note. Such basis will be increased by amounts taxable to such holder by virtue of a QEF election, or by virtue of the CFC rules, as applicable, and decreased by actual distributions from the Issuer that are deemed to consist of such previously taxed amounts or are treated as a nontaxable reduction to the U.S. holder's tax basis for the Subordinated Note (as described above).

If a U.S. holder does not make a timely QEF election as described above, any gain realized on the sale or exchange of a Subordinated Note or any such gain deemed to accrue prior to the time a non-timely QEF election is made will generally be treated as an excess distribution, taxed as ordinary income and subject to an additional tax

reflecting a deemed interest charge under the special tax rules described above. See "—Passive Foreign Investment Company Rules" above.

If the Issuer were treated as a CFC and a U.S. holder were treated as a U.S. 10% Shareholder thereof, then subject to a special limitation for individual U.S. holders that have held interests treated as voting equity in the Issuer for more than one year, any gain realized by such U.S. holder upon disposition of the Subordinated Notes, other than gain constituting an excess distribution under the PFIC rules, if applicable, would generally be treated as ordinary income to the extent of the current and accumulated earnings and profits of the Issuer. In this respect, earnings and profits generally would not include any amounts previously taxed pursuant to a timely QEF election or pursuant to the CFC rules.

Gain or loss realized on the disposition of the Subordinated Notes by certain individuals, estates and trusts will generally be includible in "net investment income" for purposes of the Medicare contribution tax. The amount of gain or loss realized by a U.S. holder generally will be determined without regard to any basis adjustments arising by virtue of a QEF election or the CFC rules, as applicable. Under recently proposed regulations, a U.S. holder may elect to compute investment income from an interest in a QEF or CFC for purposes of the Medicare contribution tax in the same manner as inclusions, distributions and gain or loss are determined for ordinary income tax purposes. Under these proposed regulations, once such an election is made, it will apply to all interests in CFCs and PFICs owned by the electing U.S. holder, including interest in CFCs and PFICs that subsequently are acquired by the electing U.S. holder, and cannot be revoked, except with the consent of the IRS. U.S. holders disposing of Subordinated Notes that have elected to treat the Issuer as a QEF or are U.S. 10% Shareholders under the CFC inclusion rules should consult their own tax advisors with respect to the tax consequences to them of disposing of Subordinated Notes for purposes of the Medicare contribution tax.

Transfer and Other Reporting

Treasury Regulations require reporting for certain transfers of property (including cash) to a foreign corporation by United States persons or entities. In general, these rules require any U.S. holders who acquire Subordinated Notes to file a Form 926 with the IRS and to supply certain additional information to the IRS. In the event a U.S. holder fails to file any such required form, the U.S. holder could be subject to substantial penalties. Recently enacted legislation may add additional reporting requirements. Purchasers of Subordinated Notes are urged to consult their tax advisors regarding these reporting requirements.

Tax Shelter Regulations

A U.S. holder of Subordinated Notes that disposes of such Subordinated Notes in a transaction resulting in the recognition by such holder of losses in excess of certain threshold amounts will be obligated to disclose its participation in such transaction in accordance with regulations governing tax shelters and other potentially tax motivated transactions (the "**Tax Shelter Regulations**"). Potential purchasers of Subordinated Notes should consult their tax advisors concerning any possible disclosure obligation under the Tax Shelter Regulations with respect to the disposition of their Subordinated Notes.

Re-Pricing

The treatment of a Re-Pricing of a Note for U.S. federal income tax purposes is not entirely clear. It is possible that the Re-Pricing could be treated as occurring pursuant to a unilateral option of the Issuer. In that event, the Re-Pricing would not result in a deemed exchange of the Notes of the Re-Priced Class for new notes. It is likely, however, that a Re-Pricing will be treated as a deemed exchange of old Notes of the Re-Priced Class for new notes of the Re-Priced Class. In that event, a U.S. holder may be required to recognize gain or loss with respect to its Notes that are part of the Re-Priced Class, and would have their holding period in such Notes reset. This gain or loss would be equal to the difference between the issue price of the deemed new notes of the Re-Priced Class, which depending on whether such notes are then treated as traded on an established market, may be the fair market value rather than the principal amount of the notes, and the U.S. holder's tax basis in the deemed old notes of the Re-Priced Class. Moreover, Notes of the Re-Priced Class would be treated as newly issued for purposes of determining whether FATCA withholding applies to payments on those Notes.

In the event that the stated redemption price at maturity of the new notes of a Re-Priced Class received in the deemed exchange is greater than the issue price of such notes, a U.S. holder of a new note of a Re-Priced Class may be required to include additional OID in income as a result of the Re-Pricing. In the event that the issue price of the deemed new notes of the Re-Priced Class is less than the principal amount of such notes, the Issuer may be required to recognize cancellation of indebtedness income. Recognition of cancellation of indebtedness income may result in adverse consequences for the Subordinated Notes. For example, a U.S. holder of a Subordinated Note may be required to include its pro rata share of the Issuer's cancellation of indebtedness income if such holder has in effect a QEF election. Each prospective investor should consult its own tax advisor regarding the tax consequences to it of a Re-Pricing, including whether income must be recognized as a result of the Re-Pricing and the source and character of any such income.

Information Reporting and Backup Withholding

Information reporting to the IRS generally will be required with respect to payments on the Notes and payments of proceeds of the sale of such Notes to holders other than corporations and other exempt recipients. Backup withholding tax will apply to those payments that are subject to information reporting if the holder fails to provide certain required documentation to the payor. As a condition to the payment of principal of and interest on any Note without United States federal back-up withholding, the Co-Issuers will require the delivery of properly completed and signed applicable United States federal income tax certifications (generally, an IRS Form W-9 (or applicable successor form) in the case of a person that is a "United States person" within the meaning of Section 7701(a)(30) of the Code or the applicable IRS Form W-8 (or applicable successor form) in the case of a person that is not a "United States person" within the meaning of Section 7701(a)(30) of the Code). Backup withholding is not an additional tax and may be refunded (or credited against the holder's U.S. federal income tax liability, if any), *provided* that certain required information is timely furnished to the IRS. Each holder and beneficial owner of a Note, by acceptance of such Note or an interest in such Note, shall be deemed to understand and acknowledge that failure to (i) provide the foregoing tax certifications, (ii) update such tax certification promptly upon learning that such tax certification has become obsolete or incorrect or such update is otherwise required, or (iii) meet its Noteholder Reporting Obligations may in each case result in withholding from payments in respect of such Note, including U.S. federal withholding or back-up withholding.

Individual U.S. holders and certain other U.S. holders will be required to report information with respect to their investment in the Notes not held through an account with a U.S. financial institution to the IRS on IRS Form 8938 for any year in which the aggregate value of all "specified foreign financial assets" not held through an account with a U.S. financial institution, including the Notes, exceeds $50,000. Investors who fail to report required information could become subject to substantial penalties. Potential investors are encouraged to consult with their own tax advisors regarding the possible implications of this new legislation on their investment in the Notes.

Tax Treatment of Non-U.S. Holders

Payments on the Notes to a non-U.S. holder and the gain recognized on the sale, exchange, redemption or retirement of such Notes will not be subject to United States federal income or withholding tax, unless such payments or gain are effectively connected with a United States trade or business of such holder, or, in the case of gain, such holder is a nonresident alien individual who holds the Notes as a capital asset and who is present in the United States more than 182 days in the taxable year of the disposition and certain other conditions are met. A non-U.S. holder will not be considered to be engaged in a United States trade or business solely by reason of holding Notes. "Non-effectively connected" gain or payments received by a non-U.S. holder will not be subject to United States information reporting requirements or United States backup withholding, although such holders may be required to furnish a certificate to the paying agent of the Issuer attesting to their status as non-U.S. holders.

CAYMAN ISLANDS INCOME TAX CONSIDERATIONS

The following is a discussion of certain Cayman Islands tax consequences of an investment in the Notes. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider your particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

Under existing Cayman Islands laws:

(i) Payments of interest, principal and other amounts on the Secured Notes and amounts in respect of the Subordinated Notes will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal and other amounts on the Secured Notes or a distribution to any holder of the Subordinated Notes, nor will gains derived from the disposal of the Notes be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax;

(ii) no stamp duty is payable in respect of the issue or transfer of the Notes although duty may be payable if Notes are executed in or brought into the Cayman Islands; and

(iii) Certificates evidencing the Notes, in registered form, to which title is not transferable by delivery, should not attract Cayman Islands stamp duty. However, an instrument transferring title to a Note, if brought to or executed in the Cayman Islands, would be subject to Cayman Islands stamp duty.

The Issuer has been incorporated as an exempted company with limited liability under the laws of the Cayman Islands and, as such, has received an undertaking from the Governor in Cabinet of the Cayman Islands in the following form:

"The Tax Concessions Law
(2011 Revision)
Undertaking As To Tax Concessions

In accordance with Section 6 of the Tax Concessions Law (2011 Revision) the Governor in Cabinet undertakes with:

ACAS CLO 2013-2, Ltd. "the Company"

(a) that no Law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and

(b) in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable

  (i) on or in respect of the shares debentures or other obligations of the Company; or

  (ii) by way of the withholding in whole or part of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (2011 Revision).

These concessions shall be for a period of THIRTY years from the 13th day of August 2013.

CLERK OF THE CABINET"

The Cayman Islands does not have an income tax treaty arrangement with the United States or any other country; however, the Cayman Islands has entered into a tax information exchange agreement with the United States.

CERTAIN ERISA AND RELATED CONSIDERATIONS

THE STATEMENTS ABOUT U.S. FEDERAL TAX ISSUES ARE MADE TO SUPPORT MARKETING OF THE NOTES. NO TAXPAYER CAN RELY ON THEM TO AVOID TAX PENALTIES. EACH PROSPECTIVE PURCHASER SHOULD SEEK ADVICE FROM AN INDEPENDENT TAX ADVISOR ABOUT THE TAX CONSEQUENCES UNDER ITS OWN PARTICULAR CIRCUMSTANCES OF INVESTING IN NOTES UNDER THE LAWS OF THE CAYMAN ISLANDS, THE UNITED STATES AND ITS CONSTITUENT JURISDICTIONS AND ANY OTHER JURISDICTION WHERE THE PURCHASER MAY BE SUBJECT TO TAXATION.

The United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) which are subject to Title I of ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, "**ERISA Plans**") and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment including, but not limited to, the matters discussed under "Risk Factors" and the fact that in the future there may be no market in which such fiduciary will be able to sell or otherwise dispose of the Notes.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts (together with ERISA Plans, "**Plans**") and certain persons ("**parties in interest**" as defined in Section 3(14) of ERISA (each a "**Party in Interest**") for purposes of ERISA or "**disqualified persons**" as defined in Section 4975(e)(2) of the Code (each a "**Disqualified Person**") for purposes of Section 4975 of the Code) having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A Party in Interest or Disqualified Person who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and Section 4975 of the Code.

Regulations promulgated by the United States Department of Labor at 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA (the "**Plan Asset Regulation**"), describe what constitutes the assets of a Plan with respect to the Plan's investment in an entity for purposes of certain provisions of ERISA and Section 4975 of the Code, including the fiduciary responsibility and prohibited transaction provisions of Title I of ERISA and Section 4975 of the Code. Under the Plan Asset Regulation, if a Plan invests in an "equity interest" of an entity that is neither a "publicly offered security" nor a security issued by an investment company registered under the Investment Company Act, the Plan's assets include both the equity interest and an undivided interest in each of the entity's underlying assets, unless it is established that the entity is an "operating company" or, as further discussed below, that participation in the entity by "benefit plan investors" constitutes less than 25% of each class of equity in the entity, determined in accordance with Section 3(42) of ERISA.

For purposes of the Plan Asset Regulation, a "**publicly offered security**" is a security that is (a) "freely transferable", (b) part of a class of securities that is "widely held", and (c)(i) sold to the Plan as part of an offering of securities to the public pursuant to an effective registration statement under the Securities Act and the class of securities to which such security is a part is registered under the Exchange Act within 120 days after the end of the fiscal year of the issuer during which the offering of such securities to the public has occurred, or (ii) is part of a class of securities that is registered under Section 12 of the Exchange Act.

It is not anticipated that (i) the Notes will constitute "publicly offered securities" for purposes of the Plan Asset Regulation, (ii) the Issuer will be an investment company registered under the Investment Company Act or (iii) the Issuer will qualify as an operating company within the meaning of the Plan Asset Regulation.

Whether or not the underlying assets of the Issuer are deemed to include "plan assets**,** " as described below, prohibited transactions within the meaning of Section 406 of ERISA or Section 4975 of the Code may arise if Notes

are acquired with the assets of a Plan with respect to which the Issuer, Citigroup, the Trustee, the Collateral Manager, any seller of Collateral Obligations to the Issuer or any of their respective affiliates, is a Party in Interest or a Disqualified Person. Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code may be applicable, however, depending in part on the type of Plan fiduciary making the decision to acquire a Note and the circumstances under which such decision is made. Included among these exemptions are Prohibited Transaction Class Exemption ("**PTCE**") 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a "qualified professional asset manager"), PTCE 90-1 (relating to investments by insurance company pooled separate accounts), PTCE 95-60 (relating to investments by insurance company general accounts), and PTCE 96-23 (relating to transactions effected by in-house asset managers). Even if one or more exemptions is available, there can be no assurance that relief will be provided from all prohibited transactions that may result if any Note or any interest therein is acquired or held by a Plan.

Governmental plans, certain church plans and non-U.S. plans, while not subject to the prohibited transaction provisions of ERISA or Section 4975 of the Code, may nevertheless be subject to other state, local, other federal or non-U.S. laws or regulations that are substantially similar to the foregoing provisions of ERISA and the Code (any such law or regulation, an "**Other Plan Law**"). Fiduciaries of any such plans should consult with their counsel before acquiring any Notes.

Any insurance company proposing to invest assets of its general account in Notes should consider the extent to which such investment would be subject to the requirements of Title I of ERISA and Section 4975 of the Code in light of the U.S. Supreme Court's decision in John Hancock Mutual Life Insurance Co. v. Harris Trust and Savings Bank, 510 U.S. 86 (1993), and the enactment of Section 401(c) of ERISA on August 20, 1996. In particular, such an insurance company should consider (i) the exemptive relief granted by the U.S. Department of Labor for transactions involving insurance company general accounts in PTCE 95-60 and (ii) if such exemptive relief is not available, whether its acquisition of Notes will be permissible under the final regulations issued under Section 401(c) of ERISA.

The Plan Asset Regulation defines an "**equity interest**" as any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and which has no substantial equity features. The assets of an entity will be deemed to be the assets of an investing Plan (in the absence of another applicable Plan Asset Regulation exception) if 25% or more of the value of any class of equity interest in the entity is held by "benefit plan investors" as calculated under the Plan Asset Regulation (the "**25% Limitation**"). The term "**benefit plan investor**" is defined by Section 3(42) of ERISA to include (a) an employee benefit plan (as defined in Section 3(3) of Title I of ERISA) that is subject to Part 4 of Title I of ERISA, (b) a plan as defined in Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code or (c) any entity whose underlying assets include "plan assets" by reason of any such employee benefit plan's or plan's investment in the entity (collectively, "**Benefit Plan Investors**"). An entity that is treated as holding plan assets for purposes of the Plan Asset Regulation is considered to hold plan assets only to the extent of the percentage of the equity interest held by Benefit Plan Investors. For purposes of making the 25% determination, the Plan Asset Regulation provides that the value of any equity interests held by a person (other than a Benefit Plan Investor) who has discretionary authority or control with respect to the assets of the entity or any person who provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of any such person (each, a "**Controlling Person**"), is disregarded. Under the Plan Asset Regulation, an "**affiliate**" of a person includes any person, directly or indirectly through one or more intermediaries, controlling, controlled by or under common control with the person, and "**control**" with respect to a person other than an individual means the power to exercise a controlling influence over the management or policies of such person.

Although there is little guidance on how this definition applies, the Issuer believes that the Class A Notes, the Class B Notes and the Class C Notes will be treated as indebtedness without substantial equity features for purposes of the Plan Asset Regulation, although no assurance can be given in this regard. However, the Class D Notes and the Class E Notes may, and the Subordinated Notes will likely, be treated as equity interests in the Issuer for purposes of the Plan Asset Regulation. Accordingly, in an effort to avoid issues that could arise if the assets of the Issuer were to be treated as plan assets for purposes of ERISA or Section 4975 of the Code, and the Class D Notes, the Class E Notes and the Subordinated Notes will be subject to restrictions on ownership by Benefit Plan Investors and Controlling Persons.

If you are a purchaser or transferee of Class A Notes, Class B Notes or Class C Notes, you will be deemed (i) to represent, warrant and agree that (1) if you are, or are acting on behalf of, a Benefit Plan Investor, your

acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Code, and (2) if you are a governmental, church, non-U.S. or other plan which is subject to any Other Plan Law, your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any such Other Plan Law.

If you are a purchaser or subsequent transferee of Class D Notes or an interest therein, you will be deemed to represent and warrant that (1) you are not, and for so long as you hold such Notes you will not be, and will not be acting on behalf of, a Benefit Plan Investor, and (b) if you are a governmental, church or non-U.S. plan, (x) you are not, and for so long as you hold such Notes or interest therein will not be, subject to any federal, state, local, non-U.S. or other law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or any interest therein) by virtue of its interest and thereby subject the Issuer or the Collateral Manager (or other persons responsible for the investment and operation of the Issuer's assets) to laws or regulations that are similar to the fiduciary responsibility or prohibited transaction provisions of ERISA or Section 4975 of the Code (any such law or regulation, a "**Similar Law**") and (y) your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any applicable Other Plan Laws. No transfer of a Class D Note (or any interest therein) to a Benefit Plan Investor will be permitted or recognized.

If you are a purchaser of a Class E Note or a Subordinated Note from the Issuer or the Initial Purchaser on the Closing Date or a subsequent transferee of Certificated Class E Notes, Certificated Subordinated Notes or Uncertificated Subordinated Notes you will be required to (i) represent and warrant in writing to the Trustee or Citigroup (1) whether or not, for so long as you hold such Notes or interest therein, you are, or are acting on behalf of, a Benefit Plan Investor, (2) whether or not, for so long as you hold such Notes or interest therein, you are a Controlling Person and (3) that (a) if you are, or are acting on behalf of, a Benefit Plan Investor, your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or (b) if you are a governmental, church or non-U.S. plan, (x) you are not, and for so long as you hold such Notes or interest therein will not be, subject to any Similar Law and (y) your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any applicable Other Plan Laws, and (ii) agree to certain transfer restrictions regarding your interest in such Notes.

If you are a purchaser or subsequent transferee of an interest in Regulation S Global Class E Notes or Regulation S Global Subordinated Notes, you will be deemed (or, in the case of a transferee of a Certificated Class E Note, Certificated Subordinated Note or Uncertificated Subordinated Note taking delivery in the form of an interest in a Regulation S Global Class E Note or Regulation S Global Subordinated Note, required) to represent and warrant that (1) for so long as you hold such Notes or interest therein, you are not, and are not acting on behalf of, a Benefit Plan Investor and are not a Controlling Person unless you have obtained the prior written consent of the Issuer and (2) if you are a governmental, church, non-U.S. or other plan, (i) you are not, and for so long as you hold such Notes or interest therein will not be, subject to any Similar Law and (ii) your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any applicable Other Plan Laws.

The Issuer and the Trustee shall be required to assume that an interest in a Regulation S Global Class E Note or Regulation S Global Subordinated Note purchased by a Benefit Plan Investor or a Controlling Person with the prior written consent of the Issuer is being held by a Benefit Plan Investor or Controlling Person, respectively, until the Stated Maturity, or earlier date of redemption, of the Class E Notes or Subordinated Notes, as the case may be; *provided* that such requirement shall cease to apply with respect to the amount of any such interest subsequently transferred by the purchaser that purchased such interest with the prior written consent of the Issuer if, in connection with such transfer, (1) such purchaser that purchased such interest with the prior written consent of the Issuer delivers a transferor certificate to the Trustee and (2) the transferee delivers a transferee certificate to the Trustee in which it certifies that it is not a Benefit Plan Investor or a Controlling Person, as the case may be.

No transfer of an interest in Class E Notes or Subordinated Notes will be permitted or recognized if it would cause the 25% Limitation described above to be exceeded with respect to the Class E Notes or Subordinated Notes. No transfer of an interest in a Class D Note to a person that is a Benefit Plan Investor, and no transfer of an interest in a Regulation S Global Class E Note or an interest in a Regulation S Global Subordinated Note to a person that is a Benefit Plan Investor or a Controlling Person, will be permitted or recognized unless such person has obtained the prior written consent of the Issuer.

If any person shall become the beneficial owner of a Note who has made or is deemed to have made a prohibited transaction representation or a Benefit Plan Investor, Controlling Person, Similar Law or Other Plan Law representation that is subsequently shown to be false or misleading or whose beneficial ownership otherwise causes a violation of the 25% Limitation (any such person a "**Non-Permitted ERISA Holder**"), the Issuer shall, promptly after discovery that such person is a Non-Permitted ERISA Holder by the Issuer or upon notice from the Trustee (if the Trustee obtains actual knowledge) or the Co-Issuer to the Issuer, with a copy to the Collateral Manager, if either of them makes the discovery (who, in each case, agree to notify the Issuer, with a copy to the Collateral Manager, of such discovery, if any), send notice (with a copy to the Collateral Manager) to such Non-Permitted ERISA Holder demanding that such Non-Permitted ERISA Holder transfer its interest to a person that is not a Non-Permitted ERISA Holder within 14 days after the date of such notice. If such Non-Permitted ERISA Holder fails to so transfer its interest in such Notes, the Issuer or the Collateral Manager acting for the Issuer shall have the right, without further notice to the Non-Permitted ERISA Holder, to sell its interest in such Notes to a purchaser selected by the Issuer that is not a Non-Permitted ERISA Holder on such terms as the Issuer may choose. None of the Issuer, the Collateral Manager, the Trustee, the Collateral Administrator, the Initial Purchaser or the Placement Agent shall be required to purchase any such Notes required to be sold. The Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Notes, as applicable, and selling such Notes, as applicable, to the highest such bidder. The holder of each Note, as applicable, the Non-Permitted ERISA Holder and each other person in the chain of title from the holder to the Non-Permitted ERISA Holder, by its acceptance of an interest in the Notes, agrees to cooperate with the Issuer to effect such transfers. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to the Non-Permitted ERISA Holder. The terms and conditions of any sale under this sub-section shall be determined in the sole discretion of the Issuer, and none of the Issuer, the Collateral Manager or the Trustee shall be liable to any person having an interest in the Notes sold as a result of any such sale or the exercise of such discretion.

Further considerations

There can be no assurance that, despite the transfer restrictions relating to acquisitions by Benefit Plan Investors and Controlling Persons and the procedures to be employed by the Issuer to attempt to limit ownership by Benefit Plan Investors of the Subordinated Notes to less than 25%, Benefit Plan Investors will not in actuality own 25% or more of the Class D Notes, the Class E Notes or the Subordinated Notes, disregarding Notes held by Controlling Persons.

If for any reason the assets of the Issuer were deemed to be "plan assets" of a Plan, certain transactions that the Issuer might enter into, or may have entered into, in the ordinary course of its business might constitute non-exempt "prohibited transactions" under Section 406 of ERISA or Section 4975 of the Code and might have to be rescinded at significant cost to the Issuer. The Collateral Manager, on behalf of the Issuer, may be prevented from engaging in certain investments or other transactions or fee arrangements because they might be deemed to cause non-exempt prohibited transactions. Moreover, if the underlying assets of the Issuer were deemed to be assets constituting plan assets, (i) the assets of the Issuer could be subject to ERISA's reporting and disclosure requirements, (ii) a fiduciary causing a Benefit Plan Investor to make an investment in the equity of the Issuer could be deemed to have delegated its responsibility to manage the assets of the Benefit Plan Investor, (iii) various providers of fiduciary or other services to the Issuer, and any other parties with authority or control with respect to the Issuer, could be deemed to be Plan fiduciaries or otherwise Parties in Interest or Disqualified Persons by virtue of their provision of such services, and (iv) it is not clear that Section 404(b) of ERISA, which generally prohibits plan fiduciaries from maintaining the indicia of ownership of assets of plans subject to Title I of ERISA outside the jurisdiction of the district courts of the United States, would be satisfied in all instances.

Any Plan fiduciary or other person who proposes to use assets of any Plan to acquire any Notes should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such an investment, and to confirm that such investment will not constitute or result in a non-exempt prohibited transaction or any other violation of an applicable requirement of ERISA.

The sale of any Notes to a plan, or to a person using assets of any plan to effect its acquisition of any Notes, is in no respect a representation by the Issuer, Citigroup, the Trustee, the Collateral Administrator or the Collateral

Manager that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

ANY POTENTIAL INVESTOR CONSIDERING AN INVESTMENT IN THE NOTES THAT IS, OR IS ACTING ON BEHALF OF, A PLAN IS STRONGLY URGED TO CONSULT ITS OWN LEGAL AND TAX ADVISORS REGARDING THE CONSEQUENCES OF SUCH AN INVESTMENT UNDER ERISA, THE CODE AND ANY APPLICABLE OTHER PLAN LAWS OR SIMILAR LAWS AND ITS ABILITY TO MAKE THE REPRESENTATIONS DESCRIBED ABOVE.

Legal investment considerations

If your investment activities are subject to regulation by federal, state or local law or governmental authorities you should review the applicable laws and/or rules, policies and guidelines adopted from time to time by such authorities before purchasing any Notes. No representation is made as to the proper characterization of the Notes for legal investment or other purposes or as to the ability of particular investors to purchase any Notes under applicable law or other legal investment restrictions. Accordingly, if your investment activities are subject to such laws and/or regulations, regulatory capital requirements or review by regulatory authorities you should consult your own legal advisors in determining whether and to what extent the Notes constitute a legal investment or are subject to investment, capital or other restrictions.

None of the Issuer, the Co-Issuer, the Collateral Manager, Citigroup, the Trustee or the Collateral Administrator make any representation as to the proper characterization of the Notes for legal investment or other purposes, as to the ability of particular investors to purchase the Notes for legal investment or other purposes or as to the ability of particular investors to purchase the Notes under applicable investment restrictions. All institutions whose activities are subject to legal investment laws and regulations, regulatory capital requirements or review by regulatory authorities should consult their own legal advisors in determining whether and to what extent the Notes are subject to investment, capital or other restrictions. Without limiting the generality of the foregoing, none of the Issuer, the Co-Issuer, the Collateral Manager, Citigroup, the Trustee or the Collateral Administrator makes any representation as to the characterization of the Notes as a U.S. domestic or foreign (non-U.S.) investment under any state insurance code or related regulations, and they are not aware of any published precedent that addresses such characterization. The uncertainties described above (and any unfavorable future determinations concerning legal investment or financial institution regulatory characteristics of the Notes) may affect the liquidity of the Notes.

ANTI-MONEY LAUNDERING AND ANTI-TERRORISM REQUIREMENTS AND DISCLOSURES

In order to comply with U.S. laws and regulations, including the USA PATRIOT Act, aimed at the prevention of money laundering and the prohibition of transactions with certain countries, organizations and individuals, the Issuer (or the Initial Purchaser or Placement Agent on its behalf) may request from an investor or a prospective investor such information as it reasonably believes is necessary to verify the identity of such investor or prospective investor, and to determine whether such investor or prospective investor is permitted to be an investor in the Issuer or the Notes pursuant to such laws and regulations. In the event of the delay or failure by any investor or prospective investor in the Notes to deliver to the Issuer any such requested information, the Issuer (or the Initial Purchaser or Placement Agent on its behalf) may (a) require such investor to immediately transfer any Note, or beneficial interest therein, held by such investor to an investor meeting the requirements of this Offering Circular and the Indenture, (b) refuse to accept the subscription of a prospective investor, or (c) take any other action required to comply with such laws and regulations. In addition, following the delivery of any such information, the Issuer (or the Initial Purchaser or Placement Agent on its behalf) may take any of the actions identified in clauses (a)-(c) above. In certain circumstances, the Issuer, the Trustee, the Initial Purchaser or Placement Agent may be required to provide information about investors to regulatory authorities and to take any further action as may be required by law. None of the Issuer, the Co-Issuer, the Trustee, the Collateral Administrator, the Collateral Manager, the Initial Purchaser or Placement Agent will be liable for any loss or injury to an investor or prospective investor that may occur as a result of disclosing such information, refusing to accept the subscription of any potential investor, redeeming any investment in a Note or taking any other action required by law.

The Administrator is, and the Issuer may be, subject to the Cayman Islands Money Laundering Regulations (2010 Revision) ("**CIML Regulations**"). The CIML Regulations apply to anyone conducting "relevant financial business" in or from the Cayman Islands intending to form a business relationship or carry out a one-off transaction. The CIML Regulations require a financial service provider to maintain certain anti-money laundering procedures including those for the purposes of verifying the identity and source of funds of an "applicant for business", e.g. an investor. Except in certain circumstances, including where an entity is regulated by a recognized overseas regulatory authority and/or listed on a recognized stock exchange in an approved jurisdiction, the Administrator will likely be required to verify each investor's identity and the source of the payment used by such investor for purchasing the Notes in a manner similar to the obligations imposed under the laws of other major financial centers. In addition, if any person resident in the Cayman Islands knows or suspects, or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct, or is involved with terrorism or terrorist property, and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to (i) the Financial Reporting Authority of the Cayman Islands ("**FRA**"), pursuant to the Proceeds of Crime Law, 2008 of the Cayman Islands ("**PCL**"), if the disclosure relates to criminal conduct or money laundering, or (ii) a police officer of the rank of constable or higher, or the FRA, pursuant to the Terrorism Law (2011 Revision) of the Cayman Islands, if the disclosure relates to involvement with terrorism or terrorist financing and property. If the Issuer were determined by the Cayman Islands authorities to be in violation of the PCL, the Terrorism Law or CIML Regulations, the Issuer could be subject to substantial criminal penalties. The Issuer may be subject to similar restrictions in other jurisdictions. Such a violation could materially adversely affect the timing and amount of payments by the Issuer to the holders of the Notes.

PLAN OF DISTRIBUTION

The Secured Notes are being offered by Citigroup (in such capacity, the "**Initial Purchaser**") pursuant to the Purchase Agreement with the Co-Issuers and the Subordinated Notes are being offered by the Issuer through Citigroup (in such capacity, the "**Placement Agent**") pursuant to the Placement Agency Agreement.

Pursuant to the Purchase Agreement, the Secured Notes will be offered by Citigroup, as initial purchaser, from time to time for sale to investors in negotiated transactions at varying prices to be determined in each case at the time of sale. Pursuant to the Placement Agency Agreement, Citigroup, as placement agent, will use reasonable efforts to arrange for the issuance of the Subordinated Notes to investors on the Closing Date in negotiated transactions at varying prices. Citigroup may elect to facilitate settlement of such Subordinated Notes on the Closing Date by receiving such Subordinated Notes from the Issuer and delivering them to investors in lieu of such Subordinated Notes being delivered directly by the Issuer to investors.

The Purchase Agreement will provide that the obligations of Citigroup to pay for and accept delivery of the Secured Notes thereunder are subject to certain conditions. The Placement Agency Agreement will provide that the obligation of Citigroup to act as placement agent of the Issuer thereunder is subject to certain conditions.

In the Purchase Agreement and the Placement Agency Agreement, each of the Co-Issuers will agree to indemnify Citigroup against certain liabilities, including under the Securities Act, the Exchange Act or otherwise, insofar as such liabilities arise out of or are connected with the consummation of the transactions contemplated by this Offering Circular and the other offering documents for the Notes or the execution and delivery of, and the consummation of the transactions contemplated by, the Transaction Documents, the Purchase Agreement and the Placement Agency Agreement, or to contribute to payments Citigroup may be required to make in respect thereof. In addition, the Issuer will agree to reimburse Citigroup for certain of its expenses incurred in connection with the closing of the transactions contemplated hereby.

The offering of the Notes has not been and will not be registered under the Securities Act and may not be offered or sold in non-offshore transactions except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

No action has been taken or is being contemplated by the Issuer and Co-Issuer that would permit a public offering of the Notes or possession or distribution of this Offering Circular or any amendment thereof, or supplement thereto or any other offering material relating to the Notes in any jurisdiction (other than Ireland) where, or in any other circumstances in which, action for those purposes is required. No offers, sales or deliveries of any Notes, or distribution of this Offering Circular or any other offering material relating to the Notes, may be made in or from any jurisdiction except in circumstances that will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer or Citigroup. Because of the restrictions contained in the front of this Offering Circular, you are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Notes.

In the Purchase Agreement and the Placement Agency Agreement, Citigroup will agree that it will sell or arrange for the sale (as applicable) of Notes only to or with, in each case, (a) purchasers it reasonably believes to be (i) (x) Qualified Institutional Buyers or (y) with respect to Subordinated Notes only, Accredited Investors, and (ii) (x) Qualified Purchasers, (y) with respect to Subordinated Notes only, Knowledgeable Employees with respect to the Issuer or (z) entities owned exclusively by Qualified Purchasers or (with respect to Subordinated Notes only) Knowledgeable Employees with respect to the Issuer and (b) non-U.S. persons in offshore transactions pursuant to Regulation S. Until 40 days after completion of the distribution by the Issuer, an offer or sale of Notes, in a non-offshore transaction by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if the offer or sale is made otherwise than pursuant to Rule 144A or a transaction exempt from the registration requirements under the Securities Act. Resales of the Notes offered in reliance on Rule 144A or in another transaction exempt from the registration requirements under the Securities Act, as the case may be, are restricted as described under "Transfer Restrictions". Beneficial interests in a Regulation S Global Secured Note or Regulation S Global Subordinated Note may not be held by a U.S. person at any time, and resales of the Notes offered in offshore transactions to non-U.S. persons in reliance on Regulation S may be effected only in

accordance with the transfer restrictions described herein. As used in this paragraph, the terms "**United States**" and "**U.S.**" have the meanings given to them by Regulation S.

Citigroup and its affiliates may have had in the past and may in the future have business relationships and dealings with the Collateral Manager and its affiliates and one or more obligors with respect to Collateral Obligations and their affiliates and may own equity or debt securities issued by such entities or their affiliates. Citigroup and its affiliates may have provided and may in the future provide investment banking services to such entities or their affiliates and may have received or may receive compensation for such services.

The Notes are offered when, as and if issued, subject to prior sale or withdrawal, cancellation or modification of the offer without notice and subject to approval of certain legal matters by counsel and certain other conditions.

The Notes are a new issue of securities for which there is currently no market. Citigroup is under no obligation to make a market in any Class of Notes and any market making activity, if commenced, may be discontinued at any time. There can be no assurance that a secondary market for any Class of Notes will develop, or if one does develop, that it will continue. Accordingly, no assurance can be given as to the liquidity of or trading market for the Notes.

In connection with the offering of the Notes, Citigroup may, as permitted by applicable law, over-allot or effect transactions that stabilize or maintain the market price of the Notes at a level which might not otherwise prevail in the open market. The stabilizing, if commenced, may be discontinued at any time.

Purchasers of the Notes may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the purchase price.

The Co-Issuers have not authorized and do not authorize the making of any offer of Notes through any financial intermediary on their behalf, other than offers made by the Initial Purchaser or the Placement Agent with a view to the final placement of the Notes as contemplated in this Offering Circular. Accordingly, no purchaser of the Notes, other than the Initial Purchaser and the Placement Agent, is authorized to make any further offer of the Notes on behalf of the Co-Issuers, the Initial Purchaser or the Placement Agent.

Notice to Prospective Investors in the European Economic Area

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a "**relevant member state**"), with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the "**relevant implementation date**"), an offer of Notes which are the subject of the offering contemplated by this Offering Circular has not been made and will not be made to the public in that relevant member state other than:

- to any legal entity that is a "**qualified investor**" as defined in the Prospectus Directive;
- to fewer than 100 or, if the relevant member state has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Issuer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of Notes shall require the Issuer, the Initial Purchaser or the Placement Agent to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each purchaser of securities described in this Offering Circular located within a relevant member state will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" as defined in the Prospectus Directive.

For purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that relevant member state by any measure implementing the Prospectus Directive in that relevant member state, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant member state) and includes any relevant implementing measure in the relevant member state and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

Notice to Prospective Investors in the United Kingdom

Within the United Kingdom this Offering Circular is only being distributed to, and is only directed at, professionals or other persons in circumstances in which Section 21(1) of the Financial Services and Markets Act 2000 (as amended) does not apply to the Issuer (all such persons together being referred to as "**relevant persons**"). This Offering Circular may not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Circular relates is available only to relevant persons and will be engaged in only with relevant persons.

Notice to Prospective Investors in France

Neither this Offering Circular nor any other offering material relating to the Notes has been submitted to the clearance procedures of the *Autorité des Marchés Financiers* or of the competent authority of another member state of the European Economic Area and notified to the *Autorité des Marchés Financiers*. The Notes have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France. Neither this Offering Circular nor any other offering material relating to the Notes has been or will be:

- released, issued, distributed or caused to be released, issued or distributed to the public in France; or
- used in connection with any offer for subscription or sale of the Notes to the public in France.
- Such offers, sales and distributions will be made in France only:
- to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle restreint d'investisseurs*), in each case investing for their own account, all as defined in, and in accordance with, articles L.411-2, D.411-1, D.411-2, D.734-1, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier*;
- to investment services providers authorized to engage in collateral management on behalf of third parties; or
- in a transaction that, in accordance with article L.411-2-II-1°-or-2°-or 3° of the French *Code monétaire et financier* and article 211-2 of the General Regulations (*Règlement Général*) of the *Autorité des Marchés Financiers*, does not constitute a public offer (*appel public à l'épargne*).

The Notes may be resold directly or indirectly, only in compliance with articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French *Code monétaire et financier*.

Notice to Prospective Investors in Italy

The Notes will not be offered, sold or delivered, and copies of this Offering Circular or any other document relating to the Notes will not be distributed, in the Republic of Italy unless such offer, sale or delivery of Notes or distribution of copies of this Offering Circular or any other document relating to the Notes in the Republic of Italy is:

- made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September, 1993 (the "**Banking Act**"), the Financial Services Act, Regulation 11522 and any other applicable laws and regulations; and

- in compliance with any and all other applicable laws and regulations.

Notice to Prospective Investors in Ireland

The Notes will not be underwritten or placed otherwise than in conformity with the provisions of the Investment Intermediaries Act, 1995 of Ireland, as amended, including, without limitation, Sections 9 and 23 (including advertising restrictions made thereunder) thereof and the codes of conduct made under Section 37 thereof or, in the case of a credit institution exercising its rights under the Banking Consolidation Directive (2000/12/EC of 20th March, 2000) in conformity with the codes of conduct or practice made under Section 117(1) of the Central Bank Act, 1989, of Ireland, as amended.

In connection with offers or sales of the Notes, each of the Co-Issuers and the Initial Purchaser has only issued or passed on, and will only issue or pass on, in Ireland, any document received by it in connection with the issue of the Notes to persons who are persons to whom the documents may otherwise lawfully be issued or passed on.

In respect of a local offer (within the meaning of Section 38(1) of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland (the "**2005 Act**")) of Notes in Ireland, Section 49 of the 2005 Act has been complied with and will be complied with.

Notice to Prospective Investors in Japan

The Notes have not been registered under the Financial Instruments and Exchange Law of Japan. The Notes have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan, except (i) pursuant to an exemption from the registration requirements of the Financial Instruments and Exchange Law and (ii) in compliance with any other applicable requirements of Japanese law.

TRANSFER RESTRICTIONS

Because of the following restrictions, you are advised to consult legal counsel prior to making any offer, resale, or transfer of the Notes.

The Notes have not been registered under the Securities Act or any state securities or "Blue Sky" laws or the securities laws of any other jurisdiction and, accordingly, may not be reoffered, resold, pledged or otherwise transferred except in accordance with the restrictions described herein and set forth in the Indenture.

Without limiting the foregoing, by holding a Note, you will acknowledge and agree, among other things, that you understand that neither of the Co-Issuers is registered as an investment company under the Investment Company Act, and that the Co-Issuers are exempt from registration as such by virtue of Section 3(c)(7) of the Investment Company Act. Section 3(c)(7) excepts from the provisions of the Investment Company Act those issuers who privately place their securities solely to persons who at the time of purchase are "qualified purchasers" or are "knowledgeable employees" with respect to the Issuer (or entities owned exclusively by "qualified purchasers" or "knowledgeable employees" with respect to the Issuer). In general terms, "**qualified purchaser**" is defined to mean, among other things, any natural person who owns not less than U.S.$5,000,000 in investments; any person who in the aggregate owns and invests on a discretionary basis, not less than U.S.$25,000,000 in investments; and trusts as to which both the settlor and the decision-making trustee are qualified purchasers (but only if such trust was not formed for the specific purpose of making such investment). In general terms, "**knowledgeable employees**" is defined to mean, among other things, executive officers, directors and certain investment professionals and employees of an issuer and its related investment manager.

Global Secured Notes and Regulation S Global Subordinated Notes

If you are either an initial purchaser or a transferee of Notes represented by an interest in a Global Secured Note or Regulation S Global Subordinated Note you will be deemed to have represented and agreed as follows (except as may be expressly agreed in writing between you and the Co-Issuers or the Issuer, as applicable, if you are an initial purchaser):

(i) In connection with the purchase of such Notes: (A) none of the Co-Issuers, the Collateral Manager, Citigroup, the Trustee, the Collateral Administrator or any of their respective affiliates is acting as a fiduciary or financial or investment advisor for such beneficial owner; (B) such beneficial owner is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Co-Issuers, the Collateral Manager, the Trustee, the Collateral Administrator, Citigroup, or any of their respective affiliates other than any statements in this Offering Circular, and such beneficial owner has read and understands this Offering Circular; (C) such beneficial owner has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary and has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Indenture) based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Co-Issuers, the Collateral Manager, the Trustee, the Collateral Administrator, Citigroup, or any of their respective affiliates; (D) such beneficial owner is either (1) (in the case of a beneficial owner of an interest in a Rule 144A Global Secured Note) both (a) a "**qualified institutional buyer**" (as defined under Rule 144A under the Securities Act) that is not a broker-dealer which owns and invests on a discretionary basis less than U.S.$25,000,000 in securities of issuers that are not affiliated persons of the dealer and is not a plan referred to in paragraph (a)(1)(i)(D) or (a)(1)(i)(E) of Rule 144A under the Securities Act or a trust fund referred to in paragraph (a)(1)(i)(F) of Rule 144A under the Securities Act that holds the assets of such a plan, if investment decisions with respect to the plan are made by beneficiaries of the plan and (b) a "**qualified purchaser**" for purposes of Section 3(c)(7) of the Investment Company Act or an entity owned exclusively by "**qualified purchasers**" or (2) not a "**U.S. person**" as defined in Regulation S and is acquiring the Notes in an offshore transaction (as defined in Regulation S) in reliance on the exemption from registration provided by Regulation S; (E) such beneficial owner is acquiring its interest in such Notes for its own account; (F) such beneficial owner was not formed for the purpose of investing in such Notes; (G) such beneficial owner understands that the Issuer may receive a list of participants holding interests in the Notes from one or more book-entry depositories; (H) such beneficial

owner will hold and, if and when transferred, transfer at least the minimum denomination of such Notes; (I) (in the case of the Subordinated Notes) such beneficial owner is a sophisticated investor and is purchasing the Notes with a full understanding of all of the terms, conditions and risks thereof, and is capable of and willing to assume those risks; (J) such beneficial owner will provide notice of the relevant transfer restrictions to subsequent transferees; and (K) if it is not a U.S. person, it is not acquiring any Note as part of a plan to reduce, avoid or evade U.S. federal income tax.

(ii) (1) Each purchaser and subsequent transferee of Class A Notes, Class B Notes or Class C Notes, or any interest therein, will be deemed to represent and warrant that (a) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Notes or interest therein will not constitute or result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Code, and (b) if it is a governmental, church, non-U.S. or other plan which is subject to any Other Plan Law, its acquisition, holding and disposition of such Notes or interest therein will not constitute or result in a non-exempt violation of any such Other Plan Law; (2) each purchaser and subsequent transferee of Class D Notes, or any interest therein, will be deemed to represent and warrant that (a) so long as it holds such Notes or interest therein, it will not be, and will not be not acting on behalf of, a Benefit Plan Investor, and (b) if it is a governmental, church, non-U.S. or other plan, (i) for so long as it holds such Notes or interest therein it will not be subject to any Similar Law and (ii) its acquisition, holding and disposition of such Notes or interest therein will not constitute or result in a non-exempt violation of any applicable Other Plan Laws and (3) each purchaser and subsequent transferee of Regulation S Global Class E Notes or an interest therein or Regulation S Global Subordinated Notes or an interest therein will be deemed (or, in the case of a transferee of a Certificated Class E Note, Certificated Subordinated Note or Uncertificated Subordinated Note taking delivery in the form of an interest in a Regulation S Global Class E Notes or Regulation S Global Subordinated Note, required) to represent and warrant that (a) for so long as it holds such Notes or interest therein, it will not be, and will not be acting on behalf of, a Benefit Plan Investor and will not be a Controlling Person unless it has obtained the prior written consent of the Issuer and (b) if it is a governmental, church, non-U.S. or other plan, (i) for so long as it holds such Notes or interest therein it will not be subject to any Similar Law and (ii) its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any applicable Other Plan Laws.

(iii) Such beneficial owner understands that such Notes are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, such Notes have not been and will not be registered under the Securities Act, and, if in the future such beneficial owner decides to offer, resell, pledge or otherwise transfer such Notes, such Notes may be offered, resold, pledged or otherwise transferred only in accordance with the provisions of the Indenture and the legend on such Notes. Such beneficial owner acknowledges that no representation has been made as to the availability of any exemption under the Securities Act or any state securities laws for resale of such Notes. Such beneficial owner understands that neither of the Co-Issuers has been registered under the Investment Company Act, and that the Co-Issuers are exempt from registration as such by virtue of Section 3(c)(7) of the Investment Company Act.

(iv) Such beneficial owner is aware that, except as otherwise provided in the Indenture, any Notes being sold to it in reliance on Regulation S will be represented by one or more Regulation S Global Secured Notes or Regulation S Global Subordinated Notes, as applicable, and that in each case beneficial interests therein may be held only through DTC for the respective accounts of Euroclear or Clearstream.

(v) Such beneficial owner will provide notice to each person to whom it proposes to transfer any interest in the Notes of the transfer restrictions and representations set forth in the Indenture.

Class E Notes

If you are a purchaser or transferee of a Certificated Class E Note after the Closing Date (including by way of a transfer of an interest in a Regulation S Global Class E Note to you as a transferee acquiring a Certificated Class E Note), no such purchase or transfer will be recorded or otherwise recognized unless you have provided the Issuer and the Trustee with certificates substantially in the form of Annex A-2 and Annex A-3 hereto in which you will be required to certify, among other matters, as to your status under the Securities Act, the Investment Company Act and ERISA. Initial investors in the Class E Notes on the Closing Date will be required to provide Citigroup or the Issuer with a subscription agreement containing representations substantially similar to those set forth in Annex A-2 and Annex A-3 hereto in which they will be required to certify, among other matters, as to their status under the Securities Act, the Investment Company Act and ERISA.

Subordinated Notes

If you are a purchaser or transferee of a Subordinated Note in certificated or uncertificated form after the Closing Date (including by way of a transfer of an interest in a Regulation S Global Subordinated Note to you as a transferee acquiring a Subordinated Note in certificated or uncertificated form), no such purchase or transfer will be recorded or otherwise recognized unless you have provided the Issuer and the Trustee with certificates substantially in the form of Annex A-1 and Annex A-2 hereto in which you will be required to certify, among other matters, as to your status under the Securities Act, the Investment Company Act and ERISA. Initial investors in the Subordinated Notes on the Closing Date will be required to provide Citigroup or the Issuer with a subscription agreement containing representations substantially similar to those set forth in Annex A-1 and Annex A-2 hereto in which they will be required to certify, among other matters, as to their status under the Securities Act, the Investment Company Act and ERISA.

Additional restrictions; Information required to be provided by holders of Notes

No transfer of any Note will be effective, and no such transfer will be recognized, if it may result in 25% or more of the value of the Class E Notes or the Subordinated Notes being held by Benefit Plan Investors (the "**25% Limitation**"). For purposes of this determination, the value of Notes held by Citigroup, the Trustee, the Collateral Manager and certain of their affiliates (other than those interests held by a Benefit Plan Investor) or a person (other than a Benefit Plan Investor) who is a Controlling Person is disregarded. If you are a Benefit Plan Investor, you may not acquire Class D Notes or any interest therein, and if you are a Benefit Plan Investor or a Controlling Person you may not acquire any Regulation S Global Class E Notes or any interest therein or Regulation S Global Subordinated Notes or any interest therein (except with the prior consent of the Issuer). See "Certain ERISA and Related Considerations".

Each initial purchaser and transferee of Notes shall be required or deemed to agree that if it is notified or otherwise has knowledge that (i) it has made or been deemed to have made a prohibited transaction representation or a Benefit Plan Investor, Controlling Person, Similar Law or Other Plan Law representation that is or becomes false or misleading or (ii) its beneficial ownership otherwise may cause a violation of the 25% Limitation, such initial purchaser or transferee shall promptly notify the Issuer and the Trustee thereof.

Any purported transfer of a beneficial interest (i) in any Class D Note to a Benefit Plan Investor or (ii) in any Class E Note or Subordinated Note to a person who has made or is deemed to have made a prohibited transaction representation or a Benefit Plan Investor, Controlling Person, Other Plan Law or Similar Law representation described in this Offering Circular that is subsequently shown to be false or misleading shall be null and void and any such purported transfer of which the Issuer, the Co-Issuer or the Trustee shall have notice may be disregarded by the Issuer, the Co-Issuer and the Trustee for all purposes.

Each purchaser, subsequent transferee and beneficial owner of Notes will be required or deemed to represent that the beneficial owner of such Notes is not an Affected Bank. If you are a purchaser or transferee of Certificated Class E Notes, Certificated Subordinated Notes or Uncertificated Subordinated Notes after the Closing Date, you will be required to provide the Issuer and the Trustee written certification by the delivery of a certificate in the form of Annex A-2 hereto as to whether the prospective beneficial owner of such Notes is an Affected Bank. If you purchase an interest in a Certificated Class E Note, Certificated Subordinated Note or Uncertificated Subordinated Note from the Issuer or Citigroup on the Closing Date, you will be required to provide the Issuer or

Citigroup with a subscription agreement containing representations substantially similar to those set forth in Annex A-2 hereto as to whether the prospective beneficial owner of such Notes is an Affected Bank. Each purchaser, subsequent transferee and beneficial owner of Regulation S Global Class E Notes or Regulation S Global Subordinated Notes will be deemed to represent that the beneficial owner of such Notes is not an Affected Bank. No transfer of a beneficial interest in a Note to an Affected Bank will be effective, and no such transfer will be recognized, unless such transfer is specifically authorized by the Issuer in writing; *provided*, that the Issuer shall authorize any such transfer if (x) such transfer would not cause an Affected Bank, directly or in conjunction with its affiliates, to beneficially own more than 33-1/3% of the aggregate outstanding principal amount of any Class of Notes, or (y) the beneficial owner transferring its interest in such Notes is an Affected Bank previously approved by the Issuer. "**Affected Bank**" means a "bank" for purposes of Section 881 of the Code or an entity affiliated with such a bank that is neither (x) a United States person (within the meaning of Section 7701(a)(30) of the Code), (y) entitled to the benefits of an income tax treaty with the United States under which withholding taxes on interest payments made by obligors resident in the United States to such bank are reduced to 0% nor (z) a bank that holds all of its Notes in connection with a United States trade or business and reports all income thereon on a form W-8ECI.

Each purchaser, beneficial owner and subsequent transferee of Notes or interest therein will: (1) be required or deemed to agree to provide the Issuer and Trustee and their agents and delegates (i) any information as is necessary (in the sole determination of the Issuer or the Trustee, as applicable) for the Issuer and the Trustee to determine whether such purchaser, beneficial owner or transferee is a specified United States person as defined in Section 1473(3) of the Code ("**specified United States person**") or a United States owned foreign entity as defined in Section 1471(d)(3) of the Code ("**United States owned foreign entity**") and (ii) any additional information that the Issuer or its agent requests in connection with Sections 1471-1474 of the Code and (2) if it is a specified United States person or a United States owned foreign entity that is a holder or beneficial owner of Notes or an interest therein, be required to (x) provide the Issuer and Trustee and their agents and delegates its name, address, U.S. taxpayer identification number and, if it is a United States owned foreign entity, the name, address and taxpayer identification number of each of its substantial United States owners as defined in Section 1473(2) of the Code ("**substantial United States owner**") and any other information requested by the Issuer or its agent upon request and (y) update any such information provided in clause (x) promptly upon learning that any such information previously provided has become obsolete or incorrect or is otherwise required (the foregoing agreements, the "**Noteholder Reporting Obligations**"). Each purchaser and subsequent transferee of Notes will be required or deemed to acknowledge that the Issuer may provide such information and any other information concerning its investment in the Notes to the U.S. Internal Revenue Service.

Each purchaser, beneficial owner and subsequent transferee of a Subordinated Note, by acceptance of such Note or an interest in such Note, shall be required or deemed to agree to provide the Issuer and Trustee and their agents and delegates (i) any information as is necessary (in the sole determination of the Issuer or the Trustee, as applicable) for the Issuer and the Trustee to comply with U.S. tax information reporting requirements relating to such purchaser's, beneficial owner's or subsequent transferee's adjusted basis in the Subordinated Notes, and (ii) any additional information that the Issuer, Trustee or their agents request in connection with any 1099 reporting requirements, and update any such information provided in clause (i) or (ii) promptly upon learning that any such information previously provided has become obsolete or incorrect or is otherwise required. Each such purchaser, beneficial owner and subsequent transferee of a Subordinated Note shall be required or deemed to acknowledge that the Issuer or Trustee may provide such information and any other information concerning its investment in the Subordinated Notes to the U.S. Internal Revenue Service.

To the extent required by the Issuer, as determined by the Issuer or the Collateral Manager on behalf of the Issuer, the Issuer may, upon notice to the Trustee (with a copy to the Collateral Manager), impose additional transfer restrictions on the Subordinated Notes to comply with the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 and other similar laws or regulations, including, without limitation, requiring each transferee of a Subordinated Note, as applicable, to make representations to the Issuer in connection with such compliance.

Legends

The Secured Notes will bear a legend substantially to the following effect unless the Issuer determines otherwise in compliance with applicable law:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO A "QUALIFIED PURCHASER" (AS DEFINED FOR PURPOSES OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT) THAT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN RELIANCE ON THE EXEMPTION FROM SECURITIES ACT REGISTRATION PROVIDED BY SUCH RULE THAT IS NOT A BROKER-DEALER WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25 MILLION IN SECURITIES OF ISSUERS THAT ARE NOT AFFILIATED PERSONS OF THE DEALER AND IS NOT A PLAN REFERRED TO IN PARAGRAPH (a)(1)(i)(D) OR (a)(1)(i)(E) OF RULE 144A OR A TRUST FUND REFERRED TO IN PARAGRAPH (a)(1)(i)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH A PLAN, IF INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE BY THE BENEFICIARIES OF THE PLAN OR (B) TO A PERSON THAT IS NOT A "U.S. PERSON" (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT, AND IN EACH CASE IN COMPLIANCE WITH THE CERTIFICATION AND OTHER REQUIREMENTS SPECIFIED IN THE INDENTURE REFERRED TO HEREIN AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAW OF ANY APPLICABLE JURISDICTION.

THE ISSUER HAS THE RIGHT, UNDER THE INDENTURE, TO COMPEL ANY BENEFICIAL OWNER OF AN INTEREST IN A NOTE THAT IS A U.S. PERSON AND IS NOT BOTH (A) A QUALIFIED PURCHASER OR A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY (OTHER THAN A TRUST) EACH SHAREHOLDER, PARTNER, MEMBER OR OTHER EQUITY OWNER OF WHICH IS A QUALIFIED PURCHASER AND (B) A QUALIFIED INSTITUTIONAL BUYER TO SELL ITS INTEREST IN THE NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.

[EACH PURCHASER OR TRANSFEREE OF THIS NOTE WILL BE DEEMED TO REPRESENT AND WARRANT THAT (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AND (B) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF ERISA OR SECTION 4975 OF THE CODE (ANY SUCH LAW OR REGULATION, AN "OTHER PLAN LAW"), ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY SUCH OTHER PLAN LAW. "BENEFIT PLAN INVESTOR" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (B) A PLAN AS DEFINED IN SECTION 4975(e)(1) OF THE CODE THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN

ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY.

THE ISSUER HAS THE RIGHT, UNDER THE INDENTURE, TO COMPEL ANY BENEFICIAL OWNER OF A SECURED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES 25% OR MORE OF THE VALUE OF ANY CLASS OF EQUITY INTEREST IN THE ISSUER TO BE HELD BY BENEFIT PLAN INVESTORS TO SELL ITS INTEREST IN SUCH NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.][1]

[EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF THIS NOTE WILL BE DEEMED TO REPRESENT AND WARRANT (1) THAT FOR SO LONG AS IT HOLDS THIS NOTE, IT WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, AND (2) THAT IF IT IS A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, (X) FOR SO LONG AS IT HOLDS SUCH NOTE OR INTEREST THEREIN IT WILL NOT BE SUBJECT TO ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER OR THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE FIDUCIARY RESPONSIBILITY OR PROHIBITED TRANSACTION PROVISIONS OF ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAW") AND (Y) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE FOREGOING PROVISIONS OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") ("OTHER PLAN LAW"). "BENEFIT PLAN INVESTOR" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (B) A PLAN AS DEFINED IN SECTION 4975(e)(1) OF THE CODE THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY.

NO TRANSFER OF AN INTEREST IN A CLASS D NOTE TO A PERSON THAT IS A BENEFIT PLAN INVESTOR WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER TO A PERSON THAT HAS BEEN DETERMINED BY THE ISSUER TO BE A BENEFIT PLAN INVESTOR.

THE ISSUER HAS THE RIGHT, UNDER THE INDENTURE, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS D NOTE WHO HAS MADE OR HAS BEEN

[1] Insert only in the case of Class A Notes, Class B Notes, and Class C Notes.

DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, SIMILAR LAW OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES 25% OR MORE OF THE VALUE OF ANY CLASS OF EQUITY INTEREST IN THE ISSUER TO BE HELD BY BENEFIT PLAN INVESTORS TO SELL ITS INTEREST IN THE CLASS D NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.][2]

[EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF A CERTIFICATED CLASS E NOTE (INCLUDING BY WAY OF TRANSFER OF AN INTEREST IN A REGULATION S GLOBAL CLASS E NOTE TO A TRANSFEREE ACQUIRING A CERTIFICATED CLASS E NOTE) WILL BE REQUIRED TO (I) REPRESENT AND WARRANT IN WRITING TO THE TRUSTEE (1) WHETHER OR NOT, FOR SO LONG AS IT HOLDS SUCH NOTE OR AN INTEREST THEREIN, IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, (2) WHETHER OR NOT, FOR SO LONG AS IT HOLDS SUCH NOTE OR AN INTEREST THEREIN, IT IS A CONTROLLING PERSON AND (3) IF IT IS A BENEFIT PLAN INVESTOR, THAT ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH CLASS E NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"). EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF AN INTEREST IN CLASS E NOTES REPRESENTED BY A REGULATION S GLOBAL CLASS E NOTE WILL BE DEEMED (OR, IN THE CASE OF A TRANSFEREE OF A CERTIFICATED CLASS E NOTE TAKING DELIVERY IN THE FORM OF AN INTEREST IN A REGULATION S GLOBAL CLASS E NOTE, REQUIRED) TO REPRESENT AND WARRANT THAT FOR SO LONG AS IT HOLDS SUCH CLASS E NOTE OR AN INTEREST THEREIN, IT IS NOT, AND IS NOT ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR AND IS NOT A CONTROLLING PERSON UNLESS IT HAS OBTAINED THE PRIOR WRITTEN CONSENT OF THE ISSUER. EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF AN INTEREST IN A CLASS E NOTE (OR AN INTEREST THEREIN) WILL BE REQUIRED OR DEEMED TO REPRESENT AND WARRANT THAT, IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS SUCH NOTE OR AN INTEREST THEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER OR THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE FIDUCIARY RESPONSIBILITY OR PROHIBITED TRANSACTION PROVISIONS OF ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAW"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH CLASS E NOTE OR AN INTEREST THEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF ERISA OR SECTION 4975 OF THE CODE ("OTHER PLAN LAW"). "BENEFIT PLAN INVESTOR" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN

[2] Insert only in the case of Class D Notes.

SECTION 3(42) OF ERISA AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (B) A PLAN AS DEFINED IN SECTION 4975(e)(1) OF THE CODE THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "CONTROLLING PERSON" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "AFFILIATE" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "CONTROL" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON.

NO TRANSFER OF A CLASS E NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25% OR MORE OF THE TOTAL VALUE OF THE CLASS E NOTES TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS (THE "25% LIMITATION"). NO TRANSFER OF AN INTEREST IN A REGULATION S GLOBAL CLASS E NOTE TO A PERSON THAT IS A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER TO A PERSON THAT HAS BEEN DETERMINED BY THE ISSUER TO BE A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON, UNLESS SUCH PERSON HAS OBTAINED THE PRIOR WRITTEN CONSENT OF THE ISSUER.

THE ISSUER HAS THE RIGHT, UNDER THE INDENTURE, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, SIMILAR LAW OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25% LIMITATION TO SELL ITS INTEREST IN THE CLASS E NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER][3]

[ANY TRANSFER, PLEDGE OR OTHER USE OF THIS NOTE FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN, UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("**DTC**"), NEW YORK, NEW YORK, TO THE CO-ISSUERS OR THEIR AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR OF SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO.).

[3] Insert only in the case of Class E Notes.

TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE.][4]

TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO HEREIN.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE TRUSTEE.

THE FAILURE TO PROVIDE THE ISSUER, THE TRUSTEE AND ANY PAYING AGENT WITH THE PROPERLY COMPLETED AND SIGNED TAX CERTIFICATIONS (GENERALLY, IN THE CASE OF U.S. FEDERAL INCOME TAX, AN INTERNAL REVENUE SERVICE FORM W-9 (OR APPLICABLE SUCCESSOR FORM) IN THE CASE OF A PERSON THAT IS A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE OR THE APPROPRIATE INTERNAL REVENUE SERVICE FORM W-8 (OR APPLICABLE SUCCESSOR FORM) IN THE CASE OF A PERSON THAT IS NOT A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE) OR THE FAILURE TO MEET ITS NOTEHOLDER REPORTING OBLIGATIONS MAY RESULT IN WITHHOLDING FROM PAYMENTS IN RESPECT OF SUCH NOTE, INCLUDING U.S. FEDERAL WITHHOLDING OR BACK-UP WITHHOLDING.

EACH HOLDER AND BENEFICIAL OWNER OF THIS NOTE OR AN INTEREST IN THIS NOTE THAT IS A "SPECIFIED UNITED STATES PERSON" (AS DEFINED IN SECTION 1473(3) OF THE CODE) OR A "UNITED STATES OWNED FOREIGN ENTITY" (AS DEFINED IN SECTION 1471(d)(3) OF THE CODE) WILL MAKE, OR BY ACQUIRING THIS NOTE OR AN INTEREST IN THIS NOTE WILL BE DEEMED TO MAKE, REPRESENTATIONS TO THE EFFECT THAT (I) IT WILL PROVIDE TO THE ISSUER AND THE TRUSTEE AND THEIR AGENTS AND DELEGATES ITS NAME, ADDRESS, U.S. TAXPAYER IDENTIFICATION NUMBER AND, IF IT IS A UNITED STATES OWNED FOREIGN ENTITY, THE NAME, ADDRESS AND TAXPAYER IDENTIFICATION NUMBER OF EACH OF ITS SUBSTANTIAL UNITED STATES OWNERS AS DEFINED IN SECTION 1473(2) OF THE CODE ("SUBSTANTIAL UNITED STATES OWNER") AND ANY OTHER INFORMATION THAT THE ISSUER OR THE HOLDER REQUESTS AND (II) IT WILL UPDATE ANY SUCH INFORMATION PROVIDED IN CLAUSE (I) PROMPTLY UPON LEARNING THAT ANY SUCH INFORMATION PREVIOUSLY PROVIDED HAS BECOME OBSOLETE OR INCORRECT OR IS OTHERWISE REQUIRED. IN ADDITION, EACH HOLDER AND BENEFICIAL OWNER OF THIS NOTE OR ANY INTEREST IN THIS NOTE WILL MAKE, OR BY ACQUIRING THIS NOTE OR ANY INTEREST IN THIS NOTE WILL BE DEEMED TO MAKE, REPRESENTATIONS TO THE EFFECT THAT IT WILL PROVIDE TO THE ISSUER AND THE TRUSTEE AND THEIR AGENTS AND DELEGATES (X) ANY

[4] Insert in the case of Global Secured Notes only.

INFORMATION AS IS NECESSARY (IN THE SOLE DETERMINATION OF THE ISSUER OR THE TRUSTEE, AS APPLICABLE) FOR THE ISSUER AND THE TRUSTEE TO DETERMINE WHETHER SUCH HOLDER OR BENEFICIAL OWNER IS A "SPECIFIED UNITED STATES PERSON" (AS DEFINED IN SECTION 1473(3) OF THE CODE) OR A UNITED STATES OWNED FOREIGN ENTITY, AND (Y) ANY ADDITIONAL INFORMATION THAT THE ISSUER OR ITS AGENT REQUESTS IN CONNECTION WITH SECTIONS 1471-1474 OF THE CODE. EACH SUCH HOLDER AND BENEFICIAL OWNER WILL AGREE, OR BY ACQUIRING THIS NOTE OR AN INTEREST IN THIS NOTE BE DEEMED TO AGREE THAT THE ISSUER MAY PROVIDE SUCH INFORMATION, AND ANY OTHER INFORMATION REGARDING ITS INVESTMENT IN THE NOTES TO THE U.S. INTERNAL REVENUE SERVICE. THE ISSUER HAS THE RIGHT, UNDER THE INDENTURE, TO COMPEL ANY BENEFICIAL OWNER OF AN INTEREST IN A NOTE THAT FAILS TO COMPLY WITH THE FOREGOING REQUIREMENTS TO SELL ITS INTEREST IN SUCH NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.

EACH HOLDER AND BENEFICIAL OWNER OF THIS NOTE (A) WILL MAKE, OR BY ACQUIRING THIS NOTE OR AN INTEREST IN THIS NOTE WILL BE DEEMED TO MAKE, A REPRESENTATION TO THE EFFECT THAT THE BENEFICIAL OWNER OF THIS NOTE IS NOT AN AFFECTED BANK AND (B) WILL AGREE, OR BY ACQUIRING THIS NOTE OR AN INTEREST IN THIS NOTE WILL BE DEEMED TO AGREE, THAT NO TRANSFER OF A BENEFICIAL INTEREST IN THIS NOTE TO AN AFFECTED BANK WILL BE EFFECTIVE AND THE TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER, UNLESS SUCH TRANSFER IS SPECIFICALLY AUTHORIZED BY THE ISSUER IN WRITING; PROVIDED THAT THE ISSUER SHALL AUTHORIZE ANY SUCH TRANSFER IF (X) SUCH TRANSFER WOULD NOT CAUSE AN AFFECTED BANK, DIRECTLY OR IN CONJUNCTION WITH ITS AFFILIATES, TO BENEFICIALLY OWN MORE THAN 33-1/3% OF THE AGGREGATE OUTSTANDING PRINCIPAL AMOUNT OF THE [CLASS A-1][5] [CLASS A-2][6] [CLASS B][7] [CLASS C][8] [CLASS D][9] [CLASS E][10] NOTES OR (Y) THE BENEFICIAL OWNER TRANSFERRING AN INTEREST IN SUCH NOTE IS AN AFFECTED BANK PREVIOUSLY APPROVED BY THE ISSUER. AN "AFFECTED BANK" IS A "BANK" FOR PURPOSES OF SECTION 881 OF THE CODE OR AN ENTITY AFFILIATED WITH SUCH A BANK THAT IS NEITHER (X) A UNITED STATES PERSON (WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE) NOR (Y) ENTITLED TO THE BENEFITS OF AN INCOME TAX TREATY WITH THE UNITED STATES UNDER WHICH WITHHOLDING TAXES ON INTEREST PAYMENTS MADE BY OBLIGORS RESIDENT IN THE UNITED STATES TO SUCH BANK ARE REDUCED TO 0% NOR (Z) A BANK THAT HOLDS ALL OF ITS NOTES IN CONNECTION WITH A UNITED STATES TRADE OR BUSINESS AND REPORTS ALL INCOME THEREON ON A FORM W-8ECI.

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[5] Insert in the case of a Class A-1 Note.

[6] Insert in the case of a Class A-2 Note.

[7] Insert in the case of a Class B Note.

[8] Insert in the case of a Class C Note.

[9] Insert in the case of a Class D Note.

[10] Insert in the case of a Class E Note.

EACH HOLDER AND EACH BENEFICIAL OWNER OF THIS NOTE, BY ACQUIRING THIS NOTE OR ITS INTEREST IN THIS NOTE, AS THE CASE MAY BE, SHALL BE DEEMED TO HAVE AGREED TO TREAT, AND SHALL TREAT, THIS NOTE AS DEBT OF THE ISSUER FOR U.S. FEDERAL AND, TO THE EXTENT PERMITTED BY LAW, STATE AND LOCAL INCOME AND FRANCHISE TAX PURPOSES AND SHALL TAKE NO ACTION INCONSISTENT WITH SUCH TREATMENT UNLESS REQUIRED BY ANY RELEVANT TAXING AUTHORITY.

Additionally, the Class A-1B Notes, Class A-2A Notes, Class B Notes, Class C Notes, Class D Notes and Class E Notes will bear a legend substantially to the following effect unless the Issuer determines otherwise in compliance with applicable law:

THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("OID") FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS NOTE MAY BE OBTAINED BY WRITING TO BRETT NEUBECK, CITIGROUP GLOBAL MARKETS INC., 390 GREENWICH STREET, NEW YORK, NEW YORK 10013, TELEPHONE NO. 212-723-3188.

The Subordinated Notes will bear a legend substantially to the following effect unless the Issuer determines otherwise in compliance with applicable law:

THIS SUBORDINATED NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY TO (A) A PERSON THAT IS BOTH (1) A "QUALIFIED PURCHASER", A "KNOWLEDGEABLE EMPLOYEE" WITH RESPECT TO THE ISSUER OR A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY (OTHER THAN A TRUST) EACH SHAREHOLDER, PARTNER, MEMBER OR OTHER EQUITY OWNER OF WHICH IS EITHER A QUALIFIED PURCHASER OR A KNOWLEDGEABLE EMPLOYEE WITH RESPECT TO THE ISSUER (IN EACH CASE, AS DEFINED FOR PURPOSES OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT) AND (2) EITHER (X) A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN RELIANCE ON THE EXEMPTION FROM SECURITIES ACT REGISTRATION PROVIDED BY SUCH RULE THAT IS NOT A BROKER-DEALER WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25 MILLION IN SECURITIES OF ISSUERS THAT ARE NOT AFFILIATED PERSONS OF THE DEALER AND IS NOT A PLAN REFERRED TO IN PARAGRAPH (a)(1)(i)(D) OR (a)(1)(i)(E) OF RULE 144A OR A TRUST FUND REFERRED TO IN PARAGRAPH (a)(1)(i)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH A PLAN, IF INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE BY THE BENEFICIARIES OF THE PLAN OR (Y) AN "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(A) UNDER THE SECURITIES ACT) OR (B) A PERSON THAT IS NOT A "U.S. PERSON" (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) AND IS ACQUIRING THIS SUBORDINATED NOTE IN RELIANCE ON THE EXEMPTION FROM SECURITIES ACT REGISTRATION PROVIDED BY SUCH REGULATION, AND IN EACH CASE IN COMPLIANCE WITH THE CERTIFICATION AND OTHER REQUIREMENTS SPECIFIED IN THE INDENTURE REFERRED TO HEREIN AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAW OF ANY APPLICABLE JURISDICTION.

EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF A CERTIFICATED OR UNCERTIFICATED SUBORDINATED NOTE (INCLUDING BY WAY OF TRANSFER OF AN INTEREST IN A REGULATION S GLOBAL SUBORDINATED NOTE TO A TRANSFEREE ACQUIRING A SUBORDINATED NOTE IN CERTIFICATED OR UNCERTIFICATED FORM) WILL BE REQUIRED TO (I) REPRESENT AND WARRANT IN WRITING TO THE TRUSTEE (1) WHETHER OR NOT, FOR SO LONG AS IT HOLDS SUCH NOTE OR AN INTEREST THEREIN, IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, (2) WHETHER OR NOT, FOR SO LONG AS IT HOLDS SUCH NOTE OR AN INTEREST THEREIN, IT IS A CONTROLLING PERSON AND (3) IF IT IS A BENEFIT PLAN INVESTOR, THAT ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH SUBORDINATED NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"). EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF AN INTEREST IN SUBORDINATED NOTES REPRESENTED BY A REGULATION S GLOBAL SUBORDINATED NOTE WILL BE DEEMED (OR, IN THE CASE OF A TRANSFEREE OF A CERTIFICATED SUBORDINATED NOTE OR UNCERTIFICATED SUBORDINATED NOTE TAKING DELIVERY IN THE FORM OF AN INTEREST IN A REGULATION S GLOBAL SUBORDINATED NOTE, REQUIRED) TO REPRESENT AND WARRANT THAT FOR SO LONG AS IT HOLDS SUCH SUBORDINATED NOTE OR AN INTEREST THEREIN, IT IS NOT, AND IS NOT ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR AND IS NOT A CONTROLLING PERSON UNLESS IT HAS OBTAINED THE PRIOR WRITTEN CONSENT OF THE ISSUER. EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF AN INTEREST IN A SUBORDINATED NOTE (OR AN INTEREST THEREIN) WILL BE REQUIRED OR DEEMED TO REPRESENT AND WARRANT THAT, IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS SUCH NOTE OR AN INTEREST THEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER OR THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE FIDUCIARY RESPONSIBILITY OR PROHIBITED TRANSACTION PROVISIONS OF ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAW"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH SUBORDINATED NOTE OR AN INTEREST THEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF ERISA OR SECTION 4975 OF THE CODE ("OTHER PLAN LAW"). "BENEFIT PLAN INVESTOR" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (B) A PLAN AS DEFINED IN SECTION 4975(e)(1) OF THE CODE THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "CONTROLLING PERSON" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR

A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "AFFILIATE" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "CONTROL" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON.

NO TRANSFER OF A SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25% OR MORE OF THE TOTAL VALUE OF THE SUBORDINATED NOTES TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS (THE "25% LIMITATION"). NO TRANSFER OF AN INTEREST IN A REGULATION S GLOBAL SUBORDINATED NOTE TO A PERSON THAT IS A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER TO A PERSON THAT HAS BEEN DETERMINED BY THE ISSUER TO BE A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON, UNLESS SUCH PERSON HAS OBTAINED THE PRIOR WRITTEN CONSENT OF THE ISSUER.

THE ISSUER HAS THE RIGHT, UNDER THE INDENTURE, TO COMPEL ANY BENEFICIAL OWNER OF A SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, SIMILAR LAW OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25% LIMITATION TO SELL ITS INTEREST IN THE SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.

THE ISSUER HAS THE RIGHT, UNDER THE INDENTURE, TO COMPEL ANY BENEFICIAL OWNER OF AN INTEREST IN A SUBORDINATED NOTE THAT IS A U.S. PERSON AND IS NOT BOTH (A) A QUALIFIED PURCHASER, A KNOWLEDGEABLE EMPLOYEE WITH RESPECT TO THE ISSUER OR A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY (OTHER THAN A TRUST) EACH SHAREHOLDER, PARTNER, MEMBER OR OTHER EQUITY OWNER OF WHICH IS EITHER A QUALIFIED PURCHASER OR A KNOWLEDGEABLE EMPLOYEE WITH RESPECT TO THE ISSUER AND (B) A QUALIFIED INSTITUTIONAL BUYER OR AN ACCREDITED INVESTOR TO SELL ITS INTEREST IN THE SUBORDINATED NOTES, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.

[ANY TRANSFER, PLEDGE OR OTHER USE OF THIS SUBORDINATED NOTE FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN, UNLESS THIS SUBORDINATED NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("**DTC**"), NEW YORK, NEW YORK, TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY SUBORDINATED NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR OF SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO.).

TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE.][11]

DISTRIBUTIONS OF PRINCIPAL PROCEEDS AND INTEREST PROCEEDS TO THE HOLDER OF THE SUBORDINATED NOTES REPRESENTED HEREBY ARE SUBORDINATED TO THE PAYMENT ON EACH PAYMENT DATE OF PRINCIPAL OF AND INTEREST ON THE SECURED NOTES OF THE ISSUER AND THE PAYMENT OF CERTAIN OTHER AMOUNTS, TO THE EXTENT AND AS DESCRIBED IN THE INDENTURE.

THE FAILURE TO PROVIDE THE ISSUER, THE TRUSTEE AND ANY PAYING AGENT WITH THE PROPERLY COMPLETED AND SIGNED TAX CERTIFICATIONS (GENERALLY, IN THE CASE OF U.S. FEDERAL INCOME TAX, AN INTERNAL REVENUE SERVICE FORM W-9 (OR APPLICABLE SUCCESSOR FORM) IN THE CASE OF A PERSON THAT IS A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE OR THE APPROPRIATE INTERNAL REVENUE SERVICE FORM W-8 (OR APPLICABLE SUCCESSOR FORM) IN THE CASE OF A PERSON THAT IS NOT A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE) OR THE FAILURE TO MEET ITS NOTEHOLDER REPORTING OBLIGATIONS MAY RESULT IN WITHHOLDING FROM PAYMENTS IN RESPECT OF SUCH NOTE, INCLUDING U.S. FEDERAL WITHHOLDING OR BACK-UP WITHHOLDING.

EACH HOLDER AND BENEFICIAL OWNER OF THIS SUBORDINATED NOTE OR AN INTEREST IN THIS SUBORDINATED NOTE THAT IS A "SPECIFIED UNITED STATES PERSON" (AS DEFINED IN SECTION 1473(3) OF THE CODE) OR A "UNITED STATES OWNED FOREIGN ENTITY" (AS DEFINED IN SECTION 1471(d)(3) OF THE CODE) WILL MAKE, OR BY ACQUIRING THIS SUBORDINATED NOTE OR AN INTEREST IN THIS SUBORDINATED NOTE WILL BE DEEMED TO MAKE, REPRESENTATIONS TO THE EFFECT THAT (I) IT WILL PROVIDE TO THE ISSUER AND THE TRUSTEE AND THEIR AGENTS AND DELEGATES ITS NAME, ADDRESS, U.S. TAXPAYER IDENTIFICATION NUMBER AND, IF IT IS A UNITED STATES OWNED FOREIGN ENTITY, THE NAME, ADDRESS AND TAXPAYER IDENTIFICATION NUMBER OF EACH OF ITS SUBSTANTIAL UNITED STATES OWNERS AS DEFINED IN SECTION 1473(2) OF THE CODE ("SUBSTANTIAL UNITED STATES OWNER") AND ANY OTHER INFORMATION THAT THE ISSUER OR THE HOLDER REQUESTS AND (II) IT WILL UPDATE ANY SUCH INFORMATION PROVIDED IN CLAUSE (I) PROMPTLY UPON LEARNING THAT ANY SUCH INFORMATION PREVIOUSLY PROVIDED HAS BECOME OBSOLETE OR INCORRECT OR IS OTHERWISE REQUIRED. IN ADDITION, EACH HOLDER AND BENEFICIAL OWNER OF THIS SUBORDINATED NOTE OR ANY INTEREST IN THIS SUBORDINATED NOTE WILL MAKE, OR BY ACQUIRING THIS SUBORDINATED NOTE OR ANY INTEREST IN THIS SUBORDINATED NOTE WILL BE DEEMED TO MAKE, REPRESENTATIONS TO THE EFFECT THAT IT WILL PROVIDE TO THE ISSUER AND THE TRUSTEE AND THEIR AGENTS AND DELEGATES (X) ANY INFORMATION AS IS NECESSARY (IN THE SOLE DETERMINATION OF THE ISSUER OR THE TRUSTEE, AS APPLICABLE) FOR THE ISSUER AND THE

[11] Insert in the case of Regulation S Global Subordinated Notes only.

TRUSTEE TO DETERMINE WHETHER SUCH HOLDER OR BENEFICIAL OWNER IS A "SPECIFIED UNITED STATES PERSON" (AS DEFINED IN SECTION 1473(3) OF THE CODE) OR A UNITED STATES OWNED FOREIGN ENTITY, AND (Y) ANY ADDITIONAL INFORMATION THAT THE ISSUER OR ITS AGENT REQUESTS IN CONNECTION WITH SECTIONS 1471-1474 OF THE CODE. EACH SUCH HOLDER AND BENEFICIAL OWNER WILL AGREE, OR BY ACQUIRING THIS SUBORDINATED NOTE OR AN INTEREST IN THIS SUBORDINATED NOTE BE DEEMED TO AGREE THAT THE ISSUER MAY PROVIDE SUCH INFORMATION, AND ANY OTHER INFORMATION REGARDING ITS INVESTMENT IN THE NOTES TO THE U.S. INTERNAL REVENUE SERVICE. THE ISSUER HAS THE RIGHT, UNDER THE INDENTURE, TO COMPEL ANY BENEFICIAL OWNER OF AN INTEREST IN A NOTE THAT FAILS TO COMPLY WITH THE FOREGOING REQUIREMENTS TO SELL ITS INTEREST IN SUCH NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.

EACH HOLDER AND BENEFICIAL OWNER OF A REGULATION S GLOBAL SUBORDINATED NOTE OR AN INTEREST THEREIN WILL BE DEEMED TO MAKE A REPRESENTATION TO THE EFFECT THAT THE BENEFICIAL OWNER OF THIS NOTE IS NOT AN AFFECTED BANK, AND EACH HOLDER AND BENEFICIAL OWNER OF A CERTIFICATED SUBORDINATED NOTE OR UNCERTIFICATED SUBORDINATED NOTE OR AN INTEREST THEREIN WILL MAKE A REPRESENTATION AS TO WHETHER THE BENEFICIAL OWNER OF SUCH NOTE IS AN AFFECTED BANK. EACH HOLDER OF THIS NOTE WILL AGREE, OR BY ACQUIRING THIS NOTE OR AN INTEREST IN THIS NOTE WILL BE DEEMED TO AGREE, THAT NO TRANSFER OF A BENEFICIAL INTEREST IN A SUBORDINATED NOTE TO AN AFFECTED BANK WILL BE EFFECTIVE AND THE TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER, UNLESS SUCH TRANSFER IS SPECIFICALLY AUTHORIZED BY THE ISSUER IN WRITING; PROVIDED THAT THE ISSUER SHALL AUTHORIZE ANY SUCH TRANSFER IF (X) SUCH TRANSFER WOULD NOT CAUSE AN AFFECTED BANK, DIRECTLY OR IN CONJUNCTION WITH ITS AFFILIATES, TO BENEFICIALLY OWN MORE THAN 33-1/3% OF THE AGGREGATE OUTSTANDING PRINCIPAL AMOUNT OF THE SUBORDINATED NOTES OR (Y) THE BENEFICIAL OWNER TRANSFERRING AN INTEREST IN SUCH NOTE IS AN AFFECTED BANK PREVIOUSLY APPROVED BY THE ISSUER. AN "AFFECTED BANK" IS A "BANK" FOR PURPOSES OF SECTION 881 OF THE CODE OR AN ENTITY AFFILIATED WITH SUCH A BANK THAT IS NEITHER (X) A UNITED STATES PERSON (WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE) NOR (Y) ENTITLED TO THE BENEFITS OF AN INCOME TAX TREATY WITH THE UNITED STATES UNDER WHICH WITHHOLDING TAXES ON INTEREST PAYMENTS MADE BY OBLIGORS RESIDENT IN THE UNITED STATES TO SUCH BANK ARE REDUCED TO 0% NOR (Z) A BANK THAT HOLDS ALL OF ITS NOTES IN CONNECTION WITH A UNITED STATES TRADE OR BUSINESS AND REPORTS ALL INCOME THEREON ON A FORM W-8ECI.

EACH HOLDER AND EACH BENEFICIAL OWNER OF THIS SUBORDINATED NOTE, BY ACQUIRING THIS NOTE OR AN INTEREST IN THIS NOTE, AS THE CASE MAY BE, SHALL BE DEEMED TO HAVE AGREED TO TREAT, AND SHALL TREAT, THIS SUBORDINATED NOTE AS EQUITY IN THE ISSUER AND THE SECURED NOTES AS INDEBTEDNESS OF THE ISSUER FOR U.S. FEDERAL AND, TO THE EXTENT PERMITTED BY LAW, STATE AND LOCAL INCOME AND FRANCHISE TAX PURPOSES AND SHALL TAKE NO ACTION INCONSISTENT WITH SUCH TREATMENT UNLESS REQUIRED BY ANY RELEVANT TAXING AUTHORITY.

Non-Permitted Holder/Non-Permitted ERISA Holder

If (x) any U.S. person that is not a Qualified Institutional Buyer and a Qualified Purchaser or that does not have an exemption available under the Securities Act and the Investment Company Act shall become the holder or beneficial owner of an interest in any Secured Note, (y) any U.S. person that is not (i) a Qualified Institutional Buyer or an Accredited Investor and either (ii) a Qualified Purchaser or a Knowledgeable Employee with respect to the Issuer (or a corporation, partnership, limited liability company or other entity (other than a trust) each shareholder, partner, member or other equity owner of which is either a Qualified Purchaser or a Knowledgeable Employee with respect to the Issuer) or that does not have an exemption available under the Securities Act and the Investment Company Act shall become the holder or beneficial owner of a Subordinated Note or (z) any holder of Notes shall fail to comply with the Noteholder Reporting Obligations (any such person a "**Non-Permitted Holder**"), the Issuer shall, promptly after discovery that such person is a Non-Permitted Holder by the Issuer or upon notice from the Trustee (if a responsible officer of the Trustee obtains actual knowledge) or the Co-Issuer to the Issuer, with a copy to the Collateral Manager, if either of them makes the discovery (who, in each case, agree to notify the Issuer, with a copy to the Collateral Manager, of such discovery, if any), send notice to such Non-Permitted Holder (with a copy to the Collateral Manager) demanding that such Non-Permitted Holder transfer its Notes or interest therein to a person that is not a Non-Permitted Holder within 30 days after the date of such notice. If such Non-Permitted Holder fails to so transfer its Notes or interest therein, the Issuer or the Collateral Manager acting for the Issuer shall have the right, without further notice to the Non-Permitted Holder, to sell such Notes or interest in such Notes to a purchaser selected by the Issuer that is not a Non-Permitted Holder on such terms as the Issuer may choose or assign to such Notes a separate CUSIP number or numbers. None of the Issuer, the Collateral Manager, the Trustee, the Collateral Administrator, the Initial Purchaser or the Placement Agent shall be required to purchase any such Notes required to be sold. The Issuer or the Collateral Manager acting on behalf of the Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Notes and selling such Notes to the highest such bidder. However, the Issuer or the Collateral Manager may select a purchaser by any other means determined by it in its sole discretion. The holder of each Note, the Non-Permitted Holder and each other person in the chain of title from the holder to the Non-Permitted Holder, by its acceptance of an interest in the Notes agrees to cooperate with the Issuer and the Trustee to effect such transfers. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to the Non-Permitted Holder. The terms and conditions of any sale shall be determined in the sole discretion of the Issuer, and none of the Issuer, the Collateral Manager and the Trustee shall be liable to any person having an interest in the Notes sold as a result of any such sale or the exercise of such discretion.

If any person shall become the beneficial owner of a Note who has made or is deemed to have made a prohibited transaction representation or a Benefit Plan Investor, Controlling Person, Similar Law or Other Plan Law representation that is subsequently shown to be false or misleading or whose beneficial ownership otherwise causes a violation of the 25% Limitation (any such person a "**Non-Permitted ERISA Holder**"), the Issuer shall, promptly after discovery that such person is a Non-Permitted ERISA Holder by the Issuer or upon notice from the Trustee (if the Trustee obtains actual knowledge) or the Co-Issuer to the Issuer, with a copy to the Collateral Manager, if either of them makes the discovery (who, in each case, agree to notify the Issuer, with a copy to the Collateral Manager, of such discovery, if any), send notice to such Non-Permitted ERISA Holder (with a copy to the Collateral Manager) demanding that such Non-Permitted ERISA Holder transfer its Notes or interest therein to a person that is not a Non-Permitted ERISA Holder (and that is otherwise eligible to hold such Notes or an interest therein) within 14 days after the date of such notice. If such Non-Permitted ERISA Holder fails to so transfer its Notes or interest therein, the Issuer or the Collateral Manager acting for the Issuer shall have the right, without further notice to the Non-Permitted ERISA Holder, to sell such Non-Permitted ERISA Holder's interest in such Notes, to a purchaser selected by the Issuer that is not a Non-Permitted ERISA Holder (and that is otherwise eligible to hold such Notes or an interest therein) on such terms as the Issuer may choose. None of the Issuer, the Collateral Manager, the Trustee, the Collateral Administrator, the Initial Purchaser or the Placement Agent shall be required to purchase any such Notes required to be sold. The Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Notes and sell such Notes to the highest such bidder. The holder of each Note, the Non-Permitted ERISA Holder and each other person in the chain of title from the holder to the Non-Permitted ERISA Holder, by its acceptance of an interest in the Notes, agrees to cooperate with the Issuer to effect such transfers. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to the Non-Permitted ERISA Holder. The terms and conditions of any sale under this sub-section shall be determined in the sole discretion of the Issuer, and none of the

Issuer, the Collateral Manager and the Trustee shall be liable to any person having an interest in the Notes sold as a result of any such sale or the exercise of such discretion.

Cayman Islands placement provisions

Citigroup has not made and will not make any invitation to the public in the Cayman Islands to subscribe for the Notes.

LISTING AND GENERAL INFORMATION

1. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. There can be no assurance that such listing will be maintained. It is expected that the total expenses related to admission to trading will be approximately €14,700.

2. For the term of the Notes, copies of the Memorandum of Association and Articles of Association of the Issuer, the Certificate of Incorporation and By-laws of the Co-Issuer, the Indenture, the Collateral Management Agreement and the Collateral Administration Agreement will be available in electronic form for inspection at the principal office of the Issuer and the offices of the Trustee at 388 Greenwich Street, 14th Floor, New York, New York 10013, Attention: Global Transaction Services – ACAS CLO 2013-2, Ltd., and copies thereof may be obtained upon request.

3. Since incorporation and as of the Original Distribution Date, neither the Issuer nor the Co-Issuer has commenced trading, established any accounts or declared any dividends, except for the transactions described herein.

4. Neither of the Co-Issuers is, or has since incorporation been, involved in any litigation, governmental proceedings or arbitration proceedings relating to claims in amounts which may have or have had a significant effect on the Co-Issuers nor, so far as either Co-Issuer is aware, is any such litigation, governmental proceedings or arbitration involving it pending or threatened.

5. The issuance by the Issuer of the Notes was authorized by the board of directors of the Issuer by resolutions passed on or about the Closing Date and the issuance by the Co-Issuer of the Secured Notes (other than the Class D Notes and Class E Notes) was authorized by the board of directors of the Co-Issuer by resolutions passed on the Closing Date.

6. The Issuer is not required by Cayman Islands law, and the Issuer does not intend, to publish annual reports and accounts, nor has it done so as of the date hereof. The Co-Issuer is not required by Delaware law, and the Co-Issuer does not intend, to publish annual reports and accounts, nor has it done so as of the date hereof. The Indenture, however, requires the Issuer to provide the Trustee with written confirmation, on an annual basis, that to the best of its knowledge following review of the activities of the prior year, no Event of Default has occurred and is continuing or, if one has, specifying the same. The Co-Issuers do not intend to provide to the public post-issuance transaction information regarding the securities to be admitted to trading or the performance of the underlying collateral.

7. As of the date hereof, the Rating Agencies are not established in the European Union and are not registered in accordance with Regulation (EC) No. 1060/2009.

8. The language of this Offering Circular is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

9. No website referred to in this document forms part of the document for the purposes of the listing of the Notes on the Irish Stock Exchange.

10. The Notes sold in offshore transactions in reliance on Regulation S under the Securities Act and represented by the Regulation S Global Secured Notes or the Regulation S Global Subordinated Notes, as applicable, have been accepted for clearance through Clearstream and Euroclear. The Notes sold to persons that are Qualified

Institutional Buyers and Qualified Purchasers in reliance on Rule 144A under the Securities Act and represented by Rule 144A Global Secured Notes have been accepted for clearance through DTC. The CUSIP Numbers, Common Codes and International Securities Identification Numbers (ISIN), as applicable, for the Notes are as follows:

Rule 144A Global		
	CUSIP	ISIN
Class A-1A Notes	00084VAA8	US00084VAA89
Class A-1B Notes	00084VAJ9	US00084VAJ98
Class A-1C Notes	00084VAL4	US00084VAL45
Class A-2A Notes	00084VAC4	US00084VAC46
Class A-2B Notes	00084VAQ3	US00084VAQ32
Class B Notes	00084VAE0	US00084VAE02
Class C Notes	00084VAG5	US00084VAG59
Class D Notes	00084WAA6	US00084WAA62

Rule 144A Certificated		
	CUSIP	ISIN
Class E Notes	00084WAC2	US00084WAC29
Subordinated Notes	00084WAE8	US00084WAE84

Regulation S			
	Common Code	CUSIP	ISIN
Class A-1A Notes	096890273	G0067RAA1	USG0067RAA17
Class A-1B Notes	096890281	G0067RAE3	USG0067RAE39
Class A-1C Notes	096890311	G0067RAF0	USG0067RAF04
Class A-2A Notes	096890346	G0067RAB9	USG0067RAB99
Class A-2B Notes	096890290	G0067RAH6	USG0067RAH69
Class B Notes	096890303	G0067RAC7	USG0067RAC72
Class C Notes	096890320	G0067RAD5	USG0067RAD55
Class D Notes	096890354	G0068GAA4	USG0068GAA43
Class E Notes	096890362	G0068GAB2	USG0068GAB26
Subordinated Notes	096890745	G0068GAC0	USG0068GAC09

Accredited Investor		
	CUSIP	ISIN
Subordinated Notes	00084WAF5	US00084WAF59

LEGAL MATTERS

Certain legal matters with respect to the Notes will be passed upon for the Co-Issuers and for Citigroup by Freshfields Bruckhaus Deringer US LLP. Certain matters with respect to Cayman Islands law will be passed upon for the Issuer by Appleby (Cayman) Ltd. Certain legal matters with respect to the Collateral Manager will be passed upon by Winston & Strawn LLP.

GLOSSARY OF CERTAIN DEFINED TERMS

"**Accountants' Report**" means an agreed-upon procedures report from the accountants selected by the Issuer pursuant to the Indenture.

"**Accredited Investor**" has the meaning set forth in Rule 501(a) under the Securities Act.

"**Additional Issuance Threshold Test**" means a test that will be satisfied on the date of any issuance of additional notes if (a) no Event of Default has occurred and is continuing or would result therefrom and (b) the aggregate principal amount of additional Subordinated Notes being issued is at least equal to U.S.$2,000,000.

"**Adjusted Collateral Principal Amount**" means, as of any date of determination:

(a) the aggregate principal balance of the Collateral Obligations (other than Defaulted Obligations, Discount Obligations, Deferring Securities, WAL Haircut Obligations and Long-Dated Assets); *plus*

(b) Principal Financed Accrued Interest (excluding any unpaid accrued interest purchased with Principal Proceeds in respect of Defaulted Obligations); *plus*

(c) without duplication, the amounts on deposit in the Collection Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds; *plus*

(d) the lesser of the (i) S&P Collateral Value of all Defaulted Obligations and Deferring Securities and (ii) Moody's Collateral Value of all Defaulted Obligations and Deferring Securities; provided that the Adjusted Collateral Principal Amount will be zero for any Defaulted Obligation which the Issuer has owned for more than three years after its default date; *plus*

(e) the aggregate, for each Discount Obligation, of the purchase price (expressed as a percentage of par) multiplied by the principal balance of such Discount Obligation as of such date of determination; *plus*

(f) the aggregate of the Market Values of all WAL Haircut Obligations; *plus*

(g) an amount equal to 70% of the aggregate principal balance of all Long-Dated Assets; *minus*

(h) the Excess CCC/Caa Adjustment Amount;

provided that (x) with respect to any Collateral Obligation that satisfies more than one of the definitions of Defaulted Obligation, Deferring Security, Discount Obligation, WAL Haircut Obligation, Long-Dated Asset or any asset that falls into the CCC/Caa Excess, such Collateral Obligation shall, for the purposes of this definition, be treated as belonging to the category of Collateral Obligations which results in the lowest Adjusted Collateral Principal Amount on any date of determination and (y) for purposes of clause (c) of this definition, any Eligible Investment that would be a Defaulted Obligation under clause (a) or (b) of the definition of "Defaulted Obligation" if such Eligible Investment were a Collateral Obligation will be deemed to have a principal balance equal to either (x) its value, as determined by the Collateral Manager in its commercially reasonable judgment exercised in accordance with the Collateral Management Agreement or (y) if no such value can be determined by the Collateral Manager, zero.

"**Adjusted Weighted Average Moody's Rating Factor**" means, as of any date of determination, a number equal to the Weighted Average Moody's Rating Factor determined in the following manner: for purposes of determining a Moody's Default Probability Rating or Moody's Rating in connection with determining the Weighted Average Moody's Rating Factor for purposes of this definition, the last paragraph of the definition of each of "Moody's Default Probability Rating" and "Moody's Rating" shall be disregarded, and instead each applicable rating on credit watch by Moody's that is on (a) positive watch will be treated as having been upgraded by one rating subcategory, (b) negative watch will be treated as having been downgraded by two rating subcategories and (c) negative outlook will be treated as having been downgraded by one rating subcategory.

"**Administrative Expense Cap**" means an amount equal on any Payment Date (when taken together with any Administrative Expenses paid during the period since the preceding Payment Date or in the case of the first Payment Date, the period since the Closing Date), to the sum of (a) 0.02% per annum (prorated for the related Interest Accrual Period on the basis of a 360-day year consisting of twelve 30-day months) of the Fee Basis Amount on the Closing Date, in the case of the Administrative Expense Cap in connection with the first Payment Date, or on the Determination Date related to the immediately preceding Payment Date, in all other cases, and (b) U.S.$200,000 per annum (prorated for the related Interest Accrual Period on the basis of a 360-day year consisting of twelve 30-day months); *provided* that (1) in respect of any Payment Date after the third Payment Date following the Closing Date, if the aggregate amount of Administrative Expenses paid pursuant to clause (A) under "Overview of Terms—Application of Interest Proceeds", clause (A) under "Overview of Terms—Application of Principal Proceeds" and clause (A) of the Special Priority of Payments described under "Description of the Notes—Priority of Payments" (including any excess applied in accordance with this proviso) on the three immediately preceding Payment Dates and during the related Collection Periods is less than the stated Administrative Expense Cap (without regard to any excess applied in accordance with this proviso) in the aggregate for such three preceding Payment Dates, then the excess may be applied to the Administrative Expense Cap with respect to the then-current Payment Date; and (2) in respect of the third Payment Date following the Closing Date, such excess amount shall be calculated based on the Payment Dates preceding such Payment Date.

"**Administrative Expenses**" include fees, expenses (including indemnities) and other amounts due or accrued with respect to any Payment Date (including, with respect to any Payment Date, any such amounts that were due and not paid on any prior Payment Date) and payable in the following order by the Issuer or the Co-Issuer: *first*, to the Trustee (in each of its capacities) pursuant to the Indenture, *second*, to the Collateral Administrator pursuant to the Collateral Administration Agreement, *third*, on a *pro rata* basis, the following amounts (excluding indemnities) to the following parties:

(i) the Independent accountants, agents (other than the Collateral Manager) and counsel of the Issuer for fees and expenses;

(ii) the Rating Agencies for fees and expenses (including any annual fee, amendment fees and surveillance fees) in connection with any rating of the Secured Notes or in connection with the rating of (or provision of credit estimates in respect of) any Collateral Obligations;

(iii) the Collateral Manager under the Indenture and the Collateral Management Agreement, excluding the Management Fee;

(iv) the Administrator pursuant to the Administration Agreement; and

(v) any other person in respect of any other fees or expenses permitted under the Indenture and the documents delivered pursuant to or in connection with the Indenture (including any expenses related to FATCA compliance (other than any Taxes), expenses related to any Blocker Subsidiary, the payment of facility rating fees and all legal and other fees and expenses incurred in connection with the purchase or sale of any Collateral Obligations and any other expenses incurred in connection with the Collateral Obligations) and

the Notes, including but not limited to, amounts owed to the Co-Issuer pursuant to the Indenture and any amounts due in respect of the listing of the Notes on any stock exchange or trading system;

and *fourth*, on a *pro rata* basis, indemnities payable to any Person pursuant to any Transaction Document, the Purchase Agreement or the Placement Agency Agreement, if applicable; *provided*, that (x) amounts due in respect of actions taken on or before the Closing Date shall not be payable as Administrative Expenses but shall be payable only from the Expense Reserve Account in accordance with the Indenture and (y) for the avoidance of doubt, amounts that are expressly payable to any person under the Priority of Payments in respect of an amount that is stated to be payable as an amount other than as Administrative Expenses (including, without limitation, interest and principal in respect of the Secured Notes and distributions on the Subordinated Notes) shall not constitute Administrative Expenses.

"**Affiliate**" means, with respect to a person, (a) any other person who, directly or indirectly, is in control of, or controlled by, or is under common control with, such person or (b) any other person who is a director, officer, employee or general partner (i) of such person, (ii) of any subsidiary or parent company of such person or (iii) of any person described in clause (a) of this sentence. For the purposes of this definition, control of a person means the power, direct or indirect, (x) to vote more than 50% of the securities having ordinary voting power for the election of directors of such person or (y) to direct or cause the direction of the management and policies of such person whether by contract or otherwise. For purposes of this definition, (i) no entity shall be deemed an Affiliate of the Issuer or the Co-Issuer solely because the Administrator or any of its Affiliates acts as administrator or share trustee for such entity, and (ii) no entity to which the Collateral Manager provides collateral management or advisory services shall be deemed an Affiliate of the Collateral Manager solely because the Collateral Manager acts in such capacity, unless either of the foregoing clauses (a) or (b) is satisfied as between such entity and the Collateral Manager.

"**Applicable Advance Rate**" means, for each Collateral Obligation and for the applicable number of Business Days between the certification date for a sale or participation as described in "Description of the Notes—Optional Redemption and Tax Redemption—Redemption Procedures" and the expected date of such sale or participation, the percentage specified below:

	Same Day	**1-2 days**	**3-5 days**	**6-15 days**
Senior Secured Loans with a Market Value of:				
90% or more	100%	93%	92%	88%
below 90%	100%	80%	73%	60%
Other Collateral Obligations with a Moody's Rating of at least "B3" and a Market Value of 90% or more	100%	89%	85%	75%
All other Collateral Obligations	100%	75%	65%	45%

"**Approved Index List**" means the nationally recognized indices specified in a schedule to the Indenture as amended from time to time (to add or remove nationally recognized indices) by the Collateral Manager with prior notice of any amendment to S&P and Moody's in respect of such amendment and a copy of any such amended Approved Index List to the Collateral Administrator.

"**Asset-backed Commercial Paper**" means commercial paper or other short term obligations of a program that primarily issues externally rated commercial paper backed by assets or exposures held in a bankruptcy-remote, special purpose entity.

"**Available Funds**" means with respect to any Payment Date, the amount of any positive balance (of cash and Eligible Investments) in the Collection Account as of the Determination Date relating to such Payment Date and, with respect to any other date, such amount as of that date.

"**Blocker Subsidiary**" means an entity treated as a corporation for U.S. federal income tax purposes, 100% of the equity interests in which are owned directly or indirectly by the Issuer.

"**Bond**" means a Senior Secured Bond or a Senior Unsecured Bond.

"**Bridge Loan**" means any loan or other obligation that (x) is incurred in connection with a merger, acquisition, consolidation, or sale of all or substantially all of the assets of a person or similar transaction and (y) by its terms, is required to be repaid within one year of the incurrence thereof with proceeds from additional borrowings or other refinancings. It is understood that any such loan or debt security that has a nominal maturity date of one year or less from the incurrence thereof may have a term-out or other provision whereby (automatically or at the sole option of the obligor thereof) the maturity of the indebtedness thereunder can be extended to a later date.

"**Business Day**" means any day other than (i) a Saturday or a Sunday or (ii) a day on which commercial banks are authorized or required by applicable law, regulation or executive order to close in New York, New York or in the city in which the corporate trust office of the Trustee is located or, for any final payment of principal, in the relevant place of presentation.

"**Caa Collateral Obligation**" means a Collateral Obligation (other than a Defaulted Obligation or a Deferring Security) with a Moody's Rating of "Caa1" or lower.

"**Calculation Agent**" means the calculation agent appointed by the Issuer, initially the Trustee, for purposes of determining LIBOR for each Interest Accrual Period (or portion thereof, in the case of the first Interest Accrual Period).

"**CCC Collateral Obligation**" means a Collateral Obligation (other than a Defaulted Obligation or a Deferring Security) with an S&P Rating of "CCC+" or lower.

"**CCC/Caa Collateral Obligation**" means any CCC Collateral Obligation and/or any Caa Collateral Obligation, as the context requires.

"**CCC/Caa Excess**" means, as of any date of determination, the amount equal to the greater of:

(i) the excess of the principal balance of all CCC Collateral Obligations over an amount equal to 7.5% of the Collateral Principal Amount as of such date of determination; and

(ii) the excess of the principal balance of all Caa Collateral Obligations over an amount equal to 7.5% of the Collateral Principal Amount as of such date of determination;

provided that, in determining which of the CCC/Caa Collateral Obligations shall be included in the CCC/Caa Excess, the CCC/Caa Collateral Obligations with the lowest Market Value (assuming that such Market Value is expressed as a percentage of the principal balance of such Collateral Obligations as of such date of determination) shall be deemed to constitute such CCC/Caa Excess.

"**Citigroup**" means Citigroup Global Markets Inc.

"**Citigroup Companies**" means Citigroup and its Affiliates (including Citibank, N.A. and its Affiliates).

"**Class**" means, in the case of (a) the Secured Notes, all of the Secured Notes having the same Interest Rate, Stated Maturity and designation and (b) the Subordinated Notes, all of the Subordinated Notes; *provided* that (i) except as provided in clause (ii) of this proviso, the Class A-1A Notes, the Class A-1B Notes and the Class A-1C Notes shall constitute, and vote together as, a single Class, and the Class A-2A Notes and the Class A-2B Notes shall constitute, and vote together as, a single Class, and (ii) the Class A-1A Notes, the Class A-1B Notes and the Class A-1C Notes shall be treated as separate Classes, and shall vote separately, and the Class A-2A Notes and the Class A-2B Notes shall be treated as separate Classes, and shall vote separately, in each case solely (A) for purposes of any determination as to whether a proposed supplemental indenture would have a material adverse effect on any Class of Notes and (B) in connection with a Refinancing in part by Class, including any determination as to whether the requirements described under "Description of the Notes—Optional Redemption and Tax Redemption—Optional Redemption" would be satisfied in relation to a Refinancing in part by Class.

"**Class A Coverage Tests**" means the Overcollateralization Ratio Test and the Interest Coverage Test, each as applied with respect to the Class A Notes.

"**Class A Notes**" means the Class A-1 Notes and the Class A-2 Notes, collectively.

"**Class A-1 Notes**" means the Class A-1A Notes, the Class A-1B Notes and the Class A-1C Notes, collectively.

"**Class A-1A Notes**" means the Class A-1A Senior Secured Floating Rate Notes issued pursuant to the Indenture.

"**Class A-1B Notes**" means the Class A-1B Senior Secured Floating Rate Notes issued pursuant to the Indenture.

"**Class A-1C Notes**" means the Class A-1C Senior Secured Fixed Rate Notes issued pursuant to the Indenture.

"**Class A-2 Notes**" means the Class A-2A Notes and the Class A-2B Notes, collectively.

"**Class A-2A Notes**" means the Class A-2A Senior Secured Floating Rate Notes issued pursuant to the Indenture.

"**Class A-2B Notes**" means the Class A-2B Senior Secured Fixed Rate Notes issued pursuant to the Indenture.

"**Class B Coverage Tests**" means the Overcollateralization Ratio Test and the Interest Coverage Test, each as applied with respect to the Class B Notes.

"**Class B Notes**" means the Class B Senior Secured Deferrable Floating Rate Notes issued pursuant to the Indenture.

"**Class Break-even Default Rate**" means, with respect to any Class or Classes of Secured Notes, the maximum percentage of defaults, at any time, that the Current Portfolio or the Proposed Portfolio, as applicable, can sustain, determined through application of the applicable S&P CDO Monitor chosen by the Collateral Manager in accordance with the definition of "S&P CDO Monitor" that is applicable to the portfolio of Collateral Obligations, which, after giving effect to S&P's assumptions on recoveries, defaults and timing and to the Priority of Payments, will result in sufficient funds remaining for the payment of such Class or Classes of Notes in full. After the Effective Date, S&P will provide the Collateral Manager with the Class Break-even Default Rates for each S&P CDO Monitor based upon the Weighted Average Floating Spread and the Weighted Average S&P Recovery Rate to be associated with such S&P CDO Monitor as selected by the Collateral Manager from Section 2 of Annex C or any other Weighted Average Floating Spread and Weighted Average S&P Recovery Rate selected by the Collateral Manager from time to time.

"**Class C Coverage Tests**" means the Overcollateralization Ratio Test and the Interest Coverage Test, each as applied with respect to the Class C Notes.

"**Class C Notes**" means the Class C Senior Secured Deferrable Floating Rate Notes issued pursuant to the Indenture.

"**Class D Coverage Tests**" means the Overcollateralization Ratio Test and the Interest Coverage Test, each as applied with respect to the Class D Notes.

"**Class D Notes**" means the Class D Senior Secured Deferrable Floating Rate Notes issued pursuant to the Indenture.

"**Class Default Differential**" with respect to any Class of Secured Notes at any time, the rate calculated by subtracting the Class Scenario Default Rate at such time for such Class of Notes from the Class Break-even Default Rate for such Class of Notes at such time.

"**Class E Notes**" means the Class E Senior Secured Deferrable Floating Rate Notes issued pursuant to the Indenture.

"**Class Scenario Default Rate**" means, with respect to any Class of Secured Notes, at any time, an estimate of the cumulative default rate for the Current Portfolio or the Proposed Portfolio, as applicable, consistent with S&P's initial rating of such Class of Notes, determined by application by the Collateral Manager and the Collateral Administrator of the S&P CDO Monitor at such time.

"**Closing Date**" means September 25, 2013.

"**Code**" means United States Internal Revenue Code of 1986, as amended and the Treasury regulations promulgated thereunder.

"**Co-Issuer**" means ACAS CLO 2013-2, LLC.

"**Co-Issuers**" means the Issuer together with the Co-Issuer.

"**Collateral Administration Agreement**" means an agreement dated as of the Closing Date among the Issuer, the Collateral Manager and the Collateral Administrator, as amended from time to time.

"**Collateral Administrator**" means Virtus Group, LP, in its capacity as collateral administrator under the Collateral Administration Agreement, and any successor thereto.

"**Collateral Interest Amount**" means, as of any date of determination, without duplication, the aggregate amount of Interest Proceeds that has been received or that is expected to be received (other than Interest Proceeds expected to be received from Defaulted Obligations and Deferring Securities, but including Interest Proceeds actually received from Defaulted Obligations and Deferring Securities), in each case during the Collection Period in which such date of determination occurs (or after such Collection Period but on or prior to the related Payment Date if such Interest Proceeds would be treated as Interest Proceeds with respect to such Collection Period).

"**Collateral Management Agreement**" means an agreement to be entered into between the Issuer and the Collateral Manager relating to the management of the Collateral Obligations and the other Assets by the Collateral Manager on behalf of the Issuer.

"**Collateral Manager**" means American Capital CLO Management, LLC, a Delaware limited liability company, until a successor Person shall have become the Collateral Manager pursuant to the provisions of the Collateral Management Agreement, and thereafter "**Collateral Manager**" shall mean such successor Person.

"**Collateral Manager Notes**" means, as of any date of determination, (a) all Notes held on such date by (i) the Collateral Manager, (ii) any Affiliate of the Collateral Manager or (iii) any account, fund, client or portfolio managed or advised on a discretionary basis by the Collateral Manager or any of its Affiliates and (b) all Notes as to which economic exposure is held on such date (whether through any derivative financial transaction or otherwise) by any Person identified in the foregoing clause (a).

"**Collateral Principal Amount**" means, as of any date of determination, the sum of (a) the aggregate principal balance of the Collateral Obligations (other than Defaulted Obligations) and (b) without duplication, the amounts on deposit in the Collection Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds.

"**Collection Period**" means, (i) with respect to the first Payment Date, the period commencing on the Closing Date and ending at the close of business on the eighth Business Day prior to the first Payment Date; and (ii) with respect to any other Payment Date, the period commencing on the day immediately following the prior Collection Period and ending (a) in the case of the final Collection Period preceding the latest Stated Maturity of any Class of Notes, on the Business Day immediately preceding such Stated Maturity, (b) in the case of the final Collection Period preceding an Optional Redemption, Tax Redemption or Clean-Up Call Redemption in whole of the Notes, on the Business Day immediately preceding the Redemption Date and (c) in any other case, at the close of business on the eighth Business Day prior to such Payment Date.

"**Companies Announcement Office**" means the Companies Announcement Office of the Irish Stock Exchange.

"**Controlling Class**" means the Class A-1 Notes so long as any Class A-1 Notes are outstanding; then the Class A-2 Notes so long as any Class A-2 Notes are outstanding; then the Class B Notes so long as any Class B Notes are outstanding; then the Class C Notes so long as any Class C Notes are outstanding; then the Class D Notes so long as any Class D Notes are outstanding; then the Class E Notes so long as any Class E Notes are outstanding; and then the Subordinated Notes.

"**Cov-Lite Loan**" means a loan that: (a) does not contain any financial covenants; or (b) requires the underlying obligor to comply with one or more Incurrence Covenants, but does not require the underlying obligor to comply with a Maintenance Covenant; *provided* that for all purposes other than the determination of the applicable S&P Recovery Rate for such loan, a loan described in clause (a) or (b) above which contains either a cross-default provision to, or is *pari passu* with, another loan of the underlying obligor forming part of the same loan facility that requires the underlying obligor to comply with a Maintenance Covenant shall be deemed not to be a Cov-Lite Loan.

"**Credit Amendment**" means with respect to any Collateral Obligation, any Maturity Amendment that, in the Collateral Manager's commercially reasonable judgment exercised in accordance with the Collateral Management Agreement, is necessary (i) to prevent the related Collateral Obligation from becoming a Defaulted Obligation or (ii) due to the materially adverse financial condition of the obligor, to minimize material losses on the related Collateral Obligation.

"**Credit Improved Criteria**" means, the criteria that will be met if, with respect to any Collateral Obligation, any of the following is satisfied on any date of determination: (a) the positive difference between its market price (expressed as a percentage of par value) on such date and its purchase price is greater than 1.0%; (b) if such Collateral Obligation is a Loan, the spread over the applicable reference rate for such Collateral Obligation has been decreased in accordance with the Underlying Instruments since the date of acquisition by (1) 0.25% or more (in the

case of a Loan with a spread (prior to such decrease) less than or equal to 2.00%), (2) 0.375% or more (in the case of a Loan with a spread (prior to such decrease) greater than 2.00% but less than or equal to 4.00%) or (3) 0.50% or more (in the case of a Loan with a spread (prior to such decrease) greater than 4.00%) due, in each case, to an improvement in the related borrower's financial ratios or financial results; or (c) the change in price of such Collateral Obligation during the period from the date on which it was acquired by the Issuer to the date of determination by a percentage either is more positive, or less negative, as the case may be, than (i) if such Collateral Obligation is a Loan or a Senior Secured Floating Rate Note, the percentage change in the average price of any index specified on the Approved Index List plus 0.50% over the same period and (ii) if such Collateral Obligation is a Bond, the percentage change in the average price of any index specified on the Approved Index List plus 0.50% over the same period.

"**Credit Improved Obligation**" means any Collateral Obligation which, in the Collateral Manager's judgment exercised in accordance with the Collateral Management Agreement, has significantly improved in credit quality after it was acquired by the Issuer, which improvement may (but need not) be evidenced by one of the following: (a) such Collateral Obligation satisfies the Credit Improved Criteria, (b) such Collateral Obligation has been upgraded at least one rating sub-category by either Rating Agency or has been placed and remains on credit watch with positive implication by either Rating Agency, (c) the issuer of such Collateral Obligation has raised equity capital or other capital subordinated to the Collateral Obligation, (d) the issuer of such Collateral Obligation has, in the Collateral Manager's reasonable commercial judgment, shown improved results or possesses less credit risk, in each case since such Collateral Obligation was acquired by the Issuer or (e) such Collateral Obligation has a market price that is greater than the price warranted by its terms and credit characteristics; *provided*, that during a Restricted Trading Period, in addition to the foregoing, a Collateral Obligation will qualify as a Credit Improved Obligation only if (i) it has been upgraded by any Rating Agency at least one rating sub-category or has been placed and remains on a credit watch with positive implication by Moody's or S&P since it was acquired by the Issuer, (ii) the Credit Improved Criteria are satisfied with respect to such Collateral Obligation or (iii) a Majority of the Controlling Class votes to treat such Collateral Obligation as a Credit Improved Obligation.

"**Credit Risk Criteria**" means, the criteria that will be met if with respect to any Collateral Obligation, any of the following is satisfied on any date of determination: (a) the negative difference between its market price (expressed as a percentage of par value) on such date and its purchase price is greater than 1.0%; (b) if such Collateral Obligation is a Loan, the spread over the applicable reference rate for such Collateral Obligation has been increased in accordance with the Underlying Instruments since the date of acquisition by (1) 0.25% or more (in the case of a Loan with a spread (prior to such increase) less than or equal to 2.00%), (2) 0.375% or more (in the case of a Loan with a spread (prior to such increase) greater than 2.00% but less than or equal to 4.00%) or (3) 0.50% or more (in the case of a Loan with a spread (prior to such increase) greater than 4.00%) due, in each case, to a deterioration in the related borrower's financial ratios or financial results; or (c) the change in price of such Collateral Obligation during the period from the date on which it was acquired by the Issuer to the date of determination by a percentage either is more negative, or less positive, as the case may be, than (i) if such Collateral Obligation is a Loan or a Senior Secured Floating Rate Note, the percentage change in the average price of any index specified on the Approved Index List plus 0.50% over the same period and (ii) if such Collateral Obligation is a Bond, the percentage change in the average price of any index specified on the Approved Index List plus 0.50% over the same period.

"**Credit Risk Obligation**" means any Collateral Obligation that, in the Collateral Manager's judgment exercised in accordance with the Collateral Management Agreement, has a significant risk of declining in credit quality or price; *provided*, that during a Restricted Trading Period, a Collateral Obligation will qualify as a Credit Risk Obligation for purposes of sales of Collateral Obligations only if, in addition to the foregoing, (i) such Collateral Obligation has been downgraded by any Rating Agency at least one rating sub-category or has been placed and remains on a credit watch with negative implication by Moody's or S&P since it was acquired by the Issuer, (ii) the Credit Risk Criteria are satisfied with respect to such Collateral Obligation or (iii) a Majority of the Controlling Class votes to treat such Collateral Obligation as a Credit Risk Obligation.

"**Current Pay Obligation**" means any Collateral Obligation (other than a DIP Collateral Obligation) that would otherwise be treated as a Defaulted Obligation but as to which no payments that are due and payable are unpaid (for purposes of this definition, treating as due and payable any payment that has been unpaid for longer than 90 days and that, but for an unexpired forbearance or grace period, would be due and payable) and with respect to which the Collateral Manager has certified to the Trustee (with a copy to the Collateral Administrator) in writing that it believes, in its reasonable business judgment, that the issuer or obligor of such Collateral Obligation (a) will continue to make scheduled payments of interest (and/or fees, as applicable, in the case of a Delayed Drawdown Collateral Obligation, Revolving Collateral Obligation or Letter of Credit Reimbursement Obligation) thereon and will pay the principal thereof by maturity or as otherwise contractually due, (b) if the issuer or obligor is subject to a bankruptcy proceeding, it has been the subject of an order of a bankruptcy court that permits it to make the scheduled payments on such Collateral Obligation and all such scheduled payments due thereunder have been paid in cash when due, (c) the Collateral Obligation has a Market Value of at least 80.0% of its par value and (d) if the Class A-1 Notes are then rated by Moody's (A) has a Moody's Rating of at least "Caa1" and a Market Value of at least 80.0% of its par value or (B) has a Moody's Rating of at least "Caa2" and its Market Value is at least 85.0% of its par value (Market Value being determined, solely for the purposes of clauses (c) and (d), without taking into consideration clause (iii) of the definition of the term "Market Value").

"**Current Portfolio**" means, at any time, the portfolio of Collateral Obligations and Eligible Investments, representing Principal Proceeds (determined in accordance with certain assumptions included in the Indenture), then held by the Issuer.

"**Defaulted Obligation**" means any Collateral Obligation included in the Assets as to which:

(a) a default as to the payment of principal and/or interest has occurred and is continuing with respect to such Collateral Obligation (without regard to any grace period applicable thereto, or waiver or forbearance thereof, after the passage (in the case of a default that in the Collateral Manager's judgment, as certified to the Trustee in writing, is not due to credit-related causes) of five Business Days or seven calendar days, whichever is greater, but in no case beyond the passage of any grace period applicable thereto);

(b) a default as to the payment of principal and/or interest has occurred and is continuing on another debt obligation of the same issuer which is senior or *pari passu* in right of payment to such Collateral Obligation (without regard to any grace period applicable thereto, or waiver or forbearance thereof, after the passage (in the case of a default that in the Collateral Manager's judgment, as certified to the Trustee in writing, is not due to credit-related causes) of five Business Days or seven calendar days, whichever is greater, but in no case beyond the passage of any grace period applicable thereto), such default is known to the Collateral Manager and the holders of such other debt obligation of the same issuer have accelerated the maturity of all or a portion of such other debt obligation; *provided* that (x) such Collateral Obligation shall constitute a Defaulted Obligation under this clause only until such acceleration has been rescinded and (y) both the Collateral Obligation and such other debt obligation are full recourse obligations of the applicable issuer or secured by the same collateral;

(c) the issuer or others have instituted proceedings to have the issuer adjudicated as bankrupt or insolvent or placed into receivership and such proceedings have not been stayed or dismissed or such issuer has filed for protection under Chapter 11 of the United States Bankruptcy Code;

(d) such Collateral Obligation has an S&P Rating of "CC" or lower or "SD" or had such rating immediately before such rating was withdrawn or the obligor on such Collateral Obligation has a "probability of default" rating assigned by Moody's of "D" or "LD";

(e) such Collateral Obligation is *pari passu* or subordinate in right of payment as to the payment of principal and/or interest to another debt obligation of the same issuer which has an S&P Rating of "CC" or lower or

"SD" or had such rating immediately before such rating was withdrawn or the obligor on such Collateral Obligation has a "probability of default" rating assigned by Moody's of "D" or "LD"; *provided* that both the Collateral Obligation and such other debt obligation are full recourse obligations of the applicable issuer or secured by the same collateral;

(f) a default with respect to which the Collateral Manager has received notice or has knowledge that a default has occurred under the Underlying Instruments and any applicable grace period has expired and the holders of such Collateral Obligation have accelerated the repayment of the Collateral Obligation (but only until such acceleration has been rescinded) in the manner provided in the Underlying Instrument;

(g) the Collateral Manager has in its reasonable commercial judgment otherwise declared such debt obligation to be a "Defaulted Obligation";

(h) such Collateral Obligation is a Participation Interest with respect to which the Selling Institution has defaulted in any respect in the performance of any of its payment obligations under the Participation Interest (unless such default is cured within the applicable grace period under the Underlying Instruments of such Collateral Obligation); or

(i) such Collateral Obligation is a Participation Interest in a loan that would, if such loan were a Collateral Obligation, constitute a "Defaulted Obligation" or with respect to which the Selling Institution has an S&P Rating of "CC" or lower or had such rating before such rating was withdrawn;

provided that (x) a Collateral Obligation shall not constitute a Defaulted Obligation pursuant to clauses (b) through (e) and (i) above if such Collateral Obligation (or, in the case of a Participation Interest other than a Letter of Credit Reimbursement Obligation, the underlying Senior Secured Loan, Second Lien Loan or Unsecured Loan) is a Current Pay Obligation (*provided* that the aggregate principal balance of such Current Pay Obligations exceeding 5.0% of the Collateral Principal Amount will be treated as Defaulted Obligations) and (y) a Collateral Obligation shall not constitute a Defaulted Obligation pursuant to any of clauses (b), (c), (d), (e) and (i) if such Collateral Obligation (or, in the case of a Participation Interest other than a Letter of Credit Reimbursement Obligation, the underlying Senior Secured Loan, Second Lien Loan or Unsecured Loan) is a DIP Collateral Obligation (other than a DIP Collateral Obligation that has an S&P Rating of "CC" or lower).

Each obligation (other than Letter of Credit Reimbursement Obligations) received in connection with a Distressed Exchange that (a) would be a Collateral Obligation but for the fact that it is a Defaulted Obligation or (b) would satisfy the proviso in the definition of "Distressed Exchange" but for the fact that it exceeds the percentage limit therein, shall in each case be deemed to be a Defaulted Obligation, and each other obligation (including any Letter of Credit Reimbursement Obligation) received in connection with a Distressed Exchange shall be deemed to be an Equity Security.

"**Deferrable Security**" means a Collateral Obligation which by its terms permits the deferral or capitalization of payment of accrued, unpaid interest.

"**Deferring Security**" means a Deferrable Security that is deferring the payment of interest due thereon (other than supplemental interest in the case of a Deferrable Security that continues to pay interest in cash on a current basis in accordance with the terms of such Deferrable Security as such terms existed prior to the applicable deferral or capitalization of interest) and has been so deferring the payment of interest due thereon (i) with respect to Collateral Obligations that have a Moody's Rating of at least "Baa3", for the shorter of two consecutive accrual periods or one year, and (ii) with respect to Collateral Obligations that have a Moody's Rating of "Ba1" or below, for the shorter of one accrual period or six consecutive months, which deferred capitalized interest has not, as of the date of determination, been paid in cash.

"**Delayed Drawdown Collateral Obligation**" means any Collateral Obligation (other than a Revolving Collateral Obligation) that (a) requires the Issuer to make one or more future advances to the borrower under the underlying instruments relating thereto, (b) specifies a maximum amount that can be borrowed on one or more fixed borrowing dates, and (c) does not permit the re-borrowing of any amount previously repaid by the borrower thereunder; but any such Collateral Obligation will be a Delayed Drawdown Collateral Obligation only until all commitments by the Issuer to make advances to the borrower expire or are terminated or are reduced to zero.

"**Designated Class A-1 Noteholder**" means the party (as notified by the Issuer to the Trustee as of the Closing Date) that beneficially owns a Majority of the Class A-1 Notes as of the Closing Date.

"**Designated Class D Noteholder**" means the party that is a beneficial owner of Class D Notes as of the Closing Date and is designated as the Designated Class D Noteholder by the Issuer in a notice to the Trustee as of the Closing Date.

"**Determination Date**" means the last day of each Collection Period.

"**DIP Collateral Obligation**" means a loan made to a debtor-in-possession pursuant to Section 364 of the U.S. Bankruptcy Code having the priority allowed by either Section 364(c) or 364(d) of the U.S. Bankruptcy Code and fully secured by senior liens.

"**Discount Obligation**" means any Collateral Obligation that at the time of acquisition of such Collateral Obligation, the Collateral Manager determines is either: (1) not a Bond and was purchased (as determined without averaging prices of purchases of the same obligation on different dates) for less than (a) 80.0% of its principal balance, if such Collateral Obligation has (at the time of the purchase) a Moody's Rating of "B3" or higher, or (b) 85.0% of its principal balance, if such Collateral Obligation has (at the time of the purchase) a Moody's Rating lower than "B3" or (2) a Bond purchased (as determined without averaging prices of purchases on different dates) for less than (a) 75.0% of its principal balance, if such Collateral Obligation has (at the time of the purchase) a Moody's Rating of "B3" or higher, or (b) 80.0% of its principal balance, if such Collateral Obligation has (at the time of the purchase) a Moody's Rating of "Caa1" or lower; *provided* that:

(x) such Collateral Obligation shall cease to be a Discount Obligation at such time as the Market Value (expressed as a percentage of the par amount of such Collateral Obligation) determined for such Collateral Obligation on each day during any period of 30 consecutive days since the acquisition by the Issuer of such Collateral Obligation, equals or exceeds (A) other than in the case of a Bond, 90% on each such day or (B) in the case of a Bond, 85% on each such day;

(y) any Collateral Obligation that would otherwise be considered a Discount Obligation, but is purchased in accordance with the Investment Criteria with the proceeds of sale of a Collateral Obligation that was not a Discount Obligation at the time of its purchase and that was not a CCC/Caa Collateral Obligation at the time of its sale, so long as such purchased Collateral Obligation (A) is purchased or committed to be purchased within 10 Business Days of such sale, (B) is purchased at a purchase price (expressed as a percentage of the par amount of such Collateral Obligation) equal to or greater than the sale price of the sole Collateral Obligation, (C) is purchased at a purchase price (expressed as a percentage of the par amount of such Collateral Obligation) not less than 65.0% and (D) has a Moody's Default Probability Rating equal to or greater than the Moody's Default Probability Rating of the sold Collateral Obligation, will not be considered a Discount Obligation; and

(z) clause (y) above in this proviso shall not apply to any such Collateral Obligation at any time on or after the acquisition by the Issuer of such Collateral Obligation if, as determined at the time of such acquisition, such acquisition would result in more than 5.0% of the Collateral Principal Amount consisting of Collateral Obligations to which such clause (y) has been applied, disregarding a Collateral Obligation that has ceased to be a Discount Obligation pursuant to clause (x) of this proviso.

"**Distressed Exchange**" means, in connection with any Collateral Obligation, a distressed exchange or other debt restructuring has occurred, as reasonably determined by the Collateral Manager, pursuant to which the issuer or obligor of such Collateral Obligation has issued to the holders of such Collateral Obligation a new security or obligation or package of securities or obligations that, in the sole judgment of the Collateral Manager, amounts to a diminished financial obligation or has the purpose of helping the issuer of such Collateral Obligation avoid default, or such Collateral Obligation has been amended by a Credit Amendment described in clause (i) of the definition of "Credit Amendment"; *provided*, that no Distressed Exchange shall be deemed to have occurred if the securities or obligations received by the Issuer in connection with such exchange or restructuring or the Collateral Obligation amended by a Credit Amendment described in clause (i) of the definition of "Credit Amendment" (x) are not a Letter of Credit Reimbursement Obligation and (y) satisfy the definition of "Collateral Obligation" (provided that the aggregate principal balance of all securities and obligations to which this proviso applies or has applied, measured cumulatively from the Closing Date onward, may not exceed 25.0% of the Target Initial Par Amount).

"**Domicile**" or "**Domiciled**" means, with respect to any issuer of, or obligor with respect to, a Collateral Obligation: (a) except as provided in clause (b) below, its country of organization; or (b) if it is organized in a Tax Jurisdiction, each of such jurisdiction and the country in which, in the Collateral Manager's good faith estimate, a substantial portion of its operations are located or from which a substantial portion of its revenue is derived, in each case directly or through subsidiaries (which shall be any jurisdiction and country known at the time of designation by the Collateral Manager to be the source of the majority of revenues, if any, of such issuer or obligor).

"**DTC**" means The Depository Trust Company, its nominees and their respective successors.

"**Effective Date**" means the earlier to occur of (a) February 10, 2014 and (b) the first date on which the Collateral Manager certifies to the Trustee and the Collateral Administrator that the Target Initial Par Condition has been satisfied.

"**Eligible Custodian**" means a custodian that satisfies, *mutatis mutandis*, the eligibility requirements in the Indenture that are applicable to an entity acting as Trustee under the Indenture.

"**Eligible Investment Required Ratings**" are (a) if such obligation or security (i) has both a long-term and a short-term credit rating from Moody's, such ratings are "Aa3" or better (not on credit watch for possible downgrade) and "P-1" (not on credit watch for possible downgrade), respectively, (ii) has only a long-term credit rating from Moody's, such rating is "Aaa" (not on credit watch for possible downgrade) or (iii) has only a short-term credit rating from Moody's, such rating is "P-1" (not on credit watch for possible downgrade) and (b) "A-1" or better (or, in the absence of a short-term credit rating, "AA-" or better) from S&P.

"**Eligible Investments**" means any United States dollar investment that, at the time it is delivered to the Trustee (directly or through an intermediary or bailee), (x) matures not later than the earlier of (A) the date that is 60 days after the date of delivery thereof and (B) the Business Day immediately preceding the Payment Date immediately following the date of delivery thereof, (y) is not a "commodity interest" as such term is used in the definition of "commodity pool" in Section 1a of the Commodity Exchange Act, as amended, and (z) is one or more of the following obligations or securities:

(i) direct Registered obligations of, and Registered obligations the timely payment of principal and interest on which is fully and expressly guaranteed by, the United States of America or any agency or instrumentality of the United States of America the obligations of which are expressly backed by the full faith and credit of the United States of America and, in each case, have the Eligible Investment Required Ratings, subject to certain exclusions set forth in the Indenture;

(ii) demand and time deposits in, certificates of deposit of, trust accounts with, bankers' acceptances issued by, or federal funds sold by any depository institution or trust company incorporated under the laws of the United States of America (including the Trustee, Affiliates of the Trustee and Affiliates of the Collateral Manager) or any state thereof and subject to supervision and examination by federal and/or state banking authorities, in each case payable within 183 days after issuance, so long as the commercial paper and/or the debt obligations of such depository institution or trust company at the time of such investment or contractual commitment providing for such investment have the Eligible Investment Required Ratings;

(iii) unleveraged repurchase obligations (if treated as debt by the Issuer and the counterparty) with respect to (a) any security described in clause (i) above or (b) any other Registered security issued or guaranteed by an agency or instrumentality of the United States of America, in either case entered into with a depository institution or trust company (acting as principal) described in clause (ii) above or entered into with an entity (acting as principal) with, or whose parent company has (in addition to a guarantee agreement with such entity, which guarantee agreement complies with S&P's then-current criteria with respect to guarantees), the Eligible Investment Required Ratings;

(iv) Registered debt securities bearing interest or sold at a discount issued by a corporation formed under the laws of the United States of America or any State thereof that satisfies the Eligible Investment Required Ratings at the time of such investment or contractual commitment providing for such investment;

(v) commercial paper or other short-term obligations (other than Asset-backed Commercial Paper) with the Eligible Investment Required Ratings and that either bear interest or are sold at a discount from the face amount thereof and have a maturity of not more than 183 days from their date of issuance;

(vi) a Reinvestment Agreement issued by any bank (if treated as a deposit by such bank), or a Reinvestment Agreement issued by any insurance company or other corporation or entity, in each case with the Eligible Investment Required Ratings; *provided* that such Reinvestment Agreement may be unwound at the option of the Issuer without penalty; and

(vii) money market funds that have, at all times, credit ratings of "Aaa-mf" by Moody's and "AAAm" by S&P, respectively (or such other Moody's or S&P credit rating, respectively, that is the highest rating of such Rating Agency in its ratings table that applies to money market funds from time to time; *provided* that such money market fund satisfies the Eligible Investment Required Ratings);

provided that (1) Eligible Investments purchased with funds in the Collection Account shall be held until maturity except as otherwise specifically provided herein and shall include only such obligations or securities, other than those referred to in clause (vii) above, as mature (or are putable at par to the issuer thereof) no later than the Business Day prior to the next Payment Date unless such Eligible Investments are issued by the Trustee in its capacity as a banking institution, in which event such Eligible Investments may mature on such Payment Date; and (2) none of the foregoing obligations or securities shall constitute Eligible Investments if (a) such obligation or security has an "f", "r", "p", "pi", "q" or "t" subscript assigned by S&P, (b) all, or substantially all, of the remaining amounts payable thereunder consist of interest and not principal payments, (c) payments with respect to such obligations or securities or proceeds of disposition are subject to withholding taxes by any jurisdiction unless the payor is required to make "gross-up" payments that cover the full amount of any such withholding tax (other than withholding tax imposed under FATCA) on an after tax basis, (d) the acquisition (including the manner of acquisition), ownership, enforcement and disposition of such obligations or securities will cause the Issuer to be engaged in a trade or business within the United States for U.S. federal income tax purposes or be subject to tax in any jurisdiction outside the Issuer's jurisdiction of incorporation, (e) such obligation or security is secured by real property, (f) such obligation or security is purchased at a price greater than 100% of the principal or face amount thereof, (g) such obligation or security is the subject of a tender offer, voluntary redemption, exchange offer, conversion or other similar action, (h) in the Collateral Manager's judgment, such obligation or security is subject to

material non-credit related risks, (i) such obligation is a Structured Finance Obligation or (j) such obligation or security is represented by a certificate of interest in a grantor trust. Eligible Investments may include, without limitation, those investments for which the Trustee or an Affiliate of the Trustee or the Collateral Manager or an Affiliate of the Collateral Manager provides services and receives compensation.

"**Eligible Post Reinvestment Proceeds**" means any Unscheduled Principal Proceeds and any Principal Proceeds received from sales of Credit Risk Obligations received after the Reinvestment Period.

"**Eligible Redemption Date**" means (a) for so long as any Class A-1 Notes are outstanding, any Payment Date, and (b) otherwise, any Business Day.

"**Eligible Re-Pricing Date**" means (a) for so long as any Class A-1 Notes are outstanding, any Payment Date, and (b) otherwise, any Business Day.

"**Equity Security**" means any security or debt obligation which at the time of acquisition, conversion or exchange does not satisfy the requirements of a Collateral Obligation and is not an Eligible Investment.

"**Excess CCC/Caa Adjustment Amount**" means, as of any date of determination, an amount equal to the excess, if any, of:

(a) the aggregate principal balance of all Collateral Obligations included in the CCC/Caa Excess; *over*

(b) the sum of the Market Values of all Collateral Obligations included in the CCC/Caa Excess.

"**Excess Participation Interests**" means Participation Interests (or portions thereof) with an aggregate principal balance equal to the excess of (a) the aggregate principal balance of all Participation Interests over (b) an amount equal to 20.0% of the Collateral Principal Amount as of the current Measurement Date; *provided* that the Collateral Manager shall determine which of the Participation Interests (or portions thereof) shall be included in the Excess Participation Interests.

"**Exchange Act**" means the United States Securities Exchange Act of 1934, as amended.

"**FATCA**" means Sections 1471 through 1474 of the Code, any regulations or guidance thereunder, any agreement entered into thereunder and any law implementing an intergovernmental agreement or approach thereto.

"**Fee Basis Amount**" means, as of any date of determination, the sum of (a) the Collateral Principal Amount, (b) the aggregate principal amount of all Defaulted Obligations and (c) the aggregate amount of all Principal Financed Accrued Interest.

"**First Lien Last Out Loan**": Any assignment of or Participation Interest in a Loan that: (a) is not (and cannot by its terms become) subordinate in right of payment to any other obligation of the obligor of the Loan (other than (i) with respect to trade claims, capitalized leases or similar obligations and (ii) subordination in right of payment solely to one or more Senior Secured Loans of the obligor of the Loan that becomes effective solely upon the occurrence of a default or event of default by the obligor of the Loan); (b) is secured by a valid perfected security interest or lien in, to or on specified collateral securing the obligor's obligations under the Loan that, prior to the occurrence of a default or event of default by the obligor of the Loan, is a first-priority security interest or lien; (c) the value of the collateral securing the Loan together with other attributes of the obligor (including, without limitation, its general

financial condition, ability to generate cash flow available for debt service and other demands for that cash flow) is adequate (in the commercially reasonable judgment of the Collateral Manager) to repay the Loan in accordance with its terms and to repay all other Loans of equal seniority secured by a first lien or security interest in the same collateral and (d) is not secured solely or primarily by common stock or other equity interests; provided that the limitation set forth in this clause (d) shall not apply with respect to a Loan made to a parent entity that is secured solely or primarily by the stock of one or more of the subsidiaries of such parent entity to the extent that the granting by any such subsidiary of a lien on its own property would violate law or regulations applicable to such subsidiary (whether the obligation secured is such Loan or any other similar type of indebtedness owing to third parties).

"**Fixed Rate Notes**" means the Class A-1C Notes and the Class A-2B Notes, collectively.

"**Fixed Rate Obligation**" means any Collateral Obligation that bears a fixed rate of interest.

"**Floating Rate Notes**" means all of the Secured Notes, collectively, other than the Fixed Rate Notes.

"**Floating Rate Obligation**" means any Collateral Obligation that bears a floating rate of interest.

"**Group I Country**" means The Netherlands, Australia, New Zealand and the United Kingdom (or such other countries as may be notified by Moody's to the Collateral Manager from time to time).

"**Group II Country**" means Germany, Ireland, Sweden and Switzerland (or such other countries as may be notified by Moody's to the Collateral Manager from time to time).

"**Group III Country**" means Austria, Belgium, Denmark, Finland, France, Iceland, Liechtenstein, Luxembourg and Norway (or such other countries as may be notified by Moody's to the Collateral Manager from time to time).

"**Incentive Management Fee**" refers collectively to any amounts payable to the Collateral Manager under clause (V) of "Overview of Terms—Priority of Payments—Application of Interest Proceeds", clause (S) of "Overview of Terms—Priority of Payments—Application of Principal Proceeds" and clause (V) of the Special Priority of Payments described in "Description of the Notes—Priority of Payments".

"**Incurrence Covenant**" means a covenant by any borrower to comply with one or more financial covenants only upon the occurrence of certain actions of the borrower, including a debt issuance, dividend payment, share purchase, merger, acquisition or divestiture.

"**Indenture**" means the indenture to be dated as of the Closing Date among the Issuer, the Co- Issuer and the Trustee.

"**Independent**" means, as to any person, any other person (including, in the case of an accountant or lawyer, a firm of accountants or lawyers, and any member thereof, or an investment bank and any member thereof) who (i) does not have and is not committed to acquire any material direct or any material indirect financial interest in such person or in any Affiliate of such person, and (ii) is not connected with such person as an officer, employee, promoter, underwriter, voting trustee, partner, director or person performing similar functions; *provided* that "**Independent**" when used with respect to any accountant may include an accountant who audits the books of such person if in addition to satisfying the criteria set forth above the accountant is independent with respect to such person within the meaning of Rule 101 of the Code of Professional Conduct of the American Institute of Certified Public Accountants. Whenever any Independent person's opinion or certificate is to be furnished to the Trustee, such opinion or certificate shall state that the signer has read this definition and that the signer is Independent within the meaning hereof. Any pricing service, certified public accountant or legal counsel that is required to be Independent of

another person under the Indenture must satisfy the criteria above with respect to the Issuer, the Collateral Manager and their respective Affiliates.

"**Interest Accrual Period**" means (i) with respect to the initial Payment Date, the period from and including the Closing Date to but excluding such Payment Date; and (ii) with respect to each succeeding Payment Date, the period from and including the immediately preceding Payment Date to but excluding the following Payment Date or, if earlier, the date on which the principal of the Secured Notes is paid or made available for payment; *provided* that any interest-bearing notes issued after the Closing Date in accordance with the terms of the Indenture shall accrue interest during the Interest Accrual Period in which such additional notes are issued from and including the applicable date of issuance of such additional notes to but excluding the last day of such Interest Accrual Period at the applicable Interest Rate. For purposes of determining any Interest Accrual Period, in the case of the Fixed Rate Notes, each Payment Date will be assumed to be the 25th day of the relevant month (irrespective of whether such day is a Business Day).

"**Interest Coverage Ratio**" means, for any designated Class or Classes of Secured Notes, as of any date of determination, the percentage derived from the following equation: (A – B) / C, where:

A = The Collateral Interest Amount as of such date of determination;

B = Amounts payable (or expected as of the date of determination to be payable) on the following Payment Date as set forth in clauses (A) and (B) under "Overview of Terms—Priority of Payments—Application of Interest Proceeds"; and

C = Interest due and payable on the Secured Notes of such Class or Classes and each Class of Secured Notes that rank senior to or *pari passu* with such Class or Classes (excluding Secured Note Deferred Interest, but including any interest on Secured Note Deferred Interest with respect to the Class B Notes, Class C Notes and Class D Notes) on such Payment Date.

"**Interest Determination Date**" (a) with respect to the first Interest Accrual Period, (x) for the period from the Closing Date to but excluding January 25, 2014, the second London Banking Day preceding the Closing Date, and (y) for the remainder of the first Interest Accrual Period, the second London Banking Day preceding January 25, 2014, and (b) with respect to each Interest Accrual Period thereafter, the second London Banking Day preceding the first day of each Interest Accrual Period.

"**Interest Only Security**" means any obligation or security that does not provide in the related Underlying Instruments for the payment or repayment of a stated principal amount in one or more installments on or prior to its stated maturity.

"**Interest Proceeds**" means, with respect to any Collection Period or Determination Date, without duplication, the sum of:

(i) all payments of interest and delayed compensation (representing compensation for delayed settlement) received in cash by the Issuer during the related Collection Period on the Collateral Obligations and Eligible Investments, including the accrued interest received in connection with a sale thereof during the related Collection Period, less any such amount that represents Principal Financed Accrued Interest;

(ii) all payments received by the Issuer during the related Collection Period on Eligible Investments purchased with Interest Proceeds;

(iii) all amendment and waiver fees, late payment fees and other fees received by the Issuer during the related Collection Period, except for those in connection with (a) the lengthening of the maturity of the related Collateral Obligation or (b) the reduction of the par of the related Collateral Obligation, as determined by the Collateral Manager with notice to the Trustee and the Collateral Administrator;

(iv) commitment fees and other similar fees received by the Issuer during such Collection Period in respect of Revolving Collateral Obligations and Delayed Drawdown Collateral Obligations;

(v) any amounts deposited in the Collection Account from the Expense Reserve Account and/or the Interest Reserve Account that are designated as Interest Proceeds in the sole discretion of the Collateral Manager pursuant to the Indenture in respect of the related Determination Date; and

(vi) any funds withdrawn from the LC Reserve Account during the related Collection Period in accordance with the procedures described under "Security for the Secured Notes—The LC Reserve Account" for application as Interest Proceeds;

provided that (1) any amounts received in respect of any Defaulted Obligation will constitute Principal Proceeds (and not Interest Proceeds) until the aggregate of all collections in respect of such Defaulted Obligation since it became a Defaulted Obligation equals the outstanding principal balance of such Collateral Obligation at the time it became a Defaulted Obligation, (2)(x) any amounts received in respect of any Equity Security that was received in exchange for a Defaulted Obligation and is held by a Blocker Subsidiary will constitute Principal Proceeds (and not Interest Proceeds) until the aggregate of all collections in respect of such Equity Security equals the outstanding principal balance of the Collateral Obligation, at the time it became a Defaulted Obligation, for which such Equity Security was received in exchange and (y) any amounts received in respect of any other asset held by a Blocker Subsidiary will constitute Principal Proceeds (and not Interest Proceeds), (3) any amounts deposited in the Collection Account as Principal Proceeds as described in clause (Q) under "Overview of Terms—Priority of Payments—Application of Interest Proceeds" due to the failure of the Interest Diversion Test to be satisfied shall not constitute Interest Proceeds and (4) any Refinancing Proceeds shall constitute Principal Proceeds and not Interest Proceeds.

"**Interest Rate**" means, with respect to any specified Class of Secured Notes (i) unless a Re-Pricing has occurred with respect to such Class of Notes, the per annum interest rate payable on the Secured Notes of such Class with respect to each Interest Accrual Period (or portion thereof, in the case of the first Interest Accrual Period) specified under "Overview of Terms—Principal Terms of the Notes" and (ii) upon the occurrence of a Re-Pricing with respect to such Class of Secured Notes, the applicable Re-Pricing Rate (plus LIBOR, in the case of Floating Rate Notes) for such Interest Accrual Period.

"**Interest Reserve Amount**" means U.S.$750,000.

"**Interpolated Screen Rate**" means the rate which results from interpolating on a linear basis between (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available or can be obtained) which is less than three months and (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available or can be obtained) which exceeds three months.

"**Investment Advisers Act**" means the United States Investment Advisers Act of 1940, as amended.

"**Investment Company Act**" means the United States Investment Company Act of 1940, as amended.

"**Investment Criteria Adjusted Balance**" means, with respect to each Collateral Obligation, the principal balance of such Collateral Obligation; *provided* that the Investment Criteria Adjusted Balance of any:

(i) Deferring Security will be the lesser of the (x) S&P Collateral Value of such Deferring Security and (y) Moody's Collateral Value of such Deferring Security;

(ii) Discount Obligation will be the product of the (x) purchase price (expressed as a percentage of par and, for the avoidance of doubt, without averaging) and (y) principal balance of such Discount Obligation; and

(iii) Collateral Obligation included in the CCC/Caa Excess will be the Market Value of such Collateral Obligation;

provided further that the Investment Criteria Adjusted Balance for any Collateral Obligation that satisfies more than one of the definitions of Deferring Security or Discount Obligation or is included in the CCC/Caa Excess will be the lowest amount determined pursuant to clauses (i), (ii) and/or (iii) above (as applicable).

"**Irish Listing Agent**" means McCann FitzGerald Listing Services Limited.

"**Issuer**" means ACAS CLO 2013-2, Ltd.

"**Junior Class**" means, respect to a particular Class of Notes, each Class of Notes that is subordinated to such Class, as indicated in "Overview of Terms—Principal Terms of the Notes".

"**Knowledgeable Employee**" has the meaning set forth in Rule 3c-5 promulgated under the Investment Company Act.

"**LC Commitment Amount**" means, with respect to any Letter of Credit Reimbursement Obligation, the amount which the Issuer could be required to pay to the LOC Agent Bank in respect thereof (including, for the avoidance of doubt, any portion thereof which the Issuer has collateralized or deposited into a trust or with the LOC Agent Bank for the purpose of making such payments).

"**Letter of Credit Reimbursement Obligation**" means a facility whereby (i) a fronting bank that, at the time of acquisition of such Letter of Credit Reimbursement Obligation by the Issuer or the Issuer's commitment to acquire the same, has at least a short-term rating of "A-1" (or if no short-term rating exists, a long-term rating of "A+") by S&P ("**LOC Agent Bank**") issues or will issue a letter of credit for or on behalf of a borrower pursuant to an Underlying Instrument, (ii) in the event that such letter of credit is drawn upon, and the borrower does not reimburse the LOC Agent Bank, the lender/participant is obligated to fund its portion of the facility, (iii) the LOC Agent Bank passes on (in whole or in part) the fees and any other amounts it receives for providing such letter of credit to the lender/participant and (iv)(a) the related Underlying Instruments require the Issuer to fully collateralize the Issuer's obligations to the related LOC Agent Bank or obligate the Issuer to make a deposit into a trust in an aggregate amount equal to the related LC Commitment Amount, (b) the collateral posted by the Issuer is held by, or the Issuer's deposit is made in, a depository institution meeting the requirement set forth in "Security for the Secured Notes—Account Requirements" and (c) the collateral posted by the Issuer is invested in Eligible Investments.

"**LIBOR**" with respect to the Floating Rate Notes, for any Interest Accrual Period (or, in the case of the first Interest Accrual Period, for the relevant portion thereof), will equal (a) the rate appearing on the Reuters Screen (the "**Screen Rate**") for deposits with a term of three months; *provided* that (x) LIBOR for the period from and including the Closing Date to but excluding January 25, 2014 will equal the rate determined by interpolating linearly between the Screen Rate for deposits with a term of three months and the Screen Rate for deposits with a term of six months, (y)

LIBOR for the remainder of the first Interest Accrual Period will equal the Screen Rate for deposits with a term of three months and (z) if the Screen Rate for deposits with a term of three months is temporarily or permanently unavailable or cannot be obtained from the Reuters Screen, LIBOR for any period other than the portion of the first Interest Accrual Period for the period from and including the Closing Date to but excluding January 25, 2014 will be the Interpolated Screen Rate or (b) if such rate is unavailable at the time LIBOR is to be determined, LIBOR shall be determined on the basis of the rates at which deposits in U.S. Dollars are offered by four major banks in the London market selected by the Calculation Agent after consultation with the Collateral Manager (the "**Reference Banks**") at approximately 11:00 a.m., London time, on the Interest Determination Date to prime banks in the London interbank market for a period approximately equal to such Interest Accrual Period (or portion thereof, in the case of the first Interest Accrual Period) and an amount approximately equal to the amount of the aggregate outstanding principal amount of the Floating Rate Notes. The Calculation Agent will request the principal London office of each Reference Bank to provide a quotation of its rate. If at least two such quotations are provided, LIBOR with respect to such Interest Accrual Period (or portion thereof, in the case of the first Interest Accrual Period) shall be the arithmetic mean of such quotations (rounded upward to the next higher 1/100,000). If fewer than two quotations are provided as requested, LIBOR with respect to such Interest Accrual Period (or portion thereof, in the case of the first Interest Accrual Period) will be the arithmetic mean of the rates quoted by three major banks in New York, New York selected by the Calculation Agent after consultation with the Collateral Manager at approximately 11:00 a.m., New York time, on such Interest Determination Date for loans in U.S. Dollars to leading European banks for a term approximately equal to such Interest Accrual Period (or portion thereof, in the case of the first Interest Accrual Period) and an amount approximately equal to the aggregate outstanding principal amount of the Floating Rate Notes. If the Calculation Agent is required but is unable to determine a rate in accordance with at least one of the procedures described above, LIBOR will be LIBOR as determined on the previous Interest Determination Date. "**LIBOR**", when used with respect to a Collateral Obligation, means the "LIBOR" rate determined in accordance with the terms of such Collateral Obligation.

"**Loan**" means any obligation for the payment or repayment of borrowed money that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement.

"**LOC Agent Bank**" has the meaning specified in the definition of the term Letter of Credit Reimbursement Obligation.

"**London Banking Day**" means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London, England.

"**Long-Dated Asset**" means any Collateral Obligation with a stated maturity later than the Stated Maturity of the Notes.

"**Maintenance Covenant**" means a covenant by any borrower to comply with one or more financial covenants during each reporting period (but not more frequently than quarterly), whether or not such borrower has taken any specified action.

"**Majority**" means, with respect to any Class or Classes of Notes, the holders of more than 50% of the aggregate outstanding principal amount of the Notes of such Class or Classes.

"**Margin Stock**" means "Margin Stock" as defined under Regulation U issued by the Board of Governors of the Federal Reserve, including any debt security which is by its terms convertible into "Margin Stock".

"**Market Value**" means, with respect to any loans or other Assets, the amount (determined by the Collateral Manager) equal to the product of the principal amount thereof and the price determined in the following manner:

(i) the bid price determined by the Loan Pricing Corporation, Markit Group Limited, Loan X Mark-It Partners, FT Interactive, Bridge Information Systems, KDP, IDC, Bank of America High Yield Index, Interactive Data Pricing and Reference Data, Inc., Pricing Direct Inc., S&P Security Evaluations Service, Thompson Reuters Pricing Service, TradeWeb Markets LLC or any other nationally recognized loan or bond pricing service selected by the Collateral Manager; or

(ii) if the price described in clause (i) is not available,

(A) the average of the bid prices determined by three broker-dealers (or other buy-side market participants) active in the trading of such asset that are Independent from each other and the Issuer and the Collateral Manager;

(B) if only two such bids can be obtained, the lower of the bid prices of such two bids; or

(C) if only one such bid can be obtained and such bid is obtained from a nationally recognized broker-dealer, the bid price of such bid; or

(iii) if a price described in clause (i) or (ii) is not available, then the Market Value of an asset will be the lower of (x) the product of the principal amount thereof and the higher of (A) the S&P Recovery Rate thereof and (B) 70%, (y) the product of the principal amount thereof and the price at which the Collateral Manager reasonably believes such asset could be sold in the market within 30 days, as certified by the Collateral Manager to the Trustee; *provided* that such price shall be determined by the Collateral Manager consistent with the manner in which it would determine the market value of such asset for purposes of other funds or accounts managed by it, and if a market value of such asset is actually determined for other managed funds or accounts managed by it, such price shall be equal to the market value of such asset actually determined by the Collateral Manager for purposes of such other funds or accounts; and (z) solely if such asset either was purchased within the three preceding months or was previously assigned a Market Value within the three preceding months, either (A) if such asset was purchased within the three preceding months, the product of the principal amount thereof and its purchase price or (B) otherwise, the last Market Value that was assigned to it other than pursuant to this clause (iii)(z); *provided* that if the Collateral Manager is not a Registered Investment Adviser, the Market Value of any such asset may not be determined in accordance with this clause (iii) for more than 30 days; or

(iv) if the Market Value of an asset is not determined in accordance with clause (i), (ii) or (iii) above, then such Market Value shall be deemed to be zero until such determination is made in accordance with clause (i), (ii) or (iii) above.

"**Maturity Amendment**" means, with respect to any Collateral Obligation, any waiver, modification, amendment or variance that would extend the stated maturity date of such Collateral Obligation. For the avoidance of doubt, a waiver, modification, amendment or variance that would extend the stated maturity date of the credit facility of which a Collateral Obligation is part, but would not extend the stated maturity date of the Collateral Obligation held by the Issuer, does not constitute a Maturity Amendment.

"**Measurement Date**" means (i) any day on which a purchase of a Collateral Obligation occurs, (ii) any Determination Date, (iii) the date as of which the information in any monthly report prepared under the Indenture is calculated, (iv) with five Business Days' prior written notice to the Issuer and Trustee (with a copy to the Collateral Manager), any Business Day requested by either Rating Agency and (v) the Effective Date.

"**Middle Market Loan**" means any loan made pursuant to Underlying Instruments governing the issuance of indebtedness having at the time of issuance an aggregate principal amount (whether drawn or undrawn) of less than U.S.$150,000,000.

"**Minimum Denominations**" means, in the case of the Secured Notes other than the Class C Notes, U.S.$500,000 and integral multiples of U.S.$1.00 in excess thereof; in the case of the Class C Notes, U.S.$250,000 and integral

multiples of U.S.$1.00 in excess thereof; and in the case of the Subordinated Notes, U.S.$500,000 and integral multiples of U.S.$1.00 in excess thereof.

"**Moody's**" means Moody's Investors Service, Inc and any successor thereto.

"**Moody's Collateral Value**" means, on any date of determination, with respect to any Defaulted Obligation or Deferring Security, the lesser of (i) the Moody's Recovery Amount of such Defaulted Obligation or Deferring Security as of such date and (ii) the Market Value of such Defaulted Obligation or Deferring Security as of such date.

"**Moody's Counterparty Criteria**" are, with respect to any Participation Interest or Letter of Credit Reimbursement Obligation proposed to be acquired by the Issuer, criteria that will be met if either (a) in the case of a Participation Interest, it is acquired under the Master Participation and Assignment Agreement or (b) immediately after giving effect to such acquisition, (x) the percentage of the Collateral Principal Amount that consists in the aggregate of Participation Interests or Letter of Credit Reimbursement Obligations with Selling Institutions or LOC Agent Banks, as the case may be, that have the same or a lower Moody's credit rating does not exceed the "Aggregate Percentage Limit" set forth below for such Moody's credit rating and (y) the percentage of the Collateral Principal Amount that consists in the aggregate of Participation Interests or Letter of Credit Reimbursement Obligations with any single Selling Institution or LOC Agent Bank, as the case may be, that has the Moody's credit rating set forth below or a lower credit rating does not exceed the "Individual Percentage Limit" set forth below for such Moody's credit rating:

Moody's credit rating of Selling Institution or LOC Agent Bank (at or below)	**Aggregate Percentage Limit**	**Individual Percentage Limit**
Aaa	20%	20%
Aa1	20%	10%
Aa2	20%	10%
Aa3	15%	10%
A1	10%	5%
A2 and P-1 (both)	5%	5%
A3 or below	0%	0%

"**Moody's Rating Condition**" means a condition that is satisfied if:

(i) with respect to the Effective Date rating confirmation procedure described under "Use of Proceeds—Effective Date," Moody's provides written confirmation (which may take the form of a press release or other written communication) of its initial rating of the Class A-1 Notes; or

(ii) with respect to any other event or circumstance, so long as any Class A-1 Notes then rated by Moody's are outstanding, Moody's provides written confirmation (which may take the form of a press release or other written communication) that the occurrence of that event or circumstance will not cause Moody's to downgrade or withdraw its rating assigned to the Class A-1 Notes.

See also "Ratings of the Secured Notes—Inapplicability of the Moody's Rating Condition".

"**Moody's Recovery Amount**" means, with respect to any Collateral Obligation that is a Defaulted Obligation or a Deferring Security, an amount equal to:

(a) the applicable Moody's Recovery Rate; *multiplied by*

(b) the principal balance of such Collateral Obligation.

"**Non-Emerging Market Obligor**" means an obligor that is Domiciled in any country that has a country ceiling for foreign currency bonds of at least "Aa2" by Moody's and a foreign currency issuer credit rating of at least "AA" by S&P.

"**Note Interest Amount**" means, with respect to any Class of Secured Notes and any Payment Date, the amount of interest for the related Interest Accrual Period payable in respect of each U.S.$100,000 outstanding principal amount of such Class of Secured Notes.

"**Notes**" means the Secured Notes and the Subordinated Notes.

"**Overcollateralization Ratio**" means, with respect to any specified Class or Classes of Secured Notes as of any date of determination, the percentage derived from:

(a) the Adjusted Collateral Principal Amount on such date; *divided by*

(b) the aggregate outstanding principal amount on such date of the Secured Notes of such Class or Classes, each class of Secured Notes senior to such Class or Classes and each *pari passu* Class or Classes of Secured Notes.

"**Partial Refinancing Interest Proceeds**" means, in connection with a Refinancing in part by Class of one or more Classes of Secured Notes, with respect to each such Class, Interest Proceeds up to the amount of accrued and unpaid interest on such Class, but only to the extent that such Interest Proceeds would be available under the Priority of Payments to pay accrued and unpaid interest on such Class on the Refinancing Date (or, in the case of a Refinancing occurring on a date other than a Payment Date, only to the extent that such Interest Proceeds would be available under the Priority of Payments to pay accrued and unpaid interest on such Class on the next Payment Date, taking into account scheduled distributions on the Assets that are expected to be received prior to the next Determination Date).

"**Participation Interest**" means a Letter of Credit Reimbursement Obligation or a participation interest in a loan that, at the time of acquisition or the Issuer's commitment to acquire the same is represented by a contractual obligation of (a) a Selling Institution that has at the time of such acquisition or the Issuer's commitment to acquire the same at least a short-term rating of "A-1" (or if no short-term rating exists, a long-term rating of "A+") by S&P or (b) the Loan Facility Seller under the Master Participation and Assignment Agreement.

"**Paying Agent**" means any person authorized by the Issuer to pay principal of or interest on any Notes on behalf of the Issuer as specified in the Indenture.

"**Payment Date**" means the 25th day of January, April, July and October of each year (or, if such day is not a Business Day, the next succeeding Business Day), commencing in April 2014.

"**Person**" means an individual, corporation (including a business trust), partnership, limited liability company, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated association or government or any agency or political subdivision thereof.

"**Placement Agency Agreement**" means the agreement to be entered into between the Issuer and Citigroup, as placement agent of the Subordinated Notes, as amended from time to time.

"**Principal Financed Accrued Interest**" means, with respect to (i) the Collateral Obligations that the Issuer acquired via the Closing Merger, accrued interest on such Collateral Obligations that remains unpaid as of the Closing Date in an amount equal to approximately $1,700,000 and (ii) any other Collateral Obligation acquired by the Issuer, the amount of Principal Proceeds, if any, applied towards the purchase of accrued interest on such Collateral Obligation.

"**Principal Proceeds**" means, with respect to any Collection Period or Determination Date, all amounts received by the Issuer during the related Collection Period that do not constitute Interest Proceeds and any amounts that have been designated as Principal Proceeds pursuant to the terms of the Indenture.

"**Priority Category**" means, with respect to any Collateral Obligation, the applicable category listed in the table under the heading "Priority Category" in Section 1(b) of Annex C.

"**Priority Class**" means, with respect to any specified Class of Notes, each Class of Notes that ranks senior to such Class, as indicated in "Overview of Terms—Principal Terms of the Notes".

"**Proposed Portfolio**" means the portfolio of Collateral Obligations and Eligible Investments resulting from the proposed purchase, sale, maturity or other disposition of a Collateral Obligation or a proposed reinvestment in an additional Collateral Obligation, as the case may be.

"**Purchase Agreement**" means the agreement to be entered into among the Co-Issuers and Citigroup, as initial purchaser of the Secured Notes, as amended from time to time.

"**Qualified Institutional Buyer**" has the meaning set forth in Rule 144A.

"**Qualified Purchaser**" has the meaning set forth in the Investment Company Act.

"**Rating Agency**" means each of Moody's and S&P.

"**Record Date**" means, with respect to the Global Secured Notes and the Regulation S Global Subordinated Notes, the date one day prior to the applicable Payment Date and, with respect to the Certificated Class E Notes, Certificated Subordinated Notes and Uncertificated Subordinated Notes, the date 15 days prior to the applicable Payment Date.

"**Redemption Date**" means any Eligible Redemption Date specified for a redemption of Notes pursuant to the Indenture; *provided* that if such redemption relates to a Refinancing that does not occur on such date, such date shall cease to be a Redemption Date.

"**Redemption Price**" means, (a) for each Secured Note to be redeemed (x) 100% of the aggregate outstanding principal amount of such Secured Note, *plus* (y) accrued and unpaid interest thereon (including interest on any accrued and unpaid Secured Note Deferred Interest, in the case of the Class B Notes, Class C Notes, Class D Notes and Class E Notes) to but excluding the Redemption Date and (b) for each Subordinated Note, its proportional share (based on the aggregate outstanding principal amount of the Subordinated Notes) of the portion of the proceeds of the remaining Assets (after giving effect to the Optional Redemption, Clean-Up Call Redemption or Tax

Redemption of the Secured Notes in whole or after all of the Secured Notes have been repaid in full and payment in full of (and/or creation of a reserve for) all expenses (including all Management Fees, Administrative Expenses (without regard to the Administrative Expense Cap) and Dissolution Expenses) of the Co-Issuers) that is distributable to the Subordinated Notes; *provided* that, in connection with any Optional Redemption, Tax Redemption or Clean-Up Call Redemption, any holder of Secured Notes of any Class may elect to receive less than 100% of the Redemption Price that would otherwise be payable to the holders of such Class of Secured Notes.

"**Refinancing Proceeds**" means the cash proceeds from a Refinancing.

"**Registered**" means, in registered form for U.S. federal income tax purposes and issued after July 18, 1984, provided that a certificate of interest in a grantor trust shall not be treated as Registered unless each of the obligations or securities held by the trust was issued after that date.

"**Registered Investment Adviser**" means a Person duly registered as an investment adviser in accordance with the Investment Advisers Act.

"**Regulation S**" means Regulation S under the Securities Act.

"**Regulation S Global Class E Note**" means a Class E Note in the form of a Regulation S Global Secured Note.

"**Reinvestment Agreement**" means a guaranteed reinvestment agreement from a bank, insurance company or other corporation or entity having an Eligible Investment Required Rating; *provided* that such agreement provides that it is terminable by the purchaser, without penalty, in the event that the rating assigned to such agreement by either Rating Agency is at any time lower than such agreement's Eligible Investment Required Rating.

"**Reinvestment Target Par Balance**" means, as of any date of determination, the Target Initial Par Amount minus (i) the amount of any reduction in the aggregate outstanding principal amount of the Notes through the payment of Principal Proceeds *plus* (ii) the aggregate principal amount of any additional notes issued or the aggregate amount of Principal Proceeds that result from the issuance of any additional notes under and in accordance with the Indenture (after giving effect to such issuance of any additional notes), whichever amount is greater.

"**Related Obligation**" means an obligation issued by the Collateral Manager, any of its Affiliates that are collateralized debt obligation funds or any other person that is a collateralized debt obligation fund whose investments are primarily managed by the Collateral Manager or any of its Affiliates.

"**Repack Obligation**" means any obligation of a special purpose vehicle (i) collateralized or backed by a Structured Finance Obligation or (ii) the payments on which depend on the cash flows from one or more credit default swaps or other derivative financial contracts that reference a Structured Finance Obligation or a Loan.

"**Re-Pricing Eligible Secured Notes**" means the Class A-1B Notes, the Class A-1C Notes, the Class C Notes, the Class D Notes and the Class E Notes.

"**Required Interest Diversion Amount**" means, on any Payment Date related to a Determination Date during the Reinvestment Period on which the Interest Diversion Test is not satisfied, the amount equal to the lesser of (x) 50% of Available Funds from the Collateral Interest Amount on such Payment Date after application of such Collateral Interest Amount to the payment of amounts set forth in clauses (A) through (P) under "Overview of Terms—Priority of Payments—Application of Interest Proceeds" and (y) the minimum amount that needs to be added to the Adjusted Collateral Principal Amount (or subtracted from the aggregate outstanding principal amount of the Secured Notes, as the case may be) in order to cause the Interest Diversion Test to be satisfied.

"**Required IRR Threshold Condition**" means a condition that applies as of any date of determination if the Designated Subordinated Noteholder has continuously held a Majority of the Subordinated Notes from and including the Closing Date to and including such date of determination, as evidenced by an officer's certificate

delivered by the Designated Subordinated Noteholder to the Trustee (upon which the Trustee shall be permitted to conclusively rely).

"**Required IRR Threshold Test**" means a test that will be satisfied if, as of any proposed Redemption Date that occurs prior to the seventh anniversary of the Closing Date, the proceeds available on such Redemption Date pursuant to the application of the Priority of Payments results in the holders of the Subordinated Notes receiving sufficient distributions to realize an annualized internal rate of return greater than or equal to the "Required IRR", as determined by the Collateral Manager in its commercially reasonable business judgment and certified in writing to the Issuer and the Trustee (with a copy to the Collateral Administrator); *provided* that, at the written direction of the Designated Subordinated Noteholder to the Issuer and Trustee (with a copy to the Collateral Manager), the Required IRR Threshold Test will be deemed to be satisfied if the Secured Notes will be redeemed in full on such proposed Redemption Date:

Proposed Optional Redemption Date	**Required IRR**
On or before the Payment Date falling immediately after the fourth anniversary of the Closing Date	13.0%
After the Payment Date falling immediately after the fourth anniversary of the Closing Date, but on or before the Payment Date falling immediately after the seventh anniversary of the Closing Date	11.0%

For any Payment Date that occurs after the seventh anniversary of the Closing Date, the Required IRR Threshold Test will be deemed to be satisfied without regard to the table above.

"**Restricted Trading Period**" means the period during which, so long as the applicable Class of Notes is outstanding, (a) the Moody's rating or S&P rating of the Class A-1 Notes is withdrawn (and not reinstated) or is one or more sub-categories below its rating on the Closing Date or (b) the S&P rating of the Class A-2A Notes or the Class B Notes is withdrawn (and not reinstated) or is two or more sub-categories below its rating on the Closing Date; *provided* that (1) such period will not be a Restricted Trading Period if (A) after giving effect to any sale (and any related reinvestment) or purchase of a Collateral Obligation, the aggregate principal balance of all Collateral Obligations plus, without duplication, amounts on deposit in the Principal Collection Subaccount and the Ramp-Up Account will be at least equal to the Reinvestment Target Par Balance, (B) each test specified in the definition of Collateral Quality Test is satisfied and (C) each Overcollateralization Ratio Test is satisfied; (2) such period will not be a Restricted Trading Period upon the direction of the Majority of the Controlling Class, which direction shall remain in effect until the earlier of (i) a further downgrade or withdrawal of such Moody's rating or S&P rating, as applicable, that, disregarding such direction, would cause the conditions set forth above to be true and (ii) a subsequent direction to the Issuer (with a copy to the Trustee, the Collateral Manager and the Collateral Administrator) by a Majority of the Controlling Class declaring the beginning of a Restricted Trading Period and (3) no Restricted Trading Period will restrict any sale or purchase of a Collateral Obligation entered into by the Issuer at a time when a Restricted Trading Period was not in effect, regardless of whether such sale or purchase has settled.

"**Reuters Screen**" means Reuters Page LIBOR01 (or such other page that may replace that page on such service for the purpose of displaying comparable rates) as reported by Bloomberg Financial Markets Commodities News as of 11:00 a.m., London time, on the Interest Determination Date.

"**Revolving Collateral Obligation**" means any Collateral Obligation (other than a Delayed Drawdown Collateral Obligation) that is a loan (including, without limitation, revolving loans, including funded and unfunded portions of revolving credit lines and letter of credit facilities, unfunded commitments under specific facilities and other similar loans and investments) that by its terms may require one or more future advances to be made to the borrower by the Issuer; provided, that any such Collateral Obligation will be a Revolving Collateral Obligation only until all commitments to make advances to the borrower expire or are terminated or irrevocably reduced to zero.

"**Rule 144A**" has the meaning set forth under the Securities Act.

"**S&P**" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, and any successor or successors thereto.

"**S&P CDO Monitor**" means, each dynamic, analytical computer model developed by S&P used to calculate the default frequency in terms of the amount of debt assumed to default as a percentage of the original principal amount of the Collateral Obligations consistent with a specified benchmark rating level based upon certain assumptions (including the applicable Weighted Average S&P Recovery Rate) and S&P's proprietary corporate default studies, as may be amended by S&P from time to time upon notice to the Issuer, the Collateral Manager, the Collateral Administrator and the Trustee. Each S&P CDO Monitor shall be chosen by the Collateral Manager and associated with either (x) a Weighted Average S&P Recovery Rate and a Weighted Average Floating Spread from Section 2 of Annex C or (y) a Weighted Average S&P Recovery Rate and a Weighted Average Floating Spread confirmed by S&P, *provided* that as of any date of determination the Weighted Average S&P Recovery Rate for each Class of Secured Notes outstanding equals or exceeds the Weighted Average S&P Recovery Rate for such Class chosen by the Collateral Manager and the Weighted Average Floating Spread equals or exceeds the Weighted Average Floating Spread chosen by the Collateral Manager.

"**S&P Collateral Value**" means, with respect to any Defaulted Obligation or Deferring Security, the lesser of (i) the S&P Recovery Amount of such Defaulted Obligation or Deferring Security, respectively, as of the relevant Measurement Date and (ii) the Market Value of such Defaulted Obligation or Deferring Security, respectively, as of the relevant Measurement Date.

"**S&P Rating**" has the meaning specified in Annex C hereto.

"**S&P Recovery Amount**" means with respect to any Collateral Obligation, an amount equal to:

(a) the applicable S&P Recovery Rate; *multiplied by*

(b) the principal balance of such Collateral Obligation.

"**S&P Recovery Rate**" means, with respect to a Collateral Obligation, the recovery rate set forth in Section 1 of Annex C using the initial rating of the most senior Class of Secured Notes outstanding at the time of determination.

"**S&P Recovery Rating**" means, with respect to a Collateral Obligation for which an S&P Recovery Rate is being determined, the "**Recovery Rating**" assigned by S&P to such Collateral Obligation based upon the following table:

Recovery Rating	Description of Recovery	Recovery Range (%)
1+	High expectation, full recovery	75-95
1	Very high recovery	65-95
2	Substantial recovery	50-85
3	Meaningful recovery	30-65
4	Average recovery	20-45
5	Modest recovery	5-25
6	Negligible recovery	2-10

"**Sale Proceeds**" are all proceeds (excluding accrued interest, if any) received with respect to Assets as a result of sales or other dispositions of such Assets in accordance with the provisions of the Indenture described in "Security for the Secured Notes—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria" (or "Description of the Notes—The Indenture—Disposition of Illiquid Assets" or "Description of the Notes—The Indenture—Events of Default", as applicable), *less* any reasonable expenses incurred by the Collateral Manager, the

Collateral Administrator or the Trustee (other than amounts payable as Administrative Expenses) in connection with such sales or other dispositions.

"**Second Lien Loan**" means any assignment of or Participation Interest in a Loan that is a First Lien Last Out Loan or that: (a) is not (and cannot by its terms become) subordinate in right of payment to any other obligation of the obligor of the Loan (other than with respect to trade claims, capitalized leases or similar obligations) but which is subordinated (with respect to liquidation preferences with respect to pledged collateral) to a Senior Secured Loan of the obligor; (b) is secured by a valid second-priority perfected security interest or lien in, to or on specified collateral securing the obligor's obligations under the Second Lien Loan the value of which, together with other attributes of the obligor (including, without limitation, its general financial condition, ability to generate cash flow available for debt service and other demands for that cash flow), is adequate (in the commercially reasonable judgment of the Collateral Manager) to repay the Loan in accordance with its terms and to repay all other Loans of equal or higher seniority secured by a lien or security interest in the same collateral and (c) is not secured solely or primarily by common stock or other equity interests; *provided* that the limitation set forth in this clause (c) shall not apply with respect to a Loan made to a parent entity that is secured solely or primarily by the stock of one or more of the subsidiaries of such parent entity to the extent that the granting by any such subsidiary of a lien on its own property would violate law or regulations applicable to such subsidiary (whether the obligation secured is such Loan or any other similar type of indebtedness owing to third parties).

"**Secured Note Deferred Interest**" means: (i) with respect to the Class B Notes, any payment of interest due on the Class B Notes on any Payment Date to the extent sufficient funds are not available to make such payment in accordance with the Priority of Payments on such Payment Date, but only if one or more senior Classes of Notes are outstanding on such Payment Date; (ii) with respect to the Class C Notes, any payment of interest due on the Class C Notes on any Payment Date to the extent sufficient funds are not available to make such payment in accordance with the Priority of Payments on such Payment Date, but only if one or more senior Classes of Notes are outstanding on such Payment Date; (iii) with respect to the Class D Notes, any payment of interest due on the Class D Notes on any Payment Date to the extent sufficient funds are not available to make such payment in accordance with the Priority of Payments on such Payment Date, but only if one or more senior Classes of Notes are outstanding on such Payment Date; and (iv) with respect to the Class E Notes, any payment of interest due on the Class E Notes on any Payment Date to the extent sufficient funds are not available to make such payment in accordance with the Priority of Payments on such Payment Date, but only if one or more senior Classes of Notes are outstanding on such Payment Date.

"**Secured Notes**" means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

"**Secured Parties**" means collectively the holders of the Secured Notes, the Collateral Manager, the Administrator, the Collateral Administrator and the Trustee.

"**Securities Account Control Agreement**" means the Securities Account Control Agreement dated as of the Closing Date among the Issuer, the Trustee and Citibank, N.A., as custodian.

"**Securities Act**" means the United States Securities Act of 1933, as amended.

"**Securities Intermediary**" is as defined in Section 8-102(a)(14) of the UCC.

"**Selling Institution**" means the entity obligated to make payments to the Issuer under the terms of a Participation Interest.

"**Senior Secured Bond**" means any obligation that: (a) constitutes borrowed money, (b) is in the form of, or represented by, a bond, note, certificated debt security or other debt security (other than any of the foregoing that evidences a Loan or Participation Interest), (c) is not secured solely by common stock or other equity interests; *provided* that the limitation set forth in this clause (c) shall not apply with respect to an obligation of a parent entity that is secured solely or primarily by the stock of one or more of the subsidiaries of such parent entity to the extent that the granting by any such subsidiary of a lien on its own property would violate law or regulations applicable to such subsidiary (whether the obligation secured is such obligation or any other similar type of indebtedness owing to third parties), (d) if it is subordinated by its terms, is subordinated only to indebtedness for borrowed money, trade claims, capitalized leases or other similar obligations and (e) is secured by a valid perfected security interest or lien in, to or on specified collateral securing the obligor's obligations under such obligation.

"**Senior Secured Floating Rate Note**" means any obligation that: (a) constitutes borrowed money, (b) is in the form of, or represented by, a bond, note (other than any note evidencing a Loan), certificated debt security or other debt security, (c) is expressly stated to bear interest based upon a London interbank offered rate for Dollar deposits in Europe or a relevant reference bank's published base rate or prime rate for Dollar-denominated obligations in the United States or the United Kingdom, (d) does not constitute, and is not secured by, Margin Stock, (e) if it is subordinated by its terms, is subordinated only to indebtedness for borrowed money, trade claims, capitalized leases or other similar obligations and (f) is secured by a valid perfected security interest or lien in, to or on specified collateral securing the obligor's obligations under such obligation.

"**Senior Secured Loan**" means any assignment of or Participation Interest in a Loan (other than a First Lien Last Out Loan) that: (a) is not (and cannot by its terms become) subordinate in right of payment to any other obligation of the obligor of the Loan (other than with respect to trade claims, capitalized leases or similar obligations); (b) is secured by a valid first-priority perfected security interest or lien in, to or on specified collateral securing the obligor's obligations under the Loan; (c) the value of the collateral securing the Loan together with other attributes of the obligor (including, without limitation, its general financial condition, ability to generate cash flow available for debt service and other demands for that cash flow) is adequate (in the commercially reasonable judgment of the Collateral Manager) to repay the Loan in accordance with its terms and to repay all other Loans of equal seniority secured by a first lien or security interest in the same collateral and (d) is not secured solely or primarily by common stock or other equity interests; *provided* that the limitation set forth in this clause (d) shall not apply with respect to a Loan made to a parent entity that is secured solely or primarily by the stock of one or more of the subsidiaries of such parent entity to the extent that the granting by any such subsidiary of a lien on its own property would violate law or regulations applicable to such subsidiary (whether the obligation secured is such Loan or any other similar type of indebtedness owing to third parties).

"**Senior Unsecured Bond**" means any unsecured obligation that: (a) constitutes borrowed money, (b) is in the form of, or represented by, a bond, note, certificated debt security or other debt security (other than any of the foregoing that evidences a Loan or Participation Interest) and (c) is not (and by its terms is not permitted to become) subordinate in right of payment to any other debt for borrowed money incurred by the obligor on such obligation.

"**Stated Maturity**" means the Payment Date in October 2025.

"**Step-Down Obligation**" means an obligation or security which by the terms of the related Underlying Instruments provides for a decrease in the per annum interest rate on such obligation or security (other than by reason of any change in the applicable index or benchmark rate used to determine such interest rate) or in the spread over the applicable index or benchmark rate, solely as a function of the passage of time; *provided* that, an obligation or security providing for payment of a constant rate of interest at all times after the date of acquisition by the Issuer shall not constitute a Step-Down Obligation.

"**Step-Up Obligation**" means an obligation or security which by the terms of the related Underlying Instruments provides for an increase in the per annum interest rate on such obligation or security, or in the spread over the

applicable index or benchmark rate, solely as a function of the passage of time; *provided* that, an obligation or security providing for payment of a constant rate of interest at all times after the date of acquisition by the Issuer shall not constitute a Step-Up Obligation.

"**Structured Finance Obligation**" means any obligation secured directly by, referenced to, or representing ownership of, a pool of receivables or other financial assets of any obligor, including collateralized debt obligations and mortgage-backed securities.

"**Subordinated Notes**" means the Subordinated Notes issued pursuant to the Indenture.

"**Subordinated Notes Internal Rate of Return**" means an annualized internal rate of return (computed using the "XIRR" function in Microsoft® Excel or an equivalent function in another software package), stated on a per annum basis, for the following cash flows, assuming all Subordinated Notes were purchased on the Closing Date for an aggregate purchase price equal to 100% of the initial principal amount thereof:

(i) each distribution of Interest Proceeds made to the holders of the Subordinated Notes on any prior Payment Date and, to the extent necessary to reach the applicable Subordinated Notes Internal Rate of Return, the current Payment Date; and

(ii) each distribution of Principal Proceeds made to the holders of the Subordinated Notes on any prior Payment Date and, to the extent necessary to reach the applicable Subordinated Notes Internal Rate of Return, the current Payment Date.

"**Substitute Obligation**" means a Collateral Obligation acquired with Eligible Post Reinvestment Proceeds after the Reinvestment Period.

"**Supermajority**" means, with respect to any Class of Notes, the holders of at least 66-2/3% of the aggregate outstanding principal amount of the Notes of such Class.

"**Synthetic Security**" means a security or swap transaction, other than a Participation Interest, that has payments associated with either payments of interest on and/or principal of a reference obligation or the credit performance of a reference obligation.

"**Target Initial Par Amount**" equals U.S.$400,000,000.

"**Target Initial Par Condition**" means a condition satisfied as of the Effective Date if the aggregate principal balance of Collateral Obligations that are held by the Issuer and that the Issuer has committed to purchase on such date, together with the amount of any proceeds of prepayments, maturities or redemptions of Collateral Obligations purchased by the Issuer prior to such date (other than any such proceeds that have been reinvested in Collateral Obligations held by the Issuer on the Effective Date), will equal or exceed the Target Initial Par Amount; *provided* that for purposes of this definition, any Collateral Obligation that becomes a Defaulted Obligation prior to the Effective Date shall be treated as having a principal balance equal to its Moody's Collateral Value.

"**Tax**" means any tax, levy, impost, duty, charge or assessment of any nature (including interest, penalties and additions thereto) imposed by any governmental taxing authority.

"**Tax Event**" means an event that occurs if (i) any obligor under any Collateral Obligation is required to deduct or withhold from any payment under such Collateral Obligation to the Issuer for or on account of any Tax for whatever reason (other than (x) withholding tax on (1) fees received with respect to a Letter of Credit Reimbursement Obligation, (2) amendment, waiver, consent and extension fees and (3) commitment fees and other similar fees in respect of Revolving Collateral Obligations and Delayed Drawdown Collateral Obligations and (y) withholding tax imposed as a result of the failure by any holder of Notes to comply with its Noteholder Reporting Obligations, so long as the Issuer, within 60 days after the imposition of such withholding tax, exercises its right to demand that such Non-Permitted Holder transfer its interest to a Person that is not a Non-Permitted Holder and, if such Non-Permitted Holder fails to so transfer its Notes, the Issuer exercises its right to sell such Notes or interest therein to a person that is not a Non-Permitted Holder) and such obligor is not required to pay to the Issuer such additional amount as is necessary to ensure that the net amount actually received by the Issuer (free and clear of Taxes, whether assessed against such obligor or the Issuer) will equal the full amount that the Issuer would have received had no such deduction or withholding occurred or (ii) any jurisdiction imposes net income, profits or similar Tax on the Issuer.

"**Tax Jurisdiction**" means the Bahamas, Bermuda, the British Virgin Islands, the Cayman Islands, the Channel Islands or the Netherlands Antilles and any other tax advantaged jurisdiction as may be identified as such in published criteria by Moody's from time to time.

"**Third Party Credit Exposure**" means, as of any date of determination, the principal balance of each Collateral Obligation that consists of a Participation Interest.

"**Third Party Credit Exposure Limits**" means limits that shall be satisfied if the Third Party Credit Exposure with counterparties having the ratings below from S&P do not exceed the percentage of the Collateral Principal Amount specified below:

S&P's credit rating of Selling Institution	Aggregate Percentage Limit	Individual Percentage Limit
AAA	20%	20%
AA+	10%	10%
AA	10%	10%
AA-	10%	10%
A+	5%	5%
A	5%	5%
A- or below	0%	0%

provided that a Selling Institution having an S&P credit rating of "A" must also have a short-term S&P rating of "A-1" otherwise its Aggregate Percentage Limit and Individual Percentage Limit shall be 0%.

"**Transaction Documents**" means the Indenture, the Collateral Management Agreement, the Collateral Administration Agreement, the Securities Account Control Agreement and the Administration Agreement.

"**Transfer Agent**" means the Person or Persons, which may be the Issuer, authorized by the Issuer to exchange or register the transfer of Notes.

"**Trustee**" means Citibank, N.A., in its capacity as Trustee under the Indenture, and any successor thereto.

"**Underlying Instrument**" means the indenture or other agreement pursuant to which an Asset has been issued or created and each other agreement that governs the terms of or secures the obligations represented by such Asset or of which the holders of such Asset are the beneficiaries.

"**Unsalable Asset**" means any Asset with respect to which the Collateral Manager certifies to the Trustee that (a) either (i) such Asset is (A) a Defaulted Obligation, (B) an Equity Security, (C) an obligation received in connection with an offer, in a restructuring or plan of reorganization with respect to the obligor, or (D) any other exchange or any other security or debt obligation that is part of the Assets, in the case of (A), (B) or (C) in respect of which the Issuer has not received a payment in cash during the preceding 12 months or (ii) such Asset has a Market Value of less than $10,000 and (b) the Collateral Manager has made commercially reasonable efforts to dispose of such Asset for at least 90 days and (y) in its commercially reasonable judgment such Asset is not expected to be saleable for the foreseeable future.

"**Unscheduled Principal Proceeds**" means all Principal Proceeds received in respect of Collateral Obligations from optional or nonscheduled mandatory redemptions or amortizations, exchange offers, tender offers or other payments made at the option of the issuer thereof or that are otherwise not scheduled to be made.

"**Unsecured Loan**" means a senior unsecured Loan which is not (and by its terms is not permitted to become) subordinate in right of payment to any other debt for borrowed money incurred by the obligor under such Loan.

"**WAL Haircut Obligation**" means any Collateral Obligation (i) that was amended pursuant to a Credit Amendment consented to by the Issuer (or the Collateral Manager on behalf of the Issuer) and (ii) immediately after giving effect to such amendment, the Weighted Average Life Test was not satisfied as a result of such amendment; *provided* that such Collateral Obligation shall cease to be a WAL Haircut Obligation at such time as the Weighted Average Life Test has been satisfied on each day during any period of 30 consecutive days since the effective date of such Credit Amendment.

"**Zero Coupon Bond**" means any debt security that by its terms (a) does not bear interest for all or part of the remaining period that it is outstanding, (b) provides for periodic payments of interest in cash less frequently than semi-annually or (c) pays interest only at its stated maturity.

INDEX OF DEFINED TERMS

Following is an index of defined terms used in this Offering Circular and the page number where each definition appears.

Annex A-1

FORM OF PURCHASER REPRESENTATION LETTER FOR CERTIFICATED OR UNCERTIFICATED SUBORDINATED NOTES

[DATE]

Citibank, N.A., as Trustee
480 Washington Boulevard
Jersey City, NJ 07310
Attention: Global Transaction Services – ACAS CLO 2013-2, Ltd.

Re: ACAS CLO 2013-2, Ltd. (the "**Issuer**"); Subordinated Notes

Reference is hereby made to the Indenture, dated as of September 25, 2013, among the Issuer, ACAS CLO 2013-2, LLC, as Co-Issuer, and Citibank, N.A., as Trustee (the "**Indenture**"). Capitalized terms not defined in this Certificate shall have the meanings ascribed to them in the final offering circular of the Issuer or the Indenture.

This letter relates to U.S.$_____ aggregate outstanding principal amount of Subordinated Notes (the "**Subordinated Notes**") in the form of [one or more certificated] [uncertificated] [a beneficial interest in a Regulation S Global] Subordinated Note[s] to effect the transfer of the Subordinated Notes to _____ (the "**Transferee**").

The Transferee hereby represents, warrants and covenants for the benefit of the Issuer and its counsel that we are:

(a) **(PLEASE CHECK ONLY ONE)**

_____ a "**qualified institutional buyer**" as defined in Rule 144A under the United States Securities Act of 1933, as amended (the "**Securities Act**"), who is also a Qualified Purchaser or an entity owned exclusively by Qualified Purchasers and is acquiring the Subordinated Notes in reliance on the exemption from Securities Act registration provided by Rule 144A thereunder;

_____ a "**qualified institutional buyer**" as defined in Rule 144A under the Securities Act who is also a Knowledgeable Employee with respect to the Issuer or an entity owned exclusively by Knowledgeable Employees with respect to the Issuer and is acquiring the Subordinated Notes in reliance on the exemption from Securities Act registration provided by Rule 144A thereunder;

_____ an "**accredited investor**" as defined in Rule 501(a) under the Securities Act who is also a Qualified Purchaser or an entity owned exclusively by Qualified Purchasers;

_____ an "**accredited investor**" as defined in Rule 501(a) under the Securities Act who is also a Knowledgeable Employee with respect to the Issuer or an entity owned exclusively by Knowledgeable Employees with respect to the Issuer; or

_____ a person that is not a "**U.S. person**" as defined in Regulation S under the Securities Act, and are acquiring the Subordinated Notes in an offshore transaction (as defined in Regulation S) in reliance on the exemption from Securities Act registration provided by Regulation S; and

(b) acquiring the Subordinated Notes for our own account (and not for the account of any other person) in a minimum denomination of U.S.$500,000 and in integral multiples of U.S.$1.00 in excess thereof.

The Transferee further represents, warrants and agrees as follows:

1. It understands that the Subordinated Notes have not been and will not be registered under the Securities Act, and, if in the future it decides to offer, resell, pledge or otherwise transfer the Subordinated Notes, such Subordinated Notes may be offered, resold, pledged or otherwise transferred only in accordance with the provisions of the Indenture and the legends on such Subordinated Notes, including the requirement for written certifications. In particular, it understands that the Subordinated Notes may be transferred only (I) to a person that is either (a) a "**qualified purchaser**" (as defined in the Investment Company Act of 1940, as amended (the "**Investment Company Act**")), (b) a "**Knowledgeable Employee**", as defined in Rule 3c-5 promulgated under the Investment Company Act, of the Issuer or (c) a corporation, partnership, limited liability company or other entity (other than a trust) each shareholder, partner, member or other equity owner of which either is a Qualified Purchaser or is a Knowledgeable Employee with respect to the Issuer and in the case of (a), (b) and (c) above that is either (i) a "**qualified institutional buyer**" as defined in Rule 144A under the Securities Act who purchases such Subordinated Notes in reliance on the exemption from Securities Act registration provided by Rule 144A thereunder or (ii) an "**accredited investor**" as defined in Rule 501(a) under the Securities Act or (II) to a person that is not a "**U.S. person**" as defined in Regulation S under the Securities Act, and is acquiring the Subordinated Notes in an offshore transaction (as defined in Regulation S thereunder) in reliance on the exemption from registration provided by Regulation S thereunder. It acknowledges that no representation is made as to the availability of any exemption under the Securities Act or any state securities laws for resale of the Subordinated Notes. It understands that neither of the Co-Issuers has been registered under the Investment Company Act, and that the Co-Issuers are exempt from registration as such by virtue of Section 3(c)(7) of the Investment Company Act. It understands and acknowledges that the Issuer has the right, under the Indenture, to compel any beneficial owner of an interest in the Subordinated Notes that fails to comply with the foregoing requirements to sell its interest in such Subordinated Notes, or may sell such interest on behalf of such owner.

2. In connection with its purchase of the Subordinated Notes: (i) none of the Co-Issuers, Citigroup, the Collateral Manager, the Trustee, the Collateral Administrator or any of their respective affiliates is acting as a fiduciary or financial or investment adviser for it; (ii) it is not relying (for purposes of making any investment decision or otherwise) upon any written or oral advice, counsel or representations of the Co-Issuers, Citigroup, the Collateral Manager, the Trustee, the Collateral Administrator or any of their respective affiliates other than any statements in the final offering circular for such Subordinated Notes; (iii) it has read and understands the final offering circular for such Subordinated Notes (including, without limitation, the descriptions therein of the structure of the transaction in which the Subordinated Notes are being issued and the risks to purchasers of the Subordinated Notes); (iv) it has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary, and has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Indenture) based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Co-Issuers, Citigroup, the Collateral Manager, the Trustee, the Collateral Administrator or any of their respective affiliates; (v) it will hold and, if and when transferred, transfer at least the minimum denomination of such Subordinated Notes; (vi) it was not formed for the purpose of investing in the Subordinated Notes; and (vii) it is a sophisticated investor and is purchasing the Subordinated Notes with a full understanding of all of the terms, conditions and risks thereof, and it is capable of assuming and willing to assume those risks.

3. (i) It is either (x) a Person that is (A) a "qualified purchaser" for purposes of Section 3(c)(7) of the Investment Company Act, (B) a "Knowledgeable Employee" with respect to the Issuer for purposes of Rule 3c-5 of the Investment Company Act or (C) a corporation, partnership, limited liability company or other entity (other than a trust) each shareholder, partner, member or other equity owner of which either is a Qualified Purchaser or is a Knowledgeable Employee with respect to the Issuer and in the case of (A), (B) and (C) above that is either (1) a "qualified institutional buyer" as defined in Rule 144A under the Securities Act who purchases such Subordinated Notes in reliance on the exemption from Securities Act registration provided by Rule 144A thereunder or (2) an "accredited investor" as defined in Rule 501(a) under the Securities Act or (y) not a "U.S. person" as defined in

Regulation S under the Securities Act and is acquiring the Subordinated Notes in an offshore transaction (as defined in Regulation S thereunder) in reliance on the exemption from registration provided by Regulation S thereunder; (ii) it is acquiring the Subordinated Notes as principal solely for its own account for investment and not with a view to the resale, distribution or other disposition thereof in violation of the Securities Act; (iii) it is not a (A) partnership, (B) common trust fund, or (C) special trust, pension, profit sharing or other retirement trust fund or plan in which the partners, beneficiaries or participants may designate the particular investments to be made; (iv) it agrees that it shall not hold any Subordinated Notes for the benefit of any other person, that it shall at all times be the sole beneficial owner thereof for purposes of the Investment Company Act and all other purposes and that it shall not sell participation interests in the Subordinated Notes or enter into any other arrangement pursuant to which any other person shall be entitled to a beneficial interest in the distributions on the Subordinated Notes; (v) it is acquiring its interest in the Subordinated Notes for its own account; and (vi) it will hold and, if and when transferred, transfer at least the minimum denomination of the Subordinated Notes and provide notice of the relevant transfer restrictions to subsequent transferees.

4. It acknowledges and agrees that all of the assurances given by it in certifications required by the Indenture as to its status under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") or as the beneficial owner's status as an Affected Bank are correct and are for the benefit of the Issuer, the Trustee, Citigroup, and the Collateral Manager. It agrees and acknowledges that none of Issuer or the Trustee will recognize any transfer of the Subordinated Notes if such transfer may result in 25% or more of the value of the Subordinated Notes being held by Benefit Plan Investors, as defined in Section 3(42) of ERISA, disregarding Subordinated Notes held by persons, other than Benefit Plan Investors, who have discretionary authority or control with respect to the assets of the Issuer, or who provide investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate, as defined in 29 C.F.R. § 2510.3-101(f)(3), of such persons (the "25% Limitation"). It further agrees and acknowledges that the Issuer has the right, under the Indenture, to compel any beneficial owner of a Subordinated Note who has made or has been deemed to make a prohibited transaction, Benefit Plan Investor, Controlling Person, Similar Law or Other Plan Law representation that is subsequently shown to be false or misleading or whose ownership otherwise causes a violation of the 25% Limitation to sell its interest in the Subordinated Note, or may sell such interest on behalf of such owner. It further agrees and acknowledges that if it is notified or otherwise has knowledge that (i) it has made or been deemed to have made a prohibited transaction representation or a Benefit Plan Investor, Controlling Person, Similar Law or Other Plan Law representation that is or becomes false or misleading or (ii) its beneficial ownership otherwise may cause a violation of the 25% Limitation, it shall promptly notify the Issuer and the Trustee thereof. It further agrees and acknowledges that no transfer of a beneficial interest in a Subordinated Note to an Affected Bank will be effective and the Trustee will not recognize any such transfer, unless such transfer is specifically authorized by the Issuer in writing; *provided*, that the Issuer shall authorize any such transfer if (x) such transfer would not cause an Affected Bank, directly or in conjunction with its affiliates, to beneficially own more than 33-1/3% of the aggregate outstanding principal amount of the Subordinated Notes or (y) the beneficial interest is being transferred by an Affected Bank previously approved by the Issuer.

5. It will treat its Subordinated Notes as equity in the Issuer for United States federal and, to the extent permitted by law, state and local income and franchise tax purposes unless otherwise required by any relevant taxing authority.

6. It is _____ (check if applicable) a "**United States person**" within the meaning of Section 7701(a)(30) of the Code, and a properly completed and signed Internal Revenue Service Form W-9 (or applicable successor form) is attached hereto; or _____ (check if applicable) not a "United States person" within the meaning of Section 7701(a)(30) of the Code, and a properly completed and signed applicable Internal Revenue Service Form W-8 (or applicable successor form) is attached hereto. It understands and acknowledges that failure to provide the Issuer or the Trustee with the applicable tax certifications or the failure to meet its Noteholder Reporting Obligations may result in withholding or back-up withholding from payments to it in respect of the Subordinated Notes.

7. If it is not a "United States person" (as defined in Section 7701(a)(30) of the Code), it hereby represents that it is not purchasing Subordinated Notes in order to reduce its U.S. federal income tax liability pursuant to a tax avoidance plan.

8. It hereby agrees to provide the Issuer and Trustee and their agents and delegates (i) any information as is necessary (in the sole determination of the Issuer or the Trustee, as applicable) for the Issuer and the Trustee to determine whether it is a specified United States person as defined in Section 1473(3) of the Code (a "specified United States person") or a United States owned foreign entity as defined in Section 1471(d)(3) of the Code (a "United States owned foreign entity") and (ii) any additional information that the Issuer or its agent requests in connection with Sections 1471-1474 of the Code. If it is a specified United States person or a United States owned foreign entity, it also hereby agrees to (x) provide the Issuer and Trustee and their agents and delegates its name, address, U.S. taxpayer identification number and, if it is a United States owned foreign entity, the name, address and taxpayer identification number of each of its "substantial United States owners" (as defined in Section 1473(2) of the Code) and any other information requested by the Issuer or its agent upon request and (y) update any such information provided in clause (x) promptly upon learning that any such information previously provided has become obsolete or incorrect or is otherwise required. It understands and acknowledges that the Issuer may provide such information and any other information concerning its investment in the Subordinated Notes to the U.S. Internal Revenue Service. It understands and acknowledges that the Issuer has the right, under the Indenture, to compel any beneficial owner of an interest in the Subordinated Notes that fails to comply with the foregoing requirements to sell its interest in such Subordinated Notes, or may sell such interest on behalf of such owner.

9. It agrees not to seek to commence in respect of the Issuer, the Co-Issuer or any Blocker Subsidiary, or cause the Issuer, the Co-Issuer or any Blocker Subsidiary to commence, a bankruptcy proceeding before a year and a day has elapsed since the payment in full to the holders of the Notes (and any other debt obligations of the Issuer that have been rated upon issuance by any rating agency at the request of the Issuer) issued pursuant to the Indenture or, if longer, the applicable preference period then in effect.

10. To the extent required by the Issuer, as determined by the Issuer or the Collateral Manager on behalf of the Issuer, the Issuer may, upon notice to the Trustee, impose additional transfer restrictions on the Subordinated Notes to comply with the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "**USA Patriot Act**") and other similar laws or regulations, including, without limitation, requiring each transferee of a Subordinated Note to make representations to the Issuer in connection with such compliance.

11. It represents and warrants that _____ (check if applicable) upon acquisition by it of the Subordinated Notes, the Subordinated Notes will constitute Collateral Manager Notes; or _____ (check if applicable) upon acquisition by it of the Subordinated Notes, the Subordinated Notes will not constitute Collateral Manager Notes.

12. It agrees to provide the Issuer and Trustee and their agents and delegates (i) any information as is necessary (in the sole determination of the Issuer or the Trustee, as applicable) for the Issuer and the Trustee to comply with U.S. tax information reporting requirements relating to its adjusted basis in the Subordinated Notes, and (ii) any additional information that the Issuer, Trustee or their agents request in connection with any 1099 reporting requirements, and update any such information provided in clause (i) or (ii) promptly upon learning that any such information previously provided has become obsolete or incorrect or is otherwise required. It understands and acknowledges that the Issuer or Trustee may provide such information and any other information concerning its investment in the Subordinated Notes to the U.S. Internal Revenue Service.

13. It represents and warrants that it is not a member of the public in the Cayman Islands.

14. It understands that the Issuer, the Trustee, Citigroup and the Collateral Manager will rely upon the accuracy and truth of the foregoing representations, and it hereby consents to such reliance.

[The remainder of this page has been intentionally left blank.]

Name of Purchaser:
Dated:

_____

By:
Name:
Title:

Outstanding principal amount of Subordinated Notes: U.S.$_____

Taxpayer identification number:

Address for notices:

Wire transfer information for payments:

Bank:

Address:

Bank ABA#:

Account #:

Telephone:

FAO:

Facsimile:

Attention:

Attention:

Denominations of certificates (if applicable and if more than one):
Registered name:

cc: ACAS CLO 2013-2, Ltd.
c/o Appleby Trust (Cayman) Ltd.
Clifton House
75 Fort Street
P.O Box 1350
Grand Cayman, KY1-1108
Cayman Islands
Facsimile Number: +1 (345) 949-4901
Attention: The Directors

Annex A-2

FORM OF ERISA AND AFFECTED BANK CERTIFICATE

The purpose of this Certificate (this "**Certificate**") is, among other things, to (i) endeavor to ensure that less than 25% of the value of the Class E Notes or Subordinated Notes (collectively, "**ERISA Restricted Notes**"), as applicable, issued by ACAS CLO 2013-2, Ltd. (the "**Issuer**") is held by "**Benefit Plan Investors**" as contemplated and defined under Section 3(42) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") and the U.S. Department of Labor's regulations set forth at 29 C.F.R. Section 2510.3-101 as modified by Section 3(42) of ERISA (the "**Plan Asset Regulations**") so that the Issuer will not be subject to the U.S. federal employee benefits provisions contained in ERISA and Section 4975 of the Internal Revenue Code of 1986 (the "**Code**"), (ii) endeavor to ensure that no Affected Bank, directly or in conjunction with its affiliates, beneficially owns more than 33-1/3% of either Class of ERISA Restricted Notes, (iii) obtain from you certain representations and agreements and (iv) provide you with certain related information with respect to your acquisition, holding or disposition of ERISA Restricted Notes. **By signing this Certificate, you agree to be bound by its terms.**

Please be aware that the information contained in this Certificate is not intended to constitute advice and the examples given below are not intended to be, and are not, comprehensive. You should contact your own counsel if you have any questions in completing this Certificate. Capitalized terms not defined in this Certificate shall have the meanings ascribed to them in the final offering circular of the Issuer or the Indenture.

Please review the information in this Certificate and check ANY of the following boxes 1, 2, 3, 4, 7 and 10 that apply to you in the spaces provided.

If any of boxes 1, 2, 3, 4, 7 and 10 is not checked, you are agreeing that the applicable Section does not, and will not, apply to you. If you intend to purchase interests in Regulation S Global Class E Notes or Regulation S Global Subordinated Notes, you must check Box 4 and you must not check Box 1, 2, 3 or 7; otherwise you will not be permitted to purchase such interests unless you have obtained the prior written consent of the Issuer. The items with no spaces provided apply to all investors.

1. ☐ **Employee Benefit Plans Subject to ERISA or the Code**. We, or the entity on whose behalf we are acting, are an "employee benefit plan" within the meaning of Section 3(3) of ERISA that is subject to Part 4 of Title I of ERISA or a "plan" within the meaning of Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code.

> **Examples**: (i) tax qualified retirement plans such as pension, profit sharing and section 401(k) plans, (ii) welfare benefit plans such as accident, life and medical plans, (iii) individual retirement accounts or "IRAs" and "Keogh" plans and (iv) certain tax-qualified educational and savings trusts.

2. ☐ **Entity Holding Plan Assets by Reason of Plan Asset Regulations**. We, or the entity on whose behalf we are acting, are an entity or fund whose underlying assets include "plan assets" for purposes of the Plan Asset Regulations by reason of a Benefit Plan Investor's investment in such entity.

> **Examples**: (i) an insurance company separate account, (ii) a bank collective trust fund and (iii) a hedge fund or other private investment vehicle where 25% or more of the value of any class of its equity is held by Benefit Plan Investors, as determined in accordance with the Plan Asset Regulations.

If you check Box 2, please indicate the maximum percentage of the entity or fund that will constitute "plan assets" for purposes of the Plan Asset Regulations: _____%.

An entity or fund that cannot provide the foregoing percentage hereby acknowledges that for purposes of determining whether Benefit Plan Investors hold less than 25% of the value of each Class of ERISA Restricted Notes issued by the Issuer, 100% of the assets of the entity or fund will be treated as "plan assets".

ERISA and the regulations promulgated thereunder are technical. Accordingly, if you have any question regarding whether you may be an entity described in this Section 2, you should consult with your counsel.

3. ☐ **Insurance Company General Account**. We, or the entity on whose behalf we are acting, are an insurance company purchasing ERISA Restricted Notes with funds from our or their general account (i.e., the insurance company's corporate investment portfolio), whose assets, in whole or in part, constitute "plan assets" for purposes of the Plan Asset Regulations.

If you check Box 3, please indicate the maximum percentage of the insurance company general account that will constitute "plan assets" for purposes of the Plan Asset Regulations: ____%. IF YOU DO NOT INCLUDE ANY PERCENTAGE IN THE BLANK SPACE, YOU WILL BE COUNTED AS IF YOU FILLED IN 100% IN THE BLANK SPACE.

4. ☐ **None of Sections (1) Through (3) Above Apply**. We, or the entity on whose behalf we are acting, are a person that does not fall into any of the categories described in Sections 1 through 3 above.

5. **No Prohibited Transaction**. If we checked any of the boxes in Sections 1 through 3 above, we represent, warrant and agree that our acquisition, holding and disposition of ERISA Restricted Notes do not and will not constitute or give rise to a non-exempt prohibited transaction under ERISA or Section 4975 of the Code.

6. **Not Subject to Similar Law and No Violation of Other Plan Law**. If we are a governmental, church, non-U.S. or other plan, we represent, warrant and agree that (a) we are not subject to any federal, state, local, non-U.S. or other law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or interest therein) by virtue of its interest and thereby subject the Issuer and the Collateral Manager (or other persons responsible for the investment and operation of the Issuer's assets) to laws or regulations that are similar to the fiduciary responsibility or prohibited transaction provisions of ERISA or Section 4975 of the Code, and (b) our acquisition, holding and disposition of the Class E Notes or Subordinated Notes, as applicable, do not and will not constitute or result in a non-exempt violation of any law or regulation that is substantially similar to the prohibited transaction provisions of ERISA or Section 4975 of the Code.

7. ☐ **Controlling Person**. We are, or we are acting on behalf of any of: (i) the Trustee, (ii) the Collateral Manager, (iii) any person that has discretionary authority or control with respect to the assets of the Issuer, (iv) any person who provides investment advice for a fee (direct or indirect) with respect to such assets or (v) any "affiliate" of any of the above persons. "**Affiliate**" shall have the meaning set forth in the Plan Asset Regulations. Any of the persons described in the first sentence of this Section 7 is referred to in this Certificate as a "**Controlling Person**".

Note: We understand that, for purposes of determining whether Benefit Plan Investors hold less than 25% of the value of either Class of ERISA Restricted Notes, the value of any ERISA Restricted Notes held by Controlling Persons (other than Benefit Plan Investors) are required to be disregarded.

8. **Compelled Disposition**. We acknowledge and agree that:

(i) if any representation that we made hereunder is subsequently shown to be false or misleading or our beneficial ownership otherwise causes a violation of the 25% Limitation, the Issuer shall, promptly after such discovery (or upon notice to the Issuer from the Trustee if the Trustee makes the discovery (who, in each case, agrees to notify the Issuer of such discovery, if any)), send notice to us demanding that we transfer our interest to a person that is not a Non-Permitted ERISA Holder within 14 days after the date of such notice;

(ii) if we fail to transfer our Class E Notes or Subordinated Notes, as applicable, that are causing a violation of the 25% Limitation, the Issuer or the Collateral Manager acting for the Issuer shall have the right, without further notice to us, to sell such Class E Notes or Subordinated Notes or our interest in such Class E Notes or Subordinated Notes, to a purchaser selected by the Issuer that is not a Non-Permitted ERISA Holder on such terms as the Issuer may choose;

(iii) the Issuer or the Collateral Manager acting for the Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Class E Notes or Subordinated Notes, as applicable, and selling such securities to the highest such bidder. However, the Issuer or the Collateral Manager acting for the Issuer may select a purchaser by any other means determined by it in its sole discretion;

(iv) by our acceptance of an interest in Class E Notes or Subordinated Notes, as applicable, we agree to cooperate with the Issuer or the Collateral Manager acting for the Issuer to effect such transfers;

(v) the proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to us; and

(vi) the terms and conditions of any sale under this sub-section shall be determined in the sole discretion of the Issuer or the Collateral Manager acting for the Issuer, and none of the Issuer, the Collateral Manager and the Trustee shall be liable to us as a result of any such sale or the exercise of such discretion.

9. **Required Notification and Agreement**. We hereby agree that we (a) will inform the Trustee of any proposed transfer by us of all or a specified portion of Class E Notes or Subordinated Notes, as applicable, and (b) will not initiate any such transfer after we have been informed by the Issuer or the Transfer Agent in writing that such transfer would cause the 25% Limitation to be exceeded. We hereby agree and acknowledge that after the Trustee effects any permitted transfer of Class E Notes or Subordinated Notes, as applicable, held by us to a Benefit Plan Investor or a Controlling Person or receives notice of any such permitted change of status, the Trustee shall include such Class E Notes or Subordinated Notes in future calculations of the 25% Limitation unless subsequently notified that such Class E Notes or Subordinated Notes, as applicable, (or such portion), as applicable, would no longer be deemed to be held by Benefit Plan Investors or Controlling Persons. We hereby agree that if we are notified or otherwise have knowledge that (i) we have made or been deemed to have made a prohibited transaction representation or a Benefit Plan Investor, Controlling Person, Similar Law or Other Plan Law representation that is or becomes false or misleading or (ii) our beneficial ownership otherwise may cause a violation of the 25% Limitation, we shall promptly notify the Issuer and the Trustee thereof.

10. ☐ **Affected Bank**. The Person that will beneficially own the Class E Notes or Subordinated Notes, as applicable, is a "bank" for purposes of Section 881 of the Code or an entity affiliated with such a bank that is neither (x) a United States person (within the meaning of Section 7701(a)(30) of the Code), (y) entitled to the benefits of an income tax treaty with the United States under which withholding taxes on interest payments made by

obligors resident in the United States to such bank are reduced to 0% nor (z) a bank that holds all of its Notes in connection with a United States trade or business and reports all income thereon on a form W-8ECI.

Note: We understand that, if we checked the box in Section 10, the Trustee will not register the transfer of Class E Notes or Subordinated Notes to us unless such transfer is specifically authorized by the Issuer in writing; provided that the Issuer shall authorize any such transfer if (x) such transfer would not cause an Affected Bank, directly or in conjunction with its affiliates, to beneficially own more than 33-1/3% of the Class E Notes or the Subordinated Notes or (y) beneficial owner transferring its interest in the Class E Notes or Subordinated Notes to it is an Affected Bank previously approved by the Issuer.

11. **Continuing Representation; Reliance**. We acknowledge and agree that the representations contained in this Certificate shall be deemed made on each day from the date we make such representations through and including the date on which we dispose of our interests in the Class E Notes or Subordinated Notes, as applicable. We understand and agree that the information supplied in this Certificate will be used and relied upon by the Issuer and the Trustee to determine that (i) Benefit Plan Investors own or hold less than 25% of the value of the Class E Notes or Subordinated Notes, as applicable, upon any subsequent transfer of Class E Notes or Subordinated Notes, as applicable, in accordance with the Indenture and (ii) no Affected Bank, directly or in conjunction with its affiliates, beneficially owns more than 33-1/3% of the Class E Notes or Subordinated Notes at any time.

12. **Further Acknowledgement and Agreement**. We acknowledge and agree that (i) all of the assurances contained in this Certificate are for the benefit of the Issuer, the Trustee, Citigroup and the Collateral Manager as third party beneficiaries hereof, (ii) copies of this Certificate and any information contained herein may be provided to the Issuer, the Trustee, Citigroup, the Collateral Manager, affiliates of any of the foregoing parties and to each of the foregoing parties' respective counsel for purposes of making the determinations described above and (iii) any acquisition or transfer of ERISA Restricted Notes by us that is not in accordance with the provisions of this Certificate shall be null and void from the beginning, and of no legal effect.

[The remainder of this page has been intentionally left blank.]

13. **Future Transfer Requirements**.

Transferee Letter and its Delivery. We acknowledge and agree that we may not transfer any Certificated Class E Notes, Certificated Subordinated Notes or Uncertificated Subordinated Notes to any person unless the Trustee has received a certificate substantially in the form of this Certificate. Any attempt to transfer in violation of this section will be null and void from the beginning, and of no legal effect.

Note: Unless you are notified otherwise, the name and address of the Trustee is as follows:

Citibank, N.A., as Trustee
480 Washington Boulevard
Jersey City, NJ 07310
Attention: Global Transaction Services – ACAS CLO 2013-2, Ltd.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Certificate.

_____ [Insert Purchaser's Name]

By:
Name:
Title:
Dated:

This Certificate relates to U.S.$_____ of [Class E] [Subordinated] Notes

Annex A-3

FORM OF PURCHASER REPRESENTATION LETTER FOR CERTIFICATED CLASS E NOTES

[DATE]

Citibank, N.A., as Trustee
480 Washington Boulevard
Jersey City, NJ 07310
Attention: Global Transaction Services – ACAS CLO 2013-2, Ltd.

Re: ACAS CLO 2013-2, Ltd. (the "**Issuer**"); Class E Notes

Reference is hereby made to the Indenture, dated as of September 25, 2013, among the Issuer, ACAS CLO 2013-2, LLC, as Co-Issuer, and Citibank, N.A., as Trustee (the "**Indenture**"). Capitalized terms not defined in this Certificate shall have the meanings ascribed to them in the final offering circular of the Issuer or the Indenture.

This letter relates to U.S.$_____ aggregate outstanding principal amount of Class E Notes (the "**Class E Notes**") in the form of [one or more certificated] [a beneficial interest in a Regulation S Global] Class E Note[s] to effect the transfer of the Class E Notes to _____ (the "**Transferee**").

The Transferee hereby represents, warrants and covenants for the benefit of the Issuer and its counsel that we are:

(a) **(PLEASE CHECK ONLY ONE)**

_____ a "**qualified institutional buyer**" as defined in Rule 144A under the United States Securities Act of 1933, as amended (the "**Securities Act**"), who is also a Qualified Purchaser or an entity owned exclusively by Qualified Purchasers and is acquiring the Class E Notes in reliance on the exemption from Securities Act registration provided by Rule 144A thereunder; or

_____ a person that is not a "**U.S. person**" as defined in Regulation S under the Securities Act, and are acquiring the Class E Notes in an offshore transaction (as defined in Regulation S) in reliance on the exemption from Securities Act registration provided by Regulation S; and

(b) acquiring the Class E Notes for our own account (and not for the account of any other person) in a minimum denomination of U.S.$500,000 and in integral multiples of U.S.$1.00 in excess thereof.

The Transferee further represents, warrants and agrees as follows:

1. It understands that the Class E Notes have not been and will not be registered under the Securities Act, and, if in the future it decides to offer, resell, pledge or otherwise transfer the Class E Notes, such Class E Notes may be offered, resold, pledged or otherwise transferred only in accordance with the provisions of the Indenture and the legends on such Class E Notes, including the requirement for written certifications. In particular, it understands that the Class E Notes may be transferred only (a) to a person that is either a "**qualified purchaser**" (as defined in the Investment Company Act of 1940, as amended (the "**Investment Company Act**")) or a corporation, partnership, limited liability company or other entity (other than a trust) each shareholder, partner, member or other equity owner

of which either is a Qualified and that is a "**qualified institutional buyer**" as defined in Rule 144A under the Securities Act who purchases such Class E Notes in reliance on the exemption from Securities Act registration provided by Rule 144A thereunder or (b) to a person that is not a "**U.S. person**" as defined in Regulation S under the Securities Act, and is acquiring the Class E Notes in an offshore transaction (as defined in Regulation S thereunder) in reliance on the exemption from registration provided by Regulation S thereunder. It acknowledges that no representation is made as to the availability of any exemption under the Securities Act or any state securities laws for resale of the Class E Notes. It understands that neither of the Co-Issuers has been registered under the Investment Company Act, and that the Co-Issuers are exempt from registration as such by virtue of Section 3(c)(7) of the Investment Company Act. It understands and acknowledges that the Issuer has the right, under the Indenture, to compel any beneficial owner of an interest in the Class E Notes that fails to comply with the foregoing requirements to sell its interest in such Class E Notes, or may sell such interest on behalf of such owner.

2. In connection with its purchase of the Class E Notes: (i) none of the Co-Issuers, Citigroup, the Collateral Manager, the Trustee, the Collateral Administrator or any of their respective affiliates is acting as a fiduciary or financial or investment adviser for it; (ii) it is not relying (for purposes of making any investment decision or otherwise) upon any written or oral advice, counsel or representations of the Co-Issuers, Citigroup, the Collateral Manager, the Trustee, the Collateral Administrator or any of their respective affiliates other than any statements in the final offering circular for such Class E Notes; (iii) it has read and understands the final offering circular for such Class E Notes (including, without limitation, the descriptions therein of the structure of the transaction in which the Class E Notes are being issued and the risks to purchasers of the Class E Notes); (iv) it has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary, and has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Indenture) based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Co-Issuers, Citigroup, the Collateral Manager, the Trustee, the Collateral Administrator or any of their respective affiliates; (v) it will hold and, if and when transferred, transfer at least the minimum denomination of such Class E Notes; (vi) it was not formed for the purpose of investing in the Class E Notes; and (vii) it is a sophisticated investor and is purchasing the Class E Notes with a full understanding of all of the terms, conditions and risks thereof, and it is capable of assuming and willing to assume those risks.

3. (i) It is either (x) a Person that is a "qualified purchaser" for purposes of Section 3(c)(7) of the Investment Company Act, a corporation, partnership, limited liability company or other entity (other than a trust) each shareholder, partner, member or other equity owner of which either is a Qualified Purchaser or is a Knowledgeable Employee with respect to the Issuer and that is a "qualified institutional buyer" as defined in Rule 144A under the Securities Act who purchases such Class E Notes in reliance on the exemption from Securities Act registration provided by Rule 144A thereunder or (y) not a "U.S. person" as defined in Regulation S under the Securities Act and is acquiring the Class E Notes in an offshore transaction (as defined in Regulation S thereunder) in reliance on the exemption from registration provided by Regulation S thereunder; (ii) it is acquiring the Class E Notes as principal solely for its own account for investment and not with a view to the resale, distribution or other disposition thereof in violation of the Securities Act; (iii) it is not a (A) partnership, (B) common trust fund, or (C) special trust, pension, profit sharing or other retirement trust fund or plan in which the partners, beneficiaries or participants may designate the particular investments to be made; (iv) it agrees that it shall not hold any Class E Notes for the benefit of any other person, that it shall at all times be the sole beneficial owner thereof for purposes of the Investment Company Act and all other purposes and that it shall not sell participation interests in the Class E Notes or enter into any other arrangement pursuant to which any other person shall be entitled to a beneficial interest in the distributions on the Class E Notes; (v) it is acquiring its interest in the Class E Notes for its own account; and (vi) it will hold and, if and when transferred, transfer at least the minimum denomination of the Class E Notes and provide notice of the relevant transfer restrictions to subsequent transferees.

4. It acknowledges and agrees that all of the assurances given by it in certifications required by the Indenture as to its status under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") or as to the beneficial owner's status as an Affected Bank are correct and are for the benefit of the Issuer, the Trustee, Citigroup, and the Collateral Manager. It agrees and acknowledges that none of Issuer or the Trustee will recognize any transfer of the Class E Notes if such transfer may result in 25% or more of the value of the Class E Notes being held by Benefit Plan Investors, as defined in Section 3(42) of ERISA, disregarding Class E Notes held by persons, other than Benefit Plan Investors, who have discretionary authority or control with respect to the assets of the Issuer, or

who provide investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate, as defined in 29. C.F.R. § 2510.3-101(f)(3), of such persons (the "25% Limitation"). It further agrees and acknowledges that the Issuer has the right, under the Indenture, to compel any beneficial owner of a Class E Note who has made or has been deemed to make a prohibited transaction, Benefit Plan Investor, Controlling Person, Similar Law or Other Plan Law representation that is subsequently shown to be false or misleading or whose ownership otherwise causes a violation of the 25% Limitation to sell its interest in the Class E Note, or may sell such interest on behalf of such owner. It further agrees and acknowledges that if it is notified or otherwise has knowledge that (i) it has made or been deemed to have made a prohibited transaction representation or a Benefit Plan Investor, Controlling Person, Similar Law or Other Plan Law representation that is or becomes false or misleading or (ii) its beneficial ownership otherwise may cause a violation of the 25% Limitation, it shall promptly notify the Issuer and the Trustee thereof. It further agrees and acknowledges that no transfer of a beneficial interest in a Class E Note to an Affected Bank will be effective and the Trustee will not recognize any such transfer, unless such transfer is specifically authorized by the Issuer in writing; *provided*, that the Issuer shall authorize any such transfer if (x) such transfer would not cause an Affected Bank, directly or in conjunction with its affiliates, to beneficially own more than 33-1/3% of the aggregate outstanding principal amount of the Class E Notes or (y) beneficial owner transferring its interest is an Affected Bank previously approved by the Issuer.

5. It will treat its Class E Notes as debt of the Issuer for United States federal and, to the extent permitted by law, state and local income and franchise tax purposes unless otherwise required by any relevant taxing authority.

6. It is _____ (check if applicable) a "**United States person**" within the meaning of Section 7701(a)(30) of the Code, and a properly completed and signed Internal Revenue Service Form W-9 (or applicable successor form) is attached hereto; or _____ (check if applicable) not a "United States person" within the meaning of Section 7701(a)(30) of the Code, and a properly completed and signed applicable Internal Revenue Service Form W-8 (or applicable successor form) is attached hereto. It understands and acknowledges that failure to provide the Issuer or the Trustee with the applicable tax certifications or the failure to meet its Noteholder Reporting Obligations may result in withholding or back-up withholding from payments to it in respect of the Class E Notes.

7. If it is not a "United States person" (as defined in Section 7701(a)(30) of the Code), it hereby represents that it is not purchasing Class E Notes in order to reduce its U.S. federal income tax liability pursuant to a tax avoidance plan.

8. It hereby agrees to provide the Issuer and Trustee and their agents and delegates (i) any information as is necessary (in the sole determination of the Issuer or the Trustee, as applicable) for the Issuer and the Trustee to determine whether it is a specified United States person as defined in Section 1473(3) of the Code (a "specified United States person") or a United States owned foreign entity as defined in Section 1471(d)(3) of the Code (a "United States owned foreign entity") and (ii) any additional information that the Issuer or its agent requests in connection with Sections 1471-1474 of the Code. If it is a specified United States person or a United States owned foreign entity, it also hereby agrees to (x) provide the Issuer and Trustee and their agents and delegates its name, address, U.S. taxpayer identification number and, if it is a United States owned foreign entity, the name, address and taxpayer identification number of each of its "substantial United States owners" (as defined in Section 1473(2) of the Code) and any other information requested by the Issuer or its agent upon request and (y) update any such information provided in clause (x) promptly upon learning that any such information previously provided has become obsolete or incorrect or is otherwise required. It understands and acknowledges that the Issuer may provide such information and any other information concerning its investment in the Class E Notes to the U.S. Internal Revenue Service. It understands and acknowledges that the Issuer has the right, under the Indenture, to compel any beneficial owner of an interest in the Class E Notes that fails to comply with the foregoing requirements to sell its interest in such Class E Notes, or may sell such interest on behalf of such owner.

9. It agrees not to seek to commence in respect of the Issuer, the Co-Issuer or any Blocker Subsidiary, or cause the Issuer, the Co-Issuer or any Blocker Subsidiary to commence, a bankruptcy proceeding before a year and a day has elapsed since the payment in full to the holders of the Notes (and any other debt obligations of the Issuer that have been rated upon issuance by any rating agency at the request of the Issuer) issued pursuant to the Indenture or, if longer, the applicable preference period then in effect.

10. To the extent required by the Issuer, as determined by the Issuer or the Collateral Manager on behalf of the Issuer, the Issuer may, upon notice to the Trustee, impose additional transfer restrictions on the Class E Notes to comply with the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "**USA Patriot Act**") and other similar laws or regulations, including, without limitation, requiring each transferee of a Class E Note to make representations to the Issuer in connection with such compliance.

11. It represents and warrants that _____ (check if applicable) upon acquisition by it of the Class E Notes, the Class E Notes will constitute Collateral Manager Notes; or _____ (check if applicable) upon acquisition by it of the Class E Notes, the Class E Notes will not constitute Collateral Manager Notes.

12. It agrees to provide the Issuer and Trustee and their agents and delegates (i) any information as is necessary (in the sole determination of the Issuer or the Trustee, as applicable) for the Issuer and the Trustee to comply with U.S. tax information reporting requirements relating to its adjusted basis in the Class E Notes, and (ii) any additional information that the Issuer, Trustee or their agents request in connection with any 1099 reporting requirements, and update any such information provided in clause (i) or (ii) promptly upon learning that any such information previously provided has become obsolete or incorrect or is otherwise required. It understands and acknowledges that the Issuer or Trustee may provide such information and any other information concerning its investment in the Class E Notes to the U.S. Internal Revenue Service.

13. It represents and warrants that it is not a member of the public in the Cayman Islands.

14. It understands that the Issuer, the Trustee, Citigroup and the Collateral Manager will rely upon the accuracy and truth of the foregoing representations, and it hereby consents to such reliance.

[The remainder of this page has been intentionally left blank.]

Name of Purchaser:
Dated:

_____

By:
Name:
Title:

Outstanding principal amount of Class E Notes: U.S.$_____

Taxpayer identification number:

Address for notices:

Wire transfer information for payments:

Bank:

Address:

Bank ABA#:

Account #:

Telephone:

FAO:

Facsimile:

Attention:

Attention:

Denominations of certificates (if applicable and if more than one):
Registered name:

cc: ACAS CLO 2013-2, Ltd.
c/o Appleby Trust (Cayman) Ltd.
Clifton House
75 Fort Street
P.O Box 1350
Grand Cayman, KY1-1108
Cayman Islands
Facsimile Number: +1 (345) 949-4901
Attention: The Directors

Annex B

MOODY'S RATING DEFINITIONS

"**Moody's Default Probability Rating**" means, with respect to any Collateral Obligation, as of any date of determination, the rating determined in accordance with the following methodology:

(a) if the obligor of such Collateral Obligation (other than a DIP Collateral Obligation) has a corporate family rating by Moody's, then such corporate family rating;

(b) if not determined pursuant to clause (a) above, if the obligor of such Collateral Obligation (other than a DIP Collateral Obligation) has one or more senior unsecured obligations (including such Collateral Obligation, if applicable) publicly rated by Moody's, then the Moody's public rating of any such obligation as selected by the Collateral Manager in its sole discretion;

(c) if not determined pursuant to clause (a) or (b) above, if the obligor of such Collateral Obligation (other than a DIP Collateral Obligation) has one or more senior secured obligations (including such Collateral Obligation, if applicable) publicly rated by Moody's, then the rating one rating subcategory below the Moody's public rating of any such obligation as selected by the Collateral Manager in its sole discretion;

(d) if not determined pursuant to clause (a), (b) or (c) above, (A) if a credit estimate has been assigned to such Collateral Obligation by Moody's within the last 15 months upon the request of the Issuer, the Collateral Manager or an affiliate of the Collateral Manager, such credit estimate, or (B) if not determined pursuant to the foregoing clause (A), if such Collateral Obligation is a DIP Collateral Obligation and has a facility rating (whether public or private) by Moody's, one subcategory below such facility rating;

(e) if not determined pursuant to clause (a), (b), (c) or (d) above, other than in the case of a DIP Collateral Obligation, the Moody's Derived Rating; and

(f) if not determined pursuant to clause (a), (b), (c), (d) or (e) above, "Caa3".

For purposes of calculating a Moody's Default Probability Rating, each applicable rating on credit watch by Moody's with positive or negative implication at the time of calculation will be treated as having been upgraded or downgraded by one rating subcategory, as the case may be.

"**Moody's Derived Rating**" means, with respect to any Collateral Obligation, as of any date of determination, the rating determined in accordance with the following methodology:

(a) if such Collateral Obligation is rated by S&P, the rating determined pursuant to the table below.

Type of Collateral Obligation	S&P Rating (Public and Monitored)	Collateral Obligation Rated by S&P	Number of Subcategories Relative to Moody's Equivalent of S&P Rating
Not Structured Finance Security	>BBB-	Not a Loan or Participation Interest in Loan	-1
Not Structured Finance Security	<BB+	Not a Loan or Participation Interest in Loan	-2
Not Structured Finance Security		Loan or Participation Interest in Loan	-2

(b) if such Collateral Obligation is not rated by S&P but another security or obligation of the obligor has a public and monitored rating by S&P (a "**parallel security**"), then the rating of such parallel security will at the election of the Collateral Manager be determined in accordance with the table set forth in clause (a) above, and the Moody's Derived Rating of such Collateral Obligation will be determined by adjusting the rating of such parallel security by the number of rating subcategories according to the table below, for such purposes treating the parallel security as if it were rated by Moody's at the rating determined in accordance with the table set forth in clause (a) above:

Obligation Category of Rated Obligation	Rating of Rated Obligation	Number of Subcategories Relative to Rated Obligation Rating
Senior secured obligation	greater than or equal to B2	-1
Senior secured obligation	less than B2	-2
Subordinated obligation	greater than or equal to B3	+1
Subordinated obligation	less than B3	0

provided that if such Collateral Obligation is a DIP Collateral Obligation, no Moody's Derived Rating may be determined based on a rating by S&P or any other rating agency

"**Moody's Rating**" means, with respect to any Collateral Obligation, as of any date of determination, the rating determined in accordance with the following methodology:

(a) With respect to a Collateral Obligation that is publicly rated by Moody's, such public rating.

(b) With respect to a Collateral Obligation (other than a DIP Collateral Obligation) that is a Senior Secured Loan or Participation Interest in a Senior Secured Loan (if not determined pursuant to clause (a) above), (A) if a credit estimate has been assigned to such Collateral Obligation by Moody's within the last 15 months upon the request of the Issuer, the Collateral Manager or an affiliate of the Collateral Manager, the rating one rating subcategory above the Moody's default probability rating included in such credit estimate and (B) otherwise, if the obligor of such Collateral Obligation has a corporate family rating by Moody's, then the rating one subcategory above such corporate family rating.

(c) With respect to any Collateral Obligation (other than a DIP Collateral Obligation), if not determined pursuant to clause (a) or (b) above, if the obligor of such Collateral Obligation has one or more senior unsecured obligations (including such Collateral Obligation, if applicable) publicly rated by Moody's, then the Moody's public rating of any such obligation (or, if such Collateral Obligation is a Senior Secured Loan or Participation Interest in a Senior Secured Loan, the Moody's rating that is two subcategories higher than the Moody's public rating of any such senior unsecured obligation) as selected by the Collateral Manager in its sole discretion.

(d) With respect to any Collateral Obligation, if not determined pursuant to clause (a), (b) or (c) above, (A) if a credit estimate has been assigned to such Collateral Obligation (other than a DIP Collateral Obligation) by Moody's within the last 15 months upon the request of the Issuer, the Collateral Manager or an affiliate of the Collateral Manager, the rating one rating subcategory below the Moody's default probability rating included in such credit estimate, (B) if not determined pursuant to the foregoing clause (A), if the obligor of such Collateral Obligation (other than a DIP Collateral Obligation) has a corporate family rating by Moody's, then the rating one subcategory below such corporate family rating and (C) if such Collateral Obligation is a DIP Collateral Obligation and has a private facility rating by Moody's, such facility rating.

(e) With respect to any Collateral Obligation other than a DIP Collateral Obligation, Senior Secured Loan or Participation Interest in a Senior Secured Loan, if not determined pursuant to clause (a), (b), (c) or (d)

above, if the obligor of such Collateral Obligation has one or more subordinated obligations (including such Collateral Obligation, if applicable) publicly rated by Moody's, then the rating one subcategory above such Moody's public rating of any such obligation as selected by the Collateral Manager in its sole discretion.

(f) With respect to any Collateral Obligation (other than a DIP Collateral Obligation), if not determined pursuant to clause (a), (b), (c), (d) or (e) above, the Moody's Derived Rating.

(g) With respect to any Collateral Obligation, if not determined pursuant to clause (a), (b), (c), (d), (e) or (f) above, "Caa3".

For purposes of calculating a Moody's Rating, each applicable rating on credit watch by Moody's with positive or negative implication at the time of calculation will be treated as having been upgraded or downgraded by one rating subcategory, as the case may be.

Annex C

S&P RATING DEFINITION AND RECOVERY RATE TABLES

"**Information**" means S&P's "Credit Estimate Information Requirements" dated April 2011 and any other available information S&P reasonably requests in order to produce a credit estimate for a particular asset.

"**S&P Rating**" means, with respect to any Collateral Obligation, as of any date of determination, the rating determined in accordance with the following methodology:

(i) (a) if there is an issuer credit rating of the issuer of such Collateral Obligation by S&P as published by S&P, or the guarantor which unconditionally and irrevocably guarantees such Collateral Obligation pursuant to a form of guaranty approved by S&P for use in connection with this transaction, then the S&P Rating shall be such rating (regardless of whether there is a published rating by S&P on the Collateral Obligations of such issuer held by the Issuer, *provided* that private ratings (that is, ratings provided at the request of the obligor) may be used for purposes of this definition if the related obligor has consented to the disclosure thereof and a copy of such consent has been provided to S&P) or (b) if there is no issuer credit rating of the issuer by S&P but (1) there is a senior secured rating on any obligation or security of the issuer, then the S&P Rating of such Collateral Obligation shall be one sub-category below such rating; (2) if clause (1) above does not apply, but there is a senior unsecured rating on any obligation or security of the issuer, the S&P Rating of such Collateral Obligation shall equal such rating; and (3) if neither clause (1) nor clause (2) above applies, but there is a subordinated rating on any obligation or security of the issuer, then the S&P Rating of such Collateral Obligation shall be one sub-category above such rating if such rating is higher than "BB+", and shall be two sub-categories above such rating if such rating is "BB+" or lower;

(ii) with respect to any Collateral Obligation that is a DIP Collateral Obligation, the S&P Rating thereof shall be the credit rating assigned to such issue by S&P;

(iii) if there is not a rating by S&P on the issuer or on an obligation of the issuer, then the S&P Rating may be determined pursuant to clauses (a) through (c) below:

(a) if an obligation of the issuer is not a DIP Collateral Obligation and is publicly rated by Moody's, then the S&P Rating will be determined in accordance with the methodologies for establishing the Moody's Rating set forth above except that the S&P Rating of such obligation will be (1) one sub-category below the S&P equivalent of the Moody's Rating if such Moody's Rating is "Baa3" or higher and (2) two sub-categories below the S&P equivalent of the Moody's Rating if such Moody's Rating is "Ba1" or lower;

(b) the S&P Rating may be based on a credit estimate *provided* by S&P, and in connection therewith, the Issuer, the Collateral Manager on behalf of the Issuer or the issuer of such Collateral Obligation shall, prior to or within 30 days after the acquisition of such Collateral Obligation, apply (and concurrently submit all available Information in respect of such application) to S&P for a credit estimate which shall be its S&P Rating; *provided* that, if such Information is submitted within such 30-day period, then, (1) pending receipt from S&P of such estimate, subject to clause (2) of this proviso, such Collateral Obligation shall have an S&P Rating as determined by the Collateral Manager in its sole discretion if the Collateral Manager certifies to the Trustee and the Collateral Administrator that it believes that such S&P Rating determined by the Collateral Manager is commercially reasonable and that the credit estimate provided by S&P will be at least equal to such rating and (2) if S&P notifies the Collateral Manager that the Information so

submitted represents less than all required Information and is insufficient to form the basis of a credit estimate, which notice shall specify what Information remains outstanding and is required in order for S&P to provide a credit estimate, then, unless the Collateral Manager submits such outstanding Information to S&P within 30 days after receipt of such notice from S&P, the Collateral Manager's right to determine the S&P Rating of such Collateral Obligation as set out in clause (1) of this proviso shall terminate 30 days after receipt of such notice from S&P; *provided further*, that if all available Information is not submitted within such 30-day period after the acquisition of such Collateral Obligation, then, pending receipt from S&P of such estimate, the Collateral Obligation shall have (1) the S&P Rating as determined by the Collateral Manager for a period of up to 90 days after the acquisition of such Collateral Obligation and (2) an S&P Rating of "CCC-" following such 90-day period; unless, during such 90-day period, the Collateral Manager has requested the extension of such period and S&P, in its sole discretion, has granted such request; *provided further*, that if such 90-day period (or other extended period) elapses pending S&P's decision with respect to such application, the S&P Rating of such Collateral Obligation shall be "CCC-"; *provided further*, that if the Collateral Obligation has had a public rating by S&P that S&P has withdrawn or suspended within six months prior to the date of such application for a credit estimate in respect of such Collateral Obligation, the S&P Rating in respect thereof shall be "CCC-" pending receipt from S&P of such estimate, and S&P may elect not to provide such estimate until a period of six months have elapsed after the withdrawal or suspension of the public rating; *provided further* that the S&P Rating may not be determined pursuant to this clause (b) if the Collateral Obligation is a DIP Collateral Obligation; *provided further* that such credit estimate shall expire 12 months after the receipt thereof, following which such Collateral Obligation shall have an S&P Rating of "CCC-" unless, during such 12-month period following the receipt of such credit estimate, the Issuer applies for renewal thereof in accordance with the Indenture, in which case such credit estimate shall continue to be the S&P Rating of such Collateral Obligation until S&P has confirmed or revised such credit estimate, upon which such confirmed or revised credit estimate shall be the S&P Rating of such Collateral Obligation; *provided further* that such confirmed or revised credit estimate shall expire on the next succeeding 12-month anniversary of the date of the receipt thereof and (when renewed annually in accordance with the Indenture) on each 12-month anniversary thereafter;

(c) with respect to a Collateral Obligation that is not a Defaulted Obligation, the S&P Rating of such Collateral Obligation will at the election of the Issuer (at the direction of the Collateral Manager) be "CCC-" provided (i) neither the issuer of such Collateral Obligation nor any of its Affiliates are subject to any bankruptcy or reorganization proceedings and (ii) the issuer has not defaulted on any payment obligation in respect of any debt security or other obligation of the issuer at any time within the two-year period ending on such date of determination, all such debt securities and other obligations of the issuer that are *pari passu* with or senior to the Collateral Obligation are current and the Collateral Manager reasonably expects them to remain current; or

(iv) with respect to a DIP Collateral Obligation that has no issue rating by S&P or a Current Pay Obligation that is rated "D" or "SD" by S&P, the S&P Rating of such DIP Collateral Obligation or Current Pay Obligation, as applicable, will be, at the election of the Issuer (at the direction of the Collateral Manager), "CCC-" or the S&P Rating determined pursuant to clause (iii)(b) above;

provided, that for purposes of the determination of the S&P Rating, (x) if the applicable rating assigned by S&P to an obligor or its obligations is on "credit watch positive" by S&P, such rating will be treated as being one sub-category above such assigned rating and (y) if the applicable rating assigned by S&P to an obligor or its obligations is on "credit watch negative" by S&P, such rating will be treated as being one sub-category below such assigned rating.

Section 1.

(a)(i) If a Collateral Obligation has an S&P Recovery Rating, the S&P Recovery Rate for such Collateral Obligation shall be determined as follows:

S&P Recovery Rating of a Collateral Obligation	**Initial Liability Rating**					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	75%	85%	88%	90%	92%	95%
1	65%	75%	80%	85%	90%	95%
2	50%	60%	66%	73%	79%	85%
3	30%	40%	46%	53%	59%	65%
4	20%	26%	33%	39%	43%	45%
5	5%	10%	15%	20%	23%	25%
6	2%	4%	6%	8%	10%	10%
	Recovery rate					

(ii) If (x) a Collateral Obligation does not have an S&P Recovery Rating and such Collateral Obligation is a senior unsecured loan, a second lien loan, a senior unsecured bond, a First Lien Last Out Loan or a Senior Secured Loan to which, due to the operation of the proviso to clause (d) of the definition of Senior Secured Loan, the limitation set forth in clause (d) thereof does not apply and (y) the issuer of such Collateral Obligation has issued another debt instrument that is outstanding and senior to such Collateral Obligation that is a Senior Secured Loan, senior secured note or senior secured bond (a "**Senior Secured Debt Instrument**") that has an S&P Recovery Rating, the S&P Recovery Rate for such Collateral Obligation shall be determined as follows:

For Collateral Obligations Domiciled in Group A

S&P Recovery Rating of the Senior Secured Debt Instrument	**Initial Liability Rating**					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	18%	20%	23%	26%	29%	31%
1	18%	20%	23%	26%	29%	31%
2	18%	20%	23%	26%	29%	31%
3	12%	15%	18%	21%	22%	23%
4	5%	8%	11%	13%	14%	15%
5	2%	4%	6%	8%	9%	10%
6	-%	-%	-%	-%	-%	-%
	Recovery rate					

For Collateral Obligations Domiciled in Group B

S&P Recovery Rating of the Senior Secured Debt Instrument	**Initial Liability Rating**					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	16%	18%	21%	24%	27%	29%
1	16%	18%	21%	24%	27%	29%
2	16%	18%	21%	24%	27%	29%
3	10%	13%	15%	18%	19%	20%
4	5%	5%	5%	5%	5%	5%
5	2%	2%	2%	2%	2%	2%
6	-%	-%	-%	-%	-%	-%
	Recovery rate					

For Collateral Obligations Domiciled in Group C

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Liability Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	13%	16%	18%	21%	23%	25%
1	13%	16%	18%	21%	23%	25%
2	13%	16%	18%	21%	23%	25%
3	8%	11%	13%	15%	16%	17%
4	5%	5%	5%	5%	5%	5%
5	2%	2%	2%	2%	2%	2%
6	-%	-%	-%	-%	-%	-%
	Recovery rate					

(iii) If (x) a Collateral Obligation does not have an S&P Recovery Rating and such Collateral Obligation is a subordinated loan or subordinated bond and (y) the issuer of such Collateral Obligation has issued another debt instrument that is outstanding and senior to such Collateral Obligation that is a Senior Secured Debt Instrument that has an S&P Recovery Rating, the S&P Recovery Rate for such Collateral Obligation shall be determined as follows:

For Collateral Obligations Domiciled in Groups A, B and C

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Liability Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	8%	8%	8%	8%	8%	8%
1	8%	8%	8%	8%	8%	8%
2	8%	8%	8%	8%	8%	8%
3	5%	5%	5%	5%	5%	5%
4	2%	2%	2%	2%	2%	2%
5	-%	-%	-%	-%	-%	-%
6	-%	-%	-%	-%	-%	-%
	Recovery rate					

(b) If a recovery rate cannot be determined using clause (a), the recovery rate shall be determined as follows.[12]

Recovery rates for obligors Domiciled in Group A, B, C or D:

Priority Category	Initial Liability Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and "CCC"
Senior Secured Loans						
Group A	50%	55%	59%	63%	75%	79%
Group B	45%	49%	53%	58%	70%	74%
Group C	39%	42%	46%	49%	60%	63%
Group D	17%	19%	27%	29%	31%	34%

[12] Senior Secured Bonds without an S&P Recovery Rating shall use the "Cov-Lite Loans" Priority Category for the purpose of determining their S&P Recovery Rate.

Senior Secured Loans (Cov-Lite Loans)						
Group A	41%	46%	49%	53%	63%	67%
Group B	37%	41%	44%	49%	59%	62%
Group C	32%	35%	39%	41%	50%	53%
Group D	17%	19%	27%	29%	31%	34%
Senior unsecured loans, Second Lien Loans [13], First Lien Last Out Loans and Senior Secured Loans to which, due to the operation of the proviso to clause (d) of the definition of Senior Secured Loan, the limitation set forth in clause (d) thereof does not apply						
Group A	18%	20%	23%	26%	29%	31%
Group B	16%	18%	21%	24%	27%	29%
Group C	13%	16%	18%	21%	23%	25%
Group D	10%	12%	14%	16%	18%	20%
Subordinated loans and Unsecured Bonds						
Group A	8%	8%	8%	8%	8%	8%
Group B	10%	10%	10%	10%	10%	10%
Group C	9%	9%	9%	9%	9%	9%
Group D	5%	5%	5%	5%	5%	5%
	Recovery rate					

Group A: Australia, Denmark, Finland, Hong Kong, Ireland, The Netherlands, New Zealand, Norway, Singapore, Sweden, U.K.

Group B: Austria, Belgium, Canada, Germany, Israel, Japan, Luxembourg, Portugal, South Africa, Switzerland, U.S.

Group C: Argentina, Brazil, Chile, France, Greece, Italy, Mexico, South Korea, Spain, Taiwan, Turkey, United Arab Emirates.

Group D: Kazakhstan, Russia, Ukraine, others

[13] To the extent that the aggregate principal balance of all Second Lien Loans and First Lien Last Out Loans exceeds 15% of the Collateral Principal Amount, a portion of such aggregate principal balance selected by the Collateral Manager and equal to the amount in excess of 15% of the Collateral Principal Amount shall use the "Subordinated loans" Priority Category for the purpose of determining the S&P Recovery Rate.

Section 2. S&P CDO Monitor

Liability Rating	"AAA"	"AA"	"A"	"BBB"	"BB"	"B"
Weighted Average S&P Recovery Rate	35.25%	42.65%	47.13%	52.00%	56.67%	60.96%
	35.50%	42.95%	47.46%	52.37%	57.07%	61.39%
	35.75%	43.26%	47.80%	52.74%	57.48%	61.82%
	36.00%	43.56%	48.13%	53.10%	57.88%	62.25%
	36.25%	43.86%	48.47%	53.47%	58.28%	62.69%
	36.50%	44.16%	48.80%	53.84%	58.68%	63.12%
	36.75%	44.47%	49.14%	54.21%	59.08%	63.55%
	37.00%	44.77%	49.47%	54.58%	59.49%	63.98%
	37.25%	45.07%	49.80%	54.95%	59.89%	64.42%
	37.50%	45.37%	50.14%	55.32%	60.29%	64.85%
	37.75%	45.68%	50.47%	55.69%	60.69%	65.28%
	38.00%	45.98%	50.81%	56.06%	61.09%	65.71%
	38.25%	46.28%	51.14%	56.42%	61.50%	66.15%
	38.50%	46.58%	51.48%	56.79%	61.90%	66.58%
	38.75%	46.89%	51.81%	57.16%	62.30%	67.01%
	39.00%	47.19%	52.14%	57.53%	62.70%	67.44%
	39.25%	47.49%	52.48%	57.90%	63.10%	67.87%
	39.50%	47.79%	52.81%	58.27%	63.51%	68.31%
	39.75%	48.10%	53.15%	58.64%	63.91%	68.74%
	40.00%	48.40%	53.48%	59.01%	64.31%	69.17%
	40.25%	48.70%	53.81%	59.37%	64.71%	69.60%
	40.50%	49.00%	54.15%	59.74%	65.11%	70.04%
	40.75%	49.31%	54.48%	60.11%	65.52%	70.47%
	41.00%	49.61%	54.82%	60.48%	65.92%	70.90%
	41.25%	49.91%	55.15%	60.85%	66.32%	71.33%
	41.50%	50.21%	55.49%	61.22%	66.72%	71.77%
	41.75%	50.52%	55.82%	61.59%	67.12%	72.20%
	42.00%	50.82%	56.15%	61.96%	67.52%	72.63%
	42.25%	51.12%	56.49%	62.32%	67.93%	73.06%
	42.50%	51.42%	56.82%	62.69%	68.33%	73.49%
	42.75%	51.73%	57.16%	63.06%	68.73%	73.93%
	43.00%	52.03%	57.49%	63.43%	69.13%	74.36%
	43.25%	52.33%	57.83%	63.80%	69.53%	74.79%
	43.50%	52.63%	58.16%	64.17%	69.94%	75.22%
	43.75%	52.94%	58.49%	64.54%	70.34%	75.66%
	44.00%	53.24%	58.83%	64.91%	70.74%	76.09%
	44.25%	53.54%	59.16%	65.27%	71.14%	76.52%
	44.50%	53.84%	59.50%	65.64%	71.54%	76.95%
	44.75%	54.15%	59.83%	66.01%	71.95%	77.39%
	45.00%	54.45%	60.17%	66.38%	72.35%	77.82%
	45.25%	54.75%	60.50%	66.75%	72.75%	78.25%
	45.50%	55.05%	60.83%	67.12%	73.15%	78.68%
	45.75%	55.35%	61.17%	67.49%	73.55%	79.11%
	46.00%	55.66%	61.50%	67.86%	73.96%	79.55%
	46.25%	55.96%	61.84%	68.23%	74.36%	79.98%
	46.50%	56.26%	62.17%	68.59%	74.76%	80.41%
	46.75%	56.56%	62.51%	68.96%	75.16%	80.84%
	47.00%	56.87%	62.84%	69.33%	75.56%	81.28%
	47.25%	57.17%	63.17%	69.70%	75.97%	81.71%

	47.50%	57.47%	63.51%	70.07%	76.37%	82.14%
	47.75%	57.77%	63.84%	70.44%	76.77%	82.57%
	48.00%	58.08%	64.18%	70.81%	77.17%	83.01%
	48.25%	58.38%	64.51%	71.18%	77.57%	83.44%
	48.50%	58.68%	64.85%	71.54%	77.98%	83.87%
	48.75%	58.98%	65.18%	71.91%	78.38%	84.30%
	49.00%	59.29%	65.51%	72.28%	78.78%	84.73%
	49.25%	59.59%	65.85%	72.65%	79.18%	85.17%

Weighted Average Spread

2.50%
2.55%
2.60%
2.65%
2.70%
2.75%
2.80%
2.85%
2.90%
2.95%
3.00%
3.05%
3.10%
3.15%
3.20%
3.25%
3.30%
3.35%
3.40%
3.45%
3.50%
3.55%
3.60%
3.65%
3.70%
3.75%
3.80%
3.85%
3.90%
3.95%
4.00%
4.05%
4.10%
4.15%
4.20%

Unless the Collateral Manager otherwise notifies S&P in writing on or prior to the Effective Date, as of the Effective Date the Collateral Manager will elect the following Weighted Average S&P Recovery Rates:

Liability Rating	**"AAA"**	**"AA"**	**"A"**	**"BBB"**	**"BB"**	**"B"**
Weighted Average S&P Recovery Rate	45.25%	54.75%	60.50%	66.75%	72.75%	78.25%

Unless the Collateral Manager otherwise notifies S&P in writing on or prior to the Effective Date, as of the Effective Date the Collateral Manager will elect the following Weighted Average Floating Spread:

3.70%

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