LCM XXI LIMITED PARTNERSHIP
LCM XXI LLC

Attached please find an electronic copy of the second preliminary offering memorandum (the "**Offering Memorandum**"), dated April 12, 2018 relating to the refinancing notes (the "**Refinancing Notes**") of LCM XXI Limited Partnership (the "**Issuer**") and LCM XXI LLC (the "**Co-Issuer**" and, together with the Issuer, the "**Issuers**"). The Offering Memorandum is highly confidential and does not constitute an offer to any person, other than the recipient, or to the public generally to subscribe for or otherwise acquire Refinancing Notes.

THE OFFERING MEMORANDUM SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THE NOTES IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF SUCH JURISDICTION.

Distribution of the Offering Memorandum to any person other than the person receiving this electronic transmission from the Issuers or the Refinancing Initial Purchaser referred to therein and their respective agents, and any persons retained to advise the person receiving this electronic transmission from the Issuers or the Refinancing Initial Purchaser is unauthorized. Any photocopying, disclosure or alteration of the contents of the Offering Memorandum, and any forwarding of a copy of the Offering Memorandum or any portion thereof by electronic mail or any other means to any person other than the person receiving this electronic transmission from the Issuers or the Refinancing Initial Purchaser is prohibited. By accepting delivery of the Offering Memorandum, the recipient agrees to the foregoing.

SUBJECT TO COMPLETION DATED APRIL 12, 2018
SUPERSEDING THE PRELIMINARY OFFERING MEMORANDUM DATED MARCH 26, 2018

THIS PRELIMINARY OFFERING MEMORANDUM AND THE INFORMATION CONTAINED HEREIN ARE SUBJECT TO COMPLETION, AMENDMENT OR OTHER CHANGE WITHOUT NOTICE PRIOR TO THE SALE DATE. UNDER NO CIRCUMSTANCES SHALL THIS PRELIMINARY OFFERING MEMORANDUM CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, NOR WILL THERE BE ANY SALE OF THE NOTES IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL, PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY JURISDICTION.

SECOND PRELIMINARY OFFERING MEMORANDUM **STRICTLY CONFIDENTIAL**

LCM XXI LIMITED PARTNERSHIP

LCM XXI LLC

U.S.$[235,000,000] Class A-R Senior Floating Rate Notes Due 2028
U.S.$[46,800,000] Class B-R Senior Floating Rate Notes Due 2028
U.S.$[16,000,000] Class E-R Deferrable Mezzanine Floating Rate Notes Due 2028

LCM Asset Management LLC will act as Collateral Manager for the Issuer (the "**Collateral Manager**").

On April 22, 2016 (the "**Original Closing Date**"), the Issuer and, other than with respect to the Class E Notes, the Co-Issuer issued certain rated notes that are being refinanced (the Refinanced Notes, as defined below) in connection with the issuance of the Refinancing Notes. On the Original Closing Date, the Issuers also issued U.S.$28,000,000 Class C Deferrable Mezzanine Floating Rate Notes due 2028 and $18,900,000 Class D Deferrable Mezzanine Floating Rate Notes due 2028 which are not being refinanced by the contemplated transaction described herein. On the Original Closing Date, the Issuer also issued U.S.$36,360,000 LP Certificates and the Income Note Issuer issued U.S.$500,000 Income Notes, all of which remain outstanding and are not being refinanced. In addition, the Issuer issued Class II LP Interests and Class III LP Interests on the Original Closing Date, which are not being refinanced.

On April 20, 2018 (the "**First Refinancing Date**"), the Class A Notes, the Class B Notes and the Class E Notes (together, the "**Refinanced Notes**"), will be refinanced by the Issuer and, in the case of the Class A-R Notes and Class B-R Notes, the Co-Issuer issuing Class A-R Senior Floating Rate Notes due 2028 (the "**Class A-R Notes**"), Class B-R Senior Floating Rate Notes due 2028 (the "**Class B-R Notes**"), and Class E-R Deferrable Mezzanine Floating Rate Notes due 2028 (the "**Class E-R Notes**" and, together with the Class A-R Notes and the Class B-R Notes, the "**Refinancing Notes**").

This offering memorandum incorporates by reference the final offering memorandum dated April 20, 2016 (the "**2016 Offering Memorandum**") relating to the Refinanced Notes, the Class C Notes, the Class D Notes, the LP Certificates and the Income Notes issued on April 22, 2016. Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the 2016 Offering Memorandum, or if not defined therein, the Indenture, as amended by the First Supplemental Indenture. The 2016 Offering Memorandum is attached hereto as Annex A.

See "Risk Factors" beginning on page 6 for a discussion of certain factors to be considered in connection with an investment in the Refinancing Notes. Investment by entities subject to ERISA and similar laws is subject to restrictions. See "Certain ERISA Considerations" in the 2016 Offering Memorandum.

NEITHER THE COLLATERAL MANAGER NOR, TO THE KNOWLEDGE OF ANY PARTY TO THIS TRANSACTION, ANY OTHER PERSON IS, AS SPONSOR OR OTHERWISE, RETAINING A RISK RETENTION INTEREST CONTEMPLATED BY THE US RISK RETENTION REGULATIONS IN CONNECTION WITH THE REFINANCING OR THE REFINANCING NOTES. THE ISSUER AND THE OTHER PARTIES TO THIS TRANSACTION HAVE NOT TAKEN, AND DO NOT INTEND TO TAKE, ANY STEPS TO COMPLY WITH EU RISK RETENTION REQUIREMENTS. SEE "*RISK FACTORS—RELATING TO THE COLLATERAL DEBT OBLIGATIONS—LEGISLATIVE AND REGULATORY ACTIONS IN THE UNITED STATES MAY ADVERSELY AFFECT THE ISSUER AND THE REFINANCING NOTES.*"

No Refinancing Notes will be issued unless upon issuance, (i) the Class A-R Notes are rated "AAA(sf)" by S&P and "AAAsf" by Fitch, (ii) the Class B-R Notes are rated at least "AA(sf)" by S&P and (iii) the Class E-R Notes are rated at least "BB-(sf)" by S&P.

THE COLLATERAL OF THE ISSUER IS THE SOLE SOURCE OF PAYMENTS ON THE REFINANCING NOTES. THE REFINANCING NOTES DO NOT REPRESENT AN INTEREST IN OR OBLIGATION OF, AND ARE NOT INSURED OR GUARANTEED BY, THE COLLATERAL MANAGER, THE REFINANCING INITIAL PURCHASER, THE TRUSTEE OR ANY OF THEIR RESPECTIVE AFFILIATES.

The Refinancing Notes have not been registered under the United States Securities Act of 1933, as amended, and neither of the Issuers has been registered under the Investment Company Act of 1940, as amended. The Refinancing 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) Qualified Institutional Buyers and also (b) Qualified Purchasers or entities owned exclusively by Qualified Purchasers. Prospective purchasers are hereby notified that the sellers of the Refinancing 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 Refinancing 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 148 of the 2016 Offering Memorandum.

The Refinancing Notes are offered, subject to prior sale, when, as and if delivered to and accepted by Deutsche Bank Securities, Inc. (the "**Refinancing Initial Purchaser**" or "**Deutsche Bank**"). It is expected that the Refinancing Initial Purchaser will resell the Refinancing Notes in individually negotiated transactions at varying prices determined at the time of sale. The Refinancing Initial Purchaser will act as lead manager and bookrunner with respect to the Refinancing Notes. The Refinancing Initial Purchaser reserves the right to withdraw, cancel or modify any offer and to reject orders in whole or in part. The delivery of interests in Global Securities is expected to be made in book-entry form through the facilities of The Depository Trust Company ("**DTC**") on or about April 20, 2018 in New York, New York against payment therefor in immediately available funds.

Deutsche Bank Securities Inc.

The date of this confidential Offering Memorandum is [•], 2018

IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

An investment in the Refinancing Notes is not suitable for all investors and will be appropriate only for financially sophisticated investors capable of analyzing and assessing the risks associated with collateralized loan obligations. You may be required to bear the financial risks of investing in the Refinancing Notes for an indefinite period of time. An investor in the Refinancing Notes should have no need for liquidity with respect to its investment in the Refinancing Notes and no need to dispose of its Refinancing Notes or any portion thereof to satisfy any existing or contemplated indebtedness or obligation or for any other purpose.

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS OFFERING MEMORANDUM AS INVESTMENT, LEGAL, TAX, BUSINESS, FINANCIAL, ACCOUNTING OR REGULATORY ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN COUNSEL, ACCOUNTANT AND OTHER ADVISORS FOR SUCH ADVICE. NONE OF THE TRANSACTION PARTIES OR THEIR AFFILIATES IS MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF REFINANCING NOTES REGARDING THE LEGALITY OF AN INVESTMENT THEREIN BY SUCH OFFEREE OR PURCHASER UNDER APPLICABLE LEGAL INVESTMENT OR SIMILAR LAWS. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUERS AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

The Issuer extends to each prospective investor the opportunity to ask questions of, and receive answers from, the Issuer, the Collateral Manager and the Refinancing Initial Purchaser concerning the Refinancing Notes, the current portfolio of Collateral Debt Obligations and the terms and conditions of the Offering and to obtain any additional information it may consider necessary in making an informed investment decision and any information necessary to verify the accuracy of the information set forth herein, to the extent the Issuer, the Collateral Manager or the Refinancing Initial Purchaser possess the same. Requests for such additional information can be directed to the Refinancing Initial Purchaser at the address set forth under "Plan of Distribution."

Payments on the Refinancing Notes will be made solely from the Collateral pledged by the Issuer pursuant to the Indenture, which will be the only source of payment for the Refinancing Notes.

The Refinancing Notes do not represent interests in or obligations of, and are not insured or guaranteed by, the Refinancing Initial Purchaser, the Collateral Manager, the Trustee, the Collateral Administrator or any of their respective affiliates or by any governmental or private insurer. The Refinancing Notes are subject to investment risks, including the possible loss of the principal amount invested and all losses of the Issuer will be borne solely by the Holders of the Refinancing Notes.

The Refinancing Notes described herein have not been registered with, recommended by or approved by the United States Securities and Exchange Commission (the "SEC") or any other federal or state securities commission or regulatory authority, nor has the SEC or any such commission or regulatory authority passed upon the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense. The Refinancing Notes have not been and will not be registered or qualified under the Securities Act or the securities laws of any other relevant jurisdiction and may not be offered, sold or otherwise transferred unless an exemption from registration or qualification under the Securities Act and applicable state securities laws and the laws of any other relevant jurisdiction is available. None of the Issuer, the Co-Issuer or the pool of collateral is or will be registered under the Investment Company Act in reliance on an exemption from registration.

The distribution of this Offering Memorandum and the offer and sale of Refinancing Notes may be restricted by law in certain jurisdictions. Persons that possess this Offering Memorandum or any of the Refinancing Notes must inform themselves about, and observe, any such restrictions. See "Plan of Distribution." This Offering Memorandum does not constitute an offer to sell or a solicitation of an offer to buy any of the Refinancing Notes to any person in any jurisdiction where it is unlawful to make such an offer or solicitation. You must also obtain any consents or approvals that you need in order to purchase any Refinancing Notes. None of the Issuers, the Refinancing Initial Purchaser, the Collateral Manager or any other party to the transactions contemplated by this Offering Memorandum is responsible for your compliance with these legal requirements.

THE REFINANCING NOTES ARE SUBJECT TO RESTRICTIONS ON REOFFER, RESELL, PLEDGE OR OTHER TRANSFER AS DESCRIBED UNDER "DESCRIPTION OF THE REFINANCING NOTES" AND "PLAN OF DISTRIBUTION" HEREIN AND "TRANSFER RESTRICTIONS" IN THE 2016 OFFERING MEMORANDUM. BY PURCHASING ANY REFINANCING NOTES, YOU WILL BE DEEMED TO HAVE MADE (OR, IN CERTAIN CASES, WILL BE REQUIRED TO MAKE) CERTAIN ACKNOWLEDGMENTS, REPRESENTATIONS AND AGREEMENTS AS DESCRIBED IN "TRANSFER RESTRICTIONS" IN THE 2016 OFFERING MEMORANDUM. ANY RESALE OR OTHER TRANSFER, OR ATTEMPTED RESALE OR ATTEMPTED OTHER TRANSFER, OF REFINANCING NOTES THAT IS NOT MADE IN COMPLIANCE WITH THE APPLICABLE TRANSFER RESTRICTIONS WILL BE TREATED BY THE ISSUERS AND THE TRUSTEE AS NULL AND VOID AB INITIO.

You are hereby notified that a seller of the Refinancing Notes may rely on an exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A of the Securities Act 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. To permit compliance with Rule 144A in connection with the sale of the Refinancing Notes, the Issuers 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 neither of the Issuers is (a) a reporting company 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 Issuers expects to become such a reporting company or to become so exempt from reporting. Such information may be obtained directly from the Issuer.

The Refinancing Notes referred to in this Offering Memorandum are subject to modification or revision (including the possibility that one or more classes of Refinancing Notes may be eliminated at any time prior to issuance or availability of a final Offering Memorandum) and are offered on a "when, as and if issued" basis. Prospective investors should understand that, when considering the purchase of the Refinancing Notes, a contract of sale will come into being no sooner than the date on which the relevant class of Refinancing Notes has been priced and the Refinancing Initial Purchaser has confirmed the allocation of the Refinancing Notes to be made to investors; any "Indications of Interest" expressed by any prospective investor, and any "soft circles" generated by the Refinancing Initial Purchaser, will not create binding contractual obligations for such prospective investor, on the one hand, or the Refinancing Initial Purchaser, the Issuers or any of their respective agents or affiliates, on the other hand.

As a result of the foregoing, an investor may commit to purchase one or more classes of the Refinancing Notes that have characteristics that may change, and each investor is advised that all or a portion of the Refinancing Notes may not be issued with the characteristics described in this Offering Memorandum. The Refinancing Initial Purchaser's obligation to sell Refinancing Notes to any investor and/or the obligation to place Refinancing Notes to any investor, is conditioned on the Refinancing Notes having the characteristics described in this Offering Memorandum. If the Refinancing Initial Purchaser or the Issuers determine that such condition is not satisfied in any material respect, each investor will be notified, and none of the Issuers or the Refinancing Initial Purchaser will have any obligation to deliver any portion of the Refinancing Notes which an investor has committed to purchase, and there will be no liability among the Issuer, the Co-Issuer, their affiliates, the Refinancing Initial Purchaser and any investor as a consequence of such non-delivery. An investor's payment for the Refinancing Notes will confirm such investor's agreement to the terms and conditions described in this Offering Memorandum.

This Offering Memorandum has been prepared solely for use in connection with the offering of the Refinancing Notes (the "**Offering**") and listing of the Refinancing Notes, as described herein.

Deutsche Bank Trust Company Americas, in each of its capacities (including as Trustee, Paying Agent and Collateral Administrator) has not participated in the preparation of this Offering Memorandum and assumes no responsibility for its content, including, for the avoidance of doubt, any Monthly Reports or Valuation Reports or any other collateral information related to or referred to herein.

NO PERSON IS AUTHORIZED IN CONNECTION WITH THE OFFERING TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS OFFERING MEMORANDUM, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE ISSUERS, THE COLLATERAL MANAGER OR THE REFINANCING INITIAL PURCHASER. THE INFORMATION CONTAINED HEREIN IS AS OF THE DATE

HEREOF AND IS SUBJECT TO CHANGE, COMPLETION OR AMENDMENT WITHOUT NOTICE. NEITHER THE DELIVERY OF THIS OFFERING MEMORANDUM AT ANY TIME NOR ANY SUBSEQUENT COMMITMENT TO ENTER INTO ANY FINANCING SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION SET FORTH HEREIN OR IN THE AFFAIRS OF THE ISSUERS OR THE COLLATERAL MANAGER SINCE THE DATE HEREOF.

The information contained herein supersedes any previous information concerning the securities to be issued by the Issuers or the Issuer that has been delivered to you and may be superseded by information delivered to you prior to the time of sale.

The Refinancing Initial Purchaser reserves the right to reject any commitment to subscribe in whole or in part and to allot to any prospective investor less than the full amount of Refinancing Notes sought by such investor. The Refinancing Initial Purchaser and certain related entities may acquire for their own account a portion of the Refinancing Notes.

The Refinancing Initial Purchaser may from time to time perform investment banking services for, or solicit investment banking business from, any person or company named in this Offering Memorandum or any affiliate thereof. The Refinancing Initial Purchaser and/or its respective employees or affiliates may from time to time have a long or short position in any contract, Refinancing Note and/or Collateral Debt Obligation discussed in this Offering Memorandum.

The receipt of this Offering Memorandum constitutes the agreement on the part of the recipient hereof (a) to maintain the confidentiality of the information contained herein, as well as any supplemental information provided to the recipient by the Issuers or any of their representatives, either orally or in written form and (b) that any reproduction or distribution of this Offering Memorandum, in whole or in part, or disclosure of any of its contents to any other person or its use for any purpose other than to evaluate participation in the Offering described herein is strictly prohibited. The undertakings and prohibitions set forth in the preceding sentence are intended for the benefit of the Issuers and may be enforced by the Issuers.

Notwithstanding anything to the contrary contained herein, each recipient may disclose to any and all persons, without limitation of any kind, the U.S. federal, state and local tax treatment of the Refinancing Notes and the Issuer, any fact that may be relevant to understanding the U.S. federal, state and local tax treatment of the Refinancing Notes and the Issuer, and all materials of any kind (including opinions or other tax analyses) relating to such U.S. federal, state and local tax treatment and that may be relevant to understanding such U.S. federal, state and local tax treatment.

This Offering Memorandum was written in connection with the promotion or marketing by the Issuers and the Refinancing Initial Purchaser of the Refinancing Notes. This Offering Memorandum was not intended or written to be used, and may not be able to be used, for the purpose of avoiding U.S. Federal, state, or local tax penalties. Each Holder should seek advice based on their particular circumstances from an independent tax advisor.

NOTICE TO RESIDENTS OF JAPAN

THE REFINANCING NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES AND EXCHANGE LAW OF JAPAN (THE SECURITIES AND EXCHANGE LAW) AND THE REFINANCING INITIAL PURCHASER HAS AGREED THAT IT WILL NOT OFFER OR SELL ANY NOTES, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO, OR FOR THE BENEFIT OF, ANY RESIDENT OF JAPAN (WHICH TERM AS USED IN THIS OFFERING CIRCULAR MEANS ANY PERSON RESIDENT IN JAPAN, INCLUDING ANY CORPORATION OR OTHER ENTITY ORGANIZED UNDER THE LAWS OF JAPAN), OR TO OTHERS FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO A RESIDENT OF JAPAN, EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF, AND OTHERWISE IN COMPLIANCE WITH, THE SECURITIES AND EXCHANGE LAW AND ANY OTHER APPLICABLE LAWS, REGULATIONS AND MINISTERIAL GUIDELINES OF JAPAN.

NOTICE TO FLORIDA RESIDENTS

WHERE SALES ARE MADE TO FIVE OR MORE PERSONS IN FLORIDA (EXCLUDING "QUALIFIED INSTITUTIONAL BUYERS" WITHIN THE MEANING OF SEC RULE 144A AND CERTAIN OTHER INSTITUTIONAL PURCHASERS DESCRIBED IN SECTION 517.061(7) OF THE FLORIDA SECURITIES AND INVESTOR PROTECTION ACT (THE "FLORIDA ACT")), ANY SUCH SALE MADE PURSUANT TO SECTION 517.061(11) OF THE FLORIDA ACT SHALL BE VOIDABLE BY THE PURCHASER WITHIN THREE DAYS AFTER (A) RECEIPT OF THIS OFFERING MEMORANDUM, OR (B) THE FIRST PAYMENT OF MONEY OR OTHER CONSIDERATION TO THE ISSUER, AN AGENT OF THE ISSUER, OR AN ESCROW AGENT, WHICHEVER OCCURS LATER.

NOTICE TO RESIDENTS OF THE CAYMAN ISLANDS

No invitation whether directly or indirectly may be made to any member of the public in the Cayman Islands to subscribe for the Refinancing Notes and no such invitation is hereby made.

NOTICE TO RESIDENTS WITHIN THE EUROPEAN ECONOMIC AREA

THIS OFFERING MEMORANDUM HAS BEEN PREPARED ON THE BASIS THAT ANY OFFER OF NOTES IN ANY MEMBER STATE OF THE EUROPEAN ECONOMIC AREA WHICH HAS IMPLEMENTED THE PROSPECTUS DIRECTIVE (EACH, A "**RELEVANT MEMBER STATE**") WILL BE MADE PURSUANT TO AN EXEMPTION UNDER THE PROSPECTUS DIRECTIVE FROM THE REQUIREMENT TO PUBLISH A PROSPECTUS FOR OFFERS OF NOTES. ACCORDINGLY ANY PERSON MAKING OR INTENDING TO MAKE AN OFFER IN THAT RELEVANT MEMBER STATE OF NOTES WHICH ARE THE SUBJECT OF THE OFFERING CONTEMPLATED IN THIS OFFERING MEMORANDUM MAY ONLY DO SO IN CIRCUMSTANCES IN WHICH NO OBLIGATION ARISES FOR THE ISSUERS OR THE REFINANCING INITIAL PURCHASER TO PUBLISH A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS DIRECTIVE. THE EXPRESSION "**PROSPECTUS DIRECTIVE**" MEANS DIRECTIVE 2003/71/EC (AS AMENDED, INCLUDING BY DIRECTIVE 2010/73/EU), AND INCLUDES ANY RELEVANT IMPLEMENTING MEASURE IN THE RELEVANT MEMBER STATE.

EUROPEAN ECONOMIC AREA SELLING RESTRICTIONS

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each purchaser of the Refinancing Notes acknowledges that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") no offer of Refinancing Notes may be made to the public in that Relevant Member State except that, with effect from and including the Relevant Implementation Date, an offer of Refinancing Notes may be made to the public in that Relevant Member State:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- to fewer than 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 relevant dealer or dealers nominated by the Issuers for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Refinancing Notes shall require the publication by the issuer or any other entity of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of the provision above, the expression an "offer of Refinancing Notes to the public" in relation to any Refinancing 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 Refinancing Notes to be offered so as to enable an investor to decide to purchase or subscribe the Refinancing Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State.

NOTICE TO RESIDENTS OF THE UNITED KINGDOM

Within the United Kingdom, this Offering Memorandum is directed only at persons who have professional experience in matters relating to investments and who qualify either as investment professionals in accordance with Article 19(5), or as high net worth companies, unincorporated associations, partnerships or trustees in accordance with Article 49(2) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (together, "exempt persons"). It may not be passed on except to exempt persons or other persons in circumstances in which Section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuers (all such persons together being referred to as "relevant persons"). This Offering Memorandum must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons. Any persons other than relevant persons should not act or rely on this Offering Memorandum.

Stabilisation

In connection with the issue of the Refinancing Notes, the Refinancing Initial Purchaser (or persons acting on behalf of the Refinancing Initial Purchaser) may over-allot Refinancing Notes provided that the aggregate principal amount of Refinancing Notes allotted does not exceed 105 per cent of the aggregate principal amount of the Refinancing Notes or effect transactions with a view to supporting the market price of the Refinancing Notes at a level higher than that might otherwise prevail. However, there is no assurance that the Refinancing Initial Purchaser (or persons acting on behalf of the Refinancing Initial Purchaser) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the Refinancing Notes is made and, if begun, may be ended at any time, but it must end no later than 30 days after the First Refinancing Date.

U.S. RISK RETENTION REQUIREMENTS

Section 941 of the Dodd-Frank Act amended the Exchange Act to require the "securitizer" of asset-backed securities to retain at least 5% of the credit risk of the assets collateralizing the asset-backed securities. Based on the D.C. Circuit Ruling, no party to this transaction currently intends to acquire Refinancing Notes on the Refinancing Date, or otherwise retain Refinancing Notes, in order to comply with the U.S. risk retention requirements. See "*Risk Factors—Relating to the Collateral Debt Obligations—Legislative and regulatory actions in the United States may adversely affect the Issuer and the Refinancing Notes—Risk Retention*."

Compliance with European Union Capital Requirements Directive

None of the Issuer, the Co-Issuer, the Refinancing Initial Purchaser, the Collateral Manager, the Trustee, the Collateral Administrator or any of their affiliates makes any representation or agreement that it is undertaking or will have undertaken to comply with the requirements of Articles 404-410 of the European Union Capital Requirements Regulation 575/2013 (as amended, the "**CRR**") or Article 17 of Directive 2011/61/EU on Alternative Investment Fund Managers (as amended, the "**AIFMD**"). Each holder or beneficial owner of the Refinancing Notes is responsible for analyzing its own regulatory position and is advised to consult with its own advisors regarding the suitability of the Refinancing Notes for investment and compliance with the CRR and AIFMD.

Forward-Looking Statements

This Offering Memorandum 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 contained herein, including any estimated, targeted or assumed information, and any projections, forecasts, estimates or similar statements, may also be deemed to be, or to contain, forward-looking statements. Prospective investors 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*" herein. Forward-looking statements are necessarily speculative in nature, and some or all of 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, the inclusion of forward-looking statements herein should not be regarded as a representation by any of the Issuers, the Collateral Manager, the Refinancing Initial Purchaser, 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 Issuers or the Refinancing 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 date of this Offering Memorandum relating to any assumptions or otherwise. Prospective investors should not rely on forward-looking statements and do so at their own risk.

Certain Definitions and Related Matters

An index of defined terms, indicating the location of the definition of each defined term (other than those defined in the Indenture), appears at the end of this Offering Memorandum. Capitalized terms used but not defined in this Offering Memorandum will have the meanings assigned to such terms in the 2016 Offering Memorandum, or if not defined therein, in the Indenture, as amended by the First Supplemental Indenture.

Unless otherwise indicated, (i) references in this Offering Memorandum to "U.S. Dollars," "Dollars," "$" and "U.S.$" will be to United States dollars; (ii) references to the term "holder" or "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.

Unless the context otherwise requires or as otherwise indicated herein, each reference to "Deutsche Bank" in this Offering Memorandum means Deutsche Bank Securities Inc. in its capacity as an initial purchaser of the Refinancing Notes. References to "Initial Purchaser" in the 2016 Offering Memorandum will include Deutsche Bank acting in its capacity as Refinancing Initial Purchaser to the extent such references apply to the Refinancing Notes.

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ANNEX B – DRAFT FIRST SUPPLEMENTAL INDENTURE B-1

OVERVIEW OF TERMS

The following overview must be read in conjunction with the section entitled "Summary of Terms" beginning on page 1 of the 2016 Offering Memorandum. The changes set forth below supersede all statements which are inconsistent therewith in the 2016 Offering Memorandum. 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 Memorandum, including (except to the extent described in the immediately preceding sentence) in the 2016 Offering Memorandum, and related documents referred to herein; it being understood and agreed by each investor and prospective investor in the Refinancing Notes that the Refinancing Initial Purchaser (i) did not participate in the preparation of the 2016 Offering Memorandum, (ii) makes no representation as to the accuracy or completeness of the information contained in the 2016 Offering Memorandum, (iii) is relying on representations from the Issuers as to the accuracy and completeness of the information contained in the 2016 Offering Memorandum and (iv) shall have no responsibility whatsoever for the contents of the 2016 Offering Memorandum. Indices of defined terms appear at the back of this Offering Memorandum and at the back of the 2016 Offering Memorandum.

Principal Terms of the Refinancing Notes

Designation	Class A-R Notes	Class B-R Notes	Class E-R Notes
Type	Senior Secured Floating Rate	Senior Secured Floating Rate	Mezzanine Secured Deferrable Floating Rate
Issuer(s)	Issuers	Issuers	Issuer
Initial Principal Amount (U.S.$)	U.S.$235,000,000	U.S.$46,800,000	U.S.$16,000,000
Expected Fitch Initial Rating[1]	"AAAsf"	N/A	N/A
Expected S&P Initial Rating[1]	"AAA(sf)"	"AA(sf)"	"BB-(sf)"
Note Interest Rate	LIBOR[2] [3] + [•]%	LIBOR[2] [3] + [•]%	LIBOR[2] [3] + [•]%
Stated Maturity	Payment Date in April 2028	Payment Date in April 2028	Payment Date in April 2028
Minimum Denominations (U.S.$) (Integral Multiples)	U.S.$250,000 (U.S.$1.00)	U.S.$250,000 (U.S.$1.00)	U.S.$250,000 (U.S.$1.00)
Ranking of the Securities:			
Priority Class(es)	None	A-R	A-R, B-R, C, D
Junior Class(es)	B-R, C, D, E-R, LP Certificates	C, D, E-R, LP Certificates	LP Certificates
Deferred Interest Notes	No	No	Yes
Form	Book-Entry	Book-Entry	Book-Entry

[1] The Expected Fitch Initial Ratings and the Expected S&P Initial Ratings are expected to be no lower than the ratings set forth in this table.

[2] LIBOR is calculated as set forth under "*Description of the Securities and the Income Notes—Interest*" in the 2016 Offering Memorandum.

[3] If consented to by all of the Holders of the Class C Notes and Class D Notes, under the circumstances described in "*Description of the Refinancing Notes—Proposed First Supplemental Indenture*", the Collateral Manager is allowed to amend the terms of the Indenture to change the rate applicable to the Notes from LIBOR to an alternate base rate if the Collateral Manager deems such changes necessary or advisable.

Issuer:	LCM XXI Limited Partnership, an exempted limited partnership registered under the laws of the Cayman Islands, acting through its general partner, LCM XXI GP Ltd., an exempted company incorporated with limited liability under the laws of the Cayman Islands (the "**General Partner**").
Co-Issuer:	LCM XXI LLC, a Delaware limited liability company.
Collateral Manager:	LCM Asset Management LLC, a Delaware limited liability company (the "**Collateral Manager**").
Trustee, Indenture Registrar, LP Paying Agent, and Income Note Paying Agent:	Deutsche Bank Trust Company Americas.
Refinancing Initial Purchaser:	Deutsche Bank Securities, Inc. (the "**Refinancing Initial Purchaser**").
Original Closing Date:	April 22, 2016.
First Refinancing Date:	April 20, 2018.
Payment Dates:	The Refinancing Notes of each Class will bear stated interest from (and including) the First Refinancing Date. The first Payment Date in respect of the Refinancing Notes will be the Payment Date in July 2018.
Refinancing Terms:	The Refinancing Notes will be issued pursuant to an indenture, dated as of the Original Closing Date, among the Issuers and the Trustee, and a supplemental indenture dated as of the First Refinancing Date (the "**First Supplemental Indenture**"). The proposed First Supplemental Indenture is attached hereto as Annex B. Except as expressly set forth herein, the Refinancing Notes will be subject to the same terms and conditions as the corresponding class of Refinanced Notes. The Issuer expects to receive consents from the holders of 100% of the LP Certificates to the terms of the First Supplemental Indenture. The receipt of such consents by the Issuer is a condition to the effectiveness of the First Supplemental Indenture and the Refinancing described herein.
Non-Call Period:	The period from the Closing Date to and including the Business Day immediately preceding (i) for the Class A-R Notes, the Payment Date in [April 2019] and (ii) for the Class B-R Notes, the Class C Notes, the Class D Notes and the Class E-R Notes, the Payment Date in [October 2018].
Stated Maturity:	The Payment Date in April 2028.

Eligible Purchasers:

The Refinancing Notes are being offered hereby (i) to non-U.S. persons in offshore transactions in reliance on Regulation S ("**Regulation S**") under the Securities Act of 1933, as amended (the "**Securities Act**") and (ii) to persons that are (A)(1) qualified institutional buyers ("**Qualified Institutional Buyers**") within the meaning of Rule 144A under the Securities Act ("**Rule 144A**") and (2) Qualified Purchasers within the meaning of Section 3(c)(7) of the Investment Company Act of 1940, as amended (the "**Investment Company Act**") and the rules promulgated thereunder) ("**Qualified Purchasers**"). See "Form, Denomination and Registration" and "Transfer Restrictions" in the 2016 Offering Memorandum.

Authorized Denominations:

The Refinancing Notes will be issuable in minimum denominations of U.S.$250,000 and will be offered only in such minimum denominations or integral multiples of U.S.$1.00 in excess thereof.

Listing, Trading and Form of Refinancing Notes:

The Refinancing Notes sold to Qualified Institutional Buyers and Qualified Purchasers pursuant to Rule 144A will be evidenced by a permanent global note with respect to such Class and will be issued through the facilities of The Depository Trust Company 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 Refinancing Notes offered and sold outside the United States pursuant to Regulation S, will be evidenced by a permanent global note with respect to such Class and will be issued through the facilities of two of the direct participants of The Depository Trust Company, Euroclear and Clearstream.

No application will be made to the Irish Stock Exchange or any other exchange for the Refinancing Notes to be admitted for trading.

There is currently no market for any Class of Refinancing Notes and there can be no assurance that such a market will develop. See "*Risk Factors—Relating to the Refinancing Notes—Liquidity Considerations*" herein and "*Risk Factors—Risk Factors Relating to the Notes—Limited Liquidity and Restrictions on Transfers of Securities and Income Notes" and "Transfer Restrictions*" in the 2016 Offering Memorandum.

Existing Collateral Debt Obligations:

The Issuer has been acquiring and selling Collateral Debt Obligations since the Original Closing Date (and warehoused certain Collateral Debt Obligations prior thereto). Certain information relating to the Issuer's pool of Collateral Debt Obligations, as further qualified under "*Security for the Refinancing Notes*", is included in the most recent Monthly Report and the most recent Valuation Report (collectively, the "**Most Recent Reports**") prepared under the Indenture and made available by the Refinancing Initial Purchaser to prospective purchasers. The Most Recent Reports must be read in conjunction with this

	Offering Memorandum as they are integral to understanding and evaluating the information contained in this Offering Memorandum; it being understood and agreed by each investor and prospective investor in the Refinancing Notes that the Refinancing Initial Purchaser (i) did not participate in the preparation of the Most Recent Reports, (ii) makes no representation as to the accuracy or completeness of the information included in the Most Recent Reports, (iii) is relying on representations from the Issuers as to the accuracy and completeness of the information contained in the Most Recent Reports and (iv) shall have no responsibility whatsoever for the contents of the information included in the Most Recent Reports. None of the Refinancing Initial Purchaser, the Trustee, the Collateral Manager or the Collateral Administrator is responsible for, or is making any representation to you concerning, the accuracy or completeness of the Most Recent Reports. Furthermore, the information presented in the Most Recent Reports has not been audited or otherwise reviewed by independent accountants and has been compiled as of the dates indicated which, in each case, is prior to the date of this Offering Memorandum.
Use of Proceeds:	The cash proceeds of the offering of the Refinancing Notes (together with Interest Proceeds available for such purpose on the First Refinancing Date pursuant to the Priority of Payments) will be applied by the Issuer to redeem the Refinanced Notes at their respective Redemption Prices on the First Refinancing Date. Expenses related to the Refinancing will be paid on the First Refinancing Date or, if not paid on such date, on the Payment Date in July 2018, in each case in accordance with the Priority of Payments. See "*Use of Proceeds.*"
Income Tax Considerations:	For a discussion of certain tax consequences to purchasers of the Refinancing Notes and of the Issuer, see "*Certain U.S. Federal Income Tax Considerations*" herein.
ERISA Considerations:	Each initial purchaser from the Refinancing Initial Purchaser on the First Refinancing Date of an interest in a Refinancing Note will be required to represent or be deemed to represent on each day from the date on which such beneficial owner acquires its interest in such Refinancing Notes through and including the date on which such beneficial owner disposes of its interest in such Refinancing Notes that either (A) it is neither a Plan nor an entity whose underlying assets include "plan assets" by reason of such plan's investment in the entity for purposes of ERISA, nor a governmental, non-U.S., church or other plan which is subject to Similar Law or (B) its purchase, holding and disposition of any such Notes will not constitute or result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or in a violation of any Similar Law).

It is understood and agreed, and by acquiring a Refinancing Note or any interest therein each person acting on behalf of a Benefit Plan Investor to make such acquisition acknowledges, that none of the Issuers, the Refinancing Initial Purchaser, the Trustee, the Collateral Manager or other persons that provide marketing services, nor any of their affiliates, has provided or is providing investment advice of any kind whatsoever (whether impartial or otherwise) or is giving any advice in a fiduciary or other capacity, in connection with the Benefit Plan Investor's acquisition of a Refinancing Note or any interest therein.

For a discussion of certain ERISA-related restrictions on the ownership and transfer of the Notes (including the Refinancing Notes), see "*Certain ERISA Considerations*" in the 2016 Offering Memorandum.

Governing Law:

The Refinancing Notes and the First Supplemental Indenture, and any matters arising out of or relating in any way whatsoever to any of the Refinancing Notes and the First Supplemental Indenture (whether in contract, tort or otherwise), will be governed by the law of the State of New York.

RISK FACTORS

An investment in the Refinancing Notes involves certain risks, including the risk that investors will lose all or a portion of their investment. You should carefully consider the following factors, in addition to the "*Risk Factors*" section starting on page 9 of the 2016 Offering Memorandum and matters set forth elsewhere in this Offering Memorandum and the 2016 Offering Memorandum, prior to investing in the Refinancing Notes. To the extent any statement in this "Risk Factors" section conflicts with any statement in the "*Risk Factors*" section of the 2016 Offering Memorandum, the statements herein shall supersede any such statements in the 2016 Offering Memorandum. Although the various risks discussed in this Offering Memorandum are generally described separately, you should consider the potential effects of the interplay of multiple risk factors. Where more than one significant risk factor is present, the risk of loss to an investor in the Refinancing Notes may be significantly increased.

The following limited supplemental disclosure is being provided to you to inform you of certain risks arising from the issuance of the Refinancing Notes but does not purport to (and none of the Issuers, the Refinancing Initial Purchaser, the Collateral Manager or their respective affiliates makes any representations that it purports to) comprehensively update the 2016 Offering Memorandum or disclose all risk factors (whether legal or otherwise) which may arise by or relate to the issuance of the Refinancing Notes. Capitalized terms used but not defined herein shall have the meanings given to such terms in the 2016 Offering Memorandum or the Indenture as amended by the First Supplemental Indenture.

Each investor and prospective investor in the Refinancing Notes understands and agrees that the Refinancing Initial Purchaser (i) did not participate in the preparation of the 2016 Offering Memorandum, (ii) makes no representation as to the accuracy or completeness of the information contained in the 2016 Offering Memorandum, (iii) is relying on representations from the Issuers as to the accuracy and completeness of the information contained in the 2016 Offering Memorandum and (iv) shall have no responsibility whatsoever for the contents of the 2016 Offering Memorandum.

Relating to the Refinancing Notes

The Issuer has limited information about its past operating history, investment performance and other matters relating to its operations

The Issuer commenced operations under the Indenture on the Original Closing Date. The Most Recent Reports are available from the Refinancing Initial Purchaser. The information contained in the Most Recent Reports has not been audited or otherwise reviewed by any accounting firm. Such information is limited and does not provide a full description of all assets previously held or sold by the Issuer, nor the gains or losses associated with purchases or sales of Collateral Debt Obligations, nor the levels of compliance with the Coverage Tests and Collateral Quality Test during periods, nor the Issuer's cash flows, prior to the periods covered by the Most Recent Reports. Such reports contain information as of the dates specified therein and the Most Recent Reports are not calculated as of the date of this Offering Memorandum. As such, the information in the reports may no longer reflect the characteristics of the Collateral as of the date of this Offering Memorandum or on or after the First Refinancing Date. None of the Refinancing Initial Purchaser, the Trustee, the Collateral Manager or the Collateral Administrator is responsible for, or is making any representation to you concerning, the accuracy or completeness of the Most Recent Reports. It is expected that the composition of the Collateral will change, and may change materially, from the description in the Most Recent Reports due to, *inter alia*, (i) subject to the restrictions on sales of assets set forth in the Indenture, sales of the assets comprising the Collateral, (ii) scheduled and unscheduled principal payments on the Collateral Debt Obligations and (iii) subject to the restrictions on the purchase of additional assets set forth in the Indenture, the acquisition of additional Collateral Debt Obligations and other assets by the Issuer.

No information is provided in this Offering Memorandum regarding the Issuer's investment performance and portfolio and no information is provided in this Offering Memorandum regarding any other aspect of the Issuer's operations. While the Issuer believes that it has complied with the requirements of the Indenture and the Collateral Management Agreement and has provided Chapman and Cutler, LLP with certain assurances in this regard, no assurance can be given as to the absence of any unintentional failure by the Issuer or the Collateral Manager to comply with one or more of their respective obligations under the Indenture or the Collateral Management Agreement, nor that any such failure will not have a material adverse effect on holders in the future.

Investor suitability generally

An investment in the Refinancing Notes will not be appropriate for all investors. Structured investment products like the Refinancing Notes are complex instruments, and typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. Over the past five years, securities issued in securitization transactions have experienced historically high volatility and significant fluctuations in market value, and investors in such securities have, in some cases, experienced significant losses. Any investor interested in purchasing Refinancing Notes should conduct its own investigation and analysis of the product and consult its own professional advisers as to the risks involved in making such a purchase.

The Refinancing Notes may not be a permitted investment for certain potential investors

No representation is made as to the proper characterization of the Refinancing Notes for legal investment, financial institution regulatory, financial reporting or other purposes, as to the ability of particular investors to purchase the Refinancing Notes under applicable legal investment or other restrictions or as to the consequences of an investment in the Refinancing Notes for such purposes or under such restrictions. Certain regulatory or legislative provisions applicable to certain investors may have the effect of limiting or restricting their ability to hold or acquire the Refinancing Notes, which in turn may adversely affect the ability of investors in the Refinancing Notes who are not subject to those provisions to resell their Refinancing Notes in the secondary market or on the price realized for the Refinancing Notes. All investors whose investment activities are subject to local investment laws and regulations, regulatory capital requirements or review by regulatory authorities should consult with their own legal, accounting and other advisors in determining whether, and to what extent, the Refinancing Notes will constitute legal investments for them or are subject to investment or other restrictions, unfavorable accounting treatment, capital charges or reserve requirements.

Additional Information about Benchmark Rates

Regulators and law-enforcement agencies in a number of different jurisdictions have conducted and continue to conduct civil and criminal investigations into potential manipulation or attempted manipulation of submissions of London inter-bank offered rates ("**Libor**") to the British Bankers Association ("**BBA**"). There have also been allegations that member banks may have manipulated other inter-bank lending rates (such rates, together with Libor, the "**Benchmark Rates**"). Benchmark Rates have been reformed, including (i) the replacement of the BBA with ICE Benchmark Administration Limited as Libor administrator, which was completed on February 1, 2014, (ii) a reduction in the number of tenors and currencies for which certain Benchmark Rates are calculated, and (iii) modifications to the administration, submission and calculation procedures, including their regulatory status, in respect of certain Benchmark Rates. Further, on July 27, 2017, the Financial Conduct Authority of the United Kingdom announced its intention to coordinate a phase-out of Libor by the end of 2021. Investors should be aware that: (a) any of these changes or any other changes to Benchmark Rates (including the announced plan to phase out Libor) could affect the level of the relevant published rate, including to cause it to be lower and/or more volatile than it would otherwise be; (b) if the applicable rate of interest on any Collateral Debt Obligation is calculated with reference to a tenor or currency which is discontinued, such rate of interest may then be determined by the provisions of the affected Collateral Debt Obligation, which may include determination by the relevant calculation agent in its discretion, or the Collateral Debt Obligation may otherwise be subject to a degree of contractual uncertainty; (c) the administrators of Benchmark Rates may take any actions in respect of Benchmark Rates without regard to the effect of such actions on the Collateral Debt Obligations or the Notes; (d) any uncertainty in the value of a Benchmark Rate, the development of a widespread market view that a Benchmark Rate has been manipulated, or any uncertainty in the prominence of a Benchmark Rate as a benchmark interest rate due to the recent regulatory reform (including the announced plan to phase out Libor) may adversely affect liquidity of the affected Collateral Debt Obligations or the Refinancing Notes in the secondary market and their market value; (e) an increase in alternative types of financing in place of Benchmark Rate-based loans (resulting from a decrease in the confidence of borrowers in such rates, the announced plan to phase out of a Benchmark Rate or otherwise) may make it more difficult to source Collateral Debt Obligations prior to the Effective Date or reinvest proceeds in Collateral Debt Obligations that satisfy the reinvestment criteria specified herein; and (f) interest rate mismatches may result between the Issuer's assets and liabilities and expose the Issuer to cash shortfalls. Any of the above or any other significant change to the setting of a Benchmark Rate could have a material adverse effect on the value of, and the amount payable under, (i) any Collateral Debt Obligations which pay interest linked to a Benchmark Rate and (ii) the Refinancing Notes. While a Base Rate Amendment might mitigate some of these issues, there is no assurance that the Issuer will be able to obtain the necessary consents or otherwise satisfy the

requirements to enter into a Base Rate Amendment or that a Base Rate Amendment would be able to mitigate such issues (including, interest rate mismatches) completely.

Base Rate Amendments

The proposed First Supplemental Indenture contemplates that, if consented to subsequently by 100% of the Holders of the Class C Notes and the Class D Notes, the Indenture will allow the Collateral Manager, if it deems such changes to be necessary or advisable, to amend the terms of the Indenture in order to change the benchmark used to calculate LIBOR to an alternate base rate for the purpose of calculating the applicable interest rates on the Notes (a "**Base Rate Amendment**"). If the Issuer enters into a Base Rate Amendment, the Note Interest Rate applicable to each Class of Notes will be based on an Alternate Base Rate. Such Alternate Base Rate will be calculated based on a different index than the Collateral Debt Obligations that bear interest based on LIBOR and may adjust more frequently or less frequently, and/or on different dates than LIBOR.

Refinancing Initial Purchaser Has No Responsibility to Monitor

The Refinancing Initial Purchaser will have no obligation to monitor the performance of the Collateral Debt Obligations 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 and/or the Issuer, as the case may be. At any time that the Refinancing Initial Purchaser owns any Refinancing Notes, it will have no responsibility to consider the interests of any holders of Refinancing Notes in actions it takes in such capacity. While the Refinancing Initial Purchaser may own Refinancing Notes at any time, it has no obligation to make any investment in any Refinancing Notes and may sell at any time any Refinancing Notes it does purchase.

Liquidity Considerations

There is currently no market for the Refinancing Notes, and none may develop. The Refinancing Notes are not expected to be readily marketable. Although the Refinancing Initial Purchaser may from time to time make a market in Refinancing Notes, the Refinancing Initial Purchaser is under no obligation to do so and, following the commencement of any market-making, may discontinue the same at any time without prior notice. In the absence of any market-making activity by the Refinancing Initial Purchaser it is unlikely that a secondary market for any of the Refinancing Notes will develop, and, even if the Refinancing Initial Purchaser elects to engage in some degree of market-making activity, a secondary market may not develop. Therefore, there can be no assurance that a secondary market for any of the Refinancing Notes will develop, or if a secondary market does develop, that it will provide the holders of the Refinancing Notes with liquidity with respect to such investment or that it will continue for the life of the Refinancing Notes.

The Issuer will not commence any proceedings on behalf of a Holder

Each Purchaser of Refinancing Notes will be required to agree or be deemed to agree that (A) the transaction documents contain limitations on the rights of the Holders to institute legal or other proceedings against the transaction parties, (B) it will comply with the express terms of the applicable transaction documents if it seeks to institute any such proceeding and (C) the transaction documents do not impose any duty or obligation of any kind on the Issuer, the Co-Issuer or their respective directors, officers, shareholders, members or managers to institute, or join any Holder or any other person in instituting, any such proceeding.

Relating to Taxes

Taxes imposed on, or with respect to payment made to, the Issuer

The Issuer expects that, based on current law and market practice, subject to the discussion of FATCA in "*Certain U.S. Federal Income Tax Considerations*," herein, payments received on the Collateral Debt Obligations and Eligible Investments generally will not be subject to a material amount of withholding tax imposed by the United States or reduced by a material amount of withholding taxes imposed by any other country. However, the treatment under current law of certain types of income the Issuer may receive may not be entirely clear, and the Issuer will likely be subject to withholding tax on Equity Securities. The Collateral Debt Obligations are required at the time of purchase not to be subject to withholding tax, unless (subject to limited exceptions) the issuer of the Collateral Debt Obligation

is required to make "gross up" payments to cover the full amount of such withholding tax. There can be no assurance, however, that payments on the Collateral Debt Obligations and Eligible Investments will not become subject to withholding as a result of any change in, or in the interpretation or administration of any applicable law, treaty, rule or regulation or other causes. The imposition of unanticipated withholding taxes could materially impair the Issuer's ability to pay interest on and principal of the Refinancing Notes.

In addition, Holders of the Class E-R Notes, the LP Certificates and the Income Notes are required to make representations intended to prevent the Issuer and the Income Note Issuer from being subject to U.S. federal withholding tax. In the event that a Holder of the Class E-R Notes, the LP Certificates or the Income Notes breaches these representations, the Issuer or the Income Note Issuer, respectively, may be subject to 30% U.S. federal withholding tax on all or substantially all of its income. Any such withholding tax would materially impair the Issuer's ability to make payments with respect to the Refinancing Notes. Further, certain LP Certificates will initially be held by non-US corporations that are expected not to cause interest to fail to be portfolio interest in the hands of the Issuer. However, subsequent affiliates of the initial holders of the LP Certificates could be a partnership. In that event, a portion of interest income allocated to such entity could fail to qualify for the portfolio interest exemption. Because the rules for qualification of interest as portfolio interest are both complex and cumbersome, it will be impracticable for the Issuer to determine prior to any particular purchase whether the interest may fail to qualify for portfolio interest. In the event any interest was subject to withholding, the amount subject to withholding would be the gross amount of such income allocated to such holder notwithstanding that the net amount of such income that is effectively allocated to such holder would be substantially less than such gross amount. Any such withholding imposed could have a material adverse effect on the Issuer's or the Income Note Issuer's ability to make payments on the Refinancing Notes.

In addition, if the Class E-R Notes are recharacterized as equity in the Issuer, certain income on the Collateral Debt Obligations and Eligible Investments could be subject to withholding if the Class E-R Notes are held by non-U.S. persons that fail to qualify for the portfolio interest exemption with respect to the income on any particular asset (or if the payments are treated as guaranteed payments under the partnership rules or are subject to withholding under FATCA). In that event, the amount subject to withholding might be the gross amount of such income allocated to such holder notwithstanding that the net amount of such income that is effectively allocated to such holder would be substantially less than such gross amount. Any such withholding could have a material adverse effect on the Issuer's ability to make payments on the Refinanced Notes

Lastly, under recently enacted legislation commonly referred to as the Tax Cuts and Jobs Act of 2017 (the "2017 Tax Act"), if a transferor realizes gain on the sale of a partnership interest and the partnership is engaged in a U.S. trade or business, then unless the transferor provides a certification to the transferee that it is a U.S. person, a transferee of such partnership interest is required to withhold 10% of the amount realized on the sale. Currently, there is no mechanism for the Issuer to certify that it is not (or for the transferor to certify that it reasonably believes the Issuer is not) engaged in a trade or business (or not engaged in a trade or business within the United States) in lieu of the requirement for a transferor to give the requisite U.S. Person certification. Even if such a certification were to be allowed, there is no certainty the Issuer would be willing or able to provide it. Under the new legislation, if the transferee fails to withhold the correct amount, the Issuer is required to deduct and withhold from distributions to the transferee an amount equal to the amount the transferee failed to withhold. If the Issuer fails to properly withhold, it would be subject to interest and penalties. **Any retroactive withholding liability (and/or penalties) could have a material adverse effect on the ability to make payments on the Refinancing Notes.**

In addition, to the extent any holder of LP Certificates or LP Interests (or any Notes characterized as equity in the Issuer or any holder making a Contribution if characterized as equity in the Issuer) is a non-FATCA compliant foreign financial institution (as defined under FATCA), the Issuer will be subject to 30% withholding on not only the interest allocated to such holder, but also (as of January 1, 2019) on the gross proceeds of Collateral Debt Obligations and Eligible Investments allocated to such holder. Although the Issuer can compel the sale of Notes held by such Holders, the Issuer may be subject to 30% U.S. federal withholding tax on all or substantially all of its income and sales proceeds (and not just the portion of the income actually distributable to such non-compliant holders). **Any such withholding tax (which may be imposed retroactively) would materially and dramatically impair the Issuer's ability to make payments with respect to the Refinancing Notes.**

Changes in tax law; no gross-up in respect of Refinancing Notes

All payments made by the Issuer on the Refinancing 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. Although no withholding tax or deduction is currently imposed on the payments on the Refinancing Notes to a holder that provides appropriate tax certifications to the Issuer, there can be no assurance that, as a result of a change in any applicable law, treaty, rule, regulation, or interpretation thereof (whether by official or informal means), or as a result of the application of FATCA, payments on the Refinancing Notes would not in the future become subject to withholding taxes or deductions. In the event that any withholding tax or deduction is imposed on payments on the Refinancing Notes, the Issuer will not "gross up" the payments.

Changes in tax law; imposition of non-U.S. tax on Issuer

The Issuer is not currently subject to Cayman Islands tax. However, there can be no assurance that the Issuer will not in the future be subject to tax by the Cayman Islands or some other jurisdiction as a result of a change in law. In the event that tax is imposed on the Issuer, the Issuer's ability to make payments on the Refinancing Notes may be impaired.

Changes in tax law; imposition of tax on Non-U.S. Holders

Except as discussed herein with regard to FATCA, distributions on the Refinancing Notes properly treated as debt for U.S. federal income tax purposes to a Non-U.S. Holder (as defined herein in "*Certain U.S. Federal Income Tax Considerations*") that provides appropriate tax certifications to the Issuer and gain recognized on the sale, exchange or retirement of the Refinancing Notes by the Non-U.S. Holder will not be subject to U.S. federal income tax unless the payments or gain are effectively connected with a trade or business conducted by the Non-U.S. Holder in the United States or, in the case of gain, the Non-U.S. Holder is a nonresident alien individual who holds the Refinancing Notes as a capital asset and is present in the United States for more than 182 days in the taxable year of the sale and certain other conditions are satisfied. However, no assurance can be given that Non-U.S. Holders will not in the future be subject to tax imposed by the United States.

Tax characterization of the Refinancing Notes

Chapman and Cutler, LLP, special U.S. federal income tax counsel to the Issuer in respect of the issuance of the Refinancing Notes, will provide an opinion to the Issuer to the effect that, assuming compliance with the Indenture (and certain other documents) and based upon certain customary representations and assumptions, the Class A-R Notes and the Class B-R Notes will, and the Class E-R Notes should, be treated as debt for U.S. federal income tax purposes. The opinion referred to above does not address any Refinancing Notes issued or deemed issued in a Refinancing, Repricing or an issuance of additional notes, and does not address any Refinancing Notes held by persons deemed related to the Issuer that are recharacterized under section 385 (see discussion below) and the regulations thereunder. The determination of whether a Refinancing Note will be treated as debt for United States federal income tax purposes is based on the facts and circumstances existing at the time the Note is issued. Recharacterization of a Class of Refinancing Notes may be more likely if a single investor or a group of investors that holds all or a proportion of the LP Certificates (or Class II LP Interests or Class III LP Interests, "individually and collectively, "**Class LP Interests**") also holds all of a more senior Class of Refinancing Notes in the same proportion as the LP Certificates and Class LP Interests are held. In the event of such recharacterization, it is unclear whether such recharacterized Refinancing Notes would be treated, for federal income tax purposes, as debt upon sale from such investor or group of investors. In addition, the U.S. Treasury and IRS have issued final regulations under section 385 of the Code that would in certain circumstances treat as stock for U.S. federal income tax purposes a Refinancing Note that otherwise would be treated as debt for such purposes, but only during periods in which the Refinancing Note is held by a member of an expanded group that includes the Issuer. An expanded group is generally a group of corporations or controlled partnerships connected through 80% or greater direct or indirect ownership links.

Refinancing Notes that were once treated as stock under these rules may be converted back to debt when acquired by a holder that is not a member of an expanded group including the Issuer. Investors in Refinancing Notes should consult with their own tax advisors regarding the possible effect of future section 385 regulations on them.

The opinion of Chapman and Cutler, LLP described above will be qualified by these recharacterization risks and may not, for example, cover Refinancing Notes owned by holders of LP Certificates (or Class LP Interests) as described in the second preceding paragraph.

The opinion of Chapman and Cutler, LLP will be based on current law and certain representations and assumptions. Prospective investors should be aware that opinions of counsel are not binding on the IRS, and there can be no assurance that the IRS will not seek to characterize as something other than indebtedness any particular Class or Classes of the Notes.

For U.S. federal income tax purposes, the Issuer, and not the Co-Issuer, will be treated as the issuer of the Refinancing Notes. However, the section 385 regulations described above, if applied to the Refinancing Notes, could treat certain Refinancing Notes held by members of the Issuer's expanded group as being issued by the owners of the Issuer that are members of the expanded group (as opposed to being treated as issued by the Issuer itself).

The Issuer intends to treat the Refinancing Notes, and the Indenture requires that the Holders agree to treat the Refinancing Notes, as debt for U.S. federal tax purposes. Nevertheless, the treatment of any class of Refinancing Notes as debt of the Issuer could be challenged by the IRS. If such a challenge were successful, any class of Refinancing Notes could be recharacterized as equity interests in the Issuer, in which case the U.S. federal income tax consequences of investing in such Refinancing Notes would be substantially the same as the consequences of investing in the LP Certificates

In addition, the Issuers may, for certain specified purposes, enter into supplemental indentures, some of which may be entered into without the consent of any holders of Notes and without requiring the Issuer to specifically consider whether such supplemental indentures will not cause the Refinancing Notes to be treated as exchanged for other securities, in a transaction in which gain or loss is recognized.

Imposition of U.S. federal net income tax on the Issuer

Prior to the First Refinancing Date, the Issuer operated with the intention that it would not be subject to U.S. federal income tax on a net basis. The Issuer also intends to undertake its future operations in a manner that will not cause it to become subject to U.S. federal income tax on its net income. With regard to such intent, the Issuer received an opinion of Ashurst LLP ("**Tax Counsel**") on the Original Closing Date, to the effect that, if the Issuer and the Collateral Manager complied with the Indenture and the Collateral Management Agreement (including certain tax guidelines referenced therein), other related documents, and certain other assumptions specified in the opinion were satisfied, 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, under current law, and although not free from doubt, the Issuer's contemplated activities will not cause it to be engaged in a trade or business in the United States. However, this opinion was based on the documents and current law as of the Original Closing Date, and simply represented Tax Counsel's best judgment and the opinion is not binding on the IRS or the courts. Thus, the Issuer could be treated as engaged in the conduct of a trade or business within the United States as a result of unanticipated activities, changes in law, contrary conclusions by the IRS or other causes. It should also be noted that the Issuer is permitted to depart from such tax guidelines, provided that it receives advice from other nationally recognized U.S. tax counsel to the effect that such changes will not cause the Issuer to be engaged in a trade or business within the United States for U.S. federal income tax purposes. The opinion of Tax Counsel assumed the correctness of any such advice.

Furthermore, the Collateral Manager is not obligated to monitor (and in some cases, conform the Issuer's activities in order to comply with) changes in law that could affect whether the Issuer is treated as engaged in a U.S. trade or business. The Collateral Manager might act in accordance with the tax investment guidelines notwithstanding the issuance of new decisions by the courts, new legislation or official guidance (regardless of whether such new interpretation, legislation or guidance would either merely increase the risk that the Issuer would be, or actually cause the Issuer to be, engaged in a U.S. trade or business). In addition, although the Collateral Manager can be removed for cause, violations of the tax investment guidelines will not constitute "cause" if they do not have a material adverse effect on the Holders of any Class of Notes or the Holders of the LP Certificates. It is not certain that a violation of such guidelines that causes an increase in the risk that the Issuer will be engaged in a trade or business in the United States for U.S. federal income tax (without actually having that effect) will be treated as reasonably being expected to have such a material adverse effect. The Opinion of Tax Counsel explicitly noted that its opinion was relying on the

Collateral Manager's compliance with the tax guidelines and the Issuer and investors may not have any recourse in the event that the predicate for the opinion fails to be satisfied.

Although the Issuer intends to continue to follow the tax guidelines as described above (and has provided assurances that it has followed such guidelines for the period prior to the First Refinancing Date), investors in the Refinancing Notes should be aware that there will not be a new tax opinion issued on the First Refinancing Date with regard to whether the Issuer will be engaged in a trade or business within the United States for U.S. federal income tax purposes.

Although the Issuer intends to be treated as a foreign partnership for U.S. federal income tax purposes, it is possible that the Issuer may be treated as a corporation for U.S. federal income tax purposes. If the Issuer is treated as a foreign corporation for U.S. federal income tax purposes and is treated as engaged in a trade or business in the United States for U.S. federal income tax purposes, (i) the Issuer could be subject to U.S. federal income tax on a net income basis (and possibly a branch profits tax), (ii) the Issuer could be obligated to file a U.S. federal income tax return (and would not be able to claim deduction or credits for years in which it was required to but did not file a U.S. federal income tax return), and (iii) amounts available to the Issuer for distribution to the holders of the Refinancing Notes may be materially reduced. In addition, if the Issuer is a corporation, it will likely be a PFIC or a CFC for U.S. federal income tax purposes.

The Budget Act, which was enacted on November 2, 2015, repeals and replaces (for taxable years beginning on January 1, 2018) the rules applicable to certain administrative and judicial proceedings regarding a partnership's U.S. federal income tax affairs. Under the new rules (the "New Partnership Audit Rules"), U.S. federal income taxes (and any related interest and penalties) attributable to an adjustment to the Issuer's income following an IRS audit or judicial proceeding will, absent an election by the Issuer to the contrary, have to be paid by the Issuer in the year during which the audit or other proceeding is resolved. This could cause the economic burden of U.S. federal income tax liability arising on audit of the Issuer to be borne by the Issuer in the year during which the audit or other proceeding is resolved, even though such tax liability is attributable to the holders of the LP Certificates or LP Interests (and any other Refinancing Notes characterized as equity in the Issuer) with respect to an earlier taxable year in which the interests or identity of some or all of the holders of Refinancing Notes was different than during the applicable audit year.

If elected by the partnership representative (which may be a different person than the tax matters partner), an alternative procedure may allow the Issuer to avoid such entity-level U.S. federal income tax liability in some cases if certain conditions are satisfied. However, such election will require the identification and cooperation of the holders of the LP Certificates and LP Interests (and any other Notes or interests in the Issuer characterized as equity in the Issuer). However, certain Holders of such equity interests may calculate that any resulting withholding from their failure to cooperate will afflict holders other than itself. Accordingly, there is no assurance that holders of such equity interests will provide the requisite information to the Issuer to permit the Issuer to elect out of the new rules. In the event that any such holder fails or is unable to provide the Issuer with the requisite identifying information within the prescribed time frame, or the Issuer does not so elect, the Issuer may upon audit be subject to this new entity level tax. Further, even if the Issuer correctly calculated the amount of tax allocated to its partners (or even if the Issuer conservatively allocated a greater amount of tax to its partners in prior years), the Issuer could be subject to a material entity level tax if, in either case, it allocated such tax incorrectly. **Any such tax could materially impair the Issuer's ability to make payments with respect to the Refinancing Notes and the Issuer did not previously, and will not in connection to this Refinancing, receive an opinion of counsel with respect to the lack of such entity level tax.**

The New Partnership Audit Rules are complex and additional guidance will be required before they are implemented. Prospective Noteholders should discuss with their own tax advisors the possible implications of the new rules with respect to an investment in the Issuer.

Relating to the Collateral Debt Obligations.

In response to the downturn in the credit markets and the global economic crisis, various agencies and regulatory bodies of the United States federal government have taken or are considering taking actions to address the financial crisis. These actions include, but are not limited to, the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("**Dodd-Frank**"), which was signed into law on July 21, 2010, and which imposes a new

regulatory framework over the U.S. financial services industry and the credit markets in general. Dodd-Frank, in turn, mandates the issuances of a number of new regulations by the U.S. regulatory agencies. Many of these regulations have been adopted, but others remain in proposed form or have yet to be proposed. These changes could, individually or collectively, significantly alter the manner in which asset-backed securities, including securities similar to the Securities and the Income Notes, are issued and structured and increase the reporting obligations of the issuers of such securities. Given the broad scope and sweeping nature of these changes and the fact that in some instances final implementing rules and regulations have not yet been adopted, the potential impact of these actions on the Issuer, any of the Securities or the Income Notes or any holders of the Securities or the Income Notes, respectively, is not fully known, and no assurance can be made that the impact of such changes would not have a material adverse effect on the prospects of the Issuer or the value or marketability of the Securities and the Income Notes, the ability of the Holders to maintain an investment in the Securities or Income Notes, or the treatment of the Securities or Income Notes for purposes of regulatory capital determinations. In particular, to the extent any new changes have retroactive application and affect pre-existing transactions, the costs of compliance with such rules and regulations could have a material adverse effect on the Issuer and the holders of the Securities and the Income Notes. If the Issuer were unable to comply with such rules and regulations (because of excessive cost, unavailability of information or otherwise), the Issuer could be subject to an enforcement action or other legal action and an Event of Default could result. Liquidation of the Collateral as a result of an Event of Default could have a material adverse effect on the holders of the Securities and the Income Notes. Moreover, the Issuers and the Income Note Issuer will have no obligation to, and may be unable to or choose not to, take any actions that would mitigate the adverse impact of any such regulatory changes on Holders of Securities or Income Notes. There have also been several recent legislative and regulatory initiatives in Europe and elsewhere in the world that relate to the financial markets. The cumulative effect of all of these recent regulatory changes is uncertain at this time. Furthermore, no assurance can be made that the United States federal government or any U.S. regulatory body (or any other authority or regulatory body, domestic or foreign) will not take further legislative or regulatory action in response to the recent or future economic events or otherwise, and the effect of such actions, if any, cannot be known or predicted.

These regulatory changes include, but are not limited to, the following:

Commodity Exchange Act. Based on its activities as of the date of this Offering Memorandum, the Issuer would not be deemed to be a commodity pool. In addition, the Issuer will not be permitted to enter into hedge agreements. The Commodity Futures Trading Commission (the "**CFTC**") rules under the Dodd-Frank Act include "swaps" as "commodity interests" which, if traded by an entity, may cause that entity to fall within the definition of a "commodity pool" under the U.S. Commodity Exchange Act and the Collateral Manager to fall within the definition of a "commodity pool operator" (a "**CPO**"). The CFTC has provided guidance that certain securitization transactions, including CLOs that meet certain conditions, will be excluded from the definition of "commodity pool". However, it is possible that after the date hereof the Issuer may engage in limited commodity interest activity that might cause it to be deemed to be a commodity pool at such time. Because of such a possibility of limited commodity interest activity in the future, the Collateral Manager may file for an exemption from registration as a CPO pursuant to CFTC Regulation 4.13(a)(3) (the "**De Minimis Exemption**"). If the Collateral Manager is operating under the De Minimis Exemption from registration as a CPO then, unlike a registered CPO, it is not required to deliver a disclosure document and a certified annual report to investors in the Securities. Among other things, the De Minimis Exemption requires the filing of a notice of exemption with the U.S. National Futures Association (the "**NFA**"). The De Minimis Exemption also requires that at all times either: (i) the aggregate initial margin and premiums required to establish commodity interest positions, which include swaps, does not exceed 5 percent of the liquidation value of the commodity pool's portfolio; or (ii) the aggregate net notional value of the commodity interest positions, which include swaps, of the commodity pool does not exceed 100 percent of the liquidation value of its portfolio and further that all persons that participate in the pool are required to be accredited investors or certain other qualified investors. If in the future the Collateral Manager is not able to operate the Issuer to meet the requirements of the De Minimis Exemption and no other exemption is available to it, then the Collateral Manager will be required to register with the NFA as a CPO. In such event, the Collateral Manager would likely file a notice of a claim for exemption pursuant to CFTC Regulation 4.7 in connection with acting as the CPO of the Issuer. If the De Minimis Exemption is satisfied or the Issuer is otherwise excluded from being considered a commodity pool, the Collateral Manager may also choose to register as a CPO but elect to continue to operate the Issuer under the De Minimis Exemption or such other exclusion. The Collateral Manager will take any action with respect to its registration obligations in its sole discretion.

Volcker Rule. Section 619 of Dodd-Frank added a provision (commonly referred to as the "**Volcker Rule**") to federal banking law, which generally prohibits various covered banking entities from engaging in proprietary trading, or from acquiring or retaining an "ownership interest" in, or sponsoring or having certain relationships with, certain private funds (referred to as "covered funds"), subject to certain exemptions. The final implementing regulations include as a covered fund any entity that would be an investment company but for the exemptions provided by Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act. Therefore, absent an exemption, the Issuer would be a covered fund.

The Volcker Rule and the implementing regulations contain an exclusion from the definition of "covered fund" commonly referred to as the "loan securitization exclusion," which applies to an asset-backed security issuer the assets of which, in general, consist only of loans, assets or rights designed to assure the servicing or timely distribution of proceeds to holders or that are related or incidental to purchasing or otherwise acquiring and holding the loans. The Issuer expects to qualify for the loan securitization exclusion and, to that end, the Indenture will not permit the Issuer to purchase certain securities, including bonds (*provided* that the Issuer will be permitted to receive and hold certain securities received in lieu of debts previously contracted as permitted by the loan securitization exclusion). Notwithstanding such a requirement, no assurance can be made and there is no guarantee that the Issuer will qualify for the loan securitization exclusion or for any other exclusion or exemption that might be available under the Volcker Rule and its implementing regulations. The Income Note Issuer has not been structured to meet the requirements of the loan securitization exclusion and any entity purchasing Income Notes should make its own determination as to whether the Income Note Issuer is a covered fund and as to whether the Income Notes are ownership interests. No assurance can be given as to the effect of the Volcker Rule and its implementing regulations on the ability of certain investors subject to the Volcker Rule to acquire or retain certain Classes of Securities or the Income Notes, and affected investors should consult their own legal counsel. Depending on market conditions, this could significantly and negatively affect the liquidity and market value of the Securities and the inability to purchase bonds may reduce returns otherwise available on the LP Certificates and the Income Notes.

Reliance on Rating Agency Ratings. Dodd-Frank requires that federal banking agencies amend their regulations to remove reference to or reliance on credit agency ratings, including but not limited to those found in the federal banking agencies' risk-based capital regulations. Certain regulations adopted by the federal banking agencies since the passage of Dodd-Frank have excluded references to or reliance on credit ratings in connection with measures of risk-based capital. Regulators are continuing to review risk-based capital assessments in connection with asset-backed securities. When all such regulations are fully implemented, investments in asset-backed securities like the Securities and the Income Notes by such institutions may result in greater capital charges to financial institutions that own such securities, or otherwise adversely affect the treatment of such securities for regulatory capital purposes. Furthermore, all prospective investors in the Securities and the Income Notes whose investment activities are subject to legal investment laws and regulations, regulatory capital requirements, or review by regulatory authorities should consult with their own legal, accounting and other advisors in determining whether, and to what extent, the Securities or the Income Notes will constitute legal investments for them or are subject to investment or other regulatory restrictions, unfavorable accounting treatment, capital charges or reserve requirements.

Risk Retention. On October 21st and 22nd, 2014, six federal agencies (including the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Securities and Exchange Commission, the Department of Housing and Urban Development, and the Federal Housing Finance Agency) adopted joint final regulations requiring risk retention by securitizers, including with respect to collateralized loan obligations ("**CLOs**") ("**US Risk Retention Regulations**"), which became effective for CLOs on December 24, 2016. As used in this Offering Memorandum, the term "US Risk Retention Regulations" refers to the US Risk Retention Regulations in effect as of the date hereof.

On February 9, 2018, the Court of Appeals for the District of Columbia (the "**DC Circuit Court**") issued a ruling (the "**D.C. Circuit Ruling**") in favor of an appeal brought by the The Loan Syndications and Trading Association from a district court ("**District Court**") ruling granting summary judgment to the SEC and the Board of Governors of the Federal Reserve System (the "**Applicable Governmental Agencies**"). In its decision, the DC Circuit Court overturned the decision of the District Court to the effect that the SEC and the Federal Reserve could reasonably interpret Section 941 of Dodd Frank Act to treat CLO managers of "open-market CLOs" (which is described in the ruling as CLOs where assets are acquired from "arms-length negotiations and trading on an open market") ("**Open-Market CLO Managers**") as "securitizers" for the purpose of applying risk retention obligations. As part of its

ruling, the DC Circuit Court remanded the case to the District Court with instructions that it vacate the US Risk Retention Regulations insofar as they apply to Open-Market CLO Managers.

The time period for the Applicable Governmental Agencies to seek a rehearing in the DC Circuit Court has expired. On April 3, 2018 the appellate mandate (the "**Mandate**") was issued by the DC Circuit Court in respect thereof and on April 5, 2018, the United States District Court for the District of Columbia entered an order with respect to the Mandate, thus making the D.C. Circuit Court Ruling effective. However, the Applicable Governmental Agencies have until May 10, 2018 to petition the United States Supreme Court to accept an appeal of the case. The United States Supreme Court has no obligation to consider a request for appeal. Prospective investors should assume that the Applicable Governmental Agencies will not prevail on any appeal and that neither the Collateral Manager nor any of its affiliates will be required to acquire or hold any Refinancing Notes in order to comply with the US Risk Retention Regulations.

The Collateral Manager believes that neither it nor any of its Affiliates is required to be a "sponsor" of this transaction as of the First Refinancing Date for purposes of compliance with the US Risk Retention Regulations. As a result of such determination, no participant in this transaction will be obligated to undertake compliance with the US Risk Retention Regulations by holding risk retention interests. **There can be no assurance, and no representation is made, that any governmental authority will agree with such determination of the Collateral Manager**. In addition, there can be no assurance that the Applicable Governmental Agencies will not petition the United States Supreme Court as described above or that, if such petition is made, the United States Supreme Court will not accept such petition and subsequently overturn the D.C. Circuit Court Ruling.

Notwithstanding the foregoing, on the Original Closing Date, Tetragon Credit Income II L.P. (the "**TCI II**"), which is an Affiliate of the Collateral Manager, purchased and continues to retain an ownership interest in all of the LP Certificates (which is held either directly or indirectly through the ownership of Income Notes). While TCI II does not currently intend to transfer its ownership interest in the LP Certificates, it will not be required retain such interest. None of the Collateral Manager, its Affiliate or any funds or other investment vehicles advised by the Collateral Manager and/or its Affiliates will have any obligation to purchase or retain any Securities and may, in the future, transfer or otherwise dispose of all or a portion of its ownership interest in the LP Certificates.

Other Changes. 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. 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.

All prospective investors in the Refinancing Notes whose investment activities are subject to legal investment laws and regulations, regulatory capital requirements, or review by regulatory authorities should consult with their own legal, accounting and other advisors in determining whether, and to what extent, the Refinancing Notes will constitute legal investments for them or are subject to investment or other restrictions, unfavorable accounting treatment, capital charges, reserve requirements or other consequences.

European legal investment considerations and retention requirements

Investors should be aware that, effective January 1, 2014, the CRR imposes on the EEA credit institutions and investment firms investing in securitizations issued on or after January 1, 2011, or in securitizations issued prior to that date where new assets are added or substituted after December 31, 2014:

- a requirement (the "**Retention Requirement**") that the originator, sponsor or original lender of such securitization has explicitly disclosed that it will retain, on an ongoing basis, a material net economic interest which, in any event, shall not be less than 5%; and

- a requirement (the "**Due Diligence Requirement**") that the investing credit institution or investment firm has undertaken certain due diligence in respect of the securitization and the underlying exposures and has established procedures for monitoring them on an ongoing basis.

National regulators in EEA member states impose penalty risk weights on securitization investments in respect of which the Retention Requirement or the Due Diligence Requirement has not been satisfied in any material respect by reason of the negligence or omission of the investing credit institution or investment firm.

If the Retention Requirement or the Due Diligence Requirement is not satisfied in respect of a securitization investment held by a non-EEA subsidiary of an EEA credit institution or investment firm then an additional risk weight may be applied to such securitization investment when taken into account on a consolidated basis at the level of the EEA credit institution or investment firm.

Furthermore, requirements similar to the Retention Requirement and the Due Diligence Requirement (the "**Similar Requirements**"): (i) apply to investments in securitizations by funds managed by investment managers subject to EU Directive 2011/61/EU; and (ii) subject to the adoption of certain secondary legislation, will apply to investments in securitizations by EEA insurance and reinsurance undertakings and by EEA undertakings for collective investment in transferable securities.

None of the Issuer, the Refinancing Initial Purchaser, the Collateral Manager or their respective affiliates or any other person has committed or intends to retain a material net economic interest in the securitization constituted by the issuance of the Refinancing Notes in accordance with the Retention Requirement or to take any other action which may be required by EEA-regulated investors for the purposes of their compliance with the Retention Requirement, the Due Diligence Requirement or the Similar Requirements. Consequently, the Refinancing Notes are not a suitable investment for EEA credit institutions, investment firms or the other types of EEA regulated investors mentioned above. As a result, the price and liquidity of the Refinancing Notes in the secondary market may be adversely affected. The EU risk retention rules may change or be superseded by changes in law, interpretation or guidance or application of any law or regulation or changes in the regulatory capital treatment of the Refinancing Notes which may negatively impact the regulatory position of individual investors and, in addition, may have a negative impact on the price and liquidity of the Refinancing Notes in the secondary market. EEA-regulated investors are encouraged to consult with their own investment and legal advisors regarding compliance with the Retention Requirement, the Due Diligence Requirement or Similar Requirements, as applicable, and the suitability of the Refinancing Notes for investment.

Changes in applicable laws and/or accounting standards may have a material and adverse effect on the Notes, the Issuer and/or the Collateral Manager

The Collateral Manager and the Issuer are subject to various applicable laws (including the US Risk Retention Regulations) and accounting standards. Those applicable laws and accounting standards and their interpretation and application may also change from time to time, and those changes may have a material and adverse effect on the Securities, the Issuer and/or the Collateral Manager.

Illiquidity in the Leveraged Finance and Fixed Income Markets may Affect the Holders of the Refinancing Notes

During periods of limited liquidity and higher price volatility in global credit markets, the Issuer's ability to acquire or dispose of Collateral Debt 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. The Issuer's inability to dispose fully and promptly of positions in declining markets will cause its net asset value to decline and may exacerbate losses suffered by the Issuer when Collateral Debt Obligations are sold. Furthermore, significant additional liquidity-related risks for the Issuer and investors in the Refinancing Notes exist. Those risks include, among others, (i) the possibility that the prices at which Collateral Debt 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 Refinancing Notes because of reduced secondary trading in collateralized loan obligation securities. These additional risks may affect the returns on the Refinancing Notes to investors or otherwise adversely affect holders of the Refinancing Notes.

Regardless of current or future market conditions, certain Collateral Debt Obligations purchased by the Issuer will have only a limited trading market (or none). The Issuer's investment in illiquid loans 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 loans may trade at a discount from comparable, more liquid investments. In addition, adverse developments in the primary market for leveraged loans may reduce opportunities for the Issuer to purchase recent issuances of Collateral Debt Obligations. More particularly, 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. If there were to be another liquidity crisis on the global credit markets, it may adversely affect the flexibility of the Collateral Manager in relation to the management of the portfolio and, ultimately, the returns on the Refinancing Notes to investors.

General economic conditions may affect the ability of the Issuers to make payments on the Refinancing Notes

Significant risks may exist for the Issuer and investors in the Refinancing Notes as a result of uncertain general economic conditions. These risks include, among others, (i) the possibility that, on or after the First Refinancing Date, the prices at which Collateral Debt Obligations can be sold by the Issuer will have deteriorated from their effective purchase price, (ii) the illiquidity of the Refinancing Notes, as there may be no secondary trading in the Refinancing Notes and (iii) the possibility of a decline in the market value of the Refinancing Notes. These risks may affect the returns on the Refinancing Notes to investors and the ability of investors to realize their investment in the Refinancing Notes prior to the Stated Maturity, if at all. In addition, the primary market for a number of financial products including leveraged loans may be volatile, and the level of new issuances may be uncertain and may vary based on a number of factors, including general economic conditions. As well as reducing opportunities for the Issuer to purchase assets in the primary market, this may increase reinvestment or refinancing risk in respect of maturing Collateral Debt Obligations. These additional risks may affect the returns on the Refinancing Notes to investors and could further slow, delay or reverse an economic recovery and cause a further deterioration in loan performance generally. Limitations on the amount of available credit in the market may have an adverse impact on general economic conditions that affect the performance of the Collateral Debt Obligations. The slowdown in growth or commencement of a recession would be expected to have an adverse effect on the ability of businesses to repay or refinance their existing debt. Adverse macroeconomic conditions may adversely affect the rating, performance and the realization value of the Collateral Debt Obligations. It is possible that the Collateral Debt Obligations will experience higher default rates than anticipated and that performance will suffer.

In recent years, some leading global financial institutions have been forced into mergers with other financial institutions, have been partially or fully nationalized or have become bankrupt or insolvent. The bankruptcy or insolvency of a major financial institution may have an adverse effect on the Issuer, particularly if such financial institution is the administrative agent of a leveraged loan or is a selling institution with respect to a Participation. In addition, the bankruptcy, insolvency or financial distress of one or more additional financial institutions, or one or more sovereigns, may trigger additional crises in the global credit markets and overall economy which could have a significant adverse effect on the Issuer, the Collateral and the Refinancing Notes.

The market value and performance of the Collateral Debt Obligations and the Refinancing Notes may be adversely impacted by current and future economic conditions, including perceptions of potential, current or future conditions, market trading imbalances or technical dislocation. To the extent that economic and business conditions fail to improve or deteriorate further, the levels of defaults and delinquencies are likely to increase and market values may decrease or not fully recover, which may adversely affect the amount of Sale Proceeds that could be obtained upon the sale of the Collateral Debt Obligations and could adversely impact the ability of the Issuer to make payments on the Refinancing Notes.

Conditions in Europe may adversely affect obligors on Collateral Debt Obligations which could negatively impact the Refinancing Notes

Certain of the Collateral Debt Obligations may be issued by obligors located in the European Union (the "**EU**") or otherwise affected by the strength of the euro. European financial markets have experienced volatility and have been adversely affected by concerns about rising government debt levels, credit rating downgrades and possible default on or restructuring of government debt. These events have caused bond yield spreads (the cost of borrowing debt in the capital markets) and credit default spreads (the cost of purchasing credit protection) to increase, most notably in relation to certain eurozone countries. The governments of several member countries of the EU have experienced large public budget deficits, which have adversely affected the sovereign debt issued by those countries and may ultimately lead to declines in the value of the euro.

It is possible that countries that have already adopted the euro could abandon the euro and return to a national currency and/or that the euro will cease to exist as a single currency in its current form. The effects on a country of abandonment of the euro or a country's forced expulsion from the EU are impossible to predict, but are likely to be negative. The exit of any country out of the EU or the abandonment by any country of the euro would likely have a destabilizing effect on all eurozone countries and their economies and a negative effect on the global economy as a whole. Although all Collateral Debt Obligations must be U.S. dollar denominated, the effect of such potential events on the obligors, Collateral Debt Obligations, the Issuer or on the Refinancing Notes is impossible to predict.

The effect of the United Kingdom exiting the European Union may adversely affect obligors on Collateral Debt Obligations which could negatively impact the Refinancing Notes

A referendum on the United Kingdom's membership in the EU was held on June 23, 2016. Under the referendum, the United Kingdom voted by a majority to withdraw from the EU. On March 29, 2017, the United Kingdom government provided notification to the EU under Article 50 of the Treaty on European Union (previously known as the Treaty of Maastricht), commencing what is likely to be a lengthy period of negotiation (prescribed under EU law to be a maximum of two years) between the United Kingdom and the EU on the terms and conditions of such withdrawal. The uncertainty surrounding the implementation and effect of such withdrawal, the terms and conditions of such exit, the uncertainty in relation to the legal and regulatory framework that would apply to the United Kingdom and its relationship with the remaining members of the EU (including in relation to trade) during a withdrawal process and after any withdrawal is effected, has caused and is likely to cause increased economic volatility and market uncertainty globally. These uncertainties could have a material adverse effect on the Issuer's ability to make payments on the Securities (and, consequently, the Income Note Issuer's ability to make payments on the Income Notes).

Changes in the tax audit rules and proposed changes in tax law may have a negative impact on the obligors of the Collateral Debt Obligations

Changes in the tax audit rules that become effective in 2018 may cause partnership borrowers (and not just their partners) to become subject to tax where the audit results in changes to, among other things, the timing, character, amount or allocation of partnership income or deductions. In addition, recently enacted legislation will, among other things, lower the corporate tax rate and limit the deductibility of interest, particularly for highly leveraged taxpayers. The aggregate effect of the legislation may be to increase taxes for corporate borrowers. In the event a borrower's tax liability was increased, the borrower's ability to make payments on its loans could be impaired. In addition, it is uncertain what effect the legislation would have on the demand for loans and interest rates. No representation is made as to what effect it this legislation will have on the market for loans, the Issuer or the Refinancing Notes.

Cayman Islands Anti-Money Laundering Legislation

Each of the Administrator, the Issuer and the Income Note Issuer is subject to the Anti-Money Laundering Regulations, 2017 of the Cayman Islands ("**Regulations**"). The 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 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, as well as the identity of the beneficial owner/controller of the investor, where applicable. 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 Securities or the Income Notes in a manner similar to the obligations imposed under the laws of other major financial centers. Application of an identity verification exemption at the time of purchase of the Securities or the Income Notes may nevertheless require verification of identity prior to payment of proceeds from the Securities or the Income Notes. In addition, if any person in the Cayman Islands knows or suspects, or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or money laundering, or is involved with terrorism or terrorist financing and 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 (2017 Revision) 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 (2017 Revision) of the Cayman Islands, if the disclosure relates to involvement with terrorism or terrorist

financing and property. If the Issuer or Income Note Issuer were determined by the Cayman Islands authorities to be in violation of the PCL, the Terrorism Law or Regulations, the Issuer or the Income Note Issuer, as applicable, could be subject to substantial criminal penalties and/or administrative fines. The Issuer or Income Note 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 or the Income Note Issuer (as the case may be) to the holders of the Securities or Income Notes.

Actions by Banking Regulators Relating to Leveraged Loans Could Negatively Affect the Issuer

In March 2013, the Office of the Comptroller of the Currency, Department of the Treasury, Board of Governors of the Federal Reserve and the Federal Deposit Insurance Corporation (the "**Banking Agencies**") issued guidance on the origination and ownership of leveraged loans. In the guidance, the Banking Agencies highlighted certain risks often associated with leveraged lending, including the absence of meaningful maintenance covenants, high debt to EBITDA – earnings before interest, taxes and depreciation – ratios and payment-in-kind toggle features. Many of the loans included in the Collateral may include one or more of the specifically identified risks characteristics. See "Risk Factors—Risk Factors Relating to the Collateral Debt Obligations" beginning on page 37 of the 2016 Offering Memorandum.

Additional actions, whether official or unofficial, by the Banking Agencies may adversely impact the Issuer or the holders of Refinancing Notes. For example, if the Banking Agencies issue regulations on lending or impose fines on financial institutions based on lending practices, financial institutions may, in turn, reduce the number and aggregate amount of leveraged loans provided to obligors. Such action may, among other things, limit the Issuer's ability to acquire Collateral Debt Obligations due to a reduction in the aggregate volume of leveraged loans available for purchase or lead to an increase in defaults (and therefore Defaulted Obligations) due to the inability of obligors to refinance. Alternatively, such action could influence the characteristics of the leveraged loans originating making it more difficult to source Collateral Debt Obligations satisfying the definition thereof and/or otherwise allowing the Issuer to satisfy the Reinvestment Criteria. Any reduction in the Issuer's ability to invest and/or reinvest cash into Collateral Debt Obligations, any increase in the default rate of Collateral Debt Obligations, or any change in the profile of Collateral Debt Obligation from current expectations, may reduce the amounts available to make payments on the Refinancing Notes.

Finally, any continued action or statements by the Banking Agencies highlighting the risks of assets similar to the Collateral Debt Obligations may have other adverse effects on the market for the Refinancing Notes. For example, continued negative publicity could reduce demand for investments collateralized by leveraged loans, including the Refinancing Notes, and the liquidity of the Refinancing Notes. Any reduction in the liquidity of the market for similar investments could limit the ability of holders of Refinancing Notes to sell Refinancing Notes at attractive prices or at all.

Anti-money laundering, corruption, bribery and similar laws may require certain actions or disclosures

Many jurisdictions have adopted wide-ranging anti-money laundering, economic and trade sanctions, and anti-corruption and anti-bribery laws, and regulations (collectively, the "**Requirements**"). Any of the Issuer, the Refinancing Initial Purchaser, the Collateral Manager or the Trustee could be requested or required to obtain certain assurances from prospective investors intending to purchase Refinancing Notes and to retain such information or to disclose information pertaining to them to governmental, regulatory or other authorities or to financial intermediaries or engage in due diligence or take other related actions in the future. It is the policy of the Issuer, the Refinancing Initial Purchaser, the Collateral Manager and the Trustee to comply with Requirements to which they are or may become subject and to interpret such Requirements broadly in favor of disclosure. Failure to honor any request by the Issuer, the Refinancing Initial Purchaser, the Collateral Manager or the Trustee to provide requested information or take such other actions as may be necessary or advisable for the Issuer, the Refinancing Initial Purchaser, the Collateral Manager or the Trustee to comply with any Requirements, related legal process or appropriate requests (whether formal or informal) may result in, among other things, a forced sale to another investor of such investor's Refinancing Notes. In addition, each of the Issuer, the Refinancing Initial Purchaser, the Collateral Manager and the Trustee intends to comply with the U.S. Bank Secrecy Act, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act of 2001 and any other anti-money

laundering and anti-terrorism, economic and trade sanctions, and anti-corruption or anti-bribery laws, and regulations of the United States and other countries, and will disclose any information required or requested by authorities in connection therewith

Requirements imposed on Rating Agencies could result in withdrawal of ratings if certain actions are not taken by the arranger

On June 2, 2010, certain amendments to Rule 17g-5 under the Exchange Act ("**Rule 17g-5**") became effective. Amended Rule 17g-5 requires each rating agency providing a rating of a structured finance product such as this transaction paid for by the "arranger" (defined as the issuer, the underwriter or the sponsor) to obtain an undertaking from the arranger to (i) create a password protected website, (ii) post on that website all information provided to the rating agency in connection with the initial rating of any class of secured notes and all information provided to the rating agency in connection with the surveillance of such rating, in each case, contemporaneous with the provision of such information to the applicable rating agency and (iii) provide access to such website to other rating agencies that have made certain certifications to the arranger regarding their use of the information. In this transaction, the "arranger" is the Issuer and each Class of Refinancing Notes are "secured notes".

Each Rating Agency must be able to reasonably rely on the arranger's certifications. If the arranger does not comply with its undertakings to any Rating Agency with respect to this transaction, such Rating Agency may withdraw its ratings of the Refinancing Notes, as applicable. In such case, the withdrawal of ratings by any Rating Agency may adversely affect the price or transferability of the Refinancing Notes and may adversely affect any beneficial owner that relies on ratings of securities for regulatory or other compliance purposes. Although the Indenture will contain certain provisions that are intended to enable the Rating Agencies to comply with their obligations under Rule 17g-5, reports or statements of the Issuer's Independent certified public accounts will not be provided to any Rating Agency.

Under Rule 17g-5, rating agencies providing the requisite certifications described above may issue unsolicited ratings of the Refinancing Notes which may be lower and, in some cases, significantly lower than the ratings provided by the Rating Agencies. The unsolicited ratings may be issued prior to, on or after the First Refinancing Date and will not be reflected herein. Issuance of any unsolicited rating will not affect the issuance of the Refinancing Notes. If such unsolicited ratings are lower than the ratings assigned to the Refinancing Notes by the Rating Agencies, that could have a material adverse effect on the liquidity, market value and regulatory characteristics of the Refinancing Notes. In addition, Fitch may issue an unsolicited rating on a Class (other than the Class A-R Notes) which may be lower and, in some cases, significantly lower, than the S&P rating on such Class.

The SEC may determine that either or both of the Rating Agencies no longer qualifies as a nationally recognized statistical rating organization, as defined in Section 3(a)(62) of the Exchange Act (an "**NRSRO**"), or is no longer qualified to rate the Refinancing Notes, and that determination may also have an adverse effect on the liquidity, market value and regulatory characteristics of the Refinancing Notes.

S&P Settlements

On January 21, 2015, the SEC entered into administrative settlement agreements with S&P with respect to, among other things, multiple allegations of making misleading public statements with respect to its ratings methodology and certain misleading publications concerning criteria and research, in each case relating to commercial mortgage-backed security transactions. S&P neither admitted nor denied the charges in these settlements. As a result of these settlement agreements, the SEC ordered S&P censured and enjoined S&P from violating the statutory provisions and rules related to the allegations described above. Additionally, S&P agreed to pay civil penalties and other disgorgements exceeding $76 million. Finally, S&P agreed to refrain from giving preliminary or final ratings for any new issue U.S. conduit commercial mortgage-backed security transaction until January 21, 2016. On February 3, 2015, S&P entered into a settlement agreement with the United States Justice Department, 19 States and the District of Columbia, to settle lawsuits relating to S&P's alleged inflation of subprime mortgage bonds. S&P did not admit to any wrongdoing in connection with such settlement. Also on February 3, 2015, S&P entered into a settlement

agreement with the California Public Employees Retirement System to resolve claims over three structured investment vehicles. Under these settlement agreements, S&P agreed to pay an aggregate amount of about $1.5 billion. None of these settlement agreements involve S&P's collateralized loan obligation rating business.

Combination or "Layering" of Multiple Risks May Significantly Increase Risk of Loss

Although the various risks discussed in this Offering Memorandum are generally described separately, you should consider the potential effects of the interplay of multiple risk factors. Where more than one significant risk factor is present, the risk of loss to an investor in the Securities or the Income Notes may be significantly increased.

Past Performance of the Collateral Manager not indicative

The past performance of the Collateral Manager or its principals in other portfolios or investment vehicles may not be indicative of the results that the Collateral Manager may be able to achieve with the Collateral Debt Obligations, particularly in light of disruptions and volatility in the markets. Similarly, the past performance of the Collateral Manager or its principals over a particular period may not necessarily be indicative of the results that may be expected in future periods. Furthermore, the nature of, risks associated with, and strategies guiding the Issuer's investments may differ substantially from those investments and strategies undertaken historically by the Collateral Manager or its principals. There can be no assurance that the Issuer's investments will perform as well as past investments of the Collateral Manager or its principals, that the Issuer will be able to avoid losses, or that the Issuer will be able to make investments similar to the past investments of the Collateral Manager or its principals or any other person described herein. In addition, such past investments may have been made utilizing a leveraged capital structure, an asset mix and fee arrangements that are different from the anticipated capital structure, asset mix and fee arrangements of the Issuer. Moreover, because the investment criteria that govern investments in the Issuer's portfolio do not govern the Collateral Manager or its principals' investments and investment strategies generally and may differ from other criteria employed by the Collateral Manager in managing similar investment vehicles, such investments conducted in accordance with such criteria, and the results they yield, are not directly comparable with, and may differ substantially from other investments undertaken by the Collateral Manager or its principals.

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

The performance of the Refinancing Notes will be highly dependent upon the skills of the Collateral Manager in analyzing, acquiring and managing the Collateral Debt Obligations. As a result, the Issuer is highly dependent on the financial and managerial experience of certain individuals associated with the Collateral Manager, any of whom may not continue to be associated with the Collateral Manager for the term of this transaction. The loss of one or more of these individuals could have a material adverse effect on the performance of the Refinancing Notes. In addition, individuals not currently associated with the Collateral Manager may become associated with the Collateral Manager and the performance of the Collateral Debt 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 Manager" herein and "The Collateral Management Agreement" in the 2016 Offering Memorandum.

Relating to Certain Conflicts of Interest

In general, the transaction will involve various potential and actual conflicts of interest. Various potential and actual conflicts of interest may arise from the overall investment activity of the Collateral Manager, its clients and its affiliates and the Refinancing Initial Purchaser, its clients and its affiliates. The following briefly summarizes some of these conflicts, but is not intended to be an exhaustive list of all such conflicts. By acquiring Refinancing Notes, each holder will be deemed to have acknowledged the existence of such potential and actual conflicts of interest and, to the fullest extent permitted by applicable law, to have waived any claims with respect to the existence of such conflicts of interest. (References in this conflicts discussion to the Collateral Manager include the affiliates of the Collateral Manager unless otherwise specified or the context otherwise requires.)

Conflicts of interest involving the Collateral Manager

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. 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.

In executing transactions on behalf of the Issuer, the Collateral Manager may take into consideration all factors it deems relevant, including, without limitation, price, the size of the transaction, the nature of the market for such security, timing, general market trends, the reputation and experience of the broker or dealer involved, and may take into consideration research and other brokerage services furnished to the Collateral Manager or its Affiliates. Such services may be used by the Collateral Manager or its Affiliates in connection with its other advisory activities or investment operations. The Collateral Manager is authorized to pay a broker or dealer which provides such brokerage and research services a commission for executing a transaction for the Issuer which is in excess of the amount of commission another broker or dealer would have charged for effecting that transaction if the Collateral Manager in good faith determines that such amount of commission is reasonable in relation to the value of the brokerage and research services provided by such broker or dealer. Such research services rendered may be useful in providing services to clients other than the Issuer, and not all such information will necessarily be used by the Collateral Manager in connection with rendering services to the Issuer.

The Collateral Manager may aggregate sales and purchase orders of securities or other indebtedness (including, without limitation, instruments) placed with respect to the Collateral with similar orders being made simultaneously for other accounts managed by the Collateral Manager or with accounts of the Affiliates of the Collateral Manager, if in the Collateral Manager's reasonable judgment such aggregation would result in an overall economic benefit to the Issuer, taking into consideration the availability of purchasers or sellers, the sales or purchase price or other terms, brokerage commission and other expenses. The determination of any such economic benefit by the Collateral Manager is subjective and represents the Collateral Manager's evaluation at the time that the Issuer will be benefited by relatively better purchase or sales prices, lower commission expenses or beneficial timing of transactions or a combination of these and other factors. In the event that a transaction occurs as part of any aggregate sales or purchase orders, the objective of the Collateral Manager (and any of its Affiliates involved in such transactions) will be to allocate the executions among the accounts in a manner reasonably believed by the Collateral Manager to be equitable based on a number of factors, including facts and circumstances at the time of purchase or commitment to purchase and at the time of such allocation. Such allocations will not necessarily be made pro-rata among accounts.

Subject to the Collateral Manager's execution obligations set forth in the Collateral Management Agreement and, to the extent applicable to the activities of the Collateral Manager, compliance with the Advisers Act, the Collateral Manager is authorized to execute so much or all of the transactions for the Issuer's account with or through itself or any of its Affiliates as agent or as principal as the Collateral Manager in its sole discretion may determine, and may execute transactions in which the Collateral Manager, its Affiliates or their personnel have interests. In all such dealings, the Collateral Manager has a potentially conflicting division of loyalties and responsibilities regarding both parties to such transaction, and the Collateral Manager or any of its Affiliates will be authorized and entitled to retain any commissions, remuneration or profits which may be made in such transactions and will not be liable to account for the same to the Issuer, and the Collateral Manager's fees will not be abated thereby.

The Collateral Manager and its Affiliates are also authorized to execute agency cross transactions (collectively, "**Cross Transactions**") for the Issuer's account. Cross Transactions include inter-account transactions in which the Collateral Manager effects transactions for the Issuer's account and the Collateral Manager or its Affiliate recommends the transaction to the counterparty. Cross Transactions also include transactions where the Collateral Manager or an Affiliate of the Collateral Manager acts as broker for both the Issuer and the other party to the transaction. In such a Cross Transaction, the Collateral Manager has a potentially conflicting division of loyalties and responsibilities regarding both parties to the transaction and the Collateral Manager, or any of its Affiliates, may receive commissions from both parties to such transaction. Pursuant to the Collateral Management Agreement, the Issuer will authorize the Collateral Manager to execute Cross Transactions for the Issuer's account. Solely if and to the extent required of the Collateral Manager under the Advisers Act, such authorization is terminable at the Issuer's option without penalty, effective upon receipt by the Collateral Manager of written notice from the Issuer.

In addition to the requirements of the Indenture, the Collateral Manager will not cause the Issuer to enter into a transaction with the Collateral Manager or any of its Affiliates as principal unless (i) the Issuer has received from the Collateral Manager such information relating to such transaction as the Issuer may reasonably request, and (ii) the Issuer will have approved in writing such transaction; *provided*, that, for the avoidance of doubt, the Collateral Manager may effect client Cross Transactions where the Collateral Manager causes a transaction to be effected between the Issuer and another account advised by it or any of its Affiliates without regard to clauses (i) and (ii) above, subject to any prohibition applicable to the Collateral Manager under the Advisers Act. In certain circumstances, the interests of the Issuer or the Holders of the Refinancing Notes with respect to matters as to which the Collateral Manager is advising the Issuer may conflict with the interests of the Collateral Manager.

The relationship between the Collateral Manager and the Issuer as set forth in the Collateral Management Agreement permits the Collateral Manager and its Affiliates to act in multiple capacities *(i.e.*, to act as principal or agent in addition to acting on behalf of Issuer), and, where the Collateral Manager deems it appropriate and subject only to the Collateral Manager's execution obligations set forth in the Collateral Management Agreement, to effect transactions with or for the Issuer's account in instances in which the Collateral Manager and its Affiliates may have multiple interests. The Collateral Manager is part of a broad-based, international financial services and asset management firm, and as such, the Collateral Manager and its Affiliates (collectively, the "**Firm**") and their respective partners, managing directors, directors, officers, employees and agents ("**Personnel**") may and, in many instances, in fact, do have multiple advisory, transactional and financial and other interests in securities or other instruments that may be purchased, sold or held for the Issuer's account and companies that may issue securities or other instruments that may be purchased, sold or held for the Issuer's account. The Firm may and in many instances, in fact, does, act as adviser to clients in commercial banking, investment banking, financial advisory, asset management and other capacities, including as principal, related to securities or other instruments that may be purchased, sold or held on the Issuer's behalf, and the Firm may issue, or be engaged as underwriter for the issuer of, securities or other instruments that the Issuer may purchase, sell or hold. The Collateral Manager and one or more of its Affiliates serve and expect in the future to serve as collateral manager, adviser, sub-adviser, asset manager or service provider (including their Affiliates) or in similar capacities for managed accounts, other collateralized loan obligation vehicles, collateralized bond obligation vehicles and other structured vehicles and the like across a wide array of asset classes. In addition, the Firm in the future may acquire, enter into joint ventures with or otherwise provide capital to additional asset managers that may engage in similar activities. The Firm may also form, invest in, or may otherwise act as adviser or general partner to one or more entities, including TCI II LP and TCI III LP that may act as a retention holder, that will purchase securities, including equity securities of other collateralized loan obligation vehicles managed or sub-advised by internal or third-party asset managers. The Firm has recently established TCI Capital Management as an affiliate of TCI III LP. TCI Capital Management intends to engage in CLO transactions, as a sponsor and collateral manager, with TCI III LP or one or more of its other affiliates, making investments in those transactions in order to facilitate compliance with the risk retention rules. TCI Capital Management will rely on services provided to it by certain of its affiliates (including LCM) in the performance of its duties and conduct of its business, including the CLO transactions in which it is engaged.

Affiliates of the Collateral Manager may also form joint ventures with third party asset managers that offer or manage products that other third parties may invest in, and that other affiliated entities of the Firm may invest in. The Firm invests and may continue to invest in a wide array of assets and asset classes across multiple geographic areas. At times, these activities may cause departments of the Firm to take, or give advice to clients that may cause these clients to take, actions adverse to the interests of the Issuer. The Firm and Personnel may act in a proprietary capacity with long or short positions, in securities or other instruments of all types, including those that may be purchased, sold or held by the Issuer or the Securities or the Income Notes. In addition, the Firm and Personnel may establish and/or manage one or more warehousing or similar arrangements for the accumulation of assets on behalf of or in connection with such other collateralized loan obligation vehicles, collateralized bond obligation vehicles or other structured vehicles or clients. Such activities could affect the prices and availability of the securities or other instruments that the Collateral Manager seeks to buy or sell for the Issuer's account, which could adversely impact the financial returns of the Issuer in respect of Collateral. Personnel may serve as directors of companies the securities or other instruments of which may be purchased, sold or held by the Issuer. The Firm and Personnel may give advice, and take action (or refrain from taking action), with respect to any of the Firm's clients or proprietary accounts that may differ from the advice given, or may involve a different timing or nature of action taken, than with respect to any one or all of the Collateral Manager's clients or accounts, and effect transactions for such clients or proprietary accounts at prices or rates that may be more or less favorable than the prices or rates applying to transactions effected

for the Issuer. Each of the service provider relationships described herein (including LCM as service provider to its Affiliates), raises issues substantially similar to those described in this section "—*Conflicts of Interest Involving the Collateral Manager*".

The ability of the Collateral Manager and its Affiliates to effect or recommend transactions may be restricted by applicable regulatory requirements and restrictions in the United States, the United Kingdom or elsewhere, restrictions set forth in the Collateral Management Agreement or the Indenture and/or their internal policies designed to comply with such requirements or restrictions. As a result, there may be periods when the Collateral Manager will not initiate or recommend certain types of transactions in certain investments if and when the Collateral Manager or its Affiliates are performing investment banking or other services or if and when aggregated position limits have been reached, and the Issuer will not be advised of that fact. Without limitation, if and when the Collateral Manager or an Affiliate is engaged in an underwriting or other distribution of securities or other instruments of a company, the Collateral Manager may in certain circumstances be prohibited from purchasing or selling or recommending the purchase or sale of certain securities or other instruments of that company for its clients. Without limitation, the Collateral Manager and its Affiliates may also be prohibited from effecting transactions for the Issuer's account with or through its Affiliates, from acting as agent for another customer as well as the Issuer in respect of a particular transaction, or from acting as the counterparty on a transaction with the Issuer. If not prohibited, the Collateral Manager is nonetheless not required to effect transactions for the Issuer's account with or through the Collateral Manager's Affiliates and other clients of the Collateral Manager and/or its Affiliates or in instances in which the Collateral Manager or its Affiliates have multiple interests. The Collateral Manager does not at present underwrite or distribute securities or other instruments of third parties.

Nothing set forth in the Collateral Management Agreement or other transaction documentation will prevent the Collateral Manager or any of its Affiliates from (x) acting as principal, agent or fiduciary for other clients in connection with securities or other instruments simultaneously held by the Issuer or of the type eligible for investment by the Issuer or limiting any relationships the Collateral Manager or any of its Affiliates may have with any obligor of any Collateral Debt Obligation or any other party or (y) engaging, to the extent permitted by law and not prohibited by the Collateral Management Agreement or by the Indenture, in other businesses or from rendering services of any kind to the Issuer and its Affiliates, the Trustee, the Holders of the Securities or any other Person or entity.

From time to time at the Collateral Manager's discretion, advisory Personnel may consult with Personnel in proprietary trading or other areas of the Firm or form investment policy committees comprised of such Personnel, and the performance of Personnel obligations related to their consultation with the Collateral Manager could conflict with their areas of primary responsibility within the Firm. In connection with their activities with the Collateral Manager, such Personnel may receive information regarding the Collateral Manager's proposed investment activities which is not generally available to the public or to the Collateral Manager. However, there will be no obligation on the part of such Personnel to make available for use by clients or accounts (including the Collateral Manager) any information or strategies known to them or developed in connection with their client, proprietary or other activities. In addition, the Firm will be under no obligation to make available any research or analysis prior to its public dissemination. Furthermore, the Firm will have no obligation to recommend for purchase or sale by the Issuer any security or other instrument that the Firm or Personnel may purchase or sell for themselves or for any other clients. The Firm (i) will have no obligation to seek to obtain any material non-public information about any obligor under or issuer of any securities or instrument and (ii) will not be obligated to effect transactions for the Issuer on the basis of any material non-public information as may come into its possession even if such transactions would be permitted by applicable law.

Certain Personnel may possess information relating to particular obligors who have issued Collateral Debt Obligations which information is not known to employees, officers of the Collateral Manager or certain members of the investment committee of the Collateral Manager who are responsible for monitoring the Collateral Debt Obligations or Equity Securities and performing the other obligations of the Collateral Manager under the Collateral Management Agreement, and the Firm will have no obligation to share any such information, opportunity or idea with such persons or the Issuer.

The Collateral Manager or the Personnel may acquire material non-public and confidential information that may restrict by law, internal policies or otherwise, the Collateral Manager from purchasing securities or selling securities for itself or its clients (including the Issuer) or otherwise using or receiving such information for the benefit of the Issuer or its other clients or itself.

Although Personnel 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, Personnel may have conflicts in allocating their 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 Debt 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 Collateral Debt Obligations or to take other actions that it might consider to be in the best interests of the Issuers and the holders of the Securities.

The Collateral Manager and its Affiliates and accounts managed thereby may purchase or sell Securities or Income Notes at any time. On the Original Closing Date, TCI II, an Affiliate of the Collateral Manager, purchased an ownership interest, both directly and indirectly as a Holder of Income Notes, in 100% of the LP Certificates. As of the date hereof, TCI II continues to hold such ownership interest The Collateral Manager and its Affiliates may purchase and sell LP Certificates at any time, but neither the Collateral Manager nor any such Affiliates have any obligation to buy any LP Certificates, nor are the Collateral Manager or its Affiliates under any obligation to continue to hold the direct or indirect interest in LP Certificates purchased on the Original Closing Date or otherwise. Certain actions under the Indenture, the LP Paying Agency Agreement and the Collateral Management Agreement require or permit a vote, consent or direction by the Holders of LP Certificates including, without limitation, the optional redemption of the Refinancing Notes, the issuance of additional securities after the First Refinancing Date, the removal of the Collateral Manager, appointment of a successor Collateral Manager upon removal or resignation of the existing Collateral Manager and assignment by the Collateral Manager of its rights and obligations under the Collateral Management Agreement. As such, depending on the extent of ownership of the LP Certificates (or Income Notes) owned by the Collateral Manager or its Affiliates, the Collateral Manager or its Affiliates may be in a position to influence or determine the outcome of any vote, consent or direction of the Holders of LP Certificates. In addition, certain votes of the LP Certificates may require action at a meeting of the limited partners of the Issuer, in which case the ability to duly convene any such meeting will be subject to the observance of certain formalities under the Limited Partnership Agreement and Cayman Islands law, including quorum requirements. There is no guarantee that all such formalities will in fact be able to be observed, including the satisfaction of any quorum requirement, such that a valid meeting can in fact occur. See "*Description of the Securities and the Income Notes—Optional Redemption*" and "*The Collateral Management Agreement*" in the 2016 Offering Memorandum.

Furthermore, any direct or indirect ownership interest in LP Certificates held by the Collateral Manager or one or more of its Affiliates could create an incentive for the Collateral Manager to manage the Issuer's investments in a manner as to seek to maximize the yield on the Collateral or to increase the returns on the LP Certificates, which may lead to certain conflicts of interest. This could also result in increasing the volatility of the Pledged Obligations and could contribute to a decline in the aggregate value of the Collateral. However, the Collateral Manager's management of the portfolio assets is restricted by the requirement that it comply with the investment guidelines described in the Indenture and by certain internal policies with respect to the management of loans and securities accounts as well as the standard of care and requirements set forth in the Collateral Management Agreement.

In addition to a Senior Collateral Management Fee, the Collateral Manager is entitled to receive a Subordinated Collateral Management Fee and the Collateral Manager (or an Affiliate of the Collateral Manager) is also entitled to receive the return on the Class III LP Interests (collectively the "**Collateral Manager Compensation**"). The Collateral Manager Compensation, particularly the return on the Class III LP Interests, is dependent to a large extent on the yield earned on the Pledged Obligations. The Issuer issued Class III LP Interests to the Collateral Manager or its Affiliate on the Original Closing Date.

In consideration for, among other things, (i) TCI II's role as an anchor investor in the Issuer, (ii) its contribution of seed capital and (iii) its assistance with the launch of the transaction, the Collateral Manager agreed to (y) receive less Collateral Manager Compensation than it would otherwise receive and (z) cause the Issuer to issue the Class II LP Interests to TCI II on the Original Closing Date. As holder of the Class II LP Interest, TCI II is entitled to receive the amount by which the Collateral Manager agreed to reduce the Collateral Manager Compensation. The reduction in the Collateral Manager Compensation is reflected in the fee amounts stated in the 2016 Offering Memorandum. The lower amount of Collateral Manager Compensation to which the Collateral Manager is entitled may act as a disincentive to a successor Collateral Manager's assumption of obligations under the Collateral Management Agreement in the event that LCM resigns or is terminated as Collateral Manager. As such, under these circumstances, it may be more difficult for the Issuer to enter into an agreement with a successor Collateral Manager.

During the Reinvestment Period, the Collateral Manager and/or an Affiliate of the Collateral Manager may purchase or commit to purchase, on behalf of the Issuer and/or other funds managed by the Collateral Manager, certain assets which would be eligible for purchase by the Issuer. Allocation of such assets to the Issuer or other funds managed by the Collateral Manager will be determined by the Collateral Manager based on a number of factors, including facts and circumstances at the time of such purchase or purchase commitment and at the time of such allocation. There can be no assurance that an asset purchased or committed to be purchased during the Reinvestment Period will in fact be allocated to the Issuer. However, if allocated to the Issuer, the purchase price paid by the Issuer for any such asset most likely will be the purchase price paid or agreed to be paid at the time of purchase or commitment to purchase by the Collateral Manager or its Affiliate. Accordingly, the market value of any such asset at the time of purchase by the Issuer could be higher or lower than the purchase price paid by the Issuer.

The Collateral Manager may from time to time consult with, receive input from and provide information to third parties (who may or may not be or become direct and indirect owners of Securities or Income Notes) in respect of obligations being considered for acquisition by the Issuer. Some of those same third parties may have interests adverse to those of the holders of Securities or Income Notes and may take a short position (for example, by buying protection under a credit default swap) relating to any such obligations or securities. This Offering Memorandum does not contain any information regarding the individual Collateral Debt Obligations that will comprise the Issuer's initial portfolio or that may secure the Refinancing Notes from time to time.

The Collateral Manager has entered into an Operational Infrastructure Agreement (the "**Operational Infrastructure Agreement**") with certain affiliated service providers (the "**Service Providers**"). Under the Operational Infrastructure Agreement, the Service Providers are the exclusive providers of operational, financial control, trade execution, legal, compliance, administration, payroll, employee benefits, strategic planning and other operational infrastructure services, as requested by the Collateral Manager. In the event that the Operational Infrastructure Agreement were to terminate or the Service Providers were no longer capable of providing services to the Collateral Manager, the Collateral Manager would need to contract with one or more other service providers for the provision of such services and the operations of the Collateral Manager could be disrupted for a period of time.

Further information regarding the Firm and its operations, including intra-Firm contractual relationships, may be found on the Firm's website at www.tetragoninv.com.

The Issuer and each Holder of Refinancing Notes will be deemed to acknowledge and consent to the various potential and actual conflicts of interest that may exist with respect to the Collateral Manager and its Affiliates as described above; *provided*, *however*, that nothing will be construed as altering or limiting the duties of the Collateral Manager set forth in the Collateral Management Agreement or in the Indenture nor the requirement of any law, rule or regulation applicable to the Collateral Manager.

Certain Conflicts of Interest Relating to the Refinancing Initial Purchaser and Its Affiliates

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 DBSI and its Affiliates (collectively, the "**Deutsche Bank Companies**") to the Issuer, the Trustee, the Collateral Manager and their respective Affiliates, the issuers of the Collateral Debt Obligations and others, as well as in connection with the investment, trading and brokerage activities of the Deutsche Bank Companies. The following briefly summarizes some of these conflicts, but is not intended to be an exhaustive list of all such conflicts.

The Refinancing Initial Purchaser will agree to purchase the Refinancing Notes on the First Refinancing Date and will be paid a fee for such service by the Issuer. One or more of the Deutsche Bank Companies may from time to time hold any of the Refinancing Notes for investment, trading or other purposes. The Deutsche Bank Companies are not required to own or hold any Refinancing Notes for any given time and may sell any Refinancing Notes held by them at any time. Any Deutsche Bank Company that is the beneficial owner of any Refinancing Notes will exercise the rights associated with such Refinancing Notes in its own discretion, which may or may not be in accordance with the best interests of other holders of Refinancing Notes. Certain short-term investments to be held by the Issuer may be issued, managed or underwritten by one or more of the Deutsche Bank Companies. One or more of the Deutsche Bank Companies may provide investment banking, commercial banking, asset management, financing and financial advisory services and products to the Collateral Manager, its affiliates, and clients, investment vehicles or accounts managed or advised by the Collateral Manager and its affiliates, or purchase, hold and sell, both for their respective

accounts or for the account of their respective clients, investment vehicles and accounts on a principal or agency basis, loans, securities, and other obligations and financial instruments of the Collateral Manager, its affiliates, and clients, investment vehicles and accounts managed or advised by the Collateral Manager and its affiliates. As a result of such transactions or arrangements, one or more of the Deutsche Bank Companies may have interests adverse to those of the Issuer and holders of the Refinancing Notes.

One or more of the Deutsche Bank 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 Debt Obligations;

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

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

- be a counterparty to the Issuer under hedge agreements;

- lend to certain of the obligors of Collateral Debt Obligations or their respective Affiliates or receive guarantees or other credit enhancement from the issuers of those Collateral Debt Obligations or their respective Affiliates;

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

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

When acting as a trustee, paying agent or in other service capacities with respect to any Collateral Debt Obligation, the Deutsche Bank Companies will be entitled to fees and expenses senior in priority to payments to the holders of such Collateral Debt Obligation. When acting as a trustee for other classes of securities issued by the issuer of a Collateral Debt Obligation or an Affiliate thereof, the Deutsche Bank 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 Debt 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 Debt Obligation is a part. As a counterparty under swaps and other derivative agreements, the Deutsche Bank 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 Deutsche Bank 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 Debt Obligations may enhance the profitability or value of investments made by the Deutsche Bank Companies in the issuers thereof. As a result of all such transactions or arrangements between the Deutsche Bank Companies and issuers of Collateral Debt Obligations or their respective Affiliates, the Deutsche Bank Companies may have interests that are contrary to the interests of the Issuer and the holders of the Refinancing Notes.

As part of their regular business, the Deutsche Bank 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. None of the Deutsche Bank Companies will 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 Deutsche Bank

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 Deutsche Bank Companies may, by virtue of the relationships described above or otherwise, at the date hereof or at any time hereafter, be in possession of information regarding certain of the issuers of Collateral Debt Obligations and their respective Affiliates that is or may be material in the context of the Securities and Income Notes and that is or may not be known to the general public. None of the Deutsche Bank Companies has any obligation, and the offering of the Refinancing Notes will not create any obligation on their part, to disclose to any prospective investor in the Refinancing Notes any such relationship or information, whether or not confidential.

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

S&P and Fitch have been hired by the Issuer to provide their ratings on, in the case of S&P, the Refinancing Notes and, in the case of Fitch, the Class A-R Notes. A rating agency may have a conflict of interest where, as is the case with the ratings of the Refinancing 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 the Issuer provides to the Rating Agencies for the purposes of determining the initial credit rating of the Refinancing Notes or undertaking credit rating surveillance of the Refinancing Notes. 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 Refinancing Notes (the "**Unsolicited Ratings**"), which may be lower, and could be significantly lower, than the ratings assigned by the Rating Agencies. Fitch may also issue Unsolicited Ratings with respect to the Class B-R Notes and the Class E-R Notes. The Unsolicited Ratings may be issued prior to, or after, the First Refinancing Date and will not be reflected in this Offering Memorandum. Issuance of any Unsolicited Rating will not affect the issuance of the Refinancing Notes. Issuance of an Unsolicited Rating lower than the ratings assigned by the Rating Agencies on the applicable Refinancing Notes might adversely affect the value of the Refinancing Notes and, for regulated entities, could affect the status of the Refinancing Notes as a legal investment or the capital treatment of the Refinancing Notes. Investors in the Refinancing Notes should monitor whether an unsolicited rating of the Refinancing Notes has been issued by a non-hired NRSRO or (with respect to the Class B-R Notes and the Class E-R Notes) Fitch 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 Class B-R and the Class E-R Notes) Fitch that is lower than the expected ratings set forth in this Offering Memorandum.

Conflicts Involving Other Investors and Potential Investors.

Many rights under the transaction documents relating to the Refinancing Notes (including without limitation the right to remove the Collateral Manager and certain rights in connection with an Event of Default) may only be exercised by Holders of a specified percentage of the aggregate outstanding amount of one or more than one Class of Notes. The exercise of such rights could be adverse to Holders of the Notes that do not have the ability to exercise such rights, and the failure to exercise a right because Holders of a Class or a portion of a Class must act in concert with one or more other Classes to exercise such right and insufficient Holders are willing to do so could also be adverse to Holders of one or more Classes of Notes. When exercising its rights under the transaction documents relating to the Refinancing Notes, a Holder has no obligation to take into account the effect on other Holders.

Certain third parties (whether or not they become direct and/or indirect owners of Refinancing Notes) that have had or may have discussions with the Collateral Manager regarding the composition of the Collateral may have interests adverse to certain Holders of Refinancing Notes.

Waiver of Conflicts of Interest.

By purchasing a Refinancing Note, each investor shall be deemed to have acknowledged the existence of the conflicts of interest inherent to this transaction, including as described above, and to have waived any claim with respect to any liability arising from the existence thereof.

DOCUMENTS INCORPORATED

The proposed First Supplemental Indenture is attached to this Offering Memorandum as Annex B and is incorporated herein. The proposed First Supplemental Indenture must be read in conjunction with this Offering Memorandum as it is integral to understanding and evaluating the information contained in this Offering Memorandum.

The 2016 Offering Memorandum is included herein as Annex A and must be read in conjunction with this Offering Memorandum and the proposed First Supplemental Indenture as it is integral to understanding and evaluating the information contained in this Offering Memorandum.

Unless the context otherwise specifically requires, all references in the 2016 Offering Memorandum to the Class A Notes shall be to the Class A-R Notes; all references in the 2016 Offering Memorandum to any of the Class B-1 Notes, the Class B-2 Notes and the Class B Notes shall be to the Class B-R Notes; all references in the 2016 Offering Memorandum to the Class E Notes shall be to the Class E-R Notes; all references in the 2016 Offering Memorandum to the Notes shall refer collectively to the Class C Notes, the Class D Notes and the Refinancing Notes; all references in the 2016 Offering Memorandum to the Rated Notes shall refer to the Class C Notes, the Class D Notes and the Refinancing Notes; and all references to the Securities shall refer collectively to the Class C Notes, the Class D Notes, the Refinancing Notes and the LP Certificates. All references in the 2016 Offering Memorandum to the Indenture shall be to the Indenture as modified by the proposed First Supplemental Indenture. In this regard, specifically note that the Class B-1 Notes and the Class B-2 Notes are being replaced by one floating rate Class, the Class B-R Notes.

DESCRIPTION OF THE REFINANCING NOTES

The information set forth in this section should be read in conjunction with the section entitled "Description of the Securities and Income Notes" beginning on page 58 of the 2016 Offering Memorandum. The changes described herein supersede all statements which are inconsistent with those in the 2016 Offering Memorandum.

Pursuant to the Indenture, as amended by the First Supplemental Indenture, the Refinancing Notes will be issued on the First Refinancing Date and the Refinanced Notes will be redeemed at their Redemption Prices. The Issuer expects to receive consents from the holders of 100% of the LP Certificates to the terms of the First Supplemental Indenture. The receipt of such consents by the Issuer is a condition to the effectiveness of the First Supplemental Indenture and the Refinancing described herein.

Except as expressly otherwise set forth herein, the Class A-R Notes will be subject to the same terms and conditions as the Class A Notes, the Class B-R Notes will be subject to the same terms and conditions as the Class B Notes and the Class E-R Notes will be subject to the same terms and conditions as the Class E Notes. Therefore, except as expressly otherwise set forth herein, the information regarding the Class A Notes, the Class B Notes and the Class E Notes set forth in the 2016 Offering Memorandum also applies to the Class A-R Notes, the Class B-R Notes and the Class E-R Notes, respectively.

The revised terms and conditions of the Refinancing Notes will be set forth in the Indenture, as amended by the First Supplemental Indenture. This Offering Memorandum, together with the 2016 Offering Memorandum, summarizes certain provisions of the Indenture (as modified by the First Supplemental Indenture) and other transaction documents relating to the Refinancing Notes. The summaries do not purport to be complete and (whether or not so stated in this Offering Memorandum or the 2016 Offering Memorandum) are subject to and are qualified in their entirety by reference to the provisions of the applicable transaction documents relating to the Refinancing Notes (including definitions of terms).

The Refinancing Notes will be divided into the Classes, having the designations, original principal amounts and other characteristics as set forth in "*Overview of Terms—Principal Terms of the Refinancing Notes*".

The Refinancing Notes of each Class will bear stated interest from (and including) the First Refinancing Date. The first Payment Date in respect of the Refinancing Notes will be the Payment Date in July 2018.

The Refinancing Notes will be sold only to (i) to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act or (ii) to persons that are (A) Qualified Institutional Buyers and (B) Qualified Purchasers. The Refinancing Notes sold to non-U.S. persons or U.S. persons who are Qualified Institutional Buyers will be represented by permanent global notes in definitive, fully registered form without interest coupons.

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 Rule 144A Global Securities and the Regulation S Global Securities, including the Refinancing 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 Securities, for the respective accounts of Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream**").

The Refinancing Notes will be subject to certain restrictions on transfer set forth therein and in the Indenture and the Refinancing Notes will bear the restrictive legend set forth under "Transfer Restrictions" in the 2016 Offering Memorandum. In addition, each beneficial owner of Refinancing Notes will be deemed to represent that it is not a member of an "expanded group" (within the meaning of the regulations issued under Section 385 of the Code) that includes a domestic corporation (as determined for U.S. federal income tax purposes) if such domestic corporation, directly or indirectly (through one or more entities that are treated for U.S. federal income tax purposes as partnerships, disregarded entities, or grantor trusts), owns LP Certificates.

Proposed First Supplemental Indenture

In addition to providing for the issuance of the Refinancing Notes, the proposed First Supplemental Indenture would provide that, subject to receipt of consent of Holders of 100% of the Aggregate Outstanding Amount of the Class C Notes and the Class D Notes (or any obligations that replace the Class C Notes or the Class D Notes in connection with a Refinancing), (a) the Indenture may be amended or otherwise modified without the consent of holders of Notes (I) to comply with changes to the US Risk Retention Regulations enacted or promulgated after the First Refinancing Date and (II) to eliminate or modify provisions intended to comply with the US Risk Retention Regulations to the extent the US Risk Retention Regulations are repealed after the First Refinancing Date and (b) the Collateral Manager may notify the Trustee that the Indenture is revised to provide for the ability of the Issuer to enter into future Supplemental Indentures in order to change the rate applicable to the Notes from LIBOR (or the then existing Base Rate) to an alternate base rate (the "Alternate Base Rate") and to make such other amendments as are necessary or advisable in the reasonable judgment of the Collateral Manager to facilitate such change (a "Base Rate Amendment"), provided that (A) such modifications are being undertaken due to (w) a material disruption to the existing Base Rate, (x) a change in the methodology of calculating the existing Base Rate or the index on which the existing Base Rate is based, if any, (y) the benchmark used to determine LIBOR (or the then existing Base Rate) ceasing to exist or be quoted by ICE Benchmark Administration or the applicable benchmark administrator or (z) at least 50% (by principal amount) of (I) the quarterly pay Floating Rate Collateral Debt Obligations or (II) the floating rate securities issued in the new issue collateralized loan obligation market in the preceding nine months rely on reference rates other than LIBOR, in each case, determined as of the first day of the Interest Accrual Period during which the Base Rate Amendment is proposed (or the reasonable expectation of the Collateral Manager that any of the events specified in clause (w), (x), (y) or (z) will occur), and (B) consent to such modifications has been obtained from a Majority of the Class A-R Notes and a Majority of LP Certificates; provided that, no such consent will be required if the Collateral Manager (i) elects (in its commercially reasonable discretion) an Alternate Base Rate that is (1) the rate suggested as a replacement for LIBOR by the Alternative Reference Rates Committee convened by the Federal Reserve, (2) the rate acknowledged or suggested as the industry standard for the leveraged loan market by the Loan Syndications and Trading Association or (3) the rate that is consistent with the reference rate being used with respect to at least 50% (by principal amount) of (x) the Floating Rate Collateral Debt Obligations or (y) the floating rate securities issued in the new issue collateralized loan obligation market in the preceding nine months from the date of determination that bear interest based on a reference rate other than LIBOR, and (ii) provides written notice to the Issuers, the Trustee, the Calculation Agent and the Rating Agencies of such Alternate Base Rate (and the Trustee shall notify the Holders thereof), and such Alternate Base Rate shall apply to the Notes without the execution of a supplemental indenture (following any modification to the Base Rate in accordance with the Indenture), the Calculation Agent shall calculate the new reference rate in the same manner in which it calculated LIBOR, to the extent applicable).

More details of the Base Rate Amendment and related mechanics are included in the proposed First Supplemental Indenture, which is attached hereto as Annex B.

RATINGS OF THE REFINANCING NOTES

The changes set forth below supersede all statements which are inconsistent with those in the 2016 Offering Memorandum.

The Issuer has engaged S&P and Fitch to provide ratings on the Refinancing Notes. The fees and expenses payable to the Rating Agencies in connection with the initial rating will be paid as Administrative Expenses. If the Issuer does not provide information requested by a Rating Agency or relevant to the ratings on the Refinancing Notes, or such information contains material untrue statements or omits material information necessary to make such information not misleading, the Issuer could be liable to such Rating Agency for any losses it incurs as a result.

It is a condition of the issuance of the Refinancing Notes that the Refinancing Notes receive at least the ratings set forth on the front cover.

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 Rating Agencies if in its judgment circumstances in the future so warrant.

SECURITY FOR THE REFINANCING NOTES

The following information should be read in conjunction with the section entitled "Security for the Notes" beginning on page 86 of the 2016 Offering Memorandum. The changes set forth below supersede all statements which are inconsistent with those in the 2016 Offering Memorandum.

The Issuer has been acquiring and selling Collateral Debt Obligations since the Original Closing Date. Certain information relating to the Collateral Debt Obligations is set forth in the Most Recent Reports prepared under the Indenture. The Most Recent Reports have been made available to prospective purchasers by the Refinancing Initial Purchaser and must be read in conjunction with this Offering Memorandum as such reports are integral to understanding and evaluating the information contained in this Offering Memorandum; it being understood and agreed by each investor and prospective investor in the Refinancing Notes that the Refinancing Initial Purchaser (i) did not participate in the preparation of the 2016 Offering Memorandum, (ii) makes no representation as to the accuracy or completeness of the information contained in the 2016 Offering Memorandum, (iii) is relying on representations from the Issuers as to the accuracy and completeness of the information contained in the 2016 Offering Memorandum and (iv) shall have no responsibility whatsoever for the contents of the 2016 Offering Memorandum. Furthermore, the information contained in the Most Recent Reports has not been audited or otherwise reviewed by any accounting firm. Such information is limited and does not provide a full description of all Collateral Debt Obligations previously held or sold by the Issuer, nor the gains or losses associated with purchases or sales of Collateral Debt Obligations, nor the levels of compliance with the Coverage Tests and Collateral Quality Test during periods prior to the periods covered by the Most Recent Reports. Additional Monthly Reports and Valuation Reports may be obtained from the Collateral Manager upon request. None of the Refinancing Initial Purchaser, the Trustee, the Collateral Manager or the Collateral Administrator is responsible for, or is making any representation to you concerning, the accuracy or completeness of the Most Recent Reports.

It is possible that the composition of the Collateral may change materially over time due to, *inter alia*, (i) subject to the restrictions on sales of assets set forth in the Indenture and the Collateral Management Agreement, sales of the assets comprising the Collateral, (ii) scheduled and unscheduled principal payments on the Collateral Debt Obligations and (iii) subject to the restrictions on the purchase of additional assets set forth in the Indenture and the Collateral Management Agreement, the acquisition of additional Collateral Debt Obligations and other assets by the Issuer.

USE OF PROCEEDS

The gross proceeds from the issuance of the Refinancing Notes are expected to be U.S.$[•]. Such proceeds (together with Interest Proceeds available for such purpose on the First Refinancing Date pursuant to the Priority of Payments) will be used to redeem the Refinanced Notes at their Redemption Prices on the First Refinancing Date. Expenses related to the Refinancing will be paid on the First Refinancing Date or, if not paid on such date, on the Payment Date in July 2018, in each case in accordance with the Priority of Payments.

THE COLLATERAL MANAGER

The changes set forth below supersede all statements which are inconsistent with those in the 2016 Offering Memorandum.

The information appearing in this section has been prepared by LCM Asset Management LLC ("**LCM**") and has not been independently verified by the Issuer or the Refinancing Initial Purchaser. Accordingly, notwithstanding anything to the contrary herein, none of the Issuer, the Refinancing Initial Purchaser or any other Transaction Party (other than the Collateral Manager) assumes any responsibility for the accuracy, completeness or applicability of such information. The Issuer has taken reasonable care to ensure that this information has been accurately reproduced and as far as the Issuers are aware and are able to ascertain from the information published by LCM, no facts have been omitted which would render the reproduced information materially inaccurate or misleading.

Collateral Manager

LCM will be engaged by the Issuer to manage the Collateral pursuant to the Collateral Management Agreement described under "*The Collateral Management Agreement*" in the 2016 Offering Memorandum.

LCM was established as a Delaware limited liability company under the name of Lyon Capital Management LLC in August 2001, in order to manage investor funds through a series of leveraged and non-leveraged vehicles or investment funds, accounts or vehicles which principally include portfolios of senior secured bank loans. On January 29, 2010, Tetragon Financial Group Limited along with an affiliate acquired LCM from Calyon and changed LCM's name to LCM Asset Management LLC. As of October 28, 2012, LCM is an indirect wholly-owned subsidiary of Tetragon. See "*—Tetragon*" below. LCM has service agreements in place with certain affiliates, including TCI Capital Management, TCI Capital Management II, Tetragon Credit Income Partners II Ltd. and Tetragon Credit Income Partners III Ltd., pursuant to which LCM may render investment services on behalf of such affiliates.

LCM has been staffed with senior professionals with significant experience in leveraged lending as well as relevant industry specialties. LCM's principal offices are located at 399 Park Avenue, 22nd Floor, New York, New York.

LCM currently serves and may in the future serve as collateral manager or manager of various collateralized loan obligation vehicles, funds, managed accounts or other investment vehicles. On June 5, 2003, the LCM I Limited Partnership transaction, for which LCM is collateral manager, closed. On July 2, 2004, LCM succeeded to the collateral management business of Calyon, New York Branch. In connection with such succession, LCM assumed the collateral management function for five Indosuez Capital collateral debt obligation transactions, of which one remains outstanding and is under the management of LCM. On November 9, 2004, the LCM II Limited Partnership transaction, for which LCM is collateral manager, closed. On April 21, 2005, the LCM III Ltd. transaction, for which LCM is collateral manager, closed. On August 2, 2005, the LCM IV Ltd. transaction, for which LCM is collateral manager, closed. On March 21, 2007, the LCM V Ltd. transaction, for which LCM is collateral manager, closed. On May 30, 2007, the LCM VI Ltd. transaction, for which LCM is collateral manager, closed. On August 2, 2007, the LCM VII Ltd. transaction, a market value transaction for which LCM was collateral manager, closed; LCM VII Ltd. has subsequently been liquidated. On October 8, 2010, LCM was appointed collateral manager for Hewett's Island CLO IV, Ltd. On November 23, 2010, the LCM VIII Limited Partnership transaction, for which LCM is collateral manager, closed. On June 22, 2011, the LCM IX Limited Partnership transaction, for which LCM is collateral manager, closed. On February 15, 2012, the LCM X Limited Partnership transaction, for which LCM is collateral manager, closed. LCM X Limited Partnership has subsequently been redeemed. On May 24, 2012, the LCM XI Limited Partnership transaction, for which LCM is collateral manager, closed. LCM XI Limited Partnership has subsequently been redeemed. On October 4, 2012, the LCM XII Limited Partnership transaction, for which LCM is collateral manager, closed. The LCM XII Limited Partnership transaction has been subsequently redeemed. On February 26, 2013, the LCM XIII Limited Partnership transaction, for which LCM is collateral manager, closed. On July 11, 2013, the LCM XIV Limited Partnership transaction, for which LCM is collateral manager, closed. On February 25, 2014, the LCM XV Limited Partnership transaction, for which LCM is collateral manager, closed. On June 19, 2014, the LCM XVI Limited Partnership transaction, for which LCM is collateral manager, closed. On October 15, 2014, the LCM XVII Limited Partnership transaction, for which LCM is collateral manager, closed. On March 31, 2015, the LCM XVIII Limited Partnership transaction, for which LCM is collateral manager, closed. On

July 28, 2015, the LCM XIX Limited Partnership transaction, for which LCM is collateral manager, closed. On November 13, 2015, the LCM XX Limited Partnership transaction, for which LCM is collateral manager, closed. On April 22, 2016, the LCM XXI Limited Partnership transaction, for which LCM is collateral manager, closed. On October 20, 2016, the LCM XXII Ltd. transaction, for which LCM is collateral manager, closed. On December 20, 2016, the LCM XXIII Ltd. transaction, for which LCM is collateral manager, closed. On March 23, 2017, the LCM XXIV Ltd. transaction, for which LCM is collateral manager, closed. On August 17, 2017, the LCM XXV Ltd. transaction, for which LCM is collateral manager, closed. On January 23, 2018, the LCM 26 Ltd. transaction, for which LCM is collateral manager, closed. On March 15, 2018, the LCM Loan Income Fund Ltd. transaction, for which LCM is the collateral manager, closed.

Management

LCM's management team includes senior professionals with experience in the loan market, including underwriting, trading, operations and portfolio management of senior bank loans. Additional professionals will assist in the analysis and monitoring of macroeconomic trends and various industrial sectors and obligors. LCM's senior portfolio managers and other staff are expected to dedicate 100% of their professional time to matters related to LCM and Tetragon and their respective subsidiaries and affiliates (including to TCI Capital Management and TCI Capital Management II, in each case, pursuant to an applicable services agreement). The investment committee of LCM (the "**LCM Investment Committee**") is comprised of individuals who are employees or officers of LCM. The LCM Investment Committee is primarily responsible for decisions to acquire investments. Any action by the LCM Investment Committee requires a quorum consisting of a majority of the LCM Investment Committee members and unanimous agreement of such members who constitute a quorum. Tetragon Capital Management LLC, a subsidiary of Tetragon, is the managing member of LCM. There can be no assurance that any of the aforementioned individuals will remain associated with LCM.

LCM's management team currently includes the following senior portfolio managers:

Farboud Tavangar

Mr. Tavangar joined LCM in 2001. He is responsible for the overall activities conducted by LCM, including portfolio optimization, credit oversight, and investor relations. Mr. Tavangar joined LCM as part of its founding by Crédit Lyonnais. In connection with the transfer of Crédit Lyonnais' corporate and investment banking business to Crédit Agricole Indosuez in 2004 that resulted in Calyon, Mr. Tavangar was chosen as head of LCM to manage the combined collateral debt management activities of Crédit Lyonnais and CAI (Indosuez Capital). From 1994 to 2000, Mr. Tavangar was in charge of Crédit Lyonnais' commercial lending activities to the health care sector and from 1990 to 1994 he was a member of Crédit Lyonnais' Lodging Group which focused on financing hotel properties and companies, casinos and ski resorts. He started his banking career in 1986 with Irving Trust Company (subsequently The Bank of New York). He received an MBA from Columbia University in 1985 and a degree in mechanical/electrical engineering from ESTP (École Supérieure des Travaux Publics) in France in 1983.

Marc Schluraff

Marc Schluraff joined LCM in 2005. His responsibilities include process engineering, analytics and controls. From 1996 to 2005, he was part of Crédit Lyonnais 's Credit Portfolio & Balance Sheet Management team, directly responsible for the Asset/Liability Management function and the structuring, execution and maintenance of capital market transactions, including securitisation and credit derivatives, aimed at optimizing the risk profile and risk adjusted returns of the bank's loan portfolio. From 1992 to 1996, he was head of the Structured Products desks for Credit Lyonnais Americas. From 1988 to 1992 he worked in Crédit Lyonnais 's Japan operations managing the Foreign Exchange and Interest Rate Derivatives as well as the Structured Products desks. He began his career with Credit Lyonnais in 1985 in the Capital Markets Division, where he actively participated in the building of the Bank's derivatives activities. Mr. Schluraff received an MBA in Finance from ESSEC (*École Supérieure des Sciences Economiques et Commerciales*) in France in 1984.

LCM's management team also currently includes the following individuals:

Alexander Kenna

Mr. Kenna joined LCM in 2003. His responsibilities include portfolio optimization, credit oversight and analysis, and investor relations. From 2006 to mid-2008, he was an Executive Director at Morgan Stanley & Co, responsible for the trading, portfolio management and credit oversight of the leveraged loan portfolio within the Morgan Stanley credit proprietary trading book. Prior to joining LCM in 2003, Mr. Kenna was with Crédit Lyonnais' Asset Recovery Group where he concentrated on workouts in the energy and industrial sectors. Prior to that, Mr. Kenna was with the Crédit Lyonnais Financial Sponsor Group focusing on senior secured debt financings for leveraged buyouts led by a variety of financial sponsors. Mr. Kenna holds a BA degree from Colgate University and an MBA from Columbia University.

Sophie-Aurore Venon

Sophie-Aurore Venon joined LCM in July 2003. Ms. Venon is responsible for credit analysis, and oversees the team's investment analysts, screening opportunities and handling industrial sector and company risk migrations. Prior to joining LCM, Ms. Venon was a financial analyst for Crédit Lyonnais'Health Care Group, where she focused on leveraged loans within the hospital, managed care and medical device sectors. Ms. Venon received a Masters Degree in Finance from EM Lyon (Lyon Graduate School of Business) in 1999.

Michel Kermarrec

Michel Kermarrec joined LCM in July 2017. He is responsible for credit oversight and analysis. Before joining LCM, Mr. Kermarrec was from 2013 to July 2017 a Vice-President and then a Director at the Bank of Tokyo Mitsubishi UFJ, Ltd. (New York) where he was team-leader for a group of credit analysts within the Portfolio Management Group - Commodity Finance. From 2001 to 2012, Mr. Kermarrec focused on Commodity Finance at Crédit Agricole CIB and, prior thereto, Crédit Lyonnais. From 1995 to 1999 he was an in-house legal counsel for Schneider Electric SA (Paris, France). Mr. Kermarrec holds a MBA from Fordham University (New York) and a D.E.S.S. (Master Law Degree) with a focus on Foreign Trade Laws from Université François Rabelais (Tours, France).

Dominique Ithurralde

Dominique Ithurralde joined LCM in 2008, focusing on Middle Office and Risk Management functions. Prior to joining LCM, Mr. Ithurralde worked for two years at Calyon Securities as a Senior Associate in Middle Office in the Global Equity Derivatives Department. Prior to this, from 2000 to 2005, he was a Senior Analyst in the PBSM group of Calyon in the Americas. Prior to this, Mr. Ithurralde held a position within Crédit Lyonnais Leverage, Equity and Financial Sponsor Division in Paris. He received a Master Degree in Financial Engineering from University of Paris-XII, France in 1999 and a Bachelor of Sciences in Mathematics from University of Marseille, France in 1997.

Francois Laberenne

Francois Laberenne joined LCM in 2004. He is in charge of executing the deals that have been approved by the LCM Investment Committee. He prepares market analysis for primary and secondary transactions, tracking trading levels on institutional tranches, identifying those deals that would add value to the portfolio and determining the trading levels for assets which are discussed during Investment Committee meetings. Prior to joining LCM, Francois Laberenne held a position within Natexis Banques Populaires Fixed Income Syndicate in Paris, France. He received a Master in Finance from University of Paris-Dauphine Magistère Banque Finance program in 2003.

Erwan Maliverney

Erwan Maliverney joined LCM in 2011. He is responsible for credit oversight and analysis and also executes deals that have been approved by the LCM Investment Committee. From 2007 to January 2011, Mr. Maliverney was a Senior Credit Analyst at Kohlberg Capital, specializing in middle market debt investments in a variety of sectors including consumer products, financial services, food, general industrials, retail and building products. Prior to joining Kohlberg Capital, Mr. Maliverney was a Vice President in the Leveraged Finance Group of BNP Paribas (2001-2006), structuring and executing sponsor-backed leveraged transactions. Mr. Maliverney also worked for one year at Euronext in France, providing support to the Euronext Listing Admission Committee. Mr. Maliverney received a Master of Science Degree in Corporate Finance from the Ecole de Management, Lyon, France in 2000. He also

received a B.A. in European Business Administration from Middlesex University Business School, London, U.K., and is a graduate from Centre d'Etudes Supérieures de Management in Reims, France.

Debbie Sanfiorenzo

Debbie Sanfiorenzo joined LCM in 2001 and is responsible for monitoring and controlling on a daily basis the Loan Servicing function and tracking cash flow activity in the LCM funds. Prior to this, she worked within Calyon's Loan Servicing and Agency department. Ms. Sanfiorenzo joined Calyon in 1985. She received an AS in accounting from the City University of New York in 1995.

Patrick White

Patrick White joined LCM in 2007. He is responsible for the chemical, machinery and packaging industries. Prior to joining LCM, he was an analyst at Silverline Partners, where he analyzed potential lower-middle market investments, and a trader at Pilot Advisors, where he traded equities and options. Patrick received a B.A. from Dartmouth College in 2005 where he majored in Economics.

Judith Goldstein

Judith Goldstein joined LCM in January 2014. She is responsible for credit oversight and analysis. Prior to joining LCM, Ms. Goldstein managed the marketing communications of Arcadian Networks, a telecom start-up in the smart-grid sector. She also provided marketing and financial consulting services to private companies in the film, art, and agribusiness industries. Ms. Goldstein's financial career started at Credit Lyonnais, where she was part of the start-up team of the Merchant Banking Group, focusing on LBOs, real estate, hotel and cable deals. Subsequently, Ms. Goldstein managed business development projects for the bank as well as marketing and research. Ms. Goldstein has a Masters of International Affairs with a concentration in International Business from Columbia University's School of International and Public Affairs.

Tinna Bustos

Tinna Bustos joined LCM in April 2014. Ms. Bustos focuses on developing and maintaining the processes, controls and analytics systems within LCM. Prior to LCM, she was a part of the software development team at Credit Agricole, where she worked on securities pricing applications using the .NET framework. She received a BSc in Computer Science from Stony Brook University in 2011.

Guillaume Wolff

Guillaume Wolff joined LCM in November 2014. He is responsible for credit oversight and analysis. Prior to joining LCM, he worked as an Investment Banking Analyst in the Consumer & Retail team at Deutsche Bank London, where his primary focus was on M&A, IPOs and debt issuances. Mr. Wolff received a Master in Management and a Master of Science in Corporate Finance from EDHEC Business School (Nice, France) in 2013.

Justin Landolfe

Justin Landolfe joined LCM in March 2014. He is responsible for credit oversight and analysis. Prior to joining LCM, he was an Accounting/Operations Associate at Cyrus Capital Partners, where his primary focus was on distressed debt securities. Justin holds a BA degree from Pace University in Finance and Accounting.

Chris D'Auria

Chris D'Auria joined LCM in September 2016 and is responsible for LCM's business development. Prior thereto he was a managing director at Deutsche Bank and Cohead of the global CLO group. He was a founding member of Deutsche Bank's CLO business in the late 1990s. His deal experience spans various structure and collateral types including broadly syndicated loans, middle market loans and Investment Grade corporate debt. As Co-head of Deutsche Bank's CLO effort, Mr. D'Auria had joint responsibility for deal origination, execution and risk management in both the US and Europe. He also helped to set the issuance strategy for several leading CLO managers and played a key advisory role for clients entering the market for the first time since the 2008 global financial crisis. In recent years, in response to evolving markets and regulatory change, Mr. D'Auria broadened his advisory scope to assist

managers on permanent capital vehicles, M&A transactions and risk retention planning. He holds a bachelor's degree from Johns Hopkins University.

Tetragon

Tetragon is a Guernsey closed-ended investment company traded on Euronext Amsterdam N.V. under the ticker symbol "TFG.NA" and on the Specialist Fund Segment of the London Stock Exchange plc under the symbol "TFG.LN", Tetragon aims to provide stable returns to investors across various credit, equity, interest rate, inflation, and real estate cycles. Tetragon's investment portfolio comprises a broad range of assets, including a diversified alternative asset-management business, Tetragon Financial Group Master Fund Limited (the "**Master Fund**"), and covers bank loans, real estate, equities, credit, convertible bonds and infrastructure.

Tetragon's investment objective is to generate distributable income and capital appreciation. Tetragon invests through a "master-feeder" structure whereby Tetragon's direct investment is in shares of the Master Fund. All of the outstanding voting shares of Tetragon and the Master Fund are owned by Polygon Credit Holdings II Limited ("**Polygon Holdings II**"). Polygon Holdings II is controlled by Reade Griffith and Paddy Dear.

LCM is an indirect wholly-owned subsidiary of Tetragon. Tetragon Financial Management LP (the "**TFG Investment Manager**") has been appointed the investment manager of Tetragon and the Master Fund pursuant to an investment management agreement dated April 26, 2007. The management and control of the TFG Investment Manager is vested in its general partner, Tetragon Financial Management GP LLC (the "**TFM General Partner**"), which is responsible for all actions of the TFG Investment Manager. The TFM General Partner is directly or indirectly controlled by Reade Griffith and Paddy Dear. TFG Asset Management L.P. (the "**Registered Filing Adviser**") is an affiliate of LCM and is currently registered as an investment adviser under the Advisers Act. LCM is a "relying adviser" pursuant to the Registered Filing Adviser's registration under the Advisers Act. To the extent another affiliate of LCM is registered as a "filing adviser" under the Advisers Act, LCM may determine to rely upon such registration in the future, or LCM may apply to register as a "filing adviser" under the Advisers Act in the event that it determines, in its sole discretion, that such registration is necessary or advisable. Solely to the extent that the Registered Filing Adviser, LCM or the applicable affiliate of LCM is registered under the Advisers Act, the investment advisory activities of LCM will be subject to the Advisers Act and the rules thereunder applicable to such registrants.

The Registered Filing Adviser is a wholly-owned subsidiary of Tetragon. LCM is a wholly-owned subsidiary of the Master Fund. The Master Fund also holds limited partnership interests in TCI II. TCI II is a wholly-owned subsidiary of the Master Fund. LCM has service agreements in place with certain affiliates, including TCI Capital Management, TCI Capital Management II, Tetragon Credit Income Partners II Ltd. and Tetragon Credit Income Partners III Ltd, pursuant to which LCM may render investment services to such affiliates.

Additional information regarding Tetragon is available on Tetragon's website at www.tetragoninv.com (the "**Tetragon Website**"). Investors are advised to consult the Tetragon Website for further information regarding LCM, Tetragon and its Affiliates, and their respective principals.

Additional Information

In connection with the description of the Collateral Manager set forth in this section, see also "*Risk Factors—Risk Factors Relating to Conflicts of Interest—Conflicts of Interest Involving the Collateral Manager,*" "*Risk Factors—Risk Factors Relating the Securities and the Income Notes—Dependence on Key Personnel of the Collateral Manager,*" "*Risk Factors—Risk Factors Relating to the Securities and the Income Notes—Collateral Manager; Past Performance Not Indicative,*" and "*Description of the Securities and the Income Notes—Distributions on the LP Certificates, Class II LP Interests, Class III LP Interests and the Income Notes*" in the 2016 Offering Memorandum.

The delivery of the information set forth in this section will not create any implication that there has been no change in the affairs of LCM or Tetragon or any of their respective Affiliates since the date of this Offering Memorandum, or that the information contained or referred to in this section is correct as of any time subsequent to the date of this Offering Memorandum.

Unless otherwise expressly provided in this Offering Memorandum or the Indenture, with respect to any provision for consent of the Collateral Manager, such consent may be provided or withheld in the Collateral Manager's sole discretion.

THE ISSUERS

The information in this section should be read in conjunction with the section entitled "The Issuers" beginning on page 112 of the 2016 Offering Memorandum. The changes described herein supersede all statements which are inconsistent with those in the 2016 Offering Memorandum.

General

The registered office of LCM XXI Limited Partnership is at the offices of MaplesFS Limited, PO Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands, telephone number (345) 945-7099.

The registered office of LCM XXI GP Ltd. is at the offices of MaplesFS Limited, PO Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands, telephone number (345) 945-7099. The directors of the General Partner are Mora Goddard and Christopher Watler, who are employees of the Administrator and may be contacted at the address of the Administrator.

The Co-Issuer's principal office and the business address of the independent manager of the Co-Issuer is at the offices of Puglisi & Associates, 850 Library Avenue, Suite 204, Newark, New Castle County, Delaware 19711, telephone no. (302) 738-6680.

Capitalization of the Issuer

The Issuer's capitalization and indebtedness as of the First Refinancing Date after giving effect to the issuance of the Refinancing Notes is set forth below:

	Amount (U.S.$)
Class A-R Notes	$235,000,000
Class B-R Notes	$46,800,000
Class C Notes	$28,000,000
Class D Notes	$18,900,000
Class E-R Notes	$16,000,000
Total Debt	$344,700,000
LP Certificates	$36,360,000
Class II limited partnership interests	$0
Class III limited partnership interests	$0
Transaction Fee to Issuer	$250
Total Equity	$36,360,250
Total Capitalization	$381,060,250

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The Collateral Manager and the Refinancing Initial Purchaser do not assume any responsibility for the accuracy, completeness or applicability of the information in this section entitled "*Certain U.S. Federal Income Tax Considerations*." In addition, Chapman and Cutler LLP has not updated the opinions referenced in the section entitled "*Certain U.S. Federal Income Tax Considerations*" of the 2016 Offering Memorandum and assumes the correctness of such opinions as well as the disclosure contained in such section, which was prepared (and opined on) for the Issuer by counsel other than Chapman and Cutler LLP. The changes set forth below supersede all statements which are inconsistent with those in the 2016 Offering Memorandum.

The following summary is based on U.S. federal income tax laws, regulations, rulings and decisions in effect or available on the date of this Offering Memorandum. All of the foregoing are subject to change, which change may apply retroactively and could affect the continued validity of this summary.

Prospective purchasers of the Refinancing Notes should consult their tax advisors as to U.S. federal income tax consequences of the purchase, ownership and disposition of the Refinancing Notes, as applicable, and the possible application of state, local, foreign or other tax laws.

The following is a summary of certain of the United States federal income tax consequences of an investment in the Refinancing Notes (other than obligations issued pursuant to a Repricing, Refinancing or an issuance of additional notes) by purchasers that acquire their Refinancing Notes pursuant to the Refinancing and for an amount equal to their "issue price" (as defined pursuant to the Code and applicable U.S. Treasury Regulations) and hold the Refinancing Notes as capital assets within the meaning of Section 1221 of the Code. In addition, this summary does not describe any tax consequences arising under the laws of any state, locality, or taxing jurisdiction other than the U.S. federal government. This discussion does not purport to address all aspects of U.S. federal income taxation (such as any alternative minimum tax consequences) that may be relevant to holders in light of their personal investment circumstances nor, except for limited discussions of particular topics, to holders subject to special treatment under the U.S. federal income tax laws, including: financial institutions; life insurance companies; securities dealers or traders electing mark-to-market treatment; governmental entities; partnerships or any entities treated as partnerships for U.S. federal income tax purposes; nonresident alien individuals and foreign corporations; tax-exempt organizations; persons that hold the Refinancing Notes as a position in a "straddle" or as part of a synthetic security or "hedge", "conversion transaction" or other integrated investment; U.S. Holders that have a "functional currency" other than the U.S. dollar; investors in pass-through entities that hold Refinancing Notes; and United States expatriates.

This summary also does not address either the classification of Refinancing Notes (as debt or equity) that are held by members of the expanded affiliated group under section 385 of the Code (and any applicable regulations) or the federal income tax treatment to the holders of such Refinancing Notes or any holder of the equity related to the holder of such Refinancing Notes that is treated in whole or in part as the issuer of such Refinancing Notes.

For purposes of this discussion, a "**Holder**" is a beneficial owner of a Note. As used herein, a "**U.S. Holder**" means a holder that is or is treated for U.S. federal income tax purposes as:

• an individual that is a citizen or resident of the United States, including an alien individual who is a lawful permanent resident of the United States or meets the "substantial presence" test under Section 7701(b) of the Code;

• a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States, any State or the District of Columbia;

• an estate, the income of which is subject to U.S. federal income tax regardless of its source; or

• a trust if (1) a U.S. court is able to exercise primary supervision over the trust's administration and any one or more United States persons (as defined in Section 7701(a)(30) of the Code ("**United States person**")) are authorized to control all substantial decisions of the trust, or (2) the trust has in effect a valid election to be treated as a United States person for U.S. federal income tax purposes.

As used herein, a "**Non U.S. Holder**" means a holder that is or is treated for U.S. federal income tax purposes as:

• a nonresident alien individual;

• a foreign corporation;

• an estate that is not subject to U.S. federal income tax on a net income basis, or

• a trust if (1) no U.S. court can exercise primary supervision over the trust's administration or no United States person and no group of such persons is authorized to control all substantial decisions of the trust, and (2) the trust has no election to be treated as a United States person in effect.

If a partnership (or an entity treated as a partnership for U.S. federal income tax purposes) holds a Note, the treatment of a beneficial owner of such entity generally will depend upon the status of the beneficial owner and the activities of the entity and such beneficial owner. Any such entity and the beneficial owners thereof should consult with their tax advisors about the U.S. federal income tax consequences of holding and disposing of such Note.

No rulings from the IRS have or will be sought with respect to the matters discussed below. There can be no assurance that the IRS will not take a different position concerning the tax consequences of the purchase, ownership or disposition of the Refinancing Notes or that any such position would not be sustained by a court of competent jurisdiction.

THIS DISCUSSION IS NOT INTENDED OR WRITTEN BY THE ISSUER OR ITS COUNSEL TO BE USED, AND MAY NOT BE ABLE TO BE USED, BY ANY PERSON FOR THE PURPOSE OF AVOIDING TAX PENALTIES THAT MAY BE IMPOSED UNDER U.S. TAX LAWS. THIS DISCUSSION IS PROVIDED IN CONNECTION WITH THE PROMOTION OR MARKETING BY THE ISSUER OF THE REFINANCING NOTES OFFERED HEREBY. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR CONCERNING THE POTENTIAL TAX CONSEQUENCES OF AN INVESTMENT IN THE REFINANCING NOTES.

Taxation of the Holders

The Issuer has agreed and, by its acceptance of a Refinancing Note, each Holder will be deemed to have agreed, to treat the Refinancing Notes as debt of the Issuer for U.S. federal income tax purposes, except as otherwise required by applicable law. Upon the issuance of the Refinancing Notes, Chapman and Cutler LLP will deliver an opinion generally to the effect that, assuming compliance with the First Supplemental Indenture (and certain other documents), and based on certain factual representations made by the Issuer and/or the Collateral Manager, the Class A-R Notes and the Class B-R Notes will, and the Class E-R should, be treated as debt for U.S. federal income tax purposes. The opinion referred to above does not address any Notes issued or deemed issued in a Repricing, Refinancing, or an issuance of additional notes, and does not address any Notes held by persons deemed related to the Issuer that are recharacterized as equity under section 385 (see discussion below) and the regulations thereunder. The determination of whether a Refinancing Note will be treated as debt for United States federal income tax purposes is based on the facts and circumstances existing at the time such Refinancing Note is issued. The opinion of Chapman and Cutler LLP will be based on current law and certain representations and assumptions. Prospective investors should be aware that opinions of counsel are not binding on the IRS, and there can be no assurance that the IRS will not seek to characterize as something other than indebtedness any particular Class or Classes of the Refinancing Notes. Except as discussed below under "—*Alternate Characterizations*," the balance of this discussion assumes that the Refinancing Notes will be characterized as debt of the Issuer for U.S. federal income tax purposes.

In addition, the U.S. Treasury and IRS have issued final regulations under section 385 of the Code that would in certain circumstances treat as stock for U.S. federal income tax purposes a Refinancing Note that otherwise would be treated as debt for such purposes, but only during periods in which the Refinancing Note is held by a member of an expanded group that includes the Issuer. An expanded group is generally a group of corporations or controlled partnerships connected through 80% or greater direct or indirect ownership links.

The section 385 regulations are complex and investors in the Refinancing Notes should consult with their own tax advisors regarding the possible effect of the section 385 regulations on them.

For U.S. federal income tax purposes, the Issuer, and not the Co-Issuer, will be treated as the issuer of the Refinancing Notes. However, the section 385 regulations described above, if applied to the Refinancing Notes, could treat certain Refinancing Notes held by members of the Issuer's expanded group as being issued by their related owners of the Issuer (as opposed to being treated as issued the Issuer itself).

Taxation of Interest Income Generally. Subject to the discussion of original issue discount and the financial accounting conformity requirement below, U.S. Holders of the Refinanced Notes generally will include payments of stated interest received on the Refinanced Notes in income in accordance with their normal method of tax accounting as ordinary interest income. Stated interest on the Refinancing Notes that is treated as "qualified stated interest" will be includible in income by a U.S. holder when received or accrued in accordance with such holder's method of accounting. "Qualified stated interest" is generally stated interest that is "unconditionally payable" at least annually at a single fixed rate or certain floating rates. Interest is considered "unconditionally payable" if reasonable legal remedies exist to compel timely payment or the terms and conditions of the debt instrument make the likelihood of late payment (other than late payment that occurs within a reasonable grace period) or nonpayment (ignoring the possibility of nonpayment due to default, insolvency or similar circumstances) a remote contingency. If the "stated redemption price at maturity" ("**SRPM**") of any Refinancing Note exceeds the "issue price" of such Refinancing Note by at least a de minimis amount (equal to 0.25% of the weighted average maturity of the Refinancing Note multiplied by the SRPM), the excess will be treated as "original issue discount" ("**OID**"). A Refinancing Note's "issue price" will generally be the first price at which a substantial amount of its Class of Refinancing Notes are treated as issued for cash (excluding sales to bond houses, brokers, or similar persons acting as initial purchasers, underwriters, placement agents, or wholesalers). The SRPM will generally be all amounts required to be paid on the Refinancing Note other than payments of qualified stated interest. The Issuer will treat interest that is not qualified stated interest as OID, subject to the discussion below.

Taxation of the Class A-R Notes and Class B-R Notes. Stated interest on the Class A-R Notes and Class B-R Notes will be treated as qualified stated interest and includible in accordance with the U.S. holder's method of accounting. Pursuant to such treatment, the Class A-R Notes and Class B-R Notes will generally be treated as issued with OID only if their issue price is less than their principal amount by at least the de minimis amount. [It is expected that the principal amount of the Class A-R Notes and Class B-R Notes will not exceed the issue price of such Refinancing Notes by an amount greater than or equal to the de minimis amount.][1] In such event, the Class A-R Notes and Class B-R Notes would not be treated as issued with OID. A U.S. holder of a Class A-R Note and Class B-R Notes issued with a de minimis amount of OID will generally include such amount as capital gain as principal payments are received on such Refinancing Notes.

Taxation of Deferrable Interest Notes. Because interest on the Class E-R Notes (the "**Deferrable Interest Notes**") is subject to deferral, the Issuer will take the position that payments of stated interest on the Deferrable Interest Notes will not be treated as qualified stated interest. The Issuer will treat all amounts payable under such Deferrable Interest Notes as part of the SRPM and subject to OID income inclusion and accruals as described below. Such OID would include amounts payable on the Deferrable Interest Notes as stated interest. A U.S. holder of Deferrable Interest Notes will be required to include OID in income as it accrues. The amount of OID accruing in any interest accrual period will generally equal the stated interest accruing in that period (whether or not currently due) plus any additional amount representing the accrual under a constant yield method of any additional OID represented by the excess of the principal amount of the Deferrable Interest Notes over their issue price. Accruals of any such additional OID will be based on the projected weighted average life of the Deferrable Interest Notes rather than their stated maturity. Accruals of OID should be calculated by assuming that interest will be paid over the life of the Deferrable Interest Note based on the value of LIBOR used in setting interest for the first Interest Accrual Period, and then adjusting the income for each subsequent Interest Accrual Period for any difference between the actual value of LIBOR used in setting interest for those periods and the assumed rate.

A U.S. holder of a Refinancing Note issued with OID as described above will generally be required to include such OID in income prior to the receipt of cash in respect of that income.

Application of Section 1272(a)(6) and accounting conformity rules. The Refinanced Notes may be debt instruments described in Section 1272(a)(6) of the Code (debt instruments that may be accelerated by reason of the prepayment of other debt obligations securing such debt instruments). Special tax rules principally relating to the

[1] To confirm.

accrual of OID, market discount, and bond premium apply to debt instruments described in Section 1272(a)(6). Further, those debt instruments may not be treated for U.S. federal income tax purposes as part of an integrated transaction with a related hedge under Treasury Regulations Section 1.1275-6. Prospective investors should consult with their own tax advisors regarding the effects of Section 1272(a)(6) of the Code.

Certain provisions of the 2017 Tax Act may accelerate the inclusion of income and original issue discount for certain holders as compared with that described immediately above. In particular, accrual method taxpayers may be required to recognize such items of income no later than the taxable year in which such income is taken into account as revenue for financial accounting purposes. The precise method of applying this acceleration rule to the Notes is uncertain, particularly with respect to debt instruments issued with original issue discount, and especially those subject to Section 1272(a)(6) of the Code. Accordingly, potentially affected prospective investors should consult their own tax advisors with regard to the application of the 2017 Tax Act's new tax accounting rules. These changes are effective generally (and with respect to interest income) for taxable years beginning after 2018, but are effective with respect to original issue discount for taxable years beginning after 2018.

Sale or Disposition of the Refinancing Notes. In general, a U.S. holder of a Refinancing Note will have an adjusted tax basis in such Refinancing Note equal to the cost of the Refinancing Note to such U.S. holder, increased by any amount includible in income by such U.S. holder as OID and reduced by any payments of principal or interest on its Refinancing Note (other than payments of qualified stated interest). Upon the sale or disposition of a Refinancing Note, a U.S. holder generally will recognize taxable gain or loss, if any, equal to the difference between the amount realized on the sale or disposition (other than amounts attributable to accrued qualified stated interest, which interest will be taxable as such) and such U.S. holder's adjusted tax basis in such Refinancing Note. Any such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if the U.S. holder's holding period for the Refinancing Note is more than a year. In certain circumstances, U.S. holders who 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.

3.8% Medicare tax on "Net Investment Income." Interest on and gain or loss realized on a disposition of the Refinancing Notes generally will be included in determining the "net investment income" of certain individuals, estates and trusts for purposes of the 3.8% Medicare tax on net investment income.

Alternate Characterizations. It is possible that the Refinancing Notes could be treated as "contingent payment debt instruments" for federal income tax purposes. In this event, the timing of a U.S. Holder's OID inclusions could differ from that described above and any gain recognized on the sale, exchange, or retirement of such Refinancing Notes would be treated as ordinary income and not capital gain. In addition, it is possible that the Class E-R Notes may be treated as equity, rather than debt, of the Issuer for U.S. federal income tax purposes. Such a recharacterization might result in material adverse U.S. federal income tax consequences to the holders of the Class E-R Notes. If U.S. Holders of the Class E-R Notes were treated as owning equity interests in the Issuer, they would be treated as owning equity in a partnership and the timing and character of income of income allocated to them may be altered, and they may need to include more income in advance of actual distributions. If the Class E-R Notes are recharacterized as equity in the Issuer, certain income on the Collateral Debt Obligations and Eligible Investments could be subject to withholding if the Class E-R Notes are held by non-U.S. persons that fail to qualify for the portfolio interest exemption with respect to the income on any particular asset (or if the payments are treated as guaranteed payments under the partnership rules or are subject to withholding under FATCA). In that event, the amount subject to withholding might be the gross amount of such income allocated to such holder notwithstanding that the net amount of such income that is effectively allocated to such holder would be substantially less than such gross amount. Further, U.S. Holders of the Class E-R Notes should consult with their own tax advisors with respect to whether, if they owned equity in the Issuer, they would be required to file information returns in accordance with Sections 6038, 6038B, and 6046A of the Code (and, if so, whether they should file such returns on a protective basis). If the Class E-R Notes are recharacterized as equity in the Issuer and the Issuer is treated as a publicly traded partnership or a taxable mortgage pool taxable as an association for U.S. federal income tax purposes, holders of the Class E-R Notes should consult their own tax advisors as to the consequences of such equity characterization including the consequences of owning an interest in a PFIC or a CFC and any reporting requirements. Holders of the Class E-R Notes should consult their own tax advisors concerning the consequences of a recharacterization of such securities as equity for U.S. federal income tax purposes.

Non-U.S. Holders. Except as discussed below with regard to FATCA, interest paid to a Non-U.S. Holder on a Note that is properly characterized as debt for U.S. federal income tax purposes will not be subject to U.S. withholding tax as long as the Issuer is not engaged in a U.S. trade or business. Even if the Issuer were engaged in a U.S. trade or business, interest paid to many Non-U.S. Holders would qualify for an exemption from withholding tax if the holders certify their foreign status. In addition, interest paid to a Non-U.S. Holder will not be subject to U.S. net income tax unless the interest is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States. Gain realized by a Non-U.S. Holder on the redemption or disposition of a Refinancing Note will not be subject to U.S. tax unless (i) the gain is effectively connected with the Holder's conduct of a U.S. trade or business or (ii) the Holder is an individual present in the United States for at least 183 days during the taxable year of disposition and certain other conditions are met. In addition, in the event that a non-U.S. Holder violates its deemed representation that it is not a member of the Issuer's expanded group within the meaning of Section 385, it could be subject to withholding on all or a portion of its Refinancing Notes.

U.S. Information Reporting and Backup Withholding. Payments on the Refinancing Notes and proceeds from the disposition of the Refinancing Notes paid to a non-corporate holder generally will be subject to U.S. information reporting. Backup withholding tax may apply to reportable payments unless the holder provides a correct taxpayer identification number or otherwise establishes an exemption. Non-U.S. Holders may be required to comply with certification procedures to establish that they are not U.S. Holders in order to avoid information reporting and backup withholding. Holders should consult their tax advisers about the procedures for obtaining an exemption from backup withholding. Amounts withheld under the backup withholding rules will be refunded or allowed as a credit against a holder's U.S. federal income tax liabilities if the required information is furnished to the IRS. Any amount withheld may be credited against a holder's U.S. federal income tax liability or refunded to the extent it exceeds the holder's liability.

FATCA

FATCA potentially imposes a withholding tax of 30% on certain payments made to the Issuer, including potentially all interest paid on (and after December 31, 2018, proceeds from the sale or other disposition of) U.S. Collateral Debt Obligations issued or materially modified on or after July 1, 2014, unless the Issuer complies with the Cayman Islands Tax Information Authority Law (2016 Revision) together with regulations and guidance notes made pursuant to such law (collectively, the "**Cayman FATCA Legislation**"), which, among other things, implements the intergovernmental agreement with respect to FATCA between the Cayman Islands and the United States signed on November 29, 2013 (as the same may be amended from time to time, the "**IGA**"). The IGA and the Cayman FATCA Legislation require, among other things, that the Issuer collect and provide to the Cayman Islands Government substantial information regarding direct and indirect Holders of the Refinancing Notes and withhold (or instruct paying agents to withhold) 30% of certain payments to certain Holders of Refinancing Notes (as described below). The Issuer intends to comply with its obligations under the IGA and the Cayman FATCA Legislation. However, in some cases, the ability to avoid such withholding tax will depend on factors outside of the Issuer's control. For example, the Issuer may not be considered to comply with FATCA if more than 50% of the LP Certificates (and any other classes of Notes or interests treated as equity for U.S. federal income tax purposes), as applicable, are owned by a person that is, or is affiliated with, a foreign financial institution that is not compliant with FATCA. Under the terms of the IGA, withholding may be imposed on payments made to the Issuer, or on payments made by the Issuer, in certain circumstances, including where the IRS has specifically listed the Issuer as a non-participating financial institution or the Issuer cannot comply with FATCA as a result of factors outside of its control, as described above.

In addition, future guidance under FATCA may subject payments on Refinancing Notes that are treated as equity for U.S. federal income tax purposes or that are materially modified more than six months after the issuance of such future guidance, to a withholding tax of 30% if each foreign financial institution that holds any such Note, or through which any such Note is held, has not entered into an information reporting agreement with the IRS or complied with the terms of a relevant intergovernmental agreement. Each owner of an interest in Refinancing Notes will be required to provide the Issuer and the Trustee or their agents with information necessary to comply with the IGA as discussed above.

Owners that do not supply required information, or whose ownership of Refinancing Notes may otherwise prevent the Issuer from complying with FATCA (for example by causing the Issuer to be affiliated with a non-compliant foreign financial institution), may be subjected to punitive measures, including forced transfer of their Refinancing Notes. There can be no assurance, however, that these measures will be effective, and that the Issuer and

owners of the Refinancing Notes will not be subject to the noted withholding taxes. The imposition of such taxes could materially affect the Issuer's ability to make payments on the Refinancing Notes or could reduce such payments. The imposition of withholding taxes in excess of certain thresholds is a Tax Event that allows the Issuer to retire Refinancing Notes.

In addition, to the extent any holder of LP Certificates or LP Interests (or any Notes characterized as equity in the Issuer), is a non-FATCA compliant foreign financial institution (as defined under FATCA), the Issuer will be subject to 30% withholding on not only the interest allocated to such holder, but also (as of January 1, 2019) on the gross proceeds of Collateral Debt Obligations and Eligible Investments allocated to such holder. Although the Issuer can compel the sale of Notes held by such Holders, the Issuer may be subject to 30% U.S. federal withholding tax on all or substantially all of its income and sales proceeds (and not just the portion of the income actually distributable to such non-compliant holders). **Any such withholding tax (which may be imposed retroactively) would materially impair the Issuer's ability to make payments with respect to the Refinancing Notes.**

Each potential purchaser of the Refinancing Notes should consult its own tax advisor to obtain a more detailed explanation of FATCA and to learn how it might affect such investor in its particular circumstance.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE IMPORTANT TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR SHOULD CONSULT THE 2016 OFFERING MEMORANDUM AND ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE REFINANCING NOTES UNDER THE INVESTOR'S OWN CIRCUMSTANCES.

PLAN OF DISTRIBUTION

The information appearing in this section replaces in its entirety the section entitled "Plan of Distribution" in the 2016 Offering Circular.

The Refinancing Initial Purchaser will agree to purchase all of the Refinancing Notes on the First Refinancing Date pursuant to a purchase agreement (as such agreement may be amended from time to time, the "**Refinancing Purchase Agreement**"), subject to the satisfaction of certain conditions set forth in the Refinancing Purchase Agreement. The Refinancing Initial Purchaser will resell such Refinancing Notes pursuant to Rule 144A or Regulation S under the Securities Act or another exemption from the registration requirements of the Securities Act. The Refinancing Initial Purchaser will be under no obligation to hold any Refinancing Notes so acquired, but the Refinancing Initial Purchaser (or any Affiliate thereof) may retain Refinancing Notes, purchase Refinancing Notes for its own account or sell Refinancing Notes to Affiliates. Any offer or sale of Refinancing Notes made in reliance on Rule 144A will be made by the Refinancing Initial Purchaser or other broker dealers, including certain Affiliates of the Refinancing Initial Purchaser, who are registered as broker dealers under the Exchange Act. The Refinancing Initial Purchaser may allow a concession, not in excess of the selling concession, to certain brokers or dealers.

The Refinancing Purchase Agreement provides that the obligations of the Refinancing Initial Purchaser to pay for and accept delivery of the Refinancing Notes are subject to certain conditions. The Issuer will agree to reimburse the Refinancing Initial Purchaser for certain expenses incurred in connection with the closing of the transactions contemplated hereby. In addition, pursuant to the Refinancing Purchase Agreement, the Refinancing Initial Purchaser will receive a fee and will be entitled to indemnification or contribution from the Issuer in certain circumstances.

The Refinancing Notes will be initially offered at 100% of their principal amount or such other prices as may be negotiated in individual transactions. In addition, the Refinancing Notes are offered when, as and if issued, subject to prior sale or withdrawal, cancellation or modification of the offer by the Refinancing Initial Purchaser without notice and subject to approval of certain legal matters by the Refinancing Initial Purchaser's counsel and certain other conditions.

In order to facilitate the offering of the Refinancing Notes, the Refinancing Initial Purchaser (or persons acting on behalf of the Refinancing Initial Purchaser) may engage in transactions that stabilize, maintain or otherwise affect the price of the Refinancing Notes. Specifically, the Refinancing Initial Purchaser (or persons acting on behalf of the Refinancing Initial Purchaser) may over allot in connection with the offering of the Refinancing Notes, creating a short position in the Refinancing Notes for its own account, or effect transactions with a view to supporting the market price of the Refinancing Notes at a level higher than that which might otherwise prevail. In addition, to cover overallotments or to stabilize the price of any Refinancing Notes, the Refinancing Initial Purchaser may bid for, and purchase, the Refinancing Notes in the open market. Any of these activities may stabilize or maintain the market price of the Refinancing Notes above independent market levels. Neither the Refinancing Initial Purchaser or any persons acting on behalf of the Refinancing Initial Purchaser is required to engage in these activities, and the Refinancing Initial Purchaser (or other person) may end these activities at any time.

The Refinancing Notes have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, a U.S. Person except pursuant to an exemption from the registration requirements under the Securities Act and applicable state and other securities laws.

Purchasers of the Refinancing Notes may be required to pay stamp taxes or other charges in accordance with the laws and practices of the country of purchase in addition to the purchase price.

The Co-Issuers will extend to each prospective investor in the Refinancing Notes the opportunity, prior to the consummation of the sale of the Refinancing Notes to ask questions of and receive answers from the Co-Issuers or a person or persons acting on behalf of the Co-Issuers, including the Refinancing Initial Purchaser, concerning the Refinancing Notes, the portfolio of Collateral Debt Obligations and the terms and conditions of this offering and to obtain any additional information in order to verify the accuracy of the information set forth herein, to the extent the Co-Issuers possess the same.

No action is being taken or is contemplated by the Issuer that would permit a public offering of the Refinancing Notes or possession or distribution of any offering circular (in preliminary or final form) or any amendment thereof, any supplement thereto or any other offering material relating to the Refinancing Notes in any jurisdiction where, or in any other circumstances in which, action for those purposes is required. The Refinancing Initial Purchaser understands and agrees that it is solely responsible for its own compliance with all laws applicable in each jurisdiction in which it offers and sells Refinancing Notes, or distributes any offering circular (in preliminary or final form) or any amendments thereof or supplements thereto or any other material and it agrees to comply with all such laws.

LISTING AND GENERAL INFORMATION

1. No application will be made for listing of the Refinancing Notes on the Irish Stock Exchange or any other exchange. There can be no assurance that, if such an application for any exchange listing is made in the future, that such listing will be obtained.

2. Neither of the Issuers is, or has been, involved in any litigation, governmental proceedings or arbitration proceedings relating to claims in amounts which may have or have had in the recent past a significant effect on the Issuers' financial position or profitability nor, so far as either Co-Issuer is aware, is any such litigation, governmental proceedings or arbitration involving it pending or threatened.

3. The Issuer does not intend to publish annual reports and accounts and is not required to do so under Cayman Islands law. Pursuant to the Indenture, monthly reports that provide information with respect to the Collateral, and in a month in which a Payment Date occurs, information with respect to the Securities, will be available to Holders and may be obtained from the Trustee.

4. For the life of the Refinancing Notes, copies of the Limited Partnership Agreement, Memorandum and Articles of Association of the General Partner, the Certificate of Formation and Limited Liability Company Agreement of the Co-Issuer, the Indenture and the LP Paying Agency Agreement will be available for inspection in electronic form at the office of the Trustee.

5. The issuance by the Issuer of the Refinancing Notes is expected to be authorized by the board of directors of the Issuer by resolutions to be passed prior to the First Refinancing Date, and the issuance by the Co-Issuer of the Refinancing Notes is expected to be authorized by the managing member of the Co-Issuer by resolutions to be passed prior to the First Refinancing Date.

6. As of the date of this Offering Memorandum, neither Rating Agency is established in the European Union and neither Rating Agency has made an application to be registered for the purposes of the EU Regulation on credit rating agencies ((EU) No 1060/2009).

7. The Refinancing Notes sold in offshore transactions in reliance on Regulation S under the Securities Act and represented by the Regulation S Global Securities have been accepted for clearance through Clearstream and Euroclear. The Refinancing 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 Securities have been accepted for clearance through DTC. The CUSIP Numbers, Common Codes and International Securities Identification Numbers (ISIN), as applicable, for the Refinancing Notes are as follows:

Rule 144A Global			
	Common Code	CUSIP	ISIN
Class A-R Notes	[•]	[•]	[•]
Class B-R Notes	[•]	[•]	[•]
Class E-R Notes	[•]	[•]	[•]

Regulation S			
	Common Code	CUSIP	ISIN
Class A-R Notes	[•]	[•]	[•]
Class B-R Notes	[•]	[•]	[•]
Class E-R Notes	[•]	[•]	[•]

LEGAL MATTERS

Certain legal matters with respect to the Refinancing Notes will be passed upon for the Collateral Manager and the Issuers by Chapman and Cutler, LLP. Certain matters with respect to Cayman Islands law will be passed upon for the Issuer by Maples and Calder, Cayman Islands.

INDEX OF DEFINED TERMS

Following is an index of defined terms used in this Offering Memorandum and the page number where each definition appears.

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ANNEX A – 2016 OFFERING MEMORANDUM

$381,060,000
LCM XXI Limited Partnership
LCM XXI LLC
LCM XXI Ltd.
U.S.$235,000,000 Class A Senior Floating Rate Notes due 2028
U.S.$34,800,000 Class B-1 Senior Floating Rate Notes due 2028
U.S.$12,000,000 Class B-2 Senior Fixed Rate Notes due 2028
U.S.$28,000,000 Class C Deferrable Mezzanine Floating Rate Notes due 2028
U.S.$18,900,000 Class D Deferrable Mezzanine Floating Rate Notes due 2028
U.S.$16,000,000 Class E Deferrable Mezzanine Floating Rate Notes due 2028
U.S.$36,360,000 Face Amount of LP Certificates
U.S.$500,000 Income Notes due 2028

The Notes are secured by a portfolio consisting primarily of senior secured loans managed by LCM Asset Management LLC.

The Notes (other than the Class E Notes) will be co-issued by LCM XXI Limited Partnership, a Cayman Islands exempted limited partnership (the "**Issuer**"), acting through LCM XXI GP Ltd., its general partner, and LCM XXI LLC, a Delaware limited liability company, (the "**Co-Issuer**" and, together with the Issuer, the "**Issuers**"). The Class E Notes and the LP Certificates will be issued by the Issuer and the LP Certificates will represent limited partnership interests in the Issuer. The Income Notes will be issued by LCM XXI Ltd., a Cayman Islands exempted company (the "**Income Note Issuer**"), and will represent unsecured debt obligations of LCM XXI Ltd. The primary assets of LCM XXI Ltd. will be LP Certificates; *provided*, that, the Income Notes do not convey any direct interest in or rights against, the Issuers and the Income Notes may only be exchanged for LP Certificates in limited circumstances as further set forth herein. The interests represented by the Income Notes are included in (and are not in addition to) the aggregate face amount of the LP Certificates. The Class A Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes, the Class D Notes, and the Class E Notes (and, if applicable, any Additional Securities that constitute Subordinated Notes) are collectively referred to herein as the "**Notes**." The Notes and the LP Certificates are collectively referred to herein as the "**Securities.**" Payments on the Securities and the Income Notes will be made on or about the 20th day of January, April, July and October of each year, commencing in July, 2016 (or, if any such day is not a Business Day, then on the next succeeding Business Day). Simultaneously with the issuance of the Securities, the Issuer is also issuing Class II LP Interests and Class III LP Interests, which are not being offered hereby.

No Securities or Income Notes will be issued unless upon issuance (i) the Class A Notes are rated "AAA(sf)" by S&P and "AAAsf" by Fitch, (ii) the Class B-1 Notes and the Class B-2 Notes are each rated at least "AA(sf)" by S&P, (iii) the Class C Notes are rated at least "A(sf)" by S&P, (iv) the Class D Notes are rated at least "BBB(sf)" by S&P, and (v) the Class E Notes are rated at least "BB-(sf)" by S&P. The LP Certificates and the Income Notes will not be rated. See "*Rating of the Securities*" beginning on page 85.

Investing in the Securities or the Income Notes involves risks. See "*Risk Factors*" beginning on page 9. Significant restrictions apply to the status of Holders and the transfer of Securities and Income Notes. See "*Transfer Restrictions*" beginning on page 151.

THE SECURITIES AND THE INCOME NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED OR QUALIFIED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE OR FOREIGN SECURITIES LAWS, AND NONE OF THE ISSUER, THE CO-ISSUER, THE POOL OF COLLATERAL OR THE INCOME NOTE ISSUER IS OR WILL BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED, IN RELIANCE ON THE EXEMPTION PROVIDED BY SECTION 3(c)(7) THEREOF. ACCORDINGLY, NEITHER THE SECURITIES NOR THE INCOME NOTES MAY BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, "U.S. PERSONS" (AS SUCH TERM IS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, APPLICABLE STATE SECURITIES LAWS AND TO PERSONS THAT MAY HOLD SUCH SECURITIES OR INCOME NOTES WITHOUT CAUSING THE LOSS OF THE SECTION 3(c)(7) EXEMPTION UNDER THE INVESTMENT COMPANY ACT. THE SECURITIES AND THE INCOME NOTES MAY ONLY BE OFFERED OR SOLD (A) WITHIN THE UNITED STATES TO "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), THAT ARE ALSO "QUALIFIED PURCHASERS" FOR PURPOSES OF THE INVESTMENT COMPANY ACT) OR (B) TO NON-U.S. PERSONS IN ACCORDANCE WITH THE REQUIREMENTS OF REGULATION S (PROVIDED THAT, EXCEPT IN CERTAIN SPECIFIED SALES AND TRANSFERS, LP CERTIFICATES MAY NOT BE OFFERED OR SOLD TO PERSONS OTHER THAN UNITED STATES "C" CORPORATIONS WITHIN THE MEANING OF SECTION 7701(a)(30)(C) OF THE CODE) AND (C) IN ACCORDANCE WITH ANY OTHER APPLICABLE LAW. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON RESALE OR TRANSFER, SEE "*TRANSFER RESTRICTIONS*".

Application has been made to the Irish Stock Exchange for the Notes (other than the Class E Notes) and the Income Notes (collectively, the "**Listed Notes**") to be admitted to the Official List and trading on the Global Exchange Market. This Offering Memorandum does not constitute listing particulars for the purpose of the application and has not been approved by the Irish Stock Exchange. There can be no assurance that application will be made or, if application is made, that listing will be approved or maintained. No application will be made to list the Class E Notes or the LP Certificates on any stock exchange.

Deutsche Bank Securities, Inc. (the "**Initial Purchaser**") expects to offer the Securities (other than the LP Certificates being purchased by the Income Note Issuer) and the Income Notes in individually negotiated transactions and to deliver the Securities and the Income Notes to purchasers on or about April 22, 2016 (the "**Closing Date**") against payment therefor in immediately available funds. The Initial Purchaser reserves the right to withdraw, cancel or modify such offers and to reject orders in whole or in part. It is a condition of the issuance of the Securities and the Income Notes that all of the Securities and the Income Notes are issued concurrently.

Deutsche Bank Securities Inc.

The date of this Offering Memorandum is April 20, 2016

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A glossary of certain defined terms related to the Issuers and the Income Note Issuer; schedules of defined terms related to Fitch, S&P and Moody's; and an index of defined terms, indicating the location of the definition of each defined term, appear at the end of this offering memorandum (this "**Offering Memorandum**"). Capitalized terms used herein and not defined will have the meanings assigned in the Indenture.

In this Offering Memorandum, references to "**Dollars**," "**U.S. Dollars**," "**U.S.$**" and "**$**" (unless otherwise indicated) are to the legal currency of the United States of America and references to "**Euro**," "**EUR**" and "**€**," are to the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the Treaty on European Union signed in Maastricht on February 7, 1992 and as amended by the Treaty of Amsterdam (signed in Amsterdam on October 2, 1997).

The language of the Offering Memorandum 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. Any foreign language text that is included with or within this document is for convenience purposes only and does not form part of this Offering Memorandum.

NOTICE TO FLORIDA RESIDENTS

The Notes are offered pursuant to a claim of exemption under section 517.061 of the Florida securities 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 act have the right to void their purchase of the Notes, without penalty, within three (3) days after the first tender of consideration.

NOTICE TO RESIDENTS OF THE CAYMAN ISLANDS

No invitation, whether directly or indirectly, may be made to any member of the public in the Cayman Islands to subscribe for the Securities or the Income Notes unless the Issuer or the Income Note Issuer, as applicable, is listed on the Cayman Islands Stock Exchange.

NOTICE TO RESIDENTS OF DENMARK

The Securities and the Income Notes may only be offered in Denmark in compliance with the exemptions to the obligation to publish a prospectus as provided by the Danish Executive Order on the Prospectuses for Securities Admitted to Trading on a Regulated Market and for Offers to the Public of Securities of more than EUR 2,500,000 (the "**Order**"). This Offering Memorandum does not constitute a public offer or an offer under the Danish Investment Associations Act and neither the Securities nor the Income Notes are registered or otherwise authorized for a public offer under the Danish securities regulations. The recipients of this Offering Memorandum and other selling material in respect of the Securities and the Income Notes have been individually selected prior to the offer being made and are targeted exclusively on the bases of a private sale. Furthermore, the Securities and the Income Notes are offered only to qualified investors, as defined in the Order. Accordingly, neither the Securities nor the Income Notes may be, and are not being, offered or advertised publicly. This Offering Memorandum may not be disclosed to any other persons than the selected recipients.

NOTICE TO RESIDENTS OF THE EUROPEAN ECONOMIC AREA

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the Initial Purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State at any time:

- to any legal entity which 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 Initial Purchaser nominated by the Issuer for any such offer; or
- in any other circumstances falling within Article 3(2) 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 Member State by any measure implementing the Prospectus Directive in that Member State and 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 each Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

NOTICE TO RESIDENTS OF HONG KONG

THE SECURITIES AND THE INCOME NOTES MAY NOT BE OFFERED OR SOLD BY MEANS OF ANY DOCUMENT OTHER THAN (I) IN CIRCUMSTANCES WHICH DO NOT CONSTITUTE AN OFFER TO THE PUBLIC WITHIN THE MEANING OF THE COMPANIES ORDINANCE (CAP. 32, LAWS OF HONG KONG), OR (II) TO "PROFESSIONAL INVESTORS" WITHIN THE MEANING OF THE SECURITIES AND FUTURES ORDINANCE (CAP. 571, LAWS OF HONG KONG) AND ANY RULES MADE THEREUNDER, OR (III) IN OTHER CIRCUMSTANCES WHICH DO NOT RESULT IN THE DOCUMENT BEING A "PROSPECTUS" WITHIN THE MEANING OF THE COMPANIES ORDINANCE (CAP. 32, LAWS OF HONG KONG), AND NO ADVERTISEMENT, INVITATION OR DOCUMENT RELATING TO THE SECURITIES AND THE INCOME NOTES MAY BE ISSUED OR MAY BE IN THE POSSESSION OF ANY PERSON FOR THE PURPOSE OF ISSUE (IN EACH CASE WHETHER IN HONG KONG OR ELSEWHERE), WHICH IS DIRECTED AT, OR THE CONTENTS OF WHICH ARE LIKELY TO BE ACCESSED OR READ BY, THE PUBLIC IN HONG KONG (EXCEPT IF PERMITTED TO DO SO UNDER THE LAWS OF HONG KONG) OTHER THAN WITH RESPECT TO DEBT WHICH ARE OR ARE INTENDED TO BE DISPOSED OF ONLY TO PERSONS OUTSIDE HONG KONG OR ONLY TO "PROFESSIONAL INVESTORS" WITHIN THE MEANING OF THE SECURITIES AND FUTURES ORDINANCE (CAP. 571, LAWS OF HONG KONG) AND ANY RULES MADE THEREUNDER.

NOTICE TO RESIDENTS OF JAPAN

Neither the Securities nor the Income Notes have been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

NOTICE TO RESIDENTS OF THE PEOPLE'S REPUBLIC OF CHINA

NEITHER THE SECURITIES NOR THE INCOME NOTES WILL BE OFFERED OR SOLD IN THE PEOPLE'S REPUBLIC OF CHINA (EXCLUDING HONG KONG, MACAU AND TAIWAN, THE "**PRC**") AS PART OF THE INITIAL DISTRIBUTION OF THE SECURITIES AND THE INCOME NOTES BUT MAY BE AVAILABLE FOR PURCHASE BY INVESTORS RESIDENT IN THE PRC FROM OUTSIDE THE PRC.

THIS FREE WRITING PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN THE PRC TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE THE OFFER OR SOLICITATION IN THE PRC.

THE PRC DOES NOT REPRESENT THAT THIS FREE WRITING PROSPECTUS MAY BE LAWFULLY DISTRIBUTED, OR THAT ANY OF THE SECURITIES OR INCOME NOTES MAY BE LAWFULLY OFFERED, IN COMPLIANCE WITH ANY APPLICABLE REGISTRATION OR OTHER REQUIREMENTS IN THE PRC, OR PURSUANT TO AN EXEMPTION AVAILABLE THEREUNDER, OR ASSUME ANY RESPONSIBILITY FOR FACILITATING ANY SUCH DISTRIBUTION OR OFFERING. IN PARTICULAR, NO ACTION HAS BEEN TAKEN BY THE PRC WHICH WOULD PERMIT AN OFFERING OF ANY SECURITIES OR INCOME NOTES OR THE DISTRIBUTION OF THIS FREE WRITING PROSPECTUS IN THE PRC. ACCORDINGLY, THE SECURITIES AND THE INCOME NOTES ARE NOT BEING OFFERED OR SOLD WITHIN THE PRC BY MEANS OF THIS FREE WRITING PROSPECTUS OR ANY OTHER DOCUMENT. NEITHER THIS FREE WRITING PROSPECTUS NOR ANY ADVERTISEMENT OR OTHER OFFERING MATERIAL MAY BE DISTRIBUTED OR PUBLISHED IN THE PRC, EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS.

TO RESIDENTS OF SOUTH KOREA

Neither the Securities nor the Income Notes have been registered with the Financial Services Commission of Korea for a public offering in Korea. Neither the Securities nor the Income Notes have been and nor will they be offered, sold or delivered directly or indirectly, or offered, sold or delivered to any person for re-offering or resale,

directly or indirectly, in Korea or to any resident of Korea, except as otherwise permitted under applicable Korean laws and regulations, including the Financial Investment Services and Capital Markets Act and the Foreign Exchange Transaction Law and the decrees and regulations thereunder. By the purchase of the Securities or the Income Note, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the Securities or the Income Notes pursuant to the applicable laws and regulations of Korea.

NOTICE TO RESIDENTS OF SINGAPORE

THIS OFFERING MEMORANDUM HAS NOT BEEN REGISTERED AS A PROSPECTUS WITH THE MONETARY AUTHORITY OF SINGAPORE. ACCORDINGLY, THIS OFFERING MEMORANDUM AND ANY OTHER DOCUMENT OR MATERIAL IN CONNECTION WITH THE OFFER OR SALE, OR INVITATION FOR SUBSCRIPTION OR PURCHASE, OF THE SECURITIES OR THE INCOME NOTES MAY NOT BE CIRCULATED OR DISTRIBUTED, NOR MAY THE SECURITIES OR THE INCOME NOTES BE OFFERED OR SOLD, OR BE MADE THE SUBJECT OF AN INVITATION FOR SUBSCRIPTION OR PURCHASE, WHETHER DIRECTLY OR INDIRECTLY, TO PERSONS IN SINGAPORE OTHER THAN (I) TO AN INSTITUTIONAL INVESTOR UNDER SECTION 274 OF THE SECURITIES AND FUTURES ACT, CHAPTER 289 OF SINGAPORE (THE "SFA"), (II) TO A RELEVANT PERSON, OR ANY PERSON PURSUANT TO SECTION 275(1 A), IN ACCORDANCE WITH THE CONDITIONS SPECIFIED IN SECTION 275 OF THE SFA OR (III) OTHERWISE PURSUANT TO, AND IN ACCORDANCE WITH THE CONDITIONS OF, ANY OTHER APPLICABLE PROVISION OF THE SFA.

WHERE THE SECURITIES OR THE INCOME NOTES ARE SUBSCRIBED OR PURCHASED UNDER SECTION 275 BY A RELEVANT PERSON WHICH IS: (A) A CORPORATION (WHICH IS NOT AN ACCREDITED INVESTOR) THE SOLE BUSINESS OF WHICH IS TO HOLD INVESTMENTS AND THE ENTIRE SHARE CAPITAL OF WHICH IS OWNED BY ONE OR MORE INDIVIDUALS, EACH OF WHOM IS AN ACCREDITED INVESTOR; OR (B) A TRUST (WHERE THE TRUSTEE IS NOT AN ACCREDITED INVESTOR) WHOSE SOLE PURPOSE IS TO HOLD INVESTMENTS AND EACH BENEFICIARY IS AN ACCREDITED INVESTOR, SHARES, DEBENTURES AND UNITS OF SHARES AND DEBENTURES OF THAT CORPORATION OR THE BENEFICIARIES' RIGHTS AND INTEREST IN THAT TRUST SHALL NOT BE TRANSFERABLE FOR 6 MONTHS AFTER THAT CORPORATION OR THAT TRUST HAS ACQUIRED THE SECURITIES OR THE INCOME NOTES UNDER SECTION 275 EXCEPT: (1) TO AN INSTITUTIONAL INVESTOR UNDER SECTION 274 OF THE SFA OR TO A RELEVANT PERSON, OR ANY PERSON PURSUANT TO SECTION 275(1A), AND IN ACCORDANCE WITH THE CONDITIONS SPECIFIED IN SECTION 275 OF THE SFA; (2) WHERE NO CONSIDERATION IS GIVEN FOR THE TRANSFER; OR (3) BY OPERATION OF LAW.

NOTICE TO RESIDENTS OF SWEDEN

This Offering Memorandum and its content is for the intended recipients only and may not in any way be forwarded to the public in Sweden, except in accordance with the relevant exemptions under the Swedish Financial Instruments Trading Act (1991) (Sw. *Lagen (1991:980) om handel med finansiella instrument*). Accordingly, no Securities or Income Notes will be offered or sold in a manner that would require the registration of a prospectus by the Swedish Financial Supervisory Authority under the Swedish Financial Instruments Trading Act (1991). This Offering Memorandum is not a prospectus in accordance with the prospectus requirements provided for in said act or in any other Swedish laws or regulations. Accordingly, this memorandum has not been, nor will it be, examined, approved or registered by the Swedish Financial Supervisory Authority or any other Swedish public body.

NOTICE TO RESIDENTS OF THE UNITED KINGDOM

Within the United Kingdom, this Offering Memorandum is directed only at persons who have professional experience in matters relating to investments and who qualify either as investment professionals in accordance with Article 19(5), or as high net worth companies, unincorporated associations, partnerships or trustees in accordance with Article 49(2) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (together, "**exempt persons**"). It may not be passed on except to exempt persons or other persons in circumstances in which Section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuers (all such persons together being referred to as "**relevant persons**"). This Offering Memorandum must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Memorandum relates is available

only to relevant persons and will be engaged in only with relevant persons. Any persons other than relevant persons should not act or rely on this Offering Memorandum.

STABILIZATION

In connection with the issuance of the Securities and Income Notes, the Initial Purchaser (a "**Stabilizing Manager**") (or persons acting on behalf of a Stabilizing Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that a Stabilizing Manager (or persons acting on behalf of a Stabilizing Manager) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Closing Date and 60 days after the date of the allotment of the Notes. Any stabilization action or over-allotment will be conducted by a Stabilizing Manager (or persons acting on behalf of a Stabilizing Manager) in accordance with all applicable laws and rules.

IMPORTANT NOTICE REGARDING THE SECURITIES AND THE INCOME NOTES

THE SECURITIES AND THE INCOME NOTES REFERRED TO IN THIS OFFERING MEMORANDUM, AND THE ASSETS BACKING THEM, ARE SUBJECT TO MODIFICATION OR REVISION (INCLUDING THE POSSIBILITY THAT THE INCOME NOTES OR ONE OR MORE CLASSES OF THE SECURITIES MAY BE SPLIT, COMBINED OR ELIMINATED AT ANY TIME PRIOR TO THE ISSUANCE OF THE SECURITIES AND THE INCOME NOTES) AND ARE OFFERED ON A "WHEN, AS AND IF ISSUED" BASIS. EACH INVESTOR ACKNOWLEDGES THAT, WHEN IT IS CONSIDERING THE PURCHASE OF THE SECURITIES OR THE INCOME NOTES, A CONTRACT OF SALE WILL COME INTO BEING NO SOONER THAN THE DATE ON WHICH THE RELEVANT CLASS OF SECURITIES OR THE INCOME NOTES HAS BEEN PRICED AND THE INITIAL PURCHASER HAS CONFIRMED THE ALLOCATION OF SUCH SECURITIES OR INCOME NOTES TO BE MADE TO IT. ANY "INDICATIONS OF INTEREST" EXPRESSED BY AN INVESTOR, AND ANY "SOFT CIRCLES" GENERATED BY THE INITIAL PURCHASER, WILL NOT CREATE BINDING CONTRACTUAL OBLIGATIONS FOR ANY INVESTOR OR THE INITIAL PURCHASER.

AS A RESULT OF THE FOREGOING, AN INVESTOR MAY COMMIT TO PURCHASE INCOME NOTES OR ONE OR MORE CLASSES OF THE SECURITIES THAT HAVE CHARACTERISTICS THAT MAY CHANGE, AND EACH INVESTOR IS ADVISED THAT ALL OR A PORTION OF THE SECURITIES OR THE INCOME NOTES MAY NOT BE ISSUED WITH THE CHARACTERISTICS DESCRIBED IN THIS OFFERING MEMORANDUM. THE INITIAL PURCHASER'S OBLIGATION TO SELL SUCH SECURITIES OR INCOME NOTES TO ANY INVESTOR IS CONDITIONED ON THE SECURITIES AND THE INCOME NOTES HAVING THE CHARACTERISTICS DESCRIBED IN THIS OFFERING MEMORANDUM. IF THE INITIAL PURCHASER DETERMINES THAT SUCH CONDITION IS NOT SATISFIED IN ANY MATERIAL RESPECT, EACH INVESTOR WILL BE NOTIFIED, AND NONE OF THE ISSUERS OR THE INCOME NOTE ISSUER, AS APPLICABLE, NOR THE INITIAL PURCHASER WILL HAVE ANY OBLIGATION TO DELIVER ANY PORTION OF THE SECURITIES OR THE INCOME NOTES, AS APPLICABLE, WHICH AN INVESTOR HAS COMMITTED TO PURCHASE, AND THERE WILL BE NO LIABILITY AMONG THE ISSUER, THE CO-ISSUER, THE INCOME NOTE ISSUER, THE INITIAL PURCHASER, THEIR RESPECTIVE AFFILIATES AND ANY INVESTOR AS A CONSEQUENCE OF SUCH NON-DELIVERY.

EACH RECIPIENT OF THIS OFFERING MEMORANDUM FROM THE INITIAL PURCHASER HAS REQUESTED THAT THE INITIAL PURCHASER PROVIDE TO IT INFORMATION IN CONNECTION WITH ITS CONSIDERATION OF THE PURCHASE OF CERTAIN SECURITIES OR INCOME NOTES. THIS OFFERING MEMORANDUM IS BEING PROVIDED TO INVESTORS FOR INFORMATIVE PURPOSES ONLY IN RESPONSE TO A SPECIFIC REQUEST. THE INITIAL PURCHASER MAY FROM TIME TO TIME PERFORM INVESTMENT BANKING SERVICES FOR, OR SOLICIT INVESTMENT BANKING BUSINESS FROM, ANY PERSON OR COMPANY NAMED IN THIS OFFERING MEMORANDUM OR ANY AFFILIATE THEREOF. THE INITIAL PURCHASER AND/OR ITS EMPLOYEES OR AFFILIATES MAY FROM TIME TO TIME HAVE A LONG OR SHORT POSITION IN ANY CONTRACT OR SECURITIES (INCLUDING THE INCOME NOTES) DISCUSSED IN THIS OFFERING MEMORANDUM.

THE INFORMATION CONTAINED HEREIN SUPERSEDES ANY PREVIOUS INFORMATION DELIVERED TO ANY INVESTOR AND MAY BE SUPERSEDED BY INFORMATION DELIVERED TO SUCH INVESTOR PRIOR TO THE TIME OF SALE.

This Offering Memorandum has been prepared by the Issuers and the Income Note Issuer solely for use in connection with the offering and (as applicable) the listing of the Securities and the Income Notes described in this Offering Memorandum. This Offering Memorandum relates to separate offerings of securities of distinct entities (the Issuers, in the case of the Securities, and the Income Note Issuer, in the case of the Income Notes). The Issuers and the Income Note Issuer accept responsibility for the information contained in this Offering Memorandum other than the Collateral Manager Information. To the best of the knowledge and belief of the Issuers and the Income Note Issuer (who have taken reasonable care to ensure that such is the case), the information contained in this Offering Memorandum other than the Collateral Manager Information is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Initial Purchaser and the Collateral Manager make no representation, warranty, express or implied, as to the accuracy or completeness of the information contained in this Offering Memorandum. Nothing contained in this Offering Memorandum is, or shall be relied upon as, a promise or representation by the Initial Purchaser or the Collateral Manager as to the past or future. The Initial Purchaser and the Collateral Manager have not independently verified any of the information contained herein (financial, legal or otherwise) and assume no responsibility for the accuracy or completeness of any such information. Notwithstanding the preceding two sentences, the Collateral Manager accepts responsibility for the information under "*The Collateral Manager*" and "*Risk Factors—Risk Factors Related to Conflicts of Interest—Conflicts of Interest Involving the Collateral Manager*" (the "**Collateral Manager Information**"). To the best of the knowledge and belief of the Collateral Manager (who has taken reasonable care to ensure that such is the case), the Collateral Manager Information is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Trustee has not participated in the preparation of this Offering Memorandum and assumes no responsibility for its content.

No Person is authorized in connection with any offering made hereby to give any information or make any representation other than as contained in this Offering Memorandum and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuers, the Income Note Issuer, the Initial Purchaser or the Collateral Manager.

This Offering Memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Securities or the Income Notes offered hereby by any Person in any jurisdiction in which it is unlawful for such Person to make such an offer or solicitation. Neither the delivery of this Offering Memorandum nor any sale made pursuant thereto shall under any circumstances imply that no change in the affairs of the Issuers or the Income Note Issuer has occurred or that the information contained in this Offering Memorandum is correct as of any date subsequent to the date of this Offering Memorandum. The Issuers and the Initial Purchaser reserve the right to reject any offer to purchase in whole or in part, for any reason, or to sell less than the stated initial amount of any Class of Securities offered. The Income Note Issuer and the Initial Purchaser reserve the right to reject any offer to purchase in whole or in part, for any reason, or to sell less than the stated initial amount of the Income Notes offered.

EACH INVESTOR IN SECURITIES OR INCOME NOTES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN EACH JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS SUCH SECURITIES OR INCOME NOTES OR POSSESSES OR DISTRIBUTES THIS OFFERING MEMORANDUM, AND MUST OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED FOR THE PURCHASE, OFFER OR SALE BY IT OF SUCH SECURITIES OR INCOME NOTES UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTIONS TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS OR SALES, AND NONE OF THE ISSUERS, THE INCOME NOTE ISSUER, THE INITIAL PURCHASER OR THE COLLATERAL MANAGER SHALL HAVE ANY RESPONSIBILITY THEREFOR.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUERS, THE INCOME NOTE ISSUER (AS APPLICABLE) AND THE TERMS OF

THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES (INCLUDING THE INCOME NOTES) HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

SUMMARIES OF DOCUMENTS

This Offering Memorandum summarizes certain provisions of the Securities, the Income 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 Memorandum) 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). However, no documents incorporated by reference are part of this Offering Memorandum for purposes of the admission of the Listed Notes to trading on the Global Exchange Market of the Irish Stock Exchange and for the purposes of the approval of this Offering Memorandum under the rules of the Global Exchange Market.

You should direct any requests and inquiries regarding this Offering Memorandum and such documents to the Issuer in care of DBSI at the following address: Deutsche Bank Securities Inc., 60 Wall Street, New York, NY 10005, Attention: Global Markets.

AVAILABLE INFORMATION

To permit compliance with Rule 144A under the Securities Act, the Issuers (and, solely in the case of the Notes other than the Class E Notes, the Co-Issuer), in connection with the sale of the Securities (and the Income Note Issuer, in connection with the sale of the Income Notes), under the Indenture referred to under "*Description of the Securities and the Income Notes*" will be required to furnish, upon request of any Holder or Income Note Holder, as applicable, to such Holder or Income Note Holder and a prospective purchaser designated by such Holder or Income Note Holder, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if at the time of the request the Issuers or the Income Note Issuer, as applicable, are not reporting companies under Section 13 or Section 15(d) of the Exchange Act, or are exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act. Neither the Issuers nor the Income Note Issuer are expected to become reporting companies or to be exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act.

FORWARD-LOOKING STATEMENTS

This Offering Memorandum 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 contained herein, including any estimated, targeted or assumed information, may also deemed to be, or to contain, forward-looking statements. Prospective investors 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 it can be expected that some or all of the assumptions underlying any forward-looking statements will not materialize or will vary significantly from actual results. Variations of assumptions and results may be material.

Without limiting the generality of the foregoing, the inclusion of forward-looking statements herein should not be regarded as a representation by any of the Transaction Parties or any of their respective Affiliates or any other person of the results that will actually be achieved by the Issuers, the Income Note Issuer, the Securities or the Income Notes. None of the foregoing persons has any obligation to update or otherwise revise any forward-looking statements, including any revision to reflect changes in any circumstances arising after the date hereof relating to any assumptions or otherwise. Investors should not rely on forward-looking statements and do so at their own risk.

IN THE EVENT THE ISSUER ENTERS INTO HEDGE AGREEMENTS OR OTHER AGREEMENTS THAT MIGHT CAUSE THE ISSUER TO BE CONSIDERED A COMMODITY POOL UNDER THE COMMODITY EXCHANGE ACT, THE ISSUER EXPECTS TO BE OPERATED IN A MANNER CONSISTENT WITH THE EXEMPTION FROM REGISTRATION FOR COMMODITY POOL OPERATORS PROVIDED IN

SECTION 4.13(A)(3) OF THE CFTC'S RULES AND REGULATIONS AND WILL LIMIT ITS USE OF HEDGE AGREEMENTS TO DE MINIMIS LEVELS AS SPECIFIED UNDER SUCH EXEMPTION. ACCORDINGLY, ALL PERSONS INVOLVED IN THE MANAGEMENT OF THE ISSUER, INCLUDING THE COLLATERAL MANAGER, THE TRUSTEE, THE COLLATERAL ADMINISTRATOR AND THE ADMINISTRATOR WOULD BE EXEMPT FROM REGISTRATION AS COMMODITY POOL OPERATORS (OR, IF OTHERWISE REGISTERED, EACH SUCH PERSON INTENDS TO OPERATE THE ISSUER AS IF IT WERE EXEMPT). ACCORDINGLY, UNLIKE A REGISTERED COMMODITY POOL OPERATOR (OR A REGISTERED COMMODITY POOL OPERATOR WHO IS NOT TREATING THE ISSUER AS EXEMPT), NO SUCH PERSON IS OBLIGATED TO DELIVER A DISCLOSURE DOCUMENT SATISFYING CFTC REQUIREMENTS OR A CERTIFIED ANNUAL REPORT TO INVESTORS.

RETENTION

Reference is made to Articles 404-410 of 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 (the "**EU Risk Retention Rules**"). The Securities and the Income Notes have not been structured or vetted with respect to compliance with the EU Risk Retention Rules.

In connection with the offering of the Securities, LCM Asset Management LLC ("**LCM**") intends Tetragon Credit Income II L.P., a recently established limited partnership entity for whom an affiliate of LCM will serve as general partner and whose limited partners include affiliate(s) of LCM and certain third parties, to be a "majority owned affiliate" (as such term is defined in the US Risk Retention Regulations) of LCM for purposes of the US Risk Retention Regulations (the "**TFG Risk Retention Party**"), and to commit to purchase, subject to certain terms and conditions, the Issuer's LP Certificates in an amount (which is expected to be, directly or indirectly through the ownership of the Income Notes, all of the LP Certificates) equal to at least 5% of the fair value of the Securities as of the Closing Date.

While LCM expects that the TFG Risk Retention Party will acquire and hold certain LP Certificates on terms consistent with those that will be required for CLOs established after the December 2016 effective date under the US Risk Retention Regulations (as set forth in "*Risk Factors—Risk Factors Relating to General Commercial Risks—Risk Retention*"), none of the Issuer, the Initial Purchaser, the Collateral Manager, TFG, the TFG Risk Retention Party, the Income Note Issuer or their respective affiliates or any other person intends to retain a material net economic interest in the securitization constituted by the issuance of the Securities in a manner that would satisfy the Retention Requirement under the EU Risk Retention Rules or to take any other action which may be required by EEA-regulated investors for the purposes of their compliance with the Retention Requirement, the Due Diligence Requirement or Similar Requirements under such rules. See "*Risk Factors—Risk Factors Relating to General Commercial Risks—European Legal Investment Considerations and Retention Requirements*".

None of LCM, the TFG Risk Retention Party or any of their respective affiliates (including their investment managers), the Issuers, the Income Note Issuer, Deutsche Bank Securities Inc., as Initial Purchaser, or any other Transaction Party (i) makes any representation that the information described above or in this offering memorandum is now, or in the future will be, sufficient in all or any circumstances for purposes of complying with the EU Risk Retention Rules, (ii) will have any liability whatsoever in connection with any person's compliance or non-compliance with the EU Risk Retention Rules and (iii) will have any obligation to comply with, enable compliance with or monitor compliance with the EU Risk Retention Rules, including, without limitation, upon any change in law or regulation directly or indirectly related to the EU Risk Retention Rules.

Consistent with the requirements that would apply under the US Risk Retention Regulations if such regulations were effective at the time the Securities were issued, the TFG Risk Retention Party is expected to agree with the Issuer in the subscription agreement to be delivered to the Issuer on the Closing Date in respect of the LP Certificates to be purchased by the TFG Risk Retention Party to hold such LP Certificates on an ongoing basis (to the extent provided under "*Risk Factors—Risk Factors Relating to General Commercial Risks—Risk Retention*") for so long as would be required by such US Risk Retention Regulations after they come into effect in December 2016. However, none of LCM, the TFG Risk Retention Party or any of their respective affiliates (including their investment managers), the Issuers, the Income Note Issuer, Deutsche Bank Securities Inc., as Initial Purchaser, or any other Transaction Party makes any assurance or representation or warranty that the information described above or in this offering memorandum is now, or in the future will be, sufficient in all or any circumstances for purposes of complying

with the US Risk Retention Regulations when they come into effect or thereafter, or that such ownership of the LP Certificates would satisfy the US Risk Retention Regulations when they come into effect or thereafter.

Each prospective investor in the Securities or Income Notes, including each such prospective investor which is subject to the EU Risk Retention Rules, is required to independently assess and determine the sufficiency, for the purposes of complying with such rules, of the information set forth in this Offering Memorandum, and should consult with its own legal, accounting and other advisors and/or its national regulator in determining the extent to which such information is sufficient for such purpose.

SUMMARY OF TERMS

The following summary does not purport to be complete and is qualified in its entirety by reference to the detailed information appearing elsewhere in this Offering Memorandum and related documents referred to herein. Certain terms of the Securities and the Income Notes described in this summary are referred to but not repeated in the remainder of this Offering Memorandum. A glossary of certain defined terms and an index of defined terms appear at the back of this Offering Memorandum.

Securities Offered

Designation[1]	Class A Notes	Class B-1 Notes	Class B-2 Notes	Class C Notes	Class D Notes	Class E Notes	LP Certificates	Income Notes[2]
Type	Senior Secured Floating Rate	Senior Secured Floating Rate	Senior Secured Fixed Rate	Mezzanine Secured Deferrable Floating Rate	Mezzanine Secured Deferrable Floating Rate	Mezzanine Secured Deferrable Floating Rate	LP Certificates	Income Notes
Issuer(s)	Issuers	Issuers	Issuers	Issuers	Issuers	Issuer	Issuer	Income Note Issuer
Initial Principal Amount / Face Amount (U.S.$)	U.S.$235,000,000	U.S.$34,800,000	U.S.$12,000,000	U.S.$28,000,000	U.S.$18,900,000	U.S.$16,000,000	U.S.$36,360,000	U.S.$500,000
Expected Fitch Initial Rating	“AAAsf”	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Expected S&P Initial Rating	“AAA(sf)”	“AA(sf)”	“AA(sf)”	“A(sf)”	“BBB(sf)”	“BB-(sf)”	N/A	N/A
Note Interest Rate[3]	LIBOR[4] + 1.55%	LIBOR[4] + 2.40%	3.93%	LIBOR[4] + 3.50%	LIBOR[4] + 5.10%	LIBOR[4] + 7.65%	[5]	[6]
Stated Maturity	Payment Date in April, 2028	Payment Date in April, 2028	Payment Date in April, 2028	Payment Date in April, 2028	Payment Date in April, 2028	Payment Date in April, 2028	N/A	Payment Date in April, 2028
Minimum Denominations (U.S.$) (Integral Multiples/Shares)	U.S.$250,000 (U.S.$1.00)	U.S.$250,000 (U.S.$1.00)	U.S.$250,000 (U.S.$1.00)	U.S.$250,000 (U.S.$1.00)	U.S.$250,000 (U.S.$1.00)	U.S.$500,000 (U.S.$1.00)	U.S.$1,500,000[7] (U.S.$1.00)	U.S.$250,000 (U.S.$1.00)
Ranking of the Securities: Pari Passu Class(es)	None	B-2	B-1	None	None	None	None	None
Priority Class(es)	None	A	A	A, B-1, B-2	A, B-1, B-2, C	A, B-1, B-2, C, D	A, B-1, B-2, C, D, E	N/A
Junior Class(es)	B, C, D, E, LP Certificates	C, D, E, LP Certificates	C, D, E, LP Certificates	D, E, LP Certificates	E, LP Certificates	LP Certificates	None	N/A
Deferred Interest Notes	No	No	No	Yes	Yes	Yes	N/A	N/A
Form	Book-Entry	Book-Entry	Book-Entry	Book-Entry	Book-Entry	Book-Entry	Physical for U.S. Purchasers / Book-Entry in offshore transactions	Book- Entry

(1) Each Class of Notes is referred to in this Offering Memorandum using the respective term set forth in the row labeled "Designation" in the table above. The LP Certificates described above are referred to herein as the "**LP Certificates**" and will be issued under the LP Certificate Documents to the holders of Class I limited partnership interests in the Issuer. The Income Notes described above are referred to herein as the "**Income Notes**". The Notes will be issued pursuant to an indenture, to be dated as of the Closing Date (the "**Indenture**"), among the Issuers and the Trustee. The Notes and the LP Certificates are collectively referred to herein as the "**Securities**". On the Closing Date, the Issuer will also issue the Class II and Class III limited partnership interests, which are not offered under this Offering Memorandum.

(2) The Income Note Issuer is expected to hold U.S.$500,000 face amount of LP Certificates on the Closing Date and issue U.S.$500,000 Income Notes, which will constitute unsecured debt obligations of the Income Note Issuer and indirect interests in the Issuer. As such, the subordination provided by the Income Notes is included in (and is not in addition to) the subordination provided by the LP Certificates.

(3) The spread over LIBOR or interest rate (with respect to any Fixed Rate Notes) applicable with respect to any Class of Repricing Eligible Notes may be reduced in connection with a Repricing of such Class of Notes, subject to the conditions set forth under "*Description of the Securities and the Income Notes—Repricing of Notes*."

(4) LIBOR is calculated as set forth under "*Description of the Securities and the Income Notes—Interest*."

(5) On or about each Payment Date, the LP Certificates will receive all or a portion of Interest Proceeds and Principal Proceeds remaining after all other obligations of the Issuer have been satisfied in accordance with the Priority of Payments; *provided* that, if and to the extent Interest Proceeds are not available for such purpose on any Payment Date, such amount will cease to be payable on such date or on any other date. See "*Description of the Securities and the Income Notes—Priority of Payments*."

(6) On or about each Payment Date, the Income Notes will receive a *pro rata* share of distributions on the LP Certificates held by the Income Note Issuer.

(7) The LP Certificates will be issued in minimum denominations of U.S.$1,500,000 and integral multiples of U.S.$1.00 in excess thereof, except that on the Closing Date a single LP Certificate will be issued to the Income Note Issuer in a denomination of U.S.$500,000.

Issuer:..	LCM XXI Limited Partnership, an exempted limited partnership registered under the laws of the Cayman Islands, acting through its general partner, LCM XXI GP Ltd., an exempted company incorporated with limited liability under the laws of the Cayman Islands (the "**General Partner**").
Co-Issuer:...	LCM XXI LLC, a Delaware limited liability company.
Income Note Issuer:	LCM XXI Ltd., an exempted company incorporated with limited liability under the laws of the Cayman Islands.
Collateral Manager:................................	LCM Asset Management LLC (the "**Collateral Manager**").
Risk Retention Party:	Tetragon Credit Income II L.P., a limited partnership entity that is intended to be a "majority-owned affiliate" of the Collateral Manager and will agree to purchase the Retention Interest on the Closing Date (the "**TFG Risk Retention Party**").
Trustee, Indenture Registrar, Collateral Administrator, LP Paying Agent and Income Note Paying Agent:..............................	Deutsche Bank Trust Company Americas (in its capacity as trustee under the Indenture, the "**Trustee**"; in its capacity as registrar under the Indenture, the "**Indenture Registrar**"; in its capacity as Collateral Administrator under the Collateral Administration Agreement, the "**Collateral Administrator**", in its capacity as LP Certificate paying agent under the LP Paying Agency Agreement, the "**LP Paying Agent**"; and in its capacity as Income Note paying agent under the Income Note Paying Agency Agreement, the "**Income Note Paying Agent**").
Initial Purchaser:	Deutsche Bank Securities Inc.
Eligible Purchasers:................................	The Securities and the Income Notes are being offered hereby only to: (i) Non-U.S. persons in offshore transactions in reliance on Regulation S; and (ii) Persons that are both (A) "qualified purchasers" within the meaning of Section 2(a)(51) of the Investment Company Act and the rules promulgated thereunder ("**Qualified Purchasers**") and (B) qualified institutional buyers ("**Qualified Institutional Buyers**") within the meaning of Rule 144A (provided that, in the case of each of clause (A) and (B), LP Certificates may not be offered or sold to persons other than United States "C" corporations within the meaning of Section 7701(a)(30)(C) of the Code ("**C Corporations**")) or Permitted LP Certificate Holders. See "*Transfer Restrictions*."
Distributions on the Securities:	
Payment Dates.......................................	The 20th day of January, April, July and October of each year, commencing in July, 2016 (or, if such day is not a Business Day, then the immediately following Business Day), and, with respect to any Note, the Redemption Date, Refinancing Date, Stated Maturity or such other date on which the Aggregate Outstanding Amount thereof is paid in full or the final distribution in respect thereof is made (each, a "**Payment Date**").

Priority of Payments..............................	Subject to the Subordination Provisions, on each Payment Date, distributions of Interest Proceeds and Principal Proceeds (if any) will be made in accordance with the Priority of Payments. See "*Description of the Securities and the Income Notes—Priority of Payments*" and "*Description of the Securities and the Income Notes—The Indenture—General Provisions—Subordination*."
Note Interest Payments..........................	Interest on the Notes is payable in arrears on each Payment Date in accordance with the Priority of Interest Payments.
Deferral of Interest................................	Unless such Class of Mezzanine Notes constitutes the Controlling Class, to the extent interest is not paid on the Mezzanine Notes on any Payment Date, such unpaid interest will be deferred and will bear interest at the applicable Note Interest Rate until paid in accordance with the Priority of Payments. The failure to pay such amounts will not be an Event of Default under the Indenture.
Principal Payments	The Rated Notes will mature at par on the Payment Date in April, 2028 (with respect to such Notes, the "**Stated Maturity**") and the final payment of principal will be paid on that date unless such Notes have been paid in full or redeemed earlier as described herein. The "Stated Maturity" of the Income Notes is the Payment Date in April, 2028. During the Reinvestment Period, payments of principal of the Rated Notes will not be made except in connection with (a) an Optional Redemption, (b) a Refinancing, (c) a failure to satisfy a Coverage Test, to the extent required to come into compliance with such test or (d) a determination by the Collateral Manager that it would be impractical or not beneficial to reinvest Principal Proceeds in additional Collateral Debt Obligations.
Distributions on the LP Certificates	The LP Certificates will receive distributions on or about each Payment Date of Interest Proceeds and Principal Proceeds, if any, remaining after all other required payments and reserves are made in accordance with the Priority of Payments; *provided* that all or a portion of such distributions on any Payment Date may be contributed to the Issuer under the circumstances described in "*Description of the Securities and the Income Notes—The Indenture—General Provisions—Contributions*". Distributions on the LP Certificates will not be made at any stated rate. After all of the Notes have been redeemed and are no longer outstanding, proceeds received in connection with the Collateral not required to pay expenses and fees of the Issuer will be distributed on the LP Certificates unless otherwise directed by a Majority of the LP Certificates. See "*Description of the Securities and the Income Notes—Distributions on the LP Certificates, Class II LP Interests, Class III LP Interests and the Income Notes*."
Distributions on the Income Notes.........	The Income Notes will receive distributions on or about each Payment Date of a *pro rata* share of distributions received in connection with the LP Certificates held by the Income Note Issuer. See "*Description of the Securities and the Income Notes—Distributions on the LP Certificates, Class II LP Interests, Class III LP Interests and the Income Notes*."
Redemptions:	
Optional Redemption.............................	During the period from the Closing Date to and including the Business Day immediately preceding (i) for the Class A Notes, the Class B Notes

and the Class E Notes, the Payment Date in April 2018 and (ii) for the Class C Notes and the Class D Notes, the Payment Date in October 2018 (each such period, the "**Non-Call Period**"), the Rated Notes are not subject to Optional Redemption, unless a Withholding Tax Event occurs and the Holders of a Majority of the LP Certificates direct or consent to a redemption of the Rated Notes. Following the Non-Call Period, on any Payment Date the Rated Notes may be redeemed at the direction of, or with the consent of, the Holders of the Redemption Consent Threshold of the LP Certificates. See "*Description of the Securities and the Income Notes—Optional Redemption.*"

Upon either redemption described above, the Collateral Manager will direct the Trustee to sell the Collateral Portfolio, and all of the Rated Notes will be redeemed in whole but not in part, subject to the terms and conditions specified in the Indenture.

There are certain other restrictions on the ability of the Issuers to effect an Optional Redemption. See "*Description of the Securities and the Income Notes—Optional Redemption.*"

Refinancing.. On either (A) in the case of the Class A Notes, any Payment Date after the Non-Call Period or (B) in the case of any Class of Notes other than the Class A Notes, any Business Day after the Non-Call Period, or, in conjunction with a Refinancing or a Repricing Amendment and with respect only to a Class of Notes subject to such Refinancing or Repricing Amendment, such later date as may be specified in a supplemental indenture with respect thereto (such period, the "**Refinancing/Repricing Amendment Non-Call Period**"), any Class of Notes (*provided* that, for the purpose of a Refinancing, the Class B-1 Notes and the Class B-2 Notes will be treated as separate Classes of Notes) may be redeemed, in whole but not in part, from Refinancing Proceeds if (i) the Holders of a Majority of the LP Certificates direct the redemption of such Notes and the Collateral Manager consents or (ii) if the Collateral Manager proposes the redemption of such Notes and such proposal is approved by a Majority of the Holders of the LP Certificates prior to the designated Refinancing Date for the redemption of such Notes.

The obligations providing the Refinancing of a Class of Fixed Rate Notes may bear interest at a floating rate.

The negotiated terms of a Refinancing may include removal or modification of the floor on calculated LIBOR rate applicable to the Rated Notes.

There are certain other restrictions on the ability of the Issuers to effect a Refinancing. See "*Description of the Securities and the Income Notes—Refinancing.*"

Optional Redemption Prices and Refinancing Prices...................... The "**Redemption Price**" of:

(a) any Class of Notes is an amount equal to the aggregate outstanding principal amount of such Class to be redeemed, plus accrued and unpaid interest thereon at the applicable Note Interest Rate to but excluding the Redemption Date, the Refinancing Date or the date of the Repricing, as applicable (after giving effect to installments of interest accrued and

	principal maturing on or prior to such Redemption Date, payment of which shall have been made or duly provided for, if any); (b) the LP Certificates is all amounts available for distribution to Holders of LP Certificates on the Redemption Date in accordance with the Priority of Payments, if any; and (c) the Income Notes is all amounts available for distribution to the Income Noteholders on or about the Redemption Date, if any, pursuant to the Income Note Paying Agency Agreement; *provided* that, by unanimous written consent, the Holders of any Class may agree, by written notice to the Issuer, the Trustee and the Collateral Manager, to receive in full payment for the redemption of such Class an amount less than the Redemption Price that would otherwise be payable in respect of such Class in which case, such reduced price will be the Redemption Price for such Class.
Principal Payments to satisfy Coverage Tests	On any Payment Date on which any Coverage Test is not satisfied on the related Determination Date, the Issuer will pay principal of the Rated Notes, in accordance with the Priority of Payments, to the extent required to satisfy such test. If an Effective Date Ratings Confirmation Failure occurs and is continuing, the Issuer will at the direction of the Collateral Manager in its sole discretion apply certain Interest Proceeds and Principal Proceeds, including Unused Proceeds, (x) to purchase additional Collateral Debt Obligations or to deposit into the Collection Account as Principal Proceeds for investment in Eligible Investments pending the purchase of additional Collateral Debt Obligations and/or (y) to pay principal of the Rated Notes in accordance with the Priority of Payments.
Repricing	On any Business Day occurring after the Non-Call Period (or, if applicable, the Refinancing/Repricing Amendment Non-Call Period**)**, at the direction of a Majority of the LP Certificates and with the consent of the Collateral Manager, the Issuer will reduce the spread over LIBOR or interest rate (with respect to any Fixed Rate Notes) with respect to any Class of Repricing Eligible Notes under the circumstances, and subject to the conditions, described under "*Description of the Securities and the Income Notes—Repricing of Notes*."
Security for the Notes:	The Notes will be secured by the Collateral. In acquiring and disposing of Collateral Debt Obligations, the Issuer, except in certain circumstances described herein, will be required to satisfy the Concentration Limitations, the Collateral Quality Tests, the Coverage Tests and various other criteria described under "*Security for the Notes—Sales of Collateral Debt Obligations*" and "*Security for the Notes—Purchase of Collateral Debt Obligations During and After Reinvestment Period—Reinvestment Criteria during the Reinvestment Period.*" A substantial portion of the Collateral Debt Obligations will be rated below investment grade and accordingly will have greater credit and liquidity risk than investment grade corporate obligations. See "*Risk Factors.*" The net proceeds of the sale of the Securities will be applied to purchase the initial portfolio of Collateral Debt Obligations. See "*Security for the Notes—Collateral Debt Obligations.*" The LP Certificates will not be secured by any assets of the Issuers.

Collateral Management:..........................	The Collateral Manager will manage the portfolio of the Issuer pursuant to a Collateral Management Agreement between the Issuer and the Collateral Manager (the "**Collateral Management Agreement**"). Under 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 Collateral and certain related functions.
Purchase of Collateral Debt Obligations; Initial Investment Period; Effective Date:.........................	The Collateral Manager will use commercially reasonable efforts to cause the Issuer to acquire (or cause the Issuer to enter into binding agreements to acquire) by the Effective Date (without regard to prepayments, maturities or redemptions) Collateral Debt Obligations having an Aggregate Principal Balance of approximately $377,800,000 (the "**Effective Date Target Par Amount**"). On the Business Day following any Business Day on which the Effective Date Condition has been satisfied, the Collateral Manager may declare the "**Effective Date**" and (unless the Effective Date Requirements have been satisfied) request Effective Date Ratings Confirmation from S&P; *provided* that if no such declaration is made, the Effective Date will be June 20, 2016. If an Effective Date Ratings Confirmation Failure occurs, all funds then held in the Unused Proceeds Account will be applied as Principal Proceeds on the next and succeeding Payment Dates to the extent required for such ratings to be confirmed.
Reinvestment Period:..............................	The "**Reinvestment Period**" will be the period from the Closing Date to and including the earliest of (i) the Business Day immediately preceding the Payment Date in October 2020, (ii) in conjunction with a Refinancing or a Repricing Amendment, such date as may be specified by the Collateral Manager with the prior written consent of a Majority of the LP Certificates, (iii) the date on which the maturity of the Notes is accelerated following an Event of Default and (iv) the date specified by the Collateral Manager in a notice to the Issuer, the Rating Agencies and the Trustee certifying that it has reasonably determined that it can no longer make investments in additional Collateral Debt Obligations in accordance with the Indenture or the Collateral Management Agreement. See "*Security for the Notes—Sales of Collateral Debt Obligations"* and *"Security for the Notes—Purchase of Collateral Debt Obligations During and After Reinvestment Period—Reinvestment Criteria during the Reinvestment Period*."
Management Fees:	
Senior Collateral Management Fee	The Senior Collateral Management Fee will equal 0.15% *per annum* of the Fee Basis Amount, calculated as described under "*The Collateral Management Agreement*," and will be payable in accordance with the Priority of Payments.
Subordinated Collateral Management Fee	The Subordinated Collateral Management Fee will equal 0.25% *per annum* of the Fee Basis Amount, calculated as described under "*The Collateral Management Agreement*," and will be payable in accordance with the Priority of Payments (and interest will accrue on any unpaid amounts at a rate equal to LIBOR plus 7.65% for the applicable Interest Accrual Period).

Other Information:

Authorized Denominations	The Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Income Notes will be issuable in minimum denominations of U.S.$250,000 and integral multiples of U.S.$1 in excess thereof. The Class E Notes will be issuable in minimum denominations of U.S.$500,000 and integral multiples of U.S.$1 in excess thereof. The LP Certificates will be issuable in minimum denominations of U.S.$1,500,000 and integral multiples of U.S.$1 in excess thereof, except that on the Closing Date a single LP Certificate will be issued to the Income Note Issuer in a denomination of U.S.$500,000. Each such minimum denomination is referred to herein as an "**Authorized Denomination**".
Additional Issuance	At the direction of a Majority of the LP Certificates, the Issuers will issue additional notes under the Indenture and issue additional limited partnership certificates, of any one or more existing Classes or any new Class of Notes that is junior in right of payment to the Rated Notes and use the proceeds to purchase Collateral Debt Obligations, if the conditions for such additional issuance described under "*Description of the Securities and the Income Notes—The Indenture—General Provisions—Additional Issuance*" are satisfied. These conditions do not apply to the Notes issued in a Refinancing of one or more Classes of Rated Notes. The proceeds of any additional issuance not used to purchase Collateral Debt Obligations on the date of such issuance will be deposited into the Unused Proceeds Account.
The Class II LP Interests and Class III LP Interests	The Class II LP Interests and the Class III LP Interests, in each case, in the Issuer are not secured by the Collateral and are not offered under this Offering Memorandum. The Class II LP Interests and the Class III LP Interests will be issued on the Closing Date to one or more affiliates of LCM Asset Management LLC (or to LCM Asset Management LLC, in the case of the Class III LP Interests). The Class II LP Interests will be entitled to receive the Class II Distribution Amount, payable on each Payment Date in accordance with the Priority of Payments. In accordance with the Priority of Payments and subject to the terms of the Limited Partnership Agreement, the holders of the Class III LP Interests will receive 20% of the remaining Interest Proceeds and Principal Proceeds available after the Holders of the LP Certificates have received an Internal Rate of Return of 12% *per annum*.
Listing and Trading	Application has been made to the Irish Stock Exchange for the Listed Notes to be admitted to the Official List and trading on the Global Exchange Market of the Irish Stock Exchange. The Indenture does not require, and there can be no assurance that such application will be made or, if made, that listing will be obtained or that any such listing will be maintained. See "*Listing and General Information*". No application will be made to list the Class E Notes or the LP Certificates on any securities exchange. There is currently no secondary market for the Securities or the Income Notes and none may develop.

Tax Status	See "*Certain U.S. Federal Income Tax Considerations,*" "*Cayman Islands Tax Considerations*," and "*United Kingdom* and *Cayman Islands Information Sharing Agreement*."
ERISA	See "*Certain ERISA Considerations.*"

RISK FACTORS

An investment in the Securities or the Income Notes involves certain risks. There can be no assurance that the Issuer will not incur losses on the Collateral or that investors in the Securities will receive a return of any or all of their investment. Prospective investors should carefully consider the following factors, in addition to the matters set forth elsewhere in this Offering Memorandum, prior to investing in the Securities or the Income Notes.

Risk Factors Relating to General Commercial Risks

General economic conditions may affect the ability of the Issuers to make payments on the Securities

The ability of the Issuers to make payments on the Securities may depend on the general economic climate and the economy, and there is no assurance that economic conditions will not deteriorate. In addition, the business, financial condition or results of operations of the obligors on the Collateral Debt Obligations may be adversely affected by a worsening of economic and business conditions. To the extent that economic and business conditions deteriorate or fail to improve, non-performing assets are likely to increase, and the value and collectability of the Collateral Debt Obligations are likely to decrease. A decrease in market value of the Collateral Debt Obligations would also adversely affect the proceeds that could be obtained upon the sale of the Collateral Debt Obligations and could ultimately affect the ability of the Issuer to pay in full or redeem the Notes, as well as the ability to make any distributions in respect of the LP Certificates.

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. An inability of obligors to obtain refinancing (particularly as high levels of required refinancings approach) may result in an economic decline that could delay or derail an economic recovery and cause a deterioration in loan performance generally.

Several nations, particularly within the European Union, are currently suffering from significant economic distress. There can be no assurance as to the resolution of the economic problems in those countries, nor as to whether such problems will spread to other countries or otherwise negatively affect wider economies or markets. A debt default by a sovereign nation or other potential consequences of these economic problems may trigger additional crises in the global credit markets and economy which could have a significant adverse effect on the Issuer and the Securities.

General Market and Credit Risks of Debt Instruments

Debt instruments are subject to credit and interest rate risks. Credit risk refers to the likelihood that an obligor will default in the payment of principal or interest on an instrument. Financial strength and solvency of an obligor are the primary factors influencing credit risk. In addition, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risk may change over the life of an instrument and debt instruments that are rated by rating agencies are often reviewed and may be subject to downgrade. Interest rate risk refers to the risks associated with market changes in interest rates. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed rate obligations) or directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules.

Legislative and Regulatory Actions in the United States and Europe may Adversely Affect the Issuer and the Securities or the Income Notes

In response to the downturn in the credit markets and the global economic crisis, various agencies and regulatory bodies of the United States federal government have taken or are considering taking actions to address the financial crisis. These actions include, but are not limited to, the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("**Dodd-Frank**"), which was signed into law on July 21, 2010, and which imposes a new regulatory framework over the U.S. financial services industry and the credit markets in general. Dodd-Frank, in turn,

mandates the issuances of a number of new regulations by the U.S. regulatory agencies. Many of these regulations have been adopted, but others remain in proposed form or have yet to be proposed. These changes could, individually or collectively, significantly alter the manner in which asset-backed securities, including securities similar to the Securities and the Income Notes, are issued and structured and increase the reporting obligations of the issuers of such securities. Given the broad scope and sweeping nature of these changes and the fact that in some instances final implementing rules and regulations have not yet been adopted, the potential impact of these actions on the Issuer, any of the Securities or the Income Notes or any holders of the Securities or the Income Notes, respectively, is not fully known, and no assurance can be made that the impact of such changes would not have a material adverse effect on the prospects of the Issuer or the value or marketability of the Securities and the Income Notes, the ability of the Holders to maintain an investment in the Securities or Income Notes, or the treatment of the Securities or Income Notes for purposes of regulatory capital determinations. In particular, to the extent any new changes have retroactive application and affect pre-existing transactions, the costs of compliance with such rules and regulations could have a material adverse effect on the Issuer and the holders of the Securities and the Income Notes. If the Issuer were unable to comply with such rules and regulations (because of excessive cost, unavailability of information or otherwise), the Issuer could be subject to an enforcement action or other legal action and an Event of Default could result. Liquidation of the Collateral as a result of an Event of Default could have a material adverse effect on the holders of the Securities and the Income Notes. Moreover, the Issuers and the Income Note Issuer will have no obligation to, and may be unable to or choose not to, take any actions that would mitigate the adverse impact of any such regulatory changes on Holders of Securities or Income Notes. There have also been several recent legislative and regulatory initiatives in Europe and elsewhere in the world that relate to the financial markets. The cumulative effect of all of these recent regulatory changes is uncertain at this time. Furthermore, no assurance can be made that the United States federal government or any U.S. regulatory body (or any other authority or regulatory body, domestic or foreign) will not take further legislative or regulatory action in response to the recent or future economic events or otherwise, and the effect of such actions, if any, cannot be known or predicted.

These regulatory changes include, but are not limited to, the following:

Commodity Exchange Act. Based on its activities as of the date of this Offering Memorandum, the Issuer would not be deemed to be a commodity pool. In addition, the Issuer will not be permitted to enter into hedge agreements. The Commodity Futures Trading Commission (the "**CFTC**") rules under the Dodd-Frank Act include "swaps" as "commodity interests" which, if traded by an entity, may cause that entity to fall within the definition of a "commodity pool" under the U.S. Commodity Exchange Act and the Collateral Manager to fall within the definition of a "commodity pool operator" (a "**CPO**"). The CFTC has provided guidance that certain securitization transactions, including CLOs that meet certain conditions, will be excluded from the definition of "commodity pool". However, it is possible that after the date hereof the Issuer may engage in limited commodity interest activity that might cause it to be deemed to be a commodity pool at such time. Because of such a possibility of limited commodity interest activity in the future, the Collateral Manager expects to file for an exemption from registration as a CPO pursuant to CFTC Regulation 4.13(a)(3) (the "**De Minimis Exemption**"). If the Collateral Manager is operating under the De Minimis Exemption from registration as a CPO then, unlike a registered CPO, it is not required to deliver a disclosure document and a certified annual report to investors in the Securities. Among other things, the De Minimis Exemption requires the filing of a notice of exemption with the U.S. National Futures Association (the "**NFA**"). The De Minimis Exemption also requires that at all times either: (i) the aggregate initial margin and premiums required to establish commodity interest positions, which include swaps, does not exceed 5 percent of the liquidation value of the commodity pool's portfolio; or (ii) the aggregate net notional value of the commodity interest positions, which include swaps, of the commodity pool does not exceed 100 percent of the liquidation value of its portfolio and further that all persons that participate in the pool are required to be accredited investors or certain other qualified investors. If in the future the Collateral Manager is not able to operate the Issuer to meet the requirements of the De Minimis Exemption and no other exemption is available to it, then the Collateral Manager will be required to register with the NFA as a CPO. In such event, the Collateral Manager would likely file a notice of a claim for exemption pursuant to CFTC Regulation 4.7 in connection with acting as the CPO of the Issuer. If the De Minimis Exemption is satisfied or the Issuer is otherwise excluded from being considered a commodity pool, the Collateral Manager may also choose to register as a CPO but elect to continue to operate the Issuer under the De Minimis Exemption or such other exclusion. The Collateral Manager will take any action with respect to its registration obligations in its sole discretion.

Volcker Rule. Section 619 of Dodd-Frank added a provision (commonly referred to as the "**Volcker Rule**") to federal banking law, which generally prohibits various covered banking entities from engaging in proprietary trading,

or from acquiring or retaining an "ownership interest" in, or sponsoring or having certain relationships with, certain private funds (referred to as "covered funds"), subject to certain exemptions. The Volcker Rule also provides for certain supervised nonbank financial companies that engage in such activities or have such interests or relationships to be subject to additional capital requirements, quantitative limits or other restrictions. The Volcker Rule became effective July 21, 2012 and regulations implementing the Volcker Rule were adopted on December 10, 2013. The Federal Reserve issued an order giving banking entities until July 21, 2015 to bring any existing activities and investments into full conformance, subject to up to two one-year extensions granted at the discretion of the Federal Reserve upon a consideration of a variety of factors, including a determination that an extension would not be detrimental to the public interest. On December 18, 2014, the Federal Reserve granted a one-year extension of the conformance period for legacy covered fund interests (i.e., those acquired on or before December 31, 2013), and announced its intention to grant a further one-year extension until July 21, 2017. Only covered fund interests in place as of December 31, 2013 would be eligible for such additional conformance period extensions.

The Volcker Rule and the implementing regulations contain an exclusion from the definition of "covered fund" commonly referred to as the "loan securitization exemption," which applies to an asset-backed security issuer the assets of which, in general, consist only of loans, assets or rights designed to assure the servicing or timely distribution of proceeds to holders or that are related or incidental to purchasing or otherwise acquiring and holding the loans. The Issuer expects to qualify for the loan securitization exemption and, to that end, the Indenture will not permit the Issuer to purchase certain securities, including bonds. Notwithstanding such a requirement, no assurance can be made and there is no guarantee that the Issuer will qualify for the loan securitization exemption or for any other exclusion or exemption that might be available under the Volcker Rule and its implementing regulations. The Income Note Issuer has not been structured to meet the requirements of the loan securitization exemption and any entity purchasing Income Notes should make its own determination as to whether the Income Note Issuer is a covered fund and as to whether the Income Notes are ownership interests. No assurance can be given as to the effect of the Volcker Rule and its implementing regulations on the ability of certain investors subject to the Volcker Rule to acquire or retain certain Classes of Securities or the Income Notes, and affected investors should consult their own legal counsel. Depending on market conditions, this could significantly and negatively affect the liquidity and market value of the Securities and the inability to purchase bonds may reduce returns otherwise available on the LP Certificates and the Income Notes.

Reliance on Rating Agency Ratings. Dodd-Frank requires that federal banking agencies amend their regulations to remove reference to or reliance on credit agency ratings, including but not limited to those found in the federal banking agencies' risk-based capital regulations. Certain regulations adopted by the federal banking agencies since the passage of Dodd-Frank have excluded references to or reliance on credit ratings in connection with measures of risk-based capital. Regulators are continuing to review risk-based capital assessments in connection with asset-backed securities. When all such regulations are fully implemented, investments in asset-backed securities like the Securities and the Income Notes by such institutions may result in greater capital charges to financial institutions that own such securities, or otherwise adversely affect the treatment of such securities for regulatory capital purposes. Furthermore, all prospective investors in the Securities and the Income Notes whose investment activities are subject to legal investment laws and regulations, regulatory capital requirements, or review by regulatory authorities should consult with their own legal, accounting and other advisors in determining whether, and to what extent, the Securities or the Income Notes will constitute legal investments for them or are subject to investment or other regulatory restrictions, unfavorable accounting treatment, capital charges or reserve requirements.

Risk Retention. On October 21st and 22nd, 2014, six federal agencies (including the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Securities and Exchange Commission, the Department of Housing and Urban Development, and the Federal Housing Finance Agency) adopted joint final regulations requiring risk retention by securitizers, including with respect to collateralized loan obligations ("**CLOs**") ("**US Risk Retention Regulations**"), which will become effective for CLOs on December 24, 2016. Except with respect to asset-backed securities transactions that satisfy certain exemptions, the US Risk Retention Regulations generally require securitizers of asset-backed securities to retain not less than 5% of the credit risk of the assets collateralizing such asset-backed securities. The US Risk Retention Regulations are currently not applicable to CLOs issued prior to December 24, 2016. The Issuer, however, is unable to predict what impact the US Risk Retention Regulations will have on CLO managers, CLO investors and the CLO market in general. Notwithstanding that the US Risk Retention Regulations are not applicable to the Issuer on the Closing Date, a negative impact on secondary market liquidity for the Notes may be experienced immediately due to

the effect of the US Risk Retention Regulations on market expectations, the relative appeal of alternative investments not subject to the US Risk Retention Regulations or other factors. In addition, it is possible that the US Risk Retention Regulations may reduce the number of collateral managers active in the CLO market, which may result in fewer new issue CLOs and reduce the liquidity provided by CLOs to the leveraged loan market generally. A contraction or reduced liquidity in the loan market could reduce opportunities for the Collateral Manager to sell Collateral Debt Obligations or to invest in Collateral Debt Obligations when it believes it is in the interest of the Issuer to do so, which in turn could negatively impact the return on the Collateral and reduce the market value or liquidity of the Notes. In addition, the SEC has indicated in contexts separate from the US Risk Retention Regulations that an "offer" or a "sale" of securities may arise when amendments to securities are so material as to require holders to make an "investment decision" with respect to such amendment. Thus, if the SEC were to take a similar position with respect to the US Risk Retention Regulations, they could apply to material amendments to the Indenture and the Notes, to the extent such amendments require investors to make an investment decision. Furthermore, a Refinancing or Repricing after December 2016 may, and an additional issuance of Notes by the Issuer after December 2016 will, be considered a new transaction for purposes of the US Risk Retention Regulations.

While the Retention Holder (as defined below) is expected to hold the Retention Interests (as defined below), it is expected that the Collateral Manager will not consent to a Refinancing, Repricing or additional issuance of Securities if such event would cause the Collateral Manager to be in violation of the US Risk Retention Regulations or if it or the Retention Holder would be required to increase its interests in the Securities and it has not agreed to do so. As a result the ability of the Issuer to effect any such Refinancing, Repricing, material amendment or additional issuance of Notes may be impaired or otherwise limited. No assurance can be given as to whether the US Risk Retention Regulations will have any material adverse effect on the business, financial condition or prospects of the Collateral Manager. See also "—*European Legal Investment Considerations and Retention Requirements*."

The TFG Risk Retention Party, which is intended to be a "majority-owned affiliate" of the Collateral Manager (as such term is defined in the US Risk Retention Regulations as of the Closing Date) (the "**Retention Holder**"), will agree to purchase LP Certificates on the Closing Date in an amount equal to at least 5% of the fair value of the Securities as of the Closing Date (the "**Retention Interests**"). The TFG Risk Retention Party has been formed to, among other things, invest in CLO securities including securities which are acquired with the objective of constituting the holdings intended to satisfy the US Risk Retention Regulations for LCM and certain other CLO managers when the US Risk Retention Regulations come into effect. Tetragon Credit Income Partners Ltd., a Cayman Islands exempted company, is the sole general partner of the TFG Risk Retention Party (the "**TFG Risk Retention General Partner**"). The sole shareholder of the TFG Risk Retention General Partner is TFG Asset Management L.P. ("**TFGAM**"), a subsidiary of Tetragon Financial Group Limited, a Guernsey company ("**TFG**" and, together with its subsidiaries and affiliates (including LCM), the "**TFG Group**"). LCM is a wholly-owned subsidiary of TFGAM. TFG's investment portfolio comprises a broad range of assets, including a diversified alternative asset-management business, TFG Asset Management, and covers bank loans, real estate, equities, credit, convertible bonds and infrastructure. The TFG Risk Retention General Partner and its interest in the TFG Risk Retention Party will be a part of TFG Asset Management. The TFG Risk Retention Party is permitted to provide information received by it in connection with the transactions contemplated by this Offering Memorandum to its partners. TCI Capital Management LLC ("**TCI Capital Management**") is a recently formed, wholly-owned subsidiary of the TFG Risk Retention Party, and TCI Capital Management intends to engage in CLO transactions as a sponsor and collateral manager, with the TFG Risk Retention Party or other affiliates making investments in those transactions in order facilitate compliance with the risk retention rules. TCI Capital Management will rely on services provided to it by certain of its affiliates (including LCM) in the performance of its duties and conduct of its business, including the CLO transactions in which it is engaged.

The Retention Holder will represent to the Issuer on the Closing Date in respect of the LP Certificates to be purchased by the Retention Holder that the Retention Holder is intended to be a "majority-owned affiliate" (as such term is defined in the US Risk Retention Regulations as of the Closing Date) of the Collateral Manager (including, without limitation, by virtue of being a controlling financial interest entity as determined under generally accepted accounting principles in the United States) and that the Collateral Manager currently expects the holder of the Retention Interests to be such a "majority-owned affiliate" at all times after the Closing Date (if required by the US Risk Retention Regulations) based on the definition of "majority-owned affiliate" in the US Risk Retention Regulations as of the Closing Date. The Retention Holder will further agree with the Issuer to hold (and/or cause the Collateral Manager and/or one or more other "majority-owned affiliates" of the Collateral Manager from time to time

to hold) such Retention Interests on an ongoing basis for so long as would be required by such applicable US Risk Retention Regulations as if such regulations were effective at the time the Securities were issued. For the avoidance of doubt, the Retention Holder will not be required to retain any Securities and/or Income Notes that it owns that are in excess of the Retention Interests. There may be additional disclosure and ministerial and other requirements that would need to be satisfied by the Collateral Manager or the Retention Holder in connection with the US Risk Retention Regulations. In addition, the Collateral Manager may determine not to consent to any additional issuance, Refinancing, Repricing or any other action that may be subject to the US Risk Retention Regulations, if it determines additional risk retention action would be required if it were to agree to such additional issuance, Refinancing, Repricing or other action. There is no assurance that satisfaction of such additional requirements or the ownership of the Retention Interests will satisfy the US Risk Retention Regulations when they come into effect or thereafter.

Other than the Retention Interests, none of the Collateral Manager, its Affiliate or any funds or other investment vehicles advised by the Collateral Manager and/or its Affiliates will have any obligation to purchase or retain any Securities and may, in the future, transfer or otherwise dispose of all or a portion of such Securities.

Other Changes. 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. 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.

Actions by banking regulators

In March 2013, the Office of the Comptroller of the Currency, Department of the Treasury, Board of Governors of the Federal Reserve and the Federal Deposit Insurance Corporation (the "**Banking Agencies**") issued guidance on the origination and ownership of leveraged loans. In the guidance, the Banking Agencies highlighted certain risks often associated with leveraged lending, including the absence of meaningful maintenance covenants, high debt to EBITDA – earnings before interest, taxes and depreciation – ratios and payment-in-kind toggle features. Many of the loans included in the Collateral may include one or more of the specifically identified risks characteristics. See "—*Risk Factors Related to the Collateral Debt Obligations—Nature of Collateral*."

Additional actions, whether official or unofficial, by the Banking Agencies may adversely impact the Issuer or the holders of Securities and the Income Notes. For example, if the Banking Agencies issue regulations on lending or impose fines on financial institutions based on lending practices, financial institutions may, in turn, reduce the number and aggregate amount of leveraged loans provided to obligors. Such action may, among other things, limit the Issuer's ability to acquire Collateral Debt Obligations due to a reduction in the aggregate volume of leveraged loans available for purchase or lead to an increase in defaults (and therefore Defaulted Obligations) due to the inability of obligors to refinance. Alternatively, such action could influence the characteristics of the leveraged loans being originated, making it more difficult to source Collateral Debt Obligations satisfying the definition thereof and/or otherwise allowing the Issuer to satisfy the Reinvestment Criteria. Any reduction in the Issuer's ability to invest and/or reinvest cash into Collateral Debt Obligations, any increase in the default rate of Collateral Debt Obligations, or any change in the profile of Collateral Debt Obligations from current expectations, may reduce the amounts available to make payments on the Rated Notes and reduce returns on the LP Certificates and the Income Notes.

Finally, any continued action or statements by the Banking Agencies highlighting the risks of assets similar to the Collateral Debt Obligations may have other adverse effects on the market for the Securities and the Income Notes. For example, continued negative publicity could reduce demand for investments collateralized by leveraged loans, including the Securities and the Income Notes, and the liquidity of the Securities and the Income Notes. Any reduction in the liquidity of the market for similar investments could limit the ability of holders of the Securities or the Income Notes to sell the Securities or the Income Notes at attractive prices or at all.

Legislation and Regulations In Connection With the Prevention of Money Laundering.

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, imposes anti-money laundering obligations on different types of financial institutions, including banks, broker-dealers and

investment companies. The USA PATRIOT Act requires the Secretary of the United States Department of the Treasury (the "Treasury") to prescribe regulations to define the types of investment companies subject to the USA PATRIOT Act and the related anti-money laundering obligations. It is not clear whether the Treasury will require entities such as the Issuers or the Income Note Issuer to enact anti-money laundering policies. It is possible that the Treasury will promulgate regulations requiring the Issuers, the Income Note Issuer, the Initial Purchaser or other service providers to the Issuers or Income Note Issuer, in connection with the establishment of anti-money laundering procedures, to share information with governmental authorities with respect to investors in the Securities or Income Notes. Such legislation and/or regulations could require the Issuers or Income Note Issuer to implement additional restrictions on the transfer of the Securities and Income Notes. As may be required, the Issuers and Income Note Issuer reserve the right to request such information and take such actions as are necessary to enable them to comply with the USA PATRIOT Act.

Issuer may be subject to regulatory requirements under the EU Alternative Investment Fund Managers Directive

EU Directive 2011/61/EU on Alternative Investment Fund Managers ("**AIFMD**") provides, among other things, that alternative investment funds ("**AIFs**") subject to AIFMD must have a designated alternative investment fund manager with responsibility for portfolio and risk management. The Issuer expects to be outside the scope of AIFMD on the separate bases that: (i) it is exempt from the scope of AIFMD as a securitization special purpose entity ("**SSPE**") within the meaning of Regulation (EC) No 24/2009 of the European Central Bank of December 19, 2008 concerning statistics on the assets and liabilities of financial vehicle corporations engaged in securitization transactions and (ii) it issues to investors only debt securities and not any shares, units or other securities representing an ownership interest in the assets and is therefore not an AIF. The European Commission has proposed that the European Securities and Markets Authority give guidance on the scope of the exemption for SSPEs but such guidance has not yet been issued.

If the Issuer is not outside the scope of AIFMD, to the extent that the Notes, as investments in an AIF established outside of the EEA and managed by a manager outside the EEA, are marketed in the EEA, the Issuer will be subject to the disclosure and transparency requirements of AIFMD. These requirements include, among other things, that investors in the European Union receive initial and periodic disclosures concerning any AIF which is marketed to them; that annual financial reports of the AIF must be prepared in compliance with the AIFMD and made available to investors; and that periodic reports relating to the AIF must be filed with the competent regulatory authority in each EU member state in which the fund has been marketed. All or any of these regulatory requirements may result in additional costs and expenses for the Issuer.

European Legal Investment Considerations and Retention Requirements

All prospective investors in the Securities and the Income Notes whose investment activities are subject to legal investment laws and regulations, regulatory capital requirements, or review by regulatory authorities should consult with their own legal, accounting and other advisors in determining whether, and to what extent, the Securities and the Income Notes will constitute legal investments for them or are subject to investment or other restrictions, unfavorable accounting treatment, capital charges, reserve requirements or other consequences.

Effective January 1, 2014, EU Regulation 575/2013 imposes on European Economic Area (the "**EEA**") credit institutions and investment firms investing in securitizations issued on or after January 1, 2011, or in securitizations issued prior to that date where new assets are added or substituted after December 31, 2014:

(a) a requirement (the "**Retention Requirement**") that the originator, sponsor or original lender of such securitization has explicitly disclosed that it will retain, on an ongoing basis, a material net economic interest which, in any event, shall not be less than 5%; and

(b) a requirement (the "**Due Diligence Requirement**") that the investing credit institution or investment firm has undertaken certain due diligence in respect of the securitization and the underlying exposures and has established procedures for monitoring them on an ongoing basis.

National regulators in EEA member states impose penal risk weights on securitization investments in respect of which the Retention Requirement or the Due Diligence Requirement has not been satisfied in any material respect by reason of the negligence or omission of the investing credit institution or investment firm.

If the Retention Requirement or the Due Diligence Requirement is not satisfied in respect of a securitization investment held by a non-EEA subsidiary of an EEA credit institution or investment firm then an additional risk weight may be applied to such securitization investment when taken into account on a consolidated basis at the level of the EEA credit institution or investment firm.

Requirements similar to the Retention Requirement and the Due Diligence Requirement (the "**Similar Requirements**"): (i) apply to investments in securitizations by investment funds managed by EEA investment managers subject to EU Directive 2011/61/EU; (ii) apply to investments in securitizations by EEA insurance and reinsurance undertakings subject to Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009; and (iii) on the taking-up and pursuit of certain primary and secondary legislation, will apply to investments in securitizations by EEA undertakings for collective investment in transferable securities.

While the TFG Risk Retention Party intends to acquire and hold the Retention Interests consistent with the US Risk Retention Regulations, none of the Issuer, the Initial Purchaser, the Collateral Manager, TFG, the TFG Risk Retention Party, the Income Note Issuer or their respective affiliates or any other person intends to retain a material net economic interest in the securitization constituted by the issuance of the Securities in a manner that would satisfy the Retention Requirement or to take any other action which may be required by EEA-regulated investors for the purposes of their compliance with the Retention Requirement, the Due Diligence Requirement or Similar Requirements, and no such person assumes (i) any obligation to so retain or take any such other action or (ii) any liability whatsoever in connection with any Holder's non-compliance with the Retention Requirement, the Due Diligence Requirement or Similar Requirements. Consequently, the Securities and the Income Notes are not a suitable investment for EEA credit institutions, investment firms or the other types of EEA regulated investors mentioned above. As a result, the price and liquidity of the Notes in the secondary market may be adversely affected. EEA-regulated investors are encouraged to consult with their own investment and legal advisors regarding compliance with the Retention Requirement, the Due Diligence Requirement or Similar Requirements, as applicable, and the suitability of the Notes for investment.

Recent Developments in the Leveraged Loan Market

The global economy has been affected by a crisis in the credit markets and in certain countries continues to experience a general downturn and, in some countries, a recession. Among the sectors of the global credit markets that have experienced particular difficulty are the collateralized debt obligations and leveraged finance markets. There exist significant risks for the Issuer and investors as a result of these economic conditions. These risks include, among others, (i) the likelihood that the Issuer will find it more difficult to sell any of its assets in the secondary market, thus rendering it more difficult to dispose of such assets, (ii) the possibility that, on or after the Closing Date, the price at which assets can be sold by the Issuer will have deteriorated from their effective purchase price, (iii) the illiquidity of the Securities and the Income Notes, as there is limited secondary trading in securities issued in connection with collateral debt obligation transactions, and (iv) asymmetric movement in interest rates, including, potentially, an increase in the rate at which the Notes bear interest relative to the spreads on loans, including Collateral Debt Obligations. These risks may increase the volatility of the Collateral Debt Obligations, the Securities and the Income Notes and may affect the returns on the Securities and the Income Notes to investors and the ability of investors to realize their investments in Securities or Income Notes prior to their stated maturity, if at all.

The liquidity crisis also severely affected the primary market for leveraged loans. Compared to historical norms, the volume of new leveraged loans in the past several years has been low. A lack of new loans may make it more difficult for the Collateral Manager to acquire Collateral Debt Obligations that it considers appropriate for the Issuer's portfolio and that otherwise satisfy the eligibility criteria described herein and in periods of high demand for leveraged loans by investors may result in the Issuer paying higher prices to acquire the portfolio of Collateral Debt Obligations. If the Collateral Manager cannot make appropriate investments for the Issuer in a timely manner, it may choose to repay part or all of the Notes and, even if it does not, the returns on the Securities and the Income Notes may be substantively impaired.

During periods of economic distress, defaults and delinquencies by leveraged loan obligors generally increase. Leveraged loan defaults and delinquencies have been higher in the last several years than the historical average. While default rates and recoveries have recently marginally improved, there can be no assurance that such improvement will continue or that such default rates will not increase. The liquidity crisis has resulted in greater scrutiny of lending

standards and a general reduction in the availability of loans and has, consequently, severely limited the ability of underlying obligors to obtain new financing.

In periods of economic distress, the Issuer's recovery is likely to be lower than it would be under more favorable economic and market conditions. In general, increasing defaults by obligors of Collateral Debt Obligations may require the Collateral Manager to sell distressed assets in unfavorable market conditions, may limit the Issuer's or the Income Note Issuer's access to cash flow from their respective assets, may result in failure of one or more Overcollateralization Tests and may ultimately result in an Event of Default and reduced returns on the Securities and the Income Notes.

These risks may affect the returns on the Securities and the Income Notes to investors and could further slow, delay or reverse an economic recovery and cause a further deterioration in loan performance generally. The crisis had a substantial impact on the economic conditions in a number of jurisdictions. Any additional slowdown in growth or the commencement or continuation of a recession in such economies will have an adverse effect on the ability of consumers and businesses to repay or refinance their existing debt. Adverse macroeconomic conditions may adversely affect the rating, performance and the realization value of the Collateral. It is possible that the Collateral will experience higher default rates than anticipated and that performance will suffer. Some leading global financial institutions have been forced into mergers with other financial institutions, have been partially or fully nationalized or have become bankrupt or insolvent. The bankruptcy or insolvency of a major financial institution may have an adverse effect on the Issuer, the Income Note Issuer, the Securities and the Income Notes, particularly if such financial institution is the administrative agent of a leveraged loan or a seller of a Participation. Several nations, particularly within the European Union, continue to suffer from significant economic distress. There can be no assurance as to the resolution of the economic problems in those countries, nor as to whether such problems will further spread to other countries or otherwise negatively affect economies or markets. In addition, the bankruptcy, insolvency or financial distress of one or more additional financial institutions, or one or more sovereigns, may trigger additional crises in the global credit markets and overall economy which could have a significant adverse effect on the Issuer, the Income Note Issuer, the Collateral, the Securities or the Income Notes. While it is possible that current conditions may improve for certain sectors of the global economy, there can be no assurance that the collateralized debt obligations or leveraged finance markets will recover at the same time or to the same degree as such other recovering sectors.

Other Actions of any Rating Agency can adversely affect the market value or liquidity of the Securities

The Rating Agencies may change their published ratings criteria or methodologies for securities such as the Rated Notes at any time in the future. Further, the Rating Agencies may retroactively apply any such new standards to the ratings of the Rated Notes. Any such action could result in a substantial lowering (or even withdrawal) of any rating assigned to any Rated Note, despite the fact that such Rated Note might still be performing fully to the specifications set forth for such Rated Note in this Offering Memorandum and the transaction documents. The rating assigned to any 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 Note being lowered. Additionally, any 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 Rated Notes. If any rating initially assigned to any Rated Note is subsequently lowered or withdrawn for any reason, Holders of the Securities may not be able to resell their Securities without a substantial discount. Any reduction or withdrawal to the ratings on any Class of Rated Notes may significantly reduce the liquidity of the Securities, may adversely impact the regulatory characteristics of that Class and may adversely affect the Issuer's ability to make certain changes to the composition of the Collateral Debt Obligations.

In addition to the ratings assigned to the Notes, the Issuer will be utilizing ratings assigned by rating agencies to obligors of individual Collateral Debt Obligations. Such ratings will primarily be publicly available ratings. There can be no assurance that rating agencies will continue to assign such ratings utilizing the same methods and standards utilized today despite the fact that such Collateral Debt 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 Collateral Debt Obligations with an S&P Rating of "CCC+" or below, which could cause the Issuer to fail to satisfy an Overcollateralization Test on subsequent Determination Dates, which failure could lead to the early amortization of some or all of one or more Classes of the Securities. See "*Description of the Securities and the Income Notes—Principal Payments for Failure to Satisfy Coverage Tests*."

S&P Settlements

On January 21, 2015, the SEC entered into administrative settlement agreements with S&P with respect to, among other things, multiple allegations of making misleading public statements with respect to its ratings methodology and certain misleading publications concerning criteria and research, in each case relating to commercial mortgage-backed security transactions. S&P neither admitted nor denied the charges in these settlements. As a result of these settlement agreements, the SEC ordered S&P censured and enjoined S&P from violating the statutory provisions and rules related to the allegations described above. Additionally, S&P agreed to pay civil penalties and other disgorgements exceeding $76 million. Finally, S&P agreed to refrain from giving preliminary or final ratings for any new issue U.S. conduit commercial mortgage-backed security transaction until January 21, 2016. On February 3, 2015, S&P entered into a settlement agreement with the United States Justice Department, 19 States and the District of Columbia, to settle lawsuits relating to S&P's alleged inflation of subprime mortgage bonds. S&P did not admit to any wrongdoing in connection with such settlement. Also on February 3, 2015, S&P entered into a settlement agreement with the California Public Employees Retirement System to resolve claims over three structured investment vehicles. Under these settlement agreements, S&P agreed to pay an aggregate amount of about $1.5 billion. None of these settlement agreements involve S&P's collateralized loan obligation rating business.

Risk Factors Relating to the Securities and the Income Notes

Investor Suitability

An investment in the Securities or Income Notes will not be appropriate for all investors. Structured investment products like the Securities and the Income Notes are complex instruments, and typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. Securities issued in securitization transactions have experienced in the past and may in the future experience historically high volatility and significant fluctuations in market value. Any investor interested in purchasing Securities or Income Notes should conduct its own investigation and analysis of the product and consult its own professional advisers as to the risks involved in making such a purchase.

Risks of Indirect Interests

Purchasers of the Income Notes are subject to the same risks with respect to each LP Certificate as if they were buying the LP Certificates directly.

Need to Seek Independent Advice; Lack of Hypothetical Performance Scenarios

None of the Initial Purchaser, the Collateral Manager or any Affiliate of any of them is providing investment, accounting, tax or legal advice in respect of the Securities or the Income Notes and no such person has or will have a fiduciary relationship with any investor or prospective investor in the Securities or Income Notes. No financial hypothetical performance scenarios, modeling runs or return analyses are included in this Offering Memorandum and no financial hypothetical performance scenarios, modeling runs or return analyses previously provided may be relied upon by a prospective purchaser in considering its investment.

The actual performance of the Securities and Income Notes will be affected by, among other things, (i) the amount and frequency of principal payments on the Collateral Debt Obligations, which are dependent upon, among other things, any other payments received at or in advance of the scheduled maturity of Collateral Debt Obligations (whether through sale, maturity, redemption, default or other liquidation or disposition) and (ii) the financial condition of the issuers of the Collateral Debt Obligations and the characteristics thereof, including the existence and frequency of exercise of any optional or mandatory redemption features (including applicable redemption prices), the prevailing level of interest rates, the actual default rate and the actual level and timing of recoveries on, among other Collateral Debt Obligations, any Defaulted Obligations, Credit Risk Obligations and Current Pay Obligations, the frequency of tender or exchange offers for such Collateral Debt Obligations and the extent to which Collateral Debt Obligations may be acquired in the circumstances set forth in the Indenture or otherwise and the reinvestment rates obtained in connection with the purchase of such Collateral Debt Obligations or in connection with the reinvestment of proceeds in Eligible Investments. It is expected that, with respect to a substantial portion of the Collateral Debt Obligations, the obligor thereof will have the right or obligation to cause them to be mandatorily or optionally redeemed or otherwise repaid at various times and subject to various conditions.

Limited Liquidity and Restrictions on Transfers of Securities and Income Notes

There is currently no market for any of the Securities or Income Notes. Although the Initial Purchaser and its Affiliates may from time to time make a market in one or more Classes of the Securities or Income Notes, the Initial Purchaser and its Affiliates are under no obligation to do so and, following the commencement of any market-making, may discontinue the same at any time without prior notice. Although a secondary market in the Securities or Income Notes may develop, there can be no assurance that it will provide the holders of the Securities or Income Notes with liquidity of investment or that it will continue for the life of the Securities or Income Notes. Consequently, an investor in the Securities or Income Notes must be prepared to hold its investment in the Securities or Income Notes for an indefinite period of time or until the Stated Maturity of the Securities or Income Notes, as applicable.

None of the Securities or the Income Notes will be registered or qualified under the Securities Act or any state or foreign securities laws, and none of the Issuers or the Income Note Issuer has plans, or is under any obligation, to register or qualify the Securities or the Income Notes under the Securities Act or any state or foreign securities laws. As a result, the Securities and the Income Notes are subject to certain transfer restrictions and can only be transferred to certain transferees as described herein under "*Transfer Restrictions*." Furthermore, except for transfers among affiliates of the TFG Risk Retention Party, a Holder of LP Certificates may not assign, sell, charge, mortgage, pledge or otherwise transfer or dispose of in any manner whatsoever all or any part of its LP Certificates, and no such attempted or purported assignment, sale, pledge or transfer will be effective, without the prior written consent of the General Partner. If the Securities or Income Notes are held by any holder in violation of certain transfer restrictions as set forth in the Indenture, the LP Paying Agency Agreement or the Income Note Paying Agency Agreement, as applicable, the Issuer or the Income Note Issuer, as applicable, has a right to cause the sale of such Securities or Income Notes by such Holder to a purchaser meeting such requirements. Such restrictions and others on the transfer of the Securities and the Income Notes may further limit their liquidity. See "*Transfer Restrictions*."

Regulatory or legislative provisions applicable to certain investors, including provisions introduced in the future, may have the effect of limiting or restricting their ability to hold or acquire the Securities or Income Notes, which in turn may have a negative impact on the ability of investors in the Securities or Income Notes who are not subject to those provisions to resell their Securities or Income Notes in the secondary market or on the price realized for such Securities or Income Notes.

Status; Limited Recourse

The Notes (other than the Class E Notes) will be limited recourse debt obligations of the Issuer and non-recourse debt obligations of the Co-Issuer. The Class E Notes will constitute limited recourse obligations of the Issuer only. The LP Certificates represent limited partnership interests in the Issuer and are not secured by the Collateral. The Income Notes represent unsecured debt obligations of the Income Note Issuer and indirect ownership interests in LP Certificates and are not secured by the Collateral. Payments on the Securities will be payable solely from the Collateral in accordance with the Priority of Payments. Payments on the Income Notes will be payable solely from distributions on the LP Certificates owned by the Income Note Issuer. None of the Transaction Parties or any of their respective agents or Affiliates or any other person or entity will be obligated to make payments on the Securities or the Income Notes (other than the Issuers or the Income Note Issuer, respectively). Consequently, Holders of the Securities (and indirectly, Holders of Income Notes) must rely solely on distributions on the Collateral for payments on the Securities (and indirectly on the Income Notes). If distributions on such Collateral are insufficient to make payments on the Securities, no other assets will be available for payment of the deficiency and, following distribution of all the proceeds of the Collateral, all obligations of the Issuers and all claims in respect of the Securities will be extinguished and will not revive. Except as expressly set forth in the Indenture, the Trustee will have no obligation to act on behalf of the Holders of LP Certificates.

Restriction on Ability to Petition for Bankruptcy

None of the Holders or beneficial owners of Securities or Income Notes nor any other Secured Party will have the right to file a petition in bankruptcy against or present a petition for the winding up of the Issuer, the Co-Issuer, the General Partner, the Income Note Issuer or any Issuer Subsidiary prior to the date which is one year (or, if longer, the applicable preference period then in effect) plus one day after the payment in full of the Securities and the Income Notes.

However, there can be no assurance that such restriction will be enforced or respected by a bankruptcy court or any other court. If such restriction is not enforced or respected, the bankruptcy, insolvency or similar proceeding would have a material adverse effect on the Issuer and beneficial owners of Securities and the Income Notes including, without limitation, as a result of the uncertainty of the priority of payments determined pursuant to such proceeding, the delay in distributing Interest Proceeds and Principal Proceeds as a result of the institution of such proceeding and the cost of such proceeding. If any such proceeding is commenced, the Issuer will be required under the Indenture to object to it (*provided* that such obligation is subject to the availability of funds therefor) and the related Petition Expenses will be paid as Administrative Expenses. Without limitation to the foregoing, Interest Proceeds and Principal Proceeds may be applied to the payment of Special Petition Expenses on any date on which such Special Petition Expenses are incurred.

Subordination of the Securities; Effect on Income Notes

Payments on the Securities are subordinated to payments on each Higher Ranking Class. Payments on the LP Certificates are subordinated to certain payments on the Rated Notes, certain fees and expenses and any payments in respect of the claims of any other creditors of the Issuer, secured or unsecured. Unless such Class of Mezzanine Notes constitutes the Controlling Class, to the extent that any interest is not paid on the Mezzanine Notes on any Payment Date, such amounts will be deferred and will bear interest at the Note Interest Rate applicable to such Notes, and the failure to pay such amounts will not be an Event of Default under the Indenture. See "*Summary of Terms—Distributions on the Securities—Note Interest Payments*." Except as provided in the Priority of Interest Payments, no payments of interest or distributions from Interest Proceeds will be made on any Lower Ranking Class of Notes on any Payment Date until interest on the each Higher Ranking Class has been paid, and no payments of principal or distributions from Principal Proceeds will be made on any Lower Ranking Class of Notes on any Payment Date until principal of the each Higher Ranking Class has been paid in full; *provided* that to the extent interest on the Class B Notes has not been paid in full on any Payment Date from Interest Proceeds, such interest will be payable from Principal Proceeds prior to the payment of principal on the Class A Notes. If any Coverage Test is not satisfied on any Determination Date or if an Effective Date Ratings Confirmation Failure has occurred and is continuing, cash flows otherwise payable to Lower Ranking Classes of Securities will be diverted to the payment of principal of Higher Ranking Classes of Rated Notes and/or (in the case of an Effective Date Ratings Confirmation Failure only) to the purchase of additional Collateral Debt Obligations as set forth in the Priority of Payments. If the Interest Reinvestment Test is not satisfied on any Determination Date during the Reinvestment Period, Interest Proceeds will be diverted in accordance with, and to the extent specified in, the Priority of Interest Payments to purchase additional Collateral Debt Obligations (during the Reinvestment Period only) or to pay principal of the Notes in accordance with the Note Payment Sequence. If acceleration of the maturity of the Notes has occurred after an Event of Default and such acceleration has not been rescinded or annulled, principal of and interest on, as applicable, each Higher Ranking Class will be paid in full in cash before any further payment or distribution is made on account of any Lower Ranking Class. To the extent that any losses are suffered on the Collateral, such losses will be borne by the Holders of the Securities, beginning with Holders of the LP Certificates as the most junior class. Because the Income Notes represent an indirect ownership interest in LP Certificates, Holders of Income Notes will be affected by the subordination of the LP Certificates as if they held LP Certificates directly.

Yield Considerations on the LP Certificates and the Income Notes

The yield to each Holder of the LP Certificates and each Holder of Income Notes will be a function of the purchase price paid by such Holder for its LP Certificates or Income Notes, as applicable, and the timing and amount of dividends and other distributions made in respect thereof during the term of the transaction. Each prospective purchaser of the LP Certificates or the Income Notes should make its own evaluation of the yield that it expects to receive on the LP Certificates or the Income Notes. Prospective investors should be aware that the timing and amount of dividends and other distributions will be affected by, among other things, the performance of the Collateral Debt Obligations purchased by the Issuer. Each prospective investor should consider the risk that an Event of Default and other adverse performance will result in a lower yield on the LP Certificates and, indirectly, the Income Notes, than that anticipated by such investor. In addition, if the Issuer fails any Coverage Test, amounts that would otherwise be distributed to the Holders of the LP Certificates and, indirectly, as distributions to the Holders of the Income Notes on or about any Payment Date may be paid to other investors in accordance with the Priority of Payments. Each prospective purchaser should consider that any such adverse developments could result in its failure to recover fully its initial investment in the LP Certificates or the Income Notes.

Acquisition of Collateral Debt Obligations prior to the Closing Date

The Issuer will enter into commitments to purchase Collateral Debt Obligations prior to the Closing Date (the "**Pre-Closing Date Assets**") from or through the Initial Purchaser and its Affiliates or from other counterparties, for settlement on or after the Closing Date. If the Closing Date does not occur, such commitments may be cancelled.

The price paid for each Pre-Closing Date Asset is expected to be its market value on the date the Issuer entered into the commitment to purchase such Pre-Closing Date Asset, which may be greater or less than the market value thereof on the Closing Date. In addition, although such Pre-Closing Date Assets are expected to satisfy the limitations applicable to Collateral Debt Obligations at the time of purchase, because of events occurring between the purchase or commitment to purchase and the Closing Date, such Pre-Closing Date Assets may not satisfy such limitations on the Closing Date.

There can be no assurance that the market value of any Pre-Closing Date Asset on the Closing Date for which a commitment to purchase was entered into on or prior to the Closing Date will be equal to or greater than the price paid or to be paid therefor by the Issuer. In addition, events occurring between the date hereof and the Closing Date, including changes in prevailing interest rates, prepayments of principal, developments or trends in any particular industry, changes in the financial condition of the obligors of Pre-Closing Date Assets, the timing of purchases during the period preceding the Closing Date and a number of other factors beyond the Issuer's control (such as the condition of certain financial markets, general economic conditions and U.S. and international political events), could adversely affect the market value of the Pre-Closing Date Assets committed to be purchased during such period. To the extent that any losses are suffered on Collateral Debt Obligations that were Pre-Closing Date Assets (including in connection with sales of Pre-Closing Date Assets that do not satisfy the definition of "Collateral Debt Obligation" on the Closing Date), such losses will be borne by the Holders of the Securities, beginning with the LP Certificates as the most junior Class.

The Collateral Debt Obligations purchased by the Issuer following the Closing Date may be less favorable in terms of their relative prices, coupons, spreads, prepayments, average lives, maturities, credit risks and market liquidity than the Pre-Closing Date Assets. Collateral Debt Obligations purchased following the Closing Date may provide less interest coverage with respect to the Notes than the Pre-Closing Date Assets as of the Closing Date, and resale values may be lower. There can be no assurance that Collateral Debt Obligations purchased following the Closing Date will perform the same or as well as the Pre-Closing Date Assets. By its purchase of Securities or Income Notes, each Holder is deemed to have consented on behalf of itself to any purchase of the initial Collateral Debt Obligations by the Issuer and the arrangements described herein.

The Issuer may not be able to acquire Collateral Debt Obligations that satisfy the Reinvestment Criteria

A portion of the initial Collateral Debt Obligations is expected to be purchased after the Closing Date as described herein. The ability of the Issuer to acquire an initial portfolio of Collateral Debt Obligations that satisfies the reinvestment 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 Debt Obligations. Any inability of the Issuer to acquire Collateral Debt Obligations that satisfy the reinvestment criteria specified herein may adversely affect the timing and amount of payments received by the holders of Securities and the Income Notes and the yield to maturity of the Notes and the distributions on the LP Certificates and the Income Notes. There is no assurance that the Issuer will be able to acquire Collateral Debt Obligations that satisfy the reinvestment criteria.

A Substantial Portion of the Initial Portfolio of Collateral Debt Obligations may also be Acquired After the Prices of the Notes are Fixed

The prices of the Notes will be fixed on the date the Notes are priced (the "**Pricing Date**"). Trades to purchase a substantial portion of the Collateral Debt Obligations will be executed after the Pricing Date, including after the Closing Date. The actual purchase prices of a substantial portion of the Collateral Debt 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 returns on the LP Certificates and correspondingly the Income Notes will vary depending upon the actual purchase prices of the Collateral Debt Obligations and may be materially different from the expected returns calculated based upon the market prices of the anticipated Collateral Debt Obligations prevailing at the Pricing Date. If the actual purchase prices of the Collateral Debt Obligations are significantly higher than the purchase prices expected at the

Pricing Date, it may not be possible for the Issuer to purchase and enter into commitments to purchase a principal amount of Collateral Debt Obligations (without regard to prepayments, maturities or redemptions) at least equal to the Effective Date Target Par Amount, in which event interest and principal proceeds from the Collateral Debt Obligations may, at the option of the Collateral Manager, 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. In addition, the pace at which the Issuer is able to acquire Collateral Debt Obligations between the Pricing Date and the Effective Date may be slower than typically expected depending on the availability of assets in the market, whether the Issuer purchases assets from TFGMFL or pursuant to other warehousing opportunities.

Control of Remedies

If an Event of Default occurs and is continuing, a Majority of the Controlling Class will be entitled to determine the remedies to be exercised under the Indenture. See "*Description of the Securities and the Income Notes—The Indenture—General Provisions—Events of Default*." Remedies pursued by the Controlling Class could be adverse to the interests of the Holders of the Lower Ranking Classes, the LP Certificates and the Income Notes, and the Holders of the Controlling Class will have no obligation to consider any possible adverse effect on such other interests.

The ability of the Controlling Class to direct the sale and liquidation of the Collateral is subject to certain limitations. See "*Description of the Securities and the Income Notes—The Indenture—General Provisions—Events of Default*."

Subordinated Classes Represent Leveraged Investments

The subordinated Classes, especially the LP Certificates, represent highly leveraged investments in the Collateral. Therefore, the market value of the subordinated Classes would be anticipated to be significantly affected by, among other things, changes in the market value of the Collateral, changes in the distributions on the Collateral, defaults and recoveries on the Collateral, capital gains and losses on the Collateral, prepayments on Collateral and the availability, prices and interest rates of Collateral and other risks associated with the Collateral as described in "*—Risk Factors Relating to the Collateral Debt Obligations—Nature of Collateral*" below. Accordingly, the subordinated Classes may not be paid in full, and Holders of the LP Certificates and certain other Lower Ranking Classes may lose their entire investment. Furthermore, the leveraged nature of each subordinated Class may magnify the adverse impact on each such Class of changes in the market value of the Collateral, changes in the distributions on the Collateral, defaults and recoveries on the Collateral, capital gains and losses on the Collateral, prepayments on Collateral and availability, prices and interest rates of Collateral. The Income Notes will represent indirect interests in LP Certificates, and holders of the Income Notes are subject to the same risks of holding a highly leveraged investment in the Collateral as described above for the LP Certificates. Because of such subordination and leverage, the Securities and the Income Notes may not be suitable for all investors, and a prospective purchaser should consult with its own financial, legal, regulatory and tax advisors regarding investment in the Securities or the Income Notes as it deems necessary.

Redemption of Securities

If any Coverage Test is not satisfied on a Determination Date, Interest Proceeds and Principal Proceeds that otherwise would have been distributed to the Holders of Lower Ranking Classes will, in accordance with the Priority of Payments, be used to redeem Higher Ranking Classes of Rated Notes to the extent necessary to cause compliance with such test. Any of these uses of Interest Proceeds and Principal Proceeds could result in an elimination, deferral or reduction in the payments of Interest Proceeds or Principal Proceeds to the Holders of Lower Ranking Classes, reduce the amount of Principal Proceeds otherwise available for reinvestment or payments of principal of the Notes and adversely affect returns on the Securities and the Income Notes. See "*Description of the Securities and the Income Notes—Principal*" and "*—Priority of Payments.*" In addition, the Notes may be redeemed in connection with an Optional Redemption or a Refinancing under the circumstances described under "*Summary of Terms—Redemptions*". The Income Note Paying Agent will vote the LP Certificates held by the Income Note Issuer pursuant to the written direction of the Holders of the Income Notes as described under "*Description of the Securities and the Income Notes—The Income Notes—Voting*." In the event of an Optional Redemption, there can be no assurance that, upon any such redemption, available funds would permit any distribution on the LP Certificates (and thus on the Income Notes) after all required payments are made to the Holders of the Rated Notes and for the payment of expenses. In addition, an Optional Redemption of Securities could require the Collateral Manager to liquidate positions more rapidly than might otherwise be desirable, which could adversely affect the realized value of the Collateral Debt Obligations sold.

Further, if interest rates on investments similar to the Rated Notes fall below current levels, a Majority of the LP Certificates with the consent of the Collateral Manager may cause a Refinancing (including by consenting to a refinancing proposal by the Collateral Manager), which would result in the Rated Notes being redeemed at par at a time when they may be trading in the market at a premium and when other investments bearing the same rate of interest may be difficult or expensive to acquire. In addition, subject to the restrictions on Refinancings described under "*Description of the Securities and the Income Notes—Refinancing,*" with the approval of a Majority of the LP Certificates, the proposed terms of a Class of Notes to be Refinanced, and therefore the terms of such Class after Refinancing, may differ materially from the terms of such Class prior to the consummation of the applicable Refinancing.

The obligations providing the Refinancing of a Class of Fixed Rate Notes may bear interest at a floating rate.

The negotiated terms of a Refinancing may include removal or modification of the floor on calculated LIBOR rate applicable to the Rated Notes. This may result in a reduced Interest Rate if the LIBOR rate after such Refinancing is determined to be less than the floor set forth in the definition of "LIBOR" provided for on the Closing Date.

An Optional Redemption or a Refinancing may result in a shorter investment than a Holder of Rated Notes may have anticipated.

Repricing of Notes

If credit spreads on investments similar to the Rated Notes fall below current levels, a Majority of the LP Certificates and the Collateral Manager, may, in accordance with the terms and subject to certain restrictions set forth in the Indenture, cause a reduction of the spread over LIBOR or interest rate (with respect to any Fixed Rate Notes) of any Class of Repricing Eligible Notes (a "**Repricing**"), as described under "*Description of the Securities and the Income Notes—Repricing of Notes.*" A Repricing with respect to a Class of Notes (such Class of Notes, a "**Repriced Class**") will result in a reduction of the credit spread payable with respect to each such Repriced Class. Any Holder of a Note in a Repriced Class that elects not to participate in the Repricing may be required to sell or redeem its Note at the applicable Redemption Price to a transferee specified by a repricing agent appointed by the Issuers at a time when such Rated Notes may be trading in the market at a premium and when other investments bearing the same rate of interest may be difficult or expensive to acquire. A Repricing may also result in a shorter investment than a Holder of Repricing Eligible Notes may have anticipated.

Stated Maturity Date; Average Life and Prepayment Considerations

The average life of each Class of Rated Notes is expected to be shorter than the number of years until their Stated Maturity. Each such average life may vary due to various factors affecting the early retirement of Collateral Debt Obligations, the timing and amount of sales of such Collateral Debt Obligations, the ability of the Collateral Manager to invest collections and proceeds in additional Collateral Debt Obligations, and redemption or refinancing of the Rated Notes. Retirement of the Collateral Debt Obligations prior to their respective final maturities will depend, among other things, on the financial condition of the obligors of the underlying Collateral Debt Obligations and the respective characteristics of such Collateral Debt Obligations, including the existence and frequency of exercise of any 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 Debt Obligations. The Collateral Debt Obligations will be primarily loans. Loans are generally prepayable at par and have a shorter average life to maturity than high yield instruments, and a high proportion of loans could be prepaid. See "*Maturity and Prepayment Considerations*".

The Reinvestment Period May Terminate Earlier Than Expected

Although the Reinvestment Period is expected to terminate on the Business Day immediately preceding the Payment Date occurring in October 2020, the Reinvestment Period may terminate prior to such date under the circumstances specified in the definition thereof. Such early termination of the Reinvestment Period may shorten the expected lives of the Securities and the Income Notes and could adversely affect returns on the LP Certificates and Income Notes.

Withholding On, and No Gross-Up in Respect of, Collateral Debt Obligations

Under the definition of "Collateral Debt Obligation", a Collateral Debt Obligation will be eligible for purchase by the Issuer if, at the time it is purchased (or committed for purchase), either the payments thereon are not subject to withholding taxes imposed by any jurisdiction (other than withholding taxes with respect to commitment and other similar fees associated with Collateral Debt Obligations such as Revolving Credit Facilities, Delayed Funding Term Loans, letters of credit facilities, if any) or the obligor is required to make "gross up" payments that cover the full amount of any such withholding taxes. Any (i) commitment fees associated with Revolving Credit Facilities or Delayed Funding Term Loans, (ii) similar fees (including, without limitation, fees on letters of credit or synthetic revolving facilities, if any) or (iii) other items of income (other than interest) received by the Issuer may be subject to U.S. withholding tax, which would reduce the Issuer's net income from such activities. The imposition of U.S. withholding tax with respect to such fees would not entitle the Issuer to redeem the Notes, due to the exclusion thereof from the definition of Withholding Tax Event. In the case of Collateral Debt Obligations issued by U.S. obligors after July 18, 1984 (that are treated as debt for U.S. federal income tax purposes and meet certain conditions), interest payments thereon generally are exempt under current United States tax law from the imposition of U.S. federal withholding tax if the requisite certification is provided and certain other matters are satisfied. However, there can be no assurance that, as a result of any change in any applicable law, treaty, rule or regulation, or any change in practice or interpretation thereof, or as a result of the application of FATCA, the payments on the Collateral Debt Obligations (whether on account of interest or fees or other income) would not in the future become subject to withholding taxes imposed by the United States or another jurisdiction. In that event, if the obligors of such Collateral Debt Obligations were not then required to make "gross up" payments that cover the full amount of any such withholding taxes, the amounts available to make payments on, or payments to, the Holders of the Notes would accordingly be reduced. There can be no assurance that remaining payments on the Collateral would be sufficient to make timely payments of interest on and payment of principal and payments of distributions at the Stated Maturity of each Class of Notes. Upon the occurrence of a Withholding Tax Event, the Issuer may on any Payment Date, whether during or after the Non-Call Period, simultaneously redeem in whole but not in part, at redemption prices specified herein, all of the Notes in accordance with the procedures described under "*Description of the Securities and the Income Notes— Optional Redemption*" below.

In the event that any withholding tax is imposed on payments on the Securities or Income Notes, the Holders of such Securities or Income Notes will not be entitled to receive "grossed up" amounts to compensate for such withholding tax.

In addition, Holders of the Class E Notes, the LP Certificates and the Income Notes are required to make representations intended to prevent the Issuer and the Income Note Issuer from being subject to U.S. federal withholding tax. In the event that a Holder of the Class E Notes, the LP Certificates or the Income Notes breaches these representations, the Issuer or the Income Note Issuer, respectively, may be subject to 30% U.S. federal withholding tax on all or substantially all of its income. Any such withholding tax would materially impair the Issuer's ability to make payments with respect to the Securities and the Income Note Issuer's ability to make payments with respect to the Income Notes.

Further, certain LP Certificates will initially be held by non-US corporations that are expected not to cause interest to fail to be portfolio interest in the hands of the Issuer. However, subsequent affiliates of the initial holders of the LP Certificates could be a partnership. In that event, a portion of interest income allocated to such entity could fail to qualify for the portfolio interest exemption. Because the rules for qualification of interest as portfolio interest are both complex and cumbersome, it will be impracticable for the Issuer to determine prior to any particular purchase whether the interest may fail to qualify for portfolio interest. In the event any interest was subject to withholding, the amount subject to withholding would be the gross amount of such income allocated to such holder notwithstanding that the net amount of such income that is effectively allocated to such holder would be substantially less than such gross amount. Any such withholding imposed could have a material adverse effect on the Issuer's or the Income Note Issuer's ability to make payments on the Securities and the Income Notes, respectively.

Proposals are made from time to time to amend the Code. One proposal, if enacted, would, among other things, amend the portfolio interest rules in a manner that would impose a 30-percent withholding tax on interest payments received by certain foreign corporations on U.S. corporate obligations. The provision was previously proposed to be effective to obligations issued more than one year after the date of enactment. No representation is made that this or any other change in law will be enacted, or, if enacted, what effect it will have on the Issuer, the Issuer's foreign partners, the Income Note Issuer or the Securities and Income Notes.

In the event that any withholding tax is imposed on payments to the Issuer, the Issuer shall make a reasonable attempt to allocate such withholding tax to the holder of the Notes but for which the withholding would not otherwise have occurred, although it is possible such withholding tax will be treated (in non-tax terms) as an expense of the Issuer and will not be allocated to such holder.

Treatment of the Issuer as a Partnership for U.S. Tax Purposes

The Issuer will elect to be treated as a foreign partnership for U.S. federal income tax purposes. The treatment of the Issuer as a partnership is relevant to holders and indirect holders (such as the holders of the Income Notes) of the LP Certificates (or any Rated Notes that are treated as equity for U.S. federal income tax purposes). See "*Certain U.S. Federal Income Tax Considerations—U.S. Federal Tax Treatment of U.S. Holders of LP Certificates*." However, the Issuer will not receive an opinion of tax counsel to the effect that it is treated as a foreign partnership for U.S. federal income tax purposes, and the Issuer may instead be treated as a "taxable mortgage pool" or a "publicly traded partnership" taxable as a corporation, including as a result of a failure by the Issuer to comply with certain provisions contained in the Indenture, a failure by one or more holders to comply with certain transfer restrictions, or a change in law or in the interpretation thereof. There can be no assurance that the foregoing mechanisms will be adequate to prevent the Issuer from being treated as a corporation for U.S. federal income tax purposes. In order to reduce the risk that the Issuer will constitute a publicly traded partnership taxable as a corporation for US. federal income tax purposes, the Issuer has imposed transfer restrictions on the Class E Notes and the LP Certificates and even if such transfer restrictions are not sufficient (because for example the Income Notes, which do not contain similar transfer restrictions, are treated for purposes of the publicly traded partnership rules, as equity in the Issuer), it expects to satisfy the 90 Percent Test. Under the "**90 Percent Test**", a publicly traded partnership will not be taxable as an association if 90% or more of its gross income is comprised of "qualifying income." "Qualifying income," as defined in Section 7704(d) of the Code, includes, among other things, (i) interest, provided such interest is not derived from the conduct of a financial or insurance business and is not excluded from the term "interest" under Section 856(f) of the Code (generally, where the determination of such amounts depends in whole or in part on the income or profits of any person), (ii) dividends, (iii) "real property rents," (iv) gain from the sale or other disposition of real property and (v) gain from the sale or disposition of a capital asset held for the production of income described in (i), (ii), (iii) and (iv). Because the Issuer's activities are limited to those that would not cause it to be engaged in a U.S. trade or business, and the activities that would otherwise cause it to be so engaged are similar to activities that would cause it to be engaged in a financial business, it does not expect to derive interest from a financial business. There is no guarantee that the Issuer will always satisfy the 90 Percent Test, and there is no guarantee that the Issuer will not be treated as a corporation for U.S. federal income tax purposes. Further, it is possible that the Issuer's taxable year could inadvertently terminate, conceivably causing the Issuer to fail the test for the unanticipated short taxable year. Thus, there is no guarantee that the Issuer will satisfy the 90 Percent Test for each of its taxable years and it will be unable to rely on such exception not only in the taxable year in which it fails to satisfy such test, but also in any of its subsequent taxable years. In addition, it is possible that the IRS could assert that the Income Notes constitute direct interests in the Issuer and attempt to characterize the Issuer as a publicly traded partnership taxable as a corporation due to the listing of the Income Notes on the Irish Stock Exchange. If the Issuer is a taxable mortgage pool or a publicly traded partnership taxable as a corporation, it will be taxable as a foreign corporation. This treatment could adversely affect the holders and indirect holders (such as the holders of the Income Notes) of LP Certificates (or any Rated Notes that are treated as equity for U.S. federal income tax purposes). Such holders should consider whether to make a protective QEF election with respect to the Issuer (although any such protective election will require the Issuer to provide it the necessary information and will only be provided at the cost to such holder, which may be significant) and should consult their tax advisors regarding potential consequences to them due to a successful assertion that an investment in the Income Notes constitutes a direct interest in the Issuer. The balance of this summary generally assumes that the Issuer is treated as a partnership that is not taxable as a corporation for U.S. federal income tax purposes.

New Partnership Audit Rules

The Bipartisan Budget Act of 2015 (the "**Budget Act**"), which was enacted on November 2, 2015, repeals and replaces (for taxable years beginning on January 1, 2018) the rules applicable to certain administrative and judicial proceedings regarding a partnership's U.S. federal income tax affairs. Under the Partnership Tax Audit Rules, a partnership (including the Issuer) appoints one person (the "partnership representative") to act on its behalf in connection with IRS audits and related proceedings. The partnership representative's actions, including the partnership

representative's agreement to adjustments of the Issuer's income in settlement of an IRS audit of the Issuer, will bind all holders of the LP Certificates and any holders of any Class of Notes characterized as equity in the Issuer (any such holders, "**Partners**"), and opt-out rights available to certain Partners in connection with certain actions of the tax matters partner under current partnership audit rules will no longer be available. All Partners of the Issuer will be deemed to have agreed to appoint the Collateral Manager (or an affiliate thereof) as the partnership representative (or, if not eligible to be the partnership representative, as agent-in-fact of the partnership representative). In the event that no holder of LP Certificates (or any other holder of Notes) agrees to be the partnership representative, the IRS can appoint the partnership representative, which need not be a holder of Notes or affiliated with the Co-Issuers or the Income Note Issuer. Prospective investors in the LP Certificates (and any Classes of Notes recharacterized as equity in the Issuer) should note that the interests of the partnership representative may not coincide with the interests of any other partner. In addition, under the new rules, U.S. federal income taxes (and any related interest and penalties) attributable to an adjustment to the Issuer's income following an IRS audit or judicial proceeding will, absent an election by the Issuer to the contrary, have to be paid by the Issuer in the year during which the audit or other proceeding is resolved. This could cause the economic burden of U.S. federal income tax liability arising on audit of the Issuer to be borne by Partners based on their interests in the Issuer in the year during which the audit or other proceeding is resolved, even though such tax liability is attributable to an earlier taxable year in which the interests or identity of some or all of the Partners was different. The new rules also can cause the Issuer's U.S. federal income tax liability arising on audit to be computed in less advantageous ways than the tax liability of the Partners would be computed under current rules. Any U.S. federal income taxes (and any related interest and penalties) paid by the Issuer in respect of IRS audit adjustments at the Issuer level could have a material adverse effect on payments to Note holders. In the event that any such tax is imposed on the Issuer, the partnership representative may, in its sole discretion, allocate the burden of (or any diminution in distributable proceeds resulting from) any such taxes, penalties or interest to those Partners to whom such amounts are specifically attributable (whether as a result of their status, actions, inactions or otherwise), as determined in the sole discretion of the partnership representative. Partners will be bound by the partnership representative's allocations and no assurances can be made that any such determinations and allocations will be in the best interest of any particular Partner or Noteholder. It is also possible, however, that such tax will be treated (in non-tax terms) entirely as an expense of the Issuer and be economically borne by Holders of the Rated Notes.

However, if elected by the partnership representative, an alternative procedure may allow the Issuer to avoid such entity-level U.S. federal income tax liability in some cases if certain conditions are satisfied. This alternative procedure may require Partners (based on their interests in the Issuer in the prior tax year under audit) to either file amended returns and pay any tax that would be due for the prior tax year under audit, or adjust the tax liability reported on their income tax returns for the year in which the audit is resolved. However, because the Budget Act is very new, the IRS has not provided any guidance on such adjustments and alternative procedures and there can be no assurances that any conditions to such adjustments or alternative procedures can be satisfied or that such alternative procedures will be elected in any instance.

The partnership representative will use commercially reasonable efforts to elect the alternative procedure to avoid the new entity level tax from being imposed on the Issuer (except when in its sole discretion it believes such tax would be immaterial). However, although the partnership representative will make commercially reasonable efforts to obtain the requisite information from its Partners to enable it to elect such alternative procedure (which will require the partnership representative to be able to adequately identify each such Partner), there is no guarantee that the partnership representative will be able to garner such information.

The new partnership audit rules are effective for federal income tax returns filed for taxable years of the Issuer beginning on or after January 1, 2018. For returns filed for taxable years prior to the effective date of the new rules, the existing partnership audit rules will apply. The new partnership audit rules are complex and additional guidance will be required before they are implemented. Partners should discuss with their own tax advisors the possible implications of the new rules with respect to an investment in the Issuer. See also "*Certain U.S. Federal Income Tax Considerations—U.S. Federal Tax Treatment of U.S. Holders of LP Certificates—Tax Matters Partner; Partnership Representative*".

U.S. Federal Withholding Tax

Generally, United States source interest income received by a foreign partnership not engaged in a trade or business within the United States is subject to U.S. federal withholding tax at the rate of 30% of the amount thereof.

The Code provides an exception for interest that constitutes "portfolio interest," which is exempt from such withholding tax. Certain documentation requirements must be satisfied in order for interest to constitute portfolio interest. More specifically, holders of Class E Notes, LP Certificates and Income Notes will be required to provide documentation establishing an entitlement to the portfolio interest exemption in order for interest to constitute portfolio interest for which withholding is not applicable. A Non-U.S. Holder of the Class E Notes, LP Certificates, and Income Notes will also provide the Issuer with certifications necessary to establish that it is not subject to U.S. federal withholding tax under FATCA. As a result, certain transfer restrictions and compelled dispositions are applicable to the Class E Notes, the Income Notes and the LP Certificates in order to maximize the likelihood that interest received by the Issuer will constitute portfolio interest. However, in the event that a holder of Class E Notes, Income Notes or LP Certificates does not timely provide appropriate tax certifications to the Issuer, or otherwise fails to comply with these transfer restrictions, the Issuer may be subject to 30% U.S. federal withholding tax on all or substantially all of its income. Further, if any Class of Notes, such as the Class E Notes, is recharacterized as equity in the Issuer, the failure of holders of such Notes to give the proper documentation would subject the Issuer to withholding, which could be applied retroactively. Any such withholding tax would materially impair the Issuer's ability to make payments with respect to the Securities and the Income Note Issuer's ability to make payments with respect to the Income Notes. Each holder of Class E Notes, LP Certificates and Income Notes is required to indemnify the Issuer or the Income Note Issuer, as applicable, for any withholding tax incurred by the Issuer or the Income Note Issuer, as applicable, that is attributable to such holder. Any such withholding tax could exceed distributions that are actually made with respect to the holder's Securities or Income Notes.

In addition, there can be no assurance that the Issuer will not become subject to such withholding as a result of a change in or the adoption of a U.S. tax statute, or any change in or the issuance of a regulation or equivalent authority. Any such change, adoption or issuance could result in the occurrence of a Withholding Tax Event under the Indenture. In addition, under current law, certain fees that the Issuer may receive on Collateral Debt Obligations may be subject to 30% withholding tax.

U.S. Trade or Business

Upon the issuance of the Securities and the Income Notes, Ashurst LLP will deliver an opinion generally to the effect that, under current law, assuming compliance with the Indenture, the Income Note Documents, and the Collateral Management Agreement (and certain other documents) and based upon certain factual representations made by the Issuer and/or the Collateral Manager, and assuming the correctness of all opinions and advice of counsel that permit the Issuer and the Income Note Issuer to take or fail to take any action under the transaction documents based upon such opinions or advice, although the matter is not free from doubt, neither the Issuer nor the Income Note Issuer will be treated as engaged in the conduct of a trade or business within the United States for U.S. federal income tax purposes. The opinion of Ashurst LLP will be based on certain factual assumptions, covenants and representations as to the Issuer's contemplated activities, and each of the Issuer and the Income Note Issuer intends to conduct its affairs in accordance with such assumptions and representations. However, you should be aware that the opinion referred to above will be predicated upon the Collateral Manager's compliance with certain tax restrictions set out in the Indenture and the Collateral Management Agreement (the "**Tax Guidelines**"), which are intended to prevent the Issuer from engaging in activities which could give rise to a trade or business of the Issuer or the Income Note Issuer within the United States. Although the Collateral Manager has generally undertaken to comply with the Tax Guidelines, the Collateral Manager is permitted to depart from the Tax Guidelines if it obtains an opinion from nationally recognized tax counsel (or written advice from Ashurst LLP) that the departure will not cause the Issuer to be treated as engaged in a trade or business within the United States. There can be no assurance that any such opinion or advice of tax counsel will be consistent with Ashurst LLP's current views and opinion standards, and any such departures would not be covered by the opinion of Ashurst LLP referred to above. Furthermore, the Collateral Manager is not obligated to monitor (and in some cases, conform the Issuer's activities in order to comply with) changes in law that could affect whether the Issuer is treated as engaged in a U.S. trade or business. The Collateral Manager might act in accordance with the Tax Guidelines notwithstanding the issuance of new decisions by the courts, new legislation or official guidance (regardless of whether such new interpretation, legislation or guidance would either merely increase the risk that the Issuer would be, or actually cause the Issuer to be, engaged in a U.S. trade or business). In addition, although the Collateral Manager can be removed for cause, violations of the Tax Guidelines may not constitute "cause". Such violations will not constitute "cause" if they do not have a material adverse effect on the holders of the Notes. It is not certain that a violation of the Tax Guidelines that causes an increase in the risk that the Issuer will be engaged in a trade or business in the United States for U.S. federal income tax (without actually having that effect) will be treated

as having such a material adverse effect. The opinion of Ashurst LLP is based on the Transaction Documents as of the Closing Date and, accordingly, will not address any potential U.S. federal income tax effect of any supplemental indenture. In addition, the opinion of Ashurst LLP and any such other advice or opinions are not binding on the IRS or the courts, and no ruling will be sought from the IRS regarding this, or any other, aspect of the U.S. federal income tax treatment of the Issuer or the Income Note Issuer. Accordingly, in the absence of authority on point, the U.S. federal income tax treatment of the Issuer and the Income Note Issuer is not entirely free from doubt, and there can be no assurance that positions contrary to those stated in the opinion of Ashurst LLP or any such other advice or opinions may not be asserted successfully by the IRS.

Further, although the Issuer intends to operate so as not to cause holders of LP Certificates (and any Class of Notes that is recharacterized as equity in the Issuer for U.S. federal income tax purposes) to be subject to U.S. federal income taxes on its net income, there can be no assurance that the Issuer's net income will not be subject to U.S. federal income tax as a result of unanticipated activities, changes in law, contrary conclusions by the IRS, or other causes.

If it is determined that the Issuer is engaged in a trade or business in the United States for federal income tax purposes, and the Issuer has taxable income that is effectively connected with such U.S. trade or business, then (i) interest paid on the Rated Notes to a Non-U.S. Holder could be subject to a 30% U.S. federal withholding tax, (ii) (a) a Non-U.S. Holder of LP Certificates, such as the Income Note Issuer, (b) a Non-U.S. Holder of any Rated Notes that are treated as equity in the Issuer for U.S. federal income tax purposes or (c) any Non-U.S. Holder of Income Notes, to the extent that the independent status of the Income Note Issuer is successfully challenged by the IRS and the Incomer Notes are treated as equity in the Issuer for U.S. federal income tax purposes, in each case, could be subject to U.S. federal income tax (which the Issuer would be required to withhold) at a rate equal to the highest applicable U.S. federal income tax rate with respect to its income from those Notes and to U.S. federal income tax upon the sale of its Notes, could be required to file a U.S. federal income tax return, and could be treated as being engaged in a trade or business within the United States and as maintaining an office or other fixed place of business within the United States, in which case other income of the Holder could be treated as effectively connected income and (iii) (a) a Non-U.S. Holder of LP Certificates, such as the Income Note Issuer, (b) a Non-U.S. Holder of any Rated Notes that are treated as equity in the Issuer for U.S. federal income tax purposes or (c) any holder of Income Notes, to the extent that the independent status of the Income Note Issuer is successfully challenged by the IRS and the Income Notes are treated as equity in the Issuer for U.S. federal income tax purposes that, in each case, is a corporation, could be subject to an additional branch profits tax of 30% on its allocable share of the Issuer's effectively connected earnings and profits. In addition, the Issuer could be liable for the interest and penalties for failure to properly withhold. The consequences of the Issuer being treated as engaged in a trade or business in the United States are extremely complex. Investors are urged to consult their tax advisors with respect to such risk and the consequences thereof.

Recent legislative proposals have proposed to treat a foreign corporation (such as the Income Note Issuer) as a domestic corporation subject to U.S. federal income taxation if the foreign corporation’s assets are primarily managed on behalf of investors and decisions as to the management of those assets were made within the United States. If similar legislation were to be enacted and were to apply to the Income Note Issuer, then depending on the specific terms of those provisions, such a change in law could have material adverse effect on the Issuer’s ability to make payments on the Income Notes and could constitute a Withholding Tax Event that would permit a tax redemption.

FATCA

A withholding tax of 30% may be imposed under FATCA on certain payments made to the Issuer or the Income Note Issuer, including certain interest and dividends paid on Collateral Debt Obligations, as well as the gross proceeds of the disposition by the Issuer or the Income Note Issuer of assets that can produce United States source interest or dividends, unless each of the Issuer and the Income Note Issuer (a) enter into an agreement with the United States Treasury to collect and provide to the U.S. tax authorities information regarding direct and indirect U.S. Holders of the Securities and the Income Notes or (b) otherwise comply with the provisions of the US IGA (as defined below). These agreements are expected to require the Issuer and the Income Note Issuer to (i) obtain certain information from the Holders of Securities and Income Notes (other than Securities and Income Notes treated as regularly traded on an established securities market) as is necessary to determine which, if any, such Holders are U.S. persons or United States-owned foreign entities, (ii) provide annually to the IRS or the Tax Information Authority of the Cayman Islands the name, address, taxpayer identification number and certain other information with respect to certain Holders and beneficial owners of Securities or Income Notes, respectively (other than Securities and Income Notes that are treated

as regularly traded on an established securities market) that are U.S. persons or that are United States-owned foreign entities and (iii) comply with certain other due diligence procedures, the IRS or the Tax Information Authority of the Cayman Islands requests, withholding and other requirements. In some cases, the ability to avoid such withholding tax will depend on factors outside of the Issuer's or the Income Note Issuer's control. For example, the Issuer and/or the Income Note Issuer may not be considered to comply with FATCA if more than 50% of the LP Certificates and/or the Income Notes (and any other classes of Notes treated as equity for U.S. federal income tax purposes) are owned by a person that is, or is affiliated with, a foreign financial institution that is not compliant with FATCA. Thus, if a non-U.S. entity owns the LP Certificates (or any other class of Notes that are recharacterized as equity in the Issuer) the Issuer could be subject to FATCA related withholding if such entity is not FATCA compliant. Although non-U.S. Holders of the Securities will agree to provide the Issuer with certifications necessary to establish that they are not subject to U.S. federal withholding tax under FATCA and to indemnify the Issuer for any FATCA-related withholding, such representation and indemnification may be insufficient protection for the Issuer.

The Cayman Islands has entered into a Model 1 intergovernmental agreement (the "**US IGA**") with the United States. Under the terms of the US IGA, the Foreign Issuers are required to register with the U.S. Internal Revenue Service ("**IRS**") to obtain a Global Intermediary Identification Number ("**GIIN**") and then comply with the Cayman Islands Tax Information Authority Law (2014 Revision) (as amended) together with regulations and guidance notes made pursuant to such Law (the "**Cayman FATCA Legislation**") that give effect to the US IGA. As such, the Foreign Issuers or their agents are required to collect and report to the Cayman Islands Tax Information Authority substantial information regarding certain Holders of Securities and Income Notes. Under the terms of the US IGA (i) the Cayman Islands Tax Information Authority will exchange such information with the IRS and (ii) withholding will not be imposed on payments made to the Foreign Issuers unless the IRS has specifically listed the Foreign Issuers as non-participating financial institutions, or, except as described below, on payments made by the Foreign Issuers to the Holders of Securities or Income Notes, as applicable, unless the Foreign Issuers have otherwise assumed responsibility for withholding under United States tax law. The Foreign Issuers have obtained GIINs and intend to comply with the Cayman FATCA Legislation.

In addition, future guidance under FATCA may subject payments on LP Certificates and Income Notes (or other classes of Notes that are considered equity for U.S. federal income tax purposes), and/or Notes that are materially modified more than six months after the issuance of such future guidance, to a withholding tax of 30%, unless (i) each foreign financial intermediary through which any such Security or Income Note is held enters into such an information reporting agreement or, if applicable, complies with the terms of an IGA and (ii) the direct and indirect Holders thereof supply the Issuer or the Income Note Issuer or their respective agents or authorized representatives and each foreign financial intermediary through which such Security or Income Note, respectively, is held, if any, with information necessary to comply with such information reporting agreements or any applicable IGA. The Issuer and the Income Note Issuer intend to comply with Cayman Islands legislation passed pursuant to the US IGA as discussed above. Each owner of an interest in Notes will be required to provide the Issuer or the Income Note Issuer, respectively and the Trustee, or their agents or authorized representatives, with information requested in connection with FATCA. Owners that do not supply required information to the Issuer or the Income Note Issuer, respectively, or the Trustee or the Income Notes Paying Agent, or their respective agents or authorized representatives, or whose ownership of Notes or Income Notes may otherwise prevent the Issuer or the Income Note Issuer, respectively, from complying with FATCA (for example by causing the Issuer or the Income Note Issuer to be affiliated with a non-compliant foreign financial institution), may be subjected to punitive measures, including indemnifications and forced transfer of their Notes. In addition, the Issuer and/or the Income Note Issuer may sell all of a beneficial owner's interest in its Note even if only a partial sale would permit such entity to comply with FATCA. There can be no assurance, however, that these measures will be effective, and that the Issuer and/or the Income Note Issuer and owners of the Notes or Income Notes will not be subject to the noted withholding taxes. The imposition of such taxes could materially affect the Issuer's and/or Income Note Issuer's ability to make payments on the Securities and the Income Notes.

UK FATCA and the OECD Common Reporting Standard

The Cayman Islands has also (i) entered into a similar intergovernmental agreement with the United Kingdom (the "**UK IGA**"), which imposes requirements similar to those under the US IGA with respect to Holders of Securities and Income Notes who are resident in the United Kingdom for tax purposes and (ii) signed, along with over 60 other countries, a multilateral competent authority agreement to implement the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard (the "**CRS**"), which requires "Financial Institutions"

to identify, and report information in respect of, specified persons in the jurisdictions which sign and implement the CRS.

U.S. Federal Income Tax Status of the Rated Notes

The Issuer has agreed and, by its acceptance of a Rated Note, each holder will be deemed to have agreed, to treat the Rated Notes as debt of the Issuer for U.S. federal income tax purposes. Upon the issuance of the Notes, Ashurst LLP will deliver an opinion generally to the effect that, assuming compliance with the Indenture (and certain other documents), and based on certain factual representations made by the Issuer, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will, and the Class E Notes should, be characterized as debt of the Issuer for U.S. federal income tax purposes. The determination of whether a Note will be treated as debt for U.S. federal income tax purposes is based on the facts and circumstances existing at the time the Note is issued and the opinion of Ashurst LLP will be based on current law and certain representations and assumptions. Prospective investors should be aware that opinions of counsel are not binding on the IRS, and there can be no assurance that the IRS will not seek to characterize as something other than indebtedness any particular Class or Classes of the Rated Notes. Accordingly, it is possible that certain of the Rated Notes, in particular the Class E Notes, may be recharacterized as equity for such purposes by the IRS or a court. If so recharacterized, the timing and character of income recognized by US Holders of Class E Notes may be impacted.

Fungibility of Rated Notes Issued in Additional Offerings

Whether any new notes would be fungible for U.S. federal income tax purposes with the Rated Notes issued on the Closing Date would depend on whether the issuance of such new notes would be part of the same "issue" as the Notes or be treated as a "qualified reopening" within the meaning of the Treasury Regulations. This determination will depend on facts that cannot be determined at this time, including the date on which such issuance occurs, the yield of the outstanding Rated Notes at that time (based on their fair market value) and whether any outstanding Rated Notes are publicly traded or quoted at that time.

Tax Treatment of U.S. Holders of LP Certificates and Income Notes

The Issuer has agreed and, by its acceptance of a LP Certificate, each holder will be deemed to have agreed, to treat such LP Certificate as equity in the Issuer for U.S. federal income tax purposes, except as otherwise required by applicable law. No opinion will be delivered regarding the U.S. federal income tax treatment of the LP Certificates.

The Income Note Issuer has agreed and, by its acceptance of an Income Note, each holder and beneficial owner of Income Notes will be deemed to have agreed, to treat (x) the Income Notes as equity interests in the Income Note Issuer and (y) the LP Certificates as equity interests in the Issuer, in each case for U.S. federal income tax purposes.

Taxable income allocated to a U.S. Holder of a LP Certificate may exceed cash distributions made to such Holder, in which case such Holder would have to satisfy any tax liabilities arising from an investment in the Issuer from such Holder's own funds. In this regard, prospective purchasers of LP Certificate s 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 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 retirement of all or portions of the Notes. Moreover, various expenses and losses allocable to U.S. Holders of LP Certificate s may be subject to limits on their deductibility for U.S. federal income tax purposes. See "*Certain U.S. Federal Income Tax Considerations—U.S. Federal Income Tax Treatment of U.S. Holders of LP Certificates—Miscellaneous Itemized Deductions*."

Status of the Income Note Issuer as a Passive Foreign Investment Company for U.S. Federal Income Tax Purposes

The Income Note 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 Income Notes may wish to make an election to treat the Income Note 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 Income Note 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 Income Notes. In this regard, prospective purchasers of Income Notes should be aware that it is possible that a significant amount of the Income Note 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 the Notes. Thus U.S. Holders of Income 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.

Treatment of the Income Note Issuer as a Controlled Foreign Corporation

The Income Note Issuer also may be treated as a CFC, 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 Income Note Issuer's voting securities (a "**U.S. Shareholder**") may be treated as receiving annually a deemed dividend (taxable as ordinary income) in an amount equal to its share of the Income Note 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. Shareholder may recognize a significant amount of phantom income for the reasons described above applicable to a U.S. Holder of Income Notes who makes a QEF election and may have other potentially adverse tax consequences.

Ownership of Collateral Debt Obligations Through One or More Issuer Subsidiaries

To reduce the risk that the Issuer will be deemed to be engaged in a trade or business in the United States, in certain circumstances set forth in the Indenture, certain securities or obligations may be owned by one or more Issuer 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. Issuer Subsidiaries, amounts distributed to the Issuer Subsidiary) attributable to such income may also be subject to U.S. withholding tax.

Information Reporting Requirements Applicable to Certain U.S. investors

U.S. investors are potentially subject to various information reporting requirements with respect to an investment in the Securities and the Income Notes, including a requirement that U.S. individuals report information to the IRS with respect to their investment in the Securities or the Income Notes not held through a U.S. financial institution (or face penalties for failure to disclose). Potential investors are encouraged to consult with their own tax advisors regarding information reporting requirements arising from their investment in the Securities or the Income Notes.

U.S. Federal Income Tax Consequences of an Investment in the Securities or Income Notes Are Uncertain

The U.S. federal income tax consequences of an investment in the Securities or Income Notes are uncertain, as to both the timing and character of any inclusion in income in respect of the Securities or Income Notes. Because of this uncertainty, prospective investors are urged to consult their tax advisors as to the tax consequences of an investment in a Security or Income Note. For a more complete discussion of the U.S. federal income tax consequences of your investment in a Security or Income Note, please see the summary under "*Certain U.S. Federal Income Tax Considerations*".

Collateral Manager; Past Performance Not Indicative

The past performance of the Collateral Manager or its principals in other portfolios or investment vehicles may not be indicative of the results that the Collateral Manager may be able to achieve with the Collateral Debt Obligations, particularly in light of disruptions and volatility in the markets. Similarly, the past performance of the Collateral Manager or its principals over a particular period may not necessarily be indicative of the results that may be expected in future periods. Furthermore, the nature of, risks associated with, and strategies guiding the Issuer's investments may differ substantially from those investments and strategies undertaken historically by the Collateral Manager or its principals. There can be no assurance that the Issuer's investments will perform as well as past investments of the Collateral Manager or its principals, that the Issuer will be able to avoid losses, or that the Issuer will be able to make investments similar to the past investments of the Collateral Manager or its principals or any other person described herein. In addition, such past investments may have been made utilizing a leveraged capital structure, an asset mix and fee arrangements that are different from the anticipated capital structure, asset mix and fee arrangements of the Issuer. Moreover, because the investment criteria that govern investments in the Issuer's portfolio do not govern the

Collateral Manager or its principals' investments and investment strategies generally and may differ from other criteria employed by the Collateral Manager in managing similar investment vehicles, such investments conducted in accordance with such criteria, and the results they yield, are not directly comparable with, and may differ substantially from other investments undertaken by the Collateral Manager or its principals.

Dependence on Key Personnel of the Collateral Manager

The performance of the Securities and the Income Notes will be highly dependent upon the skills of the Collateral Manager in analyzing, acquiring and managing the Collateral Debt Obligations. As a result, the Issuer is highly dependent on the financial and managerial experience of certain individuals associated with the Collateral Manager, any of whom may not continue to be associated with the Collateral Manager for the term of this transaction. The loss of one or more of these individuals could have a material adverse effect on the performance of the Securities and the Income Notes. In addition, individuals not currently associated with the Collateral Manager may become associated with the Collateral Manager and the performance of the Collateral Debt 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*" and "*The Collateral Manager*."

Investment Company Act of 1940

Neither the Issuer nor the pool of Collateral has registered with the SEC as an investment company pursuant to the Investment Company Act, in reliance on an exception from the definition of the term "investment company" for non-U.S. obligors (a) whose outstanding securities owned by U.S. persons are owned exclusively by Qualified Purchasers and (b) which do not make a public offering of their securities in the United States. Accordingly, investors in the Securities will not be accorded the protections of the Investment Company Act. Counsel for the Issuer will opine, in connection with the sale of the Securities, that the Issuer is not at such time an investment company required to be registered under the Investment Company Act (assuming, for the purposes of such opinion, the accuracy and completeness of all representations and warranties made or deemed to be made by investors in the Securities). No opinion or no-action position has been or will be requested of the SEC.

If the SEC or a court of competent jurisdiction were to find that the Issuer is required, but had failed, to register in violation of the Investment Company Act, 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 could sue the Issuer and recover any damages caused by the violation of the registration requirement of the Investment Company Act; and (iii) any contract to which the Issuer is party that is made in, or whose performance involves a, violation of the Investment Company Act 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. Should the Issuer be subjected to any or all of the foregoing, there would be a material adverse effect on the Issuer and the holders of Securities.

If the Issuer (or, in the case of the Income Notes, the Income Note Issuer) determines that a holder or beneficial owner of the Securities or Income Notes that is a U.S. person was not a Qualified Purchaser at the time of its acquisition of the Securities or Income Notes, the Issuer or the Income Note Issuer, as applicable, will have the right, at its option, to require such person to dispose of its Securities or Income Notes to a person or entity that is qualified to hold the Securities or Income Notes immediately upon receipt of a notice from the Issuer or the Income Note Issuer, as applicable, that the relevant holder or beneficial owner was not a Qualified Purchaser.

The Income Note Issuer has not registered with the SEC as an investment company pursuant to the Investment Company Act in reliance on the same exception as the Issuers and each is subject to the same risks described above.

Lack of Operating History

The Issuers, the General Partner and the Income Note Issuer are recently established entities and have no prior operating history (except with respect to certain asset purchase activities of the Issuer prior to the Closing Date) or track record. Accordingly, none of the Issuers, the General Partner of the Issuer or the Income Note Issuer have a performance history for a prospective investor to consider in making its decision to invest in Securities or Income Notes.

Limited Funds Available to the Issuer and the Income Note Issuer to Pay their Operating Expenses

The funds available to the Issuers and the Income Note Issuer to pay certain expenses are limited to funds available in accordance with the Priority of Payments. In the event that such funds are not sufficient to pay the expenses incurred by the Issuers and the Income Note Issuer, the ability of the Issuers and the Income Note Issuer to operate effectively may be impaired, and the Issuers or the Income Note Issuer may not be able to defend or prosecute legal proceedings that may be brought against them, including involuntary bankruptcy petitions, or that they might otherwise bring to protect the interests of the Issuers or the Income Note Issuer. In addition, service providers who are not paid in full, including the Administrator which provides the directors to the General Partner and the Income Note Issuer, have the right to resign. This could lead to the Issuer being in default under the Companies Law and potentially being struck from the Register and dissolved.

No Representation as to Securities or Income Notes

None of the Issuers, the Income Note Issuer, the Initial Purchaser, the Collateral Manager, the Collateral Administrator, the LP Paying Agent, the Income Note Paying Agent, the Administrator or the Trustee or any Affiliate thereof makes any representation as to the accounting, capital, tax and other regulatory and legal consequences to investors of ownership of the Securities or the Income Notes, and no purchaser may rely on any such party for a determination of the accounting, capital, tax and other regulatory and legal consequences to such purchaser of ownership of the Securities or the Income Notes. Each purchaser of Securities or Income Notes, by its accepting delivery of this Offering Memorandum, will be required to represent or will be deemed to have represented to the Issuer, the Issuers or the Income Note Issuer, as applicable, and the Initial Purchaser, among other things, that such purchaser has consulted with its own financial, legal, regulatory and tax advisors regarding investment in the Securities or the Income Notes, as applicable, as such purchaser has deemed necessary and that the investment by such purchaser is within its powers and authority, is permissible under applicable laws governing such purchase, has been duly authorized by it and complies with applicable securities laws and other laws.

Participation on Creditors' Committees

The Issuer may (through the Collateral Manager) 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. If the Issuer does join a creditors' committee, the participants of the committee would be interested in obtaining an outcome that is in their respective individual best interests and there can be no assurance of obtaining results most favorable to the Issuer 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 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 company's securities. 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 the 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

The Issuer's investment activities subject it to the normal risks of becoming involved in litigation by third parties. This risk would be somewhat greater if the Issuer were to exercise control or significant influence over a company's direction. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would be borne by the Issuer and would reduce net assets. The Collateral Manager and others are indemnified by the Issuer in connection with such litigation, subject to certain conditions.

Actions by Holder of less than all Securities of a Class

Certain actions may be taken under the Indenture with the direction or consent of less than all of the Holders of a particular Class of Securities, including but not limited to certain amendments to the Indenture and the designation of Interest Proceeds, or Principal Proceeds that would otherwise be distributed on the LP Certificates as Contributions. Such actions could be adverse to certain Holders. In particular, since Affiliates of the Collateral Manager are expected

to control at least a Majority of the LP Certificates as of the Closing Date, actions requiring the consent or direction of the LP Certificates could be expected to be heavily influenced, if not controlled by, such Affiliates of the Collateral Manager. Such Affiliates of the Collateral Manager have no obligation to consider the best interests of the holders of the Securities.

Rating Agency Consent

Historically, many actions by issuers of collateralized loan obligation vehicles (including but not limited to issuing additional securities and amending relevant agreements) have been conditioned on receipt of confirmation from the applicable rating agencies that such action would not cause the ratings on the applicable securities to be reduced or withdrawn. Certain rating agencies have changed the manner and the circumstances under which they are willing to provide such confirmation and have indicated reluctance to provide confirmation in the future, regardless of the requirements of the applicable indenture. If the Indenture requires that the Rating Condition be satisfied before certain action may be taken and an applicable Rating Agency is unwilling to provide the required confirmation, it may be impossible to effect such action, which could result in losses being realized by the Issuer and, indirectly, by holders of Securities and Income Notes.

Under the Indenture, under certain circumstances the Rating Condition may be satisfied with respect to certain actions without receiving explicit confirmation from an applicable Rating Agency if advance notice is provided to such Rating Agency. Additionally, if a Rating Agency announces, or informs the Trustee, the Collateral Manager or the Issuer that it believes satisfaction of the Rating Condition is not required for a certain action or that its practice is to not give such confirmations for certain types of actions, the requirement for satisfaction of a Rating Condition will not apply. There can be no assurance that a Rating Agency will not subsequently withdraw or downgrade its ratings on one or more Classes of Notes as a result of such actions, and any such withdrawal or downgrade could adversely affect the value or liquidity of the Notes.

Net Proceeds of Offering will be less than the Aggregate Amount of the Securities

The net proceeds received by the Issuer in connection with the offering of the Securities will be less than the aggregate amount of the Securities. As a result, the LP Certificates (and indirectly, the Income Notes) will represent a highly leveraged subordinated investment, and Principal Proceeds on the Closing Date will be insufficient to pay the entire face amount of the LP Certificates and therefore of the Income Notes. Over the term of their investment, therefore, holders of LP Certificates (and the Income Notes) will rely on the distribution of excess Interest Proceeds for their ultimate return. Redemption of the Collateral Debt Obligations prior to their maturity will decrease the amount of Interest Proceeds. Additionally, the deferral of distributions on the Collateral Debt Obligations or the failure otherwise to pay the principal of or any premium or interest on the Collateral Debt Obligations in accordance with their terms will decrease the current amount of interest collections distributable on the LP Certificates (and the Income Notes). The redemption of the Notes prior to the Stated Maturity will eliminate the leverage applicable to the LP Certificates (and indirectly, the Income Notes) and result in a shorter term of investment during which the LP Certificates (and the Income Notes) will receive excess Interest Proceeds. Any disposition of a Collateral Debt Obligation that is a Credit Risk Obligation or a Defaulted Obligation is likely to result in losses to the Issuer, and such losses will be borne in the first instance by the LP Certificates (and indirectly, the Income Notes). Consequently, purchasers of the LP Certificates and the Income Notes bear a high risk of losing all or part of their investment. The amount of distributions, if any, to be made on the LP Certificates, and therefore also on the Income Notes, may vary significantly from Payment Date to Payment Date for various reasons.

Additional Issuances of Lower Ranking Classes, including LP Certificates, and Contributions, May Have the Effect of Preventing the Failure of the Coverage Tests and the Occurrence of an Event of Default

At any time, the Issuer may issue and sell Additional Securities and use the net proceeds to acquire additional Collateral or for other purposes permitted under the Indenture. See "*Description of the Securities and the Income Notes—The Indenture—General Provisions—Additional Issuance*." In addition, at any time a Contributor may make a Contribution and direct that it be applied to acquire additional Collateral. The application of such amounts toward the acquisition of additional Collateral could cause a Coverage Test that would otherwise be failing to be satisfied and could also prevent certain Events of Default from occurring, which could potentially prevent certain Interest Proceeds from being applied to pay principal of the most senior Class of Notes. The holders of the applicable Class will be

entitled to participate in such additional issuance on a *pro rata* basis. A holder of such Class will be diluted to the extent it fails to participate in any such additional issuance on a *pro rata* basis.

Affiliate of the Collateral Manager intends to initially hold a Majority of LP Certificates.

It is expected that a single investor, the TFG Risk Retention Party who is expected to be a majority-owned affiliate of the Collateral Manager, will purchase the Retention Interests on the Closing Date, which are expected to be at least a Majority of the LP Certificates. Holders of a Majority of the LP Certificates will be able to control certain voting and consent rights under the Indenture and the Collateral Management Agreement, including directing redemptions, refinancings, repricings, issuing additional securities and certain consents to assignments, removals and replacements of the Collateral Manager.

Rights Under the Indenture

Many rights under the Indenture may only be exercised by Holders of certain Classes of Securities or by certain Classes of Securities acting in concert with other Classes of Securities. The exercise of such rights could be adverse to Holders of Securities that do not have the ability to exercise such rights, and the failure to exercise a right because Holders of Securities must act in concert to exercise such right and insufficient Holders are willing to do so could also be adverse to Holders of one or more Classes of Securities.

Amendments to the Indenture

The Indenture may be amended, and in many cases may be amended without the consent of Holders of Securities. Such amendments could be adverse to certain Holders of Securities. See "*Description of the Securities and the Income Notes—The Indenture—General Provisions—Modification of Indenture*."

Holders of Global Securities in Book-Entry Form are not Considered Holders of such Securities or Income Notes under the Indenture, the LP Paying Agency Agreement or the Income Note Paying Agency Agreement, as applicable

Holders of beneficial interests in any Securities or Income Notes held in global form will not be considered Holders of such Securities or Income Notes under the Indenture, the LP Paying Agency Agreement or the Income Note Paying Agency Agreement, as applicable. After payment of any amounts to DTC (as holder of record of Securities and Income Notes held in global form), none of the Issuers or the Income Note Issuer will have any responsibility or liability for the payment of such amounts by DTC or to any holder of a beneficial interest in a Security or Income Note. Each Person owning a beneficial interest in a Security or Income 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 Security or Income Note. There may be some delay in receipt of distributions of amounts on Securities and Income Notes since distributions are required to be forwarded by the Trustee, the LP Paying Agent or the Income Note Paying Agent, as applicable, to DTC, and DTC will be required to credit such distributions to the accounts of its participants which thereafter are expected to credit them to the accounts of the applicable beneficial owners, either directly or indirectly through indirect participants.

Potential for Unsolicited Ratings; Failure to Comply with Rule 17g-5

In an effort to comply with Rule 17g-5 under the Exchange Act ("**Rule 17g-5**"), the Issuer has caused and will cause to be posted on a password-protected internet website, at the same time such information is provided to a Rating Agency, all information the Issuer provides to such Rating Agency for the purposes of determining its initial credit rating of the Notes or undertaking credit rating surveillance of the Notes. However, there can be no assurance that these procedures will be sufficient to ensure compliance with the Issuer's obligations under Rule 17g-5. Nationally recognized statistical rating organizations within the meaning of Section 3(a)(62) of the Exchange Act ("**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 Notes ("**Unsolicited Ratings**"), which may be lower, and could be significantly lower, than the ratings assigned by the Rating Agencies. Unsolicited Ratings may be issued prior to or after the Closing Date. Issuance of an Unsolicited Rating will not affect or delay the issuance of the Securities or the Income Notes. Issuance of an Unsolicited Rating lower than the ratings assigned by the Rating Agencies on the Notes could adversely affect the value and liquidity of the Securities and the Income Notes and, for

certain investors, could affect the status of the Notes as a legal investment or the capital treatment of the Notes. Investors in the Notes should monitor whether an Unsolicited Rating has been issued and should consult with their legal counsel regarding the effect of the issuance of an Unsolicited Rating that is lower than the expected ratings set forth in this Offering Memorandum. In addition, if the Issuer does not comply with Rule 17g-5 (by not providing required information to non-hired NRSROs through the website or otherwise), a Rating Agency could withdraw its ratings on the Notes, which could adversely affect the market value of the Notes or limit the ability of a Holder to sell its Notes.

Effective Date Ratings Confirmation

An "**Effective Date Ratings Confirmation Failure**" will occur if the Issuer fails to obtain confirmation from S&P that the ratings assigned to each Class of Rated Notes by S&P will not be reduced or withdrawn prior to the first Determination Date (provided that S&P need not confirm with respect to each Class of Rated Notes rated by S&P if the Effective Date Requirements have been satisfied). If an Effective Date Ratings Confirmation Failure occurs, Interest Proceeds and Principal Proceeds will be applied to (x) purchase additional Collateral Debt Obligations and/or (y) pay principal on the Rated Notes, in accordance with the Priority of Payments, until such S&P ratings are confirmed or the Rated Notes have been paid in full. There is no guarantee the Issuer will be able to acquire Collateral Debt Obligations in a manner which will cause satisfaction of the Effective Date Condition or, if the Effective Date Condition is satisfied, that (unless the Effective Date Requirements have been satisfied) the Effective Date Ratings Confirmation will be provided by S&P. Furthermore, the Issuer expects to acquire a substantial portion of the Collateral Debt Obligations on and after the Closing Date but prior to the Effective Date. The size of the Issuer's initial portfolio of Collateral Debt Obligations on the Closing Date as well as potential market volatility during this period may increase the likelihood of an Effective Date Ratings Confirmation Failure.

Anti-money laundering, corruption, bribery and similar laws may require certain actions or disclosures

Many jurisdictions have adopted wide-ranging anti-money laundering, economic and trade sanctions, and anti-corruption and anti-bribery laws, and regulations (collectively, the "**Requirements**"). Any of the Issuer, the Income Note Issuer, the Initial Purchaser, the Collateral Manager or the Trustee could be requested or required to obtain certain assurances from prospective investors intending to purchase Securities and Income Notes and to retain such information or to disclose information pertaining to them to governmental, regulatory or other authorities or to financial intermediaries or engage in due diligence or take other related actions in the future. It is the policy of the Issuer, the Income Note Issuer, the Initial Purchaser, the Collateral Manager and the Trustee to comply with Requirements to which they are or may become subject and to interpret such Requirements broadly in favor of disclosure. Failure to honor any request by the Issuer, the Income Note Issuer, the Initial Purchaser, the Collateral Manager or the Trustee to provide requested information or take such other actions as may be necessary or advisable for the Issuer, the Income Note Issuer, the Initial Purchaser, the Collateral Manager or the Trustee to comply with any Requirements, related legal process or appropriate requests (whether formal or informal) may result in, among other things, a forced sale to another investor of such investor's Securities or Income Notes. In addition, each of the Issuer, the Income Note Issuer, the Initial Purchaser, the Collateral Manager and the Trustee intends to comply with the U.S. Bank Secrecy Act, the USA PATRIOT Act and any other anti-money laundering and anti-terrorism, economic and trade sanctions, and anti-corruption or anti-bribery laws, and regulations of the United States and other countries, and will disclose any information required or requested by authorities in connection therewith.

Risk Factors Relating to the Collateral Debt Obligations

Nature of Collateral

The Collateral will consist primarily of non-investment grade loans or interests in non-investment grade loans, which are subject to liquidity, market value, credit, interest rate, reinvestment and certain other risks. In addition, there can be no assurance that the Collateral Manager will correctly evaluate the nature and magnitude of the various factors that could affect the value and return of the Collateral Debt Obligations and purchase Collateral Debt Obligations that can generate high returns for the Issuer. It is anticipated that the Collateral 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 Debt Obligations.

Prices of the Collateral 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 Collateral. In particular, the market for non-investment grade loans has experienced periods of severe price volatility and reduced liquidity. Any uncertainty affecting the United States economy and the economies of other countries in which issuers of Collateral Debt Obligations are domiciled and the possibility of increased volatility in financial markets could adversely affect the value and performance of the Collateral Debt 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 high-yield debt securities market.

A non-investment grade loan or an interest in a non-investment grade loan is generally considered speculative in nature and may become a Defaulted Obligation for a variety of reasons. A 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 of 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 a Rating Agency in rating the Rated Notes, or any recovery rate used in connection with any analysis of the Securities or the Income Notes that may have been prepared for or at the direction of Holders of any Securities or Income Notes.

Leveraged loans 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 or recoveries that may be experienced on the Collateral Debt Obligations.

Second Lien Loans, Unsecured Loans

The Collateral may include Second Lien Loans and Unsecured Loans. In addition to the risks associated with loans in general described under "—*Nature of Collateral*," these types of Collateral Debt Obligations are subject to additional risks.

Second Lien Loans are subordinate in right of payment with respect to liquidation to one or more senior secured loans of the related borrower and therefore are subject to additional risks that the cash flows of the related borrower and the property securing a Second Lien Loan may be insufficient to make the scheduled payments after giving effect to any senior secured loans of the related obligor. The subordination of Second Lien Loans is also expected to cause Second Lien Loans to be more illiquid investments than senior secured loans.

Unsecured Loans are not secured obligations and do not have the benefit of a pledge of specified property. The absence of a security interest may make Unsecured Loans more illiquid investments than Senior Secured Loans or Second Lien Loans and is likely to result in a lower recovery following a default on such Collateral Debt Obligation.

Cov-Lite Loans

The Indenture permits a significant percentage of the Aggregate Principal Amount of the Collateral Portfolio to consist of Cov-Lite Loans. Cov-Lite Loans typically do not have Maintenance Covenants (which are covenants requiring the underlying obligor of the loan to comply with one or more financial covenants during each reporting period applicable to such loan). Ownership of Cov-Lite Loans may expose the Issuer to different risks, including with respect to liquidity, price volatility and ability to restructure loans, than is the case with loans that have maintenance covenants.

There is Limited Disclosure About the Collateral Debt Obligations in this Offering Memorandum

The Issuer and the Collateral Manager will not be required to provide the holders of the Securities or Income Notes or the Trustee with financial or other information (which may include material non-public information) it receives pursuant to the Collateral Debt Obligations and related documents. The Collateral Manager also will not disclose to any of these parties the contents of any notice it receives pursuant to the Collateral Debt 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 Debt Obligations, except with respect to: (i) the receipt or non-receipt, on an aggregate basis, of principal, interest, or other amounts of collections or recoveries; (ii) the cancellation of any Collateral Debt Obligations; (iii) default amounts in respect of the Collateral Debt Obligations; and (iv) certain other information required to be reported under the Collateral Management Agreement, the Collateral Administration Agreement and the Indenture.

The holders of the Securities and the Income Notes and the Trustee will not have any right to inspect any records relating to the Collateral Debt 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 Debt Obligations, unless (i) specifically required by the Collateral Management Agreement or (ii) following its receipt of a written request from the Trustee or the Collateral Administrator, the Collateral Manager in its sole discretion determines that the disclosure of such further information or evidence regarding the existence or terms of, or the identity of any obligor on, any Collateral Debt Obligation to the Trustee or the Collateral Administrator would not be prohibited by applicable law or the underlying instruments relating to such Collateral Debt Obligation, in which case the Collateral Manager will disclose such further information or evidence to the Trustee or the Collateral Administrator, as the case may be; *provided*, neither the Trustee nor the Collateral Administrator may disclose such further information or evidence to any third party except as required by applicable law. Furthermore, the Collateral Manager may demand that any persons requesting that information execute confidentiality agreements before being provided with the information.

Market Condition Risk on Reinvestment

The ability of the Issuer to obtain Collateral Debt Obligations or to enter into commitments for the purchase of Collateral Debt Obligations, and the interest rates and terms on which such Collateral Debt Obligations can be obtained, as well as the interest rates and other terms in connection with the investment of funds in Eligible Investments, may affect the timing and amount of payments to the Holders of the Securities and the Income Notes. Disposing of Credit Risk Obligations, Credit Improved Obligations and a limited amount of other Collateral Debt Obligations and purchasing Collateral Debt Obligations and Substitute Collateral Debt Obligations, subject to meeting the Reinvestment Criteria (and other Indenture criteria that apply to the purchase of assets), will expose the Issuer to the market conditions prevailing at the time of such sale and reinvestment and may result in changes in the characteristics and quality of the assets included in the Collateral. The impact, including any adverse impact, of such reinvestment (or lack thereof) and of the yields on such Substitute Collateral Debt Obligations on the holders of subordinated Classes, especially the LP Certificates and Income Notes, would be magnified by the leveraged nature of the Issuer's capital structure.

The level of earnings on reinvestments will depend on the availability of investments determined by the Collateral Manager to be appropriate investments by the Issuer and the interest rates thereon. The need to satisfy the Reinvestment Criteria (and other Indenture criteria that apply to the purchase of assets) and identify acceptable investments may require the purchase of Collateral Debt Obligations having lower yields than those Collateral Debt Obligations previously acquired by the Issuer as Collateral Debt Obligations mature, prepay or are sold or require temporary investment in Eligible Investments. In addition, obligors on the Collateral Debt Obligations may be more likely to exercise any rights they may have to redeem or refinance such obligations when interest rates or spreads are declining. Any decrease in the yield on the Collateral Debt Obligations will reduce the amounts available for distribution on the Securities and in turn the Income Notes.

Illiquidity of Collateral Debt Obligations

Many of the Collateral Debt Obligations purchased by the Issuer will have no, or only a limited, trading market. The Issuer's investment in illiquid Collateral 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, although the Issuer

is generally prohibited by the Indenture from selling Collateral Debt Obligations except under certain limited circumstances. Illiquid Collateral Debt Obligations may trade at a discount from comparable, more liquid investments. In addition, the Issuer may invest in privately placed Collateral Debt Obligations that may or may not be freely transferable under the laws of the applicable jurisdiction or due to contractual restrictions on resale. Even if such privately placed Collateral Debt Obligations are transferable, the prices realized from their sale could be less than those originally paid by the Issuer or less than what may be considered the fair value of such debt obligations.

Concentration Risk

A limited amount of concentration with respect to any particular obligor, region or industry is expected to exist at the Effective Date. However, because redemptions and repayments of Collateral Debt Obligations will occur and reinvestment will be constrained by the Reinvestment Criteria and other restrictions set forth in the Indenture, a greater concentration in any one obligor, region or industry may occur over time and such concentration would subject the Securities and the Income Notes to a greater degree of risk with respect to collateral defaults by such obligor, and such concentration of the portfolio in any one industry or region would subject the Securities and the Income Notes to a greater degree of risk with respect to economic downturns relating to such industry or region.

Sale of Collateral Upon Default on the Notes

The market value of Collateral Debt Obligations will generally fluctuate with, among other things, general economic conditions, world political events, developments or trends in any particular industry, the conditions of financial markets and the financial condition of the obligors of such Collateral Debt Obligations. Therefore, if an Event of Default occurs with respect to the Notes, there can be no assurance that the proceeds of any sale by the Trustee of Collateral Debt Obligations and other collateral securing such Notes would be sufficient to pay in full any amounts payable to the Trustee and the Collateral Manager, all expenses of the Issuers and the principal of and interest with respect to such Notes or to make any distributions in respect of the LP Certificates or the Income Notes. In addition, certain conditions set forth in the Indenture must be satisfied before the Trustee is permitted to sell Collateral Debt Obligations and other collateral pledged as security for the Notes following an Event of Default and it is unlikely any such sale would take place unless the proceeds of the liquidation of the Collateral would be sufficient to redeem all of the Rated Notes in full. As a result, the Collateral could be preserved intact even if it were advantageous to sell it. Furthermore, in connection with the sale and liquidation of all or any portion of the Collateral following satisfaction of the conditions set forth in Article V of the Indenture, prior to the sale of any Collateral Debt Obligation, the Trustee is required to offer the Collateral Manager or an Affiliate thereof (which offeree meets the requirements specified in the Indenture) the right to purchase such Collateral Debt Obligation at a price equal to the highest bid price received by the Trustee. There is no way to determine whether and to what extent disclosure to potential bidders of such right to purchase will have an adverse impact on any such liquidation.

Credit Ratings

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. In the event that a rating assigned to any Collateral Debt Obligation is lowered for any reason, no party is obligated to provide any additional support or credit enhancement with respect to such Collateral Debt 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. Further, rating agencies may change credit rating methodology in response to recent legislative and regulatory initiatives and legal actions directed against rating agencies. Consequently, credit ratings of any Collateral Debt Obligation will only be used by the Collateral Manager (and credit ratings of the Rated Notes should only be used by investors) 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 Rated Notes. It is possible that many credit ratings of assets included in or similar to the Collateral Debt Obligations will be subject to significant or severe adjustments downward.

End of Initial Investment Period; Ratings

If, at the end of the Initial Investment Period, the Issuer is required to purchase additional Collateral Debt Obligations and/or pay down principal of the Rated Notes, in each case, because of an Effective Date Ratings Confirmation Failure, such action may reduce amounts available to make payments on the Securities and the Income Notes. In general, the unavailability of obligations that satisfy the Reinvestment Criteria or changes in general economic conditions or the condition of certain financial markets may result in the reduction or withdrawal of the ratings assigned to the Rated Notes by the applicable Rating Agencies. In connection with the downgrade of the U.S. long-term debt rating by S&P, economic conditions may deteriorate and financial markets have experienced and may continue to experience increased volatility.

The Collateral Manager may Receive Investment Recommendations from Holders of the Securities or Income Notes

The Collateral Manager will be retained by the Issuer pursuant to the Collateral Management Agreement and, subject to the standard of care set forth therein and the restrictions on the Issuer's ability to acquire and dispose of Collateral Debt Obligations set forth in the Indenture and the Collateral Management Agreement, the Collateral Manager will manage the investment activities of the Issuer as the Collateral Manager believes to be in the best interests of the Holders of the Securities and Income Notes. Individual Holders and/or groups of Holders of the Securities or Income Notes may, from time to time, contact the Collateral Manager and make recommendations regarding the acquisition or disposition of specific Collateral Debt Obligations (both during and after the Initial Investment Period) and/or the pursuit of particular investment strategies. Additionally, in connection with the initial offering of the Securities and Income Notes, potential Holders of the Securities or Income Notes may have contacted the Collateral Manager prior to the Closing Date and made recommendations in connection with evaluating their potential investment. Any such recommendation (whether made before or after the Closing Date), if adopted, may be adverse to the interests of certain Holders or Holders of certain Classes of the Securities or Income Notes, since the interest of Holders of Securities or Income Notes generally will vary by Class and certain other factors. Although the Collateral Manager has and, after the Closing Date, will have no restrictions on its ability to communicate with any such Holders or potential Holders of the Securities or Income Notes (except as provided by applicable law or confidentiality requirements), it will be under no obligation to adopt any such recommendation. The Collateral Manager may pursue any investment strategy that is consistent with the Indenture and the Collateral Management Agreement, and may in its sole discretion change such strategy from time to time in the future without the approval of, or prior consultation with, any Holder of Securities or Income Notes. Regardless of any recommendations or requests of individual Holders or potential Holders and/or groups of Holders or potential Holders of Securities or Income Notes, the Collateral Manager is required to make investment decisions for the Issuer as the Collateral Manager believes to be in the best interests of the Holders of the Securities and Income Notes, subject to and in accordance with the Collateral Quality Tests, the Reinvestment Criteria, the Concentration Limitations and other requirements of the Indenture and the Collateral Management Agreement.

Certain Legal and Insolvency Considerations

The Issuer may acquire Collateral Debt Obligations from Tetragon Financial Group Master Fund Limited ("**TFGMFL**" or the "**Master Fund**") and/or the TFG Risk Retention Party, each of which is an Affiliate of the Collateral Manager.

In the event that the Issuer does in fact acquire Collateral Debt Obligations from TFGMFL or the TFG Risk Retention Party in connection with the closing of the transaction contemplated by this Offering Memorandum, certain of such Collateral Debt Obligations may be acquired specifically for sale to the Issuer and may or may not be held in a segregated account. Because such Collateral Debt Obligations would be acquired from an Affiliate of the Collateral Manager, the interests of the Issuer (with respect to which the Collateral Manager is advising the Issuer) may conflict with those of the Collateral Manager, TFGMFL or the TFG Risk Retention Party. By its purchase thereof, each purchaser of Notes, LP Certificates and Income Notes will be deemed to have consented to such transactions in the event that such transactions do in fact occur.

Because the Collateral Manager or its Affiliates are expected to hold (directly or indirectly) beneficial interests in LP Certificates on the Closing Date, if the Collateral Manager, the TFG Risk Retention Party or TFGMFL were to become subject to a bankruptcy, delinquency, rehabilitation, liquidation or similar insolvency proceeding (a

"**Proceeding**"), an argument could be made that the transfer of the Collateral Debt Obligations by TFGMFL or the TFG Risk Retention Party to the Issuer, if applicable, should be recharacterized as a pledge of the Collateral Debt Obligations to secure a loan from the Issuer to TFGMFL or the TFG Risk Retention Party, as applicable, rather than being treated as a sale.

If such arguments were successful, the Issuer (or the Trustee) would have a secured claim against TFGMFL, the TFG Risk Retention Party or their respective Affiliates. In such a case, the Issuer (or the Trustee) might be delayed or prohibited from exercising remedies with respect to the Collateral Debt Obligations, other collateral might be substituted for the Collateral Debt Obligations, collections on the Collateral Debt Obligations or other collateral might be applied to the payments on the Securities at different times than those required by the Indenture, and post-Proceeding interest might be limited and, to the extent any distributions on the Collateral Debt Obligations were paid to TFGMFL or the TFG Risk Retention Party, the security interest of the Issuer (and the Trustee) in such distributions might be avoidable. Even if such arguments were not successful, it is possible that payments on the Securities (and in turn the Income Notes) would be subject to delays while the claim was being resolved. Furthermore, during the period of delay, the costs associated with collecting the amounts receivable under the Collateral Debt Obligations could be charged against such Collateral Debt Obligations, including the Issuer's interest therein.

If TFGMFL or the TFG Risk Retention Party were subject to a Proceeding, an argument could also be made that the separate existence of the Issuer should be ignored, and accordingly that the assets and liabilities of the Issuer should be considered assets and liabilities of TFGMFL or the TFG Risk Retention Party, or their relevant Affiliate. If this argument were successful, the Trustee on behalf of the Secured Parties would be considered to be a secured creditor in the consolidated proceeding with respect to TFGMFL or the TFG Risk Retention Party, or their relevant Affiliate, and the Trustee would be subject to the delays, prohibitions and other possible effects described above. Even if this argument were not successful, it is possible that payments on the Securities (and in turn the Income Notes) would be subject to delays while the claim was being resolved.

Respecting the possibility that the assets and liabilities of the Issuer could be consolidated with those of TFGMFL or the TFG Risk Retention Party, the parties have taken steps in structuring the transactions that are intended to minimize the risk that the separate identity of the Issuer would not be respected. These steps include the creation of the Issuer as a separate, special purpose company and restrictions on the nature of its business and an undertaking by the Issuer to observe material legal formalities. See "*The Issuers*".

Lender Liability; Equitable Subordination

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 Collateral, 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 their nature, the Collateral Debt Obligations 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 Debt 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 Debt 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.

Prepayment of Loans

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 Collateral Debt Obligations that satisfy the Reinvestment Criteria (and other Indenture criteria that apply to the purchase of assets) may adversely affect the timing and amount of payments received by the Holders of Securities and Income Notes and the yield to maturity of the Notes and the distributions on the LP Certificates and the Income Notes. There is no assurance that the Issuer will be able to reinvest proceeds in assets with comparable interest rates that satisfy the Reinvestment Criteria (and other Indenture criteria that apply to the purchase of assets) or, if it is able to make such reinvestments, as to the length of any delays before such investments are made. The rate of prepayments, amortization and defaults may be influenced by various factors including:

- changes in obligor performance and requirements for capital;
- the level of interest rates;
- lack of credit being extended and/or the tightening of credit underwriting standards in the commercial lending industry; and
- the overall economic environment, including any fluctuations in the recovery from the current economic conditions.

In addition, when prepayments occur, typically the obligor is no longer responsible for paying interest on the loan. This will reduce the amount of Interest Proceeds available, and the earlier in an Interest Accrual Period in which a prepayment occurs, the greater the effect. In extreme scenarios, this could result in insufficient Interest Proceeds being available to make payments of interest on the Notes, which will bear interest for the entire Interest Accrual Period irrespective of prepayments on the underlying loans.

The Issuer cannot predict the actual rate of prepayments, accelerated amortization or defaults which will be experienced with respect to the Collateral Debt Obligations. As a result, the Securities and Income Notes may not be a suitable investment for any investor that requires a regular or predictable schedule of principal payments.

Unspecified Use of Proceeds

The net proceeds from the issuance of the Securities and Income Notes on the Closing Date (after making the payments and deposits described under "*Use of Proceeds*") and the proceeds received from time to time in respect of Collateral Debt Obligations previously purchased by the Issuer will be invested in Collateral Debt Obligations and Eligible Investments that will not have been disclosed to investors. Purchasers of the Securities and Income Notes will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by the Collateral Manager and, accordingly, will be dependent upon the judgment and ability of the Collateral Manager in investing and managing the proceeds of the Securities and Income Notes and the Collateral, and in identifying investments over time and the relevant restrictions in the Indenture and the Collateral Management Agreement. No assurance can be given that the Collateral Manager will be successful in obtaining suitable investments or that, if such investments are made, the objectives of the Issuer will be achieved.

Assignments and Participations

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

Participations acquired 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, 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 in a loan, the Issuer generally will have no right to enforce compliance by the borrower with the terms of the loan agreement 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, may be treated as a general unsecured creditor of the selling institution, and even to the extent the Issuer is considered to have rights to the underlying loan proceeds, the value of such rights may be diminished by the exercise of setoff 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 beneficial interest in 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 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, subject to the terms of the participation agreement, 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 Participations 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 under an agreement governed by the laws of a jurisdiction other than a United States jurisdiction, including characterization under such laws of such Participation or sub-participation interest in the event of the insolvency of the institution from whom the Issuer purchases such Participation or sub-participation interest or the insolvency of the institution from whom the grantor of the sub-participation interest purchased its Participation.

The purchaser of an assignment of an interest in a loan typically succeeds to all of 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 approve amendments to the loan agreement, 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. Furthermore, the ability of the Issuer to exercise such voting rights may be limited by certain restrictions on the Issuer set forth in the Indenture.

Assignments and participations are sold without recourse to the selling institutions, and the selling institutions will generally make minimal or no representations or warranties about the underlying loans, 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.

International Investing

A portion of the Collateral may consist of obligations of obligors organized or incorporated under the laws of a country other than the United States or a state thereof. Investments in the obligations of non-U.S. obligors involve certain special risks related to regional economic conditions and sovereign risks which are not normally associated with investments in the obligations of sovereign and corporate obligors located in the United States. These risks may include risks associated with political and economic uncertainty, fluctuations of currency exchange rates, lower levels of disclosure and regulation in foreign securities markets, confiscatory taxation, taxation of income earned in foreign nations or other taxes or restrictions imposed with respect to investments in foreign nations, foreign exchange controls (which may include suspension of the ability to transfer currency from a given country and repatriation of investments) and uncertainties as to the status, interpretation and application of laws. In addition, there is often less publicly available information about non-U.S. obligors than about sovereign and corporate obligors in the United States. Sovereign and corporate obligors in countries other than the United States may not be subject to uniform accounting,

auditing and financial reporting standards, and auditing practices and requirements for both foreign public and private obligors may not be comparable to those applicable to U.S. companies. It also may be difficult to obtain and enforce a judgment relating to Collateral Debt Obligations issued by a non-U.S. obligor in a court outside the United States.

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 Collateral Debt Obligation purchases 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 Debt Obligation due to settlement problems could result either in losses to the Issuer due to subsequent declines in the value of such Collateral Debt Obligation or, if the Issuer has entered into a contract to sell the security, could result in possible liability to the purchaser. Transaction costs of buying and selling foreign securities, 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 securities of many foreign companies are less liquid and their prices more volatile than securities of comparable domestic companies.

The economies of individual non-U.S. countries may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rates of inflation, volatility of currency exchange rates, depreciation, capital reinvestment, resource self-sufficiency and balance of payments position. Moreover, the economies of certain foreign countries are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be adversely affected by economic conditions in the countries with which they trade. In addition, many of such obligations have lower ratings than comparable U.S. obligations, reflecting a greater possibility that adverse changes in the financial condition of an obligor or in general economic conditions or both may impair the ability of the obligor to make payments of principal and interest which may, in turn, have an adverse effect on payments on the Securities and the Income Notes.

Insolvency Considerations with Respect to Issuers of Collateral Debt Obligations

Various laws enacted for the protection of creditors may apply to the Collateral Debt Obligations. The information in this and the following paragraph is applicable with respect to U.S. obligors. Insolvency considerations will differ with respect to non-U.S. obligors. The Collateral Debt Obligations consisting of obligations of non-U.S. issuers may be subject to various laws enacted in the countries of their issuance for the protection of creditors. These insolvency considerations will differ depending on the country in which each issuer is located or domiciled and may differ depending on whether the issuer is a non-sovereign or a sovereign entity. If a court in a lawsuit brought by an unpaid creditor or representative of creditors of an obligor of a Collateral Debt Obligation, such as a trustee in bankruptcy, were to find that the obligor did not receive fair consideration or reasonably equivalent value for incurring the indebtedness constituting such Collateral Debt Obligation and, after giving effect to such indebtedness, the obligor (i) was insolvent, (ii) was engaged in a business for which the remaining assets of such obligor constituted unreasonably small capital or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could determine to invalidate, in whole or in part, such indebtedness as a fraudulent conveyance, to subordinate such indebtedness to existing or future creditors of the obligor or to recover amounts previously paid by the obligor in satisfaction of such indebtedness. The measure of insolvency for purposes of the foregoing will vary. Generally, an obligor would be considered insolvent at a particular time if the sum of its debts were at such time greater than all of its property at a fair valuation or if the present fair saleable value of its assets were at such time 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 obligor was "insolvent" after giving effect to the incurrence of the indebtedness constituting the Collateral Debt Obligations or that, regardless of the method of valuation, a court would not determine that the obligor was "insolvent" upon giving effect to such incurrence. In addition, in the event of the insolvency of an obligor of a Collateral Debt Obligation, payments made on such Collateral Debt 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 Debt 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 Securities, including the Income Note Issuer). To the extent that any such payments are recaptured from the Issuer, the resulting loss will be borne by the Holders of the Securities, beginning with Holders of the LP Certificates (including the Income Note Issuer) as the most junior class. However, a court in a bankruptcy or insolvency proceeding would be able to direct the recapture of any such payment from a Holder of Securities only to the extent that such court has jurisdiction over such Holder or its assets. Moreover, it is likely that avoidable payments could not be recaptured directly from a Holder that has given value in exchange for its Security, 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 Securities, there can be no assurance that a Holder of Securities (including the Income Note Issuer) will be able to avoid recapture on this or any other basis.

Bankruptcy of one or more obligors could reduce or eliminate the return to the Issuer on a Collateral Debt Obligation and so may impair payments on the Securities and the Income Notes

There is a significant risk that one or more of the obligors may enter bankruptcy proceedings. Such proceedings may result in, among other things, a substantial reduction in the interest rate and a substantial write down of the principal of the related Collateral Debt Obligation(s). There are a number of significant risks inherent in the bankruptcy process. *First*, rulings in a bankruptcy case are the product of adversary proceedings determined by a court with equitable powers, and are beyond the control of specific creditors. *Second*, a bankruptcy filing may adversely and permanently affect the obligor making such filing. The obligor may lose its market position, key employees, relationships with important suppliers, access to the capital markets or other sources of liquidity and otherwise become incapable of restoring itself as a viable entity. If for this or any other reason, a Chapter 11 reorganization is converted to or becomes a liquidation, the liquidation value of the obligor may not equal the liquidation value that was believed to exist at the time of purchase of the Collateral Debt Obligation. *Third*, the duration of a bankruptcy case is difficult to predict. A creditor's return on investment can be adversely affected by delays while a plan of reorganization is being negotiated, approved by parties in interest and confirmed by the bankruptcy court until it ultimately becomes effective. For example, in general, unsecured creditors' claims for interest accrued between the bankruptcy filing and a reorganization plan's consummation are not allowed. *Fourth*, the administrative costs of the debtor and official committees in connection with the bankruptcy case are frequently high and will be paid out of the debtor's estate prior to any return to general unsecured creditors. If the bankruptcy case involves protracted or difficult litigation, or turns into a liquidation, substantial assets may be devoted to such administrative costs; a creditor's costs in monitoring and enforcing its investment also may substantially increase. Certain claims that have priority by law (for example, claims for taxes) also may be significant. Finally, under certain circumstances, creditors' claims against bankrupt or insolvent entities may be subject to equitable subordination or recharacterization as equity (particularly where the creditor is an insider or otherwise controls the debtor), and transfers made to creditors may be subject to avoidance and disgorgement as preferences or fraudulent conveyances.

Rising interest rates may render some obligors unable to pay interest on their Collateral Debt Obligations

Most of the Collateral Debt Obligations bear interest at floating interest rates. To the extent interest rates increase, periodic interest obligations owed by the related obligors will also increase. As prevailing interest rates increase, some obligors may not be able to make the increased interest payments on Collateral Debt Obligations or refinance their balloon and bullet Collateral Debt Obligations, resulting in payment defaults and Defaulted Obligations. Conversely if interest rates decline, obligors may refinance their Collateral Debt Obligations at lower interest rates which could shorten the average life of the Securities and the Income Notes.

Limited control of administration and amendment of Collateral Debt Obligations

As a holder of an interest in a syndicated loan, 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 Debt Obligations or any related documents or will refuse amendments or waivers of the terms of any Collateral Debt Obligation and related documents in accordance with its portfolio management practices and the standard of care specified in the Collateral Management Agreement. The holders of Securities and the Income 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 portfolio management practices and the standard of care specified in the Collateral Management Agreement.

The Collateral Manager may, in accordance with its portfolio management practices and subject to the Indenture and the Collateral Management Agreement, agree on behalf of the Issuer to extend or defer the maturity (subject to restrictions relating to maturity amendments as described under "*Security for the Notes—Restrictions on Amendments and Exchanges*"), or adjust the outstanding balance of any Collateral Debt Obligation, or otherwise amend, modify or waive the terms of any related loan agreement, including the payment terms thereunder. Any amendment, waiver or modification of a Collateral Debt Obligation could postpone the expected maturity of the Securities and the Income Notes and/or reduce the likelihood of timely and complete payment of interest on or principal of the Notes or distributions on the LP Certificates and the Income Notes.

Voting restrictions on syndicated loans for minority holders

The Issuer will generally purchase each Collateral Debt Obligation in the form of an assignment of, or Participation in, a note or other obligation issued under a loan facility to which more than one lender is a party. These loan facilities are administered for the lenders by a lender or other agent acting as the lead administrator. The terms and conditions of these loan facilities may be amended, modified or waived only by the agreement of the lenders. Generally, any such agreement must include a majority or a super majority (measured by outstanding loans or commitments) or, in certain circumstances, a unanimous vote of the lenders, and the Issuer may have a minority interest in such loan facilities. Consequently, the terms and conditions of a Collateral Debt Obligation issued or sold in connection with a loan facility 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 and a sufficient number of the other lenders concur with such modification, amendment or waiver. There can be no assurance that any Collateral Debt Obligations issued or sold in connection with any loan facility will maintain the terms and conditions to which the Issuer or a predecessor in interest to the Issuer originally agreed.

Ability to Purchase Collateral Debt Obligations on Advantageous Terms; Competition and Supply

The Issuer's success will depend, in part, on its ability to acquire Collateral Debt Obligations on advantageous terms. In connection with the purchase of Collateral Debt Obligations, the Issuer will compete with a broad spectrum of lenders and secondary investors, many of which have substantially greater financial resources and are more well-known than the Issuer. Increased competition for, or a diminishment in the available supply of, qualifying loans and other assets could result in lower yields on such loans or other assets, which could reduce returns to investors.

Fraud Risk

A concern in purchasing Collateral Debt Obligations is the possibility of material misrepresentation or omission on the part of the borrower. Such inaccuracy or incompleteness may adversely affect the valuation of the Collateral Debt Obligations, or may adversely affect the ability of the Issuer to perfect or effectuate a lien on the collateral securing the Collateral Debt Obligations. The Issuer will rely upon the accuracy and completeness of representations made by borrowers to the extent reasonable, but cannot guarantee such accuracy or completeness. Under certain circumstances in connection with a bankruptcy proceeding involving the borrower, payments to the Issuer may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Third Party Appraisal Risk

A portion of the Collateral Debt Obligations may consist of asset-based loans that are based primarily on the value of underlying collateral rather than on a borrower's operating cash flows. Third party appraisals of assets are generally required or obtained in connection with the acquisition of an asset based loan. There is no assurance that any valuation of collateral performed in connection with the origination of any asset-based loan actually reflects an amount that would be realized upon a current sale of the related assets. Moreover, such a valuation is not necessarily indicative of the value of the assets at any time after the date of the valuation. Future values may depend upon a variety of factors, including the economic success of the business, local and general competitive and economic conditions, obsolescence or nonperformance of collateral, as well as the overall credit of the borrower. In the event of a default by a particular borrower, there may well be factors present that reduce the value of the assets that secure the asset-based loan. The value of the collateral securing an asset-based loan of a borrower in liquidation generally will be less than the value of such collateral when used as part of an operating business in good standing. As a result, there is no assurance that the value of the collateral securing any asset based Collateral Debt Obligation will equal or exceed the amount of the obligation at any time.

Interest Rate Risk

Although the Collateral Debt Obligations will generally bear interest at floating rates and the Rated Notes (other than the Fixed Rate Notes) will bear interest at a floating rate (based on three-month LIBOR other than with respect to the first Payment Date), a portion of the Collateral Debt Obligations may be based on other indices, and there will be mismatches between the floating rates applicable to the Collateral Debt Obligations and LIBOR applicable to the Rated Notes as well as timing mismatches based on different reset dates for such floating rates and mismatches between the floating rates applicable to the Collateral Debt Obligations, including as a result of any caps or floors on such floating rates of interest. Some Collateral Debt Obligations may have interest rate floor arrangements that may help mitigate the risk of a mismatch between the floating interest rate applicable to such Collateral Debt Obligations and LIBOR applicable to the Rated Notes (other than the Fixed Rate Notes), but there is no requirement for any Collateral Debt Obligation to have any such interest rate floor arrangement and, even with such arrangement, there is no guarantee that the risks in connection with such mismatch will be fully mitigated. If LIBOR applicable to the Rated Notes (other than the Fixed Rate Notes) rises during periods in which the related floating rates with respect to the various Collateral Debt Obligations are stable, are falling or are rising but are capped at lower levels (including as a result of the operation of interest rate caps or floors), "excess spread" (i.e., the difference between the interest collected on the Collateral Debt Obligations and the sum of the interest payable on the Notes and certain transaction fees payable by the Issuer) that otherwise would be available as credit support or to make distributions on the LP Certificates or the Income Notes may instead be used to pay interest on the Notes. Additionally, the Fixed Rate Notes do not bear interest based on LIBOR or any other floating rate. The Issuer may purchase Fixed Rate Collateral Obligations only if the Fitch Rating Condition is satisfied and not more than 5% of the Aggregate Principal Amount of the Collateral Portfolio may consist of Fixed Rate Collateral Obligations. There can be no assurance that the Issuer will purchase sufficient Fixed Rate Collateral Obligations to match its obligation to pay interest at a fixed rate on the Fixed Rate Notes. Moreover, it is expected that there will be differences between the Aggregate Outstanding Amount of the Rated Notes and the Aggregate Principal Balance of the Collateral Debt Obligations. In addition, the interest rates applicable to Eligible Investments may be fixed or floating and are generally expected to be lower than the interest rates on the Collateral Debt Obligations. Accordingly, changes in the level of LIBOR or any other applicable floating rate index could adversely affect the ability of the Issuer to make payments on the Securities and will affect the yield an investor realizes on the Securities or the Income Notes.

Interest rates have recently been at historic lows. Increases in the indices on which interest is calculated on the Collateral Debt Obligations will increase the amount of interest the related obligors must pay, and significant increases could increase the likelihood of default in such payments by the obligors of such Collateral Debt Obligations.

Additional Information about Benchmark Rates

Regulators and law-enforcement agencies in a number of different jurisdictions have conducted and continue to conduct civil and criminal investigations into potential manipulation or attempted manipulation of submissions of London inter-bank offered rates ("**Libor**") to the British Bankers Association ("**BBA**"). There have also been allegations that member banks may have manipulated other inter-bank lending rates (such rates, together with Libor, the "**Benchmark Rates**"). Benchmark Rates are currently being reformed, including (i) the replacement of the BBA with ICE Benchmark Administration Limited as Libor administrator, which was completed on February 1, 2014, (ii) a reduction in the number of tenors and currencies for which certain Benchmark Rates are calculated, and (iii) modifications to the administration, submission and calculation procedures, including their regulatory status, in respect of certain Benchmark Rates. Investors should be aware that: (a) any of these changes or any other changes to Benchmark Rates could affect the level of the relevant published rate, including to cause it to be lower and/or more volatile than it would otherwise be; (b) if the applicable rate of interest on any Collateral Debt Obligation is calculated with reference to a tenor or currency which is discontinued, such rate of interest may then be determined by the provisions of the affected Collateral Debt Obligation, which may include determination by the relevant calculation agent in its discretion, or the Collateral Debt Obligation may otherwise be subject to a degree of contractual uncertainty; (c) the administrators of Benchmark Rates may take any actions in respect of Benchmark Rates without regard to the effect of such actions on the Collateral Debt Obligations or the Notes; (d) any uncertainty in the value of a Benchmark Rate, the development of a widespread market view that a Benchmark Rate has been manipulated, or any uncertainty in the prominence of a Benchmark Rate as a benchmark interest rate due to the recent regulatory reform may adversely affect liquidity of the affected Collateral Debt Obligations or the Notes in the secondary market and their market value; and (e) an increase in alternative types of financing in place of Benchmark Rate-based loans (resulting from a decrease in the confidence of borrowers in such rates or otherwise) may make it more difficult to source Collateral Debt Obligations prior to the Effective Date or reinvest proceeds in Collateral Debt Obligations that satisfy the reinvestment criteria specified herein. Any of the above or any other significant change to the setting of a Benchmark Rate could have a material adverse effect on the value of, and the amount payable under, (i) any Collateral Debt Obligations which pay interest linked to a Benchmark Rate and (ii) the Notes.

Acquisition of Collateral Obligations prior to the Closing Date

The Issuer entered into a loan agreement, dated as of March 18, 2016, by and among the Issuer, as the borrower, Deutsche Bank AG, acting through its London Branch, as lender (the "**Lender**"), Deutsche Bank AG, New York Branch, as administrative agent and the Collateral Manager (as amended, the "**Loan Agreement**"). Under the terms of the Loan Agreement and related agreements, the Collateral Manager has the responsibility for the selection of assets to be purchased by the Issuer prior to the Closing Date, subject to the Lender's right to approve or reject any debt obligation or other security so selected. The loans under the Loan Agreement are secured by a pledge of all assets of the Issuer to the Lender (which is an Affiliate of the Initial Purchaser). All of the proceeds paid or payable on these assets on or prior to the Closing Date will be paid to the Lender in consideration for providing such financing. Additionally, on the Closing Date, a portion of the proceeds from the issuance of the Notes will be used to pay obligations to the Lender at which time the Lender will release its lien on the assets of the Issuer. To the extent the Closing Date does not occur, the Lender would be exposed to losses on the assets purchased by the Issuer.

The prices paid for the assets purchased by the Issuer prior to the Closing Date will be the value thereof on the date the Issuer entered into the commitment to purchase, which may be greater or less than the market value thereof on the Closing Date. In addition, although such assets are expected to satisfy the limitations applicable to Collateral Obligations at the time of purchase, because of events occurring between the purchase or commitment to purchase and the Closing Date, such assets may not satisfy such limitations on the Closing Date and may need to be disposed of at a loss by the Issuer.

There can be no assurance that the market value of any asset owned by the Issuer on the Closing Date will be equal to or greater than the price paid by the Issuer. In addition, events occurring between the date hereof and on or prior to the Closing Date, including changes in prevailing interest rates, prepayments of principal, developments or trends in any particular industry, changes in the financial condition of the obligors of assets purchased prior to the Closing Date, the timing of purchases during the period preceding the Closing Date and a number of other factors beyond the Issuer's control, including the condition of certain financial markets, general economic conditions and U.S. and international political events, could adversely affect the market value of assets purchased during such period. To the extent that any losses are suffered on Collateral Obligations that were purchased prior to the Closing Date, such

losses will be borne by the holders of the Notes, beginning with the Income Notes and LP Certificates as the most junior Class.

The Collateral Debt Obligations purchased by the Issuer following the Closing Date may be less favorable in terms of their relative prices, coupons, spreads, prepayments, average lives, maturities, credit risks and market liquidity than the assets purchased prior to the Closing Date. Collateral Debt Obligations purchased following the Closing Date may provide less interest coverage with respect to the Notes than the assets purchased prior to the Closing Date as of the Closing Date, and resale values may be lower. There can be no assurance that Collateral Debt Obligations purchased following the Closing Date will perform the same or as well as the assets purchased prior to the Closing Date.

Refinancing Risk

A significant portion of the Collateral Debt Obligations will consist of loans for which most or all of the principal is due at maturity. The ability of such obligor to make such a large payment upon maturity typically depends upon its ability either to refinance the Collateral Debt Obligation prior to maturity or to generate sufficient cash flow to repay the Collateral Debt Obligation at maturity. The ability of an 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 Debt 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 Debt Obligation at maturity and, unless it is able to refinance such debt, it could default in payment at maturity, which could result in losses to the Issuer.

Significant numbers of obligors on loans may face the need to refinance their debt over the next few years, and significant numbers of collateralized loan obligation transactions (historically an important source of funding for loans) have reached or are close to reaching the end of their reinvestment periods or the final maturities of their own debt. As a result, there could be significant pressure on the ability of obligors on loans to refinance their debt over the next few years unless a significant volume of new collateralized loan obligation transactions or other sources of funding develop. If such sources of funding do not develop, significant defaults in Collateral Debt Obligations could occur, and there could be downward pressure on the prices and markets for debt instruments, including Collateral Debt Obligations.

Impact of Uninvested Cash Balances

To the extent the Collateral Manager (on behalf of the Issuer) maintains cash balances invested in short term investments instead of higher yielding loans, portfolio income will be reduced which will result in reduced amounts available for distributions on the Securities and Income Notes, in particular the LP Certificates and Income Notes. On the Closing Date, the Issuer is expected to have significant unused proceeds. This will likely reduce the amount of Interest Proceeds that would otherwise be available to distribute to the holders of the LP Certificates and Income Notes, particularly on the initial Payment Date. The extent to which cash balances remain uninvested will be subject to a variety of factors, including future market conditions and is difficult to predict.

Risk Factors Relating to Conflicts of Interest

Conflicts of Interest Involving the Collateral Manager

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. 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.

In executing transactions on behalf of the Issuer, the Collateral Manager may take into consideration all factors it deems relevant, including, without limitation, price, the size of the transaction, the nature of the market for such security, timing, general market trends, the reputation and experience of the broker or dealer involved, and may take into consideration research and other brokerage services furnished to the Collateral Manager or its Affiliates. Such services may be used by the Collateral Manager or its Affiliates in connection with its other advisory activities or investment operations. The Collateral Manager is authorized to pay a broker or dealer which provides such brokerage and research services a commission for executing a transaction for the Issuer which is in excess of the amount of

commission another broker or dealer would have charged for effecting that transaction if the Collateral Manager in good faith determines that such amount of commission is reasonable in relation to the value of the brokerage and research services provided by such broker or dealer. Such research services rendered may be useful in providing services to clients other than the Issuer, and not all such information will necessarily be used by the Collateral Manager in connection with rendering services to the Issuer.

The Collateral Manager may aggregate sales and purchase orders of securities or other indebtedness (including, without limitation, instruments) placed with respect to the Collateral with similar orders being made simultaneously for other accounts managed by the Collateral Manager or with accounts of the Affiliates of the Collateral Manager, if in the Collateral Manager's reasonable judgment such aggregation would result in an overall economic benefit to the Issuer, taking into consideration the availability of purchasers or sellers, the sales or purchase price or other terms, brokerage commission and other expenses. The determination of any such economic benefit by the Collateral Manager is subjective and represents the Collateral Manager's evaluation at the time that the Issuer will be benefited by relatively better purchase or sales prices, lower commission expenses or beneficial timing of transactions or a combination of these and other factors. In the event that a transaction occurs as part of any aggregate sales or purchase orders, the objective of the Collateral Manager (and any of its Affiliates involved in such transactions) will be to allocate the executions among the accounts in a manner reasonably believed by the Collateral Manager to be equitable based on a number of factors, including facts and circumstances at the time of purchase or commitment to purchase and at the time of such allocation. Such allocations will not necessarily be made pro-rata among accounts.

Subject to the Collateral Manager's execution obligations set forth in the Collateral Management Agreement and, to the extent applicable to the activities of the Collateral Manager, compliance with the Advisers Act, the Collateral Manager is authorized to execute so much or all of the transactions for the Issuer's account with or through itself or any of its Affiliates as agent or as principal as the Collateral Manager in its sole discretion may determine, and may execute transactions in which the Collateral Manager, its Affiliates or their personnel have interests. In all such dealings, the Collateral Manager has a potentially conflicting division of loyalties and responsibilities regarding both parties to such transaction, and the Collateral Manager or any of its Affiliates will be authorized and entitled to retain any commissions, remuneration or profits which may be made in such transactions and will not be liable to account for the same to the Issuer, and the Collateral Manager's fees will not be abated thereby.

The Collateral Manager and its Affiliates are also authorized to execute agency cross transactions (collectively, "**Cross Transactions**") for the Issuer's account. Cross Transactions include inter-account transactions in which the Collateral Manager effects transactions for the Issuer's account and the Collateral Manager or its Affiliate recommends the transaction to the counterparty. Cross Transactions also include transactions where the Collateral Manager or an Affiliate of the Collateral Manager acts as broker for both the Issuer and the other party to the transaction. In such a Cross Transaction, the Collateral Manager has a potentially conflicting division of loyalties and responsibilities regarding both parties to the transaction and the Collateral Manager, or any of its Affiliates, may receive commissions from both parties to such transaction. Pursuant to the Collateral Management Agreement, the Issuer will authorize the Collateral Manager to execute Cross Transactions for the Issuer's account. Solely if and to the extent required of the Collateral Manager under the Advisers Act, such authorization is terminable at the Issuer's option without penalty, effective upon receipt by the Collateral Manager of written notice from the Issuer.

In addition to the requirements of the Indenture, the Collateral Manager will not cause the Issuer to enter into a transaction with the Collateral Manager or any of its Affiliates as principal unless (i) the Issuer has received from the Collateral Manager such information relating to such transaction as the Issuer may reasonably request, and (ii) the Issuer will have approved in writing such transaction; *provided*, that, for the avoidance of doubt, the Collateral Manager may effect client Cross Transactions where the Collateral Manager causes a transaction to be effected between the Issuer and another account advised by it or any of its Affiliates without regard to clauses (i) and (ii) above, subject to any prohibition applicable to the Collateral Manager under the Advisers Act. In certain circumstances, the interests of the Issuer or the Holders of the Notes with respect to matters as to which the Collateral Manager is advising the Issuer may conflict with the interests of the Collateral Manager.

The relationship between the Collateral Manager and the Issuer as set forth in the Collateral Management Agreement permits the Collateral Manager and its Affiliates to act in multiple capacities *(i.e.*, to act as principal or agent in addition to acting on behalf of Issuer), and, where the Collateral Manager deems it appropriate and subject only to the Collateral Manager's execution obligations set forth in the Collateral Management Agreement, to effect transactions with or for the Issuer's account in instances in which the Collateral Manager and its Affiliates may have

multiple interests. The Collateral Manager is part of a broad-based, international financial services and asset management firm, and as such, the Collateral Manager and its Affiliates (collectively, the "**Firm**") and their respective partners, managing directors, directors, officers, employees and agents ("**Personnel**") may and, in many instances, in fact, do have multiple advisory, transactional and financial and other interests in securities or other instruments that may be purchased, sold or held for the Issuer's account and companies that may issue securities or other instruments that may be purchased, sold or held for the Issuer's account. The Firm may and in many instances, in fact, does, act as adviser to clients in commercial banking, investment banking, financial advisory, asset management and other capacities, including as principal, related to securities or other instruments that may be purchased, sold or held on the Issuer's behalf, and the Firm may issue, or be engaged as underwriter for the issuer of, securities or other instruments that the Issuer may purchase, sell or hold. The Collateral Manager and one or more of its Affiliates serve and expect in the future to serve as collateral manager, adviser, sub-adviser or asset manager or in similar capacities for managed accounts, other collateralized loan obligation vehicles, collateralized bond obligation vehicles and other structured vehicles and the like across a wide array of asset classes. In addition, the Firm in the future may acquire, enter into joint ventures with or otherwise provide capital to additional asset managers that may engage in similar activities. The Firm may also form, invest in, or may otherwise act as adviser or general partner to one or more entities, including the TFG Risk Retention Party that may act as a Retention Holder and that will purchase securities, including equity securities of other collateralized loan obligation vehicles managed or sub-advised by internal or third party asset managers. The Firm has recently established TCI Capital Management LLC as a wholly-owned subsidiary of the TFG Risk Retention Party. TCI Capital Management intends to engage in CLO transactions as a sponsor and collateral manager, with the TFG Risk Retention Party or other affiliates making investments in those transactions in order facilitate compliance with the risk retention rules. TCI Capital Management will rely on services provided to it by certain of its affiliates (including LCM) in the performance of its duties and conduct of its business, including the CLO transactions in which it is engaged.

The TFG Risk Retention Party may also form joint ventures with third party asset managers that offer or manage products that other third parties may invest in, and that other affiliated entities of the Firm may invest in. The Firm invests and may continue to invest in a wide array of assets and asset classes across multiple geographic areas. At times, these activities may cause departments of the Firm to take, or give advice to clients that may cause these clients to take, actions adverse to the interests of the Issuer. The Firm and Personnel may act in a proprietary capacity with long or short positions, in securities or other instruments of all types, including those that may be purchased, sold or held by the Issuer or the Securities or the Income Notes. In addition, the Firm and Personnel may establish and/or manage one or more warehousing or similar arrangements for the accumulation of assets on behalf of or in connection with such other collateralized loan obligation vehicles, collateralized bond obligation vehicles or other structured vehicles or clients. Such activities could affect the prices and availability of the securities or other instruments that the Collateral Manager seeks to buy or sell for the Issuer's account, which could adversely impact the financial returns of the Issuer in respect of Collateral. Personnel may serve as directors of companies the securities or other instruments of which may be purchased, sold or held by the Issuer. The Firm and Personnel may give advice, and take action (or refrain from taking action), with respect to any of the Firm's clients or proprietary accounts that may differ from the advice given, or may involve a different timing or nature of action taken, than with respect to any one or all of the Collateral Manager's clients or accounts, and effect transactions for such clients or proprietary accounts at prices or rates that may be more or less favorable than the prices or rates applying to transactions effected for the Issuer.

The ability of the Collateral Manager and its Affiliates to effect or recommend transactions may be restricted by applicable regulatory requirements and restrictions in the United States, the United Kingdom or elsewhere, restrictions set forth in the Collateral Management Agreement or the Indenture and/or their internal policies designed to comply with such requirements or restrictions. As a result, there may be periods when the Collateral Manager will not initiate or recommend certain types of transactions in certain investments if and when the Collateral Manager or its Affiliates are performing investment banking or other services or if and when aggregated position limits have been reached, and the Issuer will not be advised of that fact. Without limitation, if and when the Collateral Manager or an Affiliate is engaged in an underwriting or other distribution of securities or other instruments of a company, the Collateral Manager may in certain circumstances be prohibited from purchasing or selling or recommending the purchase or sale of certain securities or other instruments of that company for its clients. Without limitation, the Collateral Manager and its Affiliates may also be prohibited from effecting transactions for the Issuer's account with or through its Affiliates, from acting as agent for another customer as well as the Issuer in respect of a particular transaction, or from acting as the counterparty on a transaction with the Issuer. If not prohibited, the Collateral Manager is nonetheless not required to effect transactions for the Issuer's account with or through the Collateral Manager's Affiliates and

other clients of the Collateral Manager or its Affiliates or in instances in which the Collateral Manager or its Affiliates have multiple interests. The Collateral Manager does not at present underwrite or distribute securities or other instruments of third parties.

Nothing set forth in the Collateral Management Agreement or other transaction documentation will prevent the Collateral Manager or any of its Affiliates from (x) acting as principal, agent or fiduciary for other clients in connection with securities or other instruments simultaneously held by the Issuer or of the type eligible for investment by the Issuer or limiting any relationships the Collateral Manager or any of its Affiliates may have with any obligor of any Collateral Debt Obligation or any other party or (y) engaging, to the extent permitted by law and not prohibited by the Collateral Management Agreement or by the Indenture, in other businesses or from rendering services of any kind to the Issuer and its Affiliates, the Trustee, the Holders of the Notes or any other Person or entity.

From time to time at the Collateral Manager's discretion, advisory Personnel may consult with Personnel in proprietary trading or other areas of the Firm or form investment policy committees comprised of such Personnel, and the performance of Personnel obligations related to their consultation with the Collateral Manager could conflict with their areas of primary responsibility within the Firm. In connection with their activities with the Collateral Manager, such Personnel may receive information regarding the Collateral Manager's proposed investment activities which is not generally available to the public or to the Collateral Manager. However, there will be no obligation on the part of such Personnel to make available for use by clients or accounts (including the Collateral Manager) any information or strategies known to them or developed in connection with their client, proprietary or other activities. In addition, the Firm will be under no obligation to make available any research or analysis prior to its public dissemination. Furthermore, the Firm will have no obligation to recommend for purchase or sale by the Issuer any security or other instrument that the Firm or Personnel may purchase or sell for themselves or for any other clients. The Firm (i) will have no obligation to seek to obtain any material non-public information about any obligor under or issuer of any securities or instrument and (ii) will not be obligated to effect transactions for the Issuer on the basis of any material non-public information as may come into its possession even if such transactions would be permitted by applicable law.

Certain Personnel may possess information relating to particular obligors who have issued Collateral Debt Obligations which information is not known to employees, officers of the Collateral Manager or certain members of the investment committee of the Collateral Manager who are responsible for monitoring the Collateral Debt Obligations or Equity Securities and performing the other obligations of the Collateral Manager under this Agreement, and the Firm will have no obligation to share any such information, opportunity or idea with such persons or the Issuer.

The Collateral Manager or the Personnel may acquire material non-public and confidential information that may restrict by law, internal policies or otherwise, the Collateral Manager from purchasing securities or selling securities for itself or its clients (including the Issuer) or otherwise using or receiving such information for the benefit of the Issuer or its other clients or itself.

Although Personnel 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, Personnel may have conflicts in allocating their 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 Debt 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 Collateral Debt Obligations or to take other actions that it might consider to be in the best interests of the Issuers and the holders of the Securities.

In addition to a Senior Collateral Management Fee, the Collateral Manager is entitled to receive a Subordinated Collateral Management Fee and the Collateral Manager (or an affiliate of the Collateral Manager) is also entitled to receive the return on the Class III LP Interests, each of which are dependent to a large extent on the yield earned on the Pledged Obligations. In addition, as further described below, one or more Affiliates of the Collateral Manager are expected to control, directly or indirectly through the ownership of the Income Notes, all of the LP Certificates as of the Closing Date. Also on the Closing Date, the Issuer is expected to issue Class II LP Interests to such Affiliate or Affiliates as a condition to the investment by such Affiliate or Affiliates in the LP Certificates, allowing any such Affiliate to achieve a higher return on its investment than other holders of LP Certificates. This could create an incentive for the Collateral Manager to manage the Issuer's investments in a manner as to seek to maximize the yield on the Collateral or to increase the returns on the LP Certificates, which may lead to certain conflicts of interest. This

could also result in increasing the volatility of the Pledged Obligations and could contribute to a decline in the aggregate value of the Collateral. However, the Collateral Manager's management of the portfolio assets is restricted by the requirement that it comply with the investment guidelines described in the Indenture and by certain internal policies with respect to the management of loans and securities accounts as well as the standard of care and requirements set forth in the Collateral Management Agreement.

Subject to the retention of the Retention Interests (see "*—Risk Factors Relating to General Commercial Risks—Risk Retention.*") the Collateral Manager and its Affiliates and accounts managed thereby may purchase or sell Securities or Income Notes at any time. Subject to certain terms and conditions, it is expected that, on the Closing Date, an Affiliate of the Collateral Manager will purchase and retain the Retention Interests, which are expected to be at least a Majority of the LP Certificates. The Collateral Manager and its Affiliates may purchase more LP Certificates at any time and, subject to the retention of the Retention Interests, is under no obligation to continue to hold any direct or indirect interest in LP Certificates it purchases on the Closing Date or otherwise. Certain actions under the Indenture and the Collateral Management Agreement require or permit a vote, consent or direction by the Holders of LP Certificates including, without limitation, the optional redemption or refinancing of the Notes, the Repricing of the Repricing Eligible Notes, the issuance of additional securities after the Closing Date, the removal of the Collateral Manager, appointment of a successor Collateral Manager upon removal or resignation of the existing Collateral Manager and assignment by the Collateral Manager of its rights and obligations under the Collateral Management Agreement. As such, depending on the extent of ownership of the LP Certificates (or other Securities or Income Notes) owned by the Collateral Manager or its Affiliates, the Collateral Manager or its Affiliates may be in a position to influence or determine the outcome of any vote, consent or direction of the Holders of LP Certificates. In addition, certain votes of the LP Certificates may require action at a meeting of the limited partners of the Issuer, in which case the ability to duly convene any such meeting will be subject to the observance of certain formalities under the Limited Partnership Agreement and Cayman Islands law, including quorum requirements. There is no guarantee that all such formalities will in fact be able to be observed, including the satisfaction of any quorum requirement, such that a valid meeting can in fact occur. See "*Description of the Securities and the Income Notes—Optional Redemption*" and "*The Collateral Management Agreement.*"

It is expected that an Affiliate of the Collateral Manager (the Retention Holder) will purchase and retain the Retention Interests, which are expected to be, directly or indirectly through the ownership of the Income Notes, all of the LP Certificates (see "*—Risk Factors Relating to General Commercial Risks—Risk Retention*"). Since the Retention Holder would be an anchor investor in the Issuer, providing seed capital and assisting with the launch of the transaction among other matters, any purchase by the Retention Holder will be subject to the condition that any collateral management fees (the Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the return on the Class III LP Interests, collectively the "**Collateral Manager Compensation**") payable to the Collateral Manager in respect of the investment in LP Certificates made by the Retention Holder will be effectively discounted, by an amount as agreed between the Collateral Manager and the Retention Holder, below the percentage of collateral management fees payable in respect of any other LP Certificates not held by the Retention Holder. The subsequent reduction in the Collateral Manager Compensation is reflected in the fee amounts stated herein. As such, the Retention Holder will be entitled to a higher return on its investment than other holders of LP Certificates and the Collateral Manager will receive a lesser amount of Collateral Manager Compensation than otherwise would be the case. On the Closing Date, the Issuer will issue Class III LP Interests to the Collateral Manager (or, in the discretion of the Collateral Manager, an affiliate of the Collateral Manager) the return on which will constitute a portion of the Collateral Manager Compensation. Also on the Closing Date, the Issuer will issue Class II LP Interests to the Retention Holder as a condition to the investment by the Retention Holder in the LP Certificates. The lower amount of Collateral Manager Compensation to which the Collateral Manager is entitled may act as a disincentive to a successor Collateral Manager's assumption of obligations under the Collateral Management Agreement in the event that LCM resigns or is terminated as Collateral Manager. As such, under these circumstances, it may be more difficult for the Issuer to enter into an agreement with a successor Collateral Manager. Further, since the Retention Holder is entitled to receive a higher return on its investment in LP Certificates than other holders of LP Certificates, the interests of the Holders of a Majority of the LP Certificates may not be as aligned as they would otherwise be with the interests of other holders of LP Certificates or the holders of the Notes. The Retention Holder will be permitted to transfer its interest to other Affiliates of the Collateral Manager to the extent provided under "*Risk Factors—Risk Factors Relating to General Commercial Risks—Risk Retention*". See "*Description of the Securities and the Income Notes—The LP Certificates,*" "*The Collateral Manager,*" and "*The Issuers.*"

On the Closing Date, the Issuer may purchase a material portion of the Collateral Portfolio from an Affiliate of the Collateral Manager. These acquisitions will be made at a price that is equivalent to the purchase price paid by such Affiliate for each such asset, which purchase prices may be higher or lower than the market value of each such asset on the Closing Date. See "*—Risk Factors Relating to the Collateral Debt Obligations—Certain Legal and Insolvency Considerations.*"

Prior to the Closing Date, the Collateral Manager and/or an Affiliate of the Collateral Manager may purchase or commit to purchase, on behalf of the Issuer and/or other funds managed by the Collateral Manager, certain assets which would be eligible for purchase by the Issuer on and after the Closing Date. Allocation of such assets to the Issuer or other funds managed by the Collateral Manager will be determined by the Collateral Manager based on a number of factors, including facts and circumstances at the time of such purchase or purchase commitment and at the time of such allocation. There can be no assurance that an asset purchased or committed to be purchased in contemplation of the occurrence of the Closing Date will in fact be allocated to the Issuer. However, if allocated to the Issuer, the purchase price paid by the Issuer for any such asset most likely will be the purchase price paid or agreed to be paid at the time of purchase or commitment to purchase by the Collateral Manager or its Affiliate. Accordingly, the market value of any such asset at the time of purchase by the Issuer could be higher or lower than the purchase price paid by the Issuer on or after the Closing Date.

The Collateral Manager may from time to time consult with, receive input from and provide information to third parties (who may or may not be or become direct and indirect owners of Securities or Income Notes) in respect of obligations being considered for acquisition by the Issuer. Some of those same third parties may have interests adverse to those of the holders of Securities or Income Notes and may take a short position (for example, by buying protection under a credit default swap) relating to any such obligations or securities. This Offering Memorandum does not contain any information regarding the individual Collateral Debt Obligations that will comprise the Issuer's initial portfolio or that may secure the Notes from time to time.

The Collateral Manager has entered into an Operational Infrastructure Agreement (the "**Operational Infrastructure Agreement**") with certain affiliated service providers (the "**Service Providers**"). Under the Operational Infrastructure Agreement, the Service Providers are the exclusive providers of operational, financial control, trade execution, legal, compliance, administration, payroll, employee benefits, strategic planning and other operational infrastructure services, as requested by the Collateral Manager. In the event that the Operational Infrastructure Agreement were to terminate or the Service Providers were no longer capable of providing services to the Collateral Manager, the Collateral Manager would need to contract with one or more other service providers for the provision of such services and the operations of the Collateral Manager could be disrupted for a period of time.

Further information regarding the Firm and its operations, including intra-Firm contractual relationships, may be found on the Firm's website at www.tetragoninv.com.

The Issuer, the Income Note Issuer and each Holder of Securities or Income Notes will be deemed to acknowledge and consent to the various potential and actual conflicts of interest that may exist with respect to the Collateral Manager and its Affiliates as described above; *provided*, *however*, that nothing will be construed as altering or limiting the duties of the Collateral Manager set forth in the Collateral Management Agreement or in the Indenture nor the requirement of any law, rule or regulation applicable to the Collateral Manager.

Conflicts of Interest Involving the Initial Purchaser

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 Deutsche Bank Securities and its Affiliates (collectively, the "**Deutsche Bank Companies**") to the Issuer, the Trustee, the Collateral Manager and their respective Affiliates, the issuers of the Collateral Debt Obligations and others, as well as in connection with the investment, trading and brokerage activities of the Deutsche Bank Companies. The following briefly summarizes some of these conflicts, but is not intended to be an exhaustive list of all such conflicts.

The Initial Purchaser will agree to purchase the Securities and the Income Notes (other than certain LP Certificates sold directly by the Issuer to the initial holders thereof on the Closing Date) on the Closing Date and will be paid a fee for such service by the Issuer from the proceeds of the issuance of the Securities and the Income Notes. One or more of the Deutsche Bank Companies may from time to time hold any of the Securities or Income Notes for investment,

trading or other purposes. The Deutsche Bank Companies are not required to own or hold any Securities or Income Notes for any given time and may sell any Securities or Income Notes held by them at any time. Any Deutsche Bank Company that is the beneficial owner of any Securities or Income Notes will exercise the rights associated with such Securities or Income Notes in its own discretion, which may or may not be in accordance with the best interests of other holders of Securities or Income Notes. Certain short term investments to be held by the Issuer may be issued, managed or underwritten by one or more of the Deutsche Bank Companies. One or more of the Deutsche Bank Companies may provide investment banking, commercial banking, asset management, financing and financial advisory services and products to the Collateral Manager, its affiliates, and clients, investment vehicles or accounts managed or advised by the Collateral Manager and its affiliates, or purchase, hold and sell, both for their respective accounts or for the account of their respective clients, investment vehicles and accounts on a principal or agency basis, loans, securities, and other obligations and financial instruments of the Collateral Manager, its affiliates, and clients, investment vehicles and accounts managed or advised by the Collateral Manager and its affiliates. As a result of such transactions or arrangements, one or more of the Deutsche Bank Companies may have interests adverse to those of the Issuer and holders of the Securities and Income Notes.

One or more of the Deutsche Bank 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 Debt Obligations;

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

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

- lend to certain of the obligors of Collateral Debt Obligations or their respective Affiliates or receive guarantees or other credit enhancement from the issuers of those Collateral Debt Obligations or their respective Affiliates;

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

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

When acting as a trustee, paying agent or in other service capacities with respect to any Collateral Debt Obligation, the Deutsche Bank Companies will be entitled to fees and expenses senior in priority to payments to the holders of such Collateral Debt Obligation. When acting as a trustee for other classes of securities issued by the issuer of a Collateral Debt Obligation or an Affiliate thereof, the Deutsche Bank 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 Debt 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 Debt Obligation is a part. As a counterparty under swaps and other derivative agreements, the Deutsche Bank 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 Deutsche Bank 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 Debt Obligations may enhance the profitability or value of investments made by the Deutsche Bank Companies in the issuers thereof. As a result of all such transactions or arrangements between the Deutsche Bank Companies and issuers of Collateral Debt Obligations or their respective Affiliates, the Deutsche Bank 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 Deutsche Bank 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. None of the Deutsche Bank Companies will 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 Deutsche Bank 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 Deutsche Bank Companies may, by virtue of the relationships described above or otherwise, at the date hereof or at any time hereafter, be in possession of information regarding certain of the issuers of Collateral Debt 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 Deutsche Bank Companies has any obligation, and the offering of the Securities and the Income Notes will not create any obligation on their part, to disclose to any prospective investor in the Securities or Income Notes any such relationship or information, whether or not confidential.

Pursuant to the Purchase Agreements, the Initial Purchaser will be paid a fee from the Issuer for its services as Initial Purchaser. See "*Plan of Distribution*".

Initial Purchaser Will Have no Ongoing Responsibility for the Collateral or the Actions of the Collateral Manager or the Issuer

The Initial Purchaser will have no obligation to monitor the performance of the Collateral 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 and the Issuer. If the Initial Purchaser or its Affiliates owns Securities or Income Notes, it will have no responsibility to consider the interests of any other holders of Securities or Income Notes in actions it takes or refrains from taking in such capacity.

The Rating Agencies May Have Certain Conflicts of Interest

The Rating Agencies may have certain conflicts of interest. S&P has been hired by the Issuer to provide its ratings on the Rated Notes and Fitch has been hired by the Issuer to provide its rating of the Class A Notes. Either Rating Agency may have a conflict of interest where, as is the case with the ratings of the Rated Notes (or in the case of Fitch, the Class A Notes only) (with the exception of unsolicited ratings), the issuer of a security pays the fee charged by the rating agency for its rating services.

Waiver of Conflicts of Interests

By purchasing a Security or Income Note, each investor will be deemed to have acknowledged the existence of the various conflicts of interest inherent to this transaction, including as described above, and to have waived any claim with respect to any liability arising from the existence thereof.

DESCRIPTION OF THE SECURITIES AND THE INCOME NOTES

The following summary describes certain provisions of the Securities, the Income Notes, the Indenture, the LP Certificate Documents and the Income Note Documents. 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, the Income Note Documents and the LP Certificate Documents.

Status and Security

The Notes (other than the Class E Notes) will be limited recourse obligations of the Issuer and non-recourse obligations of the Co-Issuer. The Class E Notes will constitute limited recourse obligations of the Issuer only. The LP Certificates will be issued pursuant to the Limited Partnership Agreement, represent limited partnership interests in the Issuer and are not secured by the Collateral. The Income Notes will be issued pursuant to the Income Note Issuer's Deed of Covenant, are unsecured debt obligations of the Income Note Issuer, represent indirect interests in LP Certificates owned by the Income Note Issuer and are not secured by the Collateral. The Notes will be secured as described below, and will rank in priority with respect to each other as described herein. Under the terms of the Indenture, the Issuer will grant to the Trustee a security interest in the Collateral to secure the Issuer's obligations under the Indenture and the Notes. See "*Security for the Notes.*" The LP Certificates will not be secured by the Collateral, and as such will rank behind all of the secured creditors, whether known or unknown, of the Issuers.

Subject to the Subordination Provisions, payments on the Securities will be made from the proceeds of the Collateral in accordance with the Priority of Payments. The aggregate amount that will be available from the Collateral for payment on the Securities and of certain expenses of the Issuers on any Payment Date will be the Interest Proceeds and Principal Proceeds for the applicable Due Period.

Once the Collateral has been realized and applied in accordance with the Priority of Payments or otherwise as required under the Indenture, any outstanding obligations of and any claims against the Issuers under the Notes will be extinguished and will not thereafter revive. To the extent these amounts are insufficient to meet payments due in respect of the Notes and expenses following liquidation of the Collateral, the Issuers will have no obligation to pay such deficiency.

Interest

The Notes will bear interest from the Closing Date and such interest will be payable in arrears on each Payment Date in accordance with the Priority of Interest Payments. The period from and including the Closing Date to but excluding the first Payment Date and each successive period from and including each Payment Date to but excluding the following Payment Date is an "**Interest Accrual Period**". Interest will accrue on each Class of Notes at the applicable Note Interest Rate. See "*Summary of Terms—Securities Offered*."

To the extent that funds are not available on any Payment Date to pay the full amount of interest accrued on any Class of Mezzanine Notes that is not the Controlling Class, such unpaid interest will not be due and payable on such Payment Date, and will be deferred (the amount of such unpaid interest, if any, the "**Deferred Interest**" with respect to such Class) and added to the Aggregate Outstanding Amount of such Class of Notes. Deferred Interest will bear interest at the applicable Note Interest Rate until paid in accordance with the Priority of Payments. The failure to pay such unpaid interest on such Payment Date will not be an Event of Default under the Indenture.

If any interest due and payable in respect of the Senior Notes or, if no Senior Notes are Outstanding, in respect of the Notes of the Highest Ranking Class of Notes then Outstanding, 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 such payment default resulting solely from an administrative error or omission by the Trustee, any paying agent or any registrar, such default continues for a period of seven or more Business Days after the Trustee receives written notice or has actual knowledge of the failure to make such payment), an Event of Default will occur. Any such interest will constitute "**Defaulted Interest.**" To the extent lawful and enforceable, interest on such Defaulted Interest will accrue at a *per annum* rate equal to the applicable Note Interest Rate, in each case until paid.

Interest on the Rated Notes (other than the Fixed Rate Notes) will be calculated on the basis of the actual number of days elapsed in the applicable Interest Accrual Period divided by 360. Interest on the Fixed Rate Notes will be

calculated on the basis of a 360 day year divided into twelve 30-day months. Interest will cease to accrue on Notes from the earlier to occur of (i) the date of payment or redemption in full of such Notes and (ii) the applicable Stated Maturity.

The Issuer has initially appointed the Trustee as calculation agent (the "**Calculation Agent**") for purposes of determining LIBOR for each Interest Accrual Period in accordance with the Indenture. The Calculation Agent will cause the Note Interest Rate applicable to each Class of Rated Notes (other than the Fixed Rate Notes), the Interest Accrual Period and the Payment Date to be communicated to Euroclear and Clearstream by the London Banking Day immediately following each LIBOR Determination Date. The determination of the Note Interest Rates by the Calculation Agent will (in the absence of manifest error) be final and binding upon all parties (including the Holders of the Notes).

Principal

The principal of each Rated Note will be due and payable on the Stated Maturity thereof unless the unpaid principal of such Note becomes due and payable at an earlier date by declaration of acceleration, call for redemption, Refinancing or otherwise. During the Reinvestment Period, principal will be payable on the Notes in the limited circumstances described under "*—Optional Redemption,*" "*—Refinancing,*" and "*—Principal Payments for Failure to Satisfy Coverage Tests.*" Moreover, if an Effective Date Ratings Confirmation Failure occurs, certain Interest Proceeds and Principal Proceeds will be applied to either purchase additional Collateral Debt Obligations and/or pay principal of the Rated Notes in accordance with the Priority of Payments, to the extent necessary to cause such ratings to be reinstated or until the applicable Class or Classes of Rated Notes are paid in full.

Any payments of principal of a Class of Notes will be made by the Trustee on a *pro rata* basis among the Holders of such Class according to the respective unpaid principal amounts thereof outstanding immediately prior to such payment.

Distributions on the LP Certificates, Class II LP Interests, Class III LP Interests and the Income Notes

The LP Certificates will receive distributions, on or about each Payment Date of Interest Proceeds and Principal Proceeds, if any, remaining after all other required payments and reserves are made in accordance with the Priority of Payments (including any distributions with respect to the Class II LP Interests and Class III LP Interests). The Class II LP Interests will be entitled to receive the Class II Distribution Amount on each Payment Date in accordance with the Priority of Payments. Distributions on the LP Certificates will not be made at any stated rate. The Trustee will pay amounts available for such purpose to the LP Paying Agent for distribution to the Holders of LP Certificates *pro rata*. Distributions on the LP Certificates are subordinated to the payment on each Payment Date of the interest due and payable on the Rated Notes (including any Defaulted Interest, Deferred Interest and interest thereon) and other amounts in accordance with the Priority of Payments. After all of the Notes have been redeemed and are no longer outstanding, proceeds received in connection with Collateral Debt Obligations and Eligible Investments not required to pay expenses of the Issuer or distributions in respect of the Class II LP Interests or Class III LP Interests will be distributed on the LP Certificates, unless otherwise directed by a Majority of the LP Certificates.

The Income Notes will receive distributions on or about each Payment Date of a *pro rata* share of distributions received in connection with the LP Certificates held by the Income Note Issuer.

Optional Redemption

The Rated Notes will be redeemable in whole, but not in part, by the Issuers on any Payment Date (i) during or after the Non-Call Period in the event of a Withholding Tax Event at the written direction of, or with the written consent of, a Majority of the LP Certificates or (ii) after the Non-Call Period, at the written direction of the Redemption Consent Threshold of the LP Certificates, or with the written consent of the Redemption Consent Threshold of the LP Certificates to a written direction from the Collateral Manager (any such redemption, an "**Optional Redemption**"). Any Optional Redemption will be effected in accordance with the Priority of Payments at the applicable Redemption Price and otherwise in accordance with the Indenture.

In connection with an Optional Redemption, the Trustee, on behalf of the Issuer, will notify the Collateral Manager of such Optional Redemption and the Collateral Manager will direct the Trustee to sell (which may be by

participation), and the Trustee will sell, the Collateral Portfolio in the manner directed by the Collateral Manager in writing.

The Issuers may not direct the Trustee to sell (and the Trustee will not be required to release) a Collateral Debt Obligation pursuant to the preceding paragraph unless:

(a) the Collateral Manager furnishes to the Trustee, at least seven Business Days prior to the applicable Redemption Date, evidence in form reasonably satisfactory to the Trustee that the Collateral Manager on behalf of the Issuer has entered into one or more binding agreements (including in the form of a confirmation of sale or other customary trade document) with one or more financial institutions or other Persons active in the market for assets of the nature of Collateral Debt Obligations, to purchase, not later than the Business Day prior to such Redemption Date, in immediately available funds, all or a portion of the Collateral Debt Obligations, at an aggregate purchase price at least equal to an amount sufficient, together with any other amounts available to be used for such Optional Redemption, to pay in full the sum of (x) the Redemption Prices of the Notes and (y) all Administrative Expenses and other fees and expenses payable under the Priority of Payments (including all accrued and unpaid Collateral Management Fees and interest accrued thereon and including all amounts payable under clause (U) of the Priority of Interest Payments); *provided* that if the Issuer has entered into more than one such sale agreement, settlement of each such sale agreement will be conditioned on the successful settlements of sale agreements yielding proceeds in an amount sufficient, together with any other amounts available to be used for such optional redemption, to pay in full the sum of (x) the Redemption Prices of the Notes and (y) all Administrative Expenses and other fees and expenses payable under the Priority of Payments (including all accrued and unpaid Collateral Management Fees and interest accrued thereon and including all amounts payable under clause (U) of the Priority of Interest Payments); or

(b) at least ten Business Days prior to the applicable Redemption Date and prior to selling any Collateral Debt Obligations, the Collateral Manager certifies to the Trustee and to each Rating Agency that the expected proceeds from such sale, together with any other amounts available to be used for such Optional Redemption, will be delivered to the Trustee not later than the Business Day immediately preceding the Redemption Date in immediately available funds in an amount sufficient to pay in full the sum of (x) the Redemption Prices of the Notes and (y) all Administrative Expenses and other fees and expenses payable under the Priority of Payments (including all accrued and unpaid Collateral Management Fees and interest accrued thereon and including all amounts payable under clause (U) of the Priority of Interest Payments).

A Majority of the LP Certificates may direct the Collateral Manager in connection with the sale or other disposition of the Collateral Portfolio pursuant to an Optional Redemption; *provided*, *however*, that (i) the Collateral Manager has consented in its sole discretion to any such direction and (ii) the requirements set forth above are satisfied.

The Collateral Manager will set the Redemption Date and the record date for the redemption and give notice thereof to the Trustee. Installments of interest, principal and/or payments due on or prior to a Redemption Date which have not been paid or duly provided for will be payable to the Holders of the affected Notes as of the relevant redemption record dates.

If any Holder of an LP Certificate desires to direct the Issuers to optionally redeem the Notes pursuant to an Optional Redemption, such Holder will notify the Issuers (with a copy to the Trustee and the Collateral Manager) of such desire in writing no less than 30 Business Days (or such shorter time period as is reasonably acceptable to the Trustee) prior to the proposed Redemption Date. The Trustee will, within two Business Days after receiving such notice, notify the other Holders of the Securities of the receipt of such notice. Each Holder of LP Certificates that also wishes to direct the Issuers to optionally redeem the Notes must so notify the Issuers (with a copy to the Trustee and the Collateral Manager), of such direction within five Business Days after the Trustee gives such notice. If Holders of the Redemption Consent Threshold (or, in the case of an Optional Redemption resulting from a Withholding Tax Event, a Majority) of the LP Certificates have directed the Issuers to optionally redeem the Notes (or have delivered their consent to a Collateral Manager direction to optionally redeem the Notes), the Issuers will effect a redemption in whole of the Notes pursuant to the procedures described in the Indenture. For the avoidance of doubt, the notice requirements in this paragraph will not apply to any Optional Redemption pursuant to a consent by the Holders of the applicable amount of the LP Certificates to an Optional Redemption directed by the Collateral Manager. The Issuers will, at least 15 Business Days prior to the Redemption Date (unless the Trustee shall agree to a shorter notice period),

notify the Trustee and each of the Rating Agencies of such Redemption Date, the redemption record date and the Redemption Price of such Notes.

The Trustee will provide notice of any Optional Redemption or maturity of any Class of Notes by first-class mail, postage prepaid, mailed not less than ten Business Days prior to the applicable Redemption Date or maturity to the Issuer, each applicable Rating Agency and to each Holder of Notes to be redeemed, at its address in the Notes Register (or by any other method acceptable to a Holder pursuant to its customary procedures). Failure to give notice of redemption (or withdrawal or rescission thereof), or any defect therein, to any Holder of any Note selected for redemption will not impair or affect the validity of the redemption of any other Note.

The Issuers will have the option to withdraw the notice of redemption following good faith efforts by the Issuer and the Collateral Manager to facilitate the Optional Redemption up to the fourth Business Day prior to the proposed Redemption Date by written notice to the Trustee, the Holders of the LP Certificates and the Collateral Manager.

Holders of a Majority of the LP Certificates will have the option to direct the withdrawal of the notice of redemption on or prior to the fourth Business Day prior to the proposed Redemption Date by written notice to the Trustee, the Issuers and the Collateral Manager; *provided*, that the Issuer or the Collateral Manager has not entered into a binding agreement in connection with the sale of any portion of the Collateral Portfolio or taken any other actions in connection with the liquidation of any portion of the Collateral Portfolio pursuant to such notice of redemption.

If Collateral Debt Obligations are scheduled to be sold and sales of such assets in the Collateral Portfolio, in an amount sufficient to pay in full the sum of (x) the Redemption Prices of the Notes and (y) all Administrative Expenses and other fees and expenses payable under the Priority of Payments (including all accrued and unpaid Collateral Management Fees and interest accrued thereon and including all amounts payable pursuant to clause (U) of the Priority of Interest Payments), have not settled by the fourth Business Day prior to the scheduled Redemption Date, the redemption will be rescinded by the Issuer (or the Collateral Manager on behalf of the Issuer) upon written notice to the Trustee unless (A) each purchaser in respect of such sale agreements has a credit rating on its short-term unsecured debt obligations of at least "A-1" from S&P as of such date or (B) the Collateral Manager certifies to the Trustee in writing that it expects such proceeds to be received on or before the Redemption Date.

Unless notice of redemption has been withdrawn or rescinded, the Notes to be redeemed will, on the Redemption Date, become due and payable at the Redemption Price, and from and after the Redemption Date (unless a default is made in the payment of the Redemption Price) such Notes will cease to bear interest. Upon final payment on a Note to be redeemed, the Holder must present and surrender such Note at the place specified in the notice of redemption on or prior to such Redemption Date. If any Note called for Optional Redemption is not paid upon surrender thereof for redemption, the principal thereof will, until paid, bear interest from the Redemption Date at the applicable Note Interest Rate for each successive Interest Accrual Period the Note remains Outstanding.

Notwithstanding anything to the contrary contained in the Indenture, the failure to effect any Optional Redemption which is withdrawn by the Issuers in accordance with the Indenture or with respect to which a Refinancing fails to occur will not constitute an Event of Default.

Refinancing

Any Class of Notes (*provided* that, for the purpose of a Refinancing, the Class B-1 Notes and the Class B-2 Notes will be treated as separate Classes of Notes) may be redeemed in whole, but not in part, (A) solely in the case of the Class A Notes, on any Payment Date after the Non-Call Period and (B) in the case of any Class of Notes other than the Class A Notes, on any Business Day after the Non-Call Period (or, if applicable, the Refinancing/Repricing Amendment Non-Call Period) from Refinancing Proceeds either (i) upon receipt by the Issuer (with a copy to the Trustee and the Rating Agencies) of (x) the written direction of the Holders of a Majority of the LP Certificates delivered to the Issuer at least 30 days prior to the Payment Date or the Business Day, as applicable, fixed by such Holders for such redemption and (y) the written consent of the Collateral Manager or (ii) if the Collateral Manager, on behalf of the Issuer, proposes to the Holders of the LP Certificates in writing (with a copy to the Trustee and the Rating Agencies) at least 30 days prior to the Payment Date or the Business Day, as applicable, fixed by the Issuer (and notified to the Trustee) for such redemption (such date selected by the Issuer under this clause (ii) or the Holders of the LP Certificates under clause (i) above, the "**Refinancing Date**"), and such proposal is approved by a Majority

of the Holders of the LP Certificates prior to the designated Refinancing Date. The obligations providing the Refinancing of a Class of Fixed Rate Notes may bear interest at a floating rate. The Issuer will redeem such Notes on the Refinancing Date by obtaining a loan or issuing a replacement class of notes, the terms of which loan or note issuance will be negotiated by the Collateral Manager, on behalf of the Issuer, with one or more financial institutions or purchasers (which may include the Collateral Manager or its Affiliates) selected by the Collateral Manager (a refinancing provided pursuant to such loan or issuance, a "**Refinancing**"), and such negotiated terms may include removal or modification of the floor on calculated LIBOR rate applicable to the Rated Notes.

The Issuer will obtain a Refinancing in connection with a redemption of less than all Classes of Notes only if the Collateral Manager makes certain certifications to the Trustee, including that: (i) each Rating Agency has been notified of such Refinancing; (ii) on such Refinancing Date, the sum of (A) the expected proceeds from the Refinancing (the "**Refinancing Proceeds**"), (B) the amount on deposit in the Expense Reserve Account and (C) Interest Proceeds so long as, after giving effect to such payment, there would be sufficient Interest Proceeds available on the Redemption Date to pay in full all amounts required to be paid pursuant to the Priority of Interest Payments prior to distributions to the LP Paying Agent for distribution to the Holders of the LP Certificates, will be at least sufficient to pay the sum of the Refinancing Price plus any expenses of the Issuer related to the Refinancing; (iii) the principal amount of any obligations providing the Refinancing is equal to the principal amount of the Notes being redeemed with the proceeds of such obligations and either (x) in the case of a refinancing of the Rated Notes other than the Fixed Rate Notes, the spread over LIBOR (or such other floating rate index upon which such obligations bear interest) payable in respect of the obligations providing the Refinancing for each Class of Notes being refinanced is less than or equal to the spread over LIBOR payable on the corresponding Class of Notes being refinanced or (y) in the case of a refinancing of the Fixed Rate Notes, (1) if the obligations providing the Refinancing bear interest at a fixed rate, the stated interest rate in respect of such replacement obligations is less than or equal to the stated interest rate payable on the corresponding Fixed Rate Notes to be redeemed or (2) if the obligations providing the Refinancing bear interest at a floating rate, the Rating Condition is satisfied; (iv) the Stated Maturity of the obligations providing the Refinancing is the same as the Stated Maturity of the Notes being refinanced; (v) the Refinancing Proceeds will be used (to the extent necessary) to redeem the applicable Notes; (vi) the agreements relating to the Refinancing contain limited-recourse and non-petition provisions equivalent to those applicable to the Notes being redeemed; (vii) an opinion of tax counsel of nationally recognized standing in the United States experienced in such matters is delivered to the Trustee to the effect that (A) the Refinancing will not cause the Issuer to be treated as a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes, (B) the Refinancing will not cause the Issuer to be subject to tax liability under Section 1446 of the Code, and (C) that any obligations providing the refinancing will be treated as debt (or, in the case of any obligations providing refinancing for the Class E Notes, to the effect that such obligations should be treated as debt) for U.S. federal income tax purposes; (viii) the expenses in connection with the Refinancing have been paid or will be adequately provided for; (ix) to the extent the Refinancing is expected to be effected by way of the issuance of replacement notes, the Issuer has sought to, or has requested the placement agent, if applicable, to seek to, offer for purchase to each known Holder of Notes being redeemed the notes that are providing the Refinancing Proceeds, on substantially the same terms as would be offered to potential new third party investors generally (as may be determined by the Issuer, or the Collateral Manager acting on its behalf, in its sole discretion); and (x) the obligations providing the Refinancing are not senior in priority of payment, and do not have greater voting rights than, the Class of Notes being redeemed. Subject to clauses (i) through (x) above and the approval of a Majority of the LP Certificates, the proposed terms of a Class of Notes to be Refinanced, and therefore the terms of such Class after Refinancing, may differ materially from the terms of such Class prior to the consummation of the applicable Refinancing.

In the case of a Refinancing with respect to all Classes of Notes, such Refinancing will be effective only if the Collateral Manager makes certain certifications to the Trustee, including that: (i) on such Refinancing Date, the sum of (A) the Refinancing Proceeds, (B) the amount on deposit in the Expense Reserve Account and (C) Interest Proceeds so long as, after giving effect to such payment, there would be sufficient Interest Proceeds available on the Redemption Date to pay in full all amounts required to be paid pursuant to the Priority of Interest Payments prior to distributions to the LP Paying Agent for distribution to the Holders of the LP Certificates, will be at least sufficient to pay the sum of the Refinancing Price plus any expenses of the Issuer related to the Refinancing; (ii) the Refinancing Proceeds will be used (to the extent necessary) to redeem the applicable Notes; (iii) the agreements relating to the Refinancing contain limited-recourse and non-petition provisions equivalent to those applicable to the Notes being redeemed and (iv) each Rating Agency has been notified of such Refinancing.

Refinancing Proceeds will not constitute Interest Proceeds or Principal Proceeds but will be applied directly on the related Refinancing Date to redeem the Notes being refinanced without regard to the Priority of Payments; *provided* that, to the extent that the Notes to be refinanced are redeemed in full and any Refinancing Proceeds are not applied to so redeem the Notes being refinanced, such Refinancing Proceeds will be treated as Interest Proceeds unless the Collateral Manager directs, subject to the written consent of a Majority of the LP Certificates, that they be treated as Principal Proceeds.

Notice of a Refinancing will be given by the Trustee by first class mail, postage prepaid, mailed not less than ten Business Days prior to the proposed Refinancing Date, to each Holder of Notes of the Class to be refinanced at the address in the Notes Register (with a copy to the Collateral Manager). Any notice of a Refinancing will be withdrawn or the Refinancing Date postponed by the Collateral Manager, on behalf of the Issuer, on or prior to the fourth Business Day prior to the scheduled Refinancing Date if the Collateral Manager is unable to deliver the certifications required by the Indenture.

If notice of Refinancing has been given and not withdrawn, the Notes to be refinanced will on the Refinancing Date become due and payable at the Refinancing Price. Each Holder of such Notes must present and surrender its Note at the place specified in the notice of Refinancing on or prior to such Refinancing Date. If any Class of Notes called for Refinancing is not so paid upon surrender thereof for Refinancing the principal will, until paid, bear interest from the Refinancing Date at the applicable Note Interest Rate for each successive Interest Accrual Period such Note remains Outstanding.

Repricing of Notes

On any Business Day after the Non-Call Period (or, if applicable, the Refinancing/Repricing Amendment Non-Call Period), a Majority of the LP Certificates or the Issuers (or the Collateral Manager on their behalf), at the direction of a Majority of the LP Certificates, may propose a supplemental indenture for the purpose of reducing the spread over LIBOR or interest rate (with respect to any Fixed Rate Notes that are also Repricing Eligible Notes) applicable to any Class of Repricing Eligible Notes (a "**Repricing**"). A supplemental indenture entered into for the purpose of evidencing and effectuating a Repricing (a "**Repricing Amendment**") will not be effective unless specified conditions set forth below and in the Repricing Amendment are satisfied.

In order for a Repricing to become effective, (a) the Issuers must provide notice to the Holders of the applicable Class(es) of Notes (the "**Repriced Notes**") (with a copy to the Collateral Manager, the Trustee and the Rating Agencies) of the proposed Repricing (which notice shall request each Holder of the Repriced Notes to approve the proposed Repricing) not less than 30 days before the proposed Repricing will become effective pursuant to a Repricing Amendment (which 30 days will include the notice period for the execution of the Repricing Amendment), provided that, the Issuers, at the direction of the Collateral Manager and with the consent of a Majority of the LP Certificates, may modify the proposed Repricing by delivery of a revised notice of proposed Repricing at any time up to 11 Business Days prior to the effective date of the Repricing and shall deliver to Holders of the applicable Class(es) (with a copy to the Collateral Manager, the Trustee and the Rating Agencies) a notice reflecting such modification to the proposed Repricing; (b) if necessary, the Issuers may engage a repricing agent (the "**Repricing Agent**") for the purpose of facilitating the transfers and allocations of the Repriced Notes as needed; (c) at least 10 Business Days prior to the effective date of the Repricing, the Issuers must provide the opportunity to consenting Holders and to third party investors to acquire the Repriced Notes of non-consenting Holders at a price equal to the Aggregate Outstanding Amount plus accrued interest of the Repriced Notes, and the Repricing Agent will allocate such Repriced Notes of the non-consenting Holders to such subscribers in its sole discretion; (d) non-consenting Holders will be required to sell their Notes to consenting Holders and/or third party subscribers pursuant to clause (c); (e) all expenses of the Issuers and the Trustee (including the costs of any intermediary engaged to place Repriced Notes and fees and expenses of counsel) incurred in connection with such Repricing and the related Repricing Amendment and any other supplemental indentures must be paid or adequately provided for; and (f) an opinion of tax counsel of nationally recognized standing in the United States experienced in such matters is delivered to the Trustee to the effect that (A) the Repricing will not cause the Issuer to be subject to tax liability under section 1446 of the Code or to be treated as a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes and (B) any re-priced Class E Notes should, be treated as debt for U.S. federal income tax purposes (such requirements, the "**Repricing Conditions**"). Notwithstanding the foregoing, in the event any non-consenting Holder does not cooperate in accordance with the preceding paragraphs to effect the sale and transfer of its Notes, the Issuer, or the Repricing Agent on behalf of the

Issuer, may (i) effect the Repricing with respect to the Notes of the consenting Holders and issue the Repriced Notes and (ii) if applicable (a) sell the applicable Repriced Notes held by non-consenting Holders to the applicable consenting Holders and third-party purchasers thereof for an amount equal to the Aggregate Outstanding Amount plus accrued interest of the Repriced Notes with respect to the related Repriced Notes, then (b) redeem the Notes held by non-consenting Holders at their Redemption Price on the date of such Repricing with proceeds from the issuance of the related Repriced Notes. The proceeds of the issuance of such Notes shall be used to redeem the Notes held by non-consenting Holders without regard for the Priority of Payments or any applicable notice and timing requirements specified in the Indenture; *provided* that all expenses have been paid as provided in clause (e) above.

With respect to any Repricing Amendment and any related supplemental indentures, Holders of a Majority of the LP Certificates or the Issuers (or the Collateral Manager on their behalf), at the direction of a Majority of the LP Certificates may propose a Repricing Amendment. Prior to effectiveness of a Repricing Amendment, one or more Holders of the applicable Class(es) of Notes must consent to the proposed Repricing of their Notes. The Issuers (or the Collateral Manager on their behalf) may enter into any Repricing Amendment and any related supplemental indentures with the written consent of a Majority of the LP Certificates and the Collateral Manager, if the Repricing Conditions with respect to the related Repricing will be satisfied prior to or upon execution of such Repricing Amendment and related supplemental indentures. Notwithstanding the above, so long as the Repricing Conditions are satisfied, in connection with a Repricing Amendment the Holders will consent or withhold consent in their sole discretion individually and any such consent will be effective without regard to whether a Majority of any Class of Holders has consented and without regard to any material adverse effect on any such Class, any such material adverse effect to be determined in accordance with the consent requirements set forth in the Indenture.

Principal Payments for Failure to Satisfy Coverage Tests

On any Payment Date on which any Coverage Test is not satisfied on the related Determination Date, Interest Proceeds and, to the extent Interest Proceeds are insufficient for such purpose, Principal Proceeds will be applied to pay principal of each Class of Rated Notes in accordance with the Priority of Payments until such Coverage Test is satisfied or the applicable Class or Classes of Notes are paid in full; *provided* that the Interest Coverage Tests will only apply on and after the Determination Date immediately preceding the third Payment Date. If (x) the Effective Date Requirements have not been satisfied and (y) the Issuer fails to obtain Effective Date Ratings Confirmation from S&P prior to the first Determination Date, the Issuer, at the election of the Collateral Manager, will apply certain Interest Proceeds and Principal Proceeds to pay principal of the Rated Notes, or to reinvest, in accordance with the Priority of Payments. See "*—Priority of Payments*" below.

Purchase and Surrender of Notes; Cancellation

The Indenture permits the application of (x) all or a portion of amounts on deposit in the Supplemental Reserve Account (at the written direction of the Collateral Manager) or (y) Contributions accepted and received into the Contribution Account (at the direction of the related Contributor) by the Issuer in order to acquire Notes (or beneficial interests therein) of the Class designated by the Collateral Manager or the Contributor, as applicable, through a tender offer, in the open market, or in privately negotiated transactions (in each case, subject to applicable law) (any such Notes, "**Repurchased Notes**") only if the Collateral Manager determines after consultation with counsel that such repurchase would not cause the Issuer to fail to satisfy the loan securitization exemption under the Volcker Rule. Any such Repurchased Notes will be immediately and automatically cancelled and submitted to the Trustee for recordation of such cancellation and the Trustee shall give each Rating Agency notice of its receipt of any Repurchased Notes. The Issuer will provide notice to the Co-Issuer and to the Trustee of any Surrendered Notes tendered to it and the Trustee will provide notice to the applicable Issuers of any Surrendered Note tendered to it. Any such Surrendered Notes will be submitted to the Trustee for cancellation and the Trustee shall give each Rating Agency notice of its receipt of any Surrendered Notes. All Repurchased Notes, Surrendered Notes, and Notes that are surrendered for payment, registration of transfer, exchange or redemption, or are deemed lost or stolen, will, if surrendered to any Person other than the Trustee, be delivered to the Trustee and will be promptly cancelled by it (or, if automatically cancelled, such Notes will be surrendered to the Trustee and such cancellation will be recorded). No Notes will be authenticated in lieu of or in exchange for any Notes cancelled as provided in the Indenture, except as expressly permitted by the Indenture. All Notes that the Issuer acquires will be promptly cancelled. All cancelled Notes held by the Trustee will be destroyed or held by the Trustee in accordance with its standard policy unless the Issuer and the Co-Issuer direct by order of the Issuer prior to cancellation that they be returned to the Issuer.

Entitlement to Payments

Payments in respect of the Securities will be made to the person in whose name the Security is registered 15 days (whether or not a Business Day) prior to the applicable Payment Date (the "**Record Date**"). Payments will be made in U.S. dollars by wire transfer, as directed by the investor, in immediately available funds to the Holder (which in the case of Global Securities, will be DTC) so long as wiring instructions have been provided to the Trustee and, if such payment is to be made by a Paying Agent, each Paying Agent, on or before the related Record Date. Final payments in respect of Physical Securities will be made only against surrender of the applicable Securities at the office of the Trustee or applicable paying agent.

Payments in respect of any Global Securities will be made to DTC or its nominee, as the registered owner thereof. None of the Issuers, the Collateral Manager, the Trustee or 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 Securities or for maintaining, supervising or reviewing any records relating to the beneficial ownership interests. The Issuers expect that DTC or its nominee, upon receipt of any payment in respect of a Global Security, will immediately credit participants' accounts (through which, in the case of Regulation S Global Securities, Clearstream and, other than the LP Certificates, Euroclear hold their respective interests) with payments in amounts proportionate to their respective beneficial interests in the stated original amount of the applicable Class of Securities, as shown on the records of DTC or its nominee. The Issuers also expect that payments by participants to owners of beneficial interests in a Global Security 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 customers. The payments will be the responsibility of the participants.

If any amounts deposited with the Trustee or any Paying Agent in trust for payment on the Securities remain unclaimed for two years after such amounts have become due and payable, such amounts will be repaid to the Issuer pursuant to the Indenture. The Holder of a Security will thereafter, as an unsecured general creditor, look only to the Issuer and, if applicable, the Co-Issuer, for payment of such amounts, and all liability of the Trustee and any Paying Agent with respect to such trust funds will thereupon cease. The Issuers are not expected to retain any assets to satisfy any such unsecured claims.

Priority of Payments

Subject to the Subordination Provisions and the application of the Acceleration Waterfall on the Liquidation Payment Date, if any, on each Payment Date, Interest Proceeds will be applied in the following order of priority (the "**Priority of Interest Payments**"):

(A) to the payment of accrued and unpaid taxes, governmental fees and registered office fees of the Issuers and the Income Note Issuer, if any;

(B) to the payment of accrued and unpaid Administrative Expenses constituting (in the following order of priority) amounts payable and reimbursable to the Bank as Trustee (and other capacities pursuant to the Indenture), as Collateral Administrator, as LP Paying Agent and as Income Note Paying Agent; *provided*, *however*, that payments pursuant to this clause (B) will only be made to the extent that the total of payments pursuant to this clause (B) together with any amounts paid during the related Due Period with respect to amounts paid to the Trustee and the Collateral Administrator, do not exceed, on any Payment Date, an annual rate of 0.0225% of the Aggregate Principal Amount of the Collateral Portfolio, measured as of the first day of the Due Period preceding such Payment Date;

(C) to the payment of (x) Petition Expenses up to a maximum amount of $500,000, cumulatively for all Payment Dates (the "**Special Petition Expenses**"), and then (y) (in the following order of priority) (1) fees of the Administrator and organizational and maintenance expenses of the Issuers and the Income Note Issuer, (2) other accrued and unpaid Administrative Expenses (in the order set forth in the definition thereof) of the Issuers and the Income Note Issuer including amounts payable to the Bank as Trustee (and all other capacities) under the Indenture, as Collateral Administrator, as LP Paying Agent and as Income Note Paying Agent, and amounts payable to the Collateral Manager under the Collateral Management Agreement (other than the Collateral Management Fees) and (3) Petition Expenses not paid pursuant to clause (x) above; *provided*, *however*, that such payments pursuant to this clause (C)(y), together with any amounts paid in the related Due Period to the extent

such amount was not included in the amount calculated pursuant to, and permitted by, the proviso to clause (B) above, paid from Interest Proceeds during any calendar year will not exceed $225,000; *provided*, *further*, that on such Payment Date, the Collateral Manager may, in its discretion, direct the Trustee to deposit to the Expense Reserve Account an amount equal to the lesser of (1) the Ongoing Expense Reserve Shortfall and (2) the Ongoing Expense Excess Amount;

(D) to the payment to the Collateral Manager of the Senior Collateral Management Fee (including any deferred Senior Collateral Management Fee) in accordance with the terms of the Collateral Management Agreement;

(E) to the payment of the Class A Note Interest Distribution Amount, until such amount is paid in full;

(F) to the payment, *pro rata*, based on the Interest Distribution Amount due on the Class B-1 Notes and the Class B-2 Notes, of the Class B-1 Note Interest Distribution Amount and the Class B-2 Note Interest Distribution Amount, until such amounts are paid in full;

(G) if any Senior Coverage Test is not satisfied on the related Determination Date, to the mandatory redemption of the Senior Notes in accordance with the Note Payment Sequence, to the extent necessary to cause such test to be satisfied, or, if not satisfied, until the Senior Notes have been paid in full;

(H) to the payment of the Class C Note Interest Distribution Amount (including, for the avoidance of doubt, any interest on any Class C Note Deferred Interest), until such amount is paid in full;

(I) to the payment of any Class C Note Deferred Interest, until such amount is paid in full;

(J) if any Class C Coverage Test is not satisfied on the related Determination Date, to the mandatory redemption of the Senior Notes and the Class C Notes in accordance with the Note Payment Sequence, to the extent necessary to cause such test to be satisfied, or, if not satisfied, until the Senior Notes and the Class C Notes have been paid in full;

(K) to the payment of the Class D Note Interest Distribution Amount (including, for the avoidance of doubt, any interest on any Class D Note Deferred Interest), until such amount is paid in full;

(L) to the payment of any Class D Note Deferred Interest, until such amount is paid in full;

(M) if any Class D Coverage Test is not satisfied on the related Determination Date, to the mandatory redemption of the Senior Notes, the Class C Notes and the Class D Notes in accordance with the Note Payment Sequence, to the extent necessary to cause such test to be satisfied, or, if not satisfied, until the Senior Notes, the Class C Notes and the Class D Notes have been paid in full;

(N) to the payment of the Class E Note Interest Distribution Amount (including, for the avoidance of doubt, any interest on any Class E Note Deferred Interest), until such amount is paid in full;

(O) to the payment of any Class E Note Deferred Interest, until such amount is paid in full;

(P) if any Class E Coverage Test is not satisfied on the related Determination Date, to the mandatory redemption of the Rated Notes in accordance with the Note Payment Sequence, to the extent necessary to cause such test to be satisfied, or, if not satisfied, until the Rated Notes have been paid in full;

(Q) (i) on the first Payment Date only, if (x) the Effective Date Requirements have not been satisfied and (y) the Effective Date Ratings Confirmation has not been obtained, any remaining amounts to the Collection Account to be treated as Interest Proceeds for distribution on the second Payment Date and (ii) for any Payment Date after the first Payment Date, if an Effective Date Ratings Confirmation Failure has occurred and is continuing, at the written direction of the Collateral Manager in its sole discretion: (x) to purchase additional Collateral Debt Obligations or to deposit into the Collection Account as Principal Proceeds for investment in Eligible Investments pending the purchase of additional Collateral Debt Obligations and/or (y) to the mandatory redemption of the Rated Notes in accordance with the Note Payment Sequence, until such ratings are confirmed or, if such ratings are not confirmed, until such Rated Notes have been paid in full;

(R) during the Reinvestment Period only, if the Interest Reinvestment Test is not satisfied on the related Determination Date, the lesser of (x) 50% of the Interest Proceeds then available or (y) the amount required to cause such test to be satisfied will be applied (a) to the purchase of additional Collateral Debt Obligations or for deposit into the Collection Account as Principal Proceeds for investment in Eligible Investments pending the purchase of additional Collateral Debt Obligations at a later date or (b) at the option of the Collateral Manager, subject to the prior written consent of a Majority of the LP Certificates (so long as the Original Holder of the Majority of the LP Certificates and its Affiliates hold beneficial interests in a Majority of the LP Certificates (as certified by the Original Holder of the Majority of the LP Certificates to the Trustee)), to pay principal of the Notes in accordance with the Note Payment Sequence;

(S) to the payment to the Collateral Manager (and any predecessor collateral manager as specified in the Collateral Management Agreement) of the accrued and unpaid Subordinated Collateral Management Fee, plus accrued interest thereon, if any, in each case in accordance with the terms of the Collateral Management Agreement;

(T) to the payment of the Class II Distribution Amount to the holders of the Class II LP Interests;

(U) to the payment in the following order of (1) any accrued and unpaid fees and expenses of the Trustee, the Collateral Administrator, the LP Paying Agent and the Income Note Paying Agent, including indemnities, and then (2) to the payment of any accrued and unpaid expenses of the Issuers, the General Partner, the Income Note Issuer and any Issuer Subsidiaries, including indemnities, and amounts payable by the Issuer to the Collateral Manager under the Collateral Management Agreement (other than the Collateral Management Fee), in each case, to the extent not paid in full pursuant to clauses (B) and (C) above (without regard to any percentage or dollar limitation), and to the payment of any indemnities and amounts, if any, payable by the Issuer to the Initial Purchaser under the Purchase Agreements, in each case, solely to the extent not fully paid pursuant to the above clauses;

(V) at the written direction of the Collateral Manager and with written consent of a Majority of the LP Certificates, for deposit into the Supplemental Reserve Account, all or a portion of remaining Interest Proceeds after application of Interest Proceeds pursuant to clauses (A) through (U) above;

(W) to the payment to each Contributor, *pro rata* based on the amount of Contribution Interest Amounts available for distribution on such Payment Date with respect to a Contribution and the respective amounts contributed by each such Contributor in respect of such Contribution, of an aggregate amount equal to the lesser of (i) the aggregate amount of remaining Interest Proceeds after application pursuant to clauses (A) through (V) above and (ii) the aggregate Contribution Interest Amounts available for distribution on such Payment Date;

(X) (1) to the payment to the LP Paying Agent for distribution to the Holders of the LP Certificates until the Holders of the LP Certificates have received (after giving effect to any payments made on such Payment Date to or for the benefit of such Holders, but not including any amounts paid pursuant to clause (W) above) an Internal Rate of Return of 12%, and then (2) 20% of the remaining Interest Proceeds to the Issuer for distribution to the holders of the Class III LP Interests; and

(Y) to the payment of all remaining Interest Proceeds to the LP Paying Agent for distribution to the Holders of LP Certificates.

Any Senior Collateral Management Fee that was deferred in connection with a prior Payment Date at the election of the Collateral Manager and is payable on a Payment Date as a deferred Senior Collateral Management Fee pursuant to clause (D) above (the "**Deferred Amount**") will be paid only to the extent that the payment of such Deferred Amount does not cause the Interest Distribution Amount that is payable with respect to any Class of Mezzanine Notes to not be paid in full on the applicable Payment Date as a result of the payment of the Deferred Amount.

Subject to the Subordination Provisions and the application of the Acceleration Waterfall on the Liquidation Payment Date, if any, on each Payment Date, Principal Proceeds will be distributed in the following order of priority

(the "**Priority of Principal Payments**" and, together with the Priority of Interest Payments (in each case, subject to the Subordination Provisions), the "**Priority of Payments**"):

(A) to the payment in the following order (but only to the extent not paid in full pursuant to the Priority of Interest Payments) of: (1) the amounts referred to in clauses (A) through (P) of the Priority of Interest Payments (in the order set forth therein), *provided* that (i) payments under clauses (H) and (I) of the Priority of Interest Payments will be made only to the extent the Class C Notes are the Controlling Class on such Payment Date, (ii) payments under clauses (K) and (L) of the Priority of Interest Payments will be made only to the extent the Class D Notes are the Controlling Class on such Payment Date and (iii) payments under clauses (N) and (O) of the Priority of Interest Payments will be made only to the extent the Class E Notes are the Controlling Class on such Payment Date, and then (2) if an Effective Date Ratings Confirmation Failure has occurred and is continuing, the amounts referred to in subclause (y) of clause (Q) of the Priority of Interest Payments;

(B) on any Redemption Date, without duplication of the amounts paid above, to the payment of the Redemption Prices of the Notes in accordance with the Note Payment Sequence, and then to the payments pursuant to clauses (E) through (J) below;

(C) during the Reinvestment Period, (1) to the purchase of additional Collateral Debt Obligations or for deposit into the Collection Account as Principal Proceeds for investment in Eligible Investments pending purchase of additional Collateral Debt Obligations at a later date, or (2) if the Collateral Manager, in its sole discretion, determines that it would be impractical or not beneficial to reinvest all or any portion of such Principal Proceeds, to the repayment of the principal of the Rated Notes in accordance with the Note Payment Sequence, and after the Rated Notes have been paid in full, to the payments described in clauses (E) through (J) below, in the order set forth therein;

(D) after the Reinvestment Period, (1) in the case of Sale Proceeds of Credit Risk Obligations and, so long as the Overcollateralization Tests are satisfied as of the related Determination Date, Unscheduled Principal Payments, at the sole discretion of the Collateral Manager (x) subject to the requirements and time limitations described under "*Security for the Notes—Purchase of Collateral Debt Obligations During and After Reinvestment Period—Investment after the Reinvestment Period,*" to the purchase of additional Collateral Debt Obligations or for deposit into the Collection Account as Principal Proceeds for investment in Eligible Investments pending purchase of additional Collateral Debt Obligations prior to the end of the Due Period applicable to the next Payment Date or (y) to the payment of the Rated Notes, in accordance with the Note Payment Sequence and (2) otherwise, to the payment of the Rated Notes, in accordance with the Note Payment Sequence;

(E) to the payment of any accrued and unpaid Subordinated Collateral Management Fee (including accrued interest thereon) and any other amounts payable to the Collateral Manager (or any predecessor collateral manager as specified in the Collateral Management Agreement), in each case, in accordance with the Collateral Management Agreement;

(F) to the payment of the Class II Distribution Amount to the holders of the Class II LP Interests;

(G) after the Rated Notes have been paid in full, (1) to the payment of any accrued and unpaid expenses of the Trustee, the Collateral Administrator, the LP Paying Agent and the Income Note Paying Agent, including indemnities, and then (2) to the payment of indemnities and amounts, if any, payable by the Issuer to the Initial Purchaser under the Purchase Agreements, and then (3) to the payment of any other accrued and unpaid expenses of the Issuers and the Income Note Issuer, in each case only to the extent not paid in full in accordance with the Priority of Interest Payments and clause (A) of the Priority of Principal Payments;

(H) to the payment to each Contributor, *pro rata* based on the amount of Contribution Principal Amounts available for distribution on such Payment Date with respect to a Contribution and the respective amounts contributed by each such Contributor in respect of such Contribution, of an aggregate amount equal to the lesser of (i) the aggregate amount of remaining Principal Proceeds after application pursuant to (A) through (G) above and (ii) the aggregate Contribution Principal Amounts available for distribution on such Payment Date;

(I) (1) to the LP Paying Agent for distribution to the Holders of the LP Certificates until the Holders of the LP Certificates have received (after giving effect to any payments made on such Payment Date for the benefit of

such Holders, but not including any amounts paid pursuant to clause (H) above) an Internal Rate of Return of 12%, and then (2) 20% of the remaining balance of Principal Proceeds to the Issuer for distribution to the holders of the Class III LP Interests; and

(J) to the payment of all remaining Principal Proceeds to the LP Paying Agent for distribution to Holders of the LP Certificates.

For the avoidance of doubt, any test referred to in the Priority of Payments will be calculated by giving effect to all payments under preceding clauses, and any Principal Proceeds remaining after application of the Priority of Payments on any Payment Date in the Reinvestment Period will be retained in the principal collection subaccount for subsequent investment in Collateral Debt Obligations.

The Issuer may pay certain Administrative Expenses between Payment Dates from available funds (including funds on deposit in the Expense Reserve Account) to the extent such payments will not exceed amounts that would otherwise be payable on the next Payment Date.

"**Note Payment Sequence**" means the application, in accordance with the Priority of Payments, of Interest Proceeds or Principal Proceeds, as applicable, in the following order:

(a) to the payment of accrued and unpaid interest on the Class A Notes, until such amounts have been paid in full;

(b) to the payment, which will be made *pro rata* based on the amount of interest due on the Class B-1 Notes and the Class B-2 Notes, of accrued and unpaid interest on the Class B-1 Notes and the Class B-2 Notes, until such amounts have been paid in full;

(c) to the payment of principal of the Class A Notes, in whole or in part, until the Class A Notes have been paid in full;

(d) to the payment, which will be made *pro rata* based on the respective Aggregate Outstanding Amounts of the Class B-1 Notes and the Class B-2 Notes, of principal of the Class B-1 Notes and the Class B-2 Notes, in whole or in part, until the Class B-1 Notes and the Class B-2 Notes have been paid in full;

(e) to the payment of accrued and unpaid interest on the Class C Notes (including interest on any Class C Note Deferred Interest), and then to any Class C Note Deferred Interest, until such amounts have been paid in full;

(f) to the payment of principal of the Class C Notes, in whole or in part, until the Class C Notes have been paid in full;

(g) to the payment of accrued and unpaid interest on the Class D Notes (including interest on any Class D Note Deferred Interest), and then to any Class D Note Deferred Interest, until such amounts have been paid in full;

(h) to the payment of principal of the Class D Notes, in whole or in part, until the Class D Notes have been paid in full;

(i) to the payment of accrued and unpaid interest on the Class E Notes (including interest on any Class E Note Deferred Interest), and then to any Class E Note Deferred Interest, until such amounts have been paid in full; and

(j) to the payment of principal of the Class E Notes, in whole or in part, until the Class E Notes have been paid in full.

The Indenture

The following summary describes certain provisions of the Indenture. 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.

Events of Default. "**Event of Default**" means any of the following events (whatever the reason for such event and whether it is voluntary or involuntary or effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) a default in the payment, when due and payable, of any interest on any Senior Note or, if there are no Senior Notes Outstanding, any Class C Note or, if there are no Senior Notes or Class C Notes Outstanding, any Class D Note, or, if there are no Senior Notes, Class C Notes or Class D Notes Outstanding, any Class E Note, and a continuation of such default, in each case, for a period of five Business Days (or, in the case of such payment default resulting solely from an administrative error or omission by the Trustee, any paying agent or any registrar, such default continues for a period of seven or more Business Days after the Trustee receives written notice or has actual knowledge of the failure to make such payment);

(b) a default in the payment of principal on any Note at its Stated Maturity or Redemption Date (unless such redemption has been withdrawn), and a continuation of such default, in each case, for a period of five Business Days (or, in the case of such payment default resulting solely from an administrative error or omission by the Trustee, any paying agent or any registrar, such default continues for a period of five Business Days after the Trustee receives written notice or has actual knowledge of the failure to make such payments);

(c) a failure on any Payment Date to disburse amounts in excess of U.S.$1,000 available in the Payment Account in accordance with the Priority of Payments, and continuation of such failure for a period of three Business Days (or, in the case of such payment default resulting solely from an administrative error or omission by the Trustee, any paying agent or any registrar, such default continues for a period of five Business Days after the Trustee receives written notice or has actual knowledge of the failure to make such payments);

(d) after the Initial Investment Period, the ratio (expressed as a percentage) of (i) the Aggregate Principal Amount of the Collateral Portfolio divided by (ii) the Aggregate Outstanding Amount of the Class A Notes as of the most recent Measurement Date is less than 102.5%;

(e) either of the Issuers or the pool of Collateral 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;

(f) a material default in the performance of any obligation, or a material breach of any covenant, representation, warranty or other agreement (other than a default or breach pursuant to any other clause of this definition) of the Issuer or the Co-Issuer in the Indenture (*provided*, that a failure to satisfy a Collateral Quality Test, a Coverage Test, the Interest Reinvestment Test or a Concentration Limitation does not constitute a default or breach) or in any certificate delivered pursuant to the Indenture or if any representation or warranty of the Issuers in the Indenture or in any certificate delivered pursuant thereto or in connection therewith proves to be incorrect in any material respect when made, and continuance of such default or breach for a period of 30 days after notice thereof has been given to the Issuers and the Collateral Manager by the Trustee or to the Issuers, the Collateral Manager and the Trustee by at least a Majority of the Aggregate Outstanding Amount of the Controlling Class, specifying such default, breach or failure and requiring it to be remedied and stating that such notice is a "Notice of Default" thereunder; or

(g) certain events of bankruptcy, insolvency, receivership or reorganization of the Issuer or the Co-Issuer.

If an Event of Default occurs and is continuing (other than an Event of Default specified in clause (g) above), (i) the Trustee, by written notice to the Issuer, or (ii) the Holders of not less than a Majority of the Controlling Class, by written notice to the Issuer and the Trustee, may declare the principal of all of the Notes to be immediately due and payable, and upon any such declaration, such principal, together with all accrued and unpaid interest thereon, and other amounts payable in accordance with the Indenture, will become immediately due and payable. If an Event of Default specified in clause (g) above occurs, all unpaid principal, together with any accrued and unpaid interest thereon, of all of the Notes, and other amounts payable in accordance with the Indenture, will automatically become

due and payable. Any such declaration of acceleration may be rescinded by a Majority of the Controlling Class if all overdue amounts are paid and certain other requirements set forth in the Indenture are satisfied.

Upon the occurrence and continuation of an Event of Default and if an acceleration has been declared, the Trustee will retain the Collateral intact (*provided*, *however*, that Credit Risk Obligations with respect to which the Credit Risk Criteria apply, Defaulted Obligations, Equity Securities, Margin Stock, Withholding Tax Securities and Equity Workout Securities may continue to be sold or transferred pursuant to the Indenture), collect the proceeds thereof and make and apply all payments and deposits and maintain all accounts in respect of the Collateral and the Notes in accordance with the Indenture unless (i) the Trustee determines that the anticipated proceeds of a sale or liquidation of all or any portion of the Collateral (after deducting the expenses of such sale or liquidation) would be sufficient to pay in full the sum of (A) the principal and accrued interest with respect to all of the Outstanding Rated Notes, and (B)(1) all Administrative Expenses and (2) all other items prior in the Priority of Payments to distributions to the LP Paying Agent for distribution to the Holders of the LP Certificates, and (C) except with respect to any sale or liquidation resulting from a payment default, 5% of the sum of the amounts described in clauses (A) and (B) above, and a Majority of the Controlling Class agrees with such determination; (ii) a Supermajority of each Class of Rated Notes, voting separately, subject to the terms and conditions set forth below, direct the sale and liquidation of all or any portion of the Collateral; or (iii) in the case of an acceleration following the occurrence of an Event of Default specified in clause (a) (in respect of the Class A Notes only), clause (b) (in respect of the Class A Notes only) or clause (d), a Majority of the Controlling Class directs the sale and liquidation of all or any portion of the Collateral. Regardless of whether the conditions set forth in clause (i), (ii) or (iii) above have been satisfied, the Collateral Manager may direct the Trustee to accept an offer or tender offer in accordance with the terms of the Indenture and the Issuer shall continue to hold funds on deposit in the Revolving Credit Facility Reserve Account to the extent required to meet the Issuer's obligations with respect to the Aggregate Unfunded Amount on any Revolving Credit Facility or Delayed Funding Term Loan. The Trustee shall give written notice of its determination not to retain the Collateral to the Issuer with a copy to the Co-Issuer. So long as such Event of Default is continuing, any such determination may be made at any time when the conditions specified in clause (i), (ii) or (iii) exist.

Prior to the sale of any Collateral Debt Obligation in connection with a sale or liquidation pursuant to the immediately preceding paragraph, the Trustee will offer the Collateral Manager or an Affiliate thereof (for so long as such offeree, an Affiliate thereof which guarantees the obligations of such offeree or the issuer of a letter of credit supporting the obligations of such offeree, has a short term unsecured debt rating of at least "A-1+" from S&P) the right to purchase such Collateral Debt Obligation at a price equal to the highest bid price received by the Trustee in connection with any such sale and liquidation of all or any portion of the Collateral.

Subject to the provisions of the Indenture relating to the duties of the Trustee, the Trustee will be under no obligation to exercise or to honor any of the rights or powers vested in it by the Indenture at the request or direction of any of the Holders of Securities pursuant to the Indenture, unless such Holders of Securities will have offered to the Trustee security or indemnity reasonably satisfactory to it against all costs, expenses and liabilities which might reasonably be incurred by it in compliance with such request or direction. 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 waive any past default and its consequences, except a default (i) constituting a payment default; or (ii) in respect of a covenant or provision of the Indenture that under the Indenture cannot be modified or amended without the consent of the Holder of each Security materially adversely affected thereby.

No Holder of any Note will have any right to institute any Proceedings, judicial or otherwise, with respect to the Indenture, or for the appointment of a receiver or trustee, or for any other remedy under the Indenture, unless: (a) such Holder has previously given written notice to the Trustee of a continuing Event of Default; (b) except as otherwise provided in the Indenture, the Holders of at least 25% of the Aggregate Outstanding Amount of the Rated Notes of each Class (voting separately) have made written request to the Trustee to institute Proceedings in respect of such Event of Default in its own name as the Trustee; (c) such Holder or Holders have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (d) the Trustee for 30 days after its receipt of such notice, request and offer of indemnity has failed to institute any such Proceeding; and (e) no direction inconsistent with such written request has been given to the Trustee during such 30-day period by a Majority of the Rated Notes of each Class (voting separately); it being understood and intended that no one or more Holders will have any right in any manner whatever by virtue of, or by availing of, any provision of the Indenture to affect, disturb or prejudice the rights of any other Holders of Notes of the same Class or to obtain or to seek to obtain

priority or preference over any other Holders of the Notes of the same Class or to enforce any right under the Indenture, except in the manner herein provided and for the equal and ratable benefit of all of the Holders of Notes of the same Class, subject to and in accordance with the Indenture and the Priority of Payments.

If direction or consent from less than a Majority of the Rated Notes of any Class is required under the Indenture and the Trustee receives conflicting or inconsistent requests and indemnity from two or more groups of Holders of the Rated Notes of such Class, each representing less than a Majority of the Rated Notes of such Class, the Trustee will take the action requested by the Holders of the largest percentage in Aggregate Outstanding Amount of the Rated Notes of such Class, notwithstanding any other provisions of the Indenture. If the groups represent the same percentage, the Trustee in its sole discretion may refrain from taking any action and will incur no liability with respect thereto.

Subordination. Notwithstanding the Priority of Payments or any other provision of the Indenture, the Indenture provides that if acceleration of the maturity of the Notes has occurred after an Event of Default and such acceleration has not been rescinded or annulled, principal of and accrued and unpaid interest on the Highest Ranking Class will be paid in full before any further payment or distribution is made on any other Lower Ranking Class (the "**Subordination Provisions**"), such that Interest Proceeds and Principal Proceeds will be distributed on each Payment Date following such acceleration and on which such acceleration has not been rescinded or annulled in the following priority (the "**Acceleration Waterfall**"):

(i) to the payment of the amounts set forth in clauses (A) through (D) of the Priority of Interest Payments (in that order and subject to any applicable caps set forth therein);

(ii) to the payment of principal of, and all accrued and unpaid interest (including any applicable Deferred Interest or any applicable Defaulted Interest) on, the Highest Ranking Class until all such amounts are paid in full, repeating such process until all Notes are paid in full;

(iii) to the payment of the amounts set forth in clauses (S) through (U) of the Priority of Interest Payments (in that order);

(iv) to the payment of the amounts set forth in clause (W) of the Priority of Interest Payments and in clause (H) of the Priority of Principal Payments; and

(v) to the payment of the amounts set forth in clauses (X) and (Y) of the Priority of Interest Payments (in that order).

Notices. Notices to the Holders of the Securities will be sufficient if given by first class mail, postage prepaid, to Holders at each such Holder's address appearing in the register maintained under the Indenture. In the case of Global Securities, such notice will only be delivered to DTC.

Modification of Indenture

Modifications with the Consent of Holders. With the consent of a Majority of the Outstanding Securities of each Class materially and adversely affected thereby, by act of said Holders delivered to the Issuers, the Trustee and the Collateral Manager, the Issuers and the Trustee may, subject to the provisions described under "—General Provisions" below, enter into one or more supplemental indentures to add any 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 under the Indenture; *provided*, that no such supplemental indenture will, without the consent of each Holder of each Outstanding Security materially and adversely affected thereby (in each case, other than as provided in clause (f) of "*—Modifications without the Consent of Holders*" below) (provided that in determining whether a supplemental indenture has a material adverse effect with respect to a holder of any Securities, any related recognition of gain or loss with respect to such Securities under Section 1001 of the Code will be disregarded):

(a) change the Stated Maturity of any Note, or the date on which any installment of principal or interest on any Note is due and payable, or reduce the principal amount thereof or the Note Interest Rate thereon or the Redemption Price with respect thereto, change any place where, or the coin or currency in which, any Note or the principal thereof or interest 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); *provided* that, if the Issuers propose a Repricing Amendment at the written direction of and with the consent of a Majority of the LP Certificates following the Non-Call Period (including any revision to the definition of "Non-Call Period" (to establish a Refinancing/Repricing Amendment Non-Call Period) provided for in the written direction of the Collateral Manager in conjunction with a Refinancing or a Repricing Amendment), only the consent of any Holder of a Note whose spread is reduced will be required and each other Holder of such Class whose spread is not reduced and any other Class will be deemed not to be materially and adversely affected by such Repricing Amendment or any related amendment in accordance with the Indenture;

(b) reduce the percentage of the Aggregate Outstanding Amount of Securities of each Class the consent of the Holders of which is required for the authorization of any such supplemental indenture, or the consent of the Holders of which is required for any waiver of compliance with certain provisions of the Indenture or certain defaults thereunder and their consequences provided for in the Indenture;

(c) permit the creation of any lien, other than the lien of the Indenture or as expressly permitted hereby, with respect to any part of the Collateral, or terminate the lien of the Indenture on any property at any time subject hereto or deprive any Secured Party of the security afforded by the lien of the Indenture;

(d) reduce the percentage of the Aggregate Outstanding Amount of Securities of each Class, the consent of the Holders of which is required to request that the Trustee preserve the Collateral or to rescind the Trustee's determination to preserve, sell or liquidate the Collateral pursuant to the Indenture;

(e) modify any of the provisions of the Indenture regarding amendments that require consent of the Holders of Securities, except to increase the percentage of Outstanding Securities with respect to which the consent of the Holders thereof 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 Outstanding Security materially and adversely affected thereby;

(f) modify the definition of the term "Outstanding," "Class," "Controlling Class," "Majority" or "Supermajority";

(g) change the earliest date on which any Note may be redeemed at the option of the Issuer;

(h) modify any of the provisions of the Indenture relating to the application of proceeds of the Collateral to the payment of principal of or interest on the Notes and payments to the LP Paying Agent in respect of the LP Certificates under the Priority of Payments;

(i) materially impair or materially and adversely affect the Collateral except as otherwise permitted in the Indenture;

(j) modify any of the provisions of the Indenture in such a manner as to (i) affect the methodology of calculation of any amount distributable to the LP Paying Agent in respect of the LP Certificates on any Payment Date or (ii) affect the rights of the Holders of the Notes or the Trustee to the benefit of any provisions for the redemption of such Notes; or

(k) modify (i) the Reinvestment Criteria or (ii) the section of the Indenture setting forth the requirements for reinvestment following the Reinvestment Period described under "*Security for the Notes—Purchase of Collateral Debt Obligations During and After Reinvestment Period—Investment after the Reinvestment Period*".

Notwithstanding anything in the Indenture to the contrary, any supplemental indenture that (i) amends, modifies or otherwise accommodates changes to any of the following definitions in the Indenture: "Collateral", "Collateral Debt Obligation", "Equity Security", "Eligible Investment", "Participation" and "Volcker Rule" to the extent that such supplemental indenture adversely effects the ability of the issuer to qualify for the "loan securitization exclusion" from the definition of "covered fund" under the Volcker Rule or (ii) allows the Issuer to enter into hedge agreements, shall be subject to receipt of written consent of Holders of a Supermajority of the Controlling Class of Notes; *provided* that any supplemental indenture described in this paragraph shall also require the consent of a Majority of the Outstanding

Securities of each Class (other than the Controlling Class) materially and adversely affected by such supplemental indenture.

The Trustee will be required to provide Holders of Securities and the Rating Agencies with at least 30 days' notice of any such supplemental indenture.

Modifications without the Consent of Holders. Without obtaining the consent of the Holders of the Securities (except as provided in clauses (h), (p), (u), (y) and (z) below), and subject to the written consent of the Collateral Manager, if required, the Issuers and the Trustee may enter into one or more supplemental indentures (y) if such supplemental indenture would not materially and adversely affect any Class of Securities or (z) to the extent deemed necessary by the Collateral Manager, but only to the extent so deemed necessary:

(a) 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 contained therein and in the Notes;

(b) to add to the covenants of the Issuers or the Trustee, for the benefit of the Holders of the Notes, or to surrender any right or power therein conferred upon the Issuer or the Co-Issuer;

(c) to convey, transfer, assign, mortgage or pledge any additional 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 Securities;

(d) to evidence and provide for the acceptance of appointment thereunder by a successor Trustee and to add to or change any of the provisions of the Indenture as may be necessary to facilitate the administration of the trusts thereunder by more than one Trustee;

(e) to correct or amplify the description of any property at any time subject to the lien of the Indenture, or to correct, amplify or otherwise improve any pledge, assignment or conveyance to the Trustee of any property subject or required to be subjected to the lien of the Indenture (including any and all actions necessary or desirable as a result of changes in law or regulations), or to cause any additional property to be subject to the lien of the Indenture;

(f) otherwise to correct any ambiguities, errors (including typographical errors), mistakes or inconsistencies (i) in the Indenture, (ii) between any provision of the Indenture and this Offering Memorandum or (iii) in connection with this Offering Memorandum or any other document delivered in connection with the Indenture;

(g) to take any action necessary, advisable or helpful (i) to prevent the Issuer or any Issuer Subsidiary from becoming subject to (or to otherwise minimize) withholding or other taxes, fees or assessments; (ii) to reduce the risk that the Issuer may be treated as a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes or subject to tax liability under Section 1446 of the Code; (iii) to reduce the risk that the Issuer or any Issuer Subsidiary may be treated as engaged in a trade or business within the United States for U.S. federal income tax purposes or otherwise subject to U.S. federal, state or local income tax on a net income basis; or (iv) to allow the Issuer or Income Note Issuer to achieve FATCA Compliance, including the terms of a voluntary agreement entered into with a taxing authority (including providing for remedies against or imposing penalties upon (or imposing separate CUSIPs on Securities held by) Holders who fail to deliver the Holder FATCA Information).

(h) to enter into any additional agreements not expressly prohibited by the Indenture as well as any amendment, modification or waiver if the Issuer determines that such amendment, modification or waiver would not, upon or after becoming effective, materially and adversely affect the rights or interests of Holders of any Class of Securities; *provided* that any such additional agreements (other than to the extent set forth in the Indenture) include customary limited recourse and non-petition provisions; *provided*, *further*, that a Majority of the Controlling Class consent in writing thereto;

(i) to modify the restrictions on and procedures for resale and other transfer of the Notes in accordance with any change in any applicable law or regulation (or the interpretation thereof) or to enable the Issuers to rely

upon any less restrictive 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 thereunder;

(j) to accommodate the issuance of the Notes in book-entry form through the facilities of the Depository or otherwise;

(k) to take any action necessary or advisable to prevent the Issuers or the pool of Collateral from being required to register under the Investment Company Act, or to avoid any requirement that the Collateral Manager, or any Affiliate consolidate the Issuer on its financial statements for financial reporting purposes (*provided*, that no Holders are materially adversely affected thereby);

(l) to reduce the permitted minimum denomination of the Notes;

(m) to facilitate the listing or de-listing of any of the Notes on or from any non-U.S. exchange (including the Irish Stock Exchange) or compliance with the rules or guidelines of such exchange;

(n) to change the date on which reports are required to be delivered under the Indenture;

(o) to facilitate a Refinancing under the Indenture solely to the extent contemplated by the provisions described under "—*Refinancing*";

(p) to enter into a Repricing Amendment and any additional supplemental indentures necessary to reflect the terms of a Repricing or to otherwise permit the Issuers to effectuate any of the Repricing Conditions, in each case with the consent of a Majority of the LP Certificates and the Collateral Manager;

(q) to amend, modify or otherwise accommodate changes to the Indenture relating to the administrative procedures for reaffirmation of ratings on the Notes;

(r) to modify provisions of the Indenture relating to the creation, perfection and preservation of the security interest of the Trustee in the Collateral to conform with applicable law;

(s) to evidence any waiver or elimination by any Rating Agency of any requirement or condition of such Rating Agency set forth therein; *provided* that, other than with respect to modifications to correct ambiguities, errors (including typographical errors), mistakes or inconsistencies otherwise permitted pursuant to clause (f) above, so long as the Class A Notes are Outstanding, a Majority of the Controlling Class consents in writing thereto;

(t) to conform to ratings criteria and other guidelines (including without limitation, any alternative methodology published by either of the Rating Agencies) relating to collateral debt obligations in general published by either of the Rating Agencies; *provided* that, other than with respect to modifications to correct ambiguities, errors (including typographical errors), mistakes or inconsistencies otherwise permitted pursuant to clause (f) above, so long as the Class A Notes are Outstanding, a Majority of the Controlling Class consents in writing thereto;

(u) to modify (i) any Collateral Quality Test, (ii) any defined term utilized in the determination of any Collateral Quality Test or (iii) any defined term or any schedule to the Indenture that begins with or includes the word "Moody's," "Fitch" or "S&P"; *provided* that, other than with respect to modifications to correct ambiguities, errors (including typographical errors), mistakes or inconsistencies otherwise permitted pursuant to clause (f) above, a Majority of the Controlling Class consents in writing thereto;

(v) to change the name of the Issuer or the Co-Issuer in connection with the 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;

(w) to facilitate an additional issuance of Securities permitted under the Indenture;

(x) 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 Notes on the Irish Stock

Exchange or any other stock exchange, and otherwise to amend the Indenture to incorporate any changes required or requested by any governmental authority, stock exchange authority, listing agent, transfer agent, paying agent or additional registrar for any Class of Notes in connection therewith;

(y) to amend, modify or otherwise accommodate changes to the Indenture to comply with any rule or regulation enacted by regulatory agencies of the United States federal government, stock exchange authority, listing agent, transfer agent or additional registrar after the Closing Date that is applicable to the Securities or the transactions contemplated by the Indenture (including, without limitation, the Dodd-Frank Act (including with respect to commodity pools and the Volcker Rule)); provided that, no such supplemental indenture may, without the consent of a Supermajority of the Controlling Class (not to be unreasonably withheld or delayed), be entered into that would, as a result of and only from and after the effectiveness of the amendment implemented by such supplemental indenture, (a) cause the Issuer to constitute a "covered fund" under the Volcker Rule (but only if but for such amendment the Issuer would not otherwise be a "covered fund") or (b) cause the ownership of the Notes constituting the Controlling Class on the Closing Date to lose any then current exemption or no action relief from being, or fall outside any interpretive guidance causing such Notes not to be, an ownership interest in a "covered fund", if any, or would cause such ownership interests of Notes constituting the Controlling Class to be subject to the limitation on ownership interest in a "covered fund" under the Volcker Rule (but only if, but for such amendment, such ownership interest would not otherwise be an ownership interest in a "covered fund"); or

(z) in conjunction with a Refinancing or a Repricing Amendment, at the direction of the Collateral Manager and with the prior written consent of a Majority of the LP Certificates, to (i) establish a Refinancing/Repricing Amendment Non-Call Period with respect to any Class of Notes subject to such Refinancing or Repricing Amendment or (ii) provide that one or more Classes of Notes are ineligible to be redeemed with the proceeds of a Refinancing.

The Trustee will be required to provide Holders of Securities and the Rating Agencies with at least 15 Business Days' (or, in the case of a supplemental indenture in conjunction with a Refinancing or a Repricing Amendment as described in part (p) and/or (z) above, 5 Business Days) notice of any such supplemental indenture.

General Provisions

With respect to any supplemental indenture with respect to which a determination is required as to whether any Holders would be materially and adversely affected thereby, the Trustee will be entitled to receive and conclusively rely upon an officer's certificate of the Collateral Manager or the Issuer and/or an opinion of counsel (which may be supported by any relevant certificates and other documents necessary or advisable in the judgment of counsel delivering such opinion of counsel), as to whether the interests of any Class of Notes or the LP Certificates would be materially and adversely affected by any proposed supplemental indenture, and any such determination will be conclusive and binding upon all present and future Holders of all Securities of such Class; *provided* that unless the Trustee and the Issuers are notified (within 30 days after notice by the Issuer to the Holders of a proposed supplemental indenture) by a Majority of any Class from whom consent is not being requested that the Holders of such Class giving such notice believe that they will be materially and adversely affected by the proposed supplemental indenture, the interests of such Class will be deemed for all purposes under the Indenture to not be materially and adversely affected by such proposed supplemental indenture. For purposes of determining whether any supplemental indenture would materially and adversely affect the Class B Notes, the Class B-1 Notes and the Class B-2 Notes shall be treated as a single Class unless such supplemental indenture only materially and adversely affects the Class B-1 Notes or only materially and adversely affects the Class B-2 Notes, in which case the Class B-1 Notes or the Class B-2 Notes, whichever is materially and adversely affected, shall vote as a separate Class.

In addition, in connection with the execution of any proposed supplemental indenture, the Trustee will be entitled to receive and conclusively rely upon an opinion of counsel stating that the execution of such supplemental indenture is authorized and permitted under the Indenture and all conditions precedent thereto have been satisfied.

No Repricing Amendment nor any supplemental indenture or amendment that may adversely affect the Collateral Manager or otherwise modifies, amends or alters the obligations of the Collateral Manager under the Collateral Management Agreement will be effective absent the prior written consent of the Collateral Manager. Without limitation to the foregoing, the prior written consent of the Collateral Manager is required with respect to any supplemental indenture or amendment that may (i) modify the Concentration Limitations, any Collateral Quality Test

or any defined term utilized in the determination of any Collateral Quality Test, (ii) modify the restrictions on the acquisition and disposition of Collateral Debt Obligations or the requirements specified in the definition of "Collateral Debt Obligation," (iii) expand or restrict the Collateral Manager's discretion or (iv) change the amount or priority of any fees or other amounts payable to the Collateral Manager under and in accordance with the Collateral Management Agreement and the Indenture.

Notwithstanding anything in the Indenture to the contrary, no supplemental indenture, or other modification or amendment of the Indenture may become effective without the consent of the Holders of each Security Outstanding unless such supplemental indenture or other modification or amendment would not, in the reasonable judgment of the Issuer in consultation with legal counsel experienced in such matter (as certified by the Issuer to the Trustee, upon which certification the Trustee may conclusively rely), (A) result in the Issuer being treated as engaged in a trade or business within the United States, (B) cause the Issuer to be treated as a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes or subject to tax liability under Section 1446 of the Code, or (C) cause any Class of Notes (other than any Class of Notes that are restricted to being held by a C Corporation) to not be treated as debt (at a will level of comfort except with respect to the Class E Notes or successor Class of Notes which is at a should level of comfort) for federal income tax purposes.

Additional Issuance. The Issuers will, at the direction of a Majority of the LP Certificates, issue additional notes under the Indenture and issue additional limited partnership certificates (collectively, "**Additional Securities**"), of any one or more existing Classes, or any new Class of Notes that is junior in right of payment to the Rated Notes (any such new Class, "**Subordinated Notes**") and use the proceeds to purchase Collateral Debt Obligations; *provided*, that the following conditions are met: (i) the S&P Rating Condition has been satisfied, except in the case of the issuance of LP Certificates or Subordinated Notes; (ii) such issue is approved by a Majority of the LP Certificates and the Collateral Manager and, in the case of the issuance of any Rated Notes, a Majority of the Controlling Class; (iii) in the case of any Rated Notes, such issue does not exceed 100% of the original issue amount of each applicable Class of Securities (for which purpose, the Class B-1 Notes and the Class B-2 Notes will constitute a single Class); (iv) except in the case of the first issuance of Subordinated Notes (if any), the terms of the Additional Securities issued are identical to the terms of previously issued Securities of the Class of which such Additional Securities are a part (except for (A) the terms related to the issuance price, interest rate in the case of Rated Notes, date on which interest begins to accrue and the first Payment Date and (B) in the case of an additional issuance of Rated Notes, the spread over LIBOR or stated interest rate, as applicable, which may only be identical to or lower than the spread over LIBOR or stated interest rate, as applicable, of the previously issued Notes of the Class of which such Additional Securities are a part); *provided* that additional Class B Notes may be issued as Class B-1 Notes and/or Class B-2 Notes; (v) in the case of any Rated Notes, the Class E Note Overcollateralization Test is satisfied before giving effect to such issuance; (vi) in the case of any Rated Notes, such issue will be on a *pro rata* basis across all Classes of Rated Notes (based upon the Aggregate Outstanding Amount of each Class of Rated Notes immediately prior to such issuance) (for which purpose, the Class B-1 Notes and the Class B-2 Notes will constitute a single Class); (vii) an opinion of tax counsel of nationally recognized standing in the United States experienced in such matters must be delivered to the Trustee to the effect that (A) any additional Class A Notes, Class B-1 Notes, Class B-2 Notes, Class C Notes or Class D Notes will be treated, and any additional Class E Notes should be treated, as indebtedness for U.S. federal income tax purposes, (B) such additional issuance will not cause the Issuer to be treated as a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes or subject to tax liability under Section 1446 of the Code, and (C) such additional Notes will or should be treated as debt for U.S. federal income tax purposes (unless the additional Notes are restricted to being transferred to a C Corporation), provided that the opinion described in clause (vii)(A) will not be required with respect to any additional notes that bear a different CUSIP number (or equivalent identifier) from the Securities of the same Class that were issued on the Closing Date and are Outstanding at the time of the additional issuance; (viii) a certificate of the Issuer certifying that 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) to Holders of Notes (including the additional Notes); (ix) the expenses in connection with such additional issuance have been paid or will be adequately provided for; (x) each Holder of a Class of previously issued Securities of which Additional Securities are a part is given the option to purchase Additional Securities, on the same terms offered to investors generally, such that its proportional ownership of such Class prior to the additional issuance is maintained following the additional issuance (for which purpose, the Class B-1 Notes and the Class B-2 Notes will constitute a single Class); (xi) in connection with the initial issuance of a new class of Subordinated Notes, each Holder of LP Certificates is given the option to purchase such Subordinated Notes such that its proportional ownership of the new class of Subordinated Notes is equivalent to its proportional ownership of the LP Certificates as of the date of

such issuance; and (xii) the Issuer has delivered notice to Fitch of the issuance of the Additional Securities prior to such issuance. Notwithstanding anything to the contrary in the foregoing, the Issuer will, at the direction of a Majority of the LP Certificates, and with the written consent of the Collateral Manager, issue and sell additional LP Certificates and use the proceeds of such issuance to purchase Collateral Debt Obligations or otherwise treat such proceeds either as Interest Proceeds or Principal Proceeds as determined by the Collateral Manager (with the consent of a Majority of the LP Certificates). The conditions described above do not apply to any Notes issued in connection with a Refinancing.

Contributions. At any time, and from time to time, during or after the Reinvestment Period, (i) subject to the prior written consent of a Majority of the LP Certificates and the Collateral Manager, any LP Certificate holder may make a contribution of cash, provided that if a Majority of the LP Certificates makes a contribution of cash designated for use as either Interest Proceeds or Principal Proceeds, Collateral Manager consent will not be required and (ii) subject to the prior written consent of the Collateral Manager, a Majority of the LP Certificates may designate as a contribution to the Issuer any portion of Interest Proceeds or Principal Proceeds that would otherwise be distributed to the LP Paying Agent with respect to the LP Certificates in accordance with the Priority of Payments (each, a "**Contribution**"). Each Contribution will be deposited into the Contribution Account. For the avoidance of doubt, any amounts deposited into the Contribution Account pursuant to clause (ii) above will be deemed for all purposes as having been paid to the LP Paying Agent pursuant to the Priority of Payments. In the case of a Contribution made pursuant to clause (i) above, if a beneficial owner of Income Notes wishes to cause the Income Note Issuer to make such a Contribution it may, subject to the procedures set forth in the Income Note Paying Agency Agreement, direct the Income Note Issuer to contribute funds provided by such beneficial owner and any repayment of such funds will be deposited by the Income Note Issuer into a segregated account for the benefit of such beneficial owner.

Offers. The Issuer may exchange a Collateral Debt Obligation for securities, obligations or other consideration in connection with an Offer. The securities, obligations or other consideration received in connection with an Offer need not satisfy the Reinvestment Criteria or the definition of Collateral Debt Obligation and need not be issued by the same obligor as the obligor on the Collateral Debt Obligation exchanged.

Assumptions as to Scheduled Distributions on Collateral Debt Obligations. In connection with all calculations required to be made pursuant to the Indenture with respect to any Pledged Obligation, for each Due Date, the Distribution scheduled on such Due Date, determined in accordance with the assumptions specified herein (the "**Scheduled Distributions**"), or any payments on any other assets included in the Collateral, and with respect to the income that can be earned on Scheduled Distributions on such Pledged Obligations and on any other amounts that may be received for deposit in the Collection Account, the provisions set forth below will be applied.

All calculations with respect to Scheduled Distributions on Pledged Obligations will be made on the basis of information as to the terms of each such Pledged Obligation and upon report of payments, if any, received on such Pledged Obligation that are furnished by or on behalf of the issuer of or borrower of such Pledged Obligation and, to the extent they are not manifestly in error, such information or report may be conclusively relied upon in making such calculations, and any determination of the Weighted Average Life of any Collateral Debt Obligation will be made by the Collateral Manager using the assumption that no Pledged Obligation defaults or is disposed of.

For each Due Period, the Scheduled Distribution on any Pledged Obligation (other than a Defaulted Obligation to the extent required to be treated as Principal Proceeds, any security that in accordance with its terms is making payments due thereon "in kind" in lieu of cash or other Collateral which is expressly assigned a Principal Balance of zero under the Indenture, in each case, which will be assumed to have a Scheduled Distribution of zero) will be the minimum amount, including coupon payments, accrued interest, scheduled Principal Payments, if any, by way of sinking fund payments which are assumed to be on a pro rata basis or other scheduled amortization of principal, return of principal, and redemption premium, if any, assuming that any index applicable to any payments on a Pledged Obligation that is subject to change is not changed, that, if paid as scheduled, will be available in the Collection Account at the end of the Due Period net of withholding or similar taxes to be withheld from such payments (but taking into account gross-up payments in respect of such taxes).

Each Scheduled Distribution receivable with respect to a Pledged Obligation will be assumed to be received on the applicable Due Date, and each such Scheduled Distribution will be assumed to be immediately deposited into the Collection Account and, except as otherwise specified, to earn interest at the greater of (i) zero percent and (ii) LIBOR minus 0.25% per annum. All such funds will 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 hereof, to payments of principal of or interest on the Notes or other amounts payable pursuant to the Indenture.

All calculations and measurements required to be made and all reports that are to be prepared pursuant to the Indenture with respect to the Pledged Obligations will be made on the basis of the date on which the Issuer makes a binding commitment to purchase or sell an asset (the "trade date"), not the settlement date.

For purposes of calculating the Weighted Average Spread and the Weighted Average Fixed Rate Coupon, the spread or coupon for a Step-Up Coupon Security shall be its spread or coupon, as applicable, as of the related Measurement Date.

If the Issuer (or the Collateral Manager on behalf of the Issuer) has actual knowledge of, or is notified by the administrative agent or other withholding agent or otherwise for the syndicate of lenders in respect of, any Collateral Debt Obligation or Equity Security (with a copy of such notice being sent to the Collateral Administrator) that any amounts associated therewith are subject to withholding tax imposed by any jurisdiction, the applicable Collateral Quality Test, the Coverage Tests and the Interest Reinvestment Test will be calculated thereafter net of the full amount of such withholding tax unless the related 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 instruments with respect thereto.

Illiquid Assets. So long as no Event of Default has occurred and is continuing under the Indenture, if at any time the Collateral consists exclusively of Illiquid Assets, Eligible Investments and cash, if directed by the Collateral Manager, the Trustee will request bids for such assets and the Issuer will attempt to dispose of such Illiquid Assets for value. If the aggregate amount of the highest bids received is greater than or equal to $500,000, the Collateral Manager or its designee will have the right to purchase such Illiquid Assets for 101% of the highest bids received, and if it does not exercise such right, the Illiquid Assets will be sold to the highest bidder. If the Issuer is unable to dispose of such Illiquid Assets for more than $500,000, any such Illiquid Assets may be disposed of in accordance with the Indenture in a manner that generates no proceeds to be distributed on the Securities, which may include transferring ownership of it to the Collateral Manager as an additional fee, returning it to its issuer or obligor for cancellation or donating it to a charitable organization. The Trustee will provide notice of any disposition of Illiquid Assets to the Holders. The Trustee will not dispose of Illiquid Assets if so directed by a Majority of the Controlling Class or a Majority of the LP Certificates, *provided* that arrangements have been made to pay for incurred and future Administrative Expenses.

Consolidation, Merger or Transfer of Collateral. 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 (and the Income Note Paying Agency Agreement and LP Certificate Documents, as applicable) will provide that none of the Holders and beneficial owners of each Class of Securities and the Income Notes nor any other Secured Party may seek to institute against, or join any other person in instituting against, the Issuer, the Co-Issuer, the Income Note Issuer, the General Partner or any Issuer Subsidiary, bankruptcy, reorganization, arrangement, insolvency, winding up, 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 Securities and the Income Notes 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. The Issuer or the Co-Issuer, as applicable, will be required to timely file an answer and any other appropriate pleading objecting to (i) the institution of any Proceeding against the Issuer or the Co-Issuer to have the Issuer or the Co-Issuer, as the case may be, adjudicated as bankrupt or insolvent or (ii) the filing of any petition against the Issuer or Co-Issuer seeking relief, reorganization, arrangement, adjustment or composition of or in respect of the Issuer or the Co-Issuer, as the case may be, under the Bankruptcy Code or any other applicable law; *provided* that such obligations of the Issuers will be subject to the availability of funds therefor under the Priority of Payments. The Petition Expenses will be paid as Administrative Expenses and the Special Petition Expenses will be payable as Administrative Expenses without regard to the cap relating to the payment of other Administrative Expenses in the Priority of Payments.

Satisfaction and Discharge of the Indenture. The Indenture will be discharged when all amounts due with respect to the Notes have been paid in full in accordance with the Indenture or all Collateral has been disposed of and the proceeds have been distributed in accordance with the Indenture.

Trustee. Deutsche Bank Trust Company Americas will be the Trustee under the Indenture. The Indenture contains provisions for the indemnification of the Trustee by the Issuer, 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 payment of the fees, expenses and any indemnification payments to the Trustee is solely the obligation of the Issuer and solely payable out of the Collateral. 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 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 Trustee may resign at any time by providing written notice. The Trustee may be removed following an Event of Default by a Majority of the Notes or, if a successor trustee has been appointed in accordance with the Indenture, by 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.

Governing Law. The Indenture and each Note and all disputes arising therefrom or relating thereto will be construed in accordance with and governed by the law of the State of New York applicable to agreements made and to be performed therein.

No Gross Up. All payments on the Securities and Income Notes will be made without any deduction or withholding for or on account of any tax unless such deduction or withholding is required in connection with FATCA or by an applicable law, as modified by the practice of any relevant governmental revenue authority, then in effect. If the Issuer or the Income Note Issuer is so required to deduct or withhold, then neither the Issuer nor the Income Note Issuer will be obligated to pay any additional amounts in respect of such withholding or deduction.

Certain Matters Relating to Voting

For the purpose of exercising any rights to consent, give direction or otherwise vote, except as expressly stated otherwise, the Class B-1 Notes and the Class B-2 will constitute a single Class.

The LP Certificates

The LP Certificates will consist of limited partnership certificates of the Issuer representing limited partnership interests thereof with an aggregate face amount of U.S.$36,360,000. The face amount of the LP Certificates does not represent an entitlement to receive any particular payment, but is established for ease of reference only. A portion of the LP Certificates will be sold to the Income Note Issuer and are not offered hereby.

The LP Certificates will be issued pursuant to the Limited Partnership Agreement and related resolutions (together with the LP Paying Agency Agreement, the "**LP Certificate Documents**"). The following summary describes certain provisions of the Limited Partnership Agreement, but does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the LP Certificate Documents. Copies of the LP Certificate Documents may be obtained by prospective purchasers of the LP Certificates upon request in writing to the LP Paying Agent.

It is expected that on the Closing Date, the Income Note Issuer will purchase approximately U.S.$500,000 in aggregate face amount of the LP Certificates, and one or more Affiliates of the Collateral Manager will purchase approximately U.S. $35,860,000 in aggregate face amount of the LP Certificates. The Collateral Manager and its Affiliates are under no obligation to hold any LP Certificates on or after the Closing Date. See "*Risk Factors—Risk Factors Relating to Conflicts of Interest—Conflicts of Interest Involving the Collateral Manager*."

Status and Ranking. The LP Certificates will be limited partnership interests in the Issuer and will be subordinate to the Notes and to the payment of all debts, fees and expenses of the Issuers and the Income Note Issuer in accordance with the Priority of Payments. The LP Certificates will not be secured by the Collateral or otherwise entitled to the benefits of the Indenture, but under the terms of the Indenture, the Trustee will pay to the LP Paying Agent amounts available for distribution in respect of the LP Certificates on each Payment Date pursuant to the Priority of Payments.

Distributions on the LP Certificates. Any distributions on the LP Certificates pursuant to the Limited Partnership Agreement and the LP Paying Agency Agreement will be payable only to the extent funds are available in accordance with the Priority of Payments.

Payments on the LP Certificates will be made to the person in whose name the LP Certificate is registered on the applicable Record Date. Payments on the LP Certificates will be made by wire transfer in immediately available funds to a U.S. dollar account maintained by the Holder of such LP Certificates or its nominee.

Redemption. Unless otherwise directed by a Majority of the LP Certificates, the LP Certificates will be redeemed when the Notes are no longer outstanding or the Indenture has been discharged.

Indemnification. Under the Limited Partnership Agreement, the Issuer will indemnify the General Partner and certain other Persons against losses or liabilities incurred in connection with the limited partnership, unless such losses or liabilities are the result of the indemnified party's own willful default, fraud or negligence.

Voting. Holders of the LP Certificates will have no voting rights, either general or special, in the Issuer, except as set forth in the Indenture, the Collateral Management Agreement or the Limited Partnership Agreement. Holders of the Class II LP Interests and the Class III LP Interests will have no voting rights, either general or special, in the Issuer, except as set forth in the Limited Partnership Agreement. The Rated Notes may be redeemed on any Payment Date after a Withholding Tax Event (whether before or after the end of the Non-Call Period) at the direction of a Majority of the LP Certificates. Following the Non-Call Period, (x) the Rated Notes may be redeemed by an Optional Redemption on any Payment Date at the direction of, or with the consent of, Holders of the Redemption Consent Threshold of the LP Certificates, (y) the Class A Notes may be redeemed on any Payment Date and all other Classes of Rated Notes may be redeemed on any Business Day, by a Refinancing at the written direction of a Majority of the LP Certificates, and (z) the Repricing Eligible Notes may be subject to a Repricing on any Business Day at the direction of a Majority of the LP Certificates. See "*—Optional Redemption.*" and "*—Repricing of Notes*."

Notices. Notices to the Holders of the LP Certificates will be given by first class mail, postage prepaid, to the registered Holders of such LP Certificates at their address appearing in the LP Certificates Register or by such other means as is considered standard market practice by the LP Paying Agent.

LP Paying Agent. Pursuant to a paying agency agreement dated as of the Closing Date among Deutsche Bank Trust Company Americas (or any other person authorized by the Issuer from time to time to make distributions on the LP Certificates on behalf of the Issuer), as LP Paying Agent, the LP Certificates Registrar and the Issuer (such agreement, the "**LP Paying Agency Agreement**"), Deutsche Bank Trust Company Americas will be appointed by the Issuer to act as custodian and paying agent for the LP Certificates. The Administrator will act as registrar for the LP Certificates (the "**LP Certificates Registrar**"). Under the LP Paying Agency Agreement, the Issuer will agree to indemnify the LP Paying Agent for any loss, liability or expense incurred without gross negligence, bad faith or willful misconduct on its part.

Cancellation. All LP Certificates that are acquired by the Issuer, redeemed or surrendered for cancellation will be cancelled by the Issuer and may not be reissued or resold.

Restrictions on Transfer. LP Certificates may be transferred or sold pursuant to the Limited Partnership Agreement to any transferee meeting the requirements of a transferee of an LP Certificate as set forth under "*Transfer Restrictions*." LP Certificates may be exchanged for Income Notes, subject to certain procedures set forth in the LP Paying Agency Agreement and the Income Note Paying Agency Agreement. The Issuer will notify the Collateral Manager of any transfer of an LP Interest promptly upon such transfer.

Governing Law. The LP Certificates and the Limited Partnership Agreement will be governed by, and construed in accordance with, the law of the Cayman Islands. The LP Paying Agency Agreement will be governed by, and construed in accordance with, the law of the State of New York.

The Income Notes

The Income Notes will be issued by the Income Note Issuer in an aggregate face amount of U.S.$500,000 and represent unsecured debt obligations of the Income Note Issuer. It is expected that the Retention Holder will purchase

all of the Income Notes issued on the Closing Date. None of the Retention Holder, the Collateral Manager or any of its Affiliates are under an obligation to hold any Income Notes on or after the Closing Date.

The Income Notes will be issued pursuant to the Deed of Covenant (together with the Income Note Paying Agency Agreement (including the terms and conditions of the Income Notes attached thereto), the "**Income Note Documents**"). The following summary describes certain provisions of the Income Notes and the Deed of Covenant, but does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Income Note Documents. Copies of the Income Note Documents may be obtained by prospective purchasers of Income Notes upon request in writing to the Income Note Paying Agent.

Status and Ranking. The Income Notes will constitute debt obligations of the Income Note Issuer, will not be secured obligations of the Income Note Issuer and, except as provided below, will be entitled only to receive a *pro rata* share of amounts received by the Income Note Paying Agent in respect of the LP Certificates owned by the Income Note Issuer on each Payment Date. The Income Notes are not obligations of the Issuer and the Holders of the Income Notes will not have any direct recourse to the Collateral. Because the Income Notes represent an indirect interest in LP Certificates, an investor considering acquiring Income Notes should review all portions of this Offering Memorandum that relate to the LP Certificates.

Distributions on the Income Notes. Any distributions on the Income Notes pursuant to the Income Note Documents will be payable only to the extent funds are received by the Income Note Paying Agent from the LP Paying Agent with respect to the LP Certificates owned by the Income Note Issuer. Amounts paid by the Income Note Paying Agent on behalf of the Income Note Issuer to the Holders of the Income Notes will be made on a *pro rata* basis.

Payments on the Income Notes will be made to the person in whose name the Income Notes are registered on the applicable Record Date.

Payments on the Income Notes will be made by wire transfer in immediately available funds to a U.S. dollar account maintained by the Holder of such Income Notes or its nominee.

Redemption. The Income Notes will be redeemed when the LP Certificates have been redeemed. All redemption payments to Holders of Income Notes will be made *pro rata* in the proportion that the Aggregate Outstanding Amount of Income Notes held by a Holder bears to the total Aggregate Outstanding Amount of Income Notes.

Voting. Holders of the Income Notes will have no voting rights, either general or special, in the Income Note Issuer, except pursuant to the Income Note Paying Agency Agreement and the Income Note Issuer's Deed of Covenant. The Income Note Issuer will, among other things, vote the LP Certificates held by the Income Note Issuer pursuant to the written direction of the Holders of the Income Notes. The Income Note Issuer will vote a face amount of LP Certificates based on the Aggregate Outstanding Amount of Income Notes voted by Holders.

Notices. Notices to the Holders of the Income Notes will be given by first class mail, postage prepaid, to the registered Holders of such Income Notes at their address appearing in the Income Note Register or by such other means as is considered standard market practice by the Income Note Paying Agent.

Income Note Paying Agent. Pursuant to a custodial and paying agency agreement dated as of the Closing Date among Deutsche Bank Trust Company Americas, as Income Note Paying Agent (the "**Income Note Paying Agent**") with respect to the Income Notes, the Income Note Issuer and the Income Note Registrar (such agreement, the "**Income Note Paying Agency Agreement**"), Deutsche Bank Trust Company Americas will be appointed by the Income Note Issuer to act as custodian of the LP Certificates owned by the Income Note Issuer and paying and transfer agent for the Income Notes. The Income Note Paying Agent will hold the LP Certificates owned by the Income Note Issuer, as custodian, in a segregated custody account (the "**Income Note Custodial Account**"), for the purpose of applying payments received thereon. Pursuant to the Income Note Paying Agency Agreement, the Income Note Paying Agent will, among other things, maintain custody of such LP Certificates, vote the LP Certificates in accordance with the written direction of the Holders of the Income Notes and distribute payments received on such LP Certificates from the LP Paying Agent to the Holders of the Income Notes.

The Income Note Administrator will act as share registrar (the "**Income Note Registrar**") for the Income Notes. Under the Income Note Paying Agency Agreement, the Income Note Issuer will agree to indemnify the Income Note

Paying Agent for any loss, liability or expense incurred without gross negligence, bad faith or willful misconduct on its part.

Cancellation. All Income Notes that are acquired by the Income Note Issuer, redeemed or surrendered for cancellation will be cancelled by the Income Note Issuer and may not be reissued or resold.

Additional Issuance of Income Notes. The Income Note Issuer will issue additional Income Notes upon either: (i) the additional issuance of LP Certificates, as described under "*—The Indenture—General Provisions—Additional Issuance*", to be purchased by the Income Note Issuer or (ii) delivery by any transferor of LP Certificates for the purpose of exchanging such LP Certificates for Income Notes. Upon the issuance of additional Income Notes as described in the preceding sentence, the Income Note Paying Agent will deposit the related LP Certificates into the Income Note Custodial Account.

Restrictions on Transfer. Income Notes may be transferred or sold pursuant to the Income Notes Paying Agency Agreement to any transferee meeting the requirements of a transferee of an Income Note as set forth under "*Transfer Restrictions*." LP Certificates can be exchanged for Income Notes and certain Income Notes may be able to be exchanged for LP Certificates in the limited circumstances described below, and in any case subject to certain procedures set forth in the Income Note Paying Agency Agreement and the LP Paying Agency Agreement (which procedures may further limit the ability of a holder of the Income Notes to exchange such Income Notes for LP Certificates). In the event that an Affiliate of the Collateral Manager becomes a holder of an Income Note or beneficial interest therein (such affiliate, the "**Affiliated Holder**"), at the election of such Affiliated Holder such Income Note or beneficial interest may be exchanged for an LP Certificate or beneficial interests therein (an "**Income Note Exchange**") in accordance with the following: (i) the Affiliated Holder shall provide fifteen (15) days prior written notice to the Issuer and Income Note Issuer of its desire to effect an Income Note Exchange, (ii) the Affiliated Holder shall promptly provide the Income Note Issuer with any information reasonably requested by the Income Note Issuer to determine the Affiliated Holder's holding period with respect to its Income Notes, (iii) the Income Note Issuer shall cause its Independent accountants to determine the positive amount (if any) of income and gain that the Income Note Issuer would realize for U.S. federal income tax purposes solely as a direct result of the Income Note Exchange, other than any such income and gain that would be included in the Affiliated Holder's gross income under Section 1293(a) of the Code if the Affiliated Holder were a United States person that had elected to treat the Income Note Issuer as a qualified electing fund for all periods during which the Affiliated Holder owned the Income Notes (any such positive amount, the "**Income Note Exchange Gain**"), (iv) the Income Note Issuer shall notify the Affiliated Holder of (x) the amount of expenses incurred by the Income Note Issuer in connection with causing its Independent accountants to determine Income Note Exchange Gain (such expenses, the "**Income Note Exchange Expenses**") and (y) the amount of the Conversion Fee, (v) the Affiliated Holder will confirm whether or not it still desires to effect the Income Note Exchange, (vi) if the Affiliated Holder still desires to effect the Income Note Exchange, the Income Note Exchange will occur in accordance with the terms of the Income Note Paying Agency Agreement and the LP Paying Agency Agreement, (vii) the Affiliated Holder will promptly pay the Income Note Issuer (x) the Income Note Exchange Expenses and (y) if the Income Note Exchange occurs, the Conversion Fee, and (viii) the Income Note Issuer will distribute the Conversion Fee to the Holders of Income Notes on the Payment Date succeeding the Income Note Issuer's receipt of the Conversion Fee, pro rata based on the par value of Income Notes held by each such Holder relative to the par value of all Income Notes Outstanding. Notwithstanding the foregoing, no Income Note Exchange may be effected unless, prior to such Income Note Exchange, the Income Note Issuer has received written advice or an opinion from Ashurst LLP or Cadwalader, Wickersham & Taft LLP, or an opinion from another nationally recognized U.S. tax counsel experienced in such matters, to the effect that the Income Note Exchange will not cause the Issuer either to be treated as a "publicly traded partnership" taxable as a corporation for U.S. federal income tax purposes or subject to tax liability under Section 1446 of the Code.

Governing Law. The Income Notes and the Deed of Covenant will be governed by, and construed in accordance with, the law of the Cayman Islands. The Income Note Paying Agency Agreement will be governed by, and construed in accordance with, the law of the State of New York.

Holder Information

Each of the Holders (and holders of an interest in a Security or Income Note) by its acceptance of such Security or Income Note (or interest therein), will agree to provide to the Issuer, the Income Note Issuer and the Collateral Manager all information reasonably available to it that is reasonably requested by the Issuer or the Collateral Manager

in connection with regulatory matters, including any information that is necessary or advisable in order for the Collateral Manager (or its parent or Affiliates) to complete its Form ADV, to file its reports on Form PF, to file or complete any other form required by the Securities and Exchange Commission, to comply with any requirement of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended from time to time, to establish an exemption from registration as a commodity pool operator under the Commodity Exchange Act, to comply with know-your-customer and anti-money laundering laws of and regulations of any jurisdiction, or to comply with any other laws or regulations applicable to the Collateral Manager (or its parent or Affiliates) from time to time.

RATING OF THE SECURITIES

The Issuer has engaged S&P to provide ratings on the Senior Notes and the Mezzanine Notes and Fitch to provide ratings on the Class A Notes. The fees and expenses payable to the Rating Agencies pursuant to the applicable engagement letters that are not paid on or before the Closing Date will constitute Administrative Expenses and will be paid in accordance with the Priority of Payments. If the Issuer does not provide information requested by a Rating Agency or relevant to the ratings on the Rated Notes, or such information contains material untrue statements or omits material information necessary to make such information not misleading, the Issuer could be liable to such Rating Agency for any losses it incurs as a result.

It is a condition of the issuance of the Securities that the Rated Notes receive at least the ratings indicated under "*Summary of Terms—Securities Offered.*" The LP Certificates and the Income Notes will not be rated. 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.

S&P's ratings (i) with respect to the Senior Notes address the timely payment of interest on each Payment Date and the ultimate payment of principal by the Stated Maturity, and (ii) with respect to the Mezzanine Notes address the ultimate payment of interest and principal by the Stated Maturity.

Fitch's ratings with respect to the Class A Notes will be based upon an evaluation of the ability of the Issuer to pay on a timely basis interest on the Class A Notes at the applicable Note Interest Rate, and the outstanding principal amount of the Class A Notes on the applicable Stated Maturity. Such ratings will not address the ability of the Issuer to repay the outstanding principal amount of the Class A Notes at any time prior to the applicable Stated Maturity or to make any other payments with respect to the Class A Notes.

The ratings assigned to the Rated Notes by each Rating Agency are based upon its assessment of the probability that the Collateral Debt Obligations will provide sufficient funds to pay such Rated Notes (based upon the respective Note Interest Rates and principal balance), 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 Rated Notes, and the Concentration Limitations and Collateral Quality Tests that must be satisfied or improved in order to reinvest in additional Collateral Debt 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.

SECURITY FOR THE NOTES

The collateral for the Rated Notes will consist of (a) the Collateral Debt Obligations, (b) Eligible Investments, (c) the rights of the Issuer under the Collateral Management Agreement, the Collateral Administration Agreement and the Account Agreement, (d) the securities accounts and deposit accounts of the Issuer in which its cash and investments are held and Eligible Investments purchased with funds on deposit therein, (e) money delivered to the Trustee, (f) all other assets in which the Issuer has an interest other than the assets described in the immediately following sentence and (g) the proceeds of the foregoing (collectively, the "**Collateral**"). The Collateral does not include (a) $250, being the proceeds of the initial contribution of the General Partner, (b) $250 received as a fee for issuing the Securities, standing to the credit of the bank account of the Issuer in the Cayman Islands or (c) any earnings thereon or proceeds thereof.

Collateral Debt Obligations

An obligation will be eligible for purchase by the Issuer and pledged to the Trustee and will constitute a "**Collateral Debt Obligation**" if it is an obligation which, at the time it is purchased (or an irrevocable commitment to purchase is entered into):

(i) is a U.S. dollar denominated loan or an Assignment or Participation of a U.S. dollar denominated loan, in all cases, the payments with respect to which are not by the terms of such obligation payable in a currency other than U.S. dollars at the option of the issuer of such obligation;

(ii) is not a Defaulted Obligation, an Equity Security or a Credit Risk Obligation (unless such purchase or acquisition is being made as an Exchange Transaction);

(iii) is not the subject of an offer of exchange or tender by its issuer for cash, securities or any other type of consideration other than a Permitted Offer and has not been called for redemption;

(iv) has only payments that are not expected to subject the Issuer to withholding tax or other similar tax (except for withholding taxes which may be payable with respect to commitment fees and other similar fees associated with Collateral Debt Obligations constituting Revolving Credit Facilities or Delayed Funding Term Loans) unless the related obligor is required to make "gross up" payments that ensure that the net amount actually received by the Issuer (after payment of all taxes, whether imposed on such obligor or the Issuer) will equal the full amount that the Issuer would have received had no such taxes been imposed;

(v) has an S&P Rating and a Fitch Rating;

(vi) is not a security whose repayment is subject to substantial non-credit related risk as determined by the Collateral Manager, in its commercially reasonable business judgment, or to the non-occurrence of certain catastrophes specified in the documents governing such securities; *provided*, that, for the avoidance of doubt, Bridge Loans that are otherwise permissible under the Indenture will not be considered in violation of this clause;

(vii) is not an obligation the interest payments of which are scheduled to decrease (although interest payments may decrease due to unscheduled events such as a decrease of the index relating to a Floating Rate Collateral Debt Obligation, the change from a default rate of interest to a non-default rate or an improvement in the obligor's financial condition);

(viii) is not an obligation pursuant to which future advances may be required, other than Collateral Debt Obligations constituting Revolving Credit Facilities or Delayed Funding Term Loans (to the extent of advances contemplated hereby);

(ix) is not an obligation that provides for mandatory conversion by or is convertible at the option of the issuer thereof into an equity interest at any time (*provided*, that, for the avoidance of doubt, this limitation will not prohibit, limit or otherwise affect any equity or security described in this clause (ix) received by the Issuer in connection with a default, workout, restructuring, plan of reorganization or similar event as part of an exchange of, or distribution on, a Collateral Debt Obligation);

(x) is not a lease other than a Lease Financing Transaction;

(xi) is issued by an issuer: (a) organized in the United States of America or in a sovereign jurisdiction the foreign currency rating of which is at least "AA-" by S&P; (b) that is a Special Purpose Vehicle; or (c) organized under the laws of a Tax Jurisdiction but whose principal place of business or chief executive offices or principal assets are located in the United States;

(xii) provides for payment of a fixed amount of principal in cash, final cash payment or return of posted collateral by the stated maturity thereof (and not redeemable at the option of the issuer for an amount less than the stated par amount thereof);

(xiii) (A) does not have a rating with a "p," "pi," "sf" or "t" subscript as assigned by S&P (or, if the S&P Rating for such Collateral Debt Obligation is determined by reference to a Moody's rating, such Moody's rating does not have a "sf" subscript) and (B) does not have a rating with an "sf" subscript assigned by Fitch;

(xiv) is not a Structured Finance Security;

(xv) is not a Synthetic Security;

(xvi) if (x) a Deferrable Interest Obligation, is not at the time of purchase, deferring payment of any accrued and unpaid interest which would have otherwise been due and continues to remain unpaid, or (y) a Partial Deferrable Interest Obligation, is not at the time of purchase in default with respect to the portion of the interest due thereon to be paid in cash on each payment date with respect thereto;

(xvii) is not a Bridge Loan unless it has been assigned an S&P rating;

(xviii) is not a Prefunded Letter of Credit;

(xix) is issued by an issuer having a total potential indebtedness (as determined by original issuance size) under all loan agreements, indentures, and other underlying instruments entered into directly or indirectly by such issuer as of such date at least equal to $150,000,000;

(xx) (A) in the case of each Substitute Collateral Debt Obligation (other than a Second Lien Loan), is acquired at an acquisition price of at least 50% of the principal balance thereof and (B) in the case of each Substitute Collateral Debt Obligation that is a Second Lien Loan, is acquired at an acquisition price of at least 55% of the principal balance thereof;

(xxi) does not constitute Margin Stock;

(xxii) is not subject to a legally enforceable transfer restriction that prevents a pledge to the Trustee;

(xxiii) does not mature after the Stated Maturity of the Rated Notes;

(xxiv) is not a Zero-Coupon Security;

(xxv) is not a Long-Dated Obligation; and

(xxvi) is not a Senior Secured Note or Bond; *provided*, that such limitation, for the avoidance of doubt, shall not prohibit, limit or otherwise affect the Issuer's receipt of Senior Secured Notes or Bonds in connection with a default, workout, restructuring, plan of reorganization or similar event as part of an exchange of, or distribution on, a Collateral Debt Obligation.

Concentration Limitations

In addition to satisfying the requirements set forth in the definition of Collateral Debt Obligation, on or after the Effective Date, the requirements set forth below (the "**Concentration Limitations**") must be satisfied at the time of the Issuer's commitment to purchase the applicable Collateral Debt Obligation (or if any requirement is not satisfied, it must be maintained or improved):

(1) not more than 5% in Aggregate Principal Amount of the Collateral Portfolio may consist of Collateral Debt Obligations that pay interest less frequently than quarterly; *provided*, that all Collateral Debt Obligations that pay interest less frequently than quarterly must pay interest at least semi-annually;

(2) not more than 5% in Aggregate Principal Amount of the Collateral Portfolio may consist of Collateral Debt Obligations that are Deferrable Interest Obligations, Partial Deferrable Interest Obligations and Step-Up Coupon Securities;

(3) not more than 2.5% in Aggregate Principal Amount of the Collateral Portfolio may consist of Current Pay Obligations;

(4) no portion of the Collateral Portfolio may consist of securities that provide for conversion at the option of the holder, or have equity features attached, that constitute Equity Securities (subject to the other limitations described in the Indenture with respect to the acquisition and retention of Equity Securities) or constitute Exchanged Equity Securities (subject to the other limitations described in the Indenture with respect to the acquisition and retention of Exchanged Equity Securities); *provided*, that, for the avoidance of doubt, this limitation will not prohibit, limit or otherwise affect any Margin Stock received (but not purchased) by the Issuer in connection with a default, workout, restructuring, plan of reorganization or similar event as part of an exchange of, or distribution on, a Collateral Debt Obligation;

(5) not more than 7.5% in Aggregate Principal Amount of the Collateral Portfolio may consist of Collateral Debt Obligations with an S&P Rating of "CCC+" or below (excluding Defaulted Obligations);

(6) not less than 90% in Aggregate Principal Amount of the Collateral Portfolio shall consist of Collateral Debt Obligations that are Senior Secured Loans (excluding First-Lien Last-Out Loans) that are secured by a valid first priority perfected security interest (including Participations) and Eligible Investments;

(7) (A) not more than 10% in Aggregate Principal Amount of the Collateral Portfolio may consist of Second Lien Loans and Unsecured Loans and (B) not more than 2.5% in Aggregate Principal Amount of the Collateral Portfolio may consist of Unsecured Loans (including in each case Participations);

(8) not less than 80% in Aggregate Principal Amount of the Collateral Portfolio may consist of cash, Eligible Investments or obligations of issuers organized under the laws of the United States; not less than 90% in Aggregate Principal Amount of the Collateral Portfolio may consist of cash, Eligible Investments or obligations of issuers organized under the laws of the United States, Canada or the UK; not more than 5% in Aggregate Principal Amount of the Collateral Portfolio may consist of obligations of issuers organized under the laws of European Countries (except that the foregoing restriction shall not apply to issuers organized under the laws of European Countries whose operating revenues are derived primarily in the United States); and not more than the following concentrations in Aggregate Principal Amount of the Collateral Portfolio may consist of Collateral

Debt Obligations of issuers organized under the laws of, or principally located in, the following jurisdictions; *provided*, that any Collateral Debt Obligations of issuers not organized under the laws of, or principally located in the United States, Canada, the UK, or any Tax Jurisdiction must be a Senior Secured Loan:

15%	Canada
5%	United Kingdom or the Netherlands
5%	Australia, Austria, Belgium, Denmark, Finland, France, Germany, Iceland, Liechtenstein, Luxembourg, New Zealand, Norway, Sweden and Switzerland
5%	Tax Jurisdiction
5%	All other Eligible Countries (other than the United States, Canada, the United Kingdom, the Netherlands, Australia, Austria, Belgium, Denmark, Finland, France, Germany, Iceland, Ireland, Liechtenstein, Luxembourg, New Zealand, Norway, Sweden, Switzerland and any Tax Jurisdiction)
0%	Greece, Italy, Portugal, Spain or Emerging Market Country

(9) not more than 5% in Aggregate Principal Amount of the Collateral Portfolio may consist of DIP Loans and not more than 2% in Aggregate Principal Amount of the Collateral Portfolio may consist of DIP Loans of a single obligor;

(10) not more than 0% in Aggregate Principal Amount of the Collateral Portfolio may consist of Fixed Rate Collateral Debt Obligations; provided that, if the Fitch Rating Condition is satisfied, up to 5% of the Aggregate Principal Amount of the Collateral Portfolio may consist of Fixed Rate Collateral Debt Obligations;

(11) not more than 15% of the Aggregate Principal Amount of the Collateral Portfolio may consist of Collateral Debt Obligations that are Revolving Credit Facilities or unfunded portions of Delayed Funding Term Loans;

(12) not more than 5% of the Aggregate Principal Amount of the Collateral Portfolio may consist of Collateral Debt Obligations that are the subject of Permitted Offers;

(13) not more than 2% in Aggregate Principal Amount of the Collateral Portfolio may consist of Lease Financing Transactions;

(14) not more than 2.0% in Aggregate Principal Amount of the Collateral Portfolio may be obligations of a single obligor, except that Collateral Debt Obligations issued by up to five obligors may each constitute up to 2.5% in Aggregate Principal Amount of the Collateral Portfolio; provided that, for each such single obligor, not more than 1.5% in Aggregate Principal Amount of the Collateral Portfolio may consist of obligations of such obligor that are not Senior Secured Loans;

(15) not more than 10% in Aggregate Principal Amount of the Collateral Portfolio may be obligations of obligors in the same S&P Industry Category, except that (x) the largest and the second largest S&P Industry Categories may each contain up to 13.5% in Aggregate Principal Amount of the Collateral Portfolio from obligors and (y) the third largest S&P Industry Category may contain up to 12% in Aggregate Principal Amount of the Collateral Portfolio, in each case, in such S&P Industry Category;

(16) not more than 10% in Aggregate Principal Amount of the Collateral Portfolio may consist of Participations;

(17) not more than 5% in Aggregate Principal Amount of the Collateral Portfolio may consist of Collateral Debt Obligations obtained in an Exchange Transaction (*provided*, that for purposes of this calculation the Principal Balance of such obligations will be the outstanding principal amount thereof);

(18) as of the date of a commitment to acquire by the Issuer, with respect to Collateral Debt Obligations that are Participations, the Aggregate Principal Amount of the Collateral Portfolio that represents (i) Participations entered into by the Issuer with a single Selling Institution, when combined with all of the Participations entered into by the Issuer with such Selling Institution, may not exceed the S&P credit rating set forth below for such Selling Institution, and (ii) the percentage of the Aggregate Principal Amount of the Collateral Portfolio that represents Participations may not exceed the aggregate percentage set forth below for such credit rating:

Long-Term Senior Unsecured Debt Rating of Selling Institution	Individual Percentage Limit	Aggregate Percentage Limit
S&P		
AAA	10%	10%
AA+	10%	10%
AA	10%	10%
AA-	10%	10%
A+	5%	5%
A** and A-1	5%	5%
A*** or A- and below	0%	0%

** Only for so long as the Selling Institution or agent, as applicable, has an S&P long-term unsecured debt rating of at least A and a short-term unsecured debt rating of at least A-1.
***If the Selling Institution or agent, as applicable, does not have a short-term unsecured debt rating by S&P of at least A-1.

(19) not more than 60% in Aggregate Principal Amount of the Collateral Portfolio may consist of Cov-Lite Loans;

(20) not more than 5% in Aggregate Principal Amount of the Collateral Portfolio may consist of Bridge Loans (and the Issuer will provide notice to S&P after the acquisition of each Bridge Loan);

(21) not more than 5% in Aggregate Principal Amount of the Collateral Portfolio may consist of Collateral Debt Obligations issued pursuant to Underlying Instruments governing the issuance of indebtedness having an aggregate issuance amount (whether drawn or undrawn) of less than U.S.$250,000,000; *provided* that no portion of the Collateral Portfolio may consist of Collateral Debt Obligations issued pursuant to Underlying Instruments governing the issuance of indebtedness having an aggregate issuance amount (whether drawn or undrawn) of less than U.S.$150,000,000;

(22) no portion of the Collateral Portfolio may consist of Collateral Debt Obligations and Eligible Investments that are loaned pursuant to Securities Lending Agreements; and

(23) not more than 25% in Aggregate Principal Amount of the Collateral Portfolio may consist of Collateral Debt Obligations that are Discount Obligations.

Purchase of Collateral Debt Obligations During Initial Investment Period

The Issuer expects that, by or on the Closing Date, it will have purchased, or entered into agreements to purchase, Collateral Debt Obligations selected by the Collateral Manager having a principal balance of at least U.S.$283,350,000. The Issuer expects to purchase the remainder of the proposed portfolio of Collateral Debt Obligations during the Initial Investment Period, subject to compliance with the Reinvestment Criteria and other restrictions set forth in the Indenture.

The Issuer is not required to satisfy the Collateral Quality Tests (other than the Weighted Average Life Test), the Concentration Limitations or the Overcollateralization Tests prior to the Effective Date. The Issuer is not required to satisfy the Interest Coverage Tests prior to the third Payment Date.

On the Business Day following any Business Day on which the Effective Date Condition has been satisfied, the Collateral Manager may declare the "Effective Date" and (unless the Effective Date Requirements have been satisfied) request an Effective Date Ratings Confirmation from S&P; *provided* that if no such declaration is made, the Effective Date will be June 20, 2016. The "**Effective Date Condition**" is a condition satisfied if each of the Overcollateralization Tests, the Collateral Quality Tests, the Concentration Limitations and the Reinvestment Criteria that apply to acquisitions on or prior to the Effective Date has been satisfied, and the Issuer has acquired or entered into commitments to acquire Collateral Debt Obligations in an Aggregate Principal Amount (without regard to prepayments, maturities or redemptions and, for the avoidance of doubt, not including any amounts transferred to the Collection Account from the Unused Proceeds Account that have not been invested in Collateral Debt Obligations) greater than or equal to the Effective Date Target Par Amount (calculated after giving effect to clauses (c) and (d) of the definition of Par Value Numerator).

If (x) the Effective Date Requirements have not been satisfied and (y) the Issuer fails to obtain Effective Date Ratings Confirmation prior to the first Determination Date, the Issuer may, in the discretion of the Collateral Manager, apply certain Interest Proceeds and Principal Proceeds to pay principal of the Rated Notes or to reinvest in accordance with the Priority of Payments until such ratings are confirmed or the Rated Notes have been paid in full.

The Coverage Tests and Collateral Quality Tests

The Coverage Tests will be used primarily to determine whether principal and interest may be paid on the Rated Notes or whether funds which would otherwise be used to pay interest on the Mezzanine Notes that would otherwise be distributed to the Holders of the LP Certificates must instead be used to pay principal on one or more Classes of Rated Notes according to the Priority of Payments. The "**Coverage Tests**" will consist of the Senior Note Overcollateralization Test and the Senior Note Interest Coverage Test (together, the "**Senior Coverage Tests**"), the Class C Note Overcollateralization Test and the Class C Note Interest Coverage Test (together, the "**Class C Coverage Tests**"), the Class D Note Overcollateralization Test and the Class D Note Interest Coverage Test (together, the "**Class D Coverage Tests**"), and the Class E Note Overcollateralization Test and the Class E Note Interest Coverage Test (together, the "**Class E Coverage Tests**"). Each Overcollateralization Test will only apply on and after the Effective Date and each Interest Coverage Test will only apply on and after the third Payment Date.

The "**Collateral Quality Tests**," which will be used primarily as criteria for purchasing Collateral Debt Obligations, consists of the following tests, each of which needs to be satisfied, maintained or improved upon purchase of Collateral Debt Obligations: (i) the Weighted Average Life Test; (ii) the S&P Minimum Weighted Average Recovery Rate Test; (iii) the S&P Weighted Average Spread Test; (iv) the S&P CDO Monitor Test; (v) the Moody's Diversity Test; and (vi) the Moody's Weighted Average Rating Factor Test. Measurement of the degree of compliance with the Collateral Quality Tests will be required as of any date of determination at, or subsequent to the Effective Date and as part of the Reinvestment Criteria.

Sales of Collateral Debt Obligations

Subject to the requirements set forth in the Indenture, and *provided* that no Event of Default has occurred and is continuing (except as provided in clause (l) below), the Collateral Manager on behalf of the Issuer may, but is not obligated to, direct the Trustee to sell Collateral Debt Obligations, and during the Reinvestment Period reinvest all or any portion of the related Sale Proceeds in one or more Substitute Collateral Debt Obligations so long as (i) such disposition is classified as a Credit Sale or a Discretionary Sale prior to such disposition, (ii) the conditions applicable to each disposition set forth below have been satisfied (subject in each case to any applicable requirement of disposition under clause (m) below) and (iii) any reinvestment in one or more Substitute Collateral Debt Obligations is in accordance with the Reinvestment Criteria. In addition, the disposition will satisfy the following conditions:

(a) Defaulted Obligations. The Credit Sale of a Defaulted Obligation may occur at any time and, during the Reinvestment Period, the Sale Proceeds may be reinvested (or committed to be reinvested) in one or more Substitute Collateral Debt Obligations.

(b) Equity Securities. The Credit Sale of an Equity Security may occur at any time and, during the Reinvestment Period, the Sale Proceeds may be reinvested (or committed to be reinvested) in one or more Substitute Collateral Debt Obligations; *provided*, that for purposes of this clause (b), Equity Securities will be deemed to include Equity Workout Securities.

(c) Credit Risk Obligations. The Credit Sale of a Credit Risk Obligation may occur at any time and the Sale Proceeds may be reinvested (or committed to be reinvested) in one or more Substitute Collateral Debt Obligations.

(d) Credit Improved Obligations. The Credit Sale of a Credit Improved Obligation may occur at any time and, during the Reinvestment Period, the Sale Proceeds thereof may be reinvested (or committed to be reinvested) in one or more Substitute Collateral Debt Obligations.

(e) Withholding Tax Securities. The disposition of a Withholding Tax Security may occur at any time and, during the Reinvestment Period, the Sale Proceeds thereof may be reinvested (or committed to be reinvested) in one or more Substitute Collateral Debt Obligations.

(f) Discretionary Sales. Sales or other dispositions of Collateral Debt Obligations during the Reinvestment Period that are not classified as Credit Sales ("**Discretionary Sales**") may occur, during the Reinvestment Period only, if (A) the Restricted Trading Condition does not apply and (B) commencing with the first calendar year after the Closing Date, total Discretionary Sales (measured by the par amount of all Collateral Debt Obligations disposed of) during any calendar year do not exceed 20% of the aggregate par amount of all Collateral Debt Obligations (measured as of the first day of such calendar year).

(g) Unsalable Assets. On any Business Day after the Reinvestment Period, the Collateral Manager, in its sole discretion, may conduct an auction on behalf of the Issuer of Unsalable Assets in accordance with the procedures described in this clause (g). Promptly after receipt of written notice from the Collateral Manager of such auction, the Trustee will provide notice (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 Unsalable Asset and the following auction procedures: (i) any Holder of Securities 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 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 (at such Holder's expense) a *pro rata* portion (as determined by the Collateral Manager) of each unsold Unsalable Asset to the Holders 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; *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 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 (iv) if no such Holder 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 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.

(h) Margin Stock. The Collateral Manager on behalf of the Issuer will direct the Trustee to dispose of Margin Stock in a commercially reasonable manner no later than the earliest of 45 days after (i) the date on which such obligation or security became Margin Stock; (ii) the date of acquisition thereof or (iii) the earliest date on which it can be disposed of.

(i) Revolving Credit Facilities. The Issuer will not sell or otherwise dispose of any Revolving Credit Facility unless, concurrently with such disposition, (i) the transferee agrees with the Issuer (for the express benefit of the Issuer and the obligors of such Revolving Credit Facility), that the transferee will, from and after the

consummation of such disposition, perform all of the obligations of the Issuer as lender or counterparty under the underlying instruments in respect of the Revolving Credit Facility disposed of by the Issuer and (ii) by reason of the express terms of the relevant underlying instruments or by reason of the agreement of the obligors of such Revolving Credit Facility (or their duly authorized representative), the Issuer will be released from such obligations.

(j) Exchange Transactions. Notwithstanding anything to the contrary contained in the Indenture, the Collateral Manager may direct the Trustee to acquire, dispose of or exchange and the Trustee will acquire, dispose of or exchange in the manner directed by the Collateral Manager any Collateral Debt Obligation in connection with an Exchange Transaction at any time.

(k) Exchange for Security of Same Obligor. At any time, the Collateral Manager may direct the Trustee in writing to pay for the acquisition of an equity security or any other security which is not eligible for acquisition by the Issuer acquired or received in connection with the disposition or exchange of a Defaulted Obligation or Credit Risk Obligation so long as in connection with such acquisition or exchange, such equity security or other security (an "**Exchanged Equity Security**") is issued by the same obligor as the Defaulted Obligation or Credit Risk Obligation, as applicable (or an Affiliate of or successor to such obligor or an entity that succeeds to substantially all of the assets of such obligor or a significant portion of such assets as identified in writing to the Trustee); *provided*, that notwithstanding anything contained in the Indenture to the contrary, the Issuer will effect such payment with (x) Interest Proceeds so long as, after giving effect to such acquisition, there would be sufficient proceeds pursuant to the Priority of Payments to pay in full all amounts payable pursuant to the Priority of Payments prior to payments to the LP Paying Agent for distribution to Holders of LP Certificates on the next succeeding Payment Date and/or (y) amounts on deposit in the Supplemental Reserve Account. Any such exchange will not constitute a sale under the Indenture.

(l) Sales Permitted Following Event of Default. Notwithstanding the occurrence of an Event of Default, the Collateral Manager may, but will not be under any obligation to, direct the Trustee to sell any Credit Risk Obligations with respect to which the Credit Risk Criteria apply, Defaulted Obligations, Equity Securities, Margin Stock, Withholding Tax Securities and Equity Workout Securities, each as permitted under the Indenture; *provided* that the Collateral Manager may provide a direction under this clause (1) in its sole and absolute discretion and will have no liability to any Person in connection with providing or not providing any such direction.

(m) Potential Volcker Related Sales. Notwithstanding anything to the contrary contained herein, the Collateral Manager (on behalf of the Issuer) will use its reasonable efforts (taking into account such matters as it deems appropriate) to effect the sale or other disposition of any Collateral Debt Obligation or Eligible Investment, other than any senior secured loan, if in the sole reasonable discretion of the Collateral Manager the Issuer's continued ownership of such asset would, in and of itself, be the sole cause of the Issuer being a "covered fund" under the Volcker Rule. Notwithstanding the foregoing, the Collateral Manager will (i) be entitled in its discretion to require, as a prior condition to such disposition requirement, the written opinion of counsel to a Noteholder of national reputation experienced in such matters and reasonably satisfactory to the Collateral Manager, that the Issuer's ownership of such specific asset would in and of itself cause the Issuer to be unable to comply with the loan securitization exemption from the definition of "covered fund" under the Volcker Rule, and (ii) not be required to make any independent investigation of any facts or law not otherwise known to it in connection with its CLO management business generally.

Purchase of Collateral Debt Obligations During and After Reinvestment Period

On any date during the Reinvestment Period (and after the Reinvestment Period with respect to purchases made pursuant to "*—Investment after the Reinvestment Period*" below), the Collateral Manager on behalf of the Issuer may, but is not obligated to (subject to "*—Investment after the Reinvestment Period*" below), direct the Trustee to invest or reinvest, and the Trustee will invest or reinvest in the manner directed by the Collateral Manager, on behalf of the Issuer, uninvested net proceeds from the issuance of the Securities and Principal Proceeds in Collateral Debt Obligations or Substitute Collateral Debt Obligations, as applicable; *provided* that after giving effect to any such investment or reinvestment occurring after the Closing Date, the requirements set forth below and in the Indenture are satisfied; *provided*, *further*, that with respect to the purchase of any Collateral Debt Obligation during the

Reinvestment Period the settlement date for which the Collateral Manager reasonably expects will occur after the end of the Reinvestment Period, to the extent such Collateral Debt Obligation would be purchased using (x) Principal Proceeds consisting of Scheduled Distributions of principal, only that portion of such Principal Proceeds that the Collateral Manager reasonably expects will be received prior to the end of the Reinvestment Period may be used to effect such purchase, (y) Principal Proceeds consisting of Unscheduled Principal Payments to be received after the Reinvestment Period, such Principal Proceeds may be used to effect such purchase only to the extent the Issuer (or the Collateral Manager on its behalf) has received written notice (with a copy provided to the Trustee) from the underlying obligor or administrative agent during the Reinvestment Period of the related prepayment, redemption or refinancing of such Collateral Debt Obligation and (z) Sale Proceeds received by the Issuer after the end of the Reinvestment Period, notwithstanding anything in the Indenture to the contrary, if such Sale Proceeds are in settlement of a sale or disposition that occurred (on a trade date basis) prior to the end of the Reinvestment Period, such Sale Proceeds may be used to effect such purchase and in each case, the related Substitute Collateral Debt Obligation purchased with proceeds described in clauses (x), (y) and (z) above will be treated as having been purchased by the Issuer prior to the end of the Reinvestment Period for purposes of the Reinvestment Criteria.

Reinvestment Criteria during the Reinvestment Period

No Collateral Debt Obligation may be purchased unless the Collateral Manager determines that each of the following conditions (the "**Reinvestment Criteria**") is satisfied as of the date it commits on behalf of the Issuer to acquire such Collateral Debt Obligation (after giving effect to such purchase and all other sales or purchases previously or simultaneously committed to):

(i) the requirements set forth in the definition of Collateral Debt Obligation are satisfied;

(ii) the requirements set forth in the definition of Concentration Limitations are satisfied or, if immediately prior to such investment or reinvestment such test was not satisfied, the results of such test are maintained or improved after giving effect to such investment or reinvestment;

(iii) (A) for Principal Proceeds other than Principal Proceeds received in respect of a Defaulted Obligation, each Coverage Test is satisfied following such investment or reinvestment or, if immediately prior to such investment or reinvestment such test was not satisfied, the results of such test are maintained or improved after giving effect to such investment or reinvestment and (B) for Principal Proceeds received in respect of a Defaulted Obligation, each Coverage Test is satisfied following such investment or reinvestment;

(iv) each of the S&P Minimum Weighted Average Recovery Rate Test, the S&P Weighted Average Spread Test, the S&P CDO Monitor Test (other than the S&P CDO Monitor Test with respect to reinvestment of Sale Proceeds of a Credit Risk Obligation or a Defaulted Obligation), the Moody's Diversity Test, the Moody's Weighted Average Rating Factor Test and the Weighted Average Life Test is satisfied following such investment or reinvestment or, if immediately prior to such investment or reinvestment such test was not satisfied, the results of such test are maintained or improved after giving effect to such investment or reinvestment;

(v) after giving effect to such investment or reinvestment, the Aggregate Unfunded Amount of Revolving Credit Facilities and Delayed Funding Term Loans does not exceed the funds on deposit in the Revolving Credit Facility Reserve Account;

(vi) with respect to the use of Principal Proceeds from sales of Credit Improved Obligations or Discretionary Sales, either (a) the Aggregate Principal Balance of all Collateral Debt Obligations purchased with such Principal Proceeds will be greater than or equal to 100% of the Investment Criteria Adjusted Balance of the Collateral Debt Obligations that were sold or (b) after giving effect to such purchases, the Aggregate Principal Balance of the Collateral Debt Obligations and Eligible Investments constituting Principal Proceeds (x) will be greater than the Effective Date Target Par Balance or (y) will be maintained or improved;

(vii) with respect to the use of Principal Proceeds from sales of Defaulted Obligations, either (a) the Aggregate Principal Balance of all Collateral Debt Obligations purchased with such Principal Proceeds will be greater than or equal to such Principal Proceeds or (b) after giving effect to such purchases, the Aggregate

Principal Balance of the Collateral Debt Obligations and Eligible Investments constituting Principal Proceeds (x) will be greater than the Effective Date Target Par Balance or (y) will be maintained or improved; and

(viii) no Event of Default has occurred and is continuing in accordance with the terms of the Indenture;

provided that, notwithstanding the foregoing provisions, with respect to any Collateral Debt Obligations that are committed to be acquired or disposed of pursuant to a Trading Plan, compliance with the Reinvestment Criteria will be measured by determining the aggregate effect of such trades on the Issuer's level of compliance with such criteria, rather than considering the effect of each acquisition and disposition of such Collateral Debt Obligations individually; *provided, further*, that cash on deposit in the Collection Account may be invested in Eligible Investments, pending reinvestment in Substitute Collateral Debt Obligations.

Not later than two Business Days after the end of the Reinvestment Period, the Collateral Manager will deliver to the Trustee a schedule of Collateral Debt Obligations purchased or committed to be purchased by the Issuer with respect to which the trade date has occurred prior to the end of the Reinvestment Period but the settlement date has not yet occurred.

Investment after the Reinvestment Period

After the end of the Reinvestment Period, provided that no Event of Default has occurred and is continuing in accordance with the terms of the Indenture, and subject to the restrictions set forth in the Priority of Principal Payments, the Collateral Manager on behalf of the Issuer may, but is not obligated to, direct the Trustee to invest or reinvest, and the Trustee will invest or reinvest in the manner directed by the Collateral Manager, on behalf of the Issuer, within the longer of (x) 45 days of the Issuer's receipt thereof and (y) the last day of the related Due Period, all or any portion of (A) Sale Proceeds received with respect to Credit Risk Obligations and (B) Unscheduled Principal Payments in one or more Substitute Collateral Debt Obligations, so long as the Collateral Manager determines that each of the following conditions is satisfied as of the date it commits on behalf of the Issuer to acquire such Substitute Collateral Debt Obligations (after giving effect to such purchase and all other sales or purchases previously or simultaneously committed to):

(i) the requirements set forth in the definition of Collateral Debt Obligation are satisfied;

(ii) the maturity of such Substitute Collateral Debt Obligations is not later than the maturity of the related Disposed Obligation; *provided* that, for purposes of this clause (ii) only, the determination of whether a Substitute Collateral Debt Obligation has the same or earlier maturity than the related Disposed Obligation will be determined on an asset by asset basis and the execution of a Trading Plan will not result in the averaging of the maturities of any Collateral Debt Obligations;

(iii) the Restricted Trading Condition does not apply;

(iv) each Overcollateralization Test is satisfied prior to and following such investment or reinvestment;

(v) such Substitute Collateral Debt Obligation has an S&P Rating that is the same or better than the S&P Rating of the Disposed Obligation; provided that, for purposes of this clause (v) only, the determination of whether a Substitute Collateral Debt Obligation has the same or better S&P Rating than the related Disposed Obligation will be determined on an asset by asset basis and the execution of a Trading Plan will not result in the averaging of the S&P Rating of any Collateral Debt Obligations;

(vi) each of the Concentration Limitations, the Moody's Weighted Average Rating Factor Test, the S&P Minimum Weighted Average Recovery Rate Test, the S&P Weighted Average Spread Test and the Weighted Average Life Test is satisfied following such investment or reinvestment or, if immediately prior to such investment or reinvestment any such test was not satisfied, the results of such test are maintained or improved after giving effect to such investment or reinvestment;

(vii) with respect to the use of Principal Proceeds from sales of Credit Risk Obligations, either (A) the Aggregate Principal Balance of all Collateral Debt Obligations purchased with such Principal Proceeds will

be greater than or equal to such Principal Proceeds or (B) after giving effect to such purchases, the Aggregate Principal Balance of the Collateral Debt Obligations and Eligible Investments constituting Principal Proceeds will be greater than the Effective Date Target Par Balance; and

(viii) with respect to the use of Principal Proceeds from Unscheduled Principal Payments, either (A) the Aggregate Principal Balance of all Collateral Debt Obligations purchased with such Principal Proceeds will be greater than or equal to the Principal Balance of the Disposed Obligations or (B) after giving effect to such purchases, the Aggregate Principal Balance of the Collateral Debt Obligations and Eligible Investments constituting Principal Proceeds will be greater than the Effective Date Target Par Balance.

The Collateral Manager may engage in certain trading activities incidental to the acquisition of Collateral Debt Obligations, such as entering into netting transactions where a portion of an initial commitment is sold prior to settlement. Such sales or netting of commitments prior to settlement will not constitute acquisitions or dispositions of Collateral Debt Obligations under the Indenture.

Notwithstanding any restrictions on sales and purchases in the Indenture, the Issuer will have the right to effect any transaction (whether a purchase, sale, substitution or other acquisition or disposition of Pledged Obligations) which has been consented to in writing by the Holders of Notes evidencing 100% of the Aggregate Outstanding Amount of each Class of Notes and of which each Rating Agency has been notified in writing.

Subject to certain provisions as set forth in the Indenture, but notwithstanding anything else in the Indenture to the contrary, for the avoidance of doubt, any loans, and any securities or other assets received or obtained by the Issuer not in contravention of the Indenture in lieu of Collateral Debt Obligations previously acquired by the Issuer, as determined by the Collateral Manager in good faith, will be excluded from any restrictions on the holding thereof that might otherwise apply.

Restrictions on Amendments and Exchanges

The Collateral Manager, on behalf of the Issuer, shall be authorized to consent to any amendment or exchange of a Collateral Debt Obligation that will result in the Issuer holding an obligation with a later stated maturity than the Collateral Debt Obligation subject to such amendment or exchange; *provided*, *however*, that the Collateral Manager, on behalf of the Issuer, shall not affirmatively consent to an amendment or exchange of a Collateral Debt Obligation with respect to the Issuer's interest therein (which will be retained by the Issuer after such extension becomes effective) that would have the effect of extending the maturity date of the asset to be held by the Issuer during such extended term unless (i) (x) any of (1) after giving effect to any such exchange or amendment, the Weighted Average Life Test will be satisfied or (2) in connection with such amendment or exchange, at least 5% of the principal balance of the original Collateral Debt Obligation is repaid, and (y) the extended maturity date of the asset to be held by the Issuer is not later than two years after the Stated Maturity, (ii) such amendment or exchange is in connection with an insolvency, bankruptcy, reorganization, debt restructuring or workout of the issuer or obligor of such Collateral Debt Obligation; and in the case of clause (ii), the extended maturity date of the asset to be held by the Issuer shall not occur more than two years after the Stated Maturity; provided that immediately after giving effect to any such exchange or amendment under this clause (ii), the Aggregate Principal Balance of all Collateral Debt Obligations then owned by the Issuer in respect of which the Collateral Manager, on behalf of the Issuer, has consented to an amendment or exchange pursuant to the foregoing clause (ii), may not exceed 7.5% of the then Aggregate Principal Amount of the Collateral Portfolio or (iii) in the commercially reasonable business judgment of the Collateral Manager, failure to consent to such amendment or exchange would result in significant risk of a decline in credit quality or market value of the subject Collateral Debt Obligation; and in the case of clause (iii), the extended maturity date of the asset to be held by the Issuer shall not occur more than three years after the Stated Maturity; provided that, immediately after giving effect to any such exchange or amendment under either clause (i) above or this clause (iii), the Aggregate Principal Balance of all Collateral Debt Obligations then owned by the Issuer in respect of which the Collateral Manager, on behalf of the Issuer, has consented to an amendment or exchange pursuant to either the foregoing clause (i) or clause (iii), may not exceed 5% of the then Aggregate Principal Amount of the Collateral Portfolio. For the avoidance of doubt, the Collateral Manager may vote for an extension with respect to an investment it has already sold that has not settled, at the direction of the buyer thereof.

Issuer Subsidiaries

Prior to the time that the ownership of a Collateral Debt Obligation or Equity Workout Security (or any other asset) could cause the Issuer to be treated as engaged in a trade or business in the United States for U.S. federal income tax purposes or subject the Issuer to U.S. tax on a net income basis or to the U.S. branch profits tax (in either case, such Collateral Debt Obligation, Equity Workout Security or other asset, a "**Issuer Subsidiary Asset**"), or upon discovery that any such asset violates the Tax Guidelines, the Issuer either will (i) sell or dispose of all or a portion of such Issuer Subsidiary Asset in accordance with the Indenture, or (ii) contribute such Issuer Subsidiary Asset to a wholly owned special purpose vehicle of the Issuer that is treated as a corporation for U.S. federal income tax purposes (an "**Issuer Subsidiary**"). Any such Issuer Subsidiary shall be a special purpose subsidiary wholly owned by the Issuer that (a) meets S&P's then current criteria for bankruptcy remote special purpose entities established to receive and hold one or more Issuer Subsidiary Assets or transfer such securities, (b) has purposes and permitted activities restricted solely to the acquisition, holding and disposition of any such Issuer Subsidiary Assets or related asset, (c) subject to applicable law, is required to distribute 100% of any distributions on, and proceeds of, any such security, net of any tax liabilities, to the Issuer, (d) is at all times treated as a corporation for U.S. federal income tax purposes and that has not elected to be treated as a "real estate investment trust" for U.S. federal income tax purposes, (e) is incorporated with organizational documents complying with any applicable Rating Agency rating criteria (unless the applicable Rating Condition has been satisfied) and (f) does not have any subsidiaries unless each subsidiary satisfies all of the conditions set forth in clauses (a) through (f) of this definition of "Issuer Subsidiary" (except that, for such purpose, references to "the Issuer" will be deemed to be references to the owner of all of the equity interests in such subsidiary). The Issuer shall not be required to continue to hold in an Issuer Subsidiary (and may instead hold directly) a security that ceases to be considered an Issuer Subsidiary Asset, as determined by the Collateral Manager based on written advice from Ashurst LLP or an opinion of counsel of national reputation experienced in such matters to the effect that the Issuer can transfer such security or obligation from the Issuer Subsidiary to the Issuer and can hold such security directly without causing the Issuer to be treated as engaged in a trade or business in the United States for U.S. federal income tax purposes.

Notwithstanding anything to the contrary in the Indenture, the Issuer will not be permitted to form an Issuer Subsidiary if the ownership of such Issuer Subsidiary by the Issuer would, in the sole reasonable determination of the Collateral Manager, cause the Issuer to be a "covered fund" under the Volcker Rule.

Certain Issuer Accounts

The Trustee will establish certain segregated trust accounts for the benefit of the Secured Parties that will include the following:

Unused Proceeds Account. On the Closing Date, Unused Proceeds will be deposited into the "**Unused Proceeds Account**," as required by the Indenture. During the Initial Investment Period, and, with respect to Unused Proceeds from the issuance of Additional Securities, from and including the date of issuance of such Additional Securities to but excluding the next succeeding Determination Date, Unused Proceeds may be used to purchase Collateral Debt Obligations. On the first Determination Date, any Unused Proceeds (x) other than Reinvestment Income, (y) not required to pay principal of the Notes on the next and succeeding Payment Dates in connection with an Effective Date Ratings Confirmation Failure and (z) not designated as Interest Proceeds by the Collateral Manager on a date not earlier than the date on which the Issuer receives an Effective Date Ratings Confirmation from S&P (or the date on which the Effective Date Requirements have been satisfied, if applicable) (such amounts not to exceed the Unused Proceeds Designation Cap, and provided that immediately after any such designation the Aggregate Principal Amount of the Collateral Portfolio (including, without duplication, the Aggregate Principal Balance of the Collateral Debt Obligations the Issuer has acquired or entered into commitments to acquire, and the Aggregate Principal Balance of all Eligible Investments constituting Principal Proceeds) will be greater than or equal to the Effective Date Target Par Amount) and transferred to the Interest Collection Account and/or the Interest Reserve Account, will be transferred to the Principal Collection Account for application as Principal Proceeds. Amounts designated as Interest Proceeds pursuant to clause (z) above may be transferred to the Interest Collection Account and/or the Interest Reserve Account at the direction of the Collateral Manager on any Business Day following the Effective Date and on or prior to the first Determination Date. On any subsequent Determination Date, any Unused Proceeds will be deposited into the Collection Account as Principal Proceeds, except for (x) Reinvestment Income, which will be treated as Interest

Proceeds and (y) any portion thereof designated as Interest Proceeds by the Collateral Manager and transferred to the Interest Collection Account.

The "**Unused Proceeds Designation Cap**" means, as of any date of determination, an amount equal to the lesser of (i) the amount on deposit in the Unused Proceeds Account on such date and (ii) 0.75% of the Effective Date Target Par Amount.

Collection Account. All collections and distributions with respect to the Collateral Debt Obligations and any proceeds received from the disposition of such obligations, will be deposited into the "**Principal Collection Account**" or "**Interest Collection Account**," each of which is a sub-account of the "**Collection Account**," as required under the Indenture, and will be available, together with reinvestment earnings thereon, for application to the payment of amounts under the Priority of Payments and for the acquisition of Collateral Debt Obligations under the circumstances and pursuant to the requirements of the Indenture.

Interest Proceeds in the Interest Collection Account may be applied to the payment of Administrative Expenses of the Issuer on days other than Payment Dates; *provided* that, except as set forth in the immediately succeeding sentence, (x) such payments do not exceed the amounts permitted to be paid on the related Payment Date pursuant to clauses (B) and (C) of the Priority of Interest Payments and (y) Interest Proceeds have been received during the relevant Due Period in an amount greater than or equal to such payments. Without limitation to the foregoing, Interest Proceeds and Principal Proceeds may be applied to the payment of Special Petition Expenses on any date on which such Special Petition Expenses are incurred.

Collateral Account. All Collateral will be deposited into the "**Collateral Account**" as required by the Indenture.

Payment Account. Funds on deposit in, or otherwise to the credit of, the "**Payment Account**" will be used to make payments on each Payment Date in accordance with the Priority of Payments.

Revolving Credit Facility Reserve Account. Upon and as a condition to the purchase of any Revolving Credit Facility or Delayed Funding Term Loan by the Issuer, funds will be deposited, and at all times funds will be maintained, in the "**Revolving Credit Facility Reserve Account**" such that the amount of funds on deposit in the account will be at least equal to 100% of the Revolver Funding Reserve Amount with respect to the Issuer. The "**Revolver Funding Reserve Amount**" means, with respect to the Issuer or any Issuer Subsidiary, an amount (not less than zero) equal to the sum of the aggregate undrawn and outstanding commitment amounts under each Revolving Credit Facility and Delayed Funding Term Loan held by the Issuer or such Issuer Subsidiary.

Upon initial purchase, such funds will be treated as part of the purchase price for the related Collateral Debt Obligation. After the initial purchase, all principal payments received on any Revolving Credit Facility or Delayed Funding Term Loan held by the Issuer will be deposited directly into the Revolving Credit Facility Reserve Account (and will not be available for distribution as Principal Proceeds) to the extent required to maintain the Revolver Funding Reserve Amount with respect to the Issuer (including with respect to the amount of such principal payments that may be re-borrowed under such Revolving Credit Facility). Upon the sale, maturity or termination of a Revolving Credit Facility or Delayed Funding Term Loan or termination of the related commitment, any funds in the Revolving Credit Facility Reserve Account in excess of the amount needed to maintain the Revolver Funding Reserve Amount with respect to the Issuer will be transferred to the Collection Account and treated as Sale Proceeds.

Interest Reserve Account. On the Closing Date, the Issuer will deposit $3,000,000 into the "**Interest Reserve Account**." Before the Effective Date, funds in the Interest Reserve Account may be designated as Unused Proceeds by the Collateral Manager. Funds in the Interest Reserve Account may be applied as Interest Proceeds in accordance with the Indenture. Amounts remaining in the Interest Reserve Account as of the Determination Date prior to the fourth Payment Date will be transferred to the Collection Account as Interest Proceeds or Principal Proceeds (as designated by the Collateral Manager).

Expense Reserve Account. On each Payment Date, to the extent of funds available in accordance with the Priority of Interest Payments, the Issuer will deposit an amount into the "**Expense Reserve Account**" such that the balance in such account does not exceed $1,238,960. Amounts on deposit in the Expense Reserve Account may be used to pay certain Administrative Expenses between Payment Dates.

Supplemental Reserve Account. On each Payment Date during or after the Reinvestment Period, the Trustee will, at the written direction of the Collateral Manager, deposit all or a portion of amounts otherwise available for distribution pursuant to clause (V) of the Priority of Interest Payments in the "**Supplemental Reserve Account**" up to an amount not to exceed 1% of the Effective Date Target Par Amount in the aggregate for all applicable Payment Dates. Amounts on deposit in the Supplemental Reserve Account may be used at the direction of the Collateral Manager for a Permitted Use.

Contribution Account. Upon receiving a Contribution, the Trustee will immediately deposit such Contribution into the "**Contribution Account**." Funds on deposit in the Contribution Account may only be used, at the direction of the applicable Contributor, for a Permitted Use (as determined and specified by the Collateral Manager to the Trustee based on such direction) or for investment in Eligible Investments by the Trustee in accordance with the Indenture.

Hedge Agreements

The Issuer will not be permitted to enter into any hedge agreements.

USE OF PROCEEDS

Proceeds received on the Closing Date from the sale of the Securities will be used by the Issuer (i) to acquire the Pre-Closing Date Assets and additional Collateral Debt Obligations, (ii) to fund deposits into various accounts of the Issuer and (iii) to pay certain closing fees and expenses of the Issuer and other Transaction Parties, including without limitation, the expenses incurred by the Initial Purchaser, the Collateral Manager and their respective affiliates, including travel expenses, relating to the marketing of the Securities and Income Notes offered hereunder. Proceeds received on the Closing Date from the sale of the Income Notes will be used by the Income Note Issuer to acquire LP Certificates.

The net proceeds from the issuance of the Securities that will be used to acquire Collateral Debt Obligations, after payment of applicable closing fees and expenses of the Issuer and other Transaction Parties in connection with the structuring and placement of the Securities and the Income Notes (including by making a deposit to the Interest Reserve Account and to the Expense Reserve Account of funds to be used to pay expenses following the Closing Date), are expected to be at least U.S.$369,400,000.

Such net proceeds on the Closing Date will be deposited into the Unused Proceeds Account to be applied as described under "*Security for the Notes—Certain Issuer Accounts—Unused Proceeds Account,*" including the purchase of additional Collateral Debt Obligations and the payment of all amounts due to the warehouse lender under the related credit agreement. The Issuer will use commercially reasonable efforts to purchase on or before the Effective Date a portfolio of Collateral Debt Obligations in an aggregate principal amount (without regard to prepayments, maturities or redemptions) approximately equal to the Effective Date Target Par Amount.

MATURITY AND PREPAYMENT CONSIDERATIONS

The Stated Maturity of the Notes is the Payment Date in April, 2028. The term "average life" refers to the average amount of time that will elapse from the date of delivery of a security until each dollar of the principal of such security will be paid to the investor. The actual maturities of the Rated Notes are expected to occur prior to their applicable Stated Maturity. The actual average lives of the Rated Notes will be determined by the amount and frequency of principal payments, which are dependent upon, among other things, the amount of sinking fund payments and any other payments received at or in advance of the scheduled maturity of Collateral Debt Obligations (whether through sale, maturity, redemption, default or other liquidation or disposition). The actual average lives and actual maturities of the Rated Notes will be affected by the financial conditions of the obligors of the underlying Collateral Debt Obligations and the characteristics of such securities, including the existence and frequency of exercise of any optional or mandatory prepayment or redemption features, the prevailing level of interest rates, the redemption price, the actual default rate and the actual level of recoveries on any Defaulted Obligations, and the frequency of tender or exchange offers for such Collateral Debt Obligations. Substantially all of the Collateral Debt Obligations are expected to be subject to sinking fund payments, voluntary prepayment or optional redemption by the obligor of such securities. Any

disposition of a Collateral Debt Obligation may change the composition and characteristics of the Collateral Debt Obligations and the rate of payment thereon, and, accordingly, may affect the actual average lives of the Rated Notes. The rate of future defaults and the amount and timing of any cash realization from Defaulted Obligations will affect the maturity and average lives of the Rated Notes. The ability of the Collateral Manager to reinvest Principal Proceeds in Collateral Debt Obligations meeting the Reinvestment Criteria will also affect the average lives of the Rated Notes.

THE COLLATERAL MANAGER

*The information appearing in this section has been prepared by LCM Asset Management LLC ("**LCM**") and has not been independently verified by the Issuer or the Initial Purchaser. Accordingly, notwithstanding anything to the contrary herein, none of the Issuer, the Initial Purchaser or any other Transaction Party (other than the Collateral Manager) assumes any responsibility for the accuracy, completeness or applicability of such information. The Issuer and the Income Note Issuer have taken reasonable care to ensure that this information has been accurately reproduced and as far as the Issuer and the Income Note Issuer are aware and are able to ascertain from information provided by LCM, no facts have been omitted which would render the reproduced information materially inaccurate or misleading.*

Collateral Manager

LCM will be engaged by the Issuer to manage the Collateral pursuant to the Collateral Management Agreement described below under "*The Collateral Management Agreement.*"

LCM was established as a Delaware limited liability company under the name of Lyon Capital Management LLC in August 2001, in order to manage investor funds through a series of leveraged and non-leveraged vehicles or investment funds, accounts or vehicles which principally include portfolios of senior secured bank loans. On January 29, 2010, Tetragon Financial Group Limited along with an affiliate acquired LCM from Calyon and changed LCM's name to LCM Asset Management LLC. As of October 28, 2012, LCM is an indirect wholly-owned subsidiary of TFG. See "*—TFG*" below. LCM has service agreements in place with certain affiliates, including TCI Capital Management, pursuant to which LCM may render investment services on behalf of such affiliates.

LCM has been staffed with senior professionals with significant experience in leveraged lending as well as relevant industry specialties. LCM's principal offices are located at 399 Park Avenue, 22nd Floor, New York, New York.

LCM currently serves and may in the future serve as collateral manager or manager of various collateralized loan obligation vehicles, funds, managed accounts or other investment vehicles. On June 5, 2003, the LCM I Limited Partnership transaction, for which LCM is collateral manager, closed. On July 2, 2004, LCM succeeded to the collateral management business of Calyon, New York Branch. In connection with such succession, LCM assumed the collateral management function for five Indosuez Capital collateral debt obligation transactions, of which one remains outstanding and is under the management of LCM. On November 9, 2004, the LCM II Limited Partnership transaction, for which LCM is collateral manager, closed. On April 21, 2005, the LCM III Ltd. transaction, for which LCM is collateral manager, closed. On August 2, 2005, the LCM IV Ltd. transaction, for which LCM is collateral manager, closed. On March 21, 2007, the LCM V Ltd. transaction, for which LCM is collateral manager, closed. On May 30, 2007, the LCM VI Ltd. transaction, for which LCM is collateral manager, closed. On August 2, 2007, the LCM VII Ltd. transaction, a market value transaction for which LCM was collateral manager, closed; LCM VII Ltd. has subsequently been liquidated. On October 8, 2010, LCM was appointed collateral manager for Hewett's Island CLO IV, Ltd. On November 23, 2010, the LCM VIII Limited Partnership transaction, for which LCM is collateral manager, closed. On June 22, 2011, the LCM IX Limited Partnership transaction, for which LCM is collateral manager, closed. On February 15, 2012, the LCM X Limited Partnership transaction, for which LCM is collateral manager, closed. On May 24, 2012, the LCM XI Limited Partnership transaction, for which LCM is Collateral Manager, closed. On October 4, 2012, the LCM XII Limited Partnership transaction, for which LCM is Collateral Manager, closed. On February 26, 2013, the LCM XIII Limited Partnership transaction, for which LCM is the Collateral Manager, closed. On July 11, 2013, the LCM XIV Limited Partnership transaction, for which LCM is the Collateral Manager, closed. On February 25, 2014, the LCM XV Limited Partnership transaction, for which LCM is the Collateral Manager, closed. On June 19, 2014, the LCM XVI Limited Partnership transaction, for which LCM is the Collateral Manager, closed. On October 15, 2014, the LCM XVII Limited Partnership transaction, for which LCM is the Collateral Manager, closed. On March 31, 2015, the LCM XVIII Limited Partnership transaction, for which LCM is the Collateral Manager, closed. On July 28, 2015, the LCM XIX Limited Partnership transaction, for which LCM is the Collateral Manager, closed. On November 13, 2015, the LCM XX Limited Partnership transaction, for which LCM is the Collateral Manager, closed.

Management

LCM's management team includes senior professionals with experience in the loan market, including underwriting, trading, operations and portfolio management of senior bank loans. Additional professionals will assist in the analysis and monitoring of macroeconomic trends and various industrial sectors and obligors. LCM's senior portfolio managers and other staff dedicate 100% of their professional time to matters related to LCM and TFG and their respective subsidiaries and affiliates (including to the general partner of the TFG Risk Retention Party and to TCI Capital Management, in each such case pursuant to applicable services agreements). The investment committee of LCM (the "**LCM Investment Committee**") is comprised of individuals who are employees or officers of LCM. The LCM Investment Committee is primarily responsible for decisions to acquire investments. Any action by the LCM Investment Committee requires a quorum consisting of a majority of the LCM Investment Committee members and unanimous agreement of such members who constitute a quorum. Tetragon Capital Management LLC, a subsidiary of TFG, is the managing member of LCM. There can be no assurance that any of the aforementioned individuals will remain associated with LCM.

LCM's management team currently includes the following senior portfolio managers:

Farboud Tavangar

Farboud Tavangar joined LCM in 2001. He is responsible for the overall activities conducted by LCM, including portfolio optimization, credit oversight and investor relations. In connection with the transfer of Crédit Lyonnais' corporate and investment banking business to Crédit Agricole, that resulted in Calyon, he was chosen to manage the combined collateral debt obligation management activities of Crédit Lyonnais and CAI (Indosuez Capital). From 1994-2000, Mr. Tavangar was in charge of the commercial lending activities to the health care sector (hospitals, long term care, managed care, medical equipment, PPMs, diagnostics, alternate site). From 1990-1994 he was a member of the Lodging Group financing hotel properties and companies, casinos and ski resorts. He started his banking career in 1986 with Irving Trust Company (subsequently The Bank of New York). Upon completion of the credit training program, he joined the Real Estate Activities Group, first as part of the loan syndications team then as part of the loan origination team. He received an MBA from Columbia University in 1985 and a degree in mechanical/electrical engineering from ESTP (*Ecole Supérieure des Travaux Publics*), France in 1983.

Marc Schluraff

Marc Schluraff, CFA, joined the LCM team in May 2005 with a special focus on product development, organization and controls. Mr. Schluraff began his career with Credit Lyonnais in 1985 in the Capital Markets Division, where he actively participated in the building of the Bank's derivatives activities. In 1988 he transferred to Japan to establish and manage the Foreign Exchange and Interest Rate Derivatives as well as the Structured Products desks. He joined Credit Lyonnais Americas in 1992 to head the Fixed Income Distribution and Structured Products desks. In 1996 he joined the effort to establish the Bank's Credit Portfolio & Balance Sheet Management team, taking direct responsibility for the Asset/Liability Management function and the structuring, execution and maintenance of capital market transactions, including securitization and credit derivatives, aimed at optimizing the risk profile and risk adjusted returns of the Bank's Loan portfolio. Such transactions have included a $4 billion synthetic CLO and a $2 billion balance sheet CLO for which his group acted as collateral manager. Mr. Schluraff received an MBA in Finance from ESSEC (*Ecole Supérieure des Sciences Economiques et Commerciales*), France in 1984.

LCM's management team also currently includes the following individuals:

Alexander Kenna

Alex Kenna's responsibilities include portfolio optimization, credit oversight and analysis and investor relations. Mr. Kenna joined LCM in 2003 from the Crédit Lyonnais Asset Recovery Group where he concentrated on workouts in the energy and industrial sectors. Prior to that, Mr. Kenna was with the Crédit Lyonnais Financial Sponsor Group focusing on senior secured debt financings for leveraged buyouts led by a variety of financial sponsors. From 2006 to mid-2008, Mr. Kenna was an Executive Director at Morgan Stanley & Co, responsible for the trading, portfolio management and credit oversight of the leveraged loan portfolio within the Morgan Stanley credit proprietary trading book. Mr. Kenna holds a BA degree from Colgate University and an MBA from Columbia University.

Sophie-Aurore Venon

Sophie Venon joined LCM in July 2003. Ms. Venon is in charge of Credit Analysis. She oversees the Investment Analysts, screens opportunities and is in charge of industrial sector and company risk migrations. Since July 2005, she has covered the Cable and Telecom, Media, Gaming, Leisure and Industrials sectors. From July 2003 to July 2005, she focused on Health Care, Retail, Gaming and Coal. Prior to joining LCM, Ms. Venon was a financial analyst for Crédit Lyonnais' Health Care Group for four years. During that time, she focused on leveraged loans within the hospital, managed care and medical device sectors. Ms. Venon received a Masters Degree in Finance from EM Lyon (Lyon Graduate School of Business) in 1999.

Dominique Ithurralde

Dominique Ithurralde joined LCM in January 2008, focusing on Middle Office and Risk Management functions. Prior to joining LCM, Mr. Ithurralde worked two years at Calyon Securities as a Senior Associate in Middle Office in the Global Equity Derivatives Department. Prior to this, from 2000 to 2005, he was a Senior Analyst in the PBSM group of Calyon in the Americas. Prior to this, Mr. Ithurralde held a position within Crédit Lyonnais Leverage, Equity and Financial Sponsor Division in Paris. He received a Master Degree in Financial Engineering from University of Paris-XII, France in 1999 and a Bachelor of Sciences in Mathematics from University of Marseille, France in 1997.

Francois Laberenne

Francois Laberenne joined LCM in 2004. He is in charge of executing the deals that have been approved by the LCM Investment Committee. He prepares market analysis for primary and secondary transactions, tracking trading levels on institutional tranches, identifying those deals that would add value to the portfolio and determining the trading levels for assets which are discussed during Investment Committee meetings. Prior to joining LCM, Francois Laberenne held a position within Natexis Banques Populaires Fixed Income Syndicate in Paris, France. He received a Master in Finance from University of Paris-Dauphine Magistère Banque Finance program in 2003.

Erwan Maliverney

Erwan Maliverney joined LCM in February 2011. From 2007 to January 2011, Mr. Maliverney was a Senior Credit Analyst at Kohlberg Capital, specializing in middle market debt investments in a variety of sectors including consumer products, financial services, food, general industrials, retail and building products. Prior to joining Kohlberg Capital, Mr. Maliverney was a Vice President in the Leveraged Finance Group of BNP Paribas (2001-2006), structuring and executing sponsor-backed leveraged transactions. Mr. Maliverney also worked for one year at Euronext in France, providing support to the Euronext Listing Admission Committee. Mr. Maliverney received a Master of Science Degree in Corporate Finance from the Ecole de Management, Lyon, France in 2000. He also received a B.A. in European Business Administration from Middlesex University Business School, London, U.K., and is a graduate from Centre d'Etudes Supérieures de Management in Reims, France.

Manuela Rath

Manuela Rath first joined LCM Asset Management in June 2006 and currently focuses on the power, consumer products, and healthcare service / equipment portfolios. From 2009 to 2011 Manuela worked at Crédit Agricole's Natural Resources, Infrastructure, and Power Group, where she was in charge of originating, structuring, and executing Project Finance transactions in North America. Prior to 2006, Manuela worked as an analyst in asset-based lending at RB International Finance, LLC. Manuela holds a MBA from the University of Economics and Business Administration in Vienna, where she graduated in 2003.

Debbie Sanfiorenzo

Debbie Sanfiorenzo is responsible for monitoring and controlling on a daily basis the Loan Servicing function and tracking cash flow activity in the LCM funds. She joined LCM in 2001. Prior to this, she worked within Calyon's Loan Servicing and Agency department. Debbie Sanfiorenzo joined Calyon in 1985. She received an AS in accounting from the City University of New York in 1995.

Patrick White

Patrick White joined LCM in August 2007. He is responsible for the chemical, machinery and packaging industries. Prior to joining LCM, he was an analyst at Silverline Partners, where he analyzed potential lower-middle market investments, and a trader at Pilot Advisors, where he traded equities and options. Patrick received a B.A. from Dartmouth College in 2005 where he majored in Economics.

Judith Goldstein

Judith Goldstein joined LCM in January 2014. Prior to joining LCM, Ms. Goldstein managed the marketing communications of Arcadian Networks, a telecom start-up in the smart-grid sector. She also provided marketing and financial consulting services to private companies in the film, art, and agribusiness industries. Ms. Goldstein's financial career started at Credit Lyonnais, where she was part of the start-up team of the Merchant Banking Group, focusing on LBOs, real estate, hotel and cable deals. Subsequently, Ms. Goldstein managed business development projects for the bank as well as marketing and research. Ms. Goldstein has a Masters of International Affairs with a concentration in International Business from Columbia University's School of International and Public Affairs.

Tinna Bustos

Tinna joined LCM in April 2014. She graduated from Stony Brook University in May 2011 with a BSc in Computer Science. Her focus is on developing and maintaining the processes, controls and analytics systems within LCM. Prior to LCM, she was a part of the software development team at Credit Agricole, where she worked on securities pricing applications using the .NET framework.

Guillaume Wolff

Guillaume Wolff joined LCM in November 2014. He is responsible for credit oversight and analysis. Prior to joining LCM, he worked as an Investment Banking Analyst in the Consumer & Retail team at Deutsche Bank London, where his primary focus was on M&A, IPOs and debt issuances. Guillaume received a Master in Management and a Master of Science in Corporate Finance from EDHEC Business School (Nice, France) in 2013.

Justin Landolfe

Justin Landolfe, CPA, joined LCM in March 2014. He is responsible for credit oversight and analysis. Prior to joining LCM, he was an Accounting/Operations Associate at Cyrus Capital Partners, where his primary focus was on distressed debt securities. Justin holds a BA degree from Pace University in Finance and Accounting.

TFG

Tetragon Financial Group Limited ("**TFG**") is a Guernsey company traded on Euronext Amsterdam N.V. under the ticker symbol "TFG" that aims to provide stable returns to investors across various credit, equity, interest rate, inflation, and real estate cycles. TFG's investment portfolio comprises a broad range of assets, including a diversified alternative asset management business, TFG Asset Management, and covers bank loans, real estate, equities, credit, convertible bonds and infrastructure.

TFG's investment objective is to generate distributable income and capital appreciation. TFG invests through a "master-feeder" structure whereby TFG's direct investment is in shares of Tetragon Financial Group Master Fund Limited ("**TFGMFL**" or the "**Master Fund**"). All of the outstanding voting shares of TFG and the Master Fund are owned by Polygon Credit Holdings II Limited ("**Polygon Holdings II**"). Polygon Holdings II is controlled by Reade Griffith and Paddy Dear.

LCM is an indirect wholly-owned subsidiary of TFG. Tetragon Financial Management LP (the "**TFG Investment Manager**") has been appointed the investment manager of TFG and the Master Fund pursuant to an investment management agreement dated April 26, 2007. The management and control of the TFG Investment Manager is vested in its general partner, Tetragon Financial Management GP LLC (the "**TFM General Partner**"), which is responsible for all actions of the TFG Investment Manager. The TFM General Partner is directly or indirectly controlled by Reade Griffith and Paddy Dear. TFG Asset Management L.P. (the "**Registered Adviser**") is an affiliate of LCM and is currently registered as an investment adviser under the Advisers Act. LCM relies on the registration of the Registered Adviser and is not itself registered as an investment adviser under the Advisers Act. LCM or an

affiliate of LCM may apply to register under the Advisers Act in the event that the applicable entity determines, in its sole discretion, that such registration is necessary or advisable. There can be no assurance the Registered Adviser, or, if registered, LCM or the applicable affiliate, will continue to be registered as an investment adviser under the Advisers Act. Solely to the extent that the Registered Adviser or the applicable affiliate of LCM is registered as an investment adviser under the Advisers Act, LCM may rely upon such registration if LCM is not itself registered. Solely to the extent that the Registered Adviser, LCM or the applicable affiliate of LCM is registered under the Advisers Act, the investment advisory activities of LCM will be subject to the Advisers Act and the rules thereunder applicable to such registrants.

TFGAM is a wholly-owned subsidiary of TFG. LCM and the TFG Risk Retention General Partner are wholly-owned subsidiaries of TFGAM. The Master Fund also holds limited partnership interests in the TFG Risk Retention Party.

Additional information regarding TFG is available on TFG's website at www.tetragoninv.com (the "**TFG Website**"). Investors are advised to consult the TFG Website for further information regarding LCM, TFG and its Affiliates, and their respective principals.

Additional Information

In connection with the description of the Collateral Manager set forth in this section, see also "*Risk Factors—Risk Factors Relating to Conflicts of Interest—Conflicts of Interest Involving the Collateral Manager,*" "*Risk Factors—Risk Factors Relating to the Securities and the Income Notes—Dependence on Key Personnel of the Collateral Manager,*" "*—Collateral Manager; Past Performance Not Indicative,*" and "*Description of the Securities and the Income Notes—Distributions on the LP Certificates, Class II LP Interests, Class III LP Interests and the Income Notes.*"

The delivery of the information set forth in this section will not create any implication that there has been no change in the affairs of LCM or TFG or any of their respective Affiliates since the date of this Offering Memorandum, or that the information contained or referred to in this section is correct as of any time subsequent to the date of this Offering Memorandum.

Unless otherwise expressly provided in this Offering Memorandum or the Indenture, with respect to any provision for consent of the Collateral Manager, such consent may be provided or withheld in the Collateral Manager's sole discretion.

THE COLLATERAL MANAGEMENT AGREEMENT

The Collateral Manager will perform certain investment management functions, including directing and supervising the investment and reinvestment in Collateral Debt Obligations and Eligible Investments, and will perform certain administrative functions on behalf of the Issuer in accordance with the applicable provisions of the Collateral Management Agreement. The Collateral Manager will be authorized to supervise and direct the investment, reinvestment and disposition of Collateral Debt Obligations, with full authority and at its discretion on the Issuer's behalf and at the Issuer's risk, in accordance with the Collateral Management Agreement and the Indenture.

Compensation

As compensation for its services under the Collateral Management Agreement, the Collateral Manager will be entitled to receive a Collateral Management Fee (the "**Collateral Management Fee**"), which will consist of the Senior Collateral Management Fee and the Subordinated Collateral Management Fee.

The "**Senior Collateral Management Fee**" will be payable in arrears on each Payment Date to the extent of funds available for such purpose in accordance with the Priority of Payments and will accrue for each Due Period at a rate of 0.15% *per annum* (calculated on the basis of the actual number of days elapsed in the applicable Due Period divided by 360) of the Fee Basis Amount on the first day of the Due Period preceding such Payment Date.

The "**Subordinated Collateral Management Fee**" will be payable in arrears on each Payment Date to the extent of funds available for such purpose in accordance with the Priority of Payments and will accrue for each Due Period at a rate of 0.25% *per annum* (calculated on the basis of the actual number of days elapsed in the applicable Due Period divided by 360) of the Fee Basis Amount as of the first day of the Due Period preceding such Payment Date. The Subordinated Collateral Management Fee will accrue from the Closing Date whether or not currently payable in accordance with the Priority of Payments.

If the Collateral Management Agreement is terminated for any reason or the Collateral Manager resigns or is removed, the Collateral Management Fee calculated as provided above will be prorated for any partial period elapsing from the prior Payment Date to the date of such termination, resignation or removal and will be due and payable on the first Payment Date following the date of such termination, resignation or removal, subject to the Priority of Payments.

To the extent it is not paid on any Payment Date when due, a portion of the Subordinated Collateral Management Fee equal to the shortfall will be deferred and will accrue interest at a rate equal to LIBOR plus 7.65% for the applicable Interest Accrual Period and will be payable on subsequent Payment Dates on which funds are available therefor according to the Priority of Payments. Any interest due on the amounts so deferred will thereupon constitute accrued Subordinated Collateral Management Fees.

The Collateral Manager, in its sole discretion, may elect to defer receipt of all or a portion of the Senior Collateral Management Fee and/or Subordinated Collateral Management Fee payable in connection with any Payment Date by providing written notice of such election at least three Business Days prior to such Payment Date. Any amount of fees so deferred by the Collateral Manager will be payable without interest on the subsequent Payment Date or Payment Dates in accordance with notice from the Collateral Manager to the Trustee at least three Business Days prior to any such subsequent Payment Date, *provided* that the payment of such amount does not result in the occurrence of an Event of Default on such Payment Date.

In addition, the Collateral Manager will be reimbursed for certain other amounts owed to it under the Collateral Management Agreement pursuant to the Priority of Payments.

In connection with the appointment of a successor collateral manager, the Issuer may make such arrangements for the compensation of such successor as the Issuer and such successor will agree; *provided*, *however*, that no compensation payable to a successor from payments on the Collateral Debt Obligations will be greater than that provided under the Collateral Management Agreement unless the Indenture has been amended or supplemented to permit such payment. If the Collateral Manager resigns or is removed for any reason, the resigned or removed Collateral Manager will be entitled to receive the Senior Collateral Management Fee and the Subordinated Collateral Management Fee accrued and unpaid as of the effective date of such resignation or removal on each Payment Date

that the Senior Collateral Management Fee or Subordinated Collateral Management Fee, as applicable, is paid in accordance with the Priority of Payments *pro rata* with the respective amounts of the Senior Collateral Management Fee and Subordinated Collateral Management Fee payable to the succeeding Collateral Manager(s) based on the accrued and unpaid amounts owing to such resigning or removed Collateral Manager, on the one hand, and to the unpaid amounts owing to the succeeding Collateral Manager(s), on the other hand.

Removal

Under the terms of the Collateral Management Agreement:

(i) The Collateral Manager may be removed upon at least 90 days prior written notice by the Holders of more than 75% of the Aggregate Outstanding Amount of each Class of Notes (voting separately by Class) or upon the vote of a Supermajority of the LP Certificates in the event that (A) the sum of the Aggregate Principal Amount of the Collateral Portfolio is less than (B) the Aggregate Outstanding Amount of the Class A Notes as of the most recent Measurement Date; or

(ii) The Collateral Manager may be removed immediately (subject to the proviso below) upon written notice by the Issuer if the Issuer (a) is directed by the Holders of more than 75% of the Aggregate Outstanding Amount of each Class of Notes (voting separately by Class) or upon the vote of a Supermajority of the LP Certificates and (b) determines in good faith upon consultation with counsel experienced in such matters that the appointment of the Collateral Manager under the Collateral Management Agreement has (i) caused or required the Issuer to become registered as an investment company under the Investment Company Act, (ii) required the pool of Collateral to be registered as an investment company under the Investment Company Act, or (iii) caused the Issuer to be engaged in the conduct of a trade or business in the United States for U.S. federal income tax purposes based on a "determination" within the meaning of Section 1313(a) of the Code; *provided*, that the Collateral Manager will have the right to contest such determination and no removal will be effective if the Collateral Manager successfully remedies or cures the circumstances that gave rise to the Issuer's right to remove the Collateral Manager within ten days of notice thereof.

In addition, the Collateral Manager may be removed for Cause (as defined below) upon 30 days' prior written notice to the Collateral Manager by the Issuer or Trustee (a) upon the vote of a Majority of the LP Certificates, (b) at the direction of the Holders of more than 75% of the Aggregate Outstanding Amount of each Class of Notes (voting separately by Class) or (c) only for so long as the Class A Notes are the Controlling Class, at the direction of a Majority of the Controlling Class (in each case, subject to the provisions of "*—Conflicts of Interest: Voting*" set forth below); *provided* that with respect to a removal at the direction of a Majority of the Controlling Class, such removal may only be for Cause pursuant to clauses (c), (d) and (e) of the definition of "Cause" below; *provided, further*, that no such removal will be effective until (i) the date as of which a successor collateral manager has been appointed and agreed in writing to assume all of the Collateral Manager's duties and obligations pursuant to the Collateral Management Agreement, (ii) notice of such removal has been given to the Holders of each Class of the Notes and the Holders of the LP Certificates and the Collateral Manager, which notice to the Collateral Manager will set forth with reasonable particularity the basis of such Cause, and (iii) each Rating Agency will have confirmed in writing that the appointment of such institution will not result in a qualification, downgrade or withdrawal of the current ratings of the Notes. For purposes of this paragraph, "**Cause**" means:

(a) the Collateral Manager breaches any material provision of the Collateral Management Agreement or the Indenture applicable to it, which breach (i) if capable of being cured, is not cured within 30 days of the Collateral Manager becoming aware of, or receiving notice from the Issuer or the Trustee of, such breach and (ii) has a material adverse effect on the Holders of any Class of Notes or the Holders of the LP Certificates;

(b) the failure of any representation, warranty, certification or statement made or delivered by the Collateral Manager in or pursuant to the Collateral Management Agreement or the Indenture to be correct in any material respect when made and (i) if capable of being corrected, no correction is made for a period of 45 days after the Collateral Manager receives notice from the Issuer or the Trustee of, such failure and (ii) such failure has a material adverse effect on the Holders of any Class of Notes or the Holders of the LP Certificates;

(c) certain events of bankruptcy or insolvency occur in respect of the Collateral Manager;

(d) a default occurs in the payment, when due and payable, of any interest on any Senior Note or, if there are no Senior Notes Outstanding, any Class C Note or, if there are no Senior Notes or Class C Notes Outstanding, any Class D Note, or, if there are no Senior Notes, Class C Notes or Class D Notes Outstanding, any Class E Note, and such default continues, in each case, for a period of five Business Days (except if such default is caused solely by the Trustee's, Paying Agent's or Issuer's failure to perform its or their duties under the Indenture) that results primarily from any material breach by the Collateral Manager of its duties under the Indenture or the Collateral Management Agreement; or

(e) an indictment for criminal prosecution of the Collateral Manager for an act that constitutes fraud or criminal activity related to the Collateral Manager's advisory services to the Issuer; *provided*, that any indictment arising from practices that have become subject of contemporaneous actions against multiple investment advisers will not constitute "Cause" for purposes of this clause (e) unless more than 120 days have expired since the commencement of such indictment during which period the Collateral Manager has failed to cure such indictment (for purposes of this clause, an indictment will be deemed cured if the Collateral Manager enters into an agreement of settlement with any authority that has commenced an indictment, which agreement is entered into without prejudice to the Collateral Manager or without admission of fault or wrongdoing by the Collateral Manager).

If any of the events specified in clauses (a) through (e) of the preceding paragraph occur, the Collateral Manager will within five Business Days of becoming aware of the occurrence of such event give written notice thereof to the Issuer, the Trustee and the Holders of all outstanding Securities.

The Collateral Manager may resign, upon 90 days' prior written notice to the Issuer (or such shorter period as is acceptable to the Issuer).

Within 30 days after notice of any resignation or removal of the Collateral Manager while any of the Securities are outstanding, a Majority of the LP Certificates may nominate a successor collateral manager subject to (A) only for so long as the Class A Notes are the Controlling Class, the approval of such successor by a Majority of the Controlling Class within 30 days of such nomination and (B) the requirement that such successor collateral manager satisfies the conditions of the second succeeding paragraph. The Issuer will promptly appoint as successor collateral manager any institution that has been nominated and approved, as provided above.

If no successor collateral manager has been nominated pursuant to the immediately preceding paragraph within 30 days after the date of the applicable notice of resignation or removal, or if a successor nominated pursuant to the preceding paragraph has not been approved by a Majority of the Controlling Class within 30 days of such nomination (if approval of such successor by the Controlling Class is required), a Majority of the Controlling Class on behalf of the Issuer will be entitled to nominate a successor within 30 days thereafter, subject to (A) the approval of such successor by a Majority of the LP Certificates and (B) the requirement that such successor satisfies the provisions of the succeeding paragraph. If no successor collateral manager has been nominated within the time periods set forth above, or if a successor nominated by a Majority of the Controlling Class on behalf of the Issuer has not been approved by a Majority of the LP Certificates within 30 days of its nomination as provided therein, the resigning or removed Collateral Manager may petition any court of competent jurisdiction for the appointment of a successor collateral manager, which appointment will not require the consent of, nor be subject to the approval or disapproval of, the Issuer or any Holder of Notes or LP Certificates.

Any successor institution nominated or approved as described above must be an institution that (i) has demonstrated an ability to professionally and competently perform duties similar to those imposed upon the Collateral Manager, (ii) is legally qualified and has the capacity to act as Collateral Manager under the Collateral Management Agreement and under the applicable terms of the Indenture, (iii) does not cause or result in the Issuer becoming, or require the pool of Collateral Debt Obligations to be registered as, an investment company under the Investment Company Act, (iv) will not cause the Issuer to be treated as engaged in a trade or business in the United States for U.S. federal income tax purposes and (v) has satisfied the Ratings Condition with respect to such appointment; *provided*, *however*, that no removal of or resignation by the Collateral Manager will be effective until a successor collateral manager has been appointed and approved in the manner specified herein and the Collateral Management Agreement.

Assignment

Any assignment of the rights and obligations of the Collateral Manager under the Collateral Management Agreement to any Person, in whole or in part, by the Collateral Manager will be deemed null and void unless (i) each Rating Agency, if it is providing a rating of any Class of Notes at the time of such assignment, confirms in writing that such assignment will not result in a reduction or withdrawal of its then-current ratings assigned to such Class of Notes and (ii) such assignment is consented to in writing by the Issuer and Holders of a Majority of the LP Certificates. Notwithstanding the foregoing, the Collateral Manager will be permitted, upon the consent of the Issuer (but without the consent of Holders of a Majority of the LP Certificates) and upon notice to each Rating Agency (but without confirmation of the rating by such Rating Agency of the Notes), to assign any or all of its rights and obligations under the Collateral Management Agreement to an Affiliate of the Collateral Manager so long as such Affiliate (1)(x) has demonstrated an ability to professionally and competently perform duties similar to those imposed upon the Collateral Manager under the Collateral Management Agreement or (y) immediately after the assignment utilizes principal personnel performing the duties required under the Collateral Management Agreement who are substantially the same individuals who would have performed the duties required under the Collateral Management Agreement had the assignment not occurred, and (2) is legally qualified and has the capacity to act as Collateral Manager under the Collateral Management Agreement. Notwithstanding the first sentence of this paragraph, the Collateral Manager will be permitted, upon the consent of the Issuer (but without the consent of a Majority of the LP Certificates) and upon notice to each Rating Agency (but without the need to satisfy the Rating Condition), to assign the rights and obligations of the Collateral Manager under the Collateral Management Agreement to an entity, other than an Affiliate, which immediately after the assignment, meets the criteria set forth in clauses (1)(x), (1)(y) and (2) above, and such assignee enters into employment agreements with or otherwise retains the persons primarily responsible for managing the Collateral on behalf of the Collateral Manager under the Collateral Management Agreement.

The paragraph above will not apply directly or indirectly to any sale of interests in, or any merger, conversion, consolidation or restructuring of, the Collateral Manager or the collateral management business of the Collateral Manager, or the sale of all or substantially all of the assets of the Collateral Manager or the collateral management business of the Collateral Manager (any such event, a "**Corporate Event**"). In the event that a Corporate Event or an assignment pursuant to the paragraph above (other than the first sentence thereof) occurs and the Collateral Manager determines (in its sole discretion in consultation with legal counsel) that such Corporate Event or such assignment will constitute an "assignment" as defined in Section 202(a)(1) of the Advisers Act and that such "assignment" requires the consent of the Issuer for purposes of compliance with the Advisers Act, such Corporate Event or such assignment will be permitted upon the consent of the Issuer (and without the consent of the Holders of the Notes or the Holders of the LP Certificates or any other Person).

The Collateral Management Agreement may not be assigned by the Issuer without the prior written consent of the Collateral Manager, the Trustee and a Majority of each Class of Notes (voting separately by Class) and a Majority of the LP Certificates, except in the case of an assignment by the Issuer to an entity which is a successor to the Issuer permitted under the Indenture, in which case such successor organization will be bound under the Collateral Management Agreement and by the terms of said assignment in the same manner as the Issuer is bound thereunder. Notwithstanding the foregoing, the Issuer may assign its right, title and interest in (but not its obligations under) the Collateral Management Agreement to the Trustee pursuant to the grant of a security interest under the Indenture. In the event of any assignment by the Issuer, the Issuer will use reasonable efforts to cause such assignee to execute and deliver to the Collateral Manager such documents as the Collateral Manager will consider reasonably necessary to effect fully such assignment.

In addition, the Collateral Manager may, without the consent of the Issuer or any other Person, employ third parties, including its Affiliates, to render advice (including investment advice) and assistance to the Issuer and to perform any of its duties under the Collateral Management Agreement; *provided*, *however*, that the Collateral Manager will not be relieved of any of its duties under the Collateral Management Agreement regardless of the performance of any services by such third parties.

Conflicts of Interest; Voting

Various potential and actual conflicts of interest may arise from the overall investment activities of the Collateral Manager and its affiliates. In certain circumstances, the interests of the Issuer and the Holders of the Securities or the

Income Notes with respect to matters as to which the Collateral Manager is advising the Issuer may conflict with the interests of the Collateral Manager. See "*Risk Factors—Risk Factors Relating to Conflicts of Interest—Conflicts of Interest Involving the Collateral Manager.*"

All Securities or Income Notes held by LCM, one or more Affiliates of LCM or accounts managed by LCM or an Affiliate of LCM as to which LCM or such Affiliate has discretionary voting authority (including the TFG Risk Retention Party as Retention Holder), will have voting rights with respect to all matters as to which the Securities or Income Notes are entitled to vote, including without limitation, any vote in connection with the removal of the Collateral Manager or appointment of a replacement or successor collateral manager in accordance with the Collateral Management Agreement; *provided* that, so long as LCM or an Affiliate of LCM is Collateral Manager, any Income Notes or Securities held by LCM, any Affiliate of LCM or any account managed by LCM as to which LCM has discretionary voting authority (including the TFG Risk Retention Party as Retention Holder) will be disregarded and deemed not to be outstanding solely with respect to (i) any vote in connection with the removal of LCM as the Collateral Manager for "Cause" under the definition of "Cause" above and (ii) immediately following any removal of LCM as the Collateral Manager for "Cause," any vote in connection with the approval of the nomination of LCM or an Affiliate of LCM as successor collateral manager.

Liability of the Collateral Manager

The Collateral Manager, Affiliates of the Collateral Manager and their respective managers, managing directors, partners, stockholders, members, directors, officers, agents and employees will not be liable to the Issuer, the Trustee, the Noteholders or any other person for any losses, claims, damages, judgments, assessments, costs or other liabilities that arise out of or are incurred in connection with actions taken or omitted to be taken or recommended by the Collateral Manager or otherwise related to the Collateral Management Agreement or the Indenture except that the Collateral Manager will be subject to liability to the Issuer for losses, claims, damages, judgments, assessments, costs or other liabilities caused by (x) acts or omissions of the Collateral Manager constituting bad faith, willful misconduct or gross negligence in the performance of the obligations of the Collateral Manager under the Collateral Management Agreement and under the terms of the Indenture applicable to the Collateral Manager or (y) the material breach of any representation or warranty made by the Collateral Manager under the Collateral Management Agreement regarding the information concerning the Collateral Manager provided by it in writing for inclusion in this Offering Memorandum which information is contained solely under the sections entitled "*The Collateral Manager"* and *"Risk Factors—Risk Factors Relating to Conflicts of Interest—Conflicts of Interest Involving the Collateral Manager*" and in the case of each of (x) and (y), as has been determined, after all appeals, by a final judgment of a court of competent jurisdiction.

The Issuer will be required to indemnify and hold harmless the Collateral Manager, Affiliates of the Collateral Manager and their respective managers, managing directors, partners, stockholders, members, directors, officers, agents and employees from and against any and all losses, claims, damages, judgments, assessments, costs or other liabilities, that arise out of or are incurred in connection with actions taken or omitted to be taken or recommended by the Collateral Manager or otherwise related to the Collateral Management Agreement or the Indenture and not caused by (x) acts or omissions of the Collateral Manager constituting bad faith, willful misconduct or gross negligence in the performance of the obligations of the Collateral Manager under the Collateral Management Agreement and under the terms of the Indenture applicable to the Collateral Manager or (y) the material breach of any representation or warranty made by the Collateral Manager under the Collateral Management Agreement regarding the information concerning the Collateral Manager provided by it in writing for inclusion in this Offering Memorandum, which information is contained solely under the sections entitled "*The Collateral Manager*" and "*Risk Factors—Risk Factors Relating to Conflicts of Interest—Conflicts of Interest Involving the Collateral Manager*" and in the case of each of (x) and (y), as has been determined, after all appeals, by a final judgment of a court of competent jurisdiction.

The Collateral Manager will be required to indemnify and hold harmless the Issuer from and against any and all losses, claims, damages, judgments, assessments, costs or other liabilities that arise out of or are incurred in connection with any claim, action, proceeding or investigation with respect to any pending or threatened litigation in respect of or arising out of the material breach of any representation or warranty made by the Collateral Manager under the Collateral Management Agreement regarding the information concerning the Collateral Manager provided by it in writing for inclusion in this Offering Memorandum, which information is contained solely under the sections entitled "*The Collateral Manager*" and "*Risk Factors—Risk Factors Relating to Conflicts of Interest—Conflicts of Interest*

Involving the Collateral Manager" as has been determined, after all appeals, by a final judgment of a court of competent jurisdiction. Notwithstanding anything in the Collateral Management Agreement, in the Collateral Administration Agreement or in the Indenture to the contrary, the Collateral Manager, its affiliates or any of their respective managers, managing directors, partners, stockholders, members, directors, officers, agents and employees will not in any event be liable for any consequential (including loss of profit), indirect, special or punitive damages under, or as incurred in connection with acting as Collateral Manager in connection with the Collateral Management Agreement and the Indenture.

The Collateral Manager shall have no obligation or liability in connection with the listing or registration of the Issuer or the Income Note Issuer or securities issued by the Issuer or the Income Note Issuer on any exchange including, without limitation, the Irish Stock Exchange.

None of the immediately preceding three paragraphs will constitute a waiver by any party of any rights such party may have under the federal securities laws of the United States (which, in certain circumstances, impose liability even on persons who act in good faith).

Pursuant to the terms of the Collateral Management Agreement, the Issuer acknowledges, among other matters, that: (a) the Collateral Manager serves and will serve as the collateral manager of a variety of investment vehicles, including investment vehicles such as the Issuer, and/or as asset manager for a variety of investment products; (b) the Collateral Manager is an indirect wholly-owned subsidiary of TFG; (c) the Collateral Manager performs its services for the Issuer in part through the personnel and facilities of certain affiliated service providers; (d) LCM relies on the registration of its affiliate, TFG Asset Management L.P., which is registered as an investment adviser under the Advisers Act in not, itself, registering as an investment adviser under the Advisers Act; (e) LCM or an affiliate of LCM may apply to register under the Advisers Act in the event that the applicable entity determines, in its sole discretion, that such re-registration or registration, as applicable, is necessary or advisable; (f) there can be no assurance that TFG Asset Management L.P., LCM or the applicable affiliate will continue to be registered as an investment adviser under the Advisers Act; (g) solely to the extent that TFG Asset Management L.P. or the applicable affiliate of LCM is registered as an investment adviser under the Advisers Act, LCM may rely upon such registration if LCM is not itself registered; and (h) solely to the extent that TFG Asset Management L.P., LCM or the applicable affiliate of LCM is registered under the Advisers Act, the investment advisory activities of LCM will be subject to the Advisers Act and the rules thereunder applicable to such registrants.

Pursuant to the terms of the Collateral Management Agreement, the Issuer will provide the Collateral Manager with all information reasonably available to it that is reasonably requested by the Collateral Manager in connection with regulatory matters, including any information that is necessary or advisable in order for the Collateral Manager (or its parent or affiliates) to complete its Form ADV, to file its reports on Form PF or to comply with any requirement of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended from time to time, and any other laws or regulations applicable to the Collateral Manager (or its parent or affiliates) from time to time.

Pursuant to the terms of the Collateral Management Agreement, the Issuer will ratify any and all actions taken prior to the Closing Date by LCM on the Issuer's behalf, including actions taken with respect to the acquisition of the Pre-Closing Date Assets. The indemnification provisions set forth in the Collateral Management Agreement and described above will apply to all such pre-closing actions.

THE ISSUERS

General

LCM XXI Limited Partnership is an exempted limited partnership registered on 13 January 2016 in the Cayman Islands with registered number 84570. The registered office of LCM XXI Limited Partnership is at the offices of MaplesFS Limited, PO Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands, telephone number (345) 945-7099.

The Issuer is constituted as a Cayman Islands exempted limited partnership under the Exempted Limited Partnership Law, 2014 (the "**ELP Law**"). A Cayman Islands exempted limited partnership is constituted by the signing of the relevant partnership agreement and its registration with the Registrar of Exempted Limited Partnerships in the Cayman Islands.

Notwithstanding registration, an exempted limited partnership is not a separate legal person distinct from its partners. Under Cayman Islands law, any rights or property of an exempted limited partnership (whether held in that partnership's name or by any one or more of its general partners) shall be held or deemed to be held by the general partner, and if more than one then by the general partners jointly, upon trust as an asset of the exempted limited partnership in accordance with the terms of the partnership agreement. Any debts or obligations incurred by the general partner in the conduct of the Issuer's business are the debts and obligations of the exempted limited partnership. Registration under the ELP Law entails that the exempted limited partnership becomes subject to, and the limited partners therein are afforded the limited liability (subject to the partnership agreement) and other benefits of, the ELP Law.

The business of an exempted limited partnership will be conducted by its general partner(s) who will be liable for all debts and obligations of the exempted limited partnership to the extent the Issuer has insufficient assets. As a general matter, a limited partner of an exempted limited partnership will not be liable for the debts and obligations of the exempted limited partnership save (i) as provided in the partnership agreement, (ii) if such limited partner becomes involved in the conduct of the partnership's business and holds himself out as a general partner to third parties or (iii) if such limited partner is obliged pursuant to the ELP Law to return a distribution made to it where the exempted limited partnership is insolvent and the limited partner has actual knowledge of such insolvency at that time.

On the Closing Date, the Limited Partnership Agreement will be amended and restated to provide, among other things, for (i) the Issuer to issue Class I limited partnership interests (the "**Class I LP Interests**"), the Class II limited partnership interests (the "**Class II LP Interests**") and Class III limited partnership interests (the "**Class III LP Interests**" and, together with the Class I LP Interests and the Class II LP Interests, the "**LP Interests**") and (ii) the Issuer to issue LP Certificates representing in the aggregate 100% of the outstanding Class I LP Interests on the Closing Date.

LCM XXI LLC is a limited liability company formed on January 15, 2016 in the State of Delaware with the file number 5937725. The sole member of the Co-Issuer is the Issuer. The registered office of LCM XXI LLC is located at the office of Puglisi & Associates, 850 Library Avenue, Suite 204, Newark, Delaware 19711, telephone number (302) 738-6680. The manager of the Co-Issuer will be Donald Puglisi, who serves as a corporate director for a variety of entities. Mr. Puglisi may be contacted at the office of the Co-Issuer. LCM XXI LLC has no prior operating history. The Co-Issuer intends to make an election to be treated as a corporation for U.S. federal income tax purposes.

The Notes (other than the Class E Notes) are limited recourse obligations of the Issuer and non-recourse obligations of the Co-Issuer. The Class E Notes are limited recourse obligations of the Issuer only. The LP Certificates are issued in respect of the Class I LP Interests and represent ownership interests in the Issuer. The Securities are not obligations of the Transaction Parties or any of their respective Affiliates or any of the directors, officers or shareholders of the Issuers.

All of the outstanding Co-Issuer limited liability company interests will be held by the Issuer.

Class II LP Interests and Class III LP Interests

The Class II LP Interests and the Class III LP Interests will be uncertificated, are not secured by the Collateral, and are not offered under this Offering Memorandum. No distributions will be made by the Issuer with respect to the Class II LP Interests or Class III LP Interests except pursuant to the Priority of Payments to the extent of amounts available for distribution thereunder and in accordance with the Limited Partnership Agreement. The Class II LP Interests and Class III LP Interests will be issued and sold on the Closing Date to one or more affiliates of LCM Asset Management LLC (or, in the case of the Class III LP Interests, LCM Asset Management LLC).

Distributions in respect of the Class III LP Interests will be payable on each Payment Date as provided below and in accordance with the Priority of Payments set forth in the Indenture, if on such Payment Date (and calculated giving effect to distributions on the LP Certificates to be made on such Payment Date and taking into account any distributions in respect of the Class III LP Interests on the applicable Payment Date) the Holders of the LP Certificates have achieved an Internal Rate of Return from the Closing Date to and including such Payment Date equal to or greater than 12% *per annum* (based on actual payment periods and calculated using an assumed purchase price of U.S.$1.00 per U.S.$1.00 of face amount of LP Certificates) (the "**Distribution Hurdle Rate**"). The amount of distributions payable on any Payment Date in respect of the Class III LP Interests will be equal to 20% of the remaining Interest Proceeds and Principal Proceeds available after the Distribution Hurdle Rate is achieved after taking into account amounts allocated for distribution to the Holders of the LP Certificates so as to achieve such Distribution Hurdle Rate on such Payment Date; *provided*, that if the Collateral Manager resigns or is removed for any reason (as described in "*The Collateral Management Agreement—Removal*"), (i) the Issuer will (A) redeem the Class III LP Interests held by an affiliate of the resigned or removed Collateral Manager and issue a note to such affiliate of the resigned or removed Collateral Manager evidencing the obligation of the Issuer to pay to such holder the amounts set forth in clause (ii) below, and (B) issue new Class III LP Interests to a holder designated by the successor Collateral Manager and (ii) the holder of the Class III LP Interests affiliated with such resigned or removed Collateral Manager will be entitled to receive a portion of any distributions in respect of the Class III LP Interests, respectively, paid, in accordance with the Priority of Payments, on each Payment Date on which such distributions in respect of the Class III LP Interests are paid, equal, respectively, to the product of (x) the amount of distributions in respect of the Class III LP Interests paid on such Payment Date and (y) a fraction, the numerator of which is the number of days from the Closing Date to the effective date of the Collateral Manager's resignation or removal and the denominator of which is the number of days from the Closing Date to the Payment Date on which such distributions in respect of the Class III LP Interests is paid. The Class II LP Interests will not be subject to redemption upon removal or resignation of the Collateral Manager as provided above, but shall remain outstanding in accordance with the terms of the Limited Partnership Agreement.

The Issuer will notify the Collateral Manager of any transfer of the Class I LP Interests, the Class II LP Interests or the Class III LP Interests promptly upon such transfer.

Capitalization

The initial proposed capitalization and indebtedness of LCM XXI Limited Partnership as of the Closing Date, after giving effect to the issuance of the Securities (before deducting expenses of the offering of the Securities) is as set forth below:

	Amount (U.S.$)
Class A Notes	$235,000,000
Class B-1 Notes	$34,800,000
Class B-2 Notes	$12,000,000
Class C Notes	$28,000,000
Class D Notes	$18,900,000
Class E Notes	$16,000,000
Total Debt	$344,700,000
LP Certificates	$36,360,000
Class II limited partnership interests	$0
Class III limited partnership interests	$0
Transaction Fee to Issuer	$250
Total Equity	$36,360,250
Total Capitalization	$381,060,250

LCM XXI LLC will be capitalized only to the extent of its common equity of U.S.$ 10, will have no assets other than its equity capital and will have no debt other than as Co-Issuer of the Rated Notes.

Business

The Issuer has been established as a special purpose vehicle for the purpose of issuing the Securities, acquiring, holding and disposing of the Collateral and other related transactions, each in accordance with the Indenture. Other than those activities incidental to its organization and the acquisition of Collateral Debt Obligations prior to the Closing Date and activities incidental thereto, the Issuer has not previously carried on any business or activities. The Co-Issuer has been established as a special purpose company for the purpose of issuing the Rated Notes. The Issuers will not undertake any business other than the issuance of the Notes pursuant to the Indenture and other related activities and transactions and, in the case of the Issuer, the issuance of the Class I LP Interests (and the LP Certificates in respect thereof), the Class II LP Interests and the Class III LP Interests and other related activities and transactions. Payments on the Collateral Debt Obligations will be the principal source of the Issuer's income.

The Issuer is not expected to have any substantial assets other than the Collateral pledged to secure the Rated Notes, and is not expected to have any substantial liabilities other than the Rated Notes. The Issuer will not publish financial statements. Clause 5 of the Issuer's Limited Partnership Agreement sets out the objects of the Issuer, which include the business to be carried out by the Issuer in connection with the Securities and the Collateral.

MaplesFS Limited, a licensed trust company incorporated in the Cayman Islands or any successor thereto, will act as the administrator of the Issuer and the General Partner (the "**Administrator**") pursuant to an administration agreement (the "**Administration Agreement**"). The office of the Administrator will serve as the general business office of the Issuer. Through such office and pursuant to the terms of an agreement by and between the Administrator and the Issuer, the Administrator will perform various management functions on behalf of the Issuer, including communications with limited partners and the general public, and the provision of certain clerical, administrative and other services until termination of the Administration Agreement. The Administrator will receive various fees and other charges payable by the Issuer at rates agreed upon from time to time plus expenses.

The Administrator will be subject to the overview of the supervision of the General Partner. The appointment of the Administrator may be terminated by the Issuer's giving 14 days' written notice following the occurrence of certain events specified in the Administration Agreement. The Administrator may voluntarily resign without cause by giving at least 90 days' notice in writing to the Issuer so long as a replacement administrator has been appointed on similar terms.

The Administrator's principal office is PO Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands, telephone number (345) 945-7099.

The General Partner of the Issuer is LCM XXI GP Ltd., an exempted company incorporated with limited liability on 13 January 2016 in the Cayman Islands with registered number 307515. The registered office of LCM XXI GP Ltd. is at the offices of MaplesFS Limited, PO Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands, telephone number (345) 945-7099.

The General Partner, a company incorporated under the laws of the Cayman Islands, has been formed for the sole purpose of acting as the general partner of the Issuer. The directors of the General Partner are Mora Goddard and Christopher Watler, who are employees of the Administrator and may be contacted at the address of the Administrator. A director of the General Partner is not required to own any ordinary shares of the General Partner in order to qualify as a director.

The authorized share capital of the General Partner consists of 50,000 ordinary shares, par value U.S.$1.00 per share (the "**General Partner Ordinary Shares**"), of which 250 shares have been issued. The General Partner Ordinary Shares will be held by MaplesFS Limited, a licensed trust company incorporated in the Cayman Islands, as the trustee pursuant to the terms of a declaration of trust (the "**Issuer Share Trustee**"). For so long as any of the Securities are outstanding, no beneficial interest in the General Partner Ordinary Shares will be registered to a U.S. Person. Under the terms of the declaration of trust, the Issuer Share Trustee will, among other things agree not to dispose of or otherwise deal with the General Partner Ordinary Shares. The Issuer Share Trustee, in its capacity as such, will have no beneficial interest in and derive no benefit other than its fees from its holding of the General Partner Ordinary Shares.

The Limited Partnership Agreement provides that the General Partner will not be personally liable for the compulsory redemption, return, repayment, payment or distribution of all or any portion of the capital contribution of any Holder of LP Certificates (or any assignee or chargee thereof) or of any profits or income of the Issuer, it being expressly agreed that any such compulsory redemption, return, repayment, payment or distribution to be made pursuant to the Limited Partnership Agreement will be made solely from the assets of the Issuer (which will not include the General Partner's capital contributions) and on the terms and subject to the conditions contained in the Limited Partnership Agreement, the LP Paying Agency Agreement and the Indenture.

The General Partner may be removed at any time by a Majority of the LP Certificates, subject to the consent of the Collateral Manager, which consent shall not be unreasonably withheld, if (and only if) the General Partner commits an act which constitutes (a) a breach of the Limited Partnership Agreement and such breach is continuing, or (b) negligence, fraud or a willful violation of law, or (c) actions which were outside the scope of and not authorized by the Limited Partnership Agreement and, in the reasonable judgment of a Majority of the LP Certificates, the General Partner is unfit to continue to serve in a management capacity with regard to the Issuer. The General Partner may retire and withdraw from the partnership upon giving 90 days' prior written notice to the Holders of the LP Certificates.

THE INCOME NOTE ISSUER

General

LCM XXI Ltd. is an exempted company incorporated with limited liability on 13 January 2016 under the Companies Law (2013 Revision, as amended) of the Cayman Islands with registered number 307635, and its registered office is the offices of MaplesFS Limited, PO Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands, telephone number (345) 945-7099. The Income Note Issuer has been incorporated for an indefinite period. The directors of the Income Note Issuer are Mora Goddard and Christopher Watler, each of whom is an employee of and may be contacted at the address of the Income Note Administrator. The Income Note Issuer has been established as a special purpose vehicle that does not have any prior operating history or experience, will not have any substantial assets other than certain LP Certificates, and will not have any substantial liabilities other than administrative fees and expenses (which administrative fees and expenses are expected to be paid by the Issuer pursuant to the Income Note Issuer Fee Letter and in accordance with the Priority of Payments). The Income Note Issuer will not publish any financial statements. The Income Note Issuer's Deed of Covenant sets out the objects of the Income Note Issuer, which are restricted to the business to be carried out by the Income Note Issuer in connection with holding LP Certificates.

The authorized share capital of the Income Note Issuer consists of 250 ordinary voting shares, U.S.$1.00 par value per share (the "**Income Note Issuer Ordinary Shares**"), all of which will be issued on the Closing Date and will be fully paid.

All of the outstanding Income Note Issuer Ordinary Shares will be legally owned by MaplesFS Limited, a Cayman Islands company (in such capacity, the "**Income Note Trustee**"), to be held under the terms of a declaration of trust under which the Income Note Trustee will hold such issued shares on charitable trust. Under the terms of such declaration of trust, the Income Note Trustee will, among other things, agree not to dispose of or otherwise deal with the Income Note Issuer Ordinary Shares while any Income Notes remain outstanding. The Income Note Trustee, in its capacity as such, will have no beneficial interest in and derive no benefit other than its fees from its holding of the Income Note Issuer Ordinary Shares.

Capitalization

The initial capitalization and indebtedness of the Income Note Issuer as of the Closing Date, after giving effect to the issuance of the Income Notes and the Income Note Issuer Ordinary Shares, is expected to be as follows:

	Amount (U.S.$)
Total Debt	$0
Income Notes	$500,000
Income Note Issuer Ordinary Shares	$250
Total Equity	$500,250
Total Capitalization	$500,250

The Income Note Administrator

MaplesFS Limited will act as the administrator of the Income Note Issuer (in such capacity, the "**Income Note Administrator**"). The Income Note Administrator's principal office is P.O. Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands, telephone number (345) 945-7099. The office of the Income Note Administrator will serve as the general business office of the Income Note Issuer. Through this office and pursuant to the terms of an agreement by and between the Income Note Administrator and the Income Note Issuer (the "**Income Note Administration Agreement**"), the Income Note Administrator will perform various management functions on behalf of the Income Note Issuer, including communications with shareholders and the general public, and the provision of certain clerical, administrative and other services until termination of the Income Note Administration Agreement. In consideration of the foregoing, the Income Note Administrator will receive various fees and other charges payable by the Income Note Issuer at rates agreed upon from time to time plus expenses.

The terms of the Income Note Administration Agreement provide that the Income Note Issuer may terminate the appointment of the Income Note Administrator by giving 14 days' notice to the Income Note Administrator at any time within 12 months of the happening of any of certain stated events, including any breach by the Income Note Administrator of its obligations under the Income Note Administration Agreement.

The Income Note Administrator will be subject to the overview of the Board of Directors of the Income Note Issuer. The Income Note Administration Agreement will be subject to termination in addition to the method discussed above by either the Income Note Issuer or the Income Note Administrator upon 90 days' written notice, in which case a replacement Income Note Administrator will be appointed.

Business

The Income Note Issuer will not undertake any business other than the issuance and selling of the Income Notes and other related transactions. The Income Note Issuer will not have any employees or subsidiaries.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

General

The following summary is based on U.S. federal income tax laws, regulations, rulings and decisions in effect or available on the date of this Offering Circular. All of the foregoing are subject to change, which change may apply retroactively and could affect the continued validity of this summary. This summary is included herein for general information only. Prospective purchasers of the Securities and Income Notes should consult their tax advisors as to U.S. federal income tax consequences of the purchase, ownership and disposition of the Securities or Income Notes, as applicable, and the possible application of state, local, foreign or other tax laws.

The following is a summary of certain of the United States federal income tax consequences of an investment in the Securities and Income Notes (other than Notes received in a Repricing, obligations issued pursuant to a Refinancing or an issuance of additional notes) by purchasers that acquire their Securities and Income Notes in the initial offering and for an amount (with respect to the Notes) equal to their "issue price" (as defined pursuant to the Code and applicable U.S. Treasury Regulations). This discussion does not address the U.S. federal income tax consequences relevant to the purchase, ownership, and disposition of any Notes or LP Certificates issued pursuant to an additional issuance. This summary applies only to holders (as defined below) that acquire the Securities and Income Notes at original issuance for a price equal to the original offering price and hold the Notes as capital assets within the meaning of Section 1221 of the Code. In addition, this summary does not describe any tax consequences arising under the laws of any state, locality, or taxing jurisdiction other than the U.S. federal government. This discussion does not purport to address all aspects of U.S. federal income taxation (such as any alternative minimum tax consequences) that may be relevant to holders in light of their personal investment circumstances nor, except for limited discussions of particular topics, to holders subject to special treatment under the U.S. federal income tax laws, including: financial institutions; life insurance companies; securities dealers or traders electing mark-to-market treatment; governmental entities; partnerships or any entities treated as partnerships for U.S. federal income tax purposes; nonresident alien individuals and foreign corporations; tax-exempt organizations; persons that hold the Notes as a position in a "straddle" or as part of a synthetic security or "hedge", "conversion transaction" or other integrated investment; U.S. Holders that have a "functional currency" other than the U.S. dollar; investors in pass-through entities that hold Notes; and United States expatriates.

This discussion also does not address the effect of any Contributions made by a Holder (including the effect on its basis in its Securities or Income Notes).

For purposes of this discussion, a "holder" is a beneficial owner of a Security or Income Note. As used herein, a "**U.S. Holder**" means a holder that is or is treated for U.S. federal income tax purposes as:

- an individual that is a citizen or resident of the United States, including an alien individual who is a lawful permanent resident of the United States or meets the "substantial presence" test under Section 7701(b) of the Code;

- a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States, any State or the District of Columbia;

- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or

- a trust if (1) a U.S. court is able to exercise primary supervision over the trust's administration and any one or more U.S. persons (as defined in Section 7701(a)(30) of the Code ("**U.S. person**")) are authorized to control all substantial decisions of the trust, or (2) the trust has in effect a valid election to be treated as a U.S. person for U.S. federal income tax purposes.

As used herein, a "**Non-U.S. Holder**" means a holder that is or is treated for U.S. federal income tax purposes as:

- a nonresident alien individual;
- a foreign corporation;
- an estate that is not subject to U.S. federal income tax on a net income basis, or
- a trust if (1) no U.S. court can exercise primary supervision over the trust's administration or no U.S. person and no group of such persons is authorized to control all substantial decisions of the trust, and (2) the trust has no election to be treated as a U.S. person in effect.

No rulings from the IRS have or will be sought with respect to the matters discussed below. There can be no assurance that the IRS will not take a different position concerning the tax consequences of the purchase, ownership or disposition of the Notes or that any such position would not be sustained by a court of competent jurisdiction.

If a partnership (or an entity treated as a partnership for U.S. federal income tax purposes) holds a Security or Income Note, the treatment of a beneficial owner of such entity generally will depend upon the status of the beneficial owner and the activities of the entity and such beneficial owner. Any such entity and the beneficial owners thereof should consult with their tax advisors about the U.S. federal income tax consequences of holding and disposing of such Security or Income Note.

THIS DISCUSSION IS NOT INTENDED OR WRITTEN BY THE ISSUER OR ITS COUNSEL TO BE USED, AND MAY NOT BE ABLE TO BE USED, BY ANY PERSON FOR THE PURPOSE OF AVOIDING TAX PENALTIES THAT MAY BE IMPOSED UNDER U.S. TAX LAWS. THIS DISCUSSION IS PROVIDED IN CONNECTION WITH THE PROMOTION OR MARKETING BY THE ISSUER OF THE NOTES OFFERED HEREBY. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR CONCERNING THE POTENTIAL TAX CONSEQUENCES OF AN INVESTMENT IN THE NOTES.

U.S. Federal Tax Treatment of the Issuer

Not Engaged In a Trade or Business in the United States. Upon the issuance of the Notes, Ashurst LLP will deliver an opinion generally to the effect that, under current law, assuming compliance with the Indenture, the Income Note Documents, and the Collateral Management Agreement (and certain other documents) and based upon certain factual representations made by the Issuer and/or the Collateral Manager, and assuming the correctness of all opinions and advice of counsel that permit the Issuer and the Income Note Issuer to take or fail to take any action under the transaction documents based upon such opinions or advice, although the matter is not free from doubt, neither the Issuer nor the Income Note Issuer will be treated as engaged in the conduct of a trade or business within the United States for U.S. federal income tax purposes. The opinion of Ashurst LLP will be based on certain factual assumptions, covenants and representations as to the Issuer's contemplated activities, and each of the Issuer and the Income Note Issuer intends to conduct its affairs in accordance with such assumptions and representations. However, you should be aware that the opinion referred to above will be predicated upon the Collateral Manager's compliance with the Tax Guidelines, which are intended to prevent the Issuer from engaging in activities which could give rise to a trade or business of the Issuer or the Income Note Issuer within the United States. Although the Collateral Manager has generally undertaken to comply with the Tax Guidelines, the Collateral Manager is permitted to depart from the Tax Guidelines if it obtains an opinion from nationally recognized tax counsel (or written advice from Ashurst LLP) that the departure will not cause the Issuer to be treated as engaged in a trade or business within the United States. There can be no assurance that any such opinion or advice of tax counsel will be consistent with Ashurst LLP's current views and opinion standards, and any such departures would not be covered by the opinion of Ashurst LLP referred to above. Furthermore, the Collateral Manager is not obligated to monitor (and in some cases, conform the Issuer's activities in order to comply with) changes in law that could affect whether the Issuer is treated as engaged in a U.S. trade or business. The Collateral Manager might act in accordance with the Tax Guidelines notwithstanding the issuance of new decisions by the courts, new legislation or official guidance (regardless of whether such new interpretation, legislation or guidance would either merely increase the risk that the Issuer would be, or actually cause the Issuer to be, engaged in a U.S. trade or business). In addition, although the Collateral Manager can be removed for cause,

violations of the Tax Guidelines may not constitute "cause". Such violations will not constitute "cause" if they do not have a material adverse effect on the holders of the Notes. It is not certain that a violation of the Tax Guidelines that causes an increase in the risk that the Issuer will be engaged in a trade or business in the United States for U.S. federal income tax (without actually having that effect) will be treated as having such a material adverse effect. The opinion of Ashurst LLP is based on the Transaction Documents as of the Closing Date and, accordingly, will not address any potential U.S. federal income tax effect of any supplemental indenture. In addition, the opinion of Ashurst LLP and any such other advice or opinions are not binding on the IRS or the courts, and no ruling will be sought from the IRS regarding this, or any other, aspect of the U.S. federal income tax treatment of the Issuer or the Income Note Issuer. Accordingly, in the absence of authority on point, the U.S. federal income tax treatment of the Issuer and the Income Note Issuer is not entirely free from doubt, and there can be no assurance that positions contrary to those stated in the opinion of Ashurst LLP or any such other advice or opinions may not be asserted successfully by the IRS.

Further, although the Issuer intends to operate so as not to cause holders of LP Certificates (and any Class of Notes that is recharacterized as equity in the Issuer for U.S. federal income tax purposes) to be subject to U.S. federal income taxes on its net income, there can be no assurance that the Issuer's net income will not be subject to U.S. federal income tax as a result of unanticipated activities, changes in law, contrary conclusions by the IRS, or other causes.

If it is determined that the Issuer is engaged in a trade or business in the United States for federal income tax purposes, and the Issuer has taxable income that is effectively connected with such U.S. trade or business, then (i) interest paid on the Rated Notes to a Non-U.S. Holder could be subject to a 30% U.S. federal withholding tax, (ii) (a) a Non-U.S. Holder of LP Certificates, such as the Income Note Issuer, (b) a Non-U.S. Holder of any Rated Notes that are treated as equity in the Issuer for U.S. federal income tax purposes or (c) any Non-U.S. Holder of Income Notes, to the extent that the independent status of the Income Note Issuer is successfully challenged by the IRS and the Incomer Notes are treated as equity in the Issuer for U.S. federal income tax purposes, in each case, could be subject to U.S. federal income tax (which the Issuer would be required to withhold) at a rate equal to the highest applicable U.S. federal income tax rate with respect to its income from those Securities and Income Notes and to U.S. federal income tax upon the sale of its Securities and Income Notes, could be required to file a U.S. federal income tax return, and could be treated as being engaged in a trade or business within the United States and as maintaining an office or other fixed place of business within the United States, in which case other income of the Holder could be treated as effectively connected income and (iii) (a) a Non-U.S. Holder of LP Certificates, such as the Income Note Issuer, (b) a Non-U.S. Holder of any Rated Notes that are treated as equity in the Issuer for U.S. federal income tax purposes or (c) any holder of Income Notes, to the extent that the independent status of the Income Note Issuer is successfully challenged by the IRS and the Income Notes are treated as equity in the Issuer for U.S. federal income tax purposes that, in each case, is a corporation, could be subject to an additional branch profits tax of 30% on its allocable share of the Issuer's effectively connected earnings and profits. In addition, the Issuer could be liable for the interest and penalties for failure to properly withhold. The consequences of the Issuer being treated as engaged in a trade or business in the United States are extremely complex. Investors are urged to consult their tax advisors with respect to such risk and the consequences thereof.

Treatment of the Issuer as a Partnership for U.S. Federal Income Tax Purposes. The Issuer intends to be treated as a partnership for U.S. federal income tax purposes. The treatment of the Issuer as a partnership is relevant to holders of the LP Certificates. See "*—U.S. Federal Tax Treatment of U.S. Holders of LP Certificates*." However, the Issuer will not receive an opinion of tax counsel to the effect that it is treated as a foreign partnership for U.S. federal income tax purposes, and the Issuer may instead be treated as a "taxable mortgage pool" or a "publicly traded partnership" taxable as a corporation, including as a result of a failure by the Issuer to comply with certain provisions contained in the Indenture or the Tax Guidelines, a failure by one or more holders to comply with certain transfer restrictions, a modification or amendment of the Income Note Paying Agency Agreement, or a change in law or in the interpretation thereof. If the Issuer is a taxable mortgage pool or a publicly traded partnership taxable as a corporation, it will be taxable as a foreign corporation, and could be required to file a U.S. federal income tax return (and would not be able to claim deductions or credits for years in which it was required to but did not file a U.S. federal income tax return). This treatment could adversely affect the holders of LP Certificates (and any Rated Notes that are treated as equity in the Issuer for U.S. federal income tax purposes). In that event, such holders would be treated as owning equity in a corporation that is a PFIC (and possibly a CFC) and should consider whether to make a protective QEF election with respect to the Issuer (although any such protective election will require the Issuer to provide it the necessary

information and will only be provided at the cost to such holder, which may be significant). See "—*U.S. Federal Tax Treatment of U.S. Holders of Income Notes*".

The balance of this summary generally assumes that the Issuer is treated as a partnership that is not taxable as a corporation for U.S. federal income tax purposes.

Holders of the Class E Notes, the Income Notes and LP Certificates are required to make representations intended to prevent the Issuer from being subject to U.S. federal withholding tax. In the event that a holder of LP Certificates, Income Notes or of any Class E Notes that are treated as equity in the Issuer for U.S. federal income tax purposes, breaches these representations, the Issuer may be subject to a 30% U.S. federal withholding tax on all or substantially all of its income. Any such withholding tax would materially impair the Issuer's ability to make payments with respect to the Notes and the Income Note Issuer's ability to make payments with respect to the Income Notes.

U.S. Federal Tax Treatment of the Notes

The Issuer has agreed and, by its acceptance of a Rated Note, each Holder will be deemed to have agreed, to treat the Rated Notes as debt of the Issuer for U.S. federal income tax purposes, except as otherwise required by applicable law. Upon the issuance of the Notes, Ashurst LLP will deliver an opinion generally to the effect that, assuming compliance with the Indenture (and certain other documents), and based on certain factual representations made by the Issuer and/or the Investment Manager, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, will, and the Class E Notes should, be characterized as debt of the Issuer for U.S. federal income tax purposes. The opinion referred to above does not address any Notes issued or deemed issued in a Repricing, Refinancing, or an issuance of additional notes. The determination of whether a Note will be treated as debt for United States federal income tax purposes is based on the facts and circumstances existing at the time the Note is issued. The opinion of Ashurst LLP will be based on current law and certain representations and assumptions. Prospective investors should be aware that opinions of counsel are not binding on the IRS, and there can be no assurance that the IRS will not seek to characterize as something other than indebtedness any particular Class or Classes of the Notes. Except as discussed below under "—Alternative Characterization of the Rated Notes," the balance of this discussion assumes that the Rated Notes will be characterized as debt of the Issuer for U.S. federal income tax purposes.

For U.S. federal income tax purposes, the Issuer of the Notes, and not the Co-Issuer, will be treated as the issuer of the Notes.

Subject to the discussion of original issue discount below, U.S. Holders of the Rated Notes generally will include payments of stated interest received on the Notes in income in accordance with their normal method of tax accounting as ordinary interest income.

A U.S. Holder of Notes issued with original issue discount ("**OID**") must include the OID in income on a constant yield-to-maturity basis (based on the original maturity of the Note) regardless of the timing of the receipt of the cash attributable to such income. A Note will have been issued with OID if its stated redemption price exceeds its issue price by an amount as great as 0.25% of its stated redemption price multiplied by its weighted average maturity (and in such case the amount of OID will be equal to its stated redemption price less its issue price). Additionally, because stated interest payments on the Class C Notes, the Class D Notes and the Class E Notes may not be considered to be unconditionally payable (a requisite for stated interest to not constitute OID) since they may be deferred in certain events, the Issuer intends to treat all interest on the Class C Notes, the Class D Notes and the Class E Notes (together with any excess of stated redemption price over issue price) as OID. U.S. Holders would be entitled to claim a loss upon maturity or other disposition of a Note with respect to OID accrued and included in gross income for which cash is not received. Such a loss generally would be a capital loss.

The Rated Notes may be debt instruments described in Section 1272(a)(6) of the Code (debt instruments that may be accelerated by reason of the prepayment of other debt obligations securing such debt instruments). Special tax rules principally relating to the accrual of OID, market discount, and bond premium apply to debt instruments described in Section 1272(a)(6). Further, those debt instruments may not be treated for U.S. federal income tax purposes as part of an integrated transaction with a related hedge under Treasury Regulations Section 1.1275-6. Prospective investors should consult with their own tax advisors regarding the effects of Section 1272(a)(6) of the Code.

In general, a U.S. Holder of a Rated Note will have a basis in that Rated Note equal to the cost of that Rated Note, increased by any OID and any market discount includible in income by such U.S. Holder and reduced by any amortized premium and any principal payments and any stated interest not treated as unconditionally payable for purposes of computing OID. Upon a sale, exchange or other disposition of a Rated Note, a U.S. Holder will generally recognize gain or loss equal to the difference between the amount realized on the sale, exchange or other disposition (less any accrued and unpaid interest (other than OID), which would be taxable as such) and the U.S. Holder's tax basis in such Rated Note. Such gain or loss generally will be long-term capital gain or loss if the U.S. Holder held the Rated 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.

Alternative Characterization of the Rated Notes

Notwithstanding Ashurst LLP's opinion, holders should recognize that there is some uncertainty regarding the appropriate classification of instruments such as the Rated Notes, especially the Class E Notes. It is possible, for example, that the IRS may contend that the Class E Notes should be treated as equity interests in the Issuer. Such a recharacterization might result in material adverse U.S. federal income tax consequences to the Issuer as well as to holders of the Class E Notes. If the Class E Notes are recharacterized as equity in the Issuer, certain income on the Collateral Debt Obligations and Eligible Investments could be subject to withholding if the Class E Notes are held by non-U.S. persons that fail to qualify for the portfolio interest exemption with respect to the income on any particular asset (or if the payments are treated as guaranteed payments under the partnership rules or are subject to withholding under FATCA). In that event, the amount subject to withholding might be the gross amount of such income allocated to such holder notwithstanding that the net amount of such income that is effectively allocated to such holder would be substantially less than such gross amount. Any such withholding could have a material adverse effect on the Issuer's or the Income Note Issuer's ability to make payments on the Notes. If U.S. Holders of a Class of the Rated Notes were treated as owning equity interests in the Issuer, the U.S. federal income tax consequences to U.S. Holders of such recharacterized Rated Notes would be as described under "*—U.S. Federal Tax Treatment of U.S. Holders of LP Certificates*." Further, U.S. Holders of the Class E Notes should consult with their own tax advisors with respect to whether, if they owned equity in the Issuer, they would be required to file information returns in accordance with Sections 6038, 6038B, and 6046A of the Code (and, if so, whether they should file such returns on a protective basis). If the Class E Notes are recharacterized as equity in the Issuer and the Issuer is treated as a publicly traded partnership or a taxable mortgage pool taxable as an association for U.S. federal income tax purposes, holders of the Class E Notes should consult their own tax advisors as to the consequences of such equity characterization including the consequences of owning an interest in a PFIC or a CFC and any reporting requirements. See "*—U.S. Federal Tax Treatment of U.S. Holders of Income Notes*" for a discussion of the treatment of equity securities of a foreign corporation. Holders of the Rated Notes are strongly urged to consult their own tax advisors concerning the consequences of a recharacterization of such securities as equity for U.S. federal income tax purposes.

It is also possible that the Rated Notes could be treated as "contingent payment debt instruments" for federal income tax purposes. In this event, the timing of a U.S. Holder's OID inclusions could differ from that described above and any gain recognized on the sale, exchange, or retirement of such Notes would be treated as ordinary income and not capital gain.

U.S. Federal Tax Treatment of U.S. Holders of LP Certificates

General. As noted above, the Issuer will elect to be treated as a foreign partnership. The Issuer intends to treat, and the direct and indirect holders of LP Certificates agree to treat, the LP Certificates as equity interests in the Issuer for U.S. federal income tax purposes. Under this treatment, each U.S. Holder of LP Certificates will be required to take into account its allocable share of items of income, gain, loss, deduction and credit of the Issuer for each taxable year of the Issuer ending with or within the U.S. Holder's taxable year, regardless of whether any distribution has been or will be received from the Issuer. Each item generally will have the same character and source (either U.S. or foreign) as though the U.S. Holder had realized the item directly.

Phantom Income. Taxable income allocated to a U.S. Holder of a LP Certificate may exceed cash distributions, if any, made to such holder, in which case such holder would have to satisfy tax liabilities arising from an investment in the Issuer from such holder's own funds. Prospective purchasers of the LP Certificates should in particular be aware

that the Collateral Debt Obligations may be purchased by the Issuer with substantial OID. As a result, the Issuer may have significant ordinary income from such instruments, but the receipt of cash attributable to such earnings may be deferred, perhaps for a substantial period of time. As a consequence, U.S. Holders of LP Certificates may owe tax on a significant amount of "phantom" income. The acquisition at a discount of Rated Notes by the Issuer or an Issuer Subsidiary (including pursuant to a Refinancing or any deemed exchange that occurs as a result of a Repricing or a modification of the Indenture) also could result in a significant amount of "phantom" income to U.S. Holders.

Basis. Subject to the limitations discussed below, each U.S. Holder of LP Certificates will generally be entitled to deduct its allocable share of the Issuer's losses to the extent of its tax basis in its LP Certificates at the end of the tax year of the Issuer in which such losses are recognized. A U.S. Holder's tax basis in its LP Certificates will, in general, be equal to the U.S. Holder's purchase price of its LP Certificates, increased by its allocable share of the income and liabilities of the Issuer, and decreased by distributions it has received from the Issuer and its allocable share of losses and reductions in such liabilities. If cash distributed or deemed distributed to a U.S. Holder of LP Certificates in any year exceeds that holder's share of the taxable income of the Issuer for that year, the excess will reduce the tax basis of the U.S. Holder's LP Certificates and any distribution in excess of such basis will result in taxable gain.

Limits on Deductions for Losses and Expenses. Various Issuer expenses and losses allocable to U.S. Holders of LP Certificates may be subject to limits on their deductibility for U.S. federal income tax purposes. For example, each U.S. Holder of a LP Certificate will not be entitled to deduct its share of the Issuer's losses in excess of its tax basis at the end of the tax year of the Issuer in which such losses are recognized.

Miscellaneous Itemized Deductions. Investment expenses of an individual, trust, or estate (including a U.S. Holder of LP Certificates allocable share of management fees) are deductible only to the extent they exceed 2% of adjusted gross income. In addition, investment expenses in excess of 2% of adjusted gross income may only be deducted to the extent the excess expenses (along with certain other miscellaneous itemized deductions) exceed the lesser of (i) 80% of the amount of certain itemized deductions otherwise allowable for the taxable year or (ii) 3% of the excess of the individual's adjusted gross income over an inflation adjusted amount published by the IRS. Moreover, investment expenses are not deductible by a non-corporate taxpayer in calculating its alternative minimum tax liability.

Investment Interest Expense. A non-corporate taxpayer is permitted to deduct "investment interest" (*i.e.*, interest for indebtedness allocable to property held for investment for U.S. federal income tax purposes) in the current taxable year only to the extent of the taxpayer's "net investment income." A U.S. Holder of LP Certificates that is denied a current deduction for losses as a result of the application of the investment interest expense limitation would be entitled to carry forward any such denied deduction as a loss to future years, subject to the same limitation.

"At Risk" Limitations. Individuals and certain closely-held "C" corporations may not deduct Issuer losses that exceed the amount that the U.S. Holder of LP Certificates has "at risk" in the Issuer under the rules of section 465 of the Code. The amount at risk of a U.S. Holder of LP Certificates is determined under section 465(b) of the Code and generally will equal the adjusted basis of the U.S. Holder of LP Certificates in the LP Certificates (unless the U.S. Holder of LP Certificates has financed its investment with certain types of nonrecourse borrowing, in which case the at risk amount may be less than the U.S. Holder's adjusted basis in the LP Certificates). A U.S. Holder of LP Certificates may carry forward losses in excess of its amount at risk and use those losses upon increasing its amount "at risk."

The consequences of these limitations will vary depending upon the particular tax situation of each taxpayer. Accordingly, U.S. Holders of LP Certificates should consult their tax adviser with respect to the application of these limitations to the Issuer.

Indirect Interests in PFICs and CFCs. If the Issuer owns a Collateral Debt Obligation (or an interest in an Issuer Subsidiary) that is treated as equity in a foreign corporation for U.S. federal income tax purposes, U.S. Holders of LP Certificates could be treated as owning an indirect equity interest in a PFIC or a CFC.

A U.S. Holder of an indirect equity interest in a PFIC is treated as owning the PFIC directly. In this case the U.S. Holder may be subject to adverse tax consequences, unless the U.S. Holder timely makes a QEF election, described below under "*—U.S. Federal Tax Treatment of U.S. Holders of Income Notes*." For example, if the U.S. Holder has

not made a QEF election with respect to the indirectly held PFIC and the CFC rules described below do not apply, the U.S. Holder would be subject to the adverse consequences described below under "*—U.S. Federal Tax Treatment of U.S. Holders of Income Notes—Investment in a Passive Foreign Investment Company*" with respect to any Excess Distributions of such indirectly held PFIC, its *pro rata* share of any gain realized on the sale by the Issuer of such PFIC, and any gain indirectly realized by such U.S. Holder with respect to the indirectly held PFIC on the sale by the U.S. Holder of its LP Certificates (which may arise even if the U.S. Holder realizes a loss on such sale). If the U.S. Holder does timely make a QEF election with respect to the indirectly held PFIC and the CFC rules described below do not apply, the U.S. Holder would be required to include in income the U.S. Holder's *pro rata* share of the indirectly held PFIC's ordinary earnings and net capital gain as if the indirectly held PFIC were held directly. However, the Issuer is under no obligation to inform U.S. Holders that it has acquired an equity interest in a PFIC. Moreover, certain PFIC information statements are necessary for U.S. Holders that have made QEF elections, and there can be no assurance that the Issuer can or will obtain these statements from a PFIC. Accordingly, there can be no assurance that a U.S. Holder will be able to make a QEF election with respect to any indirectly held PFIC.

If a Collateral Debt Obligation is treated as an indirect equity interest in a CFC, or if the Issuer holds equity interests in one or more Issuer Subsidiaries that are treated as CFCs, and a U.S. Holder owns directly, indirectly, or constructively 10% or more of the CFC's voting power for U.S. federal income tax purposes, the U.S. Holder generally will be required to include its *pro rata* share of the CFC's "subpart F income" as ordinary income at the end of each taxable year, as described below under "U.S. Federal Tax Treatment of U.S. Holders of Income Notes—Investment in a Controlled Foreign Corporation," regardless of whether the CFC distributed any amounts to the Issuer during such taxable year or whether the U.S. Holder made a QEF election with respect to the indirectly held CFC. In addition, gain realized by the U.S. Holder on the sale by the Issuer of the CFC, and gain realized by the U.S. Holder on the sale by the U.S. Holder of its LP Certificates, generally will be treated as ordinary income to the extent of the U.S. Holder's *pro rata* share of the CFC's current and accumulated earnings and profits, reduced by any amounts previously taxed pursuant to the CFC rules.

A U.S. Holder that fails to report information with respect to an indirectly held PFIC or an indirectly held CFC may be subject to adverse tax consequences, including a "tolling" of the statute of limitations with respect to such U.S. Holder's entire tax return.

U.S. Holders should consult their own tax advisors regarding the tax issues associated with such investments in light of their own individual circumstances.

In addition, if the Issuer owns an interest in a PFIC, each U.S. Holder of LP Certificates is required to file an annual report containing such information as the IRS may require in Form 8621. In the event a U.S. Holder does not file Form 8621, the statute of limitations on the assessment and collection of U.S. federal income taxes of such U.S. Holder for the related tax year may not close before the date which is three years after the date on which such report is filed. Such tolling of the limitations period would apply to the U.S. Holder's entire tax return (not just the part of the return related to the filing).

Sale or Disposition. A U.S. Holder of LP Certificates that sells or otherwise disposes of a LP Certificate in a taxable transaction generally will recognize gain or loss equal to the difference, if any, between the amount realized from the sale or exchange and the U.S. Holder's adjusted basis in the LP Certificate. The amount realized from the sale or exchange will include such holder's share of the Issuer's liabilities outstanding at the time of the sale or exchange. Gain or loss will generally be capital gain or loss (and will be long-term capital gain or loss if the LP Certificate was held for more than one year on the date of such sale or exchange) if the LP Certificate was held as a capital asset and the Issuer would have recognized capital gain or loss on a sale of its assets. Long-term capital gain of individuals is currently taxed at reduced rates. In the event of a sale or other disposition of a U.S. Holder's LP Certificates at any time other than the end of the Issuer's taxable year, the share of income and losses of the Issuer for the year of disposition attributable to such LP Certificates transferred will be allocated for U.S. federal income tax purposes between the transferor and the transferee on either an interim closing-of-the-books basis or a *pro rata* basis reflecting the respective periods during such year that each of the transferor and the transferee owned the LP Certificates. However, gain attributable to PFICs or CFCs owned by the Issuer may be treated as ordinary income. Moreover, a U.S. Holder will recognize ordinary income rather than capital gain with respect to the U.S. Holder's allocable share of the Issuer's "unrealized receivables," which include accrued but untaxed market discount on assets held by the Issuer.

Section 754 Election. The Issuer may make an election under section 754 of the Code. In this event, upon a sale or other disposition of a LP Certificate by a holder, the tax basis of the Issuer's assets will be adjusted with respect to the transferee of the LP Certificate to reflect any differences between the transferee's purchase price and the transferor's tax basis in such LP Certificate. In the event a section 754 election is not made, transferees of LP Certificates (including holders taking in the form of Income Notes), may recognize some phantom income. Such transferees should consult their own tax advisors with respect to such phantom income.

Prospective investors should consult their tax advisors regarding the tax consequences to them of a sale or other disposition of a LP Certificate.

Mandatory Basis Adjustments. Unless the Issuer is determined to be a "securitization partnership" (which is not entirely clear) the Issuer will be required to adjust its tax basis in its assets in respect of all partners in cases of partnership distributions that result in a "substantial basis reduction" (i.e., in excess of $250,000) in respect of the relevant partnership's property. Similarly, the Issuer is required, unless the Issuer is determined to be a "securitization partnership," to adjust its tax basis in its assets in respect of a transferee, in the case of a sale or exchange of an interest, or a transfer upon death, when there exists a "substantial built-in loss" (i.e., in excess of $250,000) in respect of partnership property immediately after the transfer. For this reason, the Issuer will require (i) any equity owner who receives a distribution from the Issuer in connection with a complete withdrawal, (ii) a transferee (including a transferee in case of death) of a LP Certificate (or any Class of Rated Notes recharacterized as equity in the Issuer) and (iii) any other equity owner in appropriate circumstances, to provide the Issuer with information regarding its adjusted tax basis in its equity interest in the Issuer. The Issuer may make an election pursuant to which, in lieu of partnership level basis adjustments a limitation on losses would apply to transferee partners which would generally limit losses to transferee partners arising from dispositions of partnership property to losses exceeding losses previously recognized by the transferor.

Section 708 Termination. Under Section 708 of the Code, the Issuer will be deemed to terminate for U.S. federal income tax purposes if 50% or more of the capital and profits interests in the Issuer are sold or exchanged within a 12-month period. If such a termination occurs, the Issuer will be considered to have transferred all of its asset and liabilities to a new partnership and then to have immediately liquidated and distributed the interests in the new partnership to the continuing holders of the LP Certificates. The Issuer does not expect to comply with certain technical requirements that might apply when such a constructive termination occurs. As a result, the Issuer may be subject to certain tax penalties and may incur additional expenses if it is required to comply with those requirements. Such a termination may also accelerate income for certain holders of LP Certificates.

Partnership Tax Returns and Audits. The Issuer intends to file an annual partnership information return and provide information on Schedules K-1 to each U.S. Holder of a LP Certificate following the close of each calendar year, unless such returns and schedules are not required. The Issuer's tax returns are subject to audit by the IRS or by state and local authorities, and the items set forth on such returns are subject to adjustment. An adjustment in any item reported on any such return may result in an adjustment to the tax liability of U.S. Holders of LP Certificates. In addition, an audit of the Issuer's tax returns may result in the audit of the tax return of the holder of a LP Certificate. See also "*Tax Matters Partner; Partnership Representative*," below.

A U.S. Holder of LP Certificates will be required to report its purchase of LP Certificates to the IRS on Form 8865 Schedule O if (i) the U.S. Holder owns, directly or by attribution, immediately after the purchase at least 10% of the LP Certificates or (ii) the purchase price paid for the LP Certificates exceeds U.S.$100,000 in the aggregate. U.S. Holders of LP Certificates should consult their tax advisors with respect to this and any other reporting requirement that may apply with respect to their acquisition of the LP Certificates.

Tax Matters Partner; Partnership Representative. Subject to the following paragraphs, all equity owners of the Issuer will be deemed to have agreed to appoint the Collateral Manager (or an affiliate thereof) as the "**Tax Matters Partner**" (or, if not eligible to be the Tax Matters Partner, as agent-in-fact of the Tax Matters Partner), for so long as such investor owns LP Certificates, and thereafter, the U.S. Holder of the greatest portion of the aggregate outstanding principal amount of the LP Certificates (or as otherwise designated under the Code and the applicable regulations thereunder), which will grant such holder the right and obligation to decide how to report the partnership items on the Issuer's tax returns. Prospective investors in the LP Certificates (and any Classes of Notes recharacterized as equity in the Issuer) should note that the interests of the Tax Matters Partner may not coincide with the interests of any other partner.

The Budget Act, which was enacted on November 2, 2015, repeals and replaces (for taxable years beginning on January 1, 2018) the rules applicable to certain administrative and judicial proceedings regarding a partnership's U.S. federal income tax affairs. Under the Partnership Tax Audit Rules, a partnership (including the Issuer) appoints one person (the "partnership representative") to act on its behalf in connection with IRS audits and related proceedings. The partnership representative's actions, including the partnership representative's agreement to adjustments of the Issuer's income in settlement of an IRS audit of the Issuer, will bind all holders of the LP Certificates and any holders of any Class of Notes characterized as equity in the Issuer (all such holders, "**Partners**"), and opt-out rights available to certain Partners in connection with certain actions of the tax matters partner under current partnership audit rules will no longer be available. All Partners of the Issuer will be deemed to have agreed to appoint the Collateral Manager (or an affiliate thereof) as the partnership representative (or, if not eligible to be the partnership representative, as agent-in-fact of the partnership representative). In the event that no holder of LP Certificates (or any other holder of Notes) agrees to be the partnership representative, the IRS can appoint the partnership representative, which need not be a holder of Notes or affiliated with the Co-Issuers or the Income Note Issuer. Prospective investors in the LP Certificates (and any Classes of Notes recharacterized as equity in the Issuer) should note that the interests of the partnership representative may not coincide with the interests of any other partner. In addition, under the new rules, U.S. federal income taxes (and any related interest and penalties) attributable to an adjustment to the Issuer's income following an IRS audit or judicial proceeding will, absent an election by the Issuer to the contrary, have to be paid by the Issuer in the year during which the audit or other proceeding is resolved. This could cause the economic burden of U.S. federal income tax liability arising on audit of the Issuer to be borne by Partners based on their interests in the Issuer in the year during which the audit or other proceeding is resolved, even though such tax liability is attributable to an earlier taxable year in which the interests or identity of some or all of the Partners was different. The new rules also can cause the Issuer's U.S. federal income tax liability arising on audit to be computed in less advantageous ways than the tax liability of the Partners would be computed under current rules (for example, by applying the highest marginal federal income tax rates and potentially ignoring the tax-exempt status of certain Partners). The Budget Act directs the IRS to provide procedures that may allow the Issuer, in calculating taxes imposed on the Issuer with respect to audit adjustments, to take into account certain applicable lower tax rates and the tax-exempt status of certain Partners, which may require Partners to provide certain information to the Issuer (possibly including information about the owners of Partners classified as partnerships). In addition, if elected by the partnership representative, an alternative procedure may allow the Issuer to avoid such entity-level U.S. federal income tax liability in some cases if certain conditions are satisfied. This alternative procedure may require Partners (based on their interests in the Issuer in the prior tax year under audit) to either file amended returns and pay any tax that would be due for the prior tax year under audit, or adjust the tax liability reported on their income tax returns for the year in which the audit is resolved. However, because the Budget Act is very new, the IRS has not provided any guidance on such adjustments and the alternative procedure and there can be no assurances that any conditions to such adjustments or alternative procedures can be satisfied or that such alternative procedure will be elected in any instance. Any U.S. federal income taxes (and any related interest and penalties) paid by the Issuer in respect of IRS audit adjustments at the Issuer level could have a material adverse effect on payments to Noteholders. In the event that any such tax is imposed on the Issuer, the partnership representative may, in its sole discretion, allocate the burden of (or any diminution in distributable proceeds resulting from) any such taxes, penalties or interest to those Partners to whom such amounts are specifically attributable (whether as a result of their status, actions, inactions or otherwise), as determined in the sole discretion of the partnership representative. Partners will be bound by the partnership representative's allocations and no assurances can be made that any such determinations and allocations will be in the best interest of any particular Partner or Noteholder. It is also possible such tax will be treated (in non-tax terms) entirely as an expense of the Issuer and will be economically borne by Holders of the Rated Notes.

If the IRS, in connection with an audit governed by the Partnership Tax Audit Rules, proposes an adjustment greater than $10,000 in the amount of any item of income, gain, loss, deduction or credit of the Partnership, or any Partner's distributive share thereof, and such adjustment results in an "imputed underpayment" as described in Section 6225(b) of the Code, as amended by the Budget Act, together with any guidance issued thereunder or successor provisions (a "**Covered Audit Adjustment**"), the partnership representative will use commercially reasonable efforts (taking into account whether the partnership representative has received any needed information on a timely basis from the Partners), to apply the alternative method provided by Section 6226 of the Code, as amended by the Budget Act, together with any guidance issued thereunder or successor provisions (the "**Alternative Method**"). In the event the proposed adjustment is equal to or less than $10,000, the partnership representative may in its sole discretion elect to have the Issuer pay such adjustment. To the extent that the partnership representative does not (or is unable to) elect the Alternative Method with respect to a Covered Audit Adjustment and such Covered Audit Adjustment is

material as to the Issuer (determined in the partnership representative's discretion), the partnership representative shall use commercially reasonable efforts to (i) make any modifications available under Sections 6225(c)(3), (4) and (5) of the Code, as amended by the Budget Act, together with any guidance issued thereunder or successor provisions, to the extent that such modifications are available (taking into account whether the partnership representative has received any needed information on a timely basis from the Partners) and would reduce any taxes payable by the Issuer with respect to the Covered Audit Adjustment, and (ii) if requested by a Partner, provide to such Partner information allowing such Partner to file an amended U.S. federal income tax return, as described in Section 6225(c)(2) of the Code, as amended by the Budget Act, together with any guidance issued thereunder or successor provisions, to the extent that such amended return and payment of any related U.S. federal income taxes would reduce any taxes payable by the Issuer with respect to the Covered Audit Adjustment (after taking into account any modifications described in clause (i)). Similar procedures shall be followed in connection with any state or local income tax audit governed by the Partnership Tax Audit Rules. Although the partnership representative will make commercially reasonable efforts to obtain the requisite information from its Partners to enable it to elect the Alternative Method (which will require the partnership representative to be able to adequately identify each such Partner), there is no guarantee that the partnership representative will be able to garner such information.

As indicated above, the new partnership audit rules are effective for federal income tax returns filed for taxable years of the Issuer beginning on or after January 1, 2018. For returns filed for taxable years prior to the effective date of the new rules, the existing partnership audit rules will apply. The new partnership audit rules are complex and additional guidance will be required before they are implemented. Partners should discuss with their own tax advisors the possible implications of the new rules with respect to an investment in the Issuer.

Reportable Transactions. A participant in a "reportable transaction" is required to disclose its participation in such a transaction by filing IRS Form 8886. In particular, if the Issuer and/or U.S. Holders of LP Certificates claim significant losses in respect of their interests (generally, $10 million or more in a taxable year or $20 million or more in any combination of taxable years for corporations (or partnerships that have only corporations as partners) or $2 million or more in a taxable year or $4 million or more in any combination of taxable years for all other taxpayers), the Issuer and the U.S. Holders of LP Certificates may be subject to the disclosure requirements for reportable transactions. Failure to comply with these rules can result in substantial penalties. In addition, a "material adviser" with respect to such a transaction is required to maintain information regarding the transaction (including the names of the participants) and file a return identifying and describing the transaction and its potential tax benefits. The Issuer cannot predict whether any of the Issuer's transactions will be treated as reportable transactions.

If the Issuer determines that any of the Issuer's transactions is a reportable transaction, the Issuer will fully comply with such requirements. Prospective investors should consult with their tax advisers regarding the applicability of these rules to their investment in the Issuer.

One or more states may impose similar reporting requirements on the Issuers and/or U.S. Holders of LP Certificates. U.S. Holders of LP Certificates and prospective investors should consult with their tax advisers as to the applicability of such rules in jurisdictions which may require or impose a filing requirement.

Prospective investors should consult their tax advisors regarding the treatment of the Issuer as a partnership for U.S. federal income tax purposes.

Reporting Requirements. U.S. Holders of LP Certificates and any other Class of Notes recharacterized as equity in the Issuer may be required to file particular IRS tax forms with respect to their investment in the Notes. In the event a U.S. Holder does not file the appropriate form, the statute of limitations on the assessment and collection of U.S. federal income taxes of such U.S. Holder for the related tax year may not close before the date which is three years after the date on which such filing is made. Such tolling of the limitations period would apply to the U.S. Holder's entire tax return (not just the part of the return related to the filing).

Treasury Regulations require that a U.S. person's direct and indirect contributions of cash or property to a foreign partnership such as the Issuer be reported on Form 8865 (i) where, immediately after the contribution, the U.S. person owns (directly, indirectly or by attribution) at least a 10% interest in the foreign partnership or (ii) the value of the cash and/or property transferred during the twelve-month period ending on the date of the contribution by the transferor (or any related person) exceeds $100,000. In addition, a U.S. person is required to report on Form 8865 certain changes in, including certain acquisitions and dispositions of, its ownership of a foreign partnership. Treasury

Regulations also generally impose an annual reporting requirement on U.S. persons owning, at any time during the taxable year, 10% or more of the profits or capital of a "U.S. controlled" foreign partnership. For purposes of this provision, a foreign partnership is "U.S. controlled" if one or more U.S. persons owning 10% or more of the profits or capital of the partnership own, in the aggregate, more than 50% of the profits or capital of the partnership. Alternatively, if one U.S. person owns, at any time during the taxable year, more than 50% of the profits or capital of a foreign partnership, such person, rather than the 10% partners (if any), is required to comply with the annual reporting requirement on Form 8865. For purposes of this paragraph, "ownership" of a partnership interest includes interests owned directly, indirectly and by attribution. Various material penalties exist for failure to file Form 8865.

U.S. Federal Tax Treatment of U.S. Holders of Income Notes

U.S. Federal Tax Treatment of the Income Note Issuer. The Income Note Issuer expects to be treated as a foreign corporation for U.S. federal income tax purposes and the Income Note Issuer intends to treat, and holders of Income Notes agree to treat, the Income Notes as equity interests in the Income Note Issuer for U.S. federal income tax purposes. Accordingly, as discussed above under "*—U.S. Federal Tax Treatment of the Issuer*," if the Issuer were determined to be engaged in a trade or business within the United States and had income effectively connected with such U.S. trade or business, the Income Note Issuer would generally be subject to U.S. federal corporate income tax and possibly an additional branch profits tax of 30% on its allocable share of the Issuer's effectively connected earnings and profits. The imposition of such taxes could materially adversely affect the Income Note Issuer's ability to make payments on the Income Notes.

In addition, as discussed above, adverse consequences could result if a determination is made that the Issuer is engaged in a trade or business in the United States, and the independent status of the Income Note Issuer is successfully challenged by the IRS such that the holders of Income Notes are treated as being a direct ownership interest in the Issuer. The remainder of this discussion assumes no such successful challenge by the IRS.

The following discussion does not address the effect of any Contributions made by the Income Note Issuer (and indirectly any holder of Income Notes), including the effect on any Income Note holder's basis in its Income Notes. However, in the event that the Income Note Issuer makes a Contribution, such Contribution will likely be treated as equity in the Issuer and could affect the allocation of income to the Income Notes under the QEF and CFC rules discussed below (including the holders of the Income Notes who did not contribute towards the Income Note Issuer's Contribution).

Investment in a Passive Foreign Investment Company. The Income Note Issuer is expected to constitute a PFIC for U.S. federal income tax purposes, and, except to the extent that the Income Note Issuer is also a CFC and a U.S. Holder is a 10% United States shareholder in the Income Note Issuer (as described below under "*—Investment in a Controlled Foreign Corporation*"), U.S. Holders of the Income Notes will be subject to the PFIC rules. U.S. Holders should consider making an election to treat the Income Note Issuer as a QEF. Generally, a U.S. Holder makes a QEF election on IRS Form 8621, attaching a copy of such form to its U.S. federal income tax return for the first taxable year for which it held its Income Notes. If a U.S. Holder makes a timely QEF election with respect to the Income Note Issuer, the electing U.S. Holder will be required in each taxable year to include in gross income (i) as ordinary income, such U.S. Holder's *pro rata* share of the Income Note Issuer's ordinary earnings and (ii) as long term capital gain, such U.S. Holder's *pro rata* share of the Income Note Issuer's net capital gain, whether or not distributed. A U.S. Holder's "pro rata" share of the Income Note Issuer's ordinary earnings and net capital gain may exceed the amounts payable to the U.S. Holder, in which case the U.S. Holder may be required to report taxable income in excess of the distributions payable to it during one or more taxable years. Moreover, the delivery of funds by one or more U.S. Holders of Income Notes to the Income Note Paying Agent to be applied by the Income Note Issuer as a Contribution could increase the disparity between taxable income and distributions for U.S. Holders of Income Notes that do not also deliver funds. A U.S. Holder will not be eligible for the dividends received deduction in respect of such income or gain. In addition, any losses of the Income Note Issuer in a taxable year will not be available to such U.S. Holder and may not be carried back or forward in computing the Income Note Issuer's ordinary earnings and net capital gain in other taxable years. If applicable, the rules relating to a "controlled foreign corporation," discussed below, generally override those relating to a PFIC with respect to which a QEF election is in effect.

In certain cases in which a QEF does not distribute all of its earnings in a taxable year, the electing U.S. Holder may also be permitted to elect to defer payment of some or all of the taxes on the QEF's income, subject to a nondeductible interest charge on the deferred amount.

The Income Note Issuer will provide, upon request, all information and documentation that a U.S. Holder making a QEF election is required to obtain for U.S. federal income tax purposes.

A U.S. Holder of an Income Note (other than certain U.S. Holders that are subject to the rules relating to a "controlled foreign corporation," described below) that does not make a timely QEF election will be required to report any gain on the disposition of any Income Notes as ordinary income, rather than capital gain, and to compute the tax liability on such gain and any "Excess Distribution" (as defined below) received in respect of the Income Notes as if such items had been earned ratably over each day in the U.S. Holder's holding period (or a certain portion thereof) for the Income Notes. An "**Excess Distribution**" is the amount by which distributions during a taxable year in respect of an Income 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 the Income Notes). The U.S. Holder will be subject to tax on such items at the highest ordinary income tax rate for each taxable year, other than the current year (for which the U.S. Holder's regular ordinary income tax rate will apply), in which the items were treated as having been earned, regardless of the rate otherwise applicable to the U.S. Holder. Further, such U.S. Holder will also be liable for a nondeductible interest charge as if such income tax liabilities had been due with respect to each such prior year. For purposes of these rules, gifts, exchanges pursuant to corporate reorganizations and use of the Income Notes as security for a loan may be treated as taxable dispositions of such Income Notes. In addition, a stepped up basis in the Income Notes will not be available upon the death of an individual U.S. Holder unless the U.S. Holder has made a QEF election with respect to the Income Note Issuer.

The U.S. federal income tax on any gain on disposition or receipt of Excess Distributions may be substantially greater than the tax if a timely QEF election is made. **A U.S. HOLDER OF AN INCOME NOTE SHOULD STRONGLY CONSIDER MAKING A QEF ELECTION WITH RESPECT TO SUCH INCOME NOTE**.

In addition, each U.S. Holder of a PFIC, including, as discussed below, a holder of an indirect interest in a PFIC, is required to file an annual report containing such information as the IRS may require in Form 8621. In the event a U.S. Holder does not file Form 8621, the statute of limitations on the assessment and collection of U.S. federal income taxes of such U.S. Holder for the related tax year may not close before the date which is three years after the date on which such report if filed. Such tolling of the limitations period would apply to the U.S. Holder's entire tax return (not just the part of the return related to the filing).

Investment in a Controlled Foreign Corporation. The Income Note Issuer will constitute a CFC if more than 50% of the equity interests in the Income Note Issuer, measured by reference to combined voting power or value, is owned directly, indirectly, or constructively by "10% United States shareholders." For this purpose, a "**10% United States shareholder**" is any United States person that possesses directly, indirectly, or constructively 10% or more of the combined voting power of all classes of equity in the Income Note Issuer. It is likely that the Income Notes will be treated as voting securities. In this case, a U.S. Holder of Income Notes possessing directly, indirectly, or constructively 10% or more of the sum of the aggregate outstanding principal amount of the Income Notes would be treated as a 10% United States shareholder. If more than 50% of the Income Notes, determined with respect to aggregate value or aggregate outstanding principal amount, are owned directly, indirectly, or constructively by such 10% United States shareholders, the Income Note Issuer would be treated as a CFC.

If, for any given taxable year, the Income Note Issuer is treated as a CFC, a 10% United States shareholder of the Income Note Issuer generally would be required to include as ordinary income an amount equal to that person's *pro rata* share of the Income Note Issuer's "subpart F income" at the end of such taxable year. Among other items, and subject to certain exceptions, "subpart F income" includes dividends, interest, annuities, gains from the sale of shares and securities, certain gains from commodities transactions, certain types of insurance income and income from certain transactions with related parties. If the Income Note Issuer is a CFC, all of its income would be subpart F income. A U.S. Holder's "*pro rata*" share of the Income Note Issuer's subpart F income may exceed the amounts payable to the U.S. Holder, in which case the U.S. Holder may be required to report taxable income in excess of the distributions payable to it during one or more taxable years. Moreover, the delivery of funds by one or more U.S. Holders of Income Notes to the Income Note Paying Agent to be applied by the Income Note Issuer as a Contribution could

increase the disparity between taxable income and distributions for U.S. Holders of Income Notes that do not also deliver funds.

If the Income Note Issuer is treated as a CFC and a U.S. Holder is treated as a 10% United States shareholder of the Income Note Issuer, the Income Note Issuer would not be treated as a PFIC with respect to such U.S. Holder for the period during which the Income Note Issuer remains a CFC and such U.S. Holder remains a 10% United States shareholder of the Income Note Issuer (the "qualified portion" of the U.S. Holder's holding period for the Income Notes). As a result, to the extent the Income Note Issuer's subpart F income includes net capital gains, such gains would be treated as ordinary income to the 10% United States shareholder under the CFC rules, notwithstanding the fact that the character of such gains generally would otherwise be preserved under the QEF rules. If the qualified portion of such U.S. Holder's holding period for the Income Notes subsequently ceases (either because the Income Note Issuer ceases to be a CFC or the U.S. Holder ceases to be a 10% United States shareholder), then solely for purposes of the PFIC rules, such U.S. Holder's holding period for the Income Notes would be treated as beginning on the first day following the end of such qualified portion, unless the U.S. Holder had owned any Income Notes for any period of time prior to such qualified portion and had not made a QEF election with respect to the Income Note Issuer. In that case, the Income Note Issuer would again be treated as a PFIC which is not a QEF with respect to such U.S. Holder and the beginning of such U.S. Holder's holding period for the Income Notes would continue to be the date upon which such U.S. Holder acquired the Income Notes, unless the U.S. Holder makes an election to recognize gain with respect to the Income Notes and a QEF election with respect to the Income Note Issuer. In the event that the Income Note Issuer is treated as a CFC, then, at the request and expense of any U.S. Holder that is a 10% United States shareholder with respect to the Income Note Issuer, the Income Note Issuer will provide the information necessary for the U.S. Holder to comply with any filing requirements that arise as a result of the Income Note Issuer's classification as a CFC.

Indirect Interests in PFICs and CFCs. If the Issuer owns a Collateral Debt Obligation issued by a non-U.S. corporation that is treated as equity for U.S. federal income tax purposes (or an equity interest in a non-U.S. Issuer Subsidiary) or if the Issuer is treated as a publicly traded partnership taxable as a corporation, U.S. Holders of Income Notes could be treated as owning an indirect equity interest in a PFIC or a CFC and could be subject to certain adverse tax consequences.

In particular, a U.S. Holder of an indirect equity interest in a PFIC is treated as owning the PFIC directly. The U.S. Holder, and not the Income Note Issuer, would be required to make a QEF election with respect to each indirect interest in a PFIC. However, certain PFIC information statements are necessary for U.S. Holders that have made QEF elections, and there can be no assurance that the Income Note Issuer can obtain such statements from a PFIC, and thus there can be no assurance that a U.S. Holder will be able to make the election with respect to any indirectly held PFIC. Accordingly, if the U.S. Holder has not made a QEF election with respect to the indirectly held PFIC, the U.S. Holder would be subject to the adverse consequences described above under "*—Investment in a Passive Foreign Investment Company*" with respect to any Excess Distributions of such indirectly held PFIC, any gain indirectly realized by such U.S. Holder on the sale by the Income Note Issuer of such PFIC, and any gain indirectly realized by such U.S. Holder with respect to the indirectly held PFIC on the sale by the U.S. Holder of its Income Notes (which may arise even if the U.S. Holder realizes a loss on such sale). Moreover, if the U.S. Holder has made a QEF election with respect to the indirectly held PFIC, the U.S. Holder would be required to include in income the U.S. Holder's *pro rata* share of the indirectly held PFIC's ordinary earnings and net capital gain as if the indirectly held PFIC were owned directly, and the U.S. Holder would not be permitted to use any losses or other expenses of the Income Note Issuer to offset such ordinary earnings and/or net capital gains. Accordingly, if any of the Collateral Debt Obligations are treated as equity interests in a PFIC, or if the Issuer holds equity interests in one or more non-U.S. Issuer Subsidiaries, U.S. Holders could experience significant amounts of "phantom" income with respect to such interests.

If a Collateral Debt Obligation is treated as an indirect equity interest in a CFC, or if the Issuer holds equity interests in one or more non-U.S. Issuer Subsidiaries that are treated as CFCs, and a U.S. Holder owns directly, indirectly, or constructively 10% or more of the CFC's voting power for U.S. federal income tax purposes, the U.S. Holder generally will be required to include its *pro rata* share of the CFC's "subpart F income" as ordinary income at the end of each taxable year, as described above under "*—Investment in a Controlled Foreign Corporation*," regardless of whether the CFC distributed any amounts to the Issuer during such taxable year or whether the U.S. Holder made a QEF election with respect to the indirectly held CFC. In addition, gain realized by the U.S. Holder on the sale by the Issuer of the CFC, and gain realized by the U.S. Holder on the sale by the U.S. Holder of its Income Notes,

generally will be treated as ordinary income to the extent of the U.S. Holder's *pro rata* share of the CFC's current and accumulated earnings and profits, reduced by any amounts previously taxed pursuant to the CFC rules.

U.S. Holders should consult their own tax advisors regarding the tax issues associated with such investments in light of their own individual circumstances.

Phantom Income. U.S. Holders may be subject to U.S. federal income tax on amounts that may exceed the distributions they receive on the Income Notes. For example, if the Income Note Issuer (or any Issuer Subsidiary) is a CFC and a U.S. Holder is a 10% United States shareholder with respect to the Income Note Issuer (or Issuer Subsidiary) or a U.S. Holder makes a QEF election with respect to the Income Note Issuer (or Issuer Subsidiary), the U.S. Holder will be subject to federal income tax with respect to its share of the Income Note Issuer's (and Issuer Subsidiary's) income and gain to the extent of the Income Note Issuer's (or Issuer Subsidiary's) "earnings and profits," which may exceed the Income Note Issuer's distributions. The acquisition at a discount of Rated Notes by the Issuer or an Issuer Subsidiary (including pursuant to a Refinancing or any deemed exchange that occurs as a result of a modification of the Indenture) also could result in a significant amount of "phantom" income to such a U.S. Holder of Income Notes. U.S. Holders should consult their tax advisors regarding the timing of income and gain on the Income Notes.

Distributions. The treatment of actual distributions of cash on the Income Notes, in very general terms, will vary depending on whether a U.S. Holder has made a timely QEF election (as described above). See "*—Investment in a Passive Foreign Investment Company*." 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 rules, if applicable) and to this extent will not be taxable to U.S. Holders. Distributions in excess of such previously taxed amounts will be taxable to U.S. Holders as ordinary income upon receipt, to the extent of any remaining amounts of untaxed current and accumulated earnings and profits of the Income Note Issuer. Distributions in excess of previously taxed amounts and any remaining current and accumulated earnings and profits of the Income Note Issuer will be treated first as a nontaxable return of capital to the extent of the U.S. Holder's adjusted tax basis in the Income Notes (as described below under "*—Sale, Redemption, or Other Disposition*"), and then as a disposition of a portion of the Income Notes.

If such U.S. Holder has not made a timely QEF election, then, except to the extent that distributions may be attributable to amounts previously taxed pursuant to the CFC rules, some or all of any distributions with respect to the Income Notes may constitute Excess Distributions, taxable as previously described under the heading "—Investment in a Passive Foreign Investment Company." In addition, distributions in excess of a U.S. Holder's adjusted tax basis in the Income Notes would be treated as a disposition of a portion of the Income Notes and subject to an additional tax reflecting a deemed interest charge, as described below under "—Sale, Redemption, or Other Disposition".

Distributions on the Income Notes will not be eligible for the dividends received deduction, and will not qualify as "qualified dividend income."

Sale, Redemption, or Other Disposition. In general, except as described below, a U.S. Holder of Income Notes will recognize gain or loss upon the sale, redemption, or other disposition of an Income Note (including a distribution that is treated as a disposition of the Income Notes, as described above under "*—Distributions*") equal to the difference between the amount realized and such U.S. Holder's adjusted tax basis in the Income Note. Initially, a U.S. Holder's tax basis in an Income Note will equal the amount paid for the Income Note.

Such basis will be increased by amounts taxable to such U.S. Holder by reason of a QEF election, or by reason of the CFC rules, as applicable, and decreased by actual distributions from the Income Note 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 Income Notes (as described above). Except as discussed below, such gain or loss will be long term capital gain or loss if the U.S. Holder held the Income Notes for more than one year at the time of the disposition. In certain circumstances, U.S. Holders who are individuals (or whose income is taxable to U.S. individuals) may be entitled to preferential tax rates for net long term capital gains; however, the ability of U.S. Holders to offset capital losses against ordinary income is limited.

If a U.S. Holder does not make a timely QEF election with respect to the Income Note Issuer as described above and is not subject to the CFC rules, any gain realized on the sale, redemption, or other disposition of Income Notes (or any gain deemed to accrue prior to the time a non-timely QEF election is made) will be taxed as ordinary income

and subject to an additional tax reflecting a deemed interest charge under the special tax rules described above. See "*—Investment in a Passive Foreign Investment Company*."

If the Income Note Issuer is treated as a CFC and a U.S. Holder is treated as a "10% United States shareholder" with respect to the Income Note Issuer, then any gain realized by such U.S. Holder upon the disposition of an Income Note, other than gain subject to the PFIC rules, if applicable, would be treated as ordinary income to the extent of the U.S. Holder's *pro rata* share of the Income Note Issuer's current and accumulated earnings and profits. In this regard, earnings and profits would not include any amounts previously taxed pursuant to a timely QEF election or pursuant to the CFC rules.

In addition, as described above under "*—Indirect Interests in PFICs and CFCs*," gain attributable to interests in PFICs or CFCs owned by the Issuer may be treated as ordinary income to a U.S. Holder of Income Notes upon a sale, redemption, or other disposition of those Income Notes.

Transfer and Information Reporting Requirements. U.S. Holders of Income Notes, may be required to file particular IRS tax forms with respect to their investment in the Notes. In the event a U.S. Holder does not file the appropriate form, the statute of limitations on the assessment and collection of U.S. federal income taxes of such U.S. Holder for the related tax year may not close before the date which is three years after the date on which such filing is made. Such tolling of the limitations period would apply to the U.S. Holder's entire tax return (not just the part of the return related to the filing). A U.S. Holder (including a tax exempt entity) that purchases the Income Notes for cash would be required to file an IRS Form 926 or similar form with the IRS, if (i) such person is treated as owning, directly or by attribution, immediately after the transfer at least 10% by vote or value of the Income Note Issuer or (ii) the amount of cash transferred by such person (or any related person) to the Income Note Issuer during the 12-month period ending on the date of such transfer exceeds $100,000.

A U.S. Holder that is treated as owning (actually or constructively) at least 10% by vote or value of the equity of the Income Note Issuer for U.S. federal income tax purposes may be required to file an information return on IRS Form 5471, and provide additional information regarding the Income Note Issuer annually on IRS Form 5471 if it is treated as owning (actually or constructively) more than 50% by vote or value of the equity of the Income Note Issuer for U.S. federal income tax purposes.

In addition, U.S. Holders generally will be required to file an annual PFIC report.

U.S. Holders that fail to comply with these reporting requirements may be subject to adverse tax consequences, including a "tolling" of the statute of limitations with respect to their entire tax returns. U.S. Holders should consult their tax advisors with respect to these or any other reporting requirements that may apply with respect to their acquisition or ownership of the Income Notes.

If a holder of LP Certificates delivers LP Certificates to the Income Note Issuer in exchange for Income Notes, the exchange is generally expected to be treated as a taxable disposition of LP Certificates, as described above under "*—U.S. Federal Tax Treatment of U.S. Holders of LP Certificates—Sale or Disposition*". If a holder of LP Certificates is deemed to be in control of at least 80% of the Income Notes immediately after the exchange and the conditions for nonrecognition are otherwise satisfied, no gain or loss is expected to be realized on the exchange, and a holder is expected to have basis in the Income Notes equal to its basis in the LP Certificates delivered in the exchange. Special rules may apply to a holder that delivers LP Certificates with basis in such Notes in excess of the value of such Notes at the time of the exchange for Income Notes. These rules may defer, or in some cases permanently disallow, the recognition of losses on LP Certificates exchanged for Income Notes.

Specified Foreign Financial Asset Reporting

U.S. Holders who are individuals may be subject to reporting obligations with respect to their Notes if they do not hold their Notes in an account maintained by a financial institution and the aggregate value of their Notes and certain other "specified foreign financial assets" exceeds $50,000. Significant penalties can apply if a U.S. Holder is required to disclose its Notes and fails to do so.

3.8% Medicare Tax on "Net Investment Income"

U.S. Holders that are individuals or estates and certain trusts are subject to an additional 3.8% tax on all or a portion of their "net investment income," or "undistributed net investment income" (in the case of an estate or trust), which may include any income or gain with respect to the Notes, to the extent of their net investment income or undistributed net investment income, as the case may be, that, when added to their other modified adjusted gross income, exceeds $200,000 for an unmarried individual, $250,000 for a married taxpayer filing a joint return (or a surviving spouse), $125,000 for a married individual filing a separate return, or the dollar amount at which the highest tax bracket begins for an estate or trust (which, in 2016, is $12,400). The 3.8% Medicare tax is determined in a different manner than the regular income tax. Regulations have subjected equity holders of PFICs and CFCs to such tax, although the application of the tax (and the availability of particular elections) is quite complex. U.S. Holders should consult their own tax advisors with respect to the application of the 3.8% Medicare tax to their income and gains, if any, with respect to the Notes.

FBAR Reporting

A U.S. Holder of LP Certificates (or any Rated Notes that are treated as equity in the Issuer for U.S. federal income tax purposes) or Income Notes may be required to file a FinCEN Form 114 with respect to foreign financial accounts in which the Issuer or the Income Note Issuer (as applicable) has a financial interest if the U.S. Holder holds more than 50% of the aggregate outstanding principal amount of such Notes or is otherwise treated as owning more than 50% of the total value of the Issuer's outstanding equity, or more than 50% of the total value or voting power of the Income Note Issuer's outstanding equity.

U.S. Federal Tax Treatment of Non-U.S. Holders of Securities and Income Notes

In general, payments on the Securities and Notes to a Non-U.S. Holder that provides the appropriate tax certifications and gain realized on the sale, exchange or retirement of the Securities and Income Notes by the Non-U.S. Holder will not be subject to U.S. federal income or withholding tax, unless (i) such income is effectively connected with a trade or business conducted by the Non-U.S. Holder in the United States, or (ii) in the case of gain, such Non-U.S. Holder is a nonresident alien individual who holds the Notes as a capital asset and is present in the United States for more than 182 days in the taxable year of the sale and certain other conditions are satisfied.

In the event that a Non-U.S. Holder of LP Certificates, Income Notes or Class E Notes (if recharacterized as equity in the Issuer) (i) is a bank (within the meaning of section 881(c)(3)(A) of the Code), (ii) owns 10% or more of the voting stock or profits or capital interests in an issuer of a Collateral Debt Obligation or an Eligible Investment, or (iii) is a "controlled foreign corporation" described in section 881(c)(3)(C) of the Code with respect to any issuer of a Collateral Debt Obligation or an Eligible Investment, it is possible that the Issuer could be subject to U.S. federal withholding tax on income allocable to such Non-U.S. Holder unless the Non-U.S. Holder qualifies for the benefits of an income tax treaty that reduces or eliminates the tax or, with respect to the Income Notes, the income is effectively connected with the conduct of a trade or business within the United States by the Non-U.S. Holder. The Issuer will not "gross up" any holders in respect of withholding tax, and holders of Notes are required to indemnify the Issuer for any withholding tax liability attributable to such holders. Further, any such Notes held by a Non-U.S. Holder may be subject to a compelled disposition.

Information Reporting and Backup Withholding

Under certain circumstances, the Code requires "information reporting" annually to the IRS and to each holder, and "backup withholding" with respect to certain payments made on or with respect to the Notes. Backup withholding will apply to a U.S. Holder only if the U.S. Holder (i) fails to furnish its Taxpayer Identification Number ("**TIN**") which, for an individual, would be his or her Social Security Number, (ii) furnishes an incorrect TIN, (iii) is notified by the IRS that it has failed to properly report payments of interest and dividends, or (iv) under certain circumstances, fails to certify, under penalty of perjury, that it has furnished a correct TIN and has not been notified by the IRS that it is subject to backup withholding for failure to report interest and dividend payments. The exemption from backup withholding generally is available to U.S. Holders that provide a properly completed IRS Form W-9.

A Non-U.S. Holder that provides the applicable IRS Form W-8, together with all appropriate attachments, signed under penalties of perjury, identifying the Non-U.S. Holder and stating that the Non-U.S. Holder is not a United States person, will not be subject to U.S. information reporting requirements and U.S. backup withholding.

Information reporting and backup withholding may apply to the proceeds of a sale of Notes made within the United States or conducted through certain U.S. related financial intermediaries, unless the payor receives the statement described above or the Non-U.S. Holder otherwise establishes an exemption.

Backup withholding is not an additional tax and may be refunded (or credited against the holder's federal income tax liability, if any), *provided* that certain required information is furnished. The information reporting requirements may apply regardless of whether withholding is required. Copies of the information returns also may be made available to the tax authorities in the country in which a Non-U.S. Holder is a resident under the provisions of an applicable income tax treaty or agreement.

FATCA

FATCA potentially imposes a withholding tax of 30% on certain payments made to a Foreign Issuer, including potentially all interest paid on (and after December 31, 2018, proceeds from the sale or other disposition of) U.S. Collateral Debt Obligations issued or materially modified on or after July 1, 2014, unless the applicable Foreign Issuer complies with FATCA or the Cayman legislation that has implemented the US IGA with respect to FATCA. The US IGA requires, among other things, that the Foreign Issuers collect and provide to the Cayman Islands Government substantial information regarding direct and indirect holders of the Notes and withhold (or instruct paying agents to withhold) 30% of certain payments to certain holders of Notes (as described below), unless the applicable Foreign Issuer qualifies as a Non-Reporting Cayman Islands Financial Institution (as defined in the US IGA). The Foreign Issuers intend to comply with their obligations under the US IGA. However, in some cases, the ability to avoid such withholding tax will depend on factors outside any Foreign Issuer's control. For example, the Issuer may be treated as unable to comply with FATCA if more than 50% of the LP Certificates (and any other classes of Notes treated as equity for U.S. federal income tax purposes) are owned by a person that is, or is affiliated with, a foreign financial institution that is not compliant with FATCA. Similarly, the Income Note Issuer may be treated as unable to comply with FATCA if more than 50% of the Income Notes are owned by a person that is, or is affiliated with, a foreign financial institution that is not compliant with FATCA. Under the US IGA, the Foreign Issuers will be required to comply with Cayman Islands legislation to give effect to such US IGA. The Foreign Issuers expect to report information to the Cayman Islands Tax Information Authority, which will exchange such information with the IRS under the terms of the US IGA. If a non-U.S. entity owns the LP Certificates or Income Notes, as applicable (or any other class of Notes that are recharacterized as equity in the Issuer) the Issuer or the Income Note Issuer could be subject to FATCA-related withholding if such entity is not FATCA compliant. Although non-U.S. Holders of such securities will not only agree to provide the Issuer with certifications necessary to establish that they are not subject to U.S. federal withholding tax under FATCA, but will also agree to indemnify the Issuer for any FATCA-related withholding, such representation and indemnification may be insufficient protection for the Issuer. In addition, future guidance under FATCA may subject payments on LP Certificates, Income Notes, and Rated Notes that are materially modified more than six months after the issuance of final regulations defining a key term to a withholding tax of 30%, if each foreign financial institution that holds any such Security or Income Note, or through which any such Security or Income Note is held, has not entered into an information reporting agreement with the IRS or complied with the terms of a relevant intergovernmental agreement. Each owner of an interest in Securities and Income Notes will be required to provide the applicable Foreign Issuer and (if applicable) the Trustee or their agents with information requested in connection with FATCA. Owners that do not supply required information, or whose ownership of Securities or Income Notes may otherwise prevent a Foreign Issuer from complying with FATCA (for example by causing a Foreign Issuer to be affiliated with a non-compliant foreign financial institution), may be subjected to punitive measures, including forced transfer of their securities or Income Notes. In addition, the Issuer or the Income Note Issuer, as applicable, may sell all of a beneficial owner's interest in its Note even if only a partial sale would permit such entity to comply with FATCA. There can be no assurance, however, that these measures will be effective, and that the Foreign Issuers and owners of the Securities and Income Notes will not be subject to the noted withholding taxes. The imposition of such taxes could materially affect a Foreign Issuer's ability to make payments on the Securities and Income Notes or could reduce such payments. If any Foreign Issuer fails to comply with FATCA, under the terms of the US IGA, withholding will not be imposed on payments made to the Foreign Issuers as a result of such failure to comply, or (other than with respect to foreign passthru withholding) on payments made by the

Foreign Issuers, unless the IRS has specifically listed any applicable Foreign Issuer as a non-participating financial institution, any applicable Foreign Issuer has otherwise assumed responsibility for withholding under U.S. tax law, or any applicable Foreign Issuer cannot comply with FATCA as a result of factors outside its control, as described above. If any Foreign Issuer fails to comply with FATCA, it could be subject to a material amount of withholding that would substantially reduce the amount of cash available to pay all its holders, and such withholding may be allocated disproportionately to a particular class of holders (including holders that have provided the applicable Foreign Issuer with all requested information) and there will be no "gross up" (or any other additional amount) payable by way of compensation to the holders for the deducted amounts. A number of factors, including whether an investor holds its Securities or Income Notes in the form of an interest in a Global Note or a Physical Security, may make compliance with FATCA more difficult to achieve and, if so, may make it more likely to cause compulsory sales of such Notes. Potential investors should consult their tax advisors regarding the U.S. federal income tax consequences of holding Securities or Income Notes in the form of an interest in a Global Note or a Physical Security.

Taxation in Respect of Issuer Subsidiaries

The Issuer may hold certain assets in one or more Issuer Subsidiaries, which will be treated as either U.S. or foreign corporations for U.S. federal income tax purposes. Any non-U.S. Issuer Subsidiary may be treated as engaged in a trade or business in the United States and subject to U.S. federal income tax (and possibly a 30% branch profits tax) on a net income basis at regular corporate tax rates, may file U.S. tax returns and reports (or protective U.S. tax returns and reports), and/or may be subject to a 30% U.S. withholding tax on some or all of its income. Any U.S. Issuer Subsidiary would be subject to U.S. federal income tax on a net income basis at regular corporate tax rates, and would be required to file U.S. tax returns and reports. In addition, distributions from a U.S. Issuer Subsidiary to the Issuer may be subject to a 30% U.S. withholding tax. U.S. Holders of LP Certificates will not be permitted to use losses recognized by an Issuer Subsidiary to offset gains recognized by the Issuer, and U.S. Holders of LP Certificates or Income Notes may be subject to adverse PFIC or CFC rules with respect to the Issuer Subsidiary, as described above. Prospective investors should consult their tax advisors regarding their consequences if the Issuer organizes an Issuer Subsidiary.

Future Legislation and Regulatory Changes Affecting Holders of Securities and Income Notes

Future legislation, regulations, rulings or other authority could affect the U.S. federal income tax treatment of the Issuer, the Income Note Issuer and holders of Securities and Income Notes. The Issuer and Income Note Issuer cannot predict whether and to what extent any such legislative or administrative changes could change the tax consequences to the Issuer, the Income Note Issuer and the holders of Securities and Income Notes. Prospective investors should consult their tax advisors regarding possible legislative and administrative changes and their effect on the U.S. federal tax treatment of the Issuer, the Income Note Issuer and their investment in the Securities and Income Notes.

Repricing

The treatment of a Repricing for U.S. federal income tax purposes is not entirely clear. It is possible that a Repricing will be treated as a deemed exchange of old Notes of the Repriced Class for new notes of the Repriced Class. In that event , it is unclear whether such deemed exchange would be taxable to a U.S. Holder. If it is taxable, a U.S. Holder may be required to recognize gain or loss with respect to its Notes that are part of the Repriced Class. This gain or loss would be equal to the difference between the issue price of the deemed new notes of the Repriced Class, which if such class of notes has a principal amount in excess of $100 million, 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 Repriced Class.

In the event that the Repricing is a taxable event for U.S. Holders and the stated redemption price at maturity of the new notes of a Repriced 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 Repriced Class may be required to include additional OID in income as a result of the Repricing. In the event that the issue price of the deemed new notes of the Repriced Class is less than the principal amount of such notes, the Issuer may be required to recognize cancellation of indebtedness income, which could affect the Holders of the LP Certificates, and the Holders of the Income Notes, to the extent such Holder has made a QEF election or is subject to inclusions under the CFC rules. Each prospective investor should consult its own tax advisor regarding the tax consequences to it of a Repricing.

CAYMAN ISLANDS TAX CONSIDERATIONS

The following is a discussion of certain Cayman Islands income tax consequences of an investment in the Securities or the Income Notes. The discussion is a general summary of present law, which is subject to prospective and retrospective change. It is not intended as tax advice, and does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law. Prospective investors should consult their professional advisers on the possible tax consequences of buying, holding or selling any Securities or Income Notes under the laws of their country of citizenship, residence or domicile.

Cayman Islands Tax Considerations with Respect to the Securities

Under existing Cayman Islands laws:

(i) Payments of principal and interest on the Notes and distributions on the LP Certificates will not be subject to taxation in the Cayman Islands and no withholding will be required on such payments to any holder of a Security, and gains derived from the sale of Securities will not 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 of the Securities. An instrument of transfer in respect of a Security is subject to stamp duty if executed in or brought to the Cayman Islands.

The Issuer has been established under the laws of the Cayman Islands as an exempted limited partnership and, as such, has received an undertaking from the Governor-in-Cabinet of the Cayman Islands in substantially the following form:

"THE EXEMPTED LIMITED PARTNERSHIP LAW, 2014 UNDERTAKING UNDER SECTION 17 AS TO TAX CONCESSIONS

In accordance with Section 17 of the Exempted Limited Partnership Law, 2014, the following undertaking is hereby given to

LCM XXI LIMITED PARTNERSHIP

Being a limited partnership certified by the Registrar of Exempted Limited Partnership to be a limited partnership registered as an exempted limited partnership under section 9(3) of the Exempted Limited Partnership Law, 2014, that:

(i) 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 aforesaid exempted limited partnership or to any partner thereof in respect of the operations or assets of the said exempted limited partnership or the partnership interest of any partner therein; and

(ii) the aforesaid tax or any tax in the nature of estate duty or inheritance tax shall not be payable in respect of the obligations of the aforesaid exempted limited partnership of the interests of the partners therein.

This undertaking shall be for a period of FIFTY (50) years from February 2, 2016."

Cayman Islands Tax Considerations with Respect to the Income Notes

Under existing Cayman Islands laws:

(i) Payments of principal and interest on the Income Notes will not be subject to taxation in the Cayman Islands and no withholding will be required on such payments to any holder of any Income Note and gains derived from the sale of Income Notes will not 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 of the Income Notes. An instrument of transfer in respect of an Income Note is subject to stamp duty if executed in or brought to the Cayman Islands.

The Income Note Issuer has been incorporated under the laws of the Cayman Islands as an exempted company with limited liability and, as such, has received an undertaking from the Governor-in-Cabinet of the Cayman Islands in substantially the following form:

The Tax Concessions Law

2011 Revision

Undertaking as to Tax Concessions

In accordance with the provision of Section 6 of The Tax Concessions Law (2011 Revision), the Governor in Cabinet undertakes with LCM XXI 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 twenty years from the 2nd day of February 2016."

If Cayman Islands law were to change so that the Issuer or the Income Note Issuer were required to withhold tax from payments on the Securities or the Income Notes, respectively, the Issuer or the Income Note Issuer, as applicable, would be responsible for withholding such tax, but would not be responsible to make "gross up" payments to holders of the Securities or the Income Notes.

All payments in respect of the Securities and the Income Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatever nature unless the Issuer or a paying agent is required by applicable law to make any payment in respect of the Securities or Income Notes subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatever nature. In that event, the Issuer or a paying agent (as the case may be) will make such payment after such withholding or deduction has been made and will account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer nor any paying agent will be obliged to make any additional payments to holders of Securities or Income Notes in respect of such withholding or deduction. No income or withholding taxes are due in the Cayman Islands with respect to the Securities or Income Notes.

THE PRECEDING DISCUSSION IS ONLY A SUMMARY OF CERTAIN OF THE TAX IMPLICATIONS OF AN INVESTMENT IN THE SECURITIES OR THE INCOME NOTES. PROSPECTIVE INVESTORS ARE URGED TO CONSULT WITH THEIR OWN TAX ADVISERS PRIOR TO INVESTING TO DETERMINE THE TAX IMPLICATIONS OF SUCH INVESTMENT IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES.

UNITED KINGDOM AND CAYMAN ISLANDS INFORMATION SHARING AGREEMENT

Holders of Securities and Income Notes who are resident in the United Kingdom for tax purposes should be aware that the United Kingdom signed an intergovernmental automatic information exchange agreement with the Cayman Islands, modeled on the intergovernmental agreement between the United Kingdom and the United States that implements the United States FATCA legislation, the provisions of which have been implemented in the Cayman Islands pursuant to, in particular, The Tax Information Authority (International Tax Compliance) (United Kingdom)

Regulations, 2014. Pursuant to these arrangements with the United Kingdom, the Cayman Islands will require the Issuer or the Income Note Issuer, as applicable, to identify any direct or indirect United Kingdom tax resident account holders (including debtholders and equity holders) of the Issuer or the Income Note Issuer, as applicable, and obtain and provide to the Cayman Islands tax information authority certain information about such United Kingdom tax resident account holders. Such information will then be automatically exchanged by the Cayman Islands tax information authority with the United Kingdom tax authorities. A holder of Securities or Income Notes that is resident in the United Kingdom for tax purposes or is an entity that is identified as having one or more controlling persons that is resident in the United Kingdom for tax purposes will generally be required to provide to the Issuer, the Income Note Issuer or any agent on their behalf, information that identifies such United Kingdom tax resident persons and the extent of their respective interests in the Issuer or the Income Note Issuer, as applicable. Holders who may be affected should consult their own tax advisers regarding the possible implications of these rules.

OECD Common Reporting Standard

The Cayman Islands has signed, along with around 60 other countries, a multilateral competent authority agreement to implement the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard (the "**CRS**"), which requires "Financial Institutions" such as the Issuer and the Income Note Issuer to identify, and report information in respect of, specified persons in the jurisdictions which sign and implement the CRS.

CERTAIN ERISA CONSIDERATIONS

The following summary regarding certain aspects of ERISA and the Code is based on ERISA, the Code, judicial decisions, and Department of Labor and IRS regulations and rulings that are in existence on the date hereof. This summary is general in nature and does not address every issue pertaining to ERISA or the Code that may be applicable to the Issuers, the Income Note Issuer, the Securities or Income Notes or a particular investor. Accordingly, each prospective investor should consult with its own counsel in order to understand the issues that affect or may affect the investor with respect to this investment. Furthermore, the issuance of the Securities or Income Notes is not a representation by the Issuers, the Income Note Issuer or the Initial Purchaser that an investment in the Securities or Income Notes meets all legal requirements applicable to investments by Benefit Plan Investors, Governmental Plans, Church Plans or non-U.S. plans or that such an investment is appropriate for any particular Benefit Plan Investor, Governmental Plan, Church Plan or non-U.S. plan.

The U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), imposes certain requirements on employee benefit plans subject to Part 4 of 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 above 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 any Securities or Income Notes it may purchase.

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 to which Section 4975 of the Code applies, such as individual retirement accounts and Keogh plans, including entities whose underlying assets include the assets of such plans (together with ERISA Plans, "**Plans**")) and certain persons (referred to as "parties in interest" or "disqualified persons" under ERISA or 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 the Code. A fiduciary of a Plan that engages in a non-exempt prohibited transaction may also be subject to penalties and liabilities under ERISA and the Code.

U.S. Department of Labor regulation, 29 C.F.R. Section 2510.3-101 (as modified by Section 3(42) of ERISA, the "**Plan Asset Regulation**"), describes what constitutes the assets of a Plan with respect to the Plan's investment in an entity for purposes of certain provisions of ERISA, including the fiduciary responsibility 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 that equity participation in the entity by Benefit Plan Investors is not "significant". Under the Plan Asset Regulation, an "equity interest" means 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. A "**Benefit Plan Investor**" means (i) any employee benefit plan, subject to Part 4 of Title I of ERISA, (ii) any plan to which Section 4975 of the Code applies, or (iii) any entity whose underlying assets could be deemed to include "plan assets" by reason of any such employee benefit plan's or any such plan's investment in the entity within the meaning of the Plan Asset Regulation or otherwise. Such an entity is considered to hold plan assets only to the extent of the percentage of its equity interests held by Benefit Plan Investors.

The Issuers do not intend to treat the Rated Notes (other than the Class E Notes) as "equity interests" in the Issuers for purposes of the Plan Asset Regulation. However, there can be no assurances that all other Persons will not treat the Rated Notes (other than the Class E Notes) as "equity interests" in the Issuers for purposes of the Plan Asset Regulation and the Issuers will not obtain an opinion of counsel regarding such treatment of such Rated Notes. For purposes of the Plan Asset Regulation, the Class E Notes and LP Certificates will be considered "equity interests" in

the Issuer, and the Income Notes will be considered "equity interests" in the Income Note Issuer, and none of these will constitute "publicly-offered securities" for purposes of the Plan Asset Regulation (the Class E Notes, the LP Certificates and the Income Notes, collectively, the "**ERISA Restricted Securities**"). In addition, none of the Issuers or the Income Note Issuer will be registered under the Investment Company Act, and it is not likely that any of the Issuers or the Income Note Issuer will qualify as an "operating company" for purposes of the Plan Asset Regulation. Therefore, if equity participation in any Class of ERISA Restricted Securities by Benefit Plan Investors is "significant" within the meaning of the Plan Asset Regulation, the assets of an Issuer or the Income Note Issuer, respectively, could be considered to be the assets of any Plans that purchase the ERISA Restricted Securities. In such circumstances, in addition to considering the applicability of ERISA and Section 4975 of the Code to the ERISA Restricted Securities, a Plan fiduciary considering an investment in the ERISA Restricted Securities should consider, among other things, the applicability of ERISA and Section 4975 of the Code to transactions involving the Issuers, the Income Note Issuer, the Initial Purchaser, the Collateral Manager, the Trustee or their respective Affiliates, including whether such transactions might constitute a prohibited transaction under ERISA or Section 4975 of the Code or otherwise may result in a breach of fiduciary duty under ERISA or the Code.

Under the Plan Asset Regulation, equity participation in an entity by Benefit Plan Investors is "significant" on any date if, immediately after the most recent acquisition of any equity interest in the entity, 25% or more of the total value of any class of equity interests in the entity is held by Benefit Plan Investors. For purposes of this determination, the value of equity interests of such Class held by a person (other than a Benefit Plan Investor) that has discretionary authority or control with respect to the assets of the entity or that provides investment advice for a fee (direct or indirect) with respect to such assets (or any "affiliate" (as defined in the Plan Asset Regulation) of such a person) is disregarded (any such person with respect to the Issuer, the Co-Issuer, or the Income Note Issuer, a "**Controlling Person**").

The Issuers intend to limit equity participation by Benefit Plan Investors to less than 25% of the total value of each of the Class E Notes and the LP Certificates, and the Income Note Issuer intends to limit equity participation by Benefit Plan Investors to less than 25% of the total value of the Income Notes. Each prospective purchaser (including transferees) of an ERISA Restricted Security will be required to make, or will be deemed to have made, certain representations regarding its status as a Benefit Plan Investor or Controlling Person and other ERISA matters as described under "*Transfer Restrictions*" below. No interest in an ERISA Restricted Security will be sold or transferred to purchasers that have represented that they are Benefit Plan Investors or Controlling Persons to the extent that such sale may result in Benefit Plan Investors owning 25% or more of the aggregate face amount (in the case of Class E Notes or LP Certificates) or aggregate value (in the case of Income Notes) of the applicable Class of ERISA Restricted Security being transferred, determined in accordance with the Plan Asset Regulation and the Indenture, the LP Paying Agency Agreement or the Income Note Paying Agency Agreement, as applicable, assuming, for this purpose, that all of the representations made or deemed to be made by holders of such ERISA Restricted Securities are true. Each interest in an ERISA Restricted Security held as principal by the Collateral Manager, the Initial Purchaser, the Trustee and any of their respective Affiliates and persons that have represented that they are Controlling Persons will be disregarded and will not be treated as outstanding for purposes of determining compliance with such 25% limitation. Further, no Benefit Plan Investors or Controlling Persons may acquire an ERISA Restricted Security or any interest therein (other than on the Closing Date).

There can be no assurance that there will not be circumstances in which transfers of an interest in an ERISA Restricted Security will be restricted in order to comply with the aforementioned limitations. Moreover, there can be no assurance that, despite the restrictions relating to purchases by or transfers to Benefit Plan Investors and Controlling Persons and the procedures to be employed by the Initial Purchaser, participation by Benefit Plan Investors in the Issuers or the Income Note Issuer will not be "significant."

In addition, the Issuers, the Income Note Issuer, the Initial Purchaser and the Collateral Manager may be parties in interest or disqualified persons with respect to many Plans. Prohibited transactions within the meaning of Section 406 of ERISA or Section 4975 of the Code may arise if Securities or Income Notes are acquired or held by a Plan with respect to which the Issuers, the Income Note Issuer, the Initial Purchaser or the Collateral Manager, 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 such a Security or Income 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 95-60 (relating to transactions involving insurance company general accounts), PTCE 90-1 (relating to investments by insurance company pooled separate accounts), PTCE 96-23 (relating to transactions determined by in-house asset managers) and Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code (relating to transactions with certain persons who provide services to plans). There can be no assurance that any of these exemptions or any other exemption will be available with respect to any particular transaction involving such Securities or Income Notes.

Governmental Plans, Church Plans and non-U.S. plans, while not subject to the fiduciary responsibility provisions of ERISA or the provisions of Section 4975 of the Code, may nevertheless be subject to local, state or other federal or non-U.S. laws that are substantially similar to the fiduciary responsibility or prohibited transaction provisions of ERISA or Section 4975 of the Code (any such law, a "**Similar Law**"). Fiduciaries of any such plans should consult with their counsel before purchasing any Securities or Income Notes and ensure that such plans' purchase and holding of such Securities or Income Notes will not result in a violation of any applicable laws, including any Similar Law.

EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF ANY RATED NOTE, OTHER THAN A CLASS E NOTE, IN THE FORM OF A PHYSICAL SECURITY WILL BE REQUIRED TO REPRESENT AND WARRANT, AND EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF ANY SUCH RATED NOTE REPRESENTED BY AN INTEREST IN ANY GLOBAL SECURITY WILL BE DEEMED BY SUCH PURCHASE OR ACQUISITION OF ANY SUCH RATED NOTE TO HAVE REPRESENTED AND WARRANTED, ON EACH DAY FROM THE DATE ON WHICH THE PURCHASER OR TRANSFEREE ACQUIRES ITS INTEREST IN SUCH RATED NOTE THROUGH AND INCLUDING THE DATE IT DISPOSES OF SUCH INTEREST, EITHER (A) IT IS NOT (I) A BENEFIT PLAN INVESTOR OR (II) A GOVERNMENTAL PLAN, CHURCH PLAN, OR NON-U.S. PLAN WHICH IS SUBJECT TO SIMILAR LAW OR (B) ITS PURCHASE, HOLDING AND DISPOSITION OF SUCH RATED NOTE OR INTEREST WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A GOVERNMENTAL PLAN, CHURCH PLAN, OR NON-U.S. PLAN, A VIOLATION OF SIMILAR LAW) UNLESS AN EXEMPTION IS AVAILABLE (ALL OF THE CONDITIONS OF WHICH HAVE BEEN SATISFIED) OR IN ANY OTHER VIOLATION OF AN APPLICABLE REQUIREMENT OF ERISA, THE CODE OR OTHER APPLICABLE LAW.

EACH PURCHASER OF ANY ERISA RESTRICTED SECURITY ON THE CLOSING DATE WILL BE REQUIRED TO REPRESENT AND WARRANT (EXCEPT AS AGREED IN WRITING BY THE INITIAL PURCHASER WITH RESPECT TO PURCHASES ON THE CLOSING DATE) ON EACH DAY FROM THE DATE ON WHICH THE PURCHASER ACQUIRES ITS INTEREST IN SUCH ERISA RESTRICTED SECURITY THROUGH AND INCLUDING THE DATE IT DISPOSES OF SUCH INTEREST, WHETHER OR NOT IT IS A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON AND, IF IT IS A BENEFIT PLAN INVESTOR, THAT ITS PURCHASE, HOLDING AND DISPOSITION OF SUCH ERISA RESTRICTED SECURITY OR INTEREST WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE UNLESS AN EXEMPTION IS AVAILABLE (ALL OF THE CONDITIONS OF WHICH HAVE BEEN SATISFIED).

EACH PURCHASER OR TRANSFEREE OF ANY ERISA RESTRICTED SECURITY THAT IS A GOVERNMENTAL PLAN, CHURCH PLAN, OR NON-U.S. PLAN, WILL BE REQUIRED TO REPRESENT (OR, IN CERTAIN CASES, WILL BE DEEMED TO HAVE REPRESENTED) THAT ITS ACQUISITION AND HOLDING OF THE ERISA RESTRICTED SECURITY WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF SIMILAR LAW OR IN ANY OTHER VIOLATION OF AN APPLICABLE REQUIREMENT OF OTHER APPLICABLE LAW.

EXCEPT WITH RESPECT TO PURCHASES ON THE CLOSING DATE, EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF ANY ERISA RESTRICTED SECURITY IN THE FORM OF A PHYSICAL SECURITY WILL BE REQUIRED TO REPRESENT AND WARRANT, AND EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF ANY ERISA RESTRICTED SECURITY REPRESENTED BY AN INTEREST IN ANY GLOBAL SECURITY WILL BE DEEMED BY SUCH PURCHASE OR ACQUISITION OF ANY SUCH SECURITY TO HAVE REPRESENTED AND WARRANTED, ON EACH DAY FROM THE DATE ON WHICH THE PURCHASER OR TRANSFEREE ACQUIRES ITS INTEREST IN SUCH ERISA RESTRICTED SECURITY

THROUGH AND INCLUDING THE DATE IT DISPOSES OF SUCH INTEREST, IT IS NOT A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON.

Each Plan fiduciary who is responsible for making the investment decisions whether to purchase or commit to purchase and to hold Securities or Income Notes should determine whether, under the general fiduciary standards of investment prudence and diversification and under the documents and instruments governing the Plan, an investment in the Securities or the Income Notes is appropriate for the Plan, taking into account the overall investment policy of the Plan and the composition of the Plan's investment portfolio. Any Plan proposing to invest in Securities or Income Notes should consult with its counsel to confirm that such investment will not result in a prohibited transaction and will satisfy the other requirements of ERISA and the Code.

The sale of any Securities or Income Notes to a Plan is in no respect a representation by any Transaction Party 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.

PLAN OF DISTRIBUTION

The Initial Purchaser will agree to purchase the Securities pursuant to a securities purchase agreement, dated on or prior to the Closing Date (the "**Securities Purchase Agreement**"), subject to the satisfaction of certain conditions set forth in the Securities Purchase Agreement, and will agree to purchase the Income Notes pursuant to an income notes purchase agreement, dated on or prior to the Closing Date (the "**Income Note Purchase Agreement**" and, together with the Securities Purchase Agreement, the "**Purchase Agreements**"), subject to the satisfaction of certain conditions set forth in the Income Note Purchase Agreement, and expects to re-sell the Securities and the Income Notes as described in this Offering Memorandum. The Initial Purchaser will sell the Securities and the Income Notes pursuant to Rule 144A under the Securities Act and Regulation S under the Securities Act, in each case subject to the satisfaction of certain conditions set forth in the applicable Purchase Agreement. The Initial Purchaser will be under no obligation to hold any Securities or Income Notes so acquired, but the Initial Purchaser (or any Affiliate thereof) may retain Securities or Income Notes, purchase Securities or Income Notes for its own account or sell Securities or Income Notes to Affiliates. Any offer or sale of Securities or Income Notes made in reliance on Rule 144A will be made by the Initial Purchaser or other broker-dealers, including certain Affiliates of the Initial Purchaser, who are registered as broker-dealers under the Exchange Act. The Initial Purchaser may allow a concession, not in excess of the selling concession, to certain brokers or dealers.

Purchasers of Securities and Income Notes may receive certain fees in connection with their purchase of Securities or Income Notes, which may be in the form of a discount. Pursuant to the Purchase Agreements, the Initial Purchaser will receive certain fees. In addition, the Issuer will agree to reimburse the Initial Purchaser for certain expenses incurred in connection with the closing of the transactions contemplated hereby.

Securities and Income Notes offered hereby are expected to be sold by the Initial Purchaser in individually negotiated transactions.

In order to facilitate the offering of the Securities and Income Notes, the Initial Purchaser (or persons acting on behalf of the Initial Purchaser) may engage in transactions that stabilize, maintain or otherwise affect the price of the Securities and Income Notes. Specifically, the Initial Purchaser (or persons acting on its behalf) may over-allot in connection with the offering of the Notes, creating a short position in the Securities and Income Notes for its own account, or effect transactions with a view to supporting the market price of the Securities and Income Notes at a level higher than that which might otherwise prevail. In addition, to cover overallotments or to stabilize the price of any Securities and Income Notes, the Initial Purchaser may bid for, and purchase, the Securities and Income Notes in the open market. Any of these activities may stabilize or maintain the market price of the Securities and Income Notes above independent market levels. Neither the Initial Purchaser nor any persons acting on behalf of the Initial Purchaser is required to engage in these activities, and the Initial Purchaser (or other person) may end these activities at any time.

The Issuers and the Income Note Issuer have been advised by the Initial Purchaser that the Initial Purchaser proposes to sell the Securities and the Income Notes (i) outside the United States to Persons that are not U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act (subject to certain limitations with respect to the LP Certificates) and (ii) to Persons that are both Qualified Institutional Buyers and Qualified Purchasers.

The Initial Purchaser will agree in the Purchase Agreements that it will not offer, sell or deliver any Securities or Income Notes within the United States or to, or for the account or benefit of, U.S. persons except, in either case, in accordance with Rule 144A under, or another exemption from the registration requirements of, the Securities Act to Qualified Institutional Buyers (as defined in Rule 144A) purchasing for their own account or for the accounts of one or more Qualified Institutional Buyers, and that it will send to each other dealer to which it sells Securities or Income Notes, as applicable, during the restricted period a confirmation or other notice setting forth the restrictions on offers and sales of Securities and Income Notes within the United States or to, or for the account or benefit of, U.S. persons. In addition, with respect to Securities and the Income Notes initially sold pursuant to Regulation S, until the expiration of 40 days (or, in the case of the LP Certificates, one year) after the commencement of the distribution of the offering of the Securities and the Income Notes by the Initial Purchaser, an offer or sale of Securities or Income Notes, within the United States 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 under the Securities Act. Resales of Securities and Income Notes offered in reliance on Rule 144A under the Securities Act are restricted as described under "*Transfer Restrictions*" herein. Beneficial interests in a Regulation S Global Security may not be

held by a U.S. person at any time, and U.S. resales of the Securities and Income Notes offered outside the United States 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. person" have the meanings given to them by Regulation S.

Purchasers of the Securities and the Income 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 Collateral Manager, the Issuers and the Income Note Issuer extend to each prospective investor the opportunity, prior to the consummation of the sale of the Securities or the Income Notes, to ask questions of, and receive answers from, the Collateral Manager, the Issuers and the Income Note Issuer concerning the Securities and the Income Notes and the terms and conditions of the offering and to obtain any additional information it may consider necessary in making an informed investment decision and any information in order to verify the accuracy of the information set forth herein, to the extent the Issuers, the Income Note Issuer or the Collateral Manager possess the same.

No action is being taken or is contemplated by the Issuer that would permit a public offering of the Securities or Income Notes or possession or distribution of any Offering Memorandum (in preliminary or final form) or any amendment thereof, any supplement thereto or any other offering material relating to the Securities or Income Notes in any jurisdiction where, or in any other circumstances in which, action for those purposes is required. The Initial Purchaser understands and agrees that it is solely responsible for its own compliance with all laws applicable in each jurisdiction in which it offers and sells Securities or Income Notes, or distributes any Offering Memorandum (in preliminary or final form) or any amendments thereof or supplements thereto or any other material and it agrees to comply with all such laws.

The Issuers have agreed to indemnify the Initial Purchaser and its Affiliates against certain liabilities, including liabilities under the Securities Act, or to contribute to payments they may be required to make in respect thereof.

Certain of the debt or equity securities of the obligors of Collateral Debt Obligations may have been originally underwritten or may be underwritten by the Initial Purchaser or one or more of its Affiliates. In addition, the Initial Purchaser or one or more of its Affiliates may have in the past and may in the future perform investment banking services for obligors of the Collateral Debt Obligations.

See "*Risk Factors—Risk Factors Relating to Conflicts of Interest—Conflicts of Interest Involving the Initial Purchaser*" for a description of additional conflicts of interest to which the Initial Purchaser and its Affiliates are subject.

FORM, DENOMINATION AND REGISTRATION

General

The Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, whether issued in definitive or global form, will be issued and transferable in minimum denominations of U.S.$250,000 original principal amount and integral multiples of U.S.$1.00 in excess thereof; the Class E Notes, whether issued in definitive or global form, will be issued and transferable in minimum denominations of U.S.$500,000 original principal amount and integral multiples of U.S.$1.00 in excess thereof. The LP Certificates will be issued and transferable in minimum denominations of U.S.$1,500,000 face amount and integral multiples of U.S.$1.00 in excess thereof, except that on the Closing Date a single LP Certificate will be issued to the Income Note Issuer in a denomination of U.S.$500,000, and the Income Notes will be issued and transferable in minimum denominations of U.S.$250,000 original principal amount and integral multiples of U.S.$1.00 in excess thereof.

Rule 144A Global Securities

Notes and Income Notes sold pursuant to Rule 144A will be initially represented by Rule 144A Global Securities, deposited with the Trustee with respect to the Notes and with the Income Note Paying Agent with respect to the Income Notes, each acting as custodian for DTC, and registered in the name of DTC or its nominee for credit to the accounts of DTC's participants and indirect participants.

No service charge will be made for any registration of transfer or exchange of an interest in a Rule 144A Global Security, but the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Regulation S Global Securities

Class E Notes and Income Notes sold to non-"U.S. persons" (as defined in Regulation S) in offshore transactions in reliance on Regulation S will be initially represented by Regulation S Global Securities, deposited with the Trustee with respect to the Class E Notes and with the Income Note Paying Agent with respect to the Income Notes, each acting as custodian for DTC, and will be registered in the name of DTC or its nominee for credit to the accounts of Euroclear and Clearstream. LP Certificates sold to non-"U.S. persons" (as defined in Regulation S) in offshore transactions in reliance on Regulation S will be initially represented by Regulation S Global Securities, deposited with the LP Paying Agent acting as custodian for DTC, and will be registered in the name of DTC or its nominee for credit to the accounts of Clearstream only. Rated Notes (other than the Class E Notes) sold to non-"U.S. persons" (as defined in Regulation S) in offshore transactions in reliance on Regulation S will be initially represented by Temporary Global Securities, deposited with the Trustee acting as custodian for DTC, and will be registered in the name of DTC or its nominee for credit to the accounts of Euroclear and Clearstream. On or after the 40th day after the later of the Closing Date and the commencement of the offering of such Rated Notes (other than the Class E Notes) (the "**Exchange Date**"), interests in Temporary Global Securities of any Class will be exchangeable for interests in Regulation S Global Securities of the same Class upon certification that the beneficial interests in such Temporary Global Security are owned by persons or entities who are not "U.S. persons" (as defined in Regulation S). Prior to the Exchange Date, interests in a Temporary Global Security will not be transferable to a person that takes delivery in the form of any interest in a Rule 144A Global Security or a Physical Security. Interests in a Temporary Global Security or a Regulation S Global Security may not be held at any time by a "U.S. person" (as defined in Regulation S).

Transfer of Global Securities

All or a portion of an interest in a Global Security may be transferred to a person or entity taking delivery in the form of an interest in a Global Security in accordance with the applicable procedures of DTC and its participants (including, if applicable, Euroclear and Clearstream). In the case of transfers of an interest in a Rule 144A Global Security to a transferee taking delivery of an interest in a Regulation S Global Security, or a transfer of an interest in a Regulation S Global Security to transferee taking delivery of an interest in a Rule 144A Global Security, the transferor (or, in the case of an exchange, the holder) must provide to the Trustee or the Income Note Paying Agent, as applicable, and the Issuer or the Income Note Issuer, as applicable, a Transfer Certificate. In the case of a transfer to a transferee taking delivery in the form of a Physical Security, the transferee must provide to the Trustee, the LP

Paying Agent or the Income Note Paying Agent, as applicable, and the Issuer or the Income Note Issuer, as applicable, a Transfer Certificate. A beneficial interest in a Temporary Global Security will not be transferable to a person or entity that takes delivery in the form of an interest in a Rule 144A Global Security or a Physical Security prior to the Exchange Date, and, after the Exchange Date, will only be transferable to such persons or entities upon satisfaction of the certification requirements described herein. Transfers are subject to certain additional restrictions. See "*Transfer Restrictions*."

No service charge will be made for any registration of transfer or exchange of an interest in a Security or Income Note, but the Trustee, LP Paying Agent or Income Note Paying Agent, as applicable may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

To enforce the restrictions on transfers of interests in the Securities and Income Notes, the Indenture, the LP Paying Agency Agreement and the Income Note Paying Agency Agreement permit the Issuers or the Income Note Issuer, as applicable, to demand that the purchaser of an interest in a Security or Income Note who does not meet the transfer restrictions applicable to such Global Security or Physical Security sell its interest in such Security or Income Note to a permitted purchaser under the Indenture, the LP Paying Agency Agreement or the Income Note Paying Agency Agreement, as applicable, and, if the purchaser does not comply with such demand within 30 days (or, in the case of a Non-Permitted ERISA Holder, 10 days) thereof, the Issuers or the Income Note Issuer, as applicable, may sell or cause such purchaser to sell its interest in the Security or Income Note on such terms as the Issuers or the Income Note Issuer may choose.

Book Entry Registration of the Global Securities

The Holder of a Global Security will be the only entity entitled to receive payments in respect of the interests represented by such Global Security, and the obligation of the Issuers and the Income Note Issuer to make payments or distributions in respect of such Global Securities will be discharged by payment to, or to the order of, the registered owner of such Global Security in respect of each amount so paid. No person other than the Holder will have any claim against the Issuers or the Income Note Issuer, as applicable, in respect of any payment due on a Global Security. Members of, or participants in, DTC as well as any other persons on whose behalf such participants may act (including Euroclear and Clearstream and account holders and participants therein) will have no rights under the Indenture, the LP Paying Agency Agreement or the Income Note Paying Agency Agreement, as applicable, with respect to such Global Securities held on their behalf by the Bank, as custodian for DTC, and DTC may be treated by the Issuers, the Income Note Issuer, the Bank and any agent of the Issuers or the Income Note Issuer as the holder of such Global Securities for all purposes whatsoever. Except in the limited circumstances described in the next paragraph, owners of beneficial interests in the Global Securities will not be entitled to have such Securities or Income Notes registered in their names, will not receive or be entitled to receive Physical Securities and will not be considered holders of such Securities or Income Notes under the Indenture, the LP Paying Agency Agreement or the Income Note Paying Agency Agreement.

If (i) DTC notifies the Trustee or the Income Note Paying Agent, as applicable, that it is unwilling or unable to continue as depositary for the Global Securities or DTC, Euroclear or Clearstream ceases to be a "**Clearing Agency**" (as defined in Section 17A of the Exchange Act) registered under the Exchange Act, and a successor depositary or clearing agency is not appointed by or on behalf of the Issuer or Income Note Issuer, as applicable, within 90 days after receiving such notice, (ii) as a result of any amendment to or change in the laws or regulations of the Cayman Islands, or of any authority therein or thereof having power to tax, or in the interpretation or administration of such laws or regulations which become effective on or after the Closing Date, any of the Issuers or the Income Note Issuer becomes aware that it is or will be required to make any deduction or withholding from any payment in respect of the Global Securities which would not be required if such Global Securities were not represented by a Global Security or (iii) in the case of the Notes, an Event of Default under the Indenture has occurred and is continuing and has not been waived, the Issuers or the Income Note Issuer, as applicable, will issue or cause to be issued securities in registered form and in the form of definitive physical Securities or Income Notes, as applicable, in exchange for the applicable Global Securities to the beneficial owners of such Global Securities in the manner set forth in the Indenture, the LP Paying Agency Agreement or the Income Note Paying Agency Agreement.

Investors may hold their interests in a Rule 144A Global Security directly through DTC if they are participants in DTC, or indirectly through organizations which are participants in DTC. Investors may hold their interests in a

Temporary Global Security or a Regulation S Global Security directly through Clearstream or Euroclear, if they are participants in Clearstream or Euroclear, or indirectly through organizations which are participants in Clearstream or Euroclear. Clearstream and, as applicable, Euroclear will hold interests in the Temporary Global Securities and the Regulation S Global Securities on behalf of their participants through their respective depositaries, which in turn will hold the interests in such Global Securities in customers' securities accounts in the depositaries' names on the books of DTC.

Payments on a Global Security will be made to DTC or its nominee, as the Holder thereof. The Transaction Parties and any of their respective Affiliates will not have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in a Global Security or for maintaining, supervising or reviewing any records relating to the beneficial ownership interests.

The Issuers and the Income Note Issuer expect that DTC or its nominee, upon receipt of any payment in respect of a Global Security held by DTC or its nominee, will immediately credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the relevant Security or Income Note as shown on the records of DTC or its nominee. The Issuers and the Income Note Issuer also expect that payments by participants to owners of beneficial interests in a Global Security 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 such customers. The payments will be the responsibility of the participants.

Transfers between participants in DTC will be effected in the ordinary way in accordance with DTC rules and will be settled in immediately available funds. If the laws of a jurisdiction require that certain persons take physical delivery of securities in definitive form, the ability to transfer beneficial interests in a Global Security to such persons may be limited. Because DTC can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of a person holding a beneficial interest in a Global Security to pledge its interest to a purchaser that does not participate in the DTC system, or otherwise take actions in respect of its interest, may be affected by the lack of a physical security. Transfers between participants in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the Securities and Income Notes described above and under "*Transfer Restrictions*," cross-market transfers between DTC, on the one hand, and, directly or indirectly through Euroclear or Clearstream participants, on the other, will be effected through DTC in accordance with DTC rules on behalf of Euroclear or Clearstream, as applicable, by its respective depositary; however, these cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as applicable, by the counterparty in the system in accordance with its rules and procedures and within its established deadlines (Brussels time for Euroclear and Luxembourg time for Clearstream). Euroclear or Clearstream, as applicable, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf by delivering or receiving interests in a Regulation S Global Security, and making or receiving payment in accordance with normal procedures for immediately available funds settlement applicable to DTC. Clearstream participants and Euroclear participants may not deliver instructions directly to the depositaries for Clearstream or Euroclear.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Security from a DTC participant will be credited during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the DTC settlement date and the credit of any transactions in interests in a Global Security settled during the processing day will be reported to the relevant Euroclear or Clearstream participant on that day. Cash received in Euroclear or Clearstream as a result of sales of interests in a Global Security by or through a Euroclear or Clearstream participant to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream cash account only as of the Business Day following settlement through DTC.

DTC has advised the Issuers and the Income Note Issuer that it will take any action permitted to be taken by holders of the Securities and Income Notes only at the direction of one or more participants to whose account with DTC an interest in a Global Security is credited and only in respect of that portion of the balance of the applicable Securities and Income Notes as to which the participant or participants has or have given direction.

The giving of notices and other communications by DTC to participants, by participants to Persons who hold accounts with them and by such Persons to Holders of beneficial interests in a Global Security will be governed by arrangements between them, subject to any statutory or regulatory requirements as may exist from time to time.

DTC has advised the Issuers as follows: DTC is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a Clearing Agency registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies and clearing corporations and may include certain other organizations. Indirect access to the DTC system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly.

In connection with arrangements with Euroclear relating to LP Certificates held in global form, the Issuer may undertake an obligation to indemnify and hold harmless Euroclear Bank from and against any loss, liability, tax or expense (including reasonable fees and expenses of counsel incurred in defending Euroclear Bank against any of the foregoing) incurred as a result of, arising out of or in connection with (a) Euroclear Bank's nominee reporting obligations under the Regulation with respect to the LP Certificates, except to the extent that such loss, liability, tax or expense was caused by the Euroclear Bank's negligent or willful failure to furnish the Issuer certain tax forms and related information, or (b) any other information reporting or withholding obligations in respect of the LP Certificates other than the Euroclear Bank's nominee reporting obligations under the Regulation. For purposes of this paragraph "**Regulation**" means certain provisions of US Treasury Regulation §1.6031(c)-1T (or any successor provision), if applicable.

Any Participant of the Euroclear System that holds LP Certificates in the Euroclear System will be deemed to have represented to and agreed with the Issuer and Euroclear Bank as a condition to LP Certificates being in the Euroclear System to furnish to the Euroclear Bank (a) its tax identification number, (b) notice of whether it is (i) a person who is not a United States person, (ii) a foreign government, an international organization or any wholly owned agency or instrumentality of either of the foregoing or (iii) a tax exempt identity, and (c) such other information as the Euroclear Bank may request from time to time in order to comply with its United States tax reporting obligations. If a Participant in the Euroclear System fails to provide such information, Euroclear Bank may, amongst other courses of action, block trades in the LP Certificates and related income distributions of such Participant.

Although DTC, Clearstream and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of interests in the Global Securities among participants of DTC, Clearstream and Euroclear, they are under no obligation to perform or continue to perform these procedures, and the procedures may be discontinued at any time. None of the Transaction Parties will have any responsibility for the performance by DTC, Clearstream, Euroclear or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Any purported transfer of a Security or an Income Note not in accordance with the Indenture, the LP Paying Agency Agreement or the Income Note Paying Agency Agreement will be null and void *ab initio* and will not be given effect for any purpose whatsoever. However, without prejudice to the rights of the Issuers and the Income Note Issuer against any beneficial owner or purported beneficial owner of Securities and Income Notes, nothing in the Indenture, the LP Paying Agency Agreement or the Income Note Paying Agency Agreement, or the Securities and Income Notes, as applicable, will be interpreted to confer on the Transaction Parties any right against Euroclear to require that Euroclear reverse or rescind any trade completed in accordance with the rules of Euroclear.

Physical Securities

LP Certificates offered in reliance on Section 4(a)(2) of the Securities Act or Rule 144A will be issued in the form of Physical Securities. If a holder of a beneficial interest in a Rule 144A Global Security or a Regulation S Global Security wishes at any time to transfer its interest in such Security or Income Note to a Person that is required to take delivery thereof in the form of a Physical Security of the same Class, as applicable, such holder may transfer or cause the transfer of such interest for an equivalent beneficial interest in one or more such Physical Securities of the same

Class, subject to the requirements of the Indenture, the Income Note Paying Agency Agreement or the LP Paying Agency Agreement, as applicable. Physical Securities may be transferred only to (a) QIB/QPs, in reliance on an exemption from registration provided by Rule 144A or (b) non-"U.S. persons" (as defined in Regulation S) in an offshore transaction in reliance on Regulation S; *provided* that sales of LP Certificates to non-"U.S. persons" will be limited as described under "*Transfer Restrictions*" below. In the case of transfers of an interest in a Physical Security to a transferee taking delivery of an interest in a Global Security, the transferor (or, in the case of an exchange, the holder) must provide to the Trustee, the LP Paying Agent or the Income Note Paying Agent, as applicable, and the Issuer or the Income Note Issuer, as applicable, a Transfer Certificate. In the case of any transfer to a transferee taking delivery in the form of a Physical Security, the transferee must provide to the Trustee, the LP Paying Agent or the Income Note Paying Agent, as applicable, and the Issuer or the Income Note Issuer, as applicable, a Transfer Certificate. See "*Transfer Restrictions.*"

Subject to the restrictions on transfer set forth in the Indenture, the LP Paying Agency Agreement or the Income Note Paying Agency Agreement, as applicable, the Holder of a Physical Security may transfer or exchange such Physical Security in whole or in part by surrendering such Physical Security at the designated office of the Trustee, the LP Paying Agent or the Income Note Paying Agent, as applicable, together with an executed instrument of assignment and certificate from the transferee (in the case of delivery of Physical Securities) or the transferor (in the case of delivery of a Global Security) substantially in the form attached to the Indenture, the LP Paying Agency Agreement or the Income Note Paying Agency Agreement, as applicable. The presentation for transfer of any Physical Security will not be valid unless made at the designated office of the Trustee, the LP Paying Agent or the Income Note Paying Agent, as applicable, or at the office of a transfer agent by the Holder of the Physical Security in person, or by a duly authorized attorney-in-fact. The Holder taking delivery of a Physical Security will not be required to bear the costs and expenses of effecting any transfer or registration of transfer, except that the relevant Holder of a Physical Security will be required to bear (i) the expenses of delivery by other than regular mail (if any) and (ii) if the Issuer or the Income Note Issuer, as applicable, or the Trustee, the LP Paying Agent or the Income Note Paying Agent, as applicable, so requires, the payment of a sum sufficient to cover any duty, stamp tax or governmental charge or insurance charges that may be imposed in relation thereto.

TRANSFER RESTRICTIONS

Because of the transfer restrictions set forth in the Indenture, the LP Paying Agency Agreement and the Income Note Paying Agency Agreement (the "**Transfer Restrictions**") and described below, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Securities or Income Notes. Purchasers of Securities or Income Notes represented by an interest in a Regulation S Global Security are advised that such interests are not transferable to U.S. persons at any time except in accordance with the following restrictions.

Each prospective purchaser of Securities or Income Notes offered in reliance on Section 4(a)(2) of the Securities Act or Rule 144A (each, a "**144A Offeree**"), by accepting delivery of this Offering Memorandum, will be deemed to have represented and agreed as follows: (i) the 144A Offeree acknowledges that this Offering Memorandum is personal to the 144A Offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Securities or Income Notes other than pursuant to Section 4(a)(2) of the Securities Act or Rule 144A or in offshore transactions in accordance with Regulation S, (ii) distribution of this Offering Memorandum, or disclosure of any of its contents to any person other than the 144A Offeree and those persons, if any, retained to advise the 144A Offeree with respect thereto and other persons meeting the requirements of Rule 144A or Regulation S is unauthorized and any disclosure of any of its contents, without the prior written consent of the Issuers or the Income Note Issuer, as applicable, is prohibited and (iii) the 144A Offeree will make no photocopies of this Offering Memorandum or any documents referred to herein and, if the 144A Offeree does not purchase the Securities or Income Notes or the offering of the Securities or Income Notes is terminated, will return this Offering Memorandum and all documents referred to herein to the Initial Purchaser at the following address: Deutsche Bank Securities Inc., 60 Wall Street, New York, NY 10005, Attention: Global Markets.

Under the Indenture, the LP Paying Agency Agreement and the Income Note Paying Agency Agreement, the Issuers and the Income Note Issuer will agree to comply with the requirements of Rule 144A relative to the dissemination of information to prospective purchasers in the secondary market.

Each purchaser (including transferees and each beneficial owner of an account on whose behalf Securities or Income Notes are being purchased) of Securities or Income Notes (each, a "**Purchaser**") will be deemed to make the representations and agreements set forth below, as applicable. The Initial Purchaser will generally require that purchasers of interests in ERISA Restricted Securities on the Closing Date make certain written representations. Transferees that will hold interests in the form of a Physical Security will be required to provide a Transfer Certificate. The Transaction Parties are presumed to have relied on such representations and agreements and the Purchaser agrees (and any fiduciary causing it to acquire the Securities or Income Notes agrees) to indemnify and hold harmless the Transaction Parties and their respective affiliates from any cost, damage or loss incurred by them as a result of a breach of any representation or covenant made (or deemed to be made) by it.

Each Person who becomes a holder of a beneficial interest in a Rule 144A Global Security will be deemed to have represented and agreed as follows (or as otherwise agreed to by the Issuers or the Income Note Issuer, as applicable) (terms used in this subsection that are defined in Rule 144A or Regulation S are used herein as defined therein):

Purchaser Status

(i) The Purchaser is (A) a Qualified Institutional Buyer that is not a broker-dealer that owns and invests on a discretionary basis less than $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, and (B) aware that the sale of the Securities or Income Notes to it is being made in reliance on the exemption from registration provided by Rule 144A.

(ii) The Purchaser and each account for which the Purchaser is acquiring Securities or Income Notes is a Qualified Purchaser.

(iii) The Purchaser (or if the Purchaser is acquiring Securities or Income Notes for any account, each such account) is acquiring the Securities or Income Notes as principal for its own account for investment and without a view to the resale, distribution or other disposition thereof in violation of the Securities Act.

Purchaser Sophistication; Access to Information; Suitability; Non-reliance

(iv) The Purchaser is a sophisticated investor familiar with structured investments similar to the Purchaser's investment in the Purchaser's Securities or Income Notes, as applicable, and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investments in the Securities or Income Notes, as applicable, and the Purchaser, and any accounts for which it is acting, are each able to bear the economic risk of the Purchaser's or its investment.

(v) The Purchaser has received and reviewed the final offering memorandum, the done deal memorandum and marketing book, each dated as of the date of the final Offering Memorandum (collectively, the "**Final Offering Materials**") and all information that the Purchaser has requested concerning the Securities, the Income Notes, the Issuer, the Co-Issuer, the LP Paying Agent, the Income Note Paying Agent, the Income Note Issuer, the Collateral, the Collateral Manager, the Trustee, the Collateral Administrator, the Administrator and any other matters relevant to the Purchaser's decision to purchase the Purchaser's Securities or Income Notes (including, without limitation, the information referred to in clause (vi) below).

(vi) The Purchaser has had, at a reasonable time prior to its purchase of the Securities or Income Notes, an opportunity to discuss fully with the Collateral Manager, the Issuer, the Co-Issuer, the Income Note Issuer and their representatives, the Issuer's, Co-Issuer's and Income Note Issuer's business, management and financial affairs, the nature of the Collateral, the Collateral Manager and the terms and conditions of the proposed purchase of the Purchaser's Securities or Income Notes.

(vii) The Purchaser has carefully read and understood the final Offering Memorandum relating to the Securities or Income Notes (including, without limitation, the "Risk Factors" and "Transfer Restrictions" herein), and acknowledges that the final Offering Memorandum supersedes any preliminary Offering Memorandum furnished to the Purchaser.

(viii) The Purchaser (A) is purchasing the Securities or Income Notes, as applicable, and executing any certifications or other documentation in connection therewith with a full understanding of all of the terms and conditions of the Securities or Income Notes, as applicable, and the documents governing such Securities or Income Notes and all of the economic and other risks hereof and thereof (including, without limitation, the risks referred to in such "Risk Factors" section of the final Offering Memorandum) and (B) is capable of assuming and willing to assume those risks financially and otherwise.

(ix) The Purchaser has consulted, to the extent it has deemed necessary, with its own independent legal, regulatory, tax, business, investment, financial and accounting advisers, and it has made its own investment decisions (including decisions regarding the suitability of the Purchaser's investment in the Securities or Income Notes) based on, and only on, (A) the Purchaser's own judgment and the advice of such advisers, (B) the information contained in the final Offering Memorandum relating to the Securities and Income Notes and (C) the information (including the Issuers' and the Income Note Issuer's representations, warranties, covenants and agreements) contained in any agreement between the Issuers, the Income Note Issuer and the Purchaser, and not upon any view expressed by the Issuer, the Co-Issuer, the Income Note Issuer, the Collateral Manager, the Initial Purchaser, the Trustee, the LP Paying Agent, the Income Note Paying Agent, the Collateral Administrator, the Administrator or any of their respective affiliates.

(x) None of the Issuer, the Co-Issuer, the Income Note Issuer, the Income Note Paying Agent, the LP Paying Agent, the Collateral Manager, the Initial Purchaser, the Trustee, the Collateral Administrator, the Administrator or any of their respective affiliates (A) has acted or is acting as a fiduciary for the Purchaser or (B) has made or given the Purchaser any representation, warranty, covenant, agreement or guarantee whatsoever (in each case, whether written or oral and whether directly or indirectly through any other Person) as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit of the Indenture, LP Paying Agency Agreement or Income Note Paying Agency Agreement, or as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit of, or any other matters relating to the Purchaser's decision to make, the Purchaser's investment in the Purchaser's Securities or Income Notes, as applicable.

(xi) In connection with the purchase of the Securities and Income Notes: (A) the Purchaser is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer, the Co-Issuer, the LP Paying Agent, the Income Note Paying Agent, the Income Note Issuer, the Initial Purchaser, the Collateral Manager, the Trustee, the Administrator or the Collateral Administrator or any of their respective affiliates other than, to the extent applicable, in the final Offering Memorandum relating to the Securities and Income Notes; (B) none of the Issuer, the Co-Issuer, the Income Note Issuer, the Initial Purchaser, the Collateral Manager, the Trustee, the LP Paying Agent, the Income Note Paying Agent, the Administrator or the Collateral Administrator or any of their respective affiliates has given the Purchaser (directly or indirectly through any other Person or documentation for the Securities or Income Notes) any assurance, guarantee or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit of the Securities, the Income Notes, the Indenture, the LP Paying Agency Agreement or the Income Note Paying Agency Agreement; and (C) the Purchaser has determined that the rates, prices or amounts and other terms of the purchase and sale of such Securities or Income Notes reflect those in the relevant market for similar transactions.

(xii) The Purchaser acknowledges that all investment decisions relating to the purchase of the Purchaser's Securities and Income Notes have been the result of arm's-length negotiations.

(xiii) The Purchaser understands that an investment in the Securities or Income Notes involves certain risks, including the risk of loss of all or a substantial part of its investment.

(xiv) The Purchaser acknowledges that the final Offering Memorandum is not intended to and does not provide detailed or specific information on the Collateral Debt Obligations comprising the pool of assets acquired or expected to be acquired by the Issuer (or the Collateral Manager on its behalf).

(xv) The Purchaser understands that the Collateral Debt Obligations comprising the predominant portion of the assets of the Issuer may change as set forth in, or contemplated by, the Indenture, the LP Paying Agency Agreement or the Income Note Paying Agency Agreement during the term of the Securities and Income Notes.

Limited Liquidity

(xvi) The Purchaser understands that there is no market for the Securities or Income Notes, that no assurance can be given as to the liquidity of any trading market for the Securities or Income Notes and that it is unlikely that a trading market for the Securities or Income Notes will develop. It further understands that neither the Initial Purchaser nor any other Person is obligated to make a market in the Securities or Income Notes, and any such market making that does occur, may be discontinued at any time without notice. Accordingly, the Purchaser must be prepared to hold the Securities and Income Notes for an indefinite period of time or until their maturity.

No Governmental Approval

(xvii) The Purchaser understands that the Securities and Income Notes have not been approved or disapproved by the Securities and Exchange Commission or any other governmental authority or agency of any jurisdiction, nor has the Securities and Exchange Commission or any other governmental authority or agency passed upon the accuracy or adequacy of the final Offering Memorandum relating to the Securities or Income Notes. ***Any representation to the contrary is a criminal offense.***

Transfer; Required Certifications; Legends

(xviii) The Purchaser understands that the Securities and Income Notes are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, the Securities and Income Notes have not been and will not be registered under the Securities Act, and, if in the future the Purchaser decides to offer, resell, pledge or otherwise transfer the Securities or Income Notes, such Securities or Income Notes may be offered, resold, pledged or otherwise transferred only in accordance with the Indenture, the LP Paying Agency Agreement or the Income Note Paying Agency Agreement, as applicable, and the applicable legend on such Securities or Income Notes. The Purchaser acknowledges that no representation is made by the Issuers, the

LP Paying Agent, the Income Note Paying Agent, the Trustee, the Income Note Issuer or the Initial Purchaser as to the availability of any exemption under the Securities Act or any state securities laws or the securities laws of any other jurisdiction for resale of the Securities or Income Notes.

(xix) The Purchaser understands that the Securities (other than the portion of LP Certificates to be held as Physical Securities) and Income Notes offered to QIBs/QPs (other than to non-U.S. persons in offshore transactions in reliance on Regulation S) will be represented by one or more Rule 144A Global Securities. The Securities and Income Notes may not at any time be held by or on behalf of U.S. Persons that are not QIBs/QPs. Before any interest in a Rule 144A Global Security may be offered, resold, pledged or otherwise transferred to a Person who takes delivery in the form of an interest in a Regulation S Global Security, the transferor will be required to provide the Trustee, the LP Paying Agent or the Income Note Paying Agent, as applicable, with a transfer certificate in the form provided in the Indenture, the LP Paying Agency Agreement or the Income Note Paying Agency Agreement, as applicable, as to compliance with the transfer restrictions.

(xx) The Purchaser will not, at any time, offer to buy or offer to sell the Securities or the Income Notes by any form of general solicitation or advertising, including, but not limited to, any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium or broadcast over television or radio or seminar or meeting whose attendees have been invited by general solicitations or advertising. The Purchaser is not purchasing the Securities or Income Notes as a result of or subsequent to any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium or broadcast over television or radio, any seminar or general meeting or solicitation of a subscription by a Person.

(xxi) The Purchaser will provide notice in writing to each Person to whom it proposes to transfer any interest in the Securities or the Income Notes of the transfer restrictions and representations set forth in the Indenture, the LP Paying Agency Agreement or the Income Note Paying Agency Agreement, as applicable, including the Exhibits and Annexes referenced therein and will deliver to the Issuers or the Income Note Issuer, as applicable, and the Trustee, the LP Paying Agent, the LP Certificates Registrar, the Income Note Paying Agent or the Income Note Registrar, as applicable, a duly executed transfer certificate, if applicable, and such other certificates and other information as the Issuers, the Income Note Issuer, the Initial Purchaser, the Collateral Manager or the Trustee, the LP Paying Agent, the LP Certificates Registrar, the Income Note Paying Agent or the Income Note Registrar, as applicable, may reasonably require to confirm that the proposed transfer complies with the transfer restrictions contained in the Indenture, the LP Paying Agency Agreement and the Income Note Paying Agency Agreement, as applicable, including an opinion of counsel substantially to the effect that the transfer of such Securities or Income Notes to such Purchaser will not require the Securities or Income Notes to be registered under the Securities Act.

(xxii) The Purchaser agrees that no Security or Income Note may be sold, pledged or otherwise transferred in a denomination of less than the applicable minimum denominations, minimum lot size or minimum face amount set forth in the Indenture, the LP Paying Agency Agreement or the Income Note Paying Agency Agreement, as applicable.

(xxiii) The Purchaser understands that the Securities and Income Notes have not been and will not be registered under the Securities Act and, therefore, cannot be resold unless they are registered under the Securities Act or unless an exemption from registration is available. The Purchaser understands that the Issuers and the Income Note Issuer will not register the Securities or Income Notes under the Securities Act or comply with the requirements for any exemption from the registration requirements of the Securities Act (other than to supply information specified in Rule 144A(d)(4) under the Securities Act as required by the Indenture, the LP Paying Agency Agreement or the Income Note Paying Agency Agreement, as applicable). The Purchaser also understands that the Issuer, the Co-Issuer, the Income Note Issuer and the pool of Collateral have not been registered under the Investment Company Act in reliance on the exemption from registration thereunder provided by Section 3(c)(7), and that each U.S. Person purchasing a Security or Income Note must be a Qualified Purchaser.

(xxiv) The Purchaser is aware that each Security and Income Note will bear the legend set forth in the applicable exhibit to the Indenture, the LP Paying Agency Agreement or the Income Note Paying Agency Agreement, as applicable.

Voidable Transactions

(xxv) The Purchaser understands that the Issuers and the Income Note Issuer have the right under the Indenture, the LP Paying Agency Agreement or the Income Note Paying Agency Agreement, as applicable, to compel any (a) Non-Permitted Holder (as defined in the Indenture, the LP Paying Agency Agreement or the Income Note Paying Agency Agreement, as applicable) or (b) Purchaser that fails to provide any required tax forms or certificates that such Purchaser is able to properly provide and are necessary to prevent withholding imposed on the Issuer, to sell its interest in the Securities or Income Notes or may sell such interest in the Securities or Income Notes on behalf of such owner.

(xxvi) The Purchaser agrees that (A) any sale, pledge or other transfer of the Securities or Income Notes made in violation of the transfer restrictions contained in the Indenture, the LP Paying Agency Agreement or the Income Note Paying Agency Agreement, as applicable, or made based upon any false or inaccurate representation made by the Purchaser or a transferee to the Issuers or Income Note Issuer will be void and of no force or effect to the maximum extent permitted by applicable law and (B) none of the Issuers, the Income Note Issuer, the Trustee, the LP Paying Agent, the LP Certificates Registrar, the Income Note Registrar or the Income Note Paying Agent has any obligation to recognize any sale, pledge or other transfer of Securities or Income Notes made in violation of any such transfer restriction or made based upon any such false or inaccurate representation or which would otherwise cause the Issuers, the Income Note Issuer or the pool of Collateral to be required to register as an Investment Company under the Investment Company Act.

Tax

(xxvii) (A) The Purchaser and each beneficial owner of a Note, by acquiring such Note or an interest therein, agrees to treat such Note as debt of the Issuer for U.S. federal income tax purposes, (B) the Purchaser and each beneficial owner of the Note, by acceptance of its Note, or its interest in a Note, shall be deemed to acknowledge that the Issuer will treat the Note as debt of the Issuer for U.S. federal income tax purposes, (C) the Purchaser and each beneficial owner of a LP Certificate, by acquiring such LP Certificate or an interest therein, agrees to treat such LP Certificate as equity in the Issuer for U.S. federal income tax purposes and (D) the Purchaser and each beneficial owner of an Income Note, by acquiring such Income Note or an interest therein, agrees to treat such Income Note as equity in the Income Note Issuer for U.S. federal income tax purposes.

(xxviii) The Purchaser of the LP Certificates, Class E Notes, or Income Notes, if not a United States person (as defined in Section 7701(a)(30) of the Code), either (A) is not a bank (within the meaning of Section 881(c)(3)(A) of the Code) or (B) is a Person that is eligible for benefits under an income tax treaty with the United States that eliminates U.S. federal income taxation of United States source interest not attributable to a permanent establishment in the United States.

(xxix) The Purchaser is not purchasing such Securities or Income Notes in order to reduce its U.S. federal income tax liability or pursuant to a tax avoidance plan within the meaning of Treasury Regulations section 1.881-3(b).

(xxx) The Purchaser understands that as a condition to the payment of principal, interest, dividends and/or other payments on any Securities or Income Notes, the Issuer, the Co-Issuer, the Income Note Issuer the Trustee, the LP Paying Agent and the Income Note Paying Agent (if applicable) will require certification acceptable to each of them (including, without limitation, the delivery of a properly completed and executed 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) to enable the Issuer, the Co-Issuer, the Income Note Issuer, the LP Paying Agent, the Trustee, the Income Note Paying Agent, and any other paying agent to determine their duties and liabilities with respect to any taxes or other charges that they may be required to deduct or withhold from payments in respect of such Securities and Income Notes under any present or future law or regulation of the United States or any present or future law or regulation of any political subdivision thereof or taxing authority therein or to comply with any reporting or other requirements under any such law or regulation.

(xxxi) Each Purchaser of Securities or Income Notes or direct or indirect interest therein, by acceptance of such Securities or Income Notes or such an interest in such Securities or Income Notes, agrees or is deemed to agree to provide to the Issuer, the LP Paying Agent, the Income Note Paying Agent, the Trustee and the Income Note

Issuer, with the Holder FATCA Information and such information, documentation or certification requested by the Issuer, the Income Note Issuer, the LP Paying Agent, the Trustee or the Income Note Paying Agent (as applicable) within a reasonable time period after such request and to update or replace any information, documentation or certification that (i) will permit the Issuer, the Income Note Paying Agent, the LP Paying Agent, the Trustee and the Income Note Issuer to make payments to it without, or at a reduced rate of, withholding, (ii) will enable the Issuer and the Income Note Issuer to qualify for a reduced rate of withholding (including, without limitation, with respect to portfolio interest under the Code) in any jurisdiction from or through which the Issuer and Income Note Issuer receive payments on its respective assets, and (iii) will enable the Issuer and the Income Note Issuer to achieve FATCA Compliance. Each Purchaser of Securities and Income Notes or direct or indirect interest therein, by acceptance of such Securities or Income Notes or such an interest in such Securities or Income Notes, agrees or is deemed to agree that the Issuer, the Income Note Issuer, the LP Paying Agent, the Income Note Paying Agent (as applicable), and/or the Trustee (A) may (1) provide such information and documentation and any other information concerning its investment in the Securities or Income Notes to the U.S. Internal Revenue Service and any other relevant tax authority, and (2) take such other steps as they deem necessary or helpful to achieve FATCA Compliance, and (B) if the Purchaser fails for any reason to provide the Holder FATCA Information or any such information or documentation to enable the Issuer or Income Note Issuer to obtain FATCA Compliance, or such information or documentation is not accurate or complete, or otherwise prevents the Issuer or the Income Note Issuer from qualifying as, or complying with any obligations or requirements imposed on, a "Participating FFI" within the meaning of Treasury Regulation Section 1.1471-1T(b)(91) or a "deemed-compliant FFI" within the meaning of Treasury Regulation Section 1.1471-5(f), the Issuer and the Income Note Issuer shall have the right, in addition to withholding on passthru payments, to (x) withhold and compel the Purchaser to sell its interest in such Securities and Income Notes, (y) sell such entire interest on the Purchaser's behalf in accordance with the procedures specified in the Indenture, the LP Paying Agency Agreement or the Income Note Paying Agency Agreement, as applicable, and/or (z) assign to such Securities or Income Notes a separate CUSIP or CUSIPs.

(xxxii) The Purchaser has read the summary of the U.S. federal income tax considerations in "Certain U.S. Federal Income Tax Considerations" in the current Offering Memorandum.

(xxxiii) With respect only to the Class E Notes and the LP Certificates, each Holder of Class E Notes or LP Certificates, by acceptance of its Class E Notes, LP Certificates or its interest therein, shall be deemed to understand and acknowledge that:

(A) It may not (i) acquire or directly or indirectly sell, encumber, assign, participate, pledge, hypothecate, rehypothecate, exchange, or otherwise dispose of, suffer the creation of a lien on, or transfer or convey in any manner (each, a "**Transfer**") its Class E Notes or LP Certificates (or any interest therein that is described in Treasury Regulations section 1.7704-1(a)(2)(i)(B) on or through (x) a United States national, regional or local securities exchange, (y) a foreign securities exchange or (z) an interdealer quotation system that regularly disseminates firm buy or sell quotations by identified brokers or dealers ((x), (y) and (z), collectively, an "**Exchange**") or (ii) cause any of its Class E Notes or LP Certificates (as applicable) or any interest therein to be marketed on or through an Exchange.

(B) It may not enter into any financial instrument payments on which, or the value of which, is determined in whole or in part by reference to the Class E Notes or LP Certificates, or the Issuer (including the amount of Issuer distributions on Class E Notes or LP Certificates, the value of the Issuer's assets, or the result of the Issuer's operations), or any contract that otherwise is described in Treasury Regulations section 1.7704-1(a)(2)(i)(B).

(C) If it is a partnership, grantor trust or S corporation, less than 50% of the value of any Person's interest in the holder must be attributable to the holder's Class E Notes and LP Certificates.

(D) It may not Transfer all or any portion of its Class E Notes or LP Certificates unless: (A) the transferee agrees to be bound by the restrictions and conditions set forth in the Indenture, the LP Paying Agency Agreement (in the case of the LP Certificates) and such Security, and represents, warrants and covenants as provided therein, and (B) such Transfer does not violate the Indenture, the LP Paying Agency Agreement (in the case of the LP Certificates) or such Security.

(E) Any Transfer that would cause the Issuer to be unable to rely on the "private placement" safe harbor of Treasury Regulations section 1.7704-1(h) will be void and of no force or effect.

(F) Any Transfer made in violation of the Indenture, the LP Paying Agency Agreement (in the case of the LP Certificates) or such Security will not bind or be recognized by the Issuer, the Trustee, the LP Paying Agent (in the case of the LP Certificates) or any other person, and no transferee of Class E Notes or LP Certificates will become a holder unless such transferee satisfies and complies with provisions (A)-(E).

The purpose of provisions (A)-(F) above is to help ensure that the Issuer is not treated as a "publicly traded partnership" within the meaning of section 7704 of the Code and the Treasury Regulations thereunder that is taxable as a corporation for federal income tax purposes. Notwithstanding the provisions set forth in (A)-(F) above, a Transfer will be permitted if the Trustee is advised in writing by Ashurst LLP or receives an opinion of another nationally recognized tax counsel that the Transfer will not cause the Issuer to be treated as a "publicly traded partnership" taxable as a corporation for U.S. federal income tax purposes. For the avoidance of doubt, for purposes of the immediately preceding sentence, the term "Transfer" will include the actions described in clause (B) above.

(xxxiv) The Purchaser understands and acknowledges that it may not transfer all or any portion of its Securities or Income Notes unless: (i) the transferee agrees to be bound by the restrictions and conditions set forth in the Indenture, the LP Paying Agency Agreement or the Income Note Paying Agency Agreement, as applicable, and in such Securities or Income Notes and (ii) such transfer does not violate the Indenture, the LP Paying Agency Agreement or the Income Note Paying Agency Agreement, as applicable, or such Securities or Income Notes.

(xxxv) With respect only to the LP Certificates:

(A) Each owner and beneficial owner is a C Corporation or a Permitted LP Certificate holder. In addition, such owner and beneficial owner acknowledges and agrees that no transfer of the LP Certificates will be respected if it would cause 100% of the LP Certificates to be held (as determined for U.S. federal income tax purposes) by one tax owner.

(B) Each owner and beneficial owner will agree to provide any documentation, including without limitation, any withholding statements or other certifications attached thereto necessary to qualify interest received by the Issuer as portfolio interest.

(C) Each owner and beneficial owner will agree to indemnify the Issuer (a) for any withholding tax incurred by the Issuer that is attributable to its violation of its representations or acknowledgements with respect to its obligations under FATCA, (b) for any withholding tax incurred by the Issuer, that is attributable to its violation of its representations or acknowledgements (if applicable) with respect to it not being (or exempted from being) a bank within the meaning of Section 881(c)(3) of the Code, and (c) for any withholding tax incurred by the Issuer that is attributable to its violation of its representations or acknowledgements to provide any necessary tax forms or certifications, including without limitation to enable a Foreign Issuer to receive payments (or make payments) free of withholding.

(D) Each owner and beneficial owner will provide the Issuer with certifications necessary to establish that it is not subject to U.S. federal withholding tax under FATCA with respect to such LP Certificates and, to the extent it is a "foreign financial institution" (as defined under FATCA), it is a "Participating FFI" within the meaning of Treasury Regulation Section 1.1471-1T(b)(91) or a "deemed-compliant FFI" within the meaning of Treasury Regulation Section 1.1471-5(f).

(E) The Purchaser will provide notice in writing to each Person to whom it proposes to transfer any interest in the LP Certificates of the transfer restrictions and representations set forth in the LP Paying Agency Agreement, including the Exhibits and Annexes referenced therein and will deliver to the Issuers and the Trustee, the LP Paying Agent, and the LP Certificates Registrar a duly executed transfer certificate identifying such restrictions and the agreement of the transferee to be bound by them and such other certificates and other information as the Issuers, the Trustee, the LP Paying Agent, or the LP Certificates Registrar may reasonably require to confirm that the proposed transfer complies with the transfer restrictions contained in the LP Paying Agency Agreement.

(F) Each beneficial owner will provide the identifying information necessary for the Issuer to make an election under Sections 6221(b) and 6226 of the Code (or any successor provisions) to avoid an entity level tax imposed on the Issuer pursuant to Section 6221 of the Code (or any successor provision).

(G) Each beneficial owner represents that, if it is not a "United States person" (as defined in Section 7701(a)(30) of the Code), it will not (A) treat its income in respect of such LP Certificates as effectively connected with the conduct of a trade or business in the United States for U.S. federal income tax purposes, or (B) provide to the Issuer or its agents an IRS Form W-8ECI (or successor form) or an IRS Form W-8IMY (or successor form) to which an IRS Form W-8ECI (or successor form) is attached.

(H) Each beneficial owner will comply with paragraphs (xxvii) – (xxxv) herein.

(I) Any Transfer made in violation of this clause (xxxv) will not bind or be recognized by the Issuer, the Trustee, the LP Paying Agent or any other person, and no transferee of LP Certificates will become a holder unless such transferee satisfies and complies with provisions (A)-(I), unless such transfer is specifically authorized by the Issuer in writing.

(xxxvi) With respect only to the Income Notes:

(A) Each owner and beneficial owner will agree to provide any documentation, including without limitation, any withholding statements or other certifications attached thereto necessary to qualify interest received by the Issuer as portfolio interest.

(B) Each owner and beneficial owner will agree to provide any documentation, including without limitation, any withholding statements or other certifications attached thereto necessary to avoid any withholding tax imposed on the Issuer.

(C) Each owner and beneficial owner will agree to indemnify the Issuer (a) for any withholding tax incurred by the Issuer that is attributable to its violation of its representations or acknowledgements with respect to its obligations under FATCA, (b) for any withholding tax incurred by the Issuer, that is attributable to its violation of its representations or acknowledgements (if applicable) with respect to it not being (or exempted from being) a bank within the meaning of Section 881(c)(3) of the Code, and (c) for any withholding tax incurred by the Issuer that is attributable to its violation of its representations or acknowledgements to provide any necessary tax forms or certifications, including without limitation to enable a Foreign Issuer to receive payments (or make payments) free of withholding.

(D) It is the intention of the parties, and by its acceptance of a beneficial ownership interest in an Income Note, it agrees not to treat any income with respect to its Income Notes as derived in connection with the Income Note Issuer's active conduct of a banking, financing, insurance, or other similar business for purposes of Section 954(h)(2) of the Code.

(E) Each owner and beneficial owner will agree to provide the Income Note Issuer with certifications necessary to establish that it is not subject to U.S. federal withholding tax under FATCA with respect to such Income Notes and, to the extent it is a "foreign financial institution" (as defined under FATCA), it is a "Participating FFI" within the meaning of Treasury Regulation Section 1.1471-1T(b)(91) or a "deemed-compliant FFI" within the meaning of Treasury Regulation Section 1.1471-5(f).

(xxxvii) With respect only to the Class E Notes:

(A) Each owner and beneficial owner will agree to provide any documentation, including without limitation, any withholding statements or other certifications attached thereto necessary to qualify interest received by the Issuer as portfolio interest.

(B) Each owner and beneficial owner will agree to provide any documentation, including without limitation, any withholding statements or other certifications attached thereto necessary to avoid any withholding tax imposed on the Issuer.

(C) Each owner and beneficial owner will agree to provide the Issuer with certifications necessary to establish that it is not subject to U.S. federal withholding tax under FATCA with respect to such Class E Notes and, to the extent it is a "foreign financial institution" (as defined under FATCA), it is a "Participating FFI" within the meaning of Treasury Regulation Section 1.1471-1T(b)(91) or a "deemed-compliant FFI" within the meaning of Treasury Regulation Section 1.1471-5(f),

(D) Each owner and beneficial owner will agree to indemnify the Issuer (a) for any withholding tax incurred by the Issuer that is attributable to its violation of its representations or acknowledgements with respect to its obligations under FATCA, (b) for any withholding tax incurred by the Issuer, that is attributable to its violation of its representations or acknowledgements (if applicable) with respect to it not being (or exempted from being) a bank within the meaning of Section 881(c)(3) of the Code, and (c) for any withholding tax incurred by the Issuer that is attributable to its violation of its representations or acknowledgements to provide any necessary tax forms or certifications, including without limitation to enable a Foreign Issuer to receive payments (or make payments) free of withholding.

(E) Each beneficial owner represents that, if it is not a "United States person" (as defined in Section 7701(a)(30) of the Code), it will not (A) treat its income in respect of such Class E Notes as effectively connected with the conduct of a trade or business in the United States for U.S. federal income tax purposes, or (B) provide to the Issuer or its agents an IRS Form W-8ECI (or successor form) or an IRS Form W-8IMY (or successor form) to which an IRS Form W-8ECI (or successor form) is attached.

ERISA and Similar Law

(xxxviii) (A) On each day that the Purchaser holds such Securities or Income Notes, either (1) the Purchaser, and any account on behalf of which the Purchaser is holding such Securities or Income Notes, is not and will not be an employee benefit plan subject to ERISA, a plan or arrangement subject to Section 4975 of the Code, an entity whose underlying assets include the assets of the foregoing plans or arrangements or a Governmental Plan, Church Plan or non-U.S. plan that is subject to any federal, state, non-U.S. or local law which is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code or (2) the Purchaser's purchase, holding and disposition of such Securities or Income Notes will not result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of a Governmental Plan, Church Plan or non-U.S. plan not subject to ERISA or Section 4975 of the Code, a violation of any substantially similar federal, state, non-U.S. or local law) or in any other violation of an applicable requirement of ERISA, the Code or other applicable law.

(B) With respect to any ERISA Restricted Security sold on the Closing Date:

(i) Unless otherwise agreed in writing by the Initial Purchaser and specified in a signed investor representation letter delivered to the Initial Purchaser, the Purchaser is not, is not acting on behalf of or with the assets of, and through its holding and disposition of such ERISA Restricted Security will not be or become, a Benefit Plan Investor or a Controlling Person.

(ii) The Purchaser agrees that no transfer of any ERISA Restricted Security will be effective, and no such transfer will be recognized, if it may result in Benefit Plan Investors owning 25% or more of the value of the applicable Class of ERISA Restricted Security being transferred, determined in accordance with the Plan Asset Regulation and the Indenture, the LP Paying Agency Agreement or the Income Note Paying Agency Agreement, as applicable.

(C) With respect to any ERISA Restricted Security sold or transferred after the Closing Date:

(i) The Purchaser is not, is not acting on behalf of or with the assets of, and throughout its holding and disposition of such ERISA Restricted Security will not be or become, a Benefit Plan Investor or Controlling Person.

(ii) The Purchaser agrees that no transfer of any ERISA Restricted Security will be effective, and no such transfer will be recognized, if it may result in Benefit Plan Investors owning 25% or more of the value of the applicable Class of ERISA Restricted Security being transferred, determined in accordance with the Plan Asset Regulation and the Indenture, the LP Paying Agency Agreement or the Income Note Paying Agency Agreement, as applicable.

(D) The representations made in this clause (xxxviii) will be deemed to be made on each day from the date that the Purchaser acquires an interest in the Securities or Income Notes until the date it has disposed of its interests in such Securities or Income Notes. The Purchaser, and any fiduciary of the Purchaser or other Person causing the Purchaser to acquire such Securities or Income Notes, agree, without limiting the remedies for a breach of representations, to promptly notify the Trustee, the LP Paying Agent or the Income Note Paying Agent, as applicable, in writing upon, and agree to indemnify and hold harmless the Issuers, the LP Paying Agent, the Income Note Paying Agent, the Income Note Issuer, the Collateral Manager, the Trustee, the Collateral Administrator, the Initial Purchaser, the Administrator and their respective Affiliates from any cost, damage or loss incurred by them as a result of, the foregoing representations in clause (xxxviii) being or becoming untrue.

Investment Company Act

(xxxix) The Purchaser is aware that the Securities and Income Notes may be offered or sold, pledged or otherwise transferred to a transferee that is an investment company relying on Section 3(c)(7) of the Investment Company Act only if such transferee is a Qualifying Investment Vehicle, as defined by the Investment Company Act.

(xxxl) The Purchaser agrees that no sale, pledge or other transfer of Securities or Income Notes may be made if such transfer would have the effect of requiring either of the Issuers, the Income Note Issuer or the pool of Collateral to register as an investment company under the Investment Company Act.

(xli) The Purchaser, if a U.S. resident (within the meaning of the Investment Company Act) and each account for which the Purchaser is acting: (A) was not formed for the specific purpose of investing in the Securities or Income Notes (except when each beneficial owner of the Purchaser and each such account is a Qualified Purchaser), (B) to the extent the Purchaser is a private investment company formed before April 30, 1996, the Purchaser has received the necessary consent from its beneficial owners, (C) is not a pension, profit sharing or other retirement trust fund or plan in which the partners, beneficiaries or participants, as applicable, may designate the particular investments to be made and (D) is not a broker-dealer that owns and invests on a discretionary basis less than $25,000,000 in securities of unaffiliated issuers. Further, each of the Purchaser and each such account agrees: (1) that it will not hold such Securities or Income Notes for the benefit of any other Person and will be the sole beneficial owner thereof for all purposes; (2) that it will not sell Participations in the Securities or Income Notes or enter into any other arrangement pursuant to which any other Person will be entitled to a beneficial interest in the payments on the Securities or Income Notes; and (3) that the Securities or Income Notes purchased directly or indirectly by it constitute an investment of no more than 40% of the Purchaser's and each such account's assets (except when each beneficial owner of the Purchaser and each such account is a Qualified Purchaser). The Purchaser understands and agrees that any purported transfer of the Securities or Income Notes to a holder that does not comply with the requirements of this clause (xli) will be null and void *ab initio*.

Additional Representations and Acknowledgments

(xlii) The Purchaser is not a member of the public in the Cayman Islands.

(xliii) The Purchaser understands that the Issuer and the Income Note Issuer may receive a list of participants holding positions in the Securities or Income Notes from one or more book-entry depositories.

(xliv) The Purchaser acknowledges that the Issuers, the Income Note Issuer, the Initial Purchaser, the Collateral Manager, the Trustee, the LP Paying Agent, the Income Note Paying Agent, the Collateral Administrator, the Administrator and others will rely upon the truth and accuracy of its acknowledgments, representations and agreements and agrees that, if any of its acknowledgments, representations or warranties made or deemed to have been made by it in connection with its purchase of the Securities or Income Notes are no longer accurate, the Purchaser will promptly notify the Issuers, the Income Note Issuer, the Initial Purchaser, the Collateral Manager, the Trustee, the LP Paying Agent, the Income Note Paying Agent, the Collateral Administrator and the Administrator in writing.

(xlv) The Purchaser represents and agrees that either (A) the Purchaser's principal place of business is not located within any Federal Reserve District of the United States Federal Reserve Bank or (B) the Purchaser has satisfied and will satisfy any applicable registration or other requirements of the Board of Governors of the Federal Reserve System including Regulation U, in connection with its acquisition of the Securities or Income Notes.

(xlvi) The Purchaser acknowledges that, by purchasing the Securities or Income Notes, it will be deemed to have acknowledged the existence of the conflicts of interest as described in the Risk Factors section of the final Offering Memorandum, and to have waived any claim with respect to any liability arising from the existence thereof.

(xlvii) The Purchaser understands that Executive Orders issued by the President of the United States of America, Federal regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control ("**OFAC**") and other federal laws prohibit, among other things, U.S. Persons or Persons under the jurisdiction of the United States from engaging in certain transactions with certain foreign countries, territories, entities and individuals, and that the lists of prohibited countries, territories, entities and individuals can be found on, among other places, the OFAC website at www.treas.gov/ofac. Neither the Purchaser nor any of its affiliates, owners, directors or officers is, or is acting on behalf of, a country, territory, entity or individual named on such lists, nor is the Purchaser or any of its affiliates, owners, directors or officers a natural Person or entity with whom dealings are prohibited under any OFAC regulation or other applicable federal law or acting on behalf of such a natural Person or entity.

(xlviii) The Purchaser agrees to provide to the Issuer, the Income Note Issuer and the Collateral Manager all information reasonably available to it that is reasonably requested by the Collateral Manager in connection with regulatory matters, including any information that is necessary or advisable in order for the Collateral Manager (or its parent or affiliates) to complete its Form ADV, to file its reports on Form PF, to comply with any requirement of the Dodd–Frank Wall Street Reform and Consumer Protection Act, as amended from time to time, to establish an exemption from registration as a commodity pool operator under the Commodity Exchange Act, to comply with know-your-customer or anti-money laundering laws of and regulations of any jurisdiction, or to comply with any other laws or regulations applicable to the Collateral Manager from time to time.

(xlix) The Purchaser agrees that, prior to the date which is one year and one day (or, if longer, the applicable preference period and one day) after the payment in full of all Securities and Income Notes, it will not institute against, or join any other Person in instituting against, the Issuer, the Co-Issuer, the General Partner, the Income Note Issuer or any Issuer Subsidiary any bankruptcy, reorganization, arrangement, insolvency, moratorium or liquidation proceedings, or other proceedings under U.S. federal or state bankruptcy or similar laws (including Cayman Islands Law). The Purchaser further acknowledges and agrees that if it causes the filing of a petition in bankruptcy against the Issuer, the Co-Issuer, the General Partner, the Income Note Issuer or any Issuer Subsidiary prior to the expiration of the period specified in the previous sentence, any claim that it has against the Issuers or the Income Note Issuer (including under all Securities or Income Notes of any Class held by such Purchaser(s)) or with respect to any Collateral (including any proceeds thereof) will, notwithstanding anything to the contrary in the Priority of Payments and notwithstanding any objection to, or rescission of, such filing, be fully subordinate in right of payment to the claims of each Purchaser of any Securities or Income Notes (and each other secured creditor of the Issuer) that does not seek to cause any such filing, with such subordination being effective until each Security or Income Note held by each Purchaser of any Security or Income 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 (after giving effect to such subordination). This agreement will constitute a "subordination agreement" within the meaning of Section 510(a) of the Bankruptcy Code.

(l) The Purchaser acknowledges and agrees that any report issued by the Issuer's independent accountants cannot be disseminated by the Trustee, the Collateral Administrator, the LP Paying Agent or the Income Note Paying Agent to the Purchasers or posted to the Issuer's website without the express consent of such accountants.

Each Person who becomes a Purchaser of Securities or Income Notes represented by an interest in a Regulation S Global Security will be deemed to have made the representations and agreements set forth in clauses (iii) through (xviii) and (xx) through (l) above (except as otherwise agreed to by the Issuer or the Income Note Issuer, as applicable), and to have further represented and agreed as follows:

(1) The Purchaser is aware that the sale of such Securities or Income Notes to it is being made in reliance on the exemption from registration provided by Regulation S and understands that the Securities and Income Notes offered in reliance on Regulation S will be represented by one or more Regulation S Global Securities. The Securities or Income Notes so represented may not at any time be held by or on behalf of U.S. Persons as defined in Regulation S.

(2) The Purchaser and each beneficial owner of the Securities or Income Notes that it holds (A) is not, and will not be, a U.S. Person as defined in Regulation S or a United States resident for purposes of the Investment Company Act, and its purchase of the Securities or Income Notes is being made in an "offshore transaction" (as defined in Regulation S) and will comply with all applicable laws in any jurisdiction in which it resides or is located and (B) in the case of the LP Certificates, except with respect to certain specified sales and certain transfers, is a C Corporation or a Permitted LP Certificate Holder. Before any interest in a Regulation S Global Security may be offered, resold, pledged or otherwise transferred to a Person who takes delivery in the form of an interest in a Global Security or a Physical Security, as applicable, the transferor (or the transferee) will be required to provide the Trustee, the LP Paying Agent or the Income Note Paying Agent, as applicable, with written certification in the form provided in the Indenture, the LP Paying Agency Agreement or the Income Note Paying Agency Agreement, as applicable, as to compliance with the transfer restrictions set forth in the Indenture, the LP Paying Agency Agreement or the Income Note Paying Agency Agreement, as applicable.

Each Person who becomes a Purchaser of a Class E Note represented by a Physical Security, an Income Note represented by a Physical Security or an LP Certificate represented by a Physical Security will make, and will be deemed to have made, the representations and agreements set forth in clauses (iii) through (xviii) and (xx) through (l) above as otherwise agreed to by the Issuer or the Income Note Issuer, as applicable) and to have further represented and agreed with the Issuer or Income Note Issuer, as applicable (except as otherwise agreed to by the Issuer or the Income Note Issuer, as applicable) that:

(1) The Purchaser is (A) either (i) a U.S. Person that is a QIB/QP acting for its own account or for the account of another QIB/QP; or (ii) is not, and will not be, a U.S. Person as defined in Regulation S or a United States resident for purposes of the Investment Company Act, and its purchase of the Securities or Income Notes is being made in an "offshore transaction" (as defined in Regulation S) and will comply with all applicable laws in any jurisdiction in which it resides or is located, and is aware that the sale of such Securities or Income Notes to it is being made in reliance on the exemption from registration provided by Regulation S and (B) in the case of the LP Certificates, except with respect to certain specified sales and certain transfers, a C Corporation or a Permitted LP Certificate Holder.

Each Person who becomes a Purchaser of LP Certificates will be deemed to have further represented and agreed as follows:

(1) The Purchaser agrees that before any interest in an LP Certificate, as applicable, may be transferred, the transferee will be required to provide the Issuer and the LP Certificates Registrar with the transfer certificate in the form provided in the LP Paying Agency Agreement.

(2) The Purchaser agrees that, except for transfers among affiliates of the TFG Risk Retention Party, no assignment, sale, charge, mortgage, pledge or other transfer or disposal of in any manner whatsoever all or any part of its LP Certificates, and no such attempted or purported assignment, sale, pledge or transfer will be effective, without the prior written consent of the General Partner.

The Purchaser acknowledges that the Securities and the certificates representing the Income Notes will bear a legend to the following effect unless the Issuers or the Income Note Issuer, as applicable, determine otherwise in compliance with applicable law:

(1) With respect to Rated Notes:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED OR QUALIFIED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE OR FOREIGN SECURITIES LAW, AND THE ISSUERS HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THIS SECURITY AND INTERESTS HEREIN MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, EXCEPT (A) (1) TO A "QUALIFIED PURCHASER" AS DEFINED IN THE INVESTMENT COMPANY ACT AND THE RULES PROMULGATED THEREUNDER THAT THE SELLER REASONABLY BELIEVES IS ALSO A "QUALIFIED INSTITUTIONAL BUYER" ("QUALIFIED INSTITUTIONAL BUYER") WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") (OTHER THAN A 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, OR 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), PURCHASING FOR ITS OWN ACCOUNT OR THE ACCOUNT OF ANOTHER QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT, OR (2) TO A NON-"U.S. PERSON," AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S") IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 (AS APPLICABLE) OF REGULATION S, IN EACH CASE SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS SPECIFIED IN THE INDENTURE REFERRED TO BELOW, AND IN EACH CASE WHICH MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXCEPTION, (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER APPLICABLE JURISDICTION AND (C) IN AN AUTHORIZED DENOMINATION FOR THE PURCHASER AND FOR EACH SUCH ACCOUNT. EACH PURCHASER OF THIS SECURITY WILL BE DEEMED TO HAVE MADE THE REPRESENTATIONS AND AGREEMENTS SET FORTH IN SECTION 2.5 OF THE INDENTURE, OR, IF REQUIRED UNDER THE INDENTURE, MUST DELIVER A TRANSFER CERTIFICATE IN THE FORM PROVIDED IN THE INDENTURE. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO, AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUERS, THE TRUSTEE OR ANY INTERMEDIARY. THE ISSUER HAS THE RIGHT, UNDER THE INDENTURE, TO COMPEL ANY NON-PERMITTED HOLDER (AS DEFINED IN THE INDENTURE) TO SELL ITS INTEREST IN THE SECURITIES, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.

[UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN. TRANSFERS OF THIS GLOBAL SECURITY IN WHOLE, BUT NOT IN PART, SHALL BE LIMITED TO TRANSFERS TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO HEREIN.][1]

[1] Applicable to Notes that are Global Securities.

EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF ANY NOTE (OTHER THAN A CLASS E NOTE) IN THE FORM OF A PHYSICAL SECURITY WILL BE REQUIRED TO REPRESENT AND WARRANT, AND EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF ANY SUCH NOTE REPRESENTED BY AN INTEREST IN ANY GLOBAL SECURITY WILL BE DEEMED BY SUCH PURCHASE OR ACQUISITION OF ANY SUCH NOTE TO HAVE REPRESENTED AND WARRANTED, ON EACH DAY FROM THE DATE ON WHICH THE PURCHASER OR TRANSFEREE ACQUIRES ITS INTEREST IN SUCH NOTE THROUGH AND INCLUDING THE DATE IT DISPOSES OF SUCH INTEREST, EITHER (A) IT IS NOT (I) AN "EMPLOYEE BENEFIT PLAN" THAT IS SUBJECT TO PART 4 OF TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), A "PLAN" TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") APPLIES OR ANY ENTITY WHOSE UNDERLYING ASSETS COULD BE DEEMED TO INCLUDE "PLAN ASSETS" BY REASON OF AN EMPLOYEE BENEFIT PLAN'S OR A PLAN'S INVESTMENT IN THE ENTITY OR (II) A GOVERNMENTAL, CHURCH, OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT ARE SUBSTANTIALLY SIMILAR TO THE FIDUCIARY RESPONSIBILITY OR PROHIBITED TRANSACTION PROVISIONS OF ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAW") OR (B) ITS PURCHASE, HOLDING AND DISPOSITION OF SUCH NOTE OR INTEREST WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, OR NON-U.S. PLAN, A VIOLATION OF SIMILAR LAW) UNLESS AN EXEMPTION IS AVAILABLE (ALL OF THE CONDITIONS OF WHICH HAVE BEEN SATISFIED) OR IN ANY OTHER VIOLATION OF AN APPLICABLE REQUIREMENT OF ERISA, THE CODE OR OTHER APPLICABLE LAW.

THE PRINCIPAL AMOUNT OF THIS SECURITY IS PAYABLE AS SET FORTH HEREIN. THE OUTSTANDING PRINCIPAL AMOUNT OF THIS SECURITY AT ANY TIME MAY DIFFER FROM THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS SECURITY MAY ASCERTAIN ITS AGGREGATE OUTSTANDING AMOUNT BY INQUIRY OF THE TRUSTEE.

EACH HOLDER AND EACH BENEFICIAL OWNER OF THIS RATED NOTE, BY ACCEPTANCE OF SUCH NOTE, OR ITS INTEREST IN SUCH NOTE, AS THE CASE MAY BE, SHALL BE DEEMED TO HAVE AGREED TO TREAT, AND SHALL TREAT, SUCH RATED NOTE AS DEBT OF THE ISSUER FOR U.S. FEDERAL INCOME TAX PURPOSES.

Each holder and each transferee by purchase or holding of this Security (or any interest therein), will be deemed to have represented and agreed to treat the Issuer and the Security as described in the "*Certain U.S. Federal Income Tax Considerations*" section of the Offering Memorandum for all U.S. federal, state and local income tax purposes and will take no action inconsistent with such treatment unless required by law.

The Purchaser understands that as a condition to the payment of principal, interest, dividends and/or other payments on any Securities, the Issuer, the Co-Issuer and the Trustee (if applicable) will require certification acceptable to each of them (including, without limitation, the delivery of a properly completed and executed 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) to enable the Issuer, the Co-Issuer, the Trustee, and any paying agent to determine their duties and liabilities with respect to any taxes or other charges that they may be required to deduct or withhold from payments in respect of such Securities under any present or future law or regulation of the United States or any present or future law or regulation of any political subdivision thereof or taxing authority therein or to comply with any reporting or other requirements under any such law or regulation. Each Purchaser of Securities or direct or indirect interest therein, by acceptance of such Securities or such an interest in such Securities, agrees or is deemed to agree to provide to the Issuer and the Trustee the Holder FATCA Information and such information, documentation or certification requested by the Issuer or the Trustee within a reasonable time period after such request and to update or replace any information, documentation or certification that (i) will permit the Issuer or the Trustee to make payments to it without, or at a reduced rate of, withholding, (ii) will enable the Issuer to qualify for a reduced rate of withholding (including, without limitation, with respect to portfolio interest under the Code) in any jurisdiction from or through which the Issuer receive payments on its respective assets, and (iii) will enable the Issuer to achieve FATCA Compliance. Each Purchaser of Securities or direct or indirect interest therein, by acceptance of such Securities or such an interest in such Securities, agrees or is deemed to agree that the Issuer and/or the Trustee (A) may (1) provide such information and documentation and any other information concerning its investment in the Securities to the U.S. Internal Revenue Service and any other relevant tax authority, and (2) take

such other steps as they deem necessary or helpful to achieve FATCA Compliance, and (B) if the Purchaser fails for any reason to provide the Holder FATCA Information and any such information or documentation to enable the Issuer to obtain FATCA Compliance, or such information or documentation is not accurate or complete, or otherwise prevents the Issuer from qualifying as, or complying with any obligations or requirements imposed on, a "Participating FFI" within the meaning of Treasury Regulation Section 1.1471-1T(b)(91) or a "deemed-compliant FFI" within the meaning of Treasury Regulation Section 1.1471-5(f), the Issuer and the Income Note Issuer shall have the right, in addition to withholding on passthru payments, to (x) withhold and compel the Purchaser to sell its interest in such Securities, (y) sell such entire interest on the Purchaser's behalf in accordance with the procedures specified in the Indenture and/or (z) assign to such Securities a separate CUSIP or CUSIPs.

(2) With respect only to the Class E Notes:

(A) Each owner and beneficial owner agrees to provide any documentation, including without limitation, any withholding statements or other certifications attached thereto necessary to qualify interest received by the Issuer as portfolio interest.

(B) Each owner and beneficial owner agrees to provide any documentation, including without limitation, any withholding statements or other certifications attached thereto necessary to avoid any withholding tax imposed on the Issuer.

(C) Each owner and beneficial owner agrees to provide the Issuer with certifications necessary to establish that it is not subject to U.S. federal withholding tax under FATCA with respect to such Class E Notes and, to the extent it is a "foreign financial institution" (as defined under FATCA), it is a "Participating FFI" within the meaning of Treasury Regulation Section 1.1471-1T(b)(91) or a "deemed-compliant FFI" within the meaning of Treasury Regulation Section 1.1471-5(f),

(D) Each owner and beneficial owner agrees to indemnify the Issuer (a) for any withholding tax incurred by the Issuer that is attributable to its violation of its representations or acknowledgements with respect to its obligations under FATCA, (b) for any withholding tax incurred by the Issuer, that is attributable to its violation of its representations or acknowledgements (if applicable) with respect to it not being (or exempted from being) a bank within the meaning of Section 881(c)(3) of the Code, and (c) for any withholding tax incurred by the Issuer that is attributable to its violation of its representations or acknowledgements to provide any necessary tax forms or certifications, including without limitation to enable a Foreign Issuer to receive payments (or make payments) free of withholding.

(E) It is the intention of the parties, and by its acceptance of a beneficial ownership interest in a Class E Note, the owner or beneficial owner of this Note agrees not to treat any income with respect to its Class E Note as derived in connection with the Income Note Issuer's active conduct of a banking, financing, insurance, or other similar business for purposes of Section 954(h)(2) of the Code.

[THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("OID") FOR U.S. FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE OF THE NOTE, THE AMOUNT OF OID ON THE NOTE, ITS ISSUE DATE AND THE YIELD TO MATURITY OF THE NOTE MAY BE OBTAINED FROM THE ISSUER AT LCM XXI LIMITED PARTNERSHIP, C/O MAPLESFS LIMITED, PO BOX 1093, BOUNDARY HALL, CRICKET SQUARE, GRAND CAYMAN, KY1-1102, CAYMAN ISLANDS.][2]

(3) With respect to LP Certificates:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED OR QUALIFIED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE OR FOREIGN SECURITIES LAW, AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THE SECURITIES REPRESENTED HEREBY AND INTERESTS THEREIN MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, EXCEPT (A) (1) TO A "QUALIFIED PURCHASER" AS DEFINED IN THE INVESTMENT COMPANY ACT AND THE RULES

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[2] Applicable to Class C Notes, Class D Notes and Class E Notes.

PROMULGATED THEREUNDER THAT IS A UNITED STATES "C" CORPORATION WITHIN THE MEANING OF SECTION 7701(a)(30)(C) OF THE CODE OR A PERMITTED LP CERTIFICATE HOLDER AND THAT THE SELLER REASONABLY BELIEVES IS ALSO A "QUALIFIED INSTITUTIONAL BUYER" ("QUALIFIED INSTITUTIONAL BUYER") WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") (OTHER THAN A 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, OR 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, PURCHASING FOR ITS OWN ACCOUNT OR THE ACCOUNT OF ANOTHER QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT, OR (2) IN THE CASE OF CERTAIN SPECIFIED PURCHASES AND TRANSFERS ONLY, TO A NON-"U.S. PERSON," AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S") IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 (AS APPLICABLE) OF REGULATION S, IN EACH CASE SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS SPECIFIED IN THE LP PAYING AGENCY AGREEMENT REFERRED TO BELOW, AND IN EACH CASE WHICH MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXCEPTION, (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER APPLICABLE JURISDICTION AND (C) IN AN AUTHORIZED DENOMINATION FOR THE PURCHASER AND FOR EACH SUCH ACCOUNT. EACH PURCHASER OF THE SECURITIES REPRESENTED HEREBY WILL BE DEEMED TO HAVE MADE THE REPRESENTATIONS AND AGREEMENTS SET FORTH IN THE LP PAYING AGENCY AGREEMENT, OR, IF REQUIRED UNDER THE LP PAYING AGENCY AGREEMENT, MUST DELIVER A TRANSFER CERTIFICATE IN THE FORM PROVIDED IN THE LP PAYING AGENCY AGREEMENT. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO, AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER OR, THE LP PAYING AGENT. THE ISSUER HAS THE RIGHT TO COMPEL ANY NON-PERMITTED HOLDER (AS DEFINED IN THE LP PAYING AGENCY AGREEMENT) TO SELL ITS INTEREST IN THE SECURITIES, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.

EACH HOLDER AND BENEFICIAL OWNER ACKNOWLEDGES THAT NO TRANSFER OF AN LP CERTIFICATE SHALL BE REGISTERED IF, AS A RESULT OF SUCH TRANSFER, THERE WILL BE MORE THAN 90 BENEFICIAL OWNERS COLLECTIVELY OF THE CLASS E NOTES, THE LP CERTIFICATES, THE CLASS II LP INTERESTS AND THE CLASS III LP INTERESTS. IN ADDITION, SUCH BENEFICIAL OWNER ACKNOWLEDGES AND AGREES THAT NO TRANSFER OF THE LP CERTIFICATES WILL BE RESPECTED IF IT WOULD CAUSE 100% OF THE LP CERTIFICATES TO BE HELD (AS DETERMINED FOR U.S. FEDERAL INCOME TAX PURPOSES) BY ONE TAX OWNER.

EACH OWNER AND BENEFICIAL OWNER REPRESENTS THAT, IF IT IS NOT A "UNITED STATES PERSON" (AS DEFINED IN SECTION 7701(a)(30) OF THE CODE), IT WILL NOT (A) TREAT ITS INCOME IN RESPECT OF SUCH LP CERTIFICATES AS EFFECTIVELY CONNECTED WITH THE CONDUCT OF A TRADE OR BUSINESS IN THE UNITED STATES FOR U.S. FEDERAL INCOME TAX PURPOSES, OR (B) PROVIDE TO THE ISSUER OR ITS AGENTS AN IRS FORM W-8ECI (OR SUCCESSOR FORM) OR AN IRS FORM W-8IMY (OR SUCCESSOR FORM) TO WHICH AN IRS FORM W-8ECI (OR SUCCESSOR FORM) IS ATTACHED.

EACH PURCHASER (A) IS A UNITED STATES "C" CORPORATION WITHIN THE MEANING OF SECTION 7701(a)(30)(C) OF THE CODE OR A PERMITTED LP CERTIFICATE HOLDER AND (B) AGREES THAT IT WILL NOT TRANSFER SUCH INTEREST TO A PERSON THAT IS NOT A PERMITTED LP CERTIFICATE HOLDER OR A UNITED STATES "C" CORPORATION WITHIN THE MEANING OF SECTION 7701(a)(30)(C) OF THE CODE.

EACH HOLDER AND EACH BENEFICIAL OWNER OF THE SECURITIES REPRESENTED BY THE LP CERTIFICATE, BY ACCEPTANCE OF SUCH CERTIFICATE, OR ITS INTEREST IN THE SECURITIES REPRESENTED BY SUCH CERTIFICATE, AS THE CASE MAY BE, SHALL BE DEEMED TO HAVE AGREED TO TREAT, AND SHALL TREAT, SUCH CERTIFICATE AS EQUITY IN THE ISSUER FOR U.S. FEDERAL INCOME TAX PURPOSES.

EXCEPT FOR TRANSFERS AMONG AFFILIATES OF THE TFG RISK RETENTION PARTY, TRANSFERS OF THE LP CERTIFICATES MAY BE MADE ONLY WITH THE PRIOR WRITTEN CONSENT OF THE GENERAL PARTNER, WHICH MAY GRANT OR REFUSE SUCH CONSENT IN ITS SOLE AND ABSOLUTE DISCRETION; PROVIDED THAT, THE GENERAL PARTNER SHALL CONSENT TO ANY TRANSFER OF THE LP CERTIFICATES WHICH MEET THE REQUIREMENTS OF SECTION 6.11 OF THE LIMITED PARTNERSHIP AGREEMENT AND SECTION 2.5 (INCLUDING ANNEX I) OF THE LP PAYING AGENCY AGREEMENT.

[UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN. TRANSFERS OF THIS CERTIFICATE IN WHOLE, BUT NOT IN PART, SHALL BE LIMITED TO TRANSFERS TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF THIS CERTIFICATE IN PART SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE LP PAYING AGENCY AGREEMENT REFERRED TO HEREIN.][3]

Each holder and each transferee by purchase or holding of the Securities represented hereby (or any interest therein), will be deemed to have represented and agreed to treat the Issuer and the Security as described in the "*Certain U.S. Federal Income Tax Considerations*" section of the Offering Memorandum for all U.S. federal, state and local income tax purposes and will take no action inconsistent with such treatment unless required by law.

The Purchaser understands that, as a condition to the payment of principal, interest, dividends and/or other payments on any Securities, the Issuer and the LP Paying Agent will require certification acceptable to each of them (including, without limitation, the delivery of a properly completed and executed 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) to enable the Issuer, the Trustee, the LP Paying Agent, and any other paying agent to determine their duties and liabilities with respect to any taxes or other charges that they may be required to deduct or withhold from payments in respect of such Securities under any present or future law or regulation of the United States or any present or future law or regulation of any political subdivision thereof or taxing authority therein or to comply with any reporting or other requirements under any such law or regulation. Each Purchaser of Securities or direct or indirect interest therein, by acceptance of such Securities or such an interest in such Securities, agrees or is deemed to agree to provide to the Issuer and the LP Paying Agent the Holder FATCA Information and such information, documentation or certification requested by the Issuer or the LP Paying Agent within a reasonable time period after such request and to update or replace any information, documentation or certification that (i) will permit the Issuer and the LP Paying Agent to make payments to it without, or at a reduced rate of, withholding, (ii) will enable the Issuer to qualify for a reduced rate of withholding (including, without limitation, with respect to portfolio interest under the Code) in any jurisdiction from or through which the Issuer receive payments on its respective assets, and (iii) will enable the Issuer to achieve FATCA Compliance. Each Purchaser of Securities or direct or indirect interest therein, by acceptance of such Securities or such an interest in such Securities, agrees or is deemed to agree that the Issuer, the Trustee and/or the LP Paying Agent (A) may (1) provide such information and documentation and any other information concerning its investment in the Securities to the U.S. Internal Revenue Service and any other relevant tax authority, and (2) take such other steps as they deem necessary or helpful to achieve FATCA Compliance, and (B) if the Purchaser fails for any reason to provide the Holder FATCA Information or any such information or documentation to enable the Issuer to obtain FATCA Compliance, or such information or documentation is not accurate or complete, or otherwise prevents the Issuer from qualifying as, or complying with any obligations or requirements imposed on, a "Participating FFI" within the meaning of Treasury

[3] Applicable to LP Certificates that are Global Securities.

Regulation Section 1.1471-1T(b)(91) or a “deemed-compliant FFI” within the meaning of Treasury Regulation Section 1.1471-5(f), shall have the right, in addition to withholding on passthru payments, to (x) withhold and compel the Purchaser to sell its entire interest in such Securities, (y) sell such interest on the Purchaser’s behalf in accordance with the procedures specified in the LP Paying Agency Agreement and/or (z) assign to such Securities a separate CUSIP or CUSIPs.

(A) Each owner and beneficial owner is a C Corporation or a Permitted LP Certificate holder. In addition, such owner and beneficial owner acknowledges and agrees that no transfer of the LP Certificates will be respected if it would cause 100% of the LP Certificates to be held (as determined for U.S. federal income tax purposes) by one tax owner.

(B) Each owner and beneficial owner agrees to provide any documentation, including without limitation, any withholding statements or other certifications attached thereto necessary to qualify interest received by the Issuer as portfolio interest.

(C) Each owner and beneficial owner agrees to indemnify the Issuer (a) for any withholding tax incurred by the Issuer that is attributable to its violation of its representations or acknowledgements with respect to its obligations under FATCA, (b) for any withholding tax incurred by the Issuer, that is attributable to its violation of its representations or acknowledgements (if applicable) with respect to it not being (or exempted from being) a bank within the meaning of Section 881(c)(3) of the Code, and (c) for any withholding tax incurred by the Issuer that is attributable to its violation of its representations or acknowledgements to provide any necessary tax forms or certifications, including without limitation to enable a Foreign Issuer to receive payments (or make payments) free of withholding.

(D) Each owner and beneficial owner will provide the Issuer with certifications necessary to establish that it is not subject to U.S. federal withholding tax under FATCA with respect to such LP Certificates and, to the extent it is a “foreign financial institution” (as defined under FATCA), it is a “Participating FFI” within the meaning of Treasury Regulation Section 1.1471-1T(b)(91) or a “deemed-compliant FFI” within the meaning of Treasury Regulation Section 1.1471-5(f).

(E) The Purchaser will provide notice in writing to each Person to whom it proposes to transfer any interest in the LP Certificates of the transfer restrictions and representations set forth in the LP Paying Agency Agreement, including the Exhibits and Annexes referenced therein and will deliver to the Issuers and the Trustee, the LP Paying Agent, and the LP Certificates Registrar a duly executed transfer certificate identifying such restrictions and the agreement of the transferee to be bound by them and such other certificates and other information as the Issuers, the Trustee, the LP Paying Agent, or the LP Certificates Registrar may reasonably require to confirm that the proposed transfer complies with the transfer restrictions contained in the LP Paying Agency Agreement.

(F) Each beneficial owner will provide the identifying information necessary for the Issuer to make an election under Sections 6221(b) and 6226 of the Code (or any successor provisions) to avoid an entity level tax imposed on the Issuer pursuant to Section 6221 of the Code (or any successor provision).

(G) Each beneficial owner represents that, if it is not a “United States person” (as defined in Section 7701(a)(30) of the Code), it will not (A) treat its income in respect of such LP Certificates as effectively connected with the conduct of a trade or business in the United States for U.S. federal income tax purposes, or (B) provide to the Issuer or its agents an IRS Form W-8ECI (or successor form) or an IRS Form W-8IMY (or successor form) to which an IRS Form W-8ECI (or successor form) is attached.

(H) Any Transfer made in violation of provisions (A)-(H) will not bind or be recognized by the Issuer, the Trustee, the LP Paying Agent or any other person, and no transferee of LP Certificates will become a holder unless such transferee satisfies and complies with provisions (A)-(H), unless such transfer is specifically authorized by the Issuer in writing.

(4) With respect to Class E Notes and LP Certificates:

Each holder of Class E Notes and LP Certificates acknowledges, understands and agrees that:

(A) It may not (i) acquire or directly or indirectly sell, encumber, assign, participate, pledge, hypothecate, rehypothecate, exchange, or otherwise dispose of, suffer the creation of a lien on, or transfer or convey in any manner (each, a "Transfer") its Class E Notes or LP Certificates (or any interest therein that is described in Treasury Regulations section 1.7704-1(a)(2)(i)(B) on or through (x) a United States national, regional or local securities exchange, (y) a foreign securities exchange or (z) an interdealer quotation system that regularly disseminates firm buy or sell quotations by identified brokers or dealers (x), (y) and (z), collectively, an "Exchange") or (ii) cause any of its Class E Notes or LP Certificates (as applicable) or any interest therein to be marketed on or through an Exchange.

(B) It may not enter into any financial instrument payments on which, or the value of which, is determined in whole or in part by reference to the Class E Notes or LP Certificates, or the Issuer (including the amount of Issuer distributions on Class E Notes or LP Certificates, the value of the Issuer's assets, or the result of the Issuer's operations), or any contract that otherwise is described in Treasury Regulations section 1.7704-1(a)(2)(i)(B).

(C) If it is a partnership, grantor trust or S corporation, less than 50% of the value of any Person's interest in the holder must be attributable to the holder's Class E Notes and LP Certificates.

(D) It may not Transfer all or any portion of its Class E Notes or LP Certificates unless: (A) the transferee agrees to be bound by the restrictions and conditions set forth in the Indenture or the LP Paying Agency Agreement (in the case of the LP Certificates) and such Security, and represents, warrants and covenants as provided therein, and (B) such Transfer does not violate the Indenture, the LP Paying Agency Agreement (in the case of the LP Certificates) or such Security.

(E) Any Transfer that would cause the Issuer to be unable to rely on the "private placement" safe harbor of Treasury Regulations section 1.7704-1(h) will be void and of no force or effect.

(F) Any Transfer made in violation of the Indenture, the LP Paying Agency Agreement (in the case of the LP Certificates) or such Security will not bind or be recognized by the Issuer, the Trustee, the LP Paying Agent (in the case of the LP Certificates) or any other person, and no transferee of Class E Notes or LP Certificates will become a holder unless such transferee satisfies and complies with provisions (A)-(E).

The purpose of provisions (A)-(F) above is to help ensure that the Issuer is not treated as a "publicly traded partnership" within the meaning of section 7704 of the Code and the Treasury Regulations thereunder that is taxable as a corporation for federal income tax purposes. Notwithstanding the provisions set forth in (A)-(F) above, a Transfer will be permitted if the Trustee is advised in writing by Ashurst LLP or receives the opinion of another nationally recognized tax counsel that the Transfer will not cause the Issuer to be treated as a "publicly traded partnership" taxable as a corporation for U.S. federal income tax purposes. For the avoidance of doubt, for purposes of the immediately preceding sentence, the term "Transfer" will include the actions described in clause (B) above.

(5) With respect only to the Class E Notes:

(A) Each owner and beneficial owner agrees to provide any documentation, including without limitation, any withholding statements or other certifications attached thereto necessary to qualify interest received by the Issuer as portfolio interest.

(B) Each owner and beneficial owner agrees to provide any documentation, including without limitation, any withholding statements or other certifications attached thereto necessary to avoid any withholding tax imposed on the Issuer.

(C) Each owner and beneficial owner agrees to provide the Issuer with certifications necessary to establish that it is not subject to U.S. federal withholding tax under FATCA with respect to such Class E Notes and, to the extent it is a "foreign financial institution" (as defined under FATCA), it is a "Participating FFI" within the meaning of Treasury Regulation Section 1.1471-1T(b)(91) or a "deemed-compliant FFI" within the meaning of Treasury Regulation Section 1.1471-5(f),

(D) Each owner and beneficial owner agrees to indemnify the Issuer (a) for any withholding tax incurred by the Issuer that is attributable to its violation of its representations or acknowledgements with respect to its obligations under FATCA, (b) for any withholding tax incurred by the Issuer, that is attributable to its violation of its representations or acknowledgements (if applicable) with respect to it not being (or exempted from being) a bank

within the meaning of Section 881(c)(3) of the Code, and (c) for any withholding tax incurred by the Issuer that is attributable to its violation of its representations or acknowledgements to provide any necessary tax forms or certifications, including without limitation to enable a Foreign Issuer to receive payments (or make payments) free of withholding.

(6) With respect to Income Notes:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED OR QUALIFIED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE OR FOREIGN SECURITIES LAW, AND THE INCOME NOTE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, EXCEPT TO (A)(1) A "QUALIFIED PURCHASER" AS DEFINED IN THE INVESTMENT COMPANY ACT AND THE RULES PROMULGATED THEREUNDER THAT THE SELLER REASONABLY BELIEVES IS ALSO A "QUALIFIED INSTITUTIONAL BUYER" ("QUALIFIED INSTITUTIONAL BUYER") WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") (OTHER THAN A 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, OR 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), PURCHASING FOR ITS OWN ACCOUNT OR THE ACCOUNT OF ANOTHER QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT, OR (2) A NON-"U.S. PERSON," AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S") IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 (AS APPLICABLE) OF REGULATION S, IN EACH CASE SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS SPECIFIED IN THE INCOME NOTE PAYING AGENCY AGREEMENT, AND IN EACH CASE WHICH MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXCEPTION, (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER APPLICABLE JURISDICTION AND (C) IN AN AUTHORIZED DENOMINATION FOR THE PURCHASER AND FOR EACH SUCH ACCOUNT. EACH PURCHASER OF THIS SECURITY WILL BE DEEMED TO HAVE MADE THE REPRESENTATIONS AND AGREEMENTS SET FORTH IN THE INCOME NOTE PAYING AGENCY AGREEMENT, OR, IF REQUIRED UNDER THE INCOME NOTE PAYING AGENCY AGREEMENT, MUST DELIVER A TRANSFER CERTIFICATE IN THE FORM PROVIDED IN THE INCOME NOTE PAYING AGENCY AGREEMENT. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO, AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE INCOME NOTE ISSUER, THE INCOME NOTE PAYING AGENT OR ANY INTERMEDIARY. THE INCOME NOTE ISSUER HAS THE RIGHT TO COMPEL ANY NON-PERMITTED HOLDER (AS DEFINED IN THE INCOME NOTE PAYING AGENCY AGREEMENT) TO SELL ITS INTEREST IN THE INCOME NOTES, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.

[UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE INCOME NOTE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN. TRANSFERS OF THIS GLOBAL SECURITY IN WHOLE, BUT NOT IN PART, SHALL BE LIMITED TO TRANSFERS TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE

LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INCOME NOTE PAYING AGENCY AGREEMENT REFERRED TO HEREIN.][4]

Each holder and each transferee by purchase or holding of the Income Notes (or any interest therein), will be deemed to have represented and agreed to treat the Issuer, the Income Note Issuer and the Income Notes as described in the "*Certain U.S. Federal Income Tax Considerations*" section of the Offering Memorandum for all U.S. federal, state and local income tax purposes and will take no action inconsistent with such treatment unless required by law.

The Purchaser understands that as a condition to the payment of principal, interest, dividends and/or other payments on any Income Notes, the Income Note Issuer and the Income Note Paying Agent will require certification acceptable to each of them (including, without limitation, the delivery of a properly completed and executed 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) to enable the Income Note Issuer, the Trustee, the Income Note Paying Agent and any other paying agent to determine their duties and liabilities with respect to any taxes or other charges that they may be required to deduct or withhold from payments in respect of such Income Notes under any present or future law or regulation of the United States or any present or future law or regulation of any political subdivision thereof or taxing authority therein or to comply with any reporting or other requirements under any such law or regulation. Each Purchaser of Income Notes or direct or indirect interest therein, by acceptance of such Income Notes or such an interest in such Income Notes, agrees or is deemed to agree to provide to the Income Note Issuer such information, documentation or certification requested by the Income Note Issuer or the Income Note Paying Agent within a reasonable time period after such request and to update or replace any information, documentation or certification that (i) will permit the Income Note Issuer or the Income Note Paying Agent to make payments to it without, or at a reduced rate of, withholding, (ii) will enable the Issuer and/or Income Note Issuer to qualify for a reduced rate of withholding (including, without limitation, with respect to portfolio interest under the Code) in any jurisdiction from or through which the Issuer and/or Income Note Issuer receive payments on its respective assets, and (iii) will enable the Income Note Issuer to achieve FATCA Compliance. Each Purchaser of Income Notes or direct or indirect interest therein, by acceptance of such Income Notes or such an interest in such Income Notes, agrees or is deemed to agree that the Income Note Issuer, the Income Note Paying Agent and/or the Trustee (A) may (1) provide such information and documentation and any other information concerning its investment in the Income Notes to the U.S. Internal Revenue Service and any other relevant tax authority, and (2) take such other steps as they deem necessary or helpful to achieve FATCA Compliance, and (B) if the Purchaser fails for any reason to provide any such information or documentation to enable the Income Note Issuer to obtain FATCA Compliance, or such information or documentation is not accurate or complete, or otherwise prevents the Income Note Issuer from qualifying as, or complying with any obligations or requirements imposed on, a "Participating FFI" within the meaning of Treasury Regulation Section 1.1471-1T(b)(91) or a "deemed-compliant FFI" within the meaning of Treasury Regulation Section 1.1471-5(f), shall have the right, in addition to withholding on passthru payments, to (x) withhold and compel the Purchaser to sell its interest in such Income Notes, (y) sell such interest on the Purchaser's behalf in accordance with the procedures specified in the Income Note Paying Agency Agreement and/or (z) assign to such Income Notes a separate CUSIP or CUSIPs.

(A) Each owner and beneficial owner agrees to provide any documentation, including without limitation, any withholding statements or other certifications attached thereto necessary to qualify interest received by the Issuer as portfolio interest.

(B) Each owner and beneficial owner agrees to provide any documentation, including without limitation, any withholding statements or other certifications attached thereto necessary to avoid any withholding tax imposed on the Issuer.

(C) Each owner and beneficial owner agrees to indemnify the Issuer (a) for any withholding tax incurred by the Issuer that is attributable to its violation of its representations or acknowledgements with respect to its obligations under FATCA, (b) for any withholding tax incurred by the Issuer that is attributable to its violation of its representations or acknowledgements (if applicable) with respect to it not being (or exempted from being) a bank within the meaning of Section 881(c)(3) of the Code, and (c) for any withholding tax incurred by the Issuer that is attributable to its violation of its representations or acknowledgements to provide any necessary tax forms or

[4] Applicable to Income Notes that are Global Securities.

certifications, including without limitation to enable a Foreign Issuer to receive payments (or make payments) free of withholding.

(D) It is the intention of the parties, and by its acceptance of a beneficial ownership interest in an Income Note, the owner or beneficial owner of this Income Note agrees not to treat any income with respect to its Income Notes as derived in connection with the Income Note Issuer's active conduct of a banking, financing, insurance, or other similar business for purposes of Section 954(h)(2) of the Code.

(E) Each owner and beneficial owner agrees to provide the Income Note Issuer with certifications necessary to establish that it is not subject to U.S. federal withholding tax under FATCA with respect to such Income Notes and, to the extent it is a "foreign financial institution" (as defined under FATCA), it is a "Participating FFI" within the meaning of Treasury Regulation Section 1.1471-1T(b)(91) or a "deemed-compliant FFI" within the meaning of Treasury Regulation Section 1.1471-5(f).

(7) In addition, ERISA Restricted Securities will contain the legend below:

EXCEPT TO THE EXTENT AGREED IN WRITING BY THE INITIAL PURCHASER WITH RESPECT TO PURCHASES ON THE CLOSING DATE, EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF THIS SECURITY OR INCOME NOTE IN THE FORM OF A PHYSICAL SECURITY WILL BE REQUIRED TO REPRESENT AND WARRANT, AND EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF ANY SUCH SECURITY OR INCOME NOTE REPRESENTED BY AN INTEREST IN ANY GLOBAL SECURITY WILL BE DEEMED BY SUCH PURCHASE OR ACQUISITION OF ANY SUCH SECURITY OR INCOME NOTE TO HAVE REPRESENTED AND WARRANTED, ON EACH DAY FROM THE DATE ON WHICH THE PURCHASER OR TRANSFEREE ACQUIRES ITS INTEREST IN SUCH SECURITY OR INCOME NOTE THROUGH AND INCLUDING THE DATE IT DISPOSES OF SUCH INTEREST, THAT (A) IT IS NOT (1) AN "EMPLOYEE BENEFIT PLAN" THAT IS SUBJECT TO PART 4 OF TITLE I OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), (2) A "PLAN" TO WHICH SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") APPLIES, (3) AN ENTITY WHOSE UNDERLYING ASSETS COULD BE DEEMED TO INCLUDE "PLAN ASSETS" BY REASON OF AN EMPLOYEE BENEFIT PLAN'S OR A PLAN'S INVESTMENT IN THE ENTITY (EACH, A "BENEFIT PLAN INVESTOR") OR (4) A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) THAT HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR THE INCOME NOTE ISSUER OR THAT PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS (OR ANY "AFFILIATE" OF SUCH A PERSON) (EACH, A "CONTROLLING PERSON") AND (B) IF IT IS A GOVERNMENTAL PLAN, CHURCH PLAN, OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT ARE SUBSTANTIALLY SIMILAR TO THE FIDUCIARY RESPONSIBILITY OR PROHIBITED TRANSACTION PROVISIONS OF ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAW"), THEN ITS PURCHASE, HOLDING AND DISPOSITION OF SUCH SECURITY OR INTEREST WILL NOT CONSTITUTE OR RESULT IN A VIOLATION OF SIMILAR LAW UNLESS AN EXEMPTION IS AVAILABLE (ALL OF THE CONDITIONS OF WHICH HAVE BEEN SATISFIED) OR ANY OTHER VIOLATION OF AN APPLICABLE REQUIREMENT OF OTHER APPLICABLE LAW, IN EACH CASE SUBJECT TO CERTAIN CONDITIONS SET FORTH IN THE INDENTURE, LP PAYING AGENCY AGREEMENT OR INCOME NOTE PAYING AGENCY AGREEMENT, AS APPLICABLE.

TO THE EXTENT A PURCHASER OF THIS SECURITY OR INCOME NOTE ON THE CLOSING DATE IS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND ITS PURCHASE IS AGREED IN WRITING BY THE INITIAL PURCHASER, SUCH PURCHASER WILL BE REQUIRED TO REPRESENT AND WARRANT, ON EACH DAY FROM THE DATE ON WHICH THE PURCHASER ACQUIRES ITS INTEREST IN SUCH SECURITY OR INCOME NOTE THROUGH AND INCLUDING THE DATE IT DISPOSES OF SUCH INTEREST, (A) WHETHER OR NOT IT IS A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON AND (B) IF IT IS A BENEFIT PLAN INVESTOR OR A GOVERNMENTAL, CHURCH, OR NON-U.S. PLAN WHICH IS SUBJECT TO SIMILAR LAW, THEN ITS PURCHASE, HOLDING AND DISPOSITION OF SUCH SECURITY OR INTEREST WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A GOVERNMENTAL PLAN, CHURCH PLAN, OR NON-U.S. PLAN, A VIOLATION OF SIMILAR LAW) UNLESS AN EXEMPTION IS AVAILABLE (ALL OF THE CONDITIONS OF WHICH HAVE BEEN

SATISFIED) OR ANY OTHER VIOLATION OF AN APPLICABLE REQUIREMENT OF ERISA, THE CODE OR OTHER APPLICABLE LAW.

THE ISSUERS AND THE INCOME NOTE ISSUER HAVE THE RIGHT UNDER THE INDENTURE, LP PAYING AGENCY AGREEMENT OR INCOME NOTE PAYING AGENCY AGREEMENT, AS APPLICABLE, TO COMPEL ANY BENEFICIAL OWNER OF THIS SECURITY OR INCOME NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON OR SIMILAR LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25% LIMITATION (AS DESCRIBED IN THE OFFERING MEMORANDUM) TO SELL ITS INTEREST IN THIS SECURITY OR INCOME NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.

1. Compulsory Sales. The Purchaser understands that the Issuer or Income Note Issuer, as applicable, has the right to compel any Non-Permitted Holder, and the Issuer has the right to compel any beneficial owner of Notes that does not consent to a Repricing with respect to its Notes pursuant to the applicable terms of the Indenture, to sell its interest in the Securities or Income Notes, as applicable, or may sell such interest in the Securities or Income Notes on behalf of such Holder.

2. Repricings. The Purchaser acknowledges that any Class of Repricing Eligible Notes may be subject to a Repricing as described in the final Offering Memorandum following the conclusion of the Non-Call Period (or, if applicable, the Refinancing/Repricing Amendment Non-Call Period), and that the yield on a Class of Notes subject to a Repricing will be reduced.

3. *With Respect Only to LP Certificates*: Transfer Certificate. The Purchaser agrees that before any interest in a LP Certificate, as applicable, may be transferred, the transferee will be required to provide the Issuer and the LP Certificates Registrar with the transfer certificate in the form provided in the LP Paying Agency Agreement.

LISTING AND GENERAL INFORMATION

1. Application has been made to the Irish Stock Exchange for the Listed Notes to be admitted to the Official List and trading on its Global Exchange Market. There can be no assurance that listing will be granted or, if granted, will be maintained. The Class E Notes and the LP Certificates will not be listed on any securities exchange.

2. It is expected that the total expenses relating to the application for admission of the Listed Notes to the Official List of the Irish Stock Exchange and to trading on its Global Exchange Market will be approximately €35,540.

3. Any website mentioned in this Offering Memorandum does not form part of the listing particulars prepared for the purpose of seeking admission to the Global Exchange Market of the Irish Stock Exchange.

4. Maples and Calder is acting solely in its capacity as listing agent for the Issuers (and not on its own behalf) in connection with the application for admission of the Listed Notes (other than the Income Notes), and of the Income Note Issuer in connection with the application for admission of the Income Notes to the Official List of the Irish Stock Exchange and trading on its Global Exchange Market.

5. In no event shall the Collateral Manager, its Affiliates, or any of their respective managers, managing directors, partners, directors, officers, agents, stockholders or employees be liable to the Issuer, the Trustee, the Holders of the Securities or Income Notes or any other Person in connection with any listing of the Securities or Income Notes on any exchange, including the Irish Stock Exchange.

6. Other than as described herein, since the date of organization of the Issuers and the Income Note Issuer, none of the Issuers and the Income Note Issuer has commenced operations and no annual accounts or reports have been prepared as of the date hereof. The Issuer and the Income Note Issuer do not intend to publish annual reports and accounts and are not required to do so under Cayman Islands law. Pursuant to the Indenture, monthly reports that provide information with respect to the Collateral, and in a month in which a Payment Date occurs, information with respect to the Collateral, and in a month in which a Payment Date occurs, information with respect to the Securities will be available to Holders and may be obtained from the Trustee.

7. Neither of the Issuers nor the Income Note Issuer is, or has since incorporation been, involved in any governmental, litigation or arbitration proceedings relating to claims in amounts which may have or have had a significant effect on the financial positions or profitability of the Issuers or the Income Note Issuer, nor, so far as either the Issuers or the Income Note Issuer is aware, is any such governmental, litigation or arbitration proceedings involving it pending or threatened.

8. For the term of the Listed Notes, copies of the Limited Partnership Agreement of the Issuer and the Memorandum and Articles of Association of the General Partner, the Certificate of Formation and Limited Liability Company Agreement of the Co-Issuer, the Memorandum and Articles of Association of the Income Note Issuer and the Indenture will be available for inspection in electronic form at the office of the Trustee.

9. The issuance by the Issuer of the Securities is expected to be authorized by the board of directors of the General Partner by resolutions to be passed prior to the Closing Date, the issuance by the Co-Issuer of the Notes is expected to be authorized by the managing member of the Co-Issuer by resolutions to be passed prior to the Closing Date and issuance by the Income Note Issuer of the Income Notes is expected to be authorized by its board of directors by resolutions to be passed prior to the Closing Date.

10. The CUSIP Numbers for the Rule 144A Global Securities (and the Physical Securities representing LP Interests) are shown in the table below. The Regulation S Global Securities have been accepted for clearance through Clearstream and, other than the LP Certificates, Euroclear under the Common Codes set forth below. The table also lists CUSIP (CINS) Numbers and International Securities Identification Numbers.

	Rule 144A CUSIP; Rule 144A ISIN	Regulation S CUSIP (CINS); Regulation S ISIN	Regulation S Common Code
Class A Notes	50189CAA9; US50189CAA99	G53509AA6; USG53509AA62	138761703
Class B-1 Notes	50189CAE1; US50189CAE12	G53509AC2; USG53509AC29	138761843
Class B-2 Notes	50189CAG6; US50189CAG69	G53509AD0; USG53509AD	138761894
Class C Notes	50189CAJ0; US50189CAJ09	G53509AE8; USG53509AE84	138761932
Class D Notes	50189CAL5; US50189CAL54	G53509AF5; USG53509AF59	138761991
Class E Notes	50189DAA7; US50189DAA72	G53504AA7; USG53504AA75	138762017
LP Certificates	50189DAC3; US50189DAC39	G53504AB5; USG53504AB58	140034070
Income Notes	50189EAA5; US50189EAA55	G5350HAA8; USG5350HAA89	140018112

REPORTS

For each calendar month, except a month in which a Payment Date occurs, commencing in May 2016, the Issuer will compile and make available (or cause to be compiled and made available) (including, at the election of the Issuer, via appropriate electronic means acceptable to the recipient and the Trustee) a monthly report to any holder in the register maintained by the Trustee, as the registrar appointed under the Indenture, upon written request. The monthly report will set out, among other things, information relating to Collateral Debt Obligations and Eligible Investments included in the Collateral (including, without limitation, the Concentration Limitations and the Collateral Quality Tests) and certain tests (based, in part, on information provided by the Collateral Manager). Furthermore, the Issuer will (or will cause the Collateral Administrator to) prepare a valuation report, determined as of the close of business on each Determination Date preceding a Payment Date, and make available such valuation report (including, at the election of the Issuer, via appropriate electronic means acceptable to the recipient and the Trustee), to any holder on the register maintained by the registrar under the Indenture upon written request information including, among other things, information relating to the Note balances as well as copies of reports produced pursuant to the Indenture and the Collateral Management Agreement. The monthly report, the valuation report and any notices required to be provided to the holders of the Notes pursuant to the terms of the Indenture will be made available by the Trustee on its internet website.

LEGAL MATTERS

Certain legal matters with respect to the Securities and the Income Notes will be passed upon for the Issuers and the Income Note Issuer by Ashurst LLP, New York, New York. Certain matters with respect to Cayman Islands law will be passed upon for the Issuer, the General Partner of the Issuer and the Income Note Issuer by Maples and Calder, Cayman Islands. Certain legal matters with respect to the Collateral Manager will be passed upon by Ashurst LLP, New York, New York.

GLOSSARY OF CERTAIN DEFINED TERMS

"**Account**": Any of the Payment Account, the Collection Account, the Collateral Account, the Unused Proceeds Account, the Interest Reserve Account, the Expense Reserve Account, the Revolving Credit Facility Reserve Account, the Supplemental Reserve Account and the Contribution Account.

"**Administrative Expenses**": Amounts (including indemnities) due or accrued with respect to any Payment Date (other than Closing Date expenses) to: (i) the Trustee (in all capacities) pursuant to the Indenture; (ii) any person in respect of Petition Expenses; (iii) the Bank under the Collateral Administration Agreement, the LP Paying Agency Agreement and the Income Note Paying Agency Agreement; (iv) the Rating Agencies for fees and expenses in connection with any rating of the Securities or the provision of credit estimates for any of the Collateral and surveillance fees in connection with such ratings or credit estimates; (v) the Independent accountants, agents and counsel of the Issuer for fees (including retainers) and expenses; (vi) any other Person in respect of any governmental fee (including all filing, registration and annual return fees payable to the Cayman Islands government and registered office fees), charge or tax (other than withholding taxes); and (vii) any other Person in respect of any other fees, expenses or indemnities permitted under the Indenture (excluding the Collateral Management Fee but including (1) any other monies owed to the Collateral Manager under the Collateral Management Agreement, (2) any monies owed to the Administrator under the Administration Agreement, (3) registered office fees and (4) any expenses arising from complying with FATCA) and the documents delivered pursuant to or in connection with the Indenture and the Securities. For the avoidance of doubt, all fees and expenses of the Income Note Issuer payable in accordance with the Income Note Issuer Fee Letter, all expenses related to an Issuer Subsidiary and, with the approval of the Collateral Manager, all expenses in connection with any other entity formed in connection with the initial issuance of the Securities by the Issuer will be considered to be Administrative Expenses pursuant to clause (vii) above.

"**Advisers Act**": The United States Investment Advisers Act of 1940, as amended.

"**Affiliate**" or "**Affiliated**": With respect to a Person, (i) any other Person who, directly or indirectly, is in control of, or controlled by, or is under common control with, such Person or (ii) any other Person who is a director, officer or employee (a) of such Person, (b) of any subsidiary or parent company of such Person or (c) of any Person described in clause (i) above. For the purposes of this definition, control of a Person will mean the power, direct or indirect, (x) to vote more than 50% of the securities having ordinary voting power for the election of directors of any such Person or (y) to direct or cause the direction of the management and policies of such Person, whether by contract or otherwise. With respect to the Issuers, this definition will exclude the Administrator or any other entity to which the Administrator is or will be providing administrative services or acts as share trustee.

"**Aggregate Outstanding Amount**": When used with respect to any Class of Notes (or any combination of Classes), as of any date, the aggregate principal amount of such Notes Outstanding (including, in the case of the Mezzanine Notes, any Deferred Interest previously added to the principal amount of such Notes that remains unpaid) on the date of determination. When used with respect to the LP Certificates, the limited partnership interests in the Issuer represented by the LP Certificates Outstanding. When used with respect to the Income Notes, as of any date, the aggregate principal amount of the Income Notes.

"**Aggregate Principal Amount**": When used with respect to any or all of the Collateral Debt Obligations, Eligible Investments or cash, the Aggregate Principal Balances of such Collateral Debt Obligations or the balance of Eligible Investments or cash (without duplication), in each case, on the date of determination.

"**Aggregate Principal Balance**": When used with respect to any or all of the Collateral Debt Obligations, the aggregate of the Principal Balances of such Collateral Debt Obligations on the date of determination.

"**Aggregate Risk Adjusted Par Amount**": The amount specified below for the applicable Interest Accrual Period (listed sequentially, starting with the Interest Accrual Period commencing on the Closing Date):

Interest Accrual Period	Aggregate Risk Adjusted Par Amount
1	377,800,000
2	377,239,597

3	376,661,163
4	376,083,616
5	375,519,490
6	374,949,952
7	374,375,029
8	373,800,987
9	373,240,286
10	372,674,205
11	372,102,771
12	371,532,213
13	370,974,915
14	370,412,270
15	369,844,304
16	369,277,210
17	368,717,139
18	368,157,918
19	367,593,409
20	367,029,766
21	366,479,221
22	365,923,395
23	365,362,312
24	364,802,090
25	364,254,887
26	363,702,434
27	363,144,756
28	362,587,934
29	362,044,053
30	361,494,952
31	360,940,660
32	360,387,218
33	359,840,631
34	359,294,872
35	358,743,953
36	358,193,879
37	357,656,589
38	357,114,143
39	356,566,568
40	356,019,832
41	355,485,803
42	354,946,649
43	354,402,398
44	353,858,981
45	353,328,192
46	352,792,311
47	352,251,363
48	351,711,244

"**Aggregate Unfunded Amount**": At any time, with respect to Delayed Funding Term Loans and Revolving Credit Facilities, the excess, if any, of (i) the aggregate amount of the commitments with respect to such securities over (ii) the aggregate funded principal amount outstanding on such securities.

"**Approved Pricing Service**": Markit Loans, Inc., Interactive Data Corporation, Loan Pricing Corporation or such other comparable pricing service reasonably designated by the Collateral Manager which is independent of the Issuers and the Collateral Manager.

“**Assigned Moody’s Rating**”: The meaning specified in Annex C to this Offering Memorandum.

“**Assignment**”: An interest in a loan acquired directly from a selling institution by way of sale or assignment.

“**Bank**”: Deutsche Bank Trust Company Americas, a New York banking corporation, but in its individual capacity, and not as Trustee.

“**Bankruptcy Code**”: The United States bankruptcy code, as set forth in Title 11 of the United States Code, as amended.

“**Bond**”: A fixed rate or floating rate debt security (that is not a loan).

“**Bridge Loan**”: A Collateral Debt Obligation issued in connection with a merger, acquisition, consolidation, sale of all or substantially all of the assets of a Person or similar transaction, which Collateral Debt Obligation by its terms is required to be repaid within one year of the incurrence thereof with proceeds from additional borrowings or other refinancing.

“**Business Day**”: Any day other than a Saturday, Sunday or a day on which commercial banking institutions are authorized or obligated by 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.

“**Cayman FATCA Legislation**”: The Cayman Islands Tax Information Authority Law (2014 Revision) (as amended) together with regulations and guidance notes made pursuant to such Law.

“**CCC Excess**”: The excess, if any, of (x) the Aggregate Principal Balance of all Collateral Debt Obligations (other than Defaulted Obligations) (*provided* that, for purposes of this calculation, each Discount Obligation will be held at its purchase price) with an S&P Rating of “CCC+” or below, over (y) 7.5% of the Aggregate Principal Amount of the Collateral Portfolio; *provided* that in determining which of the Collateral Debt Obligations will be included in such excess, the Collateral Debt Obligations with the lowest Market Value (expressed as a percentage of par) will be deemed to constitute such excess.

“**CCC Haircut Amount**”: As of any date of determination, an amount equal to the excess, if any, of (i) the Aggregate Principal Balance of all Collateral Debt Obligations included in the CCC Excess over (ii) the sum of the Market Values of all Collateral Debt Obligations included in the CCC Excess.

“**CFR**”: The meaning specified in Annex C to this Offering Memorandum.

“**Church Plan**”: A plan as defined in Section 3(33) of ERISA that has not made an election under Section 410(d) of the Code.

“**Class**”: All of the Securities having the same priority (as a single class) or the Income Notes. For the purpose of exercising any rights to consent, give direction or otherwise vote under the Indenture or the Collateral Management Agreement, except as expressly stated otherwise, the Class B-1 Notes and the Class B-2 Notes will constitute a single Class.

“**Class II Distribution**”: An amount that will be payable on each Payment Date to the extent of funds available for such purpose in accordance with the Priority of Payments that will accrue for each Due Period at a rate of 0.05% *per annum* (calculated on the basis of the actual number of days elapsed in the applicable Due Period divided by 360) of the Class II Distribution Basis as of the first day of the Due Period preceding such Payment Date. The Class II Distribution will accrue from the Closing Date whether or not currently payable in accordance with the Priority of Payments.

“**Class II Distribution Amount**”: An amount on each Payment Date equal to the sum of (i) the Class II Distribution for such Payment Date plus (ii) the amount of any Class II Distribution from any prior Payment Date that remains unpaid.

"**Class II Distribution Basis**": On any date, the sum of the outstanding principal amount of all Collateral Debt Obligations (including undrawn commitments that have not been irrevocably reduced in respect of Revolving Credit Facilities or Delayed Funding Term Loans), Eligible Investments that represent Principal Proceeds and cash of the Issuer.

"**Class A Notes**": The Class A Senior Floating Rate Notes issued pursuant to the Indenture.

"**Class B Notes**": Collectively, the Class B-1 Notes and the Class B-2 Notes.

"**Class B-1 Notes**": The Class B-1 Senior Floating Rate Notes issued pursuant to the Indenture.

"**Class B-2 Notes**": The Class B-2 Senior Fixed Rate Notes issued pursuant to the Indenture.

"**Class C Note Interest Coverage Test**": A test satisfied if, as of any Measurement Date on and after the Determination Date related to the third Payment Date, the Interest Coverage Ratio of the Class C Notes is at least 115.00%; *provided*, *however*, that if LIBOR used to determine a Class C Note Interest Rate for a particular Interest Accrual Period is more than 30 basis points higher than the lowest LIBOR determined in respect of the period of 30 Business Days prior to the first day of such Interest Accrual Period, this test will be deemed satisfied as of each Measurement Date during such Interest Accrual Period (including as of the Determination Date in such Interest Accrual Period) so long as the Class C Note Interest Coverage Test was satisfied as of the immediately preceding Determination Date without reference to this proviso.

"**Class C Note Overcollateralization Test**": A test satisfied if, as of any Measurement Date, the Overcollateralization Ratio for the Class C Notes is at least 114.4%.

"**Class C Notes**": The Class C Deferrable Mezzanine Floating Rate Notes issued pursuant to the Indenture.

"**Class D Note Interest Coverage Test**": A test satisfied if, as of any Measurement Date on and after the Determination Date related to the third Payment Date, the Interest Coverage Ratio of the Class D Notes is at least 110.00%; *provided*, *however*, that if LIBOR used to determine the Class D Note Interest Rate for a particular Interest Accrual Period is more than 30 basis points higher than the lowest LIBOR determined in respect of the period of 30 Business Days prior to the first day of such Interest Accrual Period, this test will be deemed satisfied as of each Measurement Date during such Interest Accrual Period (including as of the Determination Date in such Interest Accrual Period) so long as the Class D Note Interest Coverage Test was satisfied as of the immediately preceding Determination Date without reference to this proviso.

"**Class D Note Overcollateralization Test**": A test satisfied if, as of any Measurement Date, the Overcollateralization Ratio for the Class D Notes is at least 108.9%.

"**Class D Notes**": The Class D Deferrable Mezzanine Floating Rate Notes issued pursuant to the Indenture.

"**Class E Note Interest Coverage Test**": A test satisfied if, as of any Measurement Date on and after the Determination Date related to the third Payment Date, the Interest Coverage Ratio of the Class E Notes is at least 105.00%; *provided*, *however*, that if LIBOR used to determine the Class E Note Interest Rate for a particular Interest Accrual Period is more than 30 basis points higher than the lowest LIBOR determined in respect of the period of 30 Business Days prior to the first day of such Interest Accrual Period, this test will be deemed satisfied as of each Measurement Date during such Interest Accrual Period (including as of the Determination Date in such Interest Accrual Period) so long as the Class E Note Interest Coverage Test was satisfied as of the immediately preceding Determination Date without reference to this proviso.

"**Class E Note Overcollateralization Test**": A test satisfied if, as of any Measurement Date, the Overcollateralization Ratio for the Class E Notes is at least 105.6%.

"**Class E Notes**": The Class E Deferrable Mezzanine Floating Rate Notes issued pursuant to the Indenture.

"**Clearstream**": Clearstream Banking, *société anonyme*, a corporation organized under the laws of the Grand Duchy of Luxembourg.

"**Code**": The United States Internal Revenue Code of 1986, as amended.

"**Collateral Administration Agreement**": An agreement, dated as of the Closing Date, among the Issuer, the Collateral Manager and the Collateral Administrator.

"**Collateral Administrator**": Deutsche Bank Trust Company Americas, a New York banking corporation, in its capacity as collateral administrator under the Collateral Administration Agreement or any successor collateral administrator under the Collateral Administration Agreement.

"**Collateral Portfolio**": On any date of determination, all Pledged Obligations and all cash held in any Accounts, excluding Eligible Investments and cash, in each case, consisting of Interest Proceeds.

"**Contribution Interest Amount**": With respect to any Payment Date, the sum of (i) the aggregate amount of Contributions made by a Holder as described under clause (i) of the first paragraph of "*Description of the Securities and the Income Notes—The Indenture—General Provisions—Contributions*" held in the Interest Collection Account in the form of cash on such date, and (ii) any Interest Proceeds received by the Issuer during the related Interest Accrual Period with respect to Collateral Debt Obligations and/or Eligible Investments acquired (but only to the extent so acquired) with Contributions made by a Holder as described under clause (i) of the first paragraph of "*Description of the Securities and the Income Notes—The Indenture—General Provisions—Contributions*".

"**Contribution Principal Amount**": With respect to any Payment Date, the sum of (i) the aggregate amount of Contributions made by a Holder as described under clause (i) of the first paragraph of "*Description of the Securities and the Income Notes—The Indenture—General Provisions—Contributions*" held in the Principal Collection Account in the form of cash on such date, (ii) any Principal Proceeds received by the Issuer during the related Interest Accrual Period with respect to Collateral Debt Obligations and/or Eligible Investments acquired (but only to the extent so acquired) with Contributions made by a Holder as described under clause (i) of the first paragraph of "*Description of the Securities and the Income Notes—The Indenture—General Provisions—Contributions*", and (iii) Contribution Interest Amounts with respect to such Payment Date to the extent not paid under the Priority of Interest Payments.

"**Contributor**": A Holder of LP Certificates that makes a Contribution. If Interest Proceeds or Principal Proceeds are designated as a Contribution by a Majority of the LP Certificates, the Holders of the LP Certificates will collectively be the Contributor with respect to such Contribution; *provided* that any related direction will be provided by a Majority of the LP Certificates.

"**Controlling Class**": The Class A Notes for so long as any Class A Notes are Outstanding, and thereafter the Class of Notes that does not have a Higher Ranking Class of Notes Outstanding at such time.

"**Conversion Fee**": (A) The product of (i) the Income Note Exchange Gain and (ii) the Income Tax Rate, divided by (B) one minus the Income Tax Rate.

"**Cov-Lite Loan**": A senior secured loan that (a) does not contain any financial covenants or (b) requires the underlying obligor to comply with an Incurrence Covenant, but does not require the underlying obligor to comply with a Maintenance Covenant; *provided*, that a loan which either contains a cross-default provision to or is pari passu with, another loan of the underlying obligor that requires the underlying obligor to comply with both an Incurrence Covenant and a Maintenance Covenant will be deemed not to be a Cov-Lite Loan.

"**Credit Improved Criteria**": With respect to any Collateral Debt Obligation, the occurrence of any of the following:

(a) the issuer of such Collateral Debt Obligation has shown improved financial results since the published financial reports first produced after it was purchased by the Issuer;

(b) the obligor of such Collateral Debt Obligation since the date on which such Collateral Debt Obligation was purchased by the Issuer has raised significant equity capital or has raised other capital that has improved the liquidity or credit standing of such obligor;

(c) with respect to which one or more of the following criteria applies:

(i) the rating of such Collateral Debt Obligation has been upgraded or put on a watch list for possible upgrade by either of the Rating Agencies since the date on which such Collateral Debt Obligation was acquired by the Issuer;

(ii) the Sale Proceeds (excluding Sale Proceeds that constitute Interest Proceeds) of such Collateral Debt Obligation would be at least 101% of its purchase price;

(iii) the price of such Collateral Debt Obligation has changed during the period from the date on which it was acquired by the Issuer to the proposed sale date by a percentage either more positive, or less negative, as the case may be, than the percentage change in the average price of the applicable Leveraged Loan Index plus 0.25% over the same period;

(iv) the price of such Collateral Debt Obligation changed during the period from the date on which it was acquired by the Issuer to the date of determination by a percentage either at least 0.50% more positive, or at least 0.50% less negative, as the case may be, than the percentage change in a nationally recognized loan index selected by the Collateral Manager over the same period;

(v) the spread of such Collateral Debt Obligation has been decreased in accordance with the underlying Collateral Debt Obligation 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;

(vi) with respect to fixed-rate Collateral Debt Obligations, there has been a decrease in the difference between its yield compared to the yield on the relevant United States Treasury security of more than 7.5% since the date of purchase;

(vii) the projected cash flow interest coverage ratio (earnings before interest and taxes divided by cash interest expense as estimated by the Collateral Manager) of the underlying borrower or other obligor of such Collateral Debt Obligation is expected to be more than 1.15 times the most recent year's cash flow interest coverage ratio; or

(d) a Majority of the Controlling Class votes to treat such Collateral Debt Obligation as a Credit Improved Obligation.

"**Credit Improved Obligation**": Any Collateral Debt Obligation that in the commercially reasonable business judgment of the Collateral Manager (which judgment may not be called into question as a result of subsequent events) has significantly improved in credit quality since the date of acquisition; *provided*, that, in addition, if the Restricted Trading Condition applies, the Credit Improved Criteria has been satisfied with respect to such Collateral Debt Obligation.

"**Credit Risk Criteria**": With respect to any Collateral Debt Obligation, the occurrence of any of the following:

(a) the rating of such Collateral Debt Obligation has been downgraded or put on a watch list for possible downgrade by either of the Rating Agencies since the date on which such Collateral Debt Obligation was acquired by the Issuer;

(b) the price of such Collateral Debt Obligation has changed during the period from the date on which it was acquired by the Issuer to the proposed sale date by a percentage either at least 0.25% more negative, or at least 0.25% less positive, as the case may be, than the percentage change in the average price of a Leveraged Loan Index;

(c) the Market Value of such Collateral Debt Obligation has decreased by at least 1.00% of the price paid by the Issuer for such Collateral Debt Obligation;

(d) the spread over the applicable reference rate for such Collateral Debt Obligation has been increased in accordance with the underlying Collateral Debt Obligation 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;

(e) such Collateral Debt Obligation has a projected cash flow interest coverage ratio (earnings before interest and taxes divided by cash interest expense as estimated by the Collateral Manager) of the underlying borrower or other obligor of such Collateral Debt Obligation of less than 1.00 or that is expected to be less than 0.85 times the most recent year's cash flow interest coverage ratio;

(f) with respect to fixed-rate Collateral Debt Obligations, an increase since the date of purchase of more than 7.5% in the difference between the yield on such Collateral Debt Obligation and the yield on the relevant United States Treasury security; or

(g) with respect to which a Majority of the Controlling Class consents to treat such Collateral Debt Obligation as a Credit Risk Obligation.

"**Credit Risk Obligation**": Any Collateral Debt Obligation that in the commercially reasonable business judgment of the Collateral Manager (which judgment may not be called into question as a result of subsequent events) has a significant risk of declining in credit quality and, with a lapse of time, becoming a Defaulted Obligation; *provided*, that if the Restricted Trading Condition applies, the Credit Risk Criteria has been satisfied with respect to such Collateral Debt Obligation.

"**Credit Sale**": A sale of (x) a Collateral Debt Obligation classified by the Collateral Manager as a sale of (i) a Defaulted Obligation, (ii) a Credit Risk Obligation or (iii) a Credit Improved Obligation or (y) an Equity Security.

"**Current Pay Obligation**": Any Collateral Debt Obligation (other than a DIP Loan) that (i) would otherwise be a Defaulted Obligation but for the exclusion of Current Pay Obligations from clause (b), (c) and (d) of the definition of Defaulted Obligation; (ii) (a) if the issuer of such Collateral Debt Obligation is subject to a bankruptcy proceeding, a bankruptcy court has authorized the issuer to make adequate protection payments and no such adequate protection payments that are due and payable are unpaid and (b) otherwise, no payments, including interest payments or scheduled principal payments, are due and payable that are unpaid; and (iii) satisfies the S&P Additional Current Pay Criteria; *provided*, *however*, that to the extent the Aggregate Principal Balance of all Collateral Debt Obligations that would otherwise be Current Pay Obligations exceeds 7.5% in Aggregate Principal Amount of the Collateral Portfolio, such excess over 7.5% will constitute Defaulted Obligations; *provided*, *further*, that in determining which of the Collateral Debt Obligations will be included in such excess, the Collateral Debt Obligations with the lowest Market Value (expressed as a percentage of par) will be deemed to constitute such excess.

"**Current Portfolio**": At any time, the portfolio of Pledged Obligations held by the Issuer.

"**Deed of Covenant**": The deed of covenant dated the Closing Date pursuant to which the Income Note Issuer will issue the Income Notes, as applicable.

"**Defaulted Obligation**": A Collateral Debt Obligation will constitute a "Defaulted Obligation" if:

(a) there has occurred and is continuing a payment default (including, without limitation, a failure of a Selling Institution to pay amounts due and payable to the Issuer with respect to the related Participation), in each case after giving effect to any applicable grace period or waiver in the Underlying Instruments; *provided*, *however*, that a payment default of up to three Business Days that in the Collateral Manager's reasonable business judgment (as certified in writing by the Collateral Manager to the Trustee) is due to non-credit related reasons will not cause a Collateral Debt Obligation to be a Defaulted Obligation;

(b) there has been initiated and is continuing in respect of the issuer of such Collateral Debt Obligation (i) a voluntary bankruptcy, insolvency or receivership proceeding or (ii) an involuntary bankruptcy, insolvency or receivership proceeding if (1) the issuer consents to such proceeding, (2) an order for relief under the United States Bankruptcy Code, or any similar order under a proceeding not taking place under the United States Bankruptcy Code, has been entered, or (3) such proceeding remains unstayed and undismissed for 90 days;

provided, that a Current Pay Obligation or DIP Loan will not constitute a Defaulted Obligation under this clause (b) notwithstanding any such bankruptcy, insolvency or receivership proceeding;

(c) the Collateral Manager knows that the issuer thereof is in default as to payment of principal or interest on another obligation (and such default has not been cured) and either (i) such other obligation and the Collateral Debt Obligation are both full recourse unsecured obligations and the other obligation is senior to or *pari passu* in right of payment with the Collateral Debt Obligation or (ii) such other obligation and the Collateral Debt Obligation are both full recourse secured obligations secured by common collateral, the security interest securing the other obligation is senior to or *pari passu* with the security interest securing the Collateral Debt Obligation and the other obligation is senior to or *pari passu* in right of payment with the Collateral Debt Obligation; *provided*, that a Collateral Debt Obligation will not constitute a "Defaulted Obligation" under this clause (c) if it is a Current Pay Obligation or a DIP Loan;

(d) such Collateral Debt Obligation (i) has a Fitch Rating of "D" or "RD" prior to any downward adjustment pursuant to the definition of Fitch Rating, (ii) has an S&P Rating of "CC" or below or "SD" or had such rating before such rating was withdrawn or (iii) is junior or pari passu in priority to another obligation of the issuer of such Collateral Debt Obligation that has an S&P Rating of "CC" or below or "SD" or had such rating before such rating was withdrawn; *provided*, *however*, that a Collateral Debt Obligation will not constitute a "Defaulted Obligation" under this clause (d) if it is a Current Pay Obligation or a DIP Loan;

(e) such Collateral Debt Obligation is a Participation in a loan that (i) would, if such loan were a Collateral Debt Obligation, constitute a "Defaulted Obligation" (other than under this clause (e)) or with respect to which the Selling Institution has an S&P Rating of "CC" or below or "SD" or had such rating before such rating was withdrawn or (ii) is junior or pari passu in priority to another obligation of the Selling Institution that has an S&P Rating of "CC" or below or "SD" or had such rating before such rating was withdrawn; or

(f) the Collateral Manager has received written notice or has actual knowledge that a default has occurred under the underlying instruments and any applicable grace period has expired such that the holders of such Collateral Debt Obligation have accelerated the repayment of such Collateral Debt Obligation (but only until such default is cured or acceleration has been rescinded) in the manner provided in the underlying instrument.

Notwithstanding the foregoing definition, the Collateral Manager may declare any Collateral Debt Obligation to be a Defaulted Obligation if, in the Collateral Manager's reasonable judgment, the credit quality of the issuer of such Collateral Debt Obligation has significantly deteriorated such that there is a reasonable expectation of payment default with respect to such Collateral Debt Obligation.

"**Deferrable Interest Obligation**": Any Collateral Debt Obligation (including a Lease Financing Transaction but excluding any Partial Deferrable Interest Obligation) which, at the time of its purchase or commitment to purchase, under its terms permits the deferral or capitalization of payment of accrued, unpaid interest. For the avoidance of doubt, a Collateral Debt Obligation that has been paying interest in cash at a rate equal to or greater than its original stated rate pursuant to the Underlying Instruments (which do not permit the deferral or capitalization of such amounts) but also has an additional interest component or fee that, as permitted by such Underlying Instruments, is paid on a deferred basis "in kind" shall not be considered a Deferrable Interest Obligation.

"**Deferring Obligation**": A Deferrable Interest Obligation or Partial Deferrable Interest Obligation that has not paid interest in cash for six (6) consecutive months; provided that any such Deferring Obligation shall cease to be a Deferring Obligation at such time as all amounts so deferred have been paid in cash.

"**Delayed Funding Term Loan**": The portion of any loan which requires one or more future advances to be made to the borrower but which, once advanced, has the characteristics of a term loan; *provided*, that such portion of such loan will only be considered a Delayed Funding Term Loan for so long as and only to the extent that any future funding obligations remain in effect.

"**Depository**" or "**DTC**": The Depository Trust Company, its nominees, and their respective successors.

"**Determination Date**": With respect to a Payment Date, the last Business Day of the immediately preceding Due Period.

"**DIP Loan**": Any interest in a loan or financing facility with an S&P Rating that is acquired directly by way of assignment (i) which is an obligation of a debtor-in-possession as described in Section 1107 of the Bankruptcy Code or a trustee (if appointment of such trustee has been ordered pursuant to Section 1104 of the Bankruptcy Code) (a "**Debtor**") organized under the laws of the United States or any State therein; (ii) which is paying interest on a current basis; (iii) the terms of which have been approved by an order of the United States Bankruptcy Court, the United States District Court, or any other court of competent jurisdiction, the enforceability of which order is not subject to any pending contested matter or proceeding (as such terms are defined in the Federal Rules of Bankruptcy Procedure) and which order provides that (a) such DIP Loan is secured by liens on the Debtor's otherwise unencumbered assets pursuant to Section 364(c)(2) of the Bankruptcy Code; (b) such DIP Loan is secured by liens of equal or senior priority on property of the Debtor's estate that is otherwise subject to a lien pursuant to Section 364(d) of the Bankruptcy Code; (c) such DIP Loan is secured by junior liens on the Debtor's encumbered assets and such DIP Loan is fully secured based upon a current valuation or appraisal report; or (d) if the DIP Loan or any portion thereof is unsecured, the repayment of such DIP Loan retains priority over all other administrative expenses pursuant to Section 364(c)(1) of the Bankruptcy Code; and (iv) such Collateral Debt Obligation has an S&P Rating of at least "CCC" (which rating has been confirmed by S&P since the most recent filing of any petition or proceeding in bankruptcy). The Issuer will notify each Rating Agency in writing of any amendment to any DIP Loan promptly upon receipt by the Issuer of notice of such amendment.

"**Discount Obligation**": Any Collateral Debt Obligation that is not a Swapped Non-Discount Obligation that, at the time of acquisition, the Collateral Manager determines is either:

(a) a loan that has an S&P Issue Rating of "B-" or higher and is acquired at a price that is lower than 80% of par; or

(b) a loan that has an S&P Issue Rating below "B-" and, is acquired at a price that is lower than 85% of par; or

(c) a loan that is acquired by the Issuer for a purchase price of less than 100% if designated by the Collateral Manager as a Discount Obligation in its sole discretion;

provided, that such Collateral Debt Obligation will cease to be a Discount Obligation at such time as the average Market Value (expressed as a percentage of par) of such Collateral Debt Obligation, for any period of 30 consecutive days since the acquisition by the Issuer of such Collateral Debt Obligation, equals or exceeds 90% of the Principal Balance of such Collateral Debt Obligation.

"**Discount Obligation Haircut Amount**": As of any date of determination, an amount equal to the sum of the amount for each Discount Obligation (other than Defaulted Obligations) then comprising the Collateral Debt Obligations as of such date, equal to (i) the outstanding principal amount of such Discount Obligation as of such date, multiplied by (ii) 100% minus the purchase price (expressed as a percentage of par) of such Discount Obligation.

"**Discretionary Sale**": A sale or other disposition of a Collateral Debt Obligation during the Reinvestment Period that is not classified by the Collateral Manager as a Credit Sale.

"**Disposed Obligation**": Any Collateral Debt Obligation with respect to which (x) Sale Proceeds are received in connection with the sale of a Credit Risk Obligation or (y) an Unscheduled Principal Payment is received.

"**Distressed Exchange Offer**": An offer by the issuer of a Collateral Debt Obligation to exchange one or more of its outstanding debt obligations for a different debt obligation or to repurchase one or more of its outstanding debt obligations for cash, or any combination thereof; *provided* that an offer by such issuer to exchange unregistered debt obligations for registered debt obligations will not be considered a Distressed Exchange Offer.

"**Due Date**": Each date on which a distribution is due on a Pledged Obligation.

"**Due Period**": With respect to any Payment Date, the period commencing on (and excluding) the sixth Business Day prior to the preceding Payment Date (or, in the case of the Due Period relating to the first Payment Date, commencing on (and including) the Closing Date) and ending on (and including) the sixth Business Day prior to such

Payment Date (or, in the case of a Due Period that is applicable to the Payment Date relating to the redemption or Stated Maturity of any Note ending on (and excluding) such Payment Date).

"**Effective Date Ratings Confirmation**": Confirmation in writing from S&P that the ratings assigned to each applicable Class of Rated Notes by such Rating Agency will not be reduced or withdrawn in connection with the Effective Date.

"**Effective Date Requirements**": The provision of the following documents: (i) to each Rating Agency, the Rating Agency Effective Date Reports (confirming that the Effective Date Condition (other than the S&P Minimum Weighted Average Recovery Rate Test, the S&P Weighted Average Spread Test and the S&P CDO Monitor Test) has been satisfied), (ii) to S&P, a Microsoft Excel file that provides all of the inputs that were used to determine that the S&P CDO Monitor Test is satisfied and (iii) to S&P, written certification from the Collateral Manager on behalf of the Issuer that delivery of these materials satisfies the Effective Date Requirements.

"**Effective Date Target Par Balance**": The Effective Date Target Par Amount as reduced by (a) any reduction in the Aggregate Outstanding Amount of the Notes plus (b) the aggregate amount of Principal Proceeds that result from the issuance of any Additional Securities (after giving effect to such issuance of Additional Securities).

"**Elected Note**": Any Note as to which the Holder is subject to the Bank Holding Company Act of 1956, as amended, and has elected in writing to forfeit the voting or consent rights of all or any portion of such Note, if required by applicable banking laws.

"**Eligible Country**": The United States, Canada, United Kingdom, Bermuda or the Cayman Islands or any Tax Jurisdiction or any other country that has an S&P foreign issuer credit rating of at least "AA-".

"**Eligible Investment**": Any U.S. dollar denominated investment, the timely payment of principal and interest of which is fully and expressly guaranteed by, the United States of America, commercial paper and other short-term obligations (and certain other investments) described in the Indenture, and subject to the Eligible Investment Required Rating, which has only payments that are not expected to subject the Issuer to withholding tax or other similar tax unless the related obligor is required to make "gross up" payments that ensure that the net amount actually received by the Issuer (after payment of all taxes, whether imposed on such obligor or the Issuer) will equal the full amount that the Issuer would have received had no such taxes been imposed and may include obligations or securities of issuers for which the Trustee or an Affiliate of the Trustee provides services or receives compensation. Eligible Investments will not include asset backed or extendible commercial paper. Notwithstanding the foregoing, Eligible Investments may only include obligations or securities that constitute cash equivalents for purposes of the rights and assets in paragraph 10(c)(8)(i)(B) of the exclusions from the definition of "covered fund" for purposes of the Volcker Rule.

"**Eligible Investment Required Rating**": Both (a) short term credit ratings of P-1 from Moody's (and not on watch for downgrade) and at least A-1 from S&P (or, if the applicable obligation does not have a short term credit rating from S&P, a long term credit rating from S&P of at least A+) and (b) from Fitch (i) for obligations or securities with remaining maturities up to 30 days, a short-term credit rating of at least "F1" and a long-term credit rating of at least "A" (if such long-term rating exists) or (ii) for obligations or securities with remaining maturities of more than 30 days but not in excess of 60 days, a short-term rating of "F1+" and a long-term credit rating of at least "AA-" (if such long-term rating exists).

"**Emerging Market Country**": Any country that is not an Eligible Country.

"**Equity Security**": (i) Any equity security or other security that is not eligible for purchase by the Issuer and is received in connection with a Collateral Debt Obligation or (ii) any security purchased as part of a "unit" with a Collateral Debt Obligation and that itself is not eligible for purchase by the Issuer as a Collateral Debt Obligation.

"**Equity Workout Security**": Any security received in exchange for a Collateral Debt Obligation pursuant to an Offer or otherwise received (or expected to be received) in respect of a Collateral Debt Obligation in a workout or restructuring, which security (i) does not entitle the holder thereof to receive periodic payments of interest (or the economic equivalent) and one or more installments of principal (or the economic equivalent) or (ii) if received by the

Issuer, the ownership or disposition of which would cause the Issuer to violate the applicable provisions of the Indenture.

"**Euroclear**": Euroclear Bank S.A./N.V., as operator of the Euroclear System, and any successor or successors thereto.

"**European Countries**": Austria, Belgium, Denmark, Finland, France, Germany, Iceland, Liechtenstein, Luxembourg, Norway, Sweden, Switzerland, the Netherlands and the United Kingdom.

"**Exchange Act**": The United States Securities Exchange Act of 1934, as amended.

"**Exchange Transaction**": The exchange (by means of (i) a disposition of an Exchanged Obligation and an acquisition of a Received Obligation or (ii) an exchange of an Exchanged Obligation for a Received Obligation (without the payment of any additional funds other than reasonable and customary transfer costs)) of (a) a debt obligation that is a Defaulted Obligation for another debt obligation that is a Defaulted Obligation or (b) a debt obligation that is a Credit Risk Obligation for another debt obligation that is a Credit Risk Obligation, in each case, that in the Collateral Manager's reasonable judgment has a greater likelihood of recovery or is of better value or quality than the Defaulted Obligation or Credit Risk Obligation, as applicable, for which it was exchanged which, but for the fact that such debt obligation is a Defaulted Obligation or a Credit Risk Obligation, as applicable, would otherwise qualify as a Collateral Debt Obligation and in connection with such exchange the Collateral Manager has certified to the Trustee that, in the Collateral Manager's reasonable business judgment, (i) at the time of the exchange, the Received Obligation has a better likelihood of recovery or is of better value or quality than the Exchanged Obligation, (ii) at the time of the exchange, the Received Obligation is no less senior in right of payment with regard to such obligor's other outstanding indebtedness than the Exchanged Obligation, (iii) both prior to and after giving effect to such exchange, each of the Coverage Tests is satisfied or, if any Coverage Test was not satisfied prior to such exchange, such Coverage Test will be at least as close to being satisfied after giving effect to such exchange as it was before giving effect to such exchange, (iv) at the time of the exchange, the S&P Rating of the Received Obligation is no lower than that of the Exchanged Obligation, (v) after giving effect to the exchange, the Concentration Limitations would be satisfied or, if any Concentration Limitation was not satisfied prior to such exchange, such limit will be at least as close to being satisfied after giving effect to such exchange as it was before giving effect to such exchange, (vi) no other Exchange Transactions have occurred during the Due Period in which such Exchange Transaction is scheduled to occur, (vii) when determining the period during which the Issuer holds the Received Obligation, the period during which the Issuer held the Exchanged Obligation will be added to the period beginning at the time of acquisition of the Received Obligation and running through the applicable date of determination for all purposes herein, (viii) the Exchanged Obligation was not acquired in an Exchange Transaction, (ix) the ratings on the Notes have not been withdrawn or downgraded, (x) with respect to an exchange of a Credit Risk Obligation for another debt obligation that is a Credit Risk Obligation, the maturity of such Received Obligation is not later than the maturity of the related Exchanged Obligation, and (xi) after giving effect to such exchange, the S&P Minimum Weighted Average Recovery Rate Test would be satisfied or, if the S&P Minimum Weighted Average Recovery Rate Test was not satisfied prior to such exchange, the results of such test will be at least as close to being satisfied after giving effect to such exchange as it was before giving effect to such exchange; *provided*, *however*, that if the sale price of the Exchanged Obligation is lower than the purchase price of the Received Obligation, any cash consideration payable by the Issuer in connection with any Exchange Transaction will be payable only from amounts on deposit in the Supplemental Reserve Account and any Interest Proceeds available to pay for the purchase and/or exchange of a Defaulted Obligation for an Exchanged Equity Security as set forth in part (k) of *"Security For the Notes—Purchase of Collateral Debt Obligations During and After Reinvestment Period—Reinvestment Criteria during the Reinvestment Period—Sales of Collateral Debt Obligations*."

"**Exchanged Obligation**": A Defaulted Obligation or Credit Risk Obligation exchanged in connection with an Exchange Transaction.

"**FATCA**": Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any U.S. or non-U.S. fiscal or regulatory legislation, rules, guidance notes or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code.

"**FATCA Compliance**": Compliance with FATCA and the Cayman FATCA Legislation.

“**Fee Basis Amount**”: On any date, the sum of the outstanding principal amount of all Collateral Debt Obligations (including undrawn commitments that have not been irrevocably reduced in respect of Revolving Credit Facilities or Delayed Funding Term Loans), Eligible Investments that represent Principal Proceeds and cash of the Issuer.

“**Fitch**”: Fitch Ratings, Inc. and any successor in interest.

“**Fitch Rating**”: The meaning specified in Annex A to this Offering Memorandum.

“**Fitch Rating Condition**”: With respect to any action taken or to be taken by or on behalf of the Issuer, a condition that is satisfied if Fitch has confirmed in writing, including electronic messages, facsimile, press release, posting to its internet website, or other means then considered industry standard (or has declined to undertake the review of such action by such means) to the Issuer, the Trustee, the Collateral Administrator and the Collateral Manager that no immediate withdrawal or reduction with respect to its then current rating of any Class of Rated Notes will occur as a result of such action; provided that if Fitch no longer constitutes a Rating Agency under this Indenture, the Fitch Rating Condition will not apply to such action.

“**Fixed Rate Collateral Debt Obligations**”: Collateral Debt Obligations (other than Defaulted Obligations) that bear interest at a fixed rate, including Collateral Debt Obligations whose fixed interest rate increases periodically over the life of such Collateral Debt Obligations.

“**Fixed Rate Notes**” : The Class B-2 Notes.

“**Floating Rate Collateral Debt Obligations**”: Collateral Debt Obligations (other than Defaulted Obligations) that are not Fixed Rate Collateral Debt Obligations.

“**Foreign Issuer**”: The Issuer and the Income Note Issuer.

“**Global Security**”: Any Security or Income Note issued and held in global form.

“**Governmental Plan**”: A plan as defined in Section 3(32) of ERISA.

“**Gross Fixed Rate Excess**”: As of any Measurement Date, the product of (a) the greater of zero and the excess, if any, of the Weighted Average Fixed Rate Coupon for such Measurement Date over the Minimum Weighted Average Fixed Rate Coupon and (b) the Aggregate Principal Balance of all Fixed Rate Collateral Debt Obligations held by the Issuer as of such Measurement Date.

“**Gross Spread Excess**”: As of any Measurement Date, the product of (a) the excess, if any, of the Weighted Average Spread for such Measurement Date over the S&P Minimum Spread and (b) the Aggregate Principal Balance of all Floating Rate Collateral Debt Obligations held by the Issuer as of such Measurement Date.

“**Higher Ranking Class**”: With respect to any Class of Notes, each Class of Notes that ranks higher than such Class in the Note Payment Sequence and, with respect to the LP Certificates, each Class of Notes.

“**Highest Ranking Class**”: The Class A Notes, for so long as any Class A Notes are Outstanding, and thereafter the Class of Notes that does not have a Higher Ranking Class of Notes Outstanding at such time.

“**Holder**”: With respect to any Note, the Person in whose name such Note is registered in the Notes Register; with respect to any LP Certificate, the Person in whose name such LP Certificate is registered in the LP Certificates Register, as notified by the LP Certificates Registrar to the Trustee; and with respect to any Income Note, the Person in whose name such Income Note is registered in the Income Note Register, as notified by the Income Note Registrar to the Trustee. In addition, references to the term “Holder” or “holder” appearing in this Offering Memorandum in the context of any risk involved in purchasing, holding or transferring any of the Securities or Income Notes or any representation, warranty or covenant required or deemed to be made by an investor in any of the Securities or Income Notes are, in each case, deemed to include the beneficial owner of the related security.

“**Holder FATCA Information**”: The information and documentation to be provided by the Holder to the Issuer, the Income Note Issuer or the Collateral Manager (or their authorized agents or delegates) that is requested (in their sole discretion) in connection with FATCA or that may be useful or necessary (in all cases, in the sole discretion of

the Issuer or the Collateral Manager (or their respective agents or delegates) to enable the Issuer or Income Note Issuer to achieve FATCA Compliance.

"**Illiquid Asset**": A Defaulted Obligation, Equity Security, obligation received in connection with an Offer or other exchange or any other security or debt obligation that is part of the Collateral, in respect of which (i) the Issuer has not received a payment in cash during the preceding year and (ii) the Collateral Manager certifies that it 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 year.

"**Income Note Issuer Fee Letter**": The letter between the Issuer and the Income Note Issuer regarding payment of administrative fees and expenses of the Income Note Issuer.

"**Income Note Register**": The register maintained by the Administrator with respect to the Income Notes.

"**Income Tax Rate**": The highest aggregate U.S. federal, state and local marginal ordinary income tax rate in effect for individuals residing and working in New York City (taking into account, if applicable, the deductibility of state and local income taxes against ordinary income for U.S. federal income tax purposes). For purposes of computing this tax rate, the 3.8% Medicare tax imposed under Section 1411 of the Code will be assumed to be payable and treated as additional tax, the limitations on deductions imposed under Section 68(a) of the Code will be assumed to apply, and the increase in the marginal tax rate due to deduction limitations under Section 68 of the Code will be treated as an additional tax. Accordingly, as of the date hereof, such tax rate is 51.89%, which is equal to 43.4% (the highest marginal U.S. federal income tax rate applicable to individuals, plus the 3.80% Medicare tax), plus 1.30% (the increase in the marginal tax rate due to deduction limitations under Section 68 of the Code, which is equal to 3.0% of 43.4%), plus 7.19% (the increase for New York State and New York City taxes, taking into account the deductibility of state and local income taxes against ordinary income for U.S. federal income tax purposes, which is 12.70% (the combined New York State and New York City tax rate), minus 5.51% (the state and local taxes that are deductible against ordinary income for U.S. federal income tax purposes, or 12.70% multiplied by 43.4%)).

"**Incurrence Covenant**": A covenant by the underlying obligor under a loan to comply with one or more financial covenants only upon the occurrence of certain actions of the underlying obligor or certain events relating to the underlying obligor, including, but not limited to, a debt issuance, dividend payment, share purchase, merger, acquisition or divestiture, unless, as of any date of determination, such action was taken or such event has occurred, in each case the effect of which causes such covenant to meet the criteria of a Maintenance Covenant.

"**Independent**": As to any Person, any other Person who (i) does not have and is not committed to acquire any material direct or indirect financial interest in such Person or in any Affiliate of such Person, (ii) is not connected with such Person as an officer, employee, promoter, underwriter, voting trustee, partner, director or Person performing similar functions and (iii) is not Affiliated with an organization that fails to satisfy the criteria set forth in (i) and (ii). "Independent" when used with respect to any accountant may include an accountant who audits the books of any 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.

"**Initial Target Rating**": (i) With respect to the Class A Notes, a rating of "AAAsf" by S&P and "AAAsf" by Fitch, (ii) with respect to the Class B Notes, a rating of "AA(sf)" by S&P, (iii) with respect to the Class C Notes, a rating of "A(sf)" by S&P, (iv) with respect to the Class D Notes, a rating of "BBB(sf)" by S&P and (v) with respect to the Class E Notes, a rating of "BB-(sf)" by S&P.

"**Index Maturity**": With respect to each Payment Date, three months.

"**Initial Investment Period**": The period from, and including, the Closing Date to, but excluding, the Effective Date.

"**Interest Coverage Ratio**": With respect to each of the Senior Notes, the Class C Notes and the Class D Notes and as of any Measurement Date on and after the Determination Date related to the third Payment Date, the ratio (expressed as a percentage) obtained by dividing:

(a) the sum of the scheduled distributions of interest (including all Sale Proceeds received in respect of accrued and unpaid interest which constitute Interest Proceeds) due (including such as are due and paid) in the Due Period in which such Measurement Date occurs (regardless of whether the due date for such interest payment has occurred) on the Pledged Obligations (other than Defaulted Obligations) held in any of the Accounts plus, without duplication, other scheduled amounts of interest payable in respect of Revolving Credit Facilities and Delayed Funding Term Loans in such Due Period plus, without duplication, all other Interest Proceeds due (including such as are due and paid) in such Due Period, minus the amounts payable in clauses (A) through (D) of the Priority of Interest Payments on the Payment Date related to the Due Period in which such Measurement Date occurs; by

(b) the sum of the Interest Distribution Amounts due for such Notes and any Higher Ranking Class of Notes, in each case, on the Payment Date related to the Due Period in which such Measurement Date occurs.

For the purposes of calculating any Interest Coverage Ratio: (i) interest that (during the Due Period in which such Measurement Date occurs) accrued on any Collateral Debt Obligation which pays interest less frequently than on a quarterly basis will be included in such calculation, but only to the extent that the Collateral Manager reasonably believes it will be paid in cash when due; (ii) interest that (during the Due Period in which such Measurement Date occurs) is scheduled to be paid on any Collateral Debt Obligation which pays interest less frequently than on a quarterly basis will be included in such calculation only to the extent such amount was not included in the calculation of the Interest Coverage Ratio in a prior Due Period pursuant to the immediately preceding clause (i); (iii) scheduled distributions of interest on the Collateral Debt Obligations and the Eligible Investments will only include scheduled interest payments that the Collateral Manager reasonably believes will be made during the applicable Due Period; and (iv) interest scheduled to be paid on the applicable Notes on the following Payment Date will be considered due on any Measurement Date prior to or on such Payment Date even if all or a portion of such interest is expected to become Deferred Interest on such Payment Date.

"**Interest Coverage Tests**": Collectively, the Senior Note Interest Coverage Test, the Class C Note Interest Coverage Test, the Class D Note Interest Coverage Test and the Class E Note Interest Coverage Test.

"**Interest Distribution Amount**": With respect to any Class of Notes and any Payment Date, (a) the aggregate amount of interest accrued, at the applicable Note Interest Rate or Note Interest Rates, during the related Interest Accrual Period on (i) the Aggregate Outstanding Amount of the Notes of such Class for each day during such Interest Accrual Period and (ii) any Defaulted Interest not previously paid relating thereto, plus (b) any Defaulted Interest not previously paid.

"**Interest Proceeds**": With respect to any Payment Date, without duplication:

(i) all payments of interest received by the Issuer during the related Due Period on the Pledged Obligations (including Reinvestment Income, if any, but excluding any interest received on Defaulted Obligations, except as provided in clause (iii) below, and excluding any purchased accrued interest);

(ii) unless otherwise designated by the Collateral Manager, all amendment and waiver fees, all late payment fees and all other fees and commissions received by the Issuer during such Due Period in connection with the Pledged Obligations (other than fees and commissions received in connection with the purchase of Pledged Obligations, an exchange pursuant to a Distressed Exchange Offer, in connection with Defaulted Obligations or in connection with the reduction of principal of a Collateral Debt Obligation or Eligible Investment);

(iii) if elected by the Collateral Manager, payments received and recoveries by the Issuer on Defaulted Obligations (including interest received on Defaulted Obligations) and proceeds from the sale or other disposition of any Defaulted Obligation; *provided*, *however*, that payments received and recoveries on Defaulted Obligations and proceeds from the sale or other disposition of any Defaulted Obligation will be included as Interest Proceeds only to the extent that total payments, recoveries and proceeds received by the Issuer thereon exceed the outstanding principal amount thereof at the time of default;

(iv) to the extent such amount was purchased with Interest Proceeds, accrued interest received by the Issuer in connection with any Pledged Obligation;

(v) any amounts on deposit in the Supplemental Reserve Account designated as Interest Proceeds by the Collateral Manager;

(vi) all payments of principal and interest on Eligible Investments purchased with the proceeds of any of items (i) through (v) of this definition (without duplication);

(vii) any Unused Proceeds designated as such by the Collateral Manager in accordance with the Indenture, subject to the limitations described under "*Security for the Notes—Certain Issuer Accounts—Unused Proceeds Account*";

(viii) any Refinancing Proceeds not applied to redeem the Notes being refinanced and which are designated as Interest Proceeds by a Majority of the LP Certificates pursuant to the Indenture;

(ix) any Contribution directed by the Contributor to be deposited into the Interest Collection Account; and

(x) to the extent not designated by the Collateral Manager as Principal Proceeds, all Premiums received during such Due Period on the Collateral Debt Obligations.

With respect to the final Payment Date, "Interest Proceeds" will include any amount referred to in clauses (i) through (x) above received on or prior to the Business Day immediately preceding the final Payment Date.

For the avoidance of doubt, except with respect to clause (vii) above and any Reinvestment Income, amounts on deposit in the Unused Proceeds Account will not constitute Interest Proceeds.

"**Interest Reinvestment Test**": A test that will be satisfied on any Measurement Date during the Reinvestment Period if the Overcollateralization Ratio with respect to the Class E Notes is equal to or greater than 106.6%.

"**Internal Rate of Return**": With respect to any Payment Date, the annualized discount rate at which the sum of the discounted values of the following cash flows is equal to zero, assuming discounting on a quarterly basis as of each Payment Date on the basis of a 360-day year consisting of twelve 30 day months: (1) the aggregate face amount of the LP Certificates issued on the Closing Date, (2) the amount of any Contributions by Holders of LP Certificates as of the date of each such Contribution, (3) the aggregate face amount of LP Certificates issued on any date of additional issuance, (4) without duplication of amounts described in clauses (5) and (6), any distributions made to Holders of LP Certificates pursuant to clause (W) of the Priority of Interest Payments or clause (H) of the Priority of Principal Payments in respect of Contributions made by such Holders, (5) each distribution of Interest Proceeds made to the LP Paying Agent for distribution to the Holders of LP Certificates on any prior Payment Date and, to the extent necessary to reach the applicable Internal Rate of Return, such Payment Date, and (6) each distribution of Principal Proceeds made to the LP Paying Agent for distribution to the Holders of LP Certificates on any prior Payment Date and, to the extent necessary to reach the applicable Internal Rate of Return, such Payment Date. For purposes of this calculation, the amounts determined in clauses (1), (2) and (3) above will be negative.

"**Investment Company Act**": The United States Investment Company Act of 1940, as amended.

"**Investment Criteria Adjusted Balance**": With respect to any Collateral Debt Obligation, the principal balance of such Collateral Debt Obligation; *provided*, that for all purposes the Investment Criteria Adjusted Balance of any:

(a) Deferring Obligations will be the amount calculated pursuant to clause (c) of the definition of Par Value Numerator with respect to such Deferring Obligation;

(b) Discount Obligation will be the product of (x) the purchase price of such Discount Obligation (expressed as a percentage) and (y) the outstanding principal balance of such Discount Obligation; and

(c) Collateral Debt Obligation described in clause (x) of the definition of "CCC Excess" will be the Market Value of such Collateral Debt Obligation;

provided, *further*, that if more than one of the foregoing clauses (a), (b) or (c) is applicable with respect to any Collateral Debt Obligation, the Investment Criteria Adjusted Balance for such Collateral Debt Obligation will be the lowest amount determined pursuant to clauses (a), (b) or (c).

"**Lease Financing Transaction**": Any transaction pursuant to which the obligations of the lessee to pay rent or other amounts on a triple net basis under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, are to be classified and accounted for as a lease on a balance sheet of such lessee under generally accepted accounting principles in the United States; but only if (a) such lease or other transaction provides for the unconditional obligation of the lessee to pay a stated amount of principal no later than a stated maturity date, together with interest thereon, and the payment of such obligation is not subject to any material non-credit related risk, (b) the obligations of the lessee in respect of such lease or other transaction are secured, directly or indirectly, by the property that is the subject of such lease and (c) the interest held in respect of such lease or other transaction is treated as debt for U.S. federal income tax purposes. For purposes of determining the S&P Recovery Rate of a Lease Financing Transaction, if a Lease Financing Transaction is secured solely by real property, it will be treated as an S&P Senior Unsecured Loan.

"**Leveraged Loan Index**": The Daily S&P/LSTA U.S. Leveraged Loan 100 Index, Bloomberg ticker SPBDLLB, any successor index thereto or any comparable U.S. leveraged loan index reasonably designated by the Collateral Manager.

"**LIBOR**": The greater of (a) 0% and (b) the London interbank offered rate, as determined by the Calculation Agent in accordance with the following provisions (in each case rounded to the nearest 0.00001%):

(1) On the second day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London prior to the commencement of an Interest Accrual Period (each such day, a "**LIBOR Determination Date**"), LIBOR for any given Note will equal the rate, as obtained by the Calculation Agent from Bloomberg Financial Markets Commodities News, for Eurodollar deposits of the Index Maturity that are compiled by the ICE Benchmark Administration or any successor thereto as of 11:00 a.m. (London time) on such LIBOR Determination Date; *provided*, that LIBOR for the first Interest Accrual Period with respect to the Notes will be determined by interpolating linearly between rates with the next shorter and next longer maturities; *provided, further*, that if a rate for the applicable Index Maturity does not appear thereon, it will be determined by the Calculation Agent by using Linear Interpolation (as defined in the International Swaps and Derivatives Association, Inc. 2000 ISDA Definitions).

(2) If, on any LIBOR Determination Date, such rate is not reported by Bloomberg Financial Markets Commodities News or other information data vendors selected by the Calculation Agent, the Calculation Agent will determine the arithmetic mean of the offered quotations of four major banks in the London interbank market selected by the Calculation Agent (after consultation with the Collateral Manager) (the "**Reference Banks**") to leading banks in the London interbank market for Eurodollar deposits of the Index Maturity in an amount determined by the Calculation Agent by reference to requests for quotations as of approximately 11:00 a.m. (London time) on the LIBOR Determination Date made by the Calculation Agent to the Reference Banks. If, on any LIBOR Determination Date, at least two of the Reference Banks provide such quotations, LIBOR will equal such arithmetic mean of such quotations. If, on any LIBOR Determination Date, only one or none of the Reference Banks provide such quotations, LIBOR will be deemed to be the arithmetic mean of the offered quotations that leading banks in the City of New York selected by the Calculation Agent (after consultation with the Collateral Manager) are quoting on the relevant LIBOR Determination Date for Eurodollar deposits of the Index Maturity in an amount determined by the Calculation Agent by reference to the principal London offices of leading banks in the London interbank market; *provided*, *however*, that if the Calculation Agent is required but is unable to determine a rate in accordance with at least one of the procedures provided above, LIBOR will be LIBOR as determined on the previous LIBOR Determination Date.

With respect to any Collateral Debt Obligation, LIBOR will be the London interbank offered rate determined in accordance with the related Underlying Instrument. For purposes of the calculation of the Senior Note Interest Coverage Test, the Class C Note Interest Coverage Test, the Class D Note Interest Coverage Test and the Class E

Note Interest Coverage Test only, in respect of the proviso to the definition of each such test, LIBOR will be determined as of each day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London (a "**London Banking Day**") in the period of 30 Business Days prior to the first day of the relevant Interest Accrual Period as if each such London Banking Day were a LIBOR Determination Date. For the avoidance of doubt, this definition of LIBOR may be amended in connection with a supplemental indenture for the purpose of effecting a Refinancing in order to remove or modify the floor on the rate calculated hereunder.

"**LIBOR Floor Obligation**": As of any date, a floating rate Collateral Debt Obligation (a) for which the related Underlying Instruments allow a libor rate option, (b) that provides that such libor rate is (in effect) calculated as the greater of (i) a specified "floor" rate per annum and (ii) the London interbank offered rate for the applicable interest period for such Collateral Debt Obligation and (c) that, as of such date, bears interest based on such libor rate option, but only if as of such date the London interbank offered rate for the applicable interest period is less than such floor rate.

"**Limited Partnership Agreement**": The Amended and Restated Exempted Limited Partnership Agreement of the Issuer dated the Closing Date, as amended.

"**Liquidation Payment Date**": The fifth Business Day following the receipt by the Trustee of all proceeds of the sale and liquidation of Collateral pursuant to the Indenture, or such earlier date as determined by the Trustee.

"**Long-Dated Obligation**": Any Collateral Debt Obligation with a maturity later than the Stated Maturity of the Notes; *provided*, that, if any Collateral Debt Obligation has scheduled distributions that occur both before and after the Stated Maturity of the Notes, only the scheduled distributions on such Collateral Debt Obligation occurring after the Stated Maturity of the Notes will constitute a Long-Dated Obligation; *provided*, *further*, that, in determining the scheduled distributions on such Collateral Debt Obligation occurring after the Stated Maturity of the Notes, such Collateral Debt Obligation will be deemed to have a maturity and amortization schedule based on zero prepayments.

"**Lower Ranking Class**": With respect to any Class, each Class that is junior in right of payment to such Class under the Note Payment Sequence and, with respect to each Class of Notes, the LP Certificates.

"**LP Certificates Register**": The register maintained by the LP Certificates Registrar with respect to the LP Certificates.

"**Maintenance Covenant**": As of any date of determination, a covenant by the underlying obligor of a loan to comply with one or more financial covenants during each reporting period applicable to such loan, whether or not any action by, or event relating to, the underlying obligor occurs after such date of determination.

"**Majority**": With respect to the Notes of any Class, the Holders of more than 50% of the Aggregate Outstanding Amount of the Notes of such Class. A "Majority" of the LP Certificates means the Holders of more than 50% of the limited partnership interests in the Issuer represented by the LP Certificates.

"**Margin Stock**": The meaning specified under Regulation U.

"**Market Value**": On any date of determination, for any Collateral Debt Obligation,

(i) the bid price or value determined by an Approved Pricing Service selected by the Collateral Manager,

(ii) if a bid price or value is not available from an Approved Pricing Service, then

(A) the average of the bid side prices or values determined by three broker-dealers that are Independent of the Collateral Manager and Independent of each other, selected by the Collateral Manager, and who are active in the trading of such securities, or

(B) if only two such bid prices or values are available, the lower of such two bid prices or values, or

(iii) if more than one such bid price or value is not available, then

(A) the bid price or value determined by a broker-dealer that is Independent of the Collateral Manager, selected by the Collateral Manager, and who is active in the trading of such securities, or

(B) if no bid price or value is available, then the Market Value will be zero;

in each case, expressed as a Dollar amount unless otherwise specifically provided in the Indenture; *provided*, that, with respect to clause (iii)(A), such bid price, value or bid side market value, as the case may be, will be the same price or value that the Collateral Manager uses to assign a market value to such Collateral Debt Obligation for any other purpose including outside the context of this transaction; *provided*, *further*, that, if the market value of any Collateral Debt Obligation cannot be determined by the application of (i) or (ii) above within 30 days, the Market Value will be zero. Equity Securities will be deemed to have a Market Value of zero.

"**Measurement Date**": On and after the Effective Date, (i) each date the Reinvestment Criteria set forth under the heading "*Security for the Notes—Purchase of Collateral Debt Obligations During and After Reinvestment Period—Reinvestment Criteria during the Reinvestment Period*" applies in connection with the acquisition, distribution or substitution of a Collateral Debt Obligation, (ii) the Effective Date, (iii) each Determination Date, (iv) the date specified in respect of each monthly report delivered pursuant to the Indenture as the Measurement Date applicable to such monthly report and (v) any Business Day specified as a Measurement Date, with not less than two Business Days' notice, by either Rating Agency.

"**Mezzanine Notes**": Collectively, the Class C Notes, the Class D Notes and the Class E Notes.

"**Minimum Weighted Average Fixed Rate Coupon**": 7.00%.

"**Moody's**": Moody's Investors Service, Inc. and any successor thereto.

"**Moody's Default Probability Rating**": The meaning specified in Annex C to this Offering Memorandum.

"**Moody's Derived Rating**": The meaning specified in Annex C to this Offering Memorandum.

"**Moody's Diversity Score**": The meaning specified in Annex C to this Offering Memorandum.

"**Moody's Diversity Score Table**": The meaning specified in Annex C to this Offering Memorandum.

"**Moody's Diversity Test**": A test satisfied if, as of any Measurement Date, the Moody's Diversity Score (rounded to the nearest whole number) equals or exceeds 50.

"**Moody's Rating Factor**": The meaning specified in Annex C to this Offering Memorandum.

"**Moody's Weighted Average Rating Factor**": As of any Measurement Date, the number obtained by summing the products obtained by multiplying the Principal Balance of each Collateral Debt Obligation (excluding Defaulted Obligations and Eligible Investments) by its Moody's Rating Factor, dividing such sum by the Aggregate Principal Balance of all such Collateral Debt Obligations and rounding the result up to the nearest whole number.

"**Moody's Weighted Average Rating Factor Test**": A test satisfied if, as of any Measurement Date, the Moody's Weighted Average Rating Factor is less than or equal to 3200.

"**Non-Permitted ERISA Holder**": Any beneficial owner of an ERISA Restricted Security that is a Person and (a) that has made representations in the ERISA Section of any representation letter or Transfer Certificate required to be delivered by such Person that were or became untrue, or is or was deemed to have made representations in connection with ERISA (including with respect to its status and source of funding) that were or became untrue or whose beneficial ownership otherwise causes 25% or more of the total value of any Class of ERISA Restricted Securities to be held by Benefit Plan Investors, (b) whose acquisition, holding and disposition of ERISA Restricted Securities or interests therein could constitute or result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or in a violation of Similar Law) unless an exemption is available or (c) except with respect

to purchases by a Benefit Plan Investor or Controlling Person on the Closing Date agreed in writing by the Initial Purchaser, is a Benefit Plan Investor or a Controlling Person.

"**Non-Permitted Holder**": Any beneficial owner that (i) in the case of a Rule 144A Global Security, is not a QIB/QP (ii) in the case of a Physical Security, is a U.S. Person that is not a QIB/QP, (iii) in the case of a Regulation S Global Security, is a U.S. Person, or (iv) is a Non-Permitted ERISA Holder.

"**Non-U.S. Obligor**": The issuer or obligor of a Collateral Debt Obligation that is located in a sovereign jurisdiction other than (x) the United States of America or (y) a Tax Jurisdiction.

"**Note Interest Rate**": With respect to the Notes of any Class, the annual rate at which interest accrues on the Notes of such Class, equal to the rate specified in "*Summary of Terms*".

"**Notes Register**": The register maintained by the Trustee or any Securities Registrar with respect to the Securities pursuant to the Indenture.

"**Notice**": Any request, demand, authorization, direction, notice, consent, confirmation, certification, waiver, Act of Holders or other action.

"**NRSRO**": A nationally recognized statistical rating organization, as defined in Section 3(a)(62) of the Exchange Act.

"**Offer**": With respect to any security or debt obligation, (i) any offer by the issuer of such security or borrower with respect to such debt obligation or by any other Person made to all of the holders of such security or debt obligation to purchase or otherwise acquire such security or debt obligation (other than pursuant to any redemption in accordance with the terms of any related Reference Instrument or for the purpose of registering the security or debt obligation) or to exchange such security or debt obligation for any other security, debt obligation, cash or other property or (ii) any solicitation by the issuer of such security or borrower with respect to such debt obligation or any other Person to amend, modify or waive any provision of such security or debt obligation.

"**Ongoing Expense Excess Amount**": On any Payment Date, an amount equal to the excess, if any, of (i) (a) $225,000 (*per annum*) plus (b) 0.0225% (*per annum*) of the Aggregate Principal Amount of the Collateral Portfolio, measured on a quarterly basis as of the first day of the Due Period preceding such Payment Date, over (ii) the sum of (without duplication) (x) all amounts paid pursuant to clauses (B) and (C) of the Priority of Interest Payments on such Payment Date (excluding all amounts being deposited on such Payment Date to the Expense Reserve Account) plus (y) all amounts paid during the related Due Period pursuant to the Indenture.

"**Ongoing Expense Reserve Shortfall**": On any Payment Date, the excess, if any, of $225,000 over the amount then on deposit in the Expense Reserve Account without giving effect to any deposit thereto on such Payment Date pursuant to clause (C) of the Priority of Interest Payments.

"**Original Holder of the Majority of the LP Certificates**": The purchaser of more than 50% of the LP Certificates as of the Closing Date.

"**Outstanding**": With respect to a Class of Securities or Income Notes, as of any date of determination, all of such Class of Securities and Income Notes previously authenticated and delivered under the Indenture or the Income Note Documents, except:

(a) Securities or Income Notes previously cancelled by the Securities Registrar (or the Income Note Registrar, as applicable) or delivered to the Securities Registrar (or the Income Note Registrar, as applicable) or the Trustee (or Income Note Paying Agent, as applicable) for cancellation or registered in the Securities Register (or the Income Note Register, as applicable) on the date the Trustee provides notice to the Holders that the Indenture has been discharged;

(b) Securities or Income Notes acquired by any of the Issuers or their Affiliates that have not yet been cancelled by the Securities Registrar (or the Income Note Registrar, as applicable) or the Trustee (or the Income Note Paying Agent, as applicable);

(c) Securities or Income Notes or, in each case, portions thereof for whose payment or redemption funds in the necessary amount have been irrevocably deposited with the Trustee or any Paying Agent in trust for the Holders of such Securities or Income Notes; *provided*, that if such Securities or Income Notes or portions thereof are to be redeemed, notice of such redemption has been duly given pursuant to the Indenture (or the Income Note Documents, as applicable) or provision therefor satisfactory to the Trustee (or the Income Note Paying Agent, as applicable) has been made;

(d) Securities or Income Notes in exchange for or in lieu of which other Securities or Income Notes have been authenticated and delivered pursuant to the Indenture (or the Income Note Documents, as applicable), unless proof satisfactory to the Trustee (or the Income Note Paying Agent, as applicable) is presented that any such original Securities or Income Notes are held by a Protected Purchaser;

(e) Securities or Income Notes alleged to have been mutilated, destroyed, lost or stolen for which replacement Securities or Income Notes have been issued;

(f) Securities or Income Notes with respect to which (i) all outstanding principal, premium (if any) and interest (including any Defaulted Interest and Deferred Interest) has been paid in full and (ii) no further entitlements to receive payments of principal, premium (if any) or interest (or distributions of Principal Proceeds or Interest Proceeds) remain; and

(g) Repurchased Notes and Surrendered Notes that have been cancelled by the Trustee; *provided* that for purposes of calculation of the Overcollateralization Ratio, any Repurchased Notes and any Surrendered Notes will be deemed to remain Outstanding until all Notes of the applicable Class and each Class that is senior in right of principal payment thereto in the Note Payment Sequence have been retired or redeemed, having an Aggregate Outstanding Amount equal to the Aggregate Outstanding Amount as of the date of surrender, reduced proportionately with, and to the extent of, any payments of principal on Notes of the same Class thereafter;

provided, that in determining whether the Holders of the requisite Aggregate Outstanding Amount have given any request, demand, authorization, direction, notice, consent or waiver under the Indenture:

(i) Securities or Income Notes owned by the Issuer or the Co-Issuer or any Affiliate of the Issuer or the Co-Issuer (which, for the avoidance of doubt, will not include the Collateral Manager or any Affiliate of the Collateral Manager) will be disregarded and deemed not to be Outstanding;

(ii) Elected Notes will be disregarded to the extent required under the Indenture; and

(iii) any Securities or Income Notes held by the then-current Collateral Manager, one or more of its Affiliates or any accounts managed by the Collateral Manager or an Affiliate of the Collateral Manager as to which the Collateral Manager or such Affiliate has discretionary voting authority will have voting rights with respect to all matters as to which the Holders of Securities or Income Notes are entitled to vote, including, without limitation, any vote in connection with the removal of the Collateral Manager or appointment of a replacement or successor collateral manager in accordance with the Collateral Management Agreement; *provided* that, so long as LCM or one of its Affiliates is the Collateral Manager, any Income Notes or Securities held by the Collateral Manager, Affiliates of the Collateral Manager and accounts managed by the Collateral Manager as to which the Collateral Manager has discretionary voting authority will be disregarded and deemed not to be Outstanding solely with respect to (i) any vote in connection with the removal of LCM as the Collateral Manager for "Cause" (as defined in the Collateral Management Agreement) and (ii) immediately following any removal of LCM as the Collateral Manager for "Cause," any vote in connection with the disapproval of the nomination of LCM or an Affiliate of LCM as successor collateral manager. Securities or Income Notes so owned that have been pledged in good faith may be regarded as Outstanding and owned by the pledgee if the pledgee establishes to the satisfaction of the Trustee, the LP Paying Agent or the Income Note Paying Agent, as applicable, the pledgee's right so to act with respect to such Securities or Income Notes and the pledgee is not the Issuer, the Co-Issuer or any other obligor upon the Securities or Income Notes or any Affiliate of the Issuer, the Co-Issuer or such other obligor.

"**Overcollateralization Ratio**": With respect to each of the Senior Notes, the Class C Notes, the Class D Notes and the Class E Notes and as of any Measurement Date, the ratio (expressed as a percentage) obtained by dividing:

(a) the Par Value Numerator, by

(b) the Aggregate Outstanding Amount of such Class or Classes of Notes and all Higher Ranking Classes of Notes, if any (including any Deferred Interest thereon).

"**Overcollateralization Tests**": Collectively, the Senior Note Overcollateralization Test, the Class C Note Overcollateralization Test, the Class D Note Overcollateralization Test and the Class E Note Overcollateralization Test.

"**Par Value Numerator**": As of any Measurement Date, an amount equal to:

(a) the Aggregate Principal Balance of the Collateral Debt Obligations (other than Defaulted Obligations, Deferring Obligations and Long-Dated Obligations); *provided* that the Principal Balance of any Collateral Debt Obligation will not include any deferred interest accrued since the date of acquisition of such Collateral Debt Obligation by the Issuer and that has been added to principal and remains unpaid; plus

(b) the balance of any cash and Eligible Investments representing Principal Proceeds together with any uninvested amounts on deposit in (i) the Payment Account and the Collection Account representing, in each case, Principal Proceeds and (ii) at the Collateral Manager's sole discretion, any amount in the Unused Proceeds Account (excluding Reinvestment Income); plus

(c) for each Defaulted Obligation and Deferring Obligation: (i) if such Defaulted Obligation or Deferring Obligation has been a Defaulted Obligation or Deferring Obligation, as applicable, for 30 days or less, the product of (A) the applicable S&P Recovery Rate for such Defaulted Obligation or Deferring Obligation and (B) the applicable principal amount of such Defaulted Obligation or Deferring Obligation and (ii) if such Defaulted Obligation or Deferring Obligation has been a Defaulted Obligation or Deferring Obligation, as applicable, for more than 30 days, the lesser of (A) the product of (1) the applicable S&P Recovery Rate for such Defaulted Obligation or Deferring Obligation and (2) the applicable principal amount of such Defaulted Obligation or Deferring Obligation and (B) the applicable Market Value of such Defaulted Obligation or Deferring Obligation; plus

(d) for each Long-Dated Obligation, the product of (i) 70% and (ii) the outstanding principal amount of such Long-Dated Obligation; minus

(e) the CCC Haircut Amount; minus

(f) the Discount Obligation Haircut Amount;

provided that, to the extent that the application of clauses (c) through (f) above yields multiple values for a Collateral Debt Obligation, only the result from the clause that yields the lowest Par Value Numerator will be utilized.

"**Partial Deferrable Interest Obligation**": Any Collateral Debt Obligation with respect to which under the related Underlying Instruments (i) a portion of the interest due thereon is required to be paid in cash on each payment date therefor and is not permitted to be deferred or capitalized (which portion shall at least be equal to LIBOR or the applicable index with respect to which interest on such Collateral Debt Obligation is calculated (or, in the case of a fixed rate Collateral Debt Obligation, at least equal to the forward swap rate for a designated maturity equal to the scheduled maturity of such Collateral Debt Obligation)) and (ii) the issuer thereof or obligor thereon may defer or capitalize the remaining portion of the interest due thereon.

"**Participation**": A participation interest in a loan originated by a bank or financial institution that, at the time of acquisition, or the Issuer's commitment to acquire the same, satisfies each of the following criteria: (i) such participation would constitute a Collateral Debt Obligation were it acquired directly, (ii) the Selling Institution is a lender on the loan, (iii) the aggregate participation in the loan granted by such Selling Institution to any one or more participants does not exceed the principal amount or commitment with respect to which the Selling Institution is a lender under such loan, (iv) such participation does not grant, in the aggregate, to the participant in such participation

a greater interest than the Selling Institution holds in the loan or commitment that is the subject of the participation, (v) the entire purchase price for such participation is paid in full (without the benefit of financing from the Selling Institution or its affiliates) at the time of the Issuer's acquisition (or, to the extent of a participation in the unfunded commitment under a Revolving Credit Facility or Delayed Funding Term Loan, at the time of the funding of such loan), (vi) the participation provides the participant all of the economic benefit and risk of the whole or part of the loan or commitment that is the subject of the loan participation and (vii) such participation is documented under a Loan Syndications and Trading Association, Loan Market Association or similar agreement standard for loan participation transactions among institutional market participants. For the avoidance of doubt, a Participation shall not include a sub-participation interest in any loan.

"**Paying Agent**": Any Person authorized by the Issuers to pay the principal of or interest on any Notes on behalf of the Issuers, as specified in the Indenture.

"**Permitted Offer**": An offer (a) (i) pursuant to the terms of which the offeror offers to acquire a debt obligation (including a Collateral Debt Obligation) in exchange for consideration consisting solely of cash in an amount equal to or greater than the full face amount of such debt obligation plus any accrued and unpaid interest and (ii) as to which the Collateral Manager has determined in its reasonable business judgment that the offeror has sufficient access to financing to consummate the offer or (b) of publicly registered securities with equal or greater face value and substantially identical terms issued in exchange for securities issued under Rule 144A under the Securities Act.

"**Permitted LP Certificate Holder**": The Income Note Issuer, any initial investor in the LP Certificates on the Closing Date and any transferee of such initial investor that is an affiliate of, or an account or fund managed by, such initial investor.

"**Permitted Use**": With respect to (x) any amount on deposit in the Supplemental Reserve Account and (y) any Contribution received into the Contribution Account, any of the following uses: (i) the transfer of the applicable portion of such amount to the Interest Collection Account for application as Interest Proceeds; (ii) the transfer of the applicable portion of such amount to the Principal Collection Account for application as Principal Proceeds; (iii) the repurchase of Notes of any Class through a tender offer, in the open market, or in a privately negotiated transaction (in each case, subject to applicable law and only if the Collateral Manager determines after consultation with counsel that such repurchase would not cause the Issuer to fail to satisfy the loan securitization exemption under the Volcker Rule); and (iv) any other use for which amounts held by the Issuer are permitted to be used in accordance with the terms of the Indenture.

"**Person**": An individual, corporation (including a business trust), partnership, limited liability company, joint venture, association, joint stock company, trust (including any beneficiary thereof), bank, unincorporated association or government or any agency or political subdivision thereof or any other entity of similar nature.

"**Petition Expenses**": The reasonable fees, costs, charges and expenses incurred by the Issuer (including reasonable attorneys' fees and expenses) in connection with timely filing an answer and any other appropriate pleading objecting to (i) the institution of any Proceeding against the Issuer or the Co-Issuer to have the Issuer or the Co-Issuer, as the case may be, adjudicated as bankrupt or insolvent or (ii) the filing of any petition against the Issuer or the Co-Issuer seeking relief, reorganization, arrangement, adjustment or composition of or in respect of the Issuer or the Co-Issuer, as the case may be, under the Bankruptcy Code or any other applicable law.

"**Physical Security**": Any Security or Income Note issued in definitive, fully registered form without interest coupons.

"**Pledged Obligations**": On any date of determination, the Collateral Debt Obligations, the Equity Securities and the Eligible Investments owned by the Issuer and each Issuer Subsidiary that have been granted to the Trustee.

"**Prefunded Letter of Credit**": Any letter-of-credit facility that (a) requires a lender party thereto to pre-fund or collateralize in full its obligation thereunder and (b) *provides* that such lender (i) will have no further funding obligation thereunder and (ii) will have a right to be reimbursed or repaid by the borrower its *pro rata* share of any draws on a letter-of-credit issued thereunder.

"**Premium**": Any prepayment, call or similar premium as determined in the discretion of the Collateral Manager.

"**Principal Balance**": With respect to any Pledged Obligation and cash, as of any date of determination, the outstanding principal amount of such Pledged Obligation or the balance of such cash; *provided*, *however*, that:

(i) the Principal Balance of a Collateral Debt Obligation received upon acceptance of an Offer will be the outstanding principal amount thereof;

(ii) (a) in the calculation of the Par Value Numerator, the Principal Balance of each Defaulted Obligation will be calculated as specified in the definition of the Par Value Numerator, (b) for purposes of the Concentration Limitations, the Principal Balance of each Defaulted Obligation will be zero, and (c) for purposes of calculating the Collateral Management Fees, the fee of the Trustee and all other purposes, the Principal Balance of Defaulted Obligations will be the outstanding principal amount thereof;

(iii) the Principal Balance of each Equity Security will be zero;

(iv) the Principal Balance of any Pledged Obligation in which the Trustee does not have a perfected security interest will be zero;

(v) in the calculation of the Par Value Numerator, the Principal Balance of each Deferrable Interest Obligation, Partial Deferrable Interest Obligation and Long-Dated Obligation will be calculated as specified in the definition of the Par Value Numerator; and

(vi) the Principal Balance of any Revolving Credit Facility or Delayed Funding Term Loan will be the sum of (a) the funded portion of such Revolving Credit Facility or Delayed Funding Term Loan, and (b) the amount of funds on deposit in the Revolving Credit Facility Reserve Account for such Revolving Credit Facility or Delayed Funding Term Loan.

Notwithstanding the foregoing, the Principal Balance of each Collateral Debt Obligation will include any applicable Purchased Accrued Interest unless the Principal Balance is deemed to be zero as set forth above. If the application of the provisions above yield more than one result for any Collateral Debt Obligation, its Principal Balance will be the lowest such result.

"**Principal Payments**": With respect to any Payment Date, an amount equal to the sum of any payments of principal (including optional or mandatory redemptions or prepayments) received on the Pledged Obligations during the related Due Period, including payments of principal received in respect of exchange offers and tender offers and recoveries on Defaulted Obligations, but not including Sale Proceeds received during the Reinvestment Period.

"**Principal Proceeds**": With respect to any Payment Date include, without duplication:

(i) all Principal Payments, including Unscheduled Principal Payments, received during the related Due Period on the Pledged Obligations (except to the extent such amounts are included in clauses (v) and (vi) of the definition of Interest Proceeds);

(ii) all payments received and recoveries on Defaulted Obligations and proceeds from the sale or other disposition of any Defaulted Obligation until such time as the outstanding principal amount thereof has been received by the Issuer;

(iii) to the extent designated by the Collateral Manager as Principal Proceeds, all Premiums received during such Due Period on the Collateral Debt Obligations;

(iv) after the Effective Date, any amounts remaining in the Unused Proceeds Account on the Determination Date preceding such Payment Date other than (A) Reinvestment Income (which shall be treated as Interest Proceeds) and (B) any such amounts designated as Interest Proceeds by the Collateral Manager subject to the limitations described under "*Security for the Notes—Certain Issuer Accounts—Unused Proceeds Account*";

(v) Sale Proceeds received during the related Due Period;

(vi) to the extent such amount was not purchased with Interest Proceeds, accrued interest received in connection with any Collateral Debt Obligation or Eligible Investment (except to the extent such amounts are included in clause (iv) of the definition of Interest Proceeds);

(vii) any amounts in the Supplemental Reserve Account designated as Principal Proceeds by the Collateral Manager;

(viii) funds in the Interest Reserve Account that do not constitute Interest Proceeds;

(ix) any Refinancing Proceeds not applied to redeem the Notes being refinanced and which are designated as Principal Proceeds by a Majority of the LP Certificates pursuant to the Indenture;

(x) any Contribution designated by the Contributor thereof as Principal Proceeds; and

(xi) any other payments received with respect to the Collateral not included in Interest Proceeds;

provided, that any of the amounts referred to in clauses (i) through (xi) above will be excluded from Principal Proceeds to the extent such amounts were previously reinvested in Collateral Debt Obligations or are designated by the Collateral Manager as retained for reinvestment in accordance with the Reinvestment Criteria; *provided*, *however*, that with respect to the final Payment Date, "Principal Proceeds" will include any amount referred to in clauses (i) through (xi) above received on or prior to the Business Day immediately preceding the final Payment Date.

"**Proposed Portfolio**": The portfolio of Collateral Debt Obligations and Eligible Investments resulting from the sale, maturity or other disposition of a Collateral Debt Obligation or a proposed reinvestment of Principal Proceeds in a Substitute Collateral Debt Obligation, as the case may be.

"**Protected Purchaser**": The meaning specified in Section 8-303 of the UCC.

"**Purchased Accrued Interest**": With respect to any Collateral Debt Obligation, the amount of accrued interest (if any) (including, with respect to a Collateral Debt Obligation that has been paying interest in cash at a rate equal to or greater than its original stated rate but also has an additional interest component paid on a deferred basis "in kind," such deferred additional interest component) purchased with Principal Proceeds or purchased on the Closing Date or with amounts that were on deposit in the Unused Proceeds Account.

"**QIB/QP**": Any Person that, at the time of its acquisition, purported acquisition or proposed acquisition of Notes, is both a Qualified Institutional Buyer and a Qualified Purchaser.

"**Qualified Institutional Buyer**": As defined in Rule 144A under the Securities Act.

"**Qualified Purchaser**": As defined in Section 2(a)(51) of the Investment Company Act and the rules promulgated thereunder.

"**Rated Notes**": The Class A Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes, the Class D Notes and the Class E Notes, individually or collectively as appropriate.

"**Rating Agency**": Each of S&P and Fitch, or if at any time S&P or Fitch ceases to provide rating services generally, any other NRSRO selected by the Issuer and not rejected by a Majority of the Controlling Class. If a Rating Agency is replaced pursuant to the preceding sentence, defined terms and references herein that incorporate provisions relating to the replaced rating agency will be deemed to be references to those terms and equivalent categories of such other rating agency (for the avoidance of doubt, unless otherwise consented to in writing by S&P, other than in connection with clause (vii) of the definition of "S&P Rating"). If a Rating Agency withdraws all of its ratings on the Rated Notes rated by it on the Closing Date, it will no longer constitute a Rating Agency for purposes of the Indenture, and any provisions of the Indenture that refer to such Rating Agency and any tests or limitations that incorporate the name of such Rating Agency will have no further effect.

"**Rating Agency Effective Date Reports**": One or more reports, dated as of the Effective Date, compiled by the Collateral Administrator and delivered to each Rating Agency on or prior to the 20th Business Day after the Effective

Date, calculated on a traded basis and containing at least the information that would be included if such a report was a monthly report under the Indenture and a calculation with respect to whether the Effective Date Condition is satisfied.

"**Rating Condition**": The S&P Rating Condition, together with notice to Fitch of the proposed action or designation at least five Business Days prior to such action or designation taking effect (or such lesser time period agreed by Fitch); provided that in the event Fitch has communicated that it does not review events or circumstances of the relevant type, the Rating Condition will be deemed satisfied with respect to Fitch.

"**Received Obligation**": A debt obligation that is a Defaulted Obligation or Credit Risk Obligation received in connection with an Exchange Transaction.

"**Redemption Consent Threshold**": So long as the Original Holder of the Majority of the LP Certificates and its Affiliates hold beneficial interests in a Majority of the LP Certificates (as certified in writing by the Original Holder of the Majority of the LP Certificates to the Trustee), a Majority of the LP Certificates, and at any other time, the Holders of more than two-thirds of the limited partnership interests in the Issuer represented by the LP Certificates.

"**Redemption Date**": Any date specified for an Optional Redemption or, if such date is not a Business Day, the next following Business Day.

"**Reference Instrument**": The indenture, credit agreement or other agreement pursuant to which a Collateral Debt Obligation has been issued or created and each other agreement that governs the terms of or secures the obligations represented by such Collateral Debt Obligation or of which the holders of such Collateral Debt Obligation are the beneficiaries.

"**Refinancing Price**": With respect to any Class of Notes that is subject to a Refinancing, an amount equal to the Redemption Price of such Class of Notes.

"**Registered**": A debt obligation that is issued after July 18, 1984 and that is in registered form within the meaning of Section 881(c)(2)(B)(i) of the Code and the Treasury Regulations promulgated thereunder.

"**Regulation S**": Regulation S under the Securities Act.

"**Regulation S Global Securities**": One or more permanent Global Securities for each Class of Notes, LP Certificates and Income Notes in definitive, fully registered form without interest coupons with the legend set forth in the applicable exhibit to the Indenture, the Income Note Paying Agency Agreement or the LP Paying Agency Agreement, as applicable, added to the forms of such Class of Notes, LP Certificates or Income Notes.

"**Regulation U**": Regulation U (12 C.F.R. 221) issued by the Board of Governors of the Federal Reserve System.

"**Reinvestment Income**": Any interest or other earnings on amounts in the Unused Proceeds Account.

"**Reinvestment Target Par Balance**": The Aggregate Risk Adjusted Par Amount plus the aggregate amount of Principal Proceeds that result from the issuance of any Additional Securities (after giving effect to such issuance of any Additional Securities), as reduced by any reduction in the aggregate outstanding amount of the Notes.

"**Repricing Eligible Notes**": The Class E Notes.

"**Restricted Trading Condition**": A condition which is met on each day on which (a) the S&P rating of the Class A Notes, the Class B-1 Notes or the Class B-2 Notes is withdrawn (and not reinstated) or is one or more subcategories below its Initial Target Rating, or (b) (i) the S&P rating of any Class of Mezzanine Notes is withdrawn (and not reinstated) or is two or more subcategories below its Initial Target Rating and (ii) after giving effect to any proposed Discretionary Sale or investment or reinvestment in Substitute Collateral Debt Obligations as described under "*Security for the Notes—Purchase of Collateral Debt Obligations During and After Reinvestment Period*", as applicable, either (x) the Aggregate Principal Balance of the Collateral Debt Obligations (excluding any Collateral Debt Obligation being sold or the Disposed Obligation, as applicable) and Eligible Investments constituting Principal Proceeds (including, without duplication, the anticipated net proceeds of any Discretionary Sale or the amount of any Unscheduled Principal Payments retained by the Issuer after investment or reinvestment as described under "*Security for the Notes—Purchase of Collateral Debt Obligations During and After Reinvestment Period*", as applicable) will

be less than the Reinvestment Target Par Balance, (y) one or more of the Coverage Tests will not be satisfied or (z) one or more of the Collateral Quality Tests (other than the Weighted Average Life Test) will not be satisfied; *provided*, *however*, that if the Restricted Trading Condition is in effect, a Majority of the Controlling Class may elect to waive such condition, which waiver will remain in effect until the earlier of (i) revocation of such waiver by a Majority of the Controlling Class and (ii) a further downgrade or withdrawal of the rating of any Class of Notes that, notwithstanding such waiver, would cause the conditions set forth in clauses (a), (b)(i) or (b)(ii) to be true.

"**Revolving Credit Facility**": As the context requires, (i) an agreement which provides the borrower with a line of credit against which one or more borrowings may be made up to the stated principal amount of such facility and which provides that such borrowed amount may be repaid and reborrowed from time to time or (ii) the aggregate borrowings outstanding thereunder. In the case of any loan that consists of a combination of a Revolving Credit Facility and a term loan, only that portion of the loan that consists of a Revolving Credit Facility will be treated as a Revolving Credit Facility.

"**Rule 144A**": Rule 144A under the Securities Act.

"**Rule 144A Global Security**": One or more permanent Global Securities for each Class of Notes or Income Notes, in definitive, fully registered form without interest coupons with the legends set forth in the applicable exhibits to the Indenture added to the forms of such Class of Notes or Income Notes.

"**S&P**": Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, and any successor or successors thereto.

"**S&P Additional Current Pay Criteria**": Criteria satisfied with respect to any Collateral Debt Obligation (other than a DIP Loan) if either (i)(A) the issuer of such Collateral Debt Obligation has made a Distressed Exchange Offer and such Collateral Debt Obligation is subject to the Distressed Exchange Offer or ranks equal to or higher in priority than the obligation subject to the Distressed Exchange Offer, (B) in the case of a Distressed Exchange Offer that is a repurchase of debt for cash, the repurchased debt will be extinguished and (C) the Issuer does not hold any obligation of the issuer making the Distressed Exchange Offer that ranks lower in priority than the obligation subject to the Distressed Exchange Offer, or (ii) such Collateral Debt Obligation has a Market Value of at least 80% of its par value.

"**S&P Average Recovery Rate**": As of any Measurement Date, for any Class of Notes, the number, expressed as a percentage, obtained by:

(i) summing the products obtained by multiplying:

(A) the Principal Balance of each Collateral Debt Obligation (excluding Defaulted Obligations), by

(B) its corresponding S&P Recovery Rate for such Class;

(ii) dividing such sum by the Aggregate Principal Balance of all Collateral Debt Obligations (excluding Defaulted Obligations), and

(iii) rounding up to the first decimal place.

For purposes of the S&P Minimum Weighted Average Recovery Rate Test, the Principal Balance of any Collateral Debt Obligation falling under clauses (ii), (iii) and (vi) of the definition of Principal Balance will be deemed to be its outstanding principal amount.

"**S&P CDO Monitor**": The S&P Non Model Version of CDO Monitor, the dynamic, analytical computer model developed by S&P and used to estimate the default risk of Collateral Debt Obligations, as such model may be modified by S&P from time to time upon notice to the Issuer, the Collateral Administrator and the Trustee. The S&P CDO Monitor software will be available for download from www.structuredfinanceinterface.com (or such successor location identified by S&P) by the Collateral Manager and the Collateral Administrator.

"**S&P CDO Monitor Test**": The meaning specified in Annex D to this Offering Memorandum.

"**S&P Industry Category**": Any of the industry categories set forth in the applicable schedule to the Indenture, including any such modifications that may be made thereto or such additional categories that may be subsequently established by S&P and provided by the Collateral Manager or S&P to the Trustee.

"**S&P Issue Rating**": With respect to a Collateral Debt Obligation that (i) is publicly rated by S&P, such public rating or (ii) is not publicly rated by S&P, the applicable S&P Rating.

"**S&P Maximum Weighted Average Life**": The meaning specified in Annex B to this Offering Memorandum.

"**S&P Minimum Spread**": As of any date of determination, the spread equal to: (i) during the Reinvestment Period, a Weighted Average Spread value selected by the Collateral Manager that would result in the S&P CDO Monitor Test being satisfied on such date of determination (or, if the S&P CDO Monitor Test was not satisfied immediately prior to such date, a Weighted Average Spread value that would result in the S&P CDO Monitor Test being maintained at the level on such date) and (ii) after the Reinvestment Period, the lowest Weighted Average Spread that would result in the S&P CDO Monitor Test being satisfied as of the last day of the Reinvestment Period (or, if the S&P CDO Monitor Test was not satisfied on such date, the lowest Weighted Average Spread that would result in the S&P CDO Monitor Test being maintained at the level on such date).

"**S&P Minimum Weighted Average Recovery Rate**": As of any date of determination, the recovery rate equal to (i) during the Reinvestment Period, an S&P Average Recovery Rate value selected by the Collateral Manager that would result in the S&P CDO Monitor Test being satisfied on such date of determination (or, if the S&P CDO Monitor Test was not satisfied on such date, an S&P Average Recovery Rate value that would result in the S&P CDO Monitor Test being maintained at the level on such date) and (ii) after the Reinvestment Period, the lowest S&P Average Recovery Rate that would result in the S&P CDO Monitor Test being satisfied as of the last day of the Reinvestment Period (or, if the S&P CDO Monitor Test was not satisfied on such date, the lowest S&P Average Recovery Rate that would result in the S&P CDO Monitor Test being maintained at the level on such date).

"**S&P Minimum Weighted Average Recovery Rate Test**": A test satisfied if, as of any date of determination on or after the Effective Date, the S&P Average Recovery Rate for the Controlling Class is equal to or greater than the S&P Minimum Weighted Average Recovery Rate applicable to such Class.

"**S&P Rating**": The meaning specified in Annex B to this Offering Memorandum.

"**S&P Rating Condition**": A condition satisfied if S&P confirms in writing (including by means of a press release, a posting on a website maintained by S&P, or an exchange of electronic messages or facsimilies) that any proposed action or designation will not cause any of the then-current ratings by S&P of the Rated Notes to be reduced or withdrawn; *provided* that, with respect to any provision of the Indenture, the Collateral Management Agreement or any other transaction document requiring satisfaction of the S&P Rating Condition, satisfaction of the S&P Rating Condition shall not be required if (a) S&P makes a public announcement or informs the Issuer, the Collateral Manager or the Trustee in writing (which may be evidenced by a press release, a posting on a website maintained by S&P or an exchange of electronic messages or facsimiles) that (i) it believes satisfaction of the Rating Condition is not required with respect to the applicable action, (ii) its practice is not to give such confirmations or (iii) it provides a waiver or other acknowledgment indicating its decision not to review or declining to review the matter for which confirmation is sought; or (b) S&P, for the avoidance of doubt, no longer constitutes a Rating Agency under the Indenture.

"**S&P Recovery Amount**": With respect to any Collateral Debt Obligation, an amount equal to:

(i) the applicable S&P Recovery Rate; *multiplied by*

(ii) the Principal Balance of such Collateral Debt Obligation.

"**S&P Recovery Rate**": The meaning specified in Annex B to this Offering Memorandum.

"**S&P Senior Unsecured Loan**": The meaning specified in Annex B to this Offering Memorandum.

"**S&P Weighted Average Life**": The meaning specified in Annex B to this Offering Memorandum.

"**S&P Weighted Average Spread Test**": A test satisfied if, on any date of determination on or after the Effective Date, the Weighted Average Spread of the portfolio is equal or greater than the applicable S&P Minimum Spread.

"**Sale Proceeds**": All amounts representing (i) proceeds from the sale or other disposition of any Collateral Debt Obligation (including Purchased Accrued Interest but excluding any accrued interest purchased with Interest Proceeds), any Equity Security or Exchanged Equity Security (other than proceeds from the sale or other disposition of any Defaulted Obligation until such time as the outstanding principal amount thereof has been received by the Issuer) and (ii) any proceeds of the foregoing, including from the sale of Eligible Investments purchased with any proceeds described in clause (i) above (including any accrued interest thereon). Sale Proceeds with respect to any Payment Date will only include proceeds received on or prior to the last day of the relevant Due Period and will be net of any reasonable amounts expended by the Collateral Manager or the Trustee in connection with such sale or other disposition; *provided*, *however*, that with respect to the final Payment Date, Sale Proceeds will include any amount referred to above received on or prior to the Business Day immediately preceding the final Payment Date.

"**SEC**": The United States Securities and Exchange Commission and any successor thereto.

"**Second Lien Loan**": A loan (whether constituting an Assignment or Participation or other interest therein) that (i) 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 the loan, other than a Senior Secured Loan, and (ii) is secured by a valid and perfected security interest or lien on specified collateral securing the obligor's obligations under such loan, which security interest or lien is not subordinate to the security interest or lien securing any other debt for borrowed money other than a Senior Secured Loan on such specified collateral; *provided*, *however*, that with respect to clauses (i) and (ii) above, such right or payment, security interest or lien may be subordinate to customary permitted liens, including tax liens.

"**Secured Parties**": The Bank (in all of its capacities under the Indenture), the LP Paying Agent, the Income Note Paying Agent, the Holders of the Notes, the Collateral Manager, the Collateral Administrator and the Administrator. For the avoidance of doubt, the Holders of the LP Certificates are not Secured Parties.

"**Securities Act**": The United States Securities Act of 1933, as amended.

"**Securities Lending Agreement**": An agreement between the Issuer and any securities lending counterparty relating to the loan of Collateral Debt Obligations to such securities lending counterparty and the posting by such securities lending counterparty of collateral to secure its obligation to return to the Issuer the Collateral Debt Obligations.

"**Securities Registrar**": With respect to the Notes, the Indenture Registrar, and with respect to the LP Certificates, the LP Certificates Registrar.

"**Selling Institution**": The entity obligated to make payments to the Issuer under the terms of a Participation.

"**Senior Note Interest Coverage Test**": A test satisfied if, as of any Measurement Date on and after the Determination Date related to the third Payment Date, the Interest Coverage Ratio of the Class A Notes and the Class B Notes is at least 120.00%; *provided*, *however*, that if LIBOR used to determine the Class A Note Interest Rate or the Class B-1 Note Interest Rate for a particular Interest Accrual Period is more than 30 basis points higher than the lowest LIBOR determined in respect of the period of 30 Business Days prior to the first day of such Interest Accrual Period, this test will be deemed satisfied as of each Measurement Date during such Interest Accrual Period (including as of the Determination Date in such Interest Accrual Period) so long as the Senior Note Interest Coverage Test was satisfied as of the immediately preceding Determination Date without reference to this proviso.

"**Senior Note Overcollateralization Test**": A test satisfied if, as of any Measurement Date, the Overcollateralization Ratio for the Class A Notes and the Class B Notes is at least 124.1%.

"**Senior Notes**": Collectively, the Class A Notes and the Class B Notes.

"**Senior Secured Loan**": A loan (whether constituting an Assignment or Participation or other interest therein) that (a) is secured by a valid first priority perfected security interest on specified collateral (including *pari passu* with

other obligations of the obligor, but subject to customary permitted liens, such as, but not limited to, any tax liens); or (b) (i) is secured by a valid second priority perfected security interest on specified collateral, subject to customary permitted liens, including tax liens and (ii) is not (and cannot by its terms become) subordinated in right of payment to any other obligation of the obligor, other than, with respect to a loan described in clause (a) above, if any, with respect to the liquidation of such obligor or collateral for such loan.

"**Senior Secured Note**": Any note that is secured by the pledge of collateral and has the most senior pre-petition priority (including *pari passu* with other obligations of the obligor, but subject to any super-priority lien imposed by operation of law, such as, but not limited to, any tax liens, and liquidation preferences with respect to pledged collateral, and any Senior Secured Loan) in any bankruptcy, reorganization, arrangement, insolvency, moratorium or liquidation proceedings. For the avoidance of doubt, the term Senior Secured Note will not include Senior Secured Loans.

"**Special Purpose Vehicle**": A special purpose vehicle organized under the laws of a Tax Jurisdiction.

"**Step-Up Coupon Security**": A security that provides that (i) it does not pay interest over a specified period of time ending prior to its maturity, but which does provide for the payment of interest after the expiration of such specified period or (ii) the interest rate of which increases over a specified period of time other than due to the increase of the index relating to a Floating Rate Collateral Debt Obligation.

"**Structured Finance Security**": Any debt obligation secured directly by, or representing ownership of, a pool of consumer receivables, auto loans, auto leases, equipment leases, home or commercial mortgages, corporate debt or sovereign debt obligations, including collateralized bond obligations, collateralized loan obligations or any similar security or other asset backed security or similar investment or equipment trust certificate or trust certificate of the type generally considered to be a repackaged security, but not including any Synthetic Security.

"**Substitute Collateral Debt Obligation**": A Collateral Debt Obligation that is acquired by the Issuer in accordance with the Reinvestment Criteria or otherwise acquired as permitted by and in accordance with the Indenture with the proceeds of the disposition of or in exchange for a Collateral Debt Obligation.

"**Supermajority**": With respect to the Notes or any Class thereof, the Holders of more than two-thirds of the Aggregate Outstanding Amount of the Notes of such Class, as the case may be. A "Supermajority" of the LP Certificates means the Holders of more than two-thirds of the limited partnership interests in the Issuer represented by the LP Certificates.

"**Surrendered Notes**": Any Notes or beneficial interest in Notes tendered by any Holder or beneficial owner, respectively, for cancellation by the Trustee in accordance with the Indenture without receiving any payment.

"**Swapped Non-Discount Obligation**": Any Collateral Debt Obligation (or any Collateral Debt Obligation exchanged therefor or purchased with the Sale Proceeds thereof) (the "**New Exchange**") that (a) at the time of the Issuer's commitment to purchase such Collateral Debt Obligation would have otherwise been a Discount Obligation but for this definition and (b) was acquired by the Issuer on a date on which the Leveraged Loan Index is less than or equal to 80%, if:

(i) the Collateral Debt Obligation to be disposed of (the "**Existing Collateral Debt Obligation**") is not a Discount Obligation;

(ii) if the Issuer were to acquire the Existing Collateral Debt Obligation on the terms at which it is sold or otherwise disposed of, it would be a Discount Obligation;

(iii) the purchase price (as a percentage of par) of the New Exchange is equal to or higher than the sale price (as a percentage of par) of the Existing Collateral Debt Obligation;

(iv) the S&P Issue Rating of such New Exchange is greater than or equal to the S&P Issue Rating of the Existing Collateral Debt Obligation;

(v) the Issuer acquires or commits to acquire the New Exchange within 20 Business Days of the disposition of the Existing Collateral Debt Obligation; and

(vi) the purchase price (as a percentage of par) of the New Exchange is not less than 65% of its Principal Balance;

provided, *however*, that if the Aggregate Principal Balance of Swapped Non-Discount Obligations held by the Issuer at any one time exceeds 5% in Aggregate Principal Amount of the Collateral Portfolio, such excess will not constitute Swapped Non-Discount Obligations; *provided*, *further*, that such Collateral Debt Obligation will cease to be a Swapped Non-Discount Obligation at such time as such Collateral Debt Obligation would no longer otherwise be considered a Discount Obligation; *provided*, *further*, that the total Aggregate Principal Balance of all Collateral Debt Obligations that are treated as Swapped Non-Discount Obligations after the Closing Date will not exceed 10% of the Effective Date Target Par Amount.

"**Synthetic Security**": A security or swap transaction, other than a Participation, 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.

"**Tax Guidelines**": The investment guidelines appended as Appendix 1 of the Collateral Management Agreement.

"**Tax Jurisdiction**": A sovereign jurisdiction that is commonly used as the place of organization of special purpose vehicles (including, by way of example, the Cayman Islands, Ireland, Bermuda, Curaçao, St. Maarten and the Channel Islands).

"**Temporary Global Security**": Any Note sold outside the United States to non-U.S. persons in reliance on Regulation S and issued under the Indenture in the form of a temporary Global Security as specified in the Indenture in definitive, fully registered form without interest coupons.

"**Trading Plan**": Any trading plan (a) pursuant to which the Collateral Manager believes all trades contemplated thereby will be entered into within 10 Business Days and before the end of the current Due Period, (b) specifying certain (i) amounts received or expected to be received as Principal Proceeds in connection with a Trading Plan, (ii) Collateral Debt Obligations related to such Principal Proceeds and (iii) Collateral Debt Obligations acquired or intended to be acquired as a result of such Trading Plan, (c) for which the Collateral Manager believes such plan can be executed according to its terms, (d) pursuant to which the Collateral Manager believes each Collateral Quality Test and Coverage Test will be satisfied following all trades contemplated thereby or, if immediately prior to implementation of such Trading Plan such test was not satisfied, the results of such test will be maintained or improved after giving effect to all trades contemplated by such Trading Plan and (e) as to which that portion of the Par Value Numerator relating to Collateral Debt Obligations expected to be acquired thereunder constitutes no more than 5% of the Par Value Numerator; *provided*, that, in no event may there be more than one outstanding Trading Plan at any time; *provided*, *further*, that the Collateral Manager will provide notice to the Rating Agencies of the implementation of any Trading Plan concurrently with the delivery of the next monthly report (or, if the next monthly report is to be provided to Holders in fewer than 10 calendar days from the date of implementation, within 10 calendar days of such implementation); *provided*, *further*, that the Collateral Manager will provide notice to the Rating Agencies if any Trading Plan is not successfully completed (including if each Collateral Quality Test and Coverage Test was not satisfied following all trades contemplated thereby, or, if immediately prior to implementation of such Trading Plan such test was not satisfied, the results of such test were not maintained or improved after giving effect to all trades contemplated by such Trading Plan) within the specified time period and thereafter the Issuer may not commence any other Trading Plan without satisfaction of the Rating Condition until a subsequent Trading Plan for which the Rating Condition was satisfied is successfully completed. The time period for such Trading Plan will be measured from the earliest trade date to the latest trade date of any such amounts. For the avoidance of doubt, a Trading Plan will be considered to be no longer outstanding once the series of reinvestments has been traded.

"**Transaction Party**": Each of the Issuer, the Co-Issuer, the Income Note Issuer, the General Partner, the Collateral Manager, the Initial Purchaser, the Bank (in all of its capacities under the Indenture), the LP Paying Agent, the Income Note Paying Agent, the Collateral Administrator and the Administrator.

"**Transfer Certificate**": A duly executed transfer certificate substantially in the form of the applicable exhibit to the Indenture.

"**U.S. Person**": The meaning specified under Regulation S.

"**Underlying Instrument**": The indenture or other agreement pursuant to which a Collateral Debt Obligation has been issued or created and each other agreement that governs the terms of or secures the obligations represented by such Collateral Debt Obligation or of which the holders of such Collateral Debt Obligation are the beneficiaries.

"**Uniform Commercial Code**" or "**UCC**": The Uniform Commercial Code as in effect in the State of New York, as amended from time to time.

"**Unsalable Asset**": (a) (i) A Defaulted Obligation, (ii) an Equity Security, (iii) an obligation received in connection with an Offer, in a restructuring or plan of reorganization with respect to the obligor, or (iv) any other exchange or any other security or debt obligation that is part of the Collateral Portfolio, in the case of (i), (ii) or (iii) in respect of which the Issuer has not received a payment in cash during the preceding 12 months or (b) any Pledged Obligation identified in an Officer's Certificate of the Collateral Manager as having a Market Value of less than $1,000, in each case of (a) and (b) with respect to which the Collateral Manager certifies to the Trustee that (x) it has made commercially reasonable efforts to dispose of such Pledged Obligation for at least 90 days and (y) in its commercially reasonable judgment such Pledged Obligation is not expected to be saleable for the foreseeable future.

"**Unscheduled Principal Payments**": Any principal payments received with respect to a Collateral Debt Obligation during and after the Reinvestment Period as a result of optional redemptions, exchange offers, tender offers, consents or other payments or prepayments made at the option of the issuer thereof.

"**Unsecured Loan**": A loan that is not secured by a valid perfected security interest on specified collateral.

"**Unused Proceeds**": (a) That portion of the net proceeds on the Closing Date that was not deposited into the Expense Reserve Account, the Interest Reserve Account or the Revolving Credit Facility Reserve Account on the Closing Date or used to pay the purchase price of the Collateral Debt Obligations purchased on or prior to the Closing Date or to repay financing incurred by the Issuer prior to the Closing Date in connection with the acquisition of the Collateral, (b) that portion of the net proceeds of the issuance of any Additional Securities that are not used to purchase Collateral Debt Obligations on the date of such issuance and (c) funds designated by the Collateral Manager for transfer from the Interest Reserve Account in accordance with the Indenture.

"**Weighted Average Fixed Rate Coupon**": As of any Measurement Date, a fraction (expressed as a percentage) obtained by (a) multiplying the Principal Balance of each Fixed Rate Collateral Debt Obligation held by the Issuer as of such Measurement Date by the current per annum rate at which it pays interest, (b) summing the amounts determined pursuant to clause (a), (c) dividing such sum by the Aggregate Principal Balance of all Fixed Rate Collateral Debt Obligations held by the Issuer as of such Measurement Date and (d) if such quotient is less than the Minimum Weighted Average Fixed Rate Coupon, adding to such quotient an amount equal to (i) the Gross Spread Excess, as of such Measurement Date, divided by (ii) the Aggregate Principal Balance of all Fixed Rate Collateral Debt Obligations held by the Issuer as of such Measurement Date; *provided*, *however*, that the calculation of the Weighted Average Fixed Rate Coupon will exclude (i) any security that in accordance with its terms is making payments due thereon "in kind" in lieu of cash until the issuer thereof has resumed the payment of interest in cash and (ii) any security for which the Issuer or the Collateral Manager has actual knowledge that payment of interest on such security will not be made by the issuer thereof during the applicable due period.

"**Weighted Average Life**": As of any Measurement Date, the number obtained by (i) for each Collateral Debt Obligation (other than Defaulted Obligations), multiplying each scheduled distribution of principal by the number of years (rounded to the nearest hundredth) from the Measurement Date until such scheduled distribution is scheduled to be paid; (ii) summing all of the products calculated pursuant to clause (i); and (iii) dividing the sum calculated pursuant to clause (ii) by the sum of all scheduled distributions of principal due on all of the Collateral Debt Obligations (excluding Defaulted Obligations) as of such Measurement Date.

"**Weighted Average Life Test**": A test satisfied as of any Measurement Date occurring during any period set forth in Schedule A if the Weighted Average Life as of such Measurement Date is less than or equal to the lower of (a) the number of years set forth in Schedule A opposite such period and (b) the S&P Weighted Average Life.

"**Weighted Average Spread**": As of any Measurement Date, with respect to the Floating Rate Collateral Debt Obligations, a fraction (expressed as a percentage) obtained by (a) multiplying (i) the Principal Balance of each Floating Rate Collateral Debt Obligation held by the Issuer as of such Measurement Date by (ii) the current per annum rate at which it pays interest in excess of LIBOR or such other floating rate index upon which such Floating Rate Collateral Debt Obligation bears interest (such rate, the "**Spread**"), (b) summing the amounts determined pursuant to clause (a), (c) dividing such sum by the Aggregate Principal Balance of all Floating Rate Collateral Debt Obligations held by the Issuer as of such Measurement Date and (d) if such quotient is less than the S&P Minimum Spread chosen by the Collateral Manager in connection with the S&P CDO Monitor Test (or otherwise applicable in accordance with the definition of "S&P Minimum Spread") as of such Measurement Date, adding to such quotient an amount equal to (i) the Gross Fixed Rate Excess, as of such Measurement Date, divided by (ii) the Aggregate Principal Balance of all Floating Rate Collateral Debt Obligations held by the Issuer as of such Measurement Date; *provided*, that for purposes of calculating the Weighted Average Spread, (A) the spread of any Floating Rate Collateral Debt Obligation (including any LIBOR Floor Obligation) that bears interest based on a non-LIBOR based floating rate index will be deemed to be the then-current base rate applicable to such Floating Rate Collateral Debt Obligation plus the rate at which such Floating Rate Collateral Debt Obligation pays interest in excess of such base rate minus LIBOR, (B) the spread of any LIBOR Floor Obligation will be deemed to be the total interest rate payable in respect thereof (consisting of the spread and the greater of LIBOR and the specified floor rate) minus LIBOR, (C) the spread of any Floating Rate Collateral Debt Obligation will be excluded from such calculation to the extent that the Issuer or the Collateral Manager has actual knowledge that payment of interest on such Floating Rate Collateral Debt Obligation will not be made by the issuer thereof during the applicable due period, (D) such calculation will exclude any security that in accordance with its terms is making payments due thereon "**in kind**" in lieu of cash until the issuer thereof has resumed the payment of interest in cash and (E) the Spread of any Revolving Credit Facility or Delayed Funding Term Loan will be the sum of (1) the product of (x) the Spread payable on the funded portion of such Revolving Credit Facility or Delayed Funding Term Loan and (y) the percentage equivalent of a fraction, the numerator of which is equal to the funded portion of such Revolving Credit Facility or Delayed Funding Term Loan and the denominator of which is equal to the commitment amount of such Revolving Credit Facility or Delayed Funding Term Loan and (2) the product of (x) the scheduled amounts (other than interest) of commitment fee and/or facility fee payable on the Aggregate Unfunded Amount of such Revolving Credit Facility or Delayed Funding Term Loan and (y) the percentage equivalent of a fraction, the numerator of which is equal to the Aggregate Unfunded Amount of such Revolving Credit Facility or Delayed Funding Term Loan and the denominator of which is equal to the commitment amount of such Revolving Credit Facility or Delayed Funding Term Loan.

"**Withholding Tax Event**": An event that will occur if on or prior to the next Payment Date (i) any obligor is, or on the next scheduled payment date under any Collateral Debt Obligation or Eligible Investment, will be, required to deduct or withhold from any payment to the Issuer for or on account of any tax for whatever reason (other than withholding tax imposed on commitment fees, amendment fees, waiver fees, consent fees, extension fees, or similar fees, in each case to the extent that such withholding tax does not exceed 30% of the amount of such fees) 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 (after payment of all taxes, whether assessed against such obligor or the Issuer) equals the full amount that the Issuer would have received had no such taxes been imposed, (ii) any jurisdiction imposes or will impose tax on the Issuer or the Income Note Issuer (including any tax liability imposed pursuant to Section 1446 or 6221 of the Code), or (iii) the Issuer is or will be required to deduct or withhold from any payment to any counterparty for or on account of any tax and the Issuer is obligated to make a gross up payment (or otherwise pay additional amounts) to the counterparty, and the aggregate amount of such a tax or taxes imposed on the Issuer or withheld from payments to the Issuer and with respect to which the Issuer receives less than the full amount that the Issuer would have received had no such deduction occurred, or "gross up payments" required to be made by the Issuer is in excess of 5% of the aggregate interest due and payable on the Collateral Debt Obligations during the collection period in which such event occurs.

"**Withholding Tax Security**": A Collateral Debt Obligation (a) payments of which are being withheld by the issuer or agent of the issuer for purposes of paying tax or taxes and (b) the Reference Instrument with respect thereto does not contain a "gross-up" provision which would compensate the Issuer for the full amount of any such withholding tax on an after-tax basis.

"**Zero-Coupon Security**": A security that, at the time of determination, does not make periodic payments of interest; *provided*, *however*, that a Zero-Coupon Security will not include a security that is a Step-Up Coupon Security.

INDEX OF DEFINED TERMS

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FITCH RATING DEFINITIONS

"Fitch Rating": As of any date of determination, the Fitch Rating of any Collateral Debt Obligation will be determined as follows:

(a) if Fitch has issued an issuer default rating with respect to the issuer of such Collateral Debt Obligation, or the guarantor which unconditionally and irrevocably guarantees such Collateral Debt Obligation, then the Fitch Rating will be such issuer default rating (regardless of whether there is a published rating by Fitch on the Collateral Debt Obligations of such issuer held by the Issuer);

(b) if Fitch has not issued an issuer default rating with respect to the issuer or guarantor of such Collateral Debt Obligation but Fitch has issued an outstanding long-term financial strength rating with respect to such issuer, the Fitch Rating of such Collateral Debt Obligation will be one sub-category below such rating;

(c) if a Fitch Rating cannot be determined pursuant to clause (a) or (b), but

(i) Fitch has issued a senior unsecured rating on any obligation or security of the issuer of such Collateral Debt Obligation, then the Fitch Rating of such Collateral Debt Obligation will equal such rating; or

(ii) Fitch has not issued a senior unsecured rating on any obligation or security of the issuer of such Collateral Debt Obligation but Fitch has issued a senior rating, senior secured rating or a subordinated secured rating on any obligation or security of the issuer of such Collateral Debt Obligation, then the Fitch Rating of such Collateral Debt Obligation will (x) equal such rating if such rating is "BBB-" or higher and (y) be one sub-category below such rating if such rating is "BB+" or lower; or

(iii) Fitch has not issued a senior unsecured rating or a senior rating, senior secured rating or a subordinated secured rating on any obligation or security of the issuer of such Collateral Debt Obligation but Fitch has issued a subordinated, junior subordinated or senior subordinated rating on any obligation or security of the issuer of such Collateral Debt Obligation, then the Fitch Rating of such Collateral Debt Obligation will be (x) one sub-category above such rating if such rating is "B+" or higher and (y) two sub-categories above such rating if such rating is "B" or lower;

(d) if a Fitch Rating cannot be determined pursuant to clause (a), (b) or (c) and

(i) Moody's has issued a publicly available corporate family rating for the issuer of such Collateral Debt Obligation, then, subject to subclause (viii) below, the Fitch Rating of such Collateral Debt Obligation will be the Fitch equivalent of such Moody's rating;

(ii) Moody's has not issued a publicly available corporate family rating for the issuer of such Collateral Debt Obligation but has issued a publicly available long-term issuer rating for such issuer, then, subject to subclause (viii) below, the Fitch Rating of such Collateral Debt Obligation will be the Fitch equivalent of such Moody's rating;

(iii) Moody's has not issued a publicly available corporate family rating for the issuer of such Collateral Debt Obligation but Moody's has issued a publicly available outstanding insurance financial strength rating for such issuer, then, subject to subclause (viii) below, the Fitch Rating of such Collateral Debt Obligation will be one sub-category below the Fitch equivalent of such Moody's rating;

(iv) Moody's has not issued a publicly available corporate family rating for the issuer of such Collateral Debt Obligation but has issued a publicly available outstanding corporate issue ratings for such issuer, then, subject to subclause (viii) below, the Fitch Rating of such Collateral Debt Obligation will be (x) if such corporate issue rating relates to senior unsecured obligations of such issuer, the Fitch equivalent of the Moody's rating for such issue, if there is no such corporate issue ratings relating to senior unsecured obligations of the issuer then (y) if such corporate issue rating relates to senior, senior secured or subordinated

secured obligations of such issuer, (1) one sub-category below the Fitch equivalent of such Moody's rating if such obligations are rated "Ba1" or above or "Ca" by Moody's or (2) two sub-categories below the Fitch equivalent of such Moody's rating if such obligations are rated "Ba2" or below but above "Ca" by Moody's, or if there is no such corporate issue ratings relating to senior unsecured, senior, senior secured or subordinated secured obligations of the issuer then (z) if such corporate issue rating relates to subordinated, junior subordinated or senior subordinated obligations of such issuer, (1) one sub-category above the Fitch equivalent of such Moody's rating if such obligations are rated "B1" or above by Moody's or (2) two sub-categories above the Fitch equivalent of such Moody's rating if such obligations are rated "B2" or below by Moody's;

(v) S&P has issued a publicly available issuer credit rating for the issuer of such Collateral Debt Obligation, then, subject to subclause (viii) below, the Fitch Rating of such Collateral Debt Obligation will be the Fitch equivalent of such S&P rating;

(vi) S&P has not issued a publicly available issuer credit rating for the issuer of such Collateral Debt Obligation but S&P has issued a publicly available outstanding insurance financial strength rating for such issuer, then, subject to subclause (viii) below, the Fitch Rating of such Collateral Debt Obligation will be one sub-category below the Fitch equivalent of such S&P rating;

(vii) S&P has not issued a publicly available issuer credit rating for the issuer of such Collateral Debt Obligation but has issued a publicly available outstanding corporate issue ratings for such issuer, then, subject to subclause (viii) below, the Fitch Rating of such Collateral Debt Obligation will be (x) if such corporate issue rating relates to senior unsecured obligations of such issuer, the Fitch equivalent of the S&P rating for such issue, if there is no such corporate issue ratings relating to senior unsecured obligations of the issuer then (y) if such corporate issue rating relates to senior, senior secured or subordinated secured obligations of such issuer, (1) the Fitch equivalent of such S&P rating if such obligations are rated "BBB-" or above by S&P or (2) one sub-category below the Fitch equivalent of such S&P rating if such obligations are rated "BB+" or below by S&P, or if there is no such corporate issue ratings relating to senior unsecured, senior, senior secured or subordinated secured obligations of the issuer then (z) if such corporate issue rating relates to subordinated, junior subordinated or senior subordinated obligations of such issuer, (1) one sub-category above the Fitch equivalent of such S&P rating if such obligations are rated "B+" or above by S&P or (2) two sub-categories above the Fitch equivalent of such S&P rating if such obligations are rated "B" or below by S&P; and

(viii) both Moody's and S&P provide a public rating of the issuer of such Collateral Debt Obligation or a corporate issue of such issuer, then the Fitch Rating will be the lowest of the Fitch Ratings determined pursuant to any of the subclauses of this clause (d).

(e) if a rating cannot be determined pursuant to clauses (a) through (d) then, (i) at the discretion of the Collateral Manager, the Collateral Manager on behalf of the Issuer may apply to Fitch for a Fitch credit opinion, and the issuer default rating provided in connection with such rating will then be the Fitch Rating, or (ii) the Issuer may assign a Fitch Rating of "CCC" or lower to such Collateral Debt Obligation which is not in default;

provided, that on the Closing Date, if any rating described above is (i) on rating watch negative or negative credit watch, the rating will be the Fitch Rating as determined above adjusted down by one sub-category, (ii) on outlook negative, the rating will be the Fitch Rating as determined above, or (iii) on rating watch positive or positive credit watch, the rating will not be adjusted; *provided further,* that after the Closing Date, if any rating described above is on rating watch negative or negative credit watch, the rating will be adjusted down by one-sub-category; provided, further, that the Fitch Rating may be updated by Fitch from time to time as indicated in the "Global Rating Criteria for CLOs and Corporate CDOs" report issued by Fitch and available at www.fitchratings.com. For the avoidance of doubt, the Fitch Rating takes into account adjustments for assets that are on rating watch negative or negative credit watch, as well as negative outlook prior to determining the issue rating or in the determination of the lower of the Moody's and S&P rating public ratings.

Fitch Equivalent Ratings

Fitch Rating	Moody's rating	S&P rating
AAA	Aaa	AAA
AA+	Aa1	AA+
AA	Aa2	AA
AA-	Aa3	AA-
A+	A1	A+
A	A2	A
A-	A3	A-
BBB+	Baa1	BBB+
BBB	Baa2	BBB
BBB-	Baa3	BBB-
BB+	Bal	BB+
BB	Ba2	BB
BB-	Ba3	BB-
B+	B1	B+
B	B2	B
B-	B3	B-
CCC+	Caa1	CCC+
CCC	Caa2	CCC
CCC-	Caa3	CCC-
CC	Ca	CC
C	C	C

Fitch IDR Equivalency Map from Corporate Ratings

Rating Type	Rating Agency(s)	Issue Rating	Mapping Rule
Corporate Family Rating LT Issuer Rating	Moody's	NA	0
Issuer Credit Rating	S&P	NA	0
Senior unsecured	Fitch, Moody's, S&P	Any	0
Senior, Senior secured or Subordinated secured	Fitch, S&P	"BBB-" or above	0
	Fitch, S&P	"BB+" or below	-1
	Moody's	"Bal" or above	-1
	Moody's	"Ba2" or below	-2
	Moody's	"Ca"	-1
Subordinated, Junior subordinated or Senior subordinated	Fitch, Moody's, S&P	"B+", "B1" or above	1
	Fitch, Moody's, S&P	"B," "B2" or below	2

The following steps are used to calculate the Fitch IDR equivalent ratings:

(i) Public or private Fitch-issued IDR.

(ii) If Fitch has not issued an IDR, but has an outstanding Long-Term Financial Strength Rating, then the IDR equivalent is one rating lower.

(iii) If Fitch has not issued an IDR, but has outstanding corporate issue ratings, then the IDR equivalent is calculated using the mapping in the table above.

(iv) If Fitch does not rate the issuer or any associated issuance, then determine a Moody's and S&P equivalent to Fitch's IDR pursuant to steps (v) through (x).

(v) A public Moody's-issued Corporate Family Rating (CFR) is equivalent in definition terms to the Fitch IDR. If Moody's has not issued a CFR, but has an outstanding LT issuer Rating, then this is equivalent to the Fitch IDR.

(vi) If Moody's has not issued a CFR, but has an outstanding Insurance Financial Strength Rating, then the Fitch IDR equivalent is one rating lower.

(vii) If Moody's has not issued a CFR, but has outstanding corporate issue ratings, then the Fitch IDR equivalent is calculated using the mapping in the table above.

(viii) A public S&P-issued Issuer Credit Rating (ICR) is equivalent in terms of definition to the Fitch IDR.

(ix) If S&P has not issued an ICR, but has an outstanding Insurance Financial Strength Rating, then the Fitch IDR equivalent is one rating lower.

(x) If S&P has not issued an ICR, but has outstanding corporate issue ratings, then the Fitch IDR equivalent is calculated using the mapping in the table above.

(xi) If both Moody's and S&P provide a public rating on the issuer or an issue, the lower of the two Fitch IDR equivalent ratings will be used in PCM. Otherwise the sole public Fitch IDR equivalent rating from Moody's or S&P will be applied.

Annex B

S&P RATING DEFINITIONS

"First-Lien Last-Out Loan": A Collateral Debt Obligation that is an S&P Senior Secured Loan that, prior to a default with respect to such loan, is entitled to receive payments *pari passu* with other S&P Senior Secured Loans of the same obligor, but following a default becomes fully subordinated to other S&P Senior Secured Loans of the same obligor and is not entitled to any payments until such other S&P Senior Secured Loans are paid in full.

"Required S&P Credit Estimate Information": 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": With respect to any Collateral Debt Obligation, will be determined as follows (*provided*, *however*, that solely for purposes of the S&P CDO Monitor Test, if such Collateral Debt Obligation is (x) on watch for upgrade by S&P, it will be treated as upgraded by one rating subcategory or (y) on watch for downgrade by S&P, it will be treated as downgraded by one rating subcategory):

(i) if there is an issuer credit rating of the issuer of such Collateral Debt Obligation, or the guarantor who unconditionally and irrevocably guarantees (subject to a guarantee that conforms to S&P's then publicly available rating criteria so long as S&P is then rating the Notes) such Collateral Debt Obligation, then the S&P Rating of such issuer, or the guarantor of such issuer, will be such rating (regardless of whether there is a published rating by S&P on the Collateral Debt Obligation of such issuer held by the Issuer);

(ii) if the above clause is not applicable, and if no other security or obligation of the issuer is rated by S&P, then 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 Debt Obligation shall, prior to or within thirty (30) days after the acquisition of such Collateral Debt Obligation, apply (and concurrently submit all available Required S&P Credit Estimate Information in respect of such application) to S&P for a credit estimate which shall be its S&P Rating; *provided* that, until the receipt from S&P of such estimate, such Collateral Debt 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 that it believes that such S&P Rating determined by the Collateral Manager is commercially reasonable and will be at least equal to such rating; *provided*, *further*, that if such Required S&P Credit Estimate Information is not submitted within such thirty (30) day period, then, pending receipt from S&P of such estimate, the Collateral Debt Obligation shall have (1) the S&P Rating as determined by the Collateral Manager for a period of up to ninety (90) days after settlement of such Collateral Debt Obligation (or such longer period of time as S&P may grant) and (2) an S&P Rating of "CCC-" following such ninety day period, unless, during such ninety 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 with respect to any Collateral Debt Obligation for which S&P has provided a credit estimate, the Collateral Manager (on behalf of the Issuer) will (x) request that S&P confirm or update such estimate annually (and pending receipt of such confirmation or new estimate, the Collateral Debt Obligation will have the prior estimate), and (y) notify S&P if the Collateral Manager has actual knowledge of the occurrence of any Specified Change to such Collateral Debt Obligation;

(iii) [Reserved];

(iv) with respect to any Collateral Debt Obligation that is a DIP Loan, the S&P Rating of such Collateral Debt Obligation will be (a) the rating assigned thereto by S&P either publicly or privately or (b) the rating assigned thereto by S&P in connection with the acquisition thereof by the Issuer upon request of the Issuer or the Collateral Manager; provided that, in each case, such rating was assigned thereto within the immediately preceding 12-month period;

(v) with respect to any Collateral Debt Obligation that is a Current Pay Obligation, the S&P Current Pay Obligation Rating;

(vi) if the above clauses are not applicable and if there is no issuer credit rating published by S&P for such Collateral Debt Obligation, but such Collateral Debt Obligation or another security or obligation of the issuer is rated by S&P and neither the Issuer nor the Collateral Manager obtains an S&P Rating for such Collateral Debt Obligation pursuant to subclause (ii) above, then the S&P Rating of such Collateral Debt Obligation will be determined as follows: (a) if there is a rating on a senior secured obligation of the issuer, then the S&P Rating of such Collateral Debt Obligation will be one subcategory below such rating if such Collateral Debt Obligation is a senior secured or senior unsecured obligation of the issuer; (b) if there is a rating on a senior unsecured obligation of the issuer, then the S&P Rating of such Collateral Debt Obligation will equal such rating if such Collateral Debt Obligation is a senior secured or senior unsecured obligation of the issuer; and (c) if there is a rating on a subordinated obligation of the issuer, then the S&P Rating of such Collateral Debt Obligation will be one subcategory above such rating if such rating is higher than "BB+," and will be two subcategories above such rating if such rating is "BB+" or lower;

(vii) if the above clauses are not applicable and if there is no issuer credit rating published by S&P and such Collateral Debt Obligation is not rated by S&P, and no other security or obligation of the issuer is rated by S&P and neither the Issuer nor the Collateral Manager obtains an S&P Rating for such Collateral Debt Obligation pursuant to subclause (ii) above, then the S&P Rating of such Collateral Debt Obligation may be determined using any one of the methods provided below:

(a) [Intentionally Omitted];

(b) if such Collateral Debt Obligation is rated by Moody's, then the S&P Rating of such Collateral Debt Obligation will be (A) one subcategory below the S&P equivalent of the rating assigned by Moody's if such Collateral Debt Obligation is rated "Baa3" or higher by Moody's, (B) two subcategories below the S&P equivalent of the rating assigned by Moody's if such Collateral Debt Obligation is rated "Ba1" or lower by Moody's and (C) "CCC-" if such Collateral Debt Obligation has a rating with an "sf" subscript assigned by Moody's; *provided*, *however*, that the Aggregate Principal Balance of the Collateral Debt Obligations that may be deemed to have an S&P rating based on a rating assigned by Moody's as provided in this subclause (b) may not exceed 10% of the Aggregate Principal Balance of all Collateral Debt Obligations; or

(viii) if the above clauses are not applicable and in the case in which S&P has withdrawn its issuer rating, if (a) neither the issuer nor any of its Affiliates is subject to reorganization or bankruptcy proceedings and (b) no debt securities or obligations of the issuer have been in default during the past two years, the S&P Rating of such Collateral Debt Obligation will be "CCC-"; provided, that the Issuer, the Collateral Manager on behalf of the Issuer or the issuer of such Collateral Debt Obligation shall use commercially reasonable efforts to submit all Required S&P Credit Estimate Information with respect to such Collateral Debt Obligation to S&P and will notify S&P if the Collateral Manager has actual knowledge of the occurrence of any Specified Change to such Collateral Debt Obligation.

"S&P Asset Specific Recovery Rating": With respect to any Collateral Debt Obligation, the corporate recovery rating assigned by S&P to such Collateral Debt Obligation.

"S&P Cov-Lite Loan": Any S&P Senior Secured Loan that, other than with respect to a period of no more than three months following origination of such loan, either:

(a) does not contain any financial covenants or

(b) (i) requires the borrower to comply with one or more financial covenants only upon the occurrence of certain actions of the borrower as identified in the Underlying Instrument (including, but not limited to, a debt issuance, dividend payment, share purchase, merger, acquisition or divestiture), but

(ii) does not require the borrower to comply with one or more financial covenants during each reporting period, without regard to whether it has taken any specified action.

For the avoidance of doubt, the term S&P Cov-Lite Loan only applies to S&P Senior Secured Loans that meet the criteria described in clause (a) or clause (b) above.

"S&P Current Pay Obligation Rating": (i) If the Issuer owns only one issue of debt obligation of an issuer with a Distressed Exchange Offer pending, then (a) with respect to a Current Pay Obligation ranking higher in priority (before and after the exchange) than the obligation subject to the Distressed Exchange Offer, the higher of (x) the rating derived by adjusting such Current Pay Obligation's issue rating up or down by the number of notches specified in Table 1 below for its related asset specific recovery rating and (y) "CCC-," and (b) with respect to any other such Current Pay Obligation, the higher of (x) its S&P Rating and (y) "CCC-"; (ii) if the Issuer owns more than one issue of obligations of an issuer with a Distressed Exchange Offer pending, then with respect to each such Current Pay Obligation, the rating corresponding to the weighted average rating "points" in Table 2 below calculated by dividing (x) the sum of (I) the outstanding par amount of each Current Pay Obligation multiplied by (II) the rating "points" in Table 2 below corresponding to the rating of such Current Pay Obligation as determined pursuant to clause (i) above by (y) the aggregate outstanding par amount of all such Current Pay Obligations issued by the issuer with the Distressed Exchange Offer pending, and (iii) if neither clause (i) nor (ii) is applicable, the S&P Rating of such Current Pay Obligation determined without regard to clause (v) of the definition of such term.

Table 1

Asset Specific Recovery Rating	Notches to Derive Rating from Issue Rating
1+	-3
1	-2
2	-1
3	0
4	0
5	+1
6	+2
None	Not available for notching

Table 2

Rating	Rating "Points"
AAA	1
AA+	2
AA	3
AA-	4
A+	5
A	6
A-	7
BBB+	8
BBB	9
BBB-	10
BB+	11
BB	12
BB-	13
B+	14
B	15
B-	16
CCC+	17
CCC	18
CCC-	19

"S&P Maximum Weighted Average Life": The row of weighted average lives in the table below based upon the Case chosen by the Collateral Manager as currently applicable to the Collateral Debt Obligations:

Case	S&P Maximum Weighted Average Life
1	1.50

Case	S&P Maximum Weighted Average Life
2	1.75
3	2.00
4	2.25
5	2.50
6	2.75
7	3.00
8	3.25
9	3.50

"S&P Mezzanine/Second-Lien Loan": A loan (whether constituting an Assignment or Participation or other interest therein) that (i) 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 the loan, other than an S&P Senior Secured Loan, and (ii) is secured by a valid and perfected security interest or lien on specified collateral securing the obligor's obligations under such loan, which security interest or lien is not subordinate to the security interest or lien securing any other debt for borrowed money other than an S&P Senior Secured Loan on such specified collateral; *provided*, *however*, that with respect to clauses (i) and (ii) above, such right or payment, security interest or lien may be subordinate to customary permitted liens, including tax liens.

"S&P Recovery Rate": The S&P Recovery Rate of any Collateral Debt Obligation will be determined in the following manner (the S&P Recovery Rates set forth below may be increased if the Rating Condition has been satisfied):

(a) If the Collateral Debt Obligation has an S&P Asset Specific Recovery Rating, then the S&P Recovery Rate is the applicable percentage set forth in Table 1 below based on such S&P Asset Specific Recovery Rating and the applicable Class of Note.

Table 1: S&P Recovery Rates For Collateral Debt Obligations With S&P Asset Specific Recovery Ratings*

Asset Specific Recovery Rates	Range from published reports (%)	S&P Recovery Rate for Notes rated "AAA" (%)	S&P Recovery Rate for Notes rated "AA" (%)	S&P Recovery Rate for Notes rated "A" (%)	S&P Recovery Rate for Notes rated "BBB" (%)	S&P Recovery Rate for Notes rated "BB" (%)	S&P Recovery Rate for Notes rated "B" and "CCC" (%)
1+	100	75	85	88	90	92	95
1	90-100	65	75	80	85	90	95
2	80-90	60	70	75	81	86	90
2	70-80	50	60	66	73	79	80
3	60-70	40	50	56	63	67	70
3	50-60	30	40	46	53	59	60
4	40-50	27	35	42	46	48	50
4	30-40	20	26	33	39	40	40
5	20-30	15	20	24	26	28	30
5	10-20	5	10	15	20	20	20
6	0-10	2	4	6	8	10	10

* The S&P Recovery Rate will be the applicable rate set forth above based on the applicable Class of Notes and the rating thereof as of the Closing Date.

(b) If the Collateral Debt Obligation is either an S&P Senior Unsecured Loan or an S&P Subordinated Loan of an obligor that does not have an S&P Asset Specific Recovery Rating and the S&P Senior Secured Loan of

such obligor has an S&P Asset Specific Recovery Rating, then the S&P Recovery Rate is the applicable percentage set forth in Table 2 or 3 below, as applicable, based on such S&P Asset Specific Recovery Rating and the applicable Class of Note.

Table 2: Recovery Rates for Senior Unsecured Assets Junior to Assets with Recovery Ratings

Senior Asset Recovery Rate	S&P Recovery Rate for Rated Notes rated "AAA"	S&P Recovery Rate for Notes rated "AA"	S&P Recovery Rate for Rated Notes rated "A"	S&P Recovery Rate for Notes rated "BBB"	S&P Recovery Rate for Notes rated "BB"	S&P Recovery Rate for Notes rated "B" and "CCC"
Group 1	(%)	(%)	(%)	(%)	(%)	(%)
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	--	--	--	--	--	--
Group 2						
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	--	--	--	--	--	--
Group 3						
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	--	--	--	--	--	--

Table 3: Recovery Rates for Subordinated Assets Junior to Assets with Recovery Ratings

Senior Asset Recovery Rate	S&P Recovery Rate for Rated Notes rated "AAA"	S&P Recovery Rate for Notes rated "AA"	S&P Recovery Rate for Rated Notes rated "A"	S&P Recovery Rate for Notes rated "BBB"	S&P Recovery Rate for Notes rated "BB"	S&P Recovery Rate for Notes rated "B" and "CCC"
Group 1						
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	--	--	--	--	--	--

(c) If the Collateral Debt Obligation has a rating with an "sf" subscript assigned by Moody's, then the S&P Recovery Rate is the applicable percentage set forth in Table 4 or 5 below, as applicable, based on such S&P Asset Specific Recovery Rating and the applicable Class of Note.

Table 4: Recovery Rate Modeling Parameter for Senior Tranches

Original Asset Rating	S&P Recovery Rate for Rated Notes rated "AAA"	S&P Recovery Rate for Notes rated "AA"	S&P Recovery Rate for Rated Notes rated "A"	S&P Recovery Rate for Notes rated "BBB"	S&P Recovery Rate for Notes rated "BB"	S&P Recovery Rate for Notes rated "B"	S&P Recovery Rate for Notes rated "CCC"
AAA	60	70	75	80	85	90	95
AA	25	60	70	75	80	85	90
A	0	25	60	70	75	80	85
BBB	0	0	25	60	70	75	80
BB	0	0	0	25	60	70	75
B	0	0	0	0	25	60	70
CCC	0	0	0	0	0	25	60

Table 5: Recovery Rate Modeling Parameter for Junior Tranches

Original Asset Rating	S&P Recovery Rate for Rated Notes rated "AAA"	S&P Recovery Rate for Notes rated "AA"	S&P Recovery Rate for Rated Notes rated "A"	S&P Recovery Rate for Notes rated "BBB"	S&P Recovery Rate for Notes rated "BB"	S&P Recovery Rate for Notes rated "B"	S&P Recovery Rate for Notes rated "CCC"
AAA	30	35	38	40	43	45	48
AA	13	30	35	38	40	43	45
A	0	13	30	35	38	40	43
BBB	0	0	13	30	35	38	40
BB	0	0	0	13	30	35	38
B	0	0	0	0	13	30	35
CCC	0	0	0	0	0	13	30

(d) In all other cases, as applicable, based on the applicable Class of Note, the S&P Recovery Rate for such Collateral Debt Obligation will be the applicable percentage set forth in Table 6 below:

Table 6: Tiered Corporate Recovery Rates (By Asset Class And Class of Notes)*

	S&P Recovery Rate for Notes rated "AAA"	**S&P Recovery Rate for Notes rated "AA"**	**S&P Recovery Rate for Notes rated "A"**	**S&P Recovery Rate for Notes rated "BBB"**	**S&P Recovery Rate for Notes rated "BB"**	**S&P Recovery Rate for Notes rated "B" and "CCC"**
S&P Senior Secured Loan (%)**						
Group 1	50	55	59	63	75	79
Group 2	45	49	53	58	70	74
Group 3	39	42	46	49	60	63
Group 4	17	19	27	29	31	34
S&P Cov-Lite Loans (%)						
Group 1	41	46	49	53	63	67
Group 2	37	41	44	49	59	62
Group 3	32	35	39	41	50	53
Group 4	17	19	27	29	31	34
S&P Mezzanine/ Second-Lien Loans/ S&P Senior Unsecured Loans (%)***						
Group 1	18	20	23	26	29	31
Group 2	16	18	21	24	27	29
Group 3	13	16	18	21	23	25
Group 4	10	12	14	16	18	20
S&P Subordinated Loans (%)						
Group 1	8	8	8	8	8	8
Group 2	10	10	10	10	10	10
Group 3	9	9	9	9	9	9
Group 4	5	5	5	5	5	5
Synthetic Securities	****	****	****	****	****	****

Group 1: Hong Kong, Norway, Singapore, Sweden, U.K., Ireland, Finland, Denmark, Netherlands, Australia, and New Zealand
Group 2: Belgium, Germany, Austria, Portugal, Luxembourg, South Africa, Switzerland, Canada, Israel, Japan and United States
Group 3: France, Italy, Greece, South Korea, Taiwan, Brazil, Mexico, Spain, Turkey and United Arab Emirates
Group 4: Kazakhstan, Russia, Ukraine and others not included in Group 1, Group 2 or Group 3

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* The S&P Recovery Rate will be the applicable rate set forth above based on the applicable Class of Notes and the rating thereof as of the Closing Date.

** Solely for the purpose of determining the S&P Recovery Rate for such loan, no loan will constitute a "S&P Senior Secured Loan" unless such loan (a) is secured by a valid first priority security interest in collateral and is not (and cannot by its terms become) subordinated in right of payment to any other obligation of the obligor, (b) is not secured primarily by equity or common stock and (c) in the Collateral Manager's commercially reasonable judgment (with such determination being made in good faith by the Collateral Manager at the time of such loan's purchase and based upon information reasonably available to the Collateral Manager at such time and without any requirement of additional investigation beyond the Collateral Manager's customary credit review procedures), is secured by specified collateral that has a value not less than an amount equal to the sum of (i) the aggregate principal amount of all loans senior or *pari passu* to such loans and (ii) the outstanding principal balance of such loan, which value may be derived from, among other things, the enterprise value of the issuer of such loan (*provided* that the terms of this footnote may be amended or revised at any time by a written agreement of the Issuer, the Collateral Manager and the Trustee (without the consent of any holder of any Note), subject to the satisfaction of the S&P

Rating Condition, in order to conform to S&P then-current criteria for such loans); *provided*, that, if (x) a senior secured loan secured primarily by equity or common stock was upgraded by S&P to an investment-grade rating less than three months prior to such date of determination and (y) as a result of such upgrade, S&P withdrew the S&P Asset Specific Recovery Rating that had been assigned to such loan prior to such upgrade, the Collateral Manager will be able to determine the S&P Recovery Rate for such loan using the withdrawn S&P Asset Specific Recovery Rating pursuant to Table 1 under clause (a) above.

*** Solely for the purpose of determining the S&P Recovery Rate for such loan, (i) each First-Lien Last-Out Loan will constitute a "S&P Mezzanine/Second Lien Loan" and (ii) the aggregate principal balance of all "S&P Senior Unsecured Loans" and "S&P Mezzanine/Second Lien Loans" that, in the aggregate, represent up to 15% of the Aggregate Principal Amount of the Collateral Portfolio will have the S&P Recovery Rate specified for "S&P Senior Unsecured Loans" and "S&P Mezzanine/Second Lien Loans" in the table above and the aggregate principal balance of all "S&P Senior Unsecured Loans" and "S&P Mezzanine/Second Lien Loans" in excess of 15% of the Aggregate Principal Amount of the Collateral Portfolio will have the S&P Recovery Rate specified for "S&P Subordinated Loans" in the table above.

**** As determined by S&P on a case by case basis.

"S&P Senior Secured Loan": Any loan (whether constituting an Assignment or Participation or other interest therein) that (a) is secured by a valid first priority perfected security interest on specified collateral (including *pari passu* with other obligations of the obligor, but subject to customary permitted liens, such as, but not limited to, any tax liens) with a value (as reasonably determined by the Collateral Manager) greater than the principal balance of the loan and any other *pari passu* obligation of the obligor, and (b) is not (and cannot by its terms become) subordinated in right of payment to any other obligation of the obligor, other than with respect to the liquidation of such obligor or collateral for such loan. For the avoidance of doubt, "S&P Senior Secured Loans" will not include any First-Lien Last-Out Loans. For purposes of determining S&P Recovery Rates, (i) any loan that can become subordinated with respect to the liquidation of the related obligor or collateral will not qualify for senior secured loan recovery rates and (ii) First-Lien Last-Out Loans will be treated as second lien loans.

"S&P Senior Unsecured Loan": An unsecured loan (whether constituting an Assignment or Participation or other interest therein) that 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 the loan, other than an S&P Senior Secured Loan.

"S&P Subordinated Loan": Any loan that is not an S&P Senior Secured Loan, an S&P Cov-Lite Loan, an S&P Mezzanine/Second-Lien Loan or an S&P Senior Unsecured Loan.

"S&P Weighted Average Life": As of any Measurement Date, the sum of (i) the S&P Maximum Weighted Average Life as chosen by the Collateral Manager and (ii) the product of (x) 0.25 and (y) one plus the number of Payment Dates remaining until the end of the Reinvestment Period.

"Specified Change": With respect to any Collateral Debt Obligation that is the subject of a credit estimate from S&P or Moody's, any of the following material changes:

(a) the nonpayment of interest or principal;

(b) the rescheduling of any interest or principal in any part of the capital structure;

(c) breach of any covenant(s);

(d) increase in the likelihood (more than 50%) of a breach of covenant(s) occurring in the next six months;

(e) material underperformance (more than 20% off base case) either at the operating profit or cash flow level;

(f) any restructuring of debt (including proposed debt);

(g) the occurrence of significant transactions (sale or acquisitions of assets); or

(h) changes in payment terms (that is, the addition of payment-in-kind terms, changes in maturity dates, and changes in coupon rates).

Annex C

MOODY'S RATING DEFINITIONS

"Assigned Moody's Rating" means the monitored publicly available rating or the estimated rating expressly assigned to a debt obligation (or facility) by Moody's that addresses the full amount of the principal and interest promised.

"CFR" means, with respect to the obligor of any Collateral Debt Obligation, the corporate family rating assigned to such obligor by Moody's; provided that if any obligor of any Collateral Debt Obligation does not have a corporate family rating by Moody's but another entity in such obligor's corporate family does have a corporate family rating by Moody's, then the corporate family rating of such other entity will be the CFR for the obligor of such Collateral Debt Obligation.

"Moody's Default Probability Rating" means, with respect to any Collateral Debt Obligation, as of any date of determination, the rating determined in accordance with the following methodology:

(a) if the obligor of such Collateral Debt Obligation has a CFR, then such CFR;

(b) if not determined pursuant to clause (a) above, if the obligor of such Collateral Debt Obligation has one or more senior unsecured obligations with an Assigned Moody's Rating, then the Assigned Moody's Rating on 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 Debt Obligation has one or more senior secured obligations with an Assigned Moody's Rating, then the Moody's rating that is one subcategory lower than the Assigned Moody's Rating on 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 and at the election of the Collateral Manager, the Moody's Derived Rating; and

(e) if not determined pursuant to clause (a) through (d) above, "Caa3";

provided that notwithstanding the methodology above, if a Collateral Debt Obligation is a DIP Loan, the Moody's Default Probability Rating will be the rating that is one subcategory below the Assigned Moody's Rating of such DIP Loan; provided further, that, each applicable rating, at the time of calculation, (i) on credit watch by Moody's with positive implications will be treated as having been upgraded by one rating subcategory, and (ii) on credit watch by Moody's with negative implications will be treated as having been downgraded by one rating subcategory.

"Moody's Derived Rating" means, with respect to a Collateral Debt Obligation whose Moody's Default Probability Rating cannot otherwise be determined pursuant to the definitions thereof, such Moody's Default Probability Rating as determined in the manner set forth below:

(a) If such Collateral Debt Obligation is not rated by Moody's and no other security or obligation of the issuer of such Collateral Debt Obligation is rated by Moody's, and if Moody's has been requested by the Issuer, the Collateral Manager or the issuer of such Collateral Debt Obligation to assign a rating or rating estimate with respect to such Collateral Debt Obligation but such rating or rating estimate has not been received, pending receipt of such estimate, the Moody's Derived Rating of such Collateral Debt Obligation for purposes of the definition of Moody's Default Probability Rating of such Collateral Debt Obligation shall be (i) "B3" if the Collateral Manager certifies to the Trustee and the Collateral Administrator that the Collateral Manager believes that such estimate shall be at least "B3" and if the Aggregate Principal Balance of Collateral Debt Obligations determined pursuant to this clause (a)(i) does not exceed 5% of the Aggregate Principal Amount of the Collateral Portfolio or (ii) otherwise, "Caa;"

(b) If not determined pursuant to clause (a) above, by using one of the methods provided below:

(i) if such Collateral Debt Obligation has a public and monitored rating by S&P, pursuant to the table below:

Type of Collateral Debt Obligation	S&P Rating (Public and Monitored)	Collateral Debt Obligation Rated by S&P	Number of Subcategories Relative to Moody's Equivalent of S&P Rating
Not Structured Finance Obligation	≥ "BBB-"	Not a Loan or Participation Interest in Loan	-1
Not Structured Finance Obligation	≤ "BB+"	Not a Loan or Participation Interest in Loan	-2
Not Structured Finance Obligation	N/A	Loan or Participation Interest in Loan	-2

(ii) if such Collateral Debt 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 subclause (b)(i) above, and the Moody's Derived Rating for purposes of the definitions of Moody's Rating and Moody's Default Probability Rating (as applicable) of such Collateral Debt Obligation will be determined in accordance with the methodology set forth in the following table (for such purposes treating the parallel security as if it were rated by Moody's at the rating determined pursuant to this subclause (b)(ii)):

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

(iii) if such Collateral Debt Obligation is a DIP Loan, no Moody's Derived Rating may be determined based on a rating by S&P or any other rating agency;

provided, that the Aggregate Principal Balance of the Collateral Debt Obligations that may have a Moody's Derived Rating derived from an S&P Rating as set forth in sub-clauses (i) or (ii) of this clause (b) may not exceed 10% of the Aggregate Principal Amount of the Collateral Portfolio.

For purposes of calculating a Moody's Derived Rating, each applicable rating, at the time of calculation, (i) on credit watch by Moody's with positive implications will be treated as having been upgraded by one rating subcategory and (ii) on credit watch by Moody's with negative implications will be treated as having been downgraded by one rating subcategory.

"Moody's Diversity Score": A single number that indicates Collateral concentration in terms of both issuer and industry concentration. The Moody's Diversity Score for the Collateral Debt Obligations is calculated by summing each of the Industry Diversity Scores, which are calculated as follows:

(a) An "Obligor Par Amount" is calculated for each obligor represented in the Collateral Debt Obligations by summing the Principal Balance of all Collateral Debt Obligations in the Collateral issued by that obligor.

(b) An "Average Par Amount" is calculated by summing the Obligor Par Amounts and dividing by the number of obligors represented.

(c) An "Equivalent Unit Score" is calculated for each obligor by taking the lesser of (i) one and (ii) the Obligor Par Amount for each obligor divided by the Average Par Amount.

(d) An "Aggregate Industry Equivalent Unit Score" is then calculated for each of the Moody's industry category groups by summing the Equivalent Unit Scores for each obligor in the industry.

(e) An "Industry Diversity Score" is then established by reference to the Moody's Diversity Score Table below for the related Aggregate Industry Equivalent Unit Score; *provided*, that if any Aggregate Industry Equivalent Unit Score falls between any two such scores then the applicable Industry Diversity Score will be the lower of the two Industry Diversity Scores in the Moody's Diversity Score Table below.

For the purposes of the calculation of the Moody's Diversity Score, all Affiliates of each obligor shall be treated as a single obligor together with such obligor, except as otherwise agreed by Moody's on a case by case basis; *provided*, that, the term Affiliate as used in the calculation of the Moody's Diversity Score will not include any Affiliate relationship which may exist solely as a result of direct or indirect ownership of, or control by, a common owner which is a financial institution, fund or other investment vehicle which is in the business of making diversified investments. Collateral Debt Obligations consisting of securities issued by collateralized loan obligation transactions shall not be included in the calculation of the Moody's Diversity Score.

MOODY'S DIVERSITY SCORE TABLE

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
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

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
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		

"Moody's Rating Factor": For each Collateral Debt Obligation, a number set forth to the right of the applicable Moody's Default Probability Rating below, which table may be adjusted from time to time by Moody's:

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
Al	70	B2	2,720
A2	120	B3	3,490
A3	180	Caa1	4,770
Baa1	260	Caa2	6,500
Baa1	360	Caa3	8,070
Baa3	610	Ca (or lower), not rated or withdrawn	10,000

provided, that (i) any Collateral Debt Obligation issued or guaranteed as to the payment of principal and interest by the United States of America or any agency or instrumentality thereof, the obligations of which are expressly backed by the full faith and credit of the United States of America, shall be assigned a Moody's Rating Factor of 1, (ii) short term securities rated "P-1" by Moody's of an issuer that does not have a senior unsecured rating shall be assigned a Moody's Rating Factor of 120 and (iii) if a Collateral Debt Obligation is not rated by Moody's and no other security or obligation of the obligor is rated by Moody's, and the Issuer or the Collateral Manager has requested a rating or rating estimate from Moody's, then until such rating estimate is made, the Moody's Rating Factor of such security will be deemed to be the Moody's Rating Factor corresponding to such security's rating as determined pursuant to the definition of Moody's Default Probability Rating.

Annex D

S&P NON-MODEL VERSION CDO MONITOR DEFINITIONS

The S&P CDO Monitor Test shall be defined as follows:

The "S&P CDO Monitor Test" will be satisfied on any date of determination on or after the Effective Date and during the Reinvestment Period if, after giving effect to the purchase of any additional Collateral Debt Obligation, the S&P CDO Monitor Adjusted BDR is equal to or greater than the S&P CDO Monitor SDR. The S&P CDO Monitor Test shall only be applicable to the Controlling Class. When determining compliance with the S&P CDO Monitor Test on the Effective Date, the S&P Effective Date Adjustments shall apply.

As used for purposes of the S&P CDO Monitor Test, the following terms shall have the meanings set forth below:

"S&P CDO Monitor Adjusted BDR" means the threshold value for the S&P CDO Monitor Test, calculated as a percentage by adjusting the S&P CDO Monitor BDR for changes in the Principal Balance of the Collateral Debt Obligations relative to the Effective Date Target Par Amount as follows:

S&P CDO Monitor BDR * (OP / NP) + (NP - OP) / [NP * (1 – S&P Average Recovery Rate)], where OP = Effective Date Target Par Amount; NP = the sum of the Aggregate Principal Balances of the Collateral Debt Obligations with an S&P Rating of "CCC-" or higher, Principal Proceeds, and the sum of the lower of S&P Recovery Amount or the Market Value of each obligation with an S&P Rating below "CCC-".

"S&P CDO Monitor BDR" means the value calculated using the following formula relating to the Issuer's portfolio: C0 + (C1 * Weighted Average Spread) + (C2 * S&P Average Recovery Rate), where C0= 0.097384, C1= 3.521024, and C2= 1.050860.

"S&P CDO Monitor SDR" means the percentage derived from the following equation: 0.329915 + (1.210322 * EPDR) – (0.586627 * DRD) + (2.538684 /ODM) + (0.216729 / IDM) + (0.0575539 / RDM) – (0.0136662 * WAL), where EPDR is the S&P Expected Portfolio Default Rate; DRD is the S&P Default Rate Dispersion; ODM is the S&P Obligor Diversity Measure; IDM is the S&P Industry Diversity Measure; RDM is the S&P Regional Diversity Measure; and WAL is the S&P Weighted Average Life.

"S&P Default Rate" means, with respect to all Collateral Debt Obligations with an S&P Rating of "CCC-" or higher, the default rate determined in accordance with Table 1 below using such Collateral Debt Obligation's S&P Rating and the number of years to maturity (determined using linear interpolation if the number of years to maturity is not an integer).

"S&P Default Rate Dispersion" means, with respect to all Collateral Debt Obligations with an S&P Rating of "CCC-" or higher, (A) the sum of the product of (i) the Principal Balance of each such Collateral Debt Obligation and (ii) the absolute value of (x) the S&P Default Rate *minus* (y) the S&P Expected Portfolio Default Rate *divided by* (B) the Aggregate Principal Balance for all such Collateral Debt Obligations.

"S&P Effective Date Adjustments" means, in connection with determining whether the S&P CDO Monitor Test is satisfied in connection with the Effective Date, the following adjustments shall apply: (i) the Weighted Average Spread will be calculated without giving effect to clause (B) in the proviso of the definition thereof and (ii) in calculating the S&P CDO Monitor Adjusted BDR, Principal Proceeds will exclude amounts on deposit in the Unused Proceeds Account permitted to be designated by the Collateral Manager as Interest Proceeds on or prior to the first Determination Date.

"S&P Expected Portfolio Default Rate" means, with respect to all Collateral Debt Obligations with an S&P Rating of "CCC-" or higher, (i) the sum of the product of (x) the Principal Balance of each such Collateral Debt Obligation and (y) the S&P Default Rate *divided by* (ii) the Aggregate Principal Balance for all such Collateral Debt Obligations.

"S&P Industry Diversity Measure" means a measure calculated by determining the Aggregate Principal Balance of the Collateral Debt Obligations (with an S&P Rating of "CCC-" or higher) within each S&P industry classification in

the portfolio, then dividing each of these amounts by the Aggregate Principal Balance of the Collateral Debt Obligations (with an S&P Rating of "CCC-" or higher) from all the S&P industry classifications in the portfolio, squaring the result for each industry, then taking the reciprocal of the sum of these squares.

"S&P Obligor Diversity Measure" means a measure calculated by determining the Aggregate Principal Balance of the Collateral Debt Obligations (with an S&P Rating of "CCC-" or higher) from each obligor and its affiliates, then dividing each such Aggregate Principal Balance by the Aggregate Principal Balance of Collateral Debt Obligations (with an S&P Rating of "CCC-" or higher) from all the obligors in the portfolio, then squaring the result for each obligor, then taking the reciprocal of the sum of these squares.

"S&P Regional Diversity Measure" means a measure calculated by determining the Aggregate Principal Balance of the Collateral Debt Obligations (with an S&P Rating of "CCC-" or higher) within each S&P region set forth in Table 2 below, then dividing each of these amounts by the Aggregate Principal Balance of the Collateral Debt Obligations (with an S&P Rating of "CCC-" or higher) from all S&P regions in the portfolio, squaring the result for each region, then taking the reciprocal of the sum of these squares.

"S&P Weighted Average Life" means, on any date of determination, a number calculated by determining the number of years between the current date and the maturity date of each Collateral Debt Obligation (with an S&P Rating of "CCC-" or higher), multiplying each Collateral Debt Obligation's Principal Balance by its number of years, summing the results of all Collateral Debt Obligations in the portfolio, and dividing such amount by the Aggregate Principal Balance of all Collateral Debt Obligations (with an S&P Rating of "CCC-" or higher).

Table 1

	Rating									
Tenor	**AAA**	**AA+**	**AA**	**AA-**	**A+**	**A**	**A-**	**BBB+**	**BBB**	**BBB-**
0	0	0	0	0	0	0	0	0	0	0
1	0.003249	0.008324	0.017659	0.049443	0.100435	0.198336	0.305284	0.403669	0.461619	0.524294
2	0.015699	0.036996	0.073622	0.139938	0.257400	0.452472	0.667329	0.892889	1.091719	1.445989
3	0.041484	0.091325	0.172278	0.276841	0.474538	0.770505	1.100045	1.484175	1.895696	2.702054
4	0.084784	0.176281	0.317753	0.464897	0.755269	1.158808	1.613532	2.186032	2.867799	4.229668
5	0.149746	0.296441	0.513749	0.708173	1.102407	1.621846	2.213969	3.000396	3.994693	5.969443
6	0.240402	0.455938	0.763415	1.009969	1.517930	2.162163	2.903924	3.924151	5.258484	7.867654
7	0.360599	0.658408	1.069266	1.372767	2.002861	2.780489	3.682872	4.950544	6.639097	9.877442
8	0.513925	0.906953	1.433135	1.798206	2.557255	3.475934	4.547804	6.070420	8.116014	11.959164
9	0.703660	1.204112	1.856168	2.287090	3.180245	4.246223	5.493831	7.273226	9.669463	14.080160
10	0.932722	1.551859	2.338835	2.839430	3.870134	5.087962	6.514747	8.547804	11.281152	16.214169
11	1.203636	1.951593	2.880967	3.454496	4.624506	5.996889	7.603506	9.882975	12.934676	18.340556
12	1.518511	2.404163	3.481806	4.130896	5.440351	6.968119	8.752625	11.267955	14.615674	20.443492
13	1.879017	2.909885	4.140061	4.866660	6.314188	7.996356	9.954495	12.692626	16.311827	22.511146
14	2.286393	3.468577	4.853976	5.659322	7.242183	9.076083	11.201627	14.147698	18.012750	24.534955
15	2.741441	4.079595	5.621395	6.506018	8.220258	10.201710	12.486816	15.624793	19.709826	26.508977
16	3.244545	4.741882	6.439830	7.403564	9.244188	11.367700	13.803266	17.116461	21.396011	28.429339
17	3.795687	5.454010	7.306523	8.348542	10.309683	12.568668	15.144662	18.616162	23.065636	30.293780
18	4.394473	6.214227	8.218512	9.337373	11.412464	13.799448	16.505206	20.118217	24.714212	32.101269
19	5.040161	7.020506	9.172684	10.366381	12.548315	15.055145	17.879633	21.617740	26.338248	33.851709
20	5.731690	7.870595	10.165829	11.431855	13.713133	16.331168	19.263208	23.110574	27.935091	35.545692
21	6.467720	8.762054	11.194685	12.530097	14.902967	17.623250	20.651699	24.593206	29.502784	37.184306
22	7.246658	9.692304	12.255978	13.657463	16.114039	18.927451	22.041357	26.062700	31.039941	38.768990

Tenor	Rating									
	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-
23	8.066698	10.658664	13.346459	14.810401	17.342769	20.240163	23.428880	27.516624	32.545643	40.301420
24	8.925853	11.658386	14.462930	15.985473	18.585784	21.558096	24.811375	28.952986	34.019346	41.783417
25	9.821992	12.688687	15.602275	17.179384	19.839925	22.878270	26.186325	30.370173	35.460813	43.216885
26	10.752863	13.746781	16.761474	18.388990	21.102252	24.197998	27.551553	31.766900	36.870044	44.603759
27	11.716131	14.829898	17.937621	19.611314	22.370042	25.514868	28.905184	33.142161	38.247233	45.945970
28	12.709401	15.935312	19.127936	20.843553	23.640779	26.826725	30.245615	34.495190	39.592717	47.245417
29	13.730244	17.060358	20.329775	22.083077	24.912158	28.131652	31.571487	35.825422	40.906950	48.503948
30	14.776220	18.202443	21.540635	23.327436	26.182066	29.427952	32.881653	37.132462	42.190470	49.723352

Tenor	Rating								
	BB+	BB	BB-	B+	B	B-	CCC+	CCC	CCC-
0	0	0	0	0	0	0	0	0	0
1	1.051627	2.109451	2.600238	3.221175	7.848052	10.882127	15.688600	20.494984	25.301275
2	2.499656	4.644348	5.872070	7.597534	14.781994	20.010198	28.039819	34.622676	40.104827
3	4.296729	7.475880	9.536299	12.379110	20.934989	27.616832	37.429809	44.486183	49.823181
4	6.375706	10.488373	13.369967	17.163869	26.396576	33.956728	44.585491	51.602827	56.644894
5	8.664544	13.586821	17.214556	21.748448	31.246336	39.272130	50.135335	56.922985	61.661407
6	11.095356	16.697807	20.966483	26.041061	35.559617	43.770645	54.540771	61.035699	65.491579
7	13.609032	19.767400	24.563596	30.011114	39.406428	47.620000	58.122986	64.312999	68.512300
8	16.156890	22.757944	27.972842	33.660308	42.849805	50.951513	61.102369	66.995611	70.963159
9	18.700581	25.644678	31.180555	37.006268	45.945037	53.866495	63.630626	69.243071	73.001159
10	21.211084	28.412675	34.185384	40.073439	48.739741	56.442784	65.813448	71.163565	74.731801
11	23.667314	31.054264	36.993388	42.888153	51.274446	58.740339	67.725700	72.832114	76.227640
12	26.054666	33.566968	39.614764	45.476090	53.583431	60.805678	69.421440	74.301912	77.539705
13	28.363660	35.951906	42.061729	47.861084	55.695612	62.675243	70.940493	75.611515	78.704697
14	30.588762	38.212600	44.347194	50.064659	57.635391	64.377918	72.312813	76.789485	79.749592
15	32.727407	40.354091	46.483968	52.105958	59.423407	65.936872	73.561381	77.857439	80.694661
16	34.779204	42.382307	48.484306	54.001869	61.077177	67.370926	74.704179	78.832075	81.555449
17	36.745314	44.303617	50.359673	55.767228	62.611640	68.695550	75.755528	79.726540	82.344119
18	38.627975	46.124519	52.120647	57.415059	64.039598	69.923606	76.727026	80.551376	83.070367
19	40.430133	47.851440	53.776900	58.956797	65.372082	71.065901	77.628212	81.315171	83.742047
20	42.155172	49.490597	55.337225	60.402500	66.618643	72.131608	78.467035	82.025027	84.365628
21	43.806716	51.047918	56.809591	61.761037	67.787598	73.128577	79.250199	82.686894	84.946502
22	45.388482	52.528995	58.201208	63.040250	68.886224	74.063579	79.983418	83.305814	85.489225
23	46.904180	53.939064	59.518589	64.247092	69.920916	74.942503	80.671609	83.886103	85.997683
24	48.357444	55.282998	60.767623	65.387746	70.897320	75.770492	81.319036	84.431487	86.475223
25	49.751780	56.565320	61.953636	66.467726	71.820441	76.552075	81.929422	84.945209	86.924750
26	51.090543	57.790210	63.081447	67.491964	72.694731	77.291249	82.506039	85.430110	87.348805
27	52.376916	58.961526	64.155419	68.464885	73.524165	77.991566	83.051779	85.888693	87.749621
28	53.613901	60.082826	65.179512	69.390464	74.312302	78.656191	83.569207	86.323175	88.129173
29	54.804319	61.157385	66.157321	70.272285	75.062339	79.287952	84.060611	86.735528	88.489217
30	55.950815	62.188218	67.092112	71.113583	75.777155	79.889391	84.528038	87.127511	88.831318

Table 2

Region Code	Region Name	Country Code	Country Name
17	Africa: Eastern	253	Djibouti
17	Africa: Eastern	291	Eritrea
17	Africa: Eastern	251	Ethiopia
17	Africa: Eastern	254	Kenya
17	Africa: Eastern	252	Somalia
17	Africa: Eastern	249	Sudan
12	Africa: Southern	247	Ascension
12	Africa: Southern	267	Botswana
12	Africa: Southern	266	Lesotho
12	Africa: Southern	230	Mauritius
12	Africa: Southern	264	Namibia
12	Africa: Southern	248	Seychelles
12	Africa: Southern	27	South Africa
12	Africa: Southern	290	St. Helena
12	Africa: Southern	268	Swaziland
13	Africa: Sub-Saharan	244	Angola
13	Africa: Sub-Saharan	226	Burkina Faso
13	Africa: Sub-Saharan	257	Burundi
13	Africa: Sub-Saharan	225	Cote d'lvoire
13	Africa: Sub-Saharan	240	Equatorial Guinea
13	Africa: Sub-Saharan	241	Gabonese Republic
13	Africa: Sub-Saharan	220	Gambia
13	Africa: Sub-Saharan	233	Ghana
13	Africa: Sub-Saharan	224	Guinea
13	Africa: Sub-Saharan	245	Guinea-Bissau
13	Africa: Sub-Saharan	231	Liberia
13	Africa: Sub-Saharan	261	Madagascar
13	Africa: Sub-Saharan	265	Malawi
13	Africa: Sub-Saharan	223	Mali
13	Africa: Sub-Saharan	222	Mauritania
13	Africa: Sub-Saharan	258	Mozambique
13	Africa: Sub-Saharan	227	Niger
13	Africa: Sub-Saharan	234	Nigeria
13	Africa: Sub-Saharan	250	Rwanda
13	Africa: Sub-Saharan	239	Sao Tome & Principe
13	Africa: Sub-Saharan	221	Senegal
13	Africa: Sub-Saharan	232	Sierra Leone
13	Africa: Sub-Saharan	255	Tanzania/Zanzibar
13	Africa: Sub-Saharan	228	Togo
13	Africa: Sub-Saharan	256	Uganda
13	Africa: Sub-Saharan	260	Zambia

Region Code	Region Name	Country Code	Country Name
13	Africa: Sub-Saharan	263	Zimbabwe
13	Africa: Sub-Saharan	229	Benin
13	Africa: Sub-Saharan	237	Cameroon
13	Africa: Sub-Saharan	238	Cape Verde Islands
13	Africa: Sub-Saharan	236	Central African Republic
13	Africa: Sub-Saharan	235	Chad
13	Africa: Sub-Saharan	269	Comoros
13	Africa: Sub-Saharan	242	Congo-Brazzaville
13	Africa: Sub-Saharan	243	Congo-Kinshasa
3	Americas: Andean	591	Bolivia
3	Americas: Andean	57	Colombia
3	Americas: Andean	593	Ecuador
3	Americas: Andean	51	Peru
3	Americas: Andean	58	Venezuela
4	Americas: Mercosur and Southern Cone	54	Argentina
4	Americas: Mercosur and Southern Cone	55	Brazil
4	Americas: Mercosur and Southern Cone	56	Chile
4	Americas: Mercosur and Southern Cone	595	Paraguay
4	Americas: Mercosur and Southern Cone	598	Uruguay
1	Americas: Mexico	52	Mexico
2	Americas: Other Central and Caribbean	1264	Anguilla
2	Americas: Other Central and Caribbean	1268	Antigua
2	Americas: Other Central and Caribbean	1242	Bahamas
2	Americas: Other Central and Caribbean	246	Barbados
2	Americas: Other Central and Caribbean	501	Belize
2	Americas: Other Central and Caribbean	441	Bermuda
2	Americas: Other Central and Caribbean	284	British Virgin Islands
2	Americas: Other Central and Caribbean	345	Cayman Islands
2	Americas: Other Central and Caribbean	506	Costa Rica
2	Americas: Other Central and Caribbean	809	Dominican Republic
2	Americas: Other Central and Caribbean	503	El Salvador
2	Americas: Other Central and Caribbean	473	Grenada
2	Americas: Other Central and Caribbean	590	Guadeloupe
2	Americas: Other Central and Caribbean	502	Guatemala
2	Americas: Other Central and Caribbean	504	Honduras
2	Americas: Other Central and Caribbean	876	Jamaica
2	Americas: Other Central and Caribbean	596	Martinique
2	Americas: Other Central and Caribbean	505	Nicaragua
2	Americas: Other Central and Caribbean	507	Panama
2	Americas: Other Central and Caribbean	869	St. Kitts/Nevis
2	Americas: Other Central and Caribbean	758	St. Lucia
2	Americas: Other Central and Caribbean	784	St. Vincent & Grenadines
2	Americas: Other Central and Caribbean	597	Suriname

Region Code	Region Name	Country Code	Country Name
2	Americas: Other Central and Caribbean	868	Trinidad& Tobago
2	Americas: Other Central and Caribbean	649	Turks & Caicos
2	Americas: Other Central and Caribbean	297	Aruba
2	Americas: Other Central and Caribbean	53	Cuba
2	Americas: Other Central and Caribbean	599	Curacao
2	Americas: Other Central and Caribbean	767	Dominica
2	Americas: Other Central and Caribbean	594	French Guiana
2	Americas: Other Central and Caribbean	592	Guyana
2	Americas: Other Central and Caribbean	509	Haiti
2	Americas: Other Central and Caribbean	664	Montserrat
101	Americas: U.S. and Canada	2	Canada
101	Americas: U.S. and Canada	1	USA
7	Asia: China, Hong Kong, Taiwan	86	China
7	Asia: China, Hong Kong, Taiwan	852	Hong Kong
7	Asia: China, Hong Kong, Taiwan	886	Taiwan
5	Asia: India, Pakistan and Afghanistan	93	Afghanistan
5	Asia: India, Pakistan and Afghanistan	91	India
5	Asia: India, Pakistan and Afghanistan	92	Pakistan
6	Asia: Other South	880	Bangladesh
6	Asia: Other South	975	Bhutan
6	Asia: Other South	960	Maldives
6	Asia: Other South	977	Nepal
6	Asia: Other South	94	Sri Lanka
8	Asia: Southeast, Korea and Japan	673	Brunei
8	Asia: Southeast, Korea and Japan	855	Cambodia
8	Asia: Southeast, Korea and Japan	62	Indonesia
8	Asia: Southeast, Korea and Japan	81	Japan
8	Asia: Southeast, Korea and Japan	856	Laos
8	Asia: Southeast, Korea and Japan	60	Malaysia
8	Asia: Southeast, Korea and Japan	95	Myanmar
8	Asia: Southeast, Korea and Japan	850	North Korea
8	Asia: Southeast, Korea and Japan	63	Philippines
8	Asia: Southeast, Korea and Japan	65	Singapore
8	Asia: Southeast, Korea and Japan	82	South Korea
8	Asia: Southeast, Korea and Japan	66	Thailand
8	Asia: Southeast, Korea and Japan	84	Vietnam
8	Asia: Southeast, Korea and Japan	670	East Timor
105	Asia-Pacific: Australia and New Zealand	61	Australia
105	Asia-Pacific: Australia and New Zealand	682	Cook Islands
105	Asia-Pacific: Australia and New Zealand	64	New Zealand
9	Asia-Pacific: Islands	679	Fiji
9	Asia-Pacific: Islands	689	French Polynesia
9	Asia-Pacific: Islands	686	Kiribati

Region Code	Region Name	Country Code	Country Name
9	Asia-Pacific: Islands	691	Micronesia
9	Asia-Pacific: Islands	674	Nauru
9	Asia-Pacific: Islands	687	New Caledonia
9	Asia-Pacific: Islands	680	Palau
9	Asia-Pacific: Islands	675	Papua New Guinea
9	Asia-Pacific: Islands	685	Samoa
9	Asia-Pacific: Islands	677	Solomon Islands
9	Asia-Pacific: Islands	676	Tonga
9	Asia-Pacific: Islands	688	Tuvalu
9	Asia-Pacific: Islands	678	Vanuatu
15	Europe: Central	420	Czech Republic
15	Europe: Central	372	Estonia
15	Europe: Central	36	Hungary
15	Europe: Central	371	Latvia
15	Europe: Central	370	Lithuania
15	Europe: Central	48	Poland
15	Europe: Central	421	Slovak Republic
16	Europe: Eastern	355	Albania
16	Europe: Eastern	387	Bosnia and Herzegovina
16	Europe: Eastern	359	Bulgaria
16	Europe: Eastern	385	Croatia
16	Europe: Eastern	383	Kosovo
16	Europe: Eastern	389	Macedonia
16	Europe: Eastern	382	Montenegro
16	Europe: Eastern	40	Romania
16	Europe. Eastern	381	Serbia
16	Europe: Eastern	90	Turkey
14	Europe: Russia & CIS	374	Armenia
14	Europe: Russia & CIS	994	Azerbaijan
14	Europe: Russia & CIS	375	Belarus
14	Europe: Russia & CIS	995	Georgia
14	Europe: Russia & CIS	8	Kazakhstan
14	Europe: Russia & CIS	996	Kyrgyzstan
14	Europe: Russia & CIS	373	Moldova
14	Europe: Russia & CIS	976	Mongolia
14	Europe: Russia & CIS	7	Russia
14	Europe: Russia & CIS	992	Tajikistan
14	Europe: Russia & CIS	993	Turkmenistan
14	Europe: Russia & CIS	380	Ukraine
14	Europe: Russia & CIS	998	Uzbekistan
102	Europe: Western	376	Andorra
102	Europe: Western	43	Austria
102	Europe: Western	32	Belgium

Region Code	Region Name	Country Code	Country Name
102	Europe: Western	357	Cyprus
102	Europe: Western	45	Denmark
102	Europe: Western	358	Finland
102	Europe: Western	33	France
102	Europe: Western	49	Germany
102	Europe: Western	30	Greece
102	Europe: Western	354	Iceland
102	Europe: Western	353	Ireland
102	Europe: Western	101	Isle of Man
102	Europe: Western	39	Italy
102	Europe: Western	102	Liechtenstein
102	Europe: Western	352	Luxembourg
102	Europe: Western	356	Malta
102	Europe: Western	377	Monaco
102	Europe: Western	31	Netherlands
102	Europe: Western	47	Norway
102	Europe: Western	351	Portugal
102	Europe: Western	386	Slovenia
102	Europe: Western	34	Spain
102	Europe: Western	46	Sweden
102	Europe: Western	41	Switzerland
102	Europe: Western	44	United Kingdom
10	Middle East: Gulf States	973	Bahrain
10	Middle East: Gulf States	98	Iran
10	Middle East: Gulf States	964	Iraq
10	Middle East: Gulf States	965	Kuwait
10	Middle East: Gulf States	968	Oman
10	Middle East: Gulf States	974	Qatar
10	Middle East: Gulf States	966	Saudi Arabia
10	Middle East: Gulf States	971	United Arab Emirates
10	Middle East: Gulf States	967	Yemen
11	Middle East: MENA	213	Algeria
11	Middle East: MENA	20	Egypt
11	Middle East: MENA	972	Israel
11	Middle East MENA	962	Jordan
11	Middle East: MENA	961	Lebanon
11	Middle East: MENA	212	Morocco
11	Middle East: MENA	970	Palestinian Settlements
11	Middle East: MENA	963	Syrian Arab Republic
11	Middle East: MENA	216	Tunisia
11	Middle East: MENA	1212	Western Sahara
11	Middle East: MENA	218	Libya

SCHEDULE A

WEIGHTED AVERAGE LIFE SCHEDULE

Interest Accrual Period	Weighted Average Life (in years)
1	8.00
2	7.75
3	7.50
4	7.25
5	7.00
6	6.75
7	6.50
8	6.25
9	6.00
10	5.75
11	5.50
12	5.25
13	5.00
14	4.75
15	4.50
16	4.25
17	4.00
18	3.75
19	3.50
20	3.25
21	3.00
22	2.75
23	2.50
24	2.25
25	2.00
26	1.75
27	1.50
28	1.25
29	1.00
30	0.75
31	0.50
32	0.25
33-48	0.0

REGISTERED OFFICE OF ISSUERS

LCM XXI Limited Partnership
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PO Box 1093, Queensgate House
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Cayman Islands

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c/o Puglisi & Associates
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Santa Ana, California 92705

COLLATERAL MANAGER

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PRINCIPAL OFFICE OF THE ADMINISTRATOR

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Cayman Islands

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Ireland

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To the Collateral Manager
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Charlotte, North Carolina 28202

ANNEX B – DRAFT FIRST SUPPLEMENTAL INDENTURE

DRAFT – 4/12/18

FIRST SUPPLEMENTAL INDENTURE

dated as of April 20, 2018

among

LCM XXI LIMITED PARTNERSHIP,
Issuer

LCM XXI LLC,
Co-Issuer

and

DEUTSCHE BANK TRUST COMPANY AMERICAS,
Trustee

to

the Indenture, dated as of April 22, 2016,
among the Issuer, the Co-Issuer and the Trustee

THIS FIRST SUPPLEMENTAL INDENTURE, dated as of April 20, 2018 (this "First Supplemental Indenture"), among LCM XXI Limited Partnership, an exempted limited partnership registered under the laws of the Cayman Islands (the "Issuer"), LCM XXI LLC, a Delaware limited liability company (the "Co-Issuer") and Deutsche Bank Trust Company Americas, as Trustee (herein, together with its permitted successors and assigns, the "Trustee"), is entered into pursuant to the terms of the Indenture, dated as of April 22, 2016, among the Issuer, the Co-Issuer and the Trustee (the "Indenture"). Capitalized terms used in this First Supplemental Indenture that are not otherwise defined herein have the meanings assigned thereto in the Indenture.

PRELIMINARY STATEMENT

WHEREAS, without consent of any Holders (except as set forth in clauses (h), (p), (u), (y) and (z) of Section 8.1 of the Indenture), the Issuers, at any time and from time to time, may enter into one or more supplemental indentures, in form satisfactory to the Trustee, pursuant to Section 8.1 of the Indenture either (y) if such supplemental indenture would not materially and adversely affect any Class of Securities or (z) to the extent deemed necessary by the Collateral Manager, but only to the extent deemed so necessary to take certain actions, which includes (I) under clause (o) of Section 8.1 of the Indenture to facilitate a Refinancing solely to the extent contemplated by Section 9.6 of the Indenture and under clause (z) of Section 8.1 of the Indenture in conjunction with a Refinancing or Repricing Amendment, at the direction of the Collateral Manager and with the prior written consent of a Majority of the LP Certificates, to (i) extend the Refinancing/Repricing Amendment Non-Call Period with respect to any Class of Notes subject to such Refinancing or Repricing Amendment or (ii) provide that one or more Class of Notes are ineligible to be redeemed with the proceeds of a Refinancing and (II) under clause (b) of Section 8.1 of the Indenture to add to the covenants of the Issuers or the Trustee, for the benefit of the Holders of the Notes, or to surrender any right or power herein conferred upon the Issuer or the Co-Issuer;

WHEREAS, the Issuers desire to enter into this First Supplemental Indenture to make changes necessary to issue replacement securities in connection with an optional redemption by Refinancing of the Class A Notes, the Class B Notes and the Class E Notes (collectively, the "Refinanced Notes"), through issuance of the U.S.$[235,000,000] Class A-R Senior Floating Rate Notes due 2028 (the "Class A-R Notes"), the U.S.$[46,800,000] Class B-R Senior Floating Rate Notes due 2028 (the "Class B-R Notes") and the U.S.$[16,000,000] Class E-R Deferrable Mezzanine Floating Rate Notes due 2028 (the "Class E-R Notes" and, together with the Class A-R Notes and the Class B-R Notes, the "Refinancing Notes"), occurring on the same date as this First Supplemental Indenture;

WHEREAS, pursuant to Section 9.6(a) of the Indenture, each of the Issuer and the Trustee has received the written direction of the Holders of a Majority of the LP Certificates directing the optional redemption by Refinancing of each Class of Refinanced Notes;

WHEREAS, in accordance to Section 8.2 of the Indenture, 100% of the Holders of the LP Certificates have provided written consent to the amendments set forth in Section 1(f);

WHEREAS, the Collateral Manager has consented in writing to the optional redemption by Refinancing on or prior to the date hereof;

WHEREAS, the Collateral Manager determined and has certified to the Trustee that the optional redemption by Refinancing and the terms of this First Supplemental Indenture will meet the requirements specified in Section 9.6(b) of the Indenture;

WHEREAS, a copy of the applicable notice of the First Supplemental Indenture has been delivered to Holders of the Securities, the Collateral Manager, the Issuers, the Initial Purchaser and the Rating Agencies at least 30 days prior to the execution hereof in accordance with the provisions of Section 8.2 of the Indenture; and

WHEREAS, a copy of the applicable notice of redemption has been delivered to each Holder of Refinanced Notes and the Rating Agencies at least 10 Business Days prior to the execution hereof in accordance with the provisions of Section 9.6(f) of the Indenture.

NOW THEREFORE, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Issuers and the Trustee hereby agree as follows:

SECTION 1. Terms of the Refinancing Notes and Refinancing Related Amendments to the Indenture.

(a) (i) The Issuers will issue the Refinancing Notes (the proceeds of which shall be used to redeem the Refinanced Notes) which shall have the designations, original principal amounts and other characteristics as follows:

Principal Terms of the Refinancing Notes

	Original Principal Amount	Note Interest Rate	Stated Maturity	Applicable Issuer
Class A-R Notes	$[235,000,000]	LIBOR + [•]%	April 2028	Issuers
Class B-R Notes	$[46,800.000]	LIBOR + [•]%	April 2028	Issuers
Class E-R Notes	$[16,000.000]	LIBOR + [•]%	April 2028	Issuer

(ii) The table set forth in Section 2.3 of the Indenture is hereby amended by deleting the rows therein for the Class A Notes, the Class B-1 Notes, the Class B-2 Notes and Class E Notes and replacing it with rows for the Class A-R Notes, Class B-R Notes and Class E-R Notes in the table set forth in clause (a)(i) above.

(b) The issuance date of the Refinancing Notes shall be April 20, 2018 (the "First Refinancing Date") and the Redemption Date of the Refinanced Notes shall also be April 20, 2018;

(c) Payments on the Refinancing Notes issued on the First Refinancing Date will be made on each Payment Date, commencing on the Payment Date in [July] 2018;

(d) Section 1.1 of the Indenture shall be amended as follows:

(i) The following new definitions are inserted in Section 1.1 of the Indenture in the appropriate alphabetical order:

"'Final Offering Memorandum': The final offering memorandum, dated April [__], 2018, relating to the Refinancing Notes including the final offering memorandum dated April 20, 2016, regarding the issuance of the Securities and the Income Notes attached thereto as Annex A and a form of this First Supplemental Indenture attached thereto as Annex B.

"'First Refinancing Date': The meaning specified in the First Supplemental Indenture dated as of April 20, 2018."

"Purchase Agreements": Collectively, the Income Note Purchase Agreement, the Refinancing Purchase Agreement and the Securities Purchase Agreement.

"'Refinancing Initial Purchaser': Deutsche Bank Securities Inc., in its capacity as Refinancing initial purchaser under the Refinancing Purchase Agreement.

"'Refinancing Notes': The meaning specified in the First Supplemental Indenture dated as of April 20, 2018."

"'Refinancing Purchase Agreement': The Refinancing purchase agreement, dated as of April 20, 2018, among the Issuers and the Refinancing Initial Purchaser."

"'US Risk Retention Regulations': Section 15G of the Exchange Act and any applicable implementing regulations."

(ii) The definition "Eligible Investment" shall be amended by inserting "Structured Finance Security (or any fund that owns or is permitted to own a Structured Finance Security)" after the words "mortgage backed security," in the first proviso thereof.

(iii) The definition "Non-Call Period" shall be deleted in its entirety and replaced with the following:

"'Non-Call Period': The period from the Closing Date to and including the Business Day immediately preceding (i) for the Class A-R Notes, the Payment Date in [April 2019] and (ii) for the Class B-R Notes, the Class C Notes, the Class D Notes and the Class E-R Notes, the Payment Date in [October 2018]."

(e) Section 7.14 of the Indenture shall be amended by inserting ", the Refinancing Purchase Agreement" after the words "the Limited Partnership Agreement" in the first sentence thereof.

(f) The amendments in clauses (i), (ii), (iii), (iv), (v), (vi) and (vii) of this clause (f) shall be of no effect unless, on or after the First Refinancing Date, the Collateral Manager (with the consent of the Holders of 100% of the Aggregate Outstanding Amount of the Class C Notes and Class D Notes (or any obligations that replace the Class C Notes or the Class D Notes in connection with a Refinancing)) notifies the Trustee in writing that such clauses shall be effective on the Determination Date (and for the related Interest Accrual Period) specified in such notice. The Holders of the Refinancing Notes are deemed to have consented to the effectiveness of this clause (f) by their acceptance of the Refinancing Notes.

i. Section 1.1 of the Indenture shall be amended as follows:

a. The following new definitions are inserted in Section 1.1 of the Indenture in the appropriate alphabetical order:

"'Alternate Base Rate': The meaning specified in Section 8.1."

"'Base Rate': (a) LIBOR or (b) if a Base Rate Amendment is entered into, for each Interest Accrual Period commencing after the execution and effectiveness of such Base Rate Amendment, the greater of (x) 0% and (y) the sum of (1) the Alternate Base Rate and (2) the applicable Base Rate Modifier, if any (as determined in accordance with the definition of Base Rate Modifier)."

"'Base Rate Amendment': The meaning set forth in Section 8.1."

"'Base Rate Determination Date': A LIBOR Determination Date, or, in the event of a Base Rate Amendment, such other date as specified therein."

"'Base Rate Modifier': Any modifier (x) recognized, acknowledged or relied upon in respect of the secured overnight financing rate (SOFR) most recently published by the Federal Reserve Bank of New York or (y) recognized or acknowledged by the Alternative Reference Rates Committee convened by the Federal Reserve, in each case that is (1) currently relied upon in respect of at least 50% (by principal amount) of the quarterly pay Floating Rate Collateral Debt Obligations, (2) generally applicable to floating rate securities issued in the new issue collateralized loan obligation market and (3) contemporaneously determined with respect to a reference rate; provided that, in the commercially reasonable judgment of the Collateral Manager, such modifier is necessary to be applied to an Alternative Base Rate in order to cause such rate to be comparable to three-month LIBOR, which may consist of an addition to or a subtraction from such unadjusted rate."

"'Benchmark Administrator': ICE Benchmark Administration or any successor thereto or any other administrator of the Benchmark Rate that is generally recognized as commercially acceptable in the financial markets."

"'Benchmark Rate': With respect to any Base Rate Determination Date and (i) LIBOR, the rate quoted by ICE Benchmark Administration or any successor thereto and used by the Calculation Agent to calculate LIBOR pursuant to the definition thereof and (ii) the Alternate Base Rate, the rate determined in a manner comparable to the manner the "Benchmark Rate" for LIBOR is determined or some other manner specified in the applicable Base Rate Amendment."

ii. Section 7.18 of the Indenture shall be amended by inserting the following new subsection (d) following subsection (c):

"(d) In the event of a Base Rate Amendment, the Calculation Agent will calculate the Base Rate on each Base Rate Determination Date in accordance with the procedures set forth in such Base Rate Amendment."

iii. The first paragraph of Section 8.1 of the Indenture shall be amended by deleting such paragraph in its entirety and replacing it with the following:

"Section 8.1 Supplemental Indentures without Consent of Holders. Without the consent of any Holders (except as set forth in clauses (h), (p), (u), (y), (z) and (bb) below), and subject to Section 8.7, the Issuers and the Trustee may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee either (x) if such supplemental indenture would not materially and adversely affect any Class of Securities or (y) with respect to clauses (a) through (cc) below, to the extent deemed necessary by the Collateral Manager, but only to the extent so deemed necessary; provided that the Issuers and the Trustee shall, if requested by the Collateral Manager and subject to the requirements of this Article VIII, enter into a supplemental indenture pursuant to clause (bb) below if, at any time while any Notes are outstanding, the Benchmark Rate ceases to exist or be quoted by the Benchmark Administrator; provided further that the Collateral Manager shall make such request if the Benchmark Rate ceases to exist or be quoted by the Benchmark Administrator:"

iv. Section 8.1(z) of the Indenture shall be amended by adding the following language (iii) after clause (ii):

"or (iii) provide for the inclusion or removal of a floor on the calculated Base Rate applicable to the replacement notes or loans issued pursuant to such Refinancing;"

v. Section 8.1 of the Indenture shall be amended by adding the following clauses (aa), (bb) and (cc) after clause (z):

"(aa) to amend, modify or otherwise accommodate changes to this Indenture to comply with changes to the US Risk Retention Regulations enacted or promulgated after the First Refinancing Date (including, through judicial decisions or regulatory pronouncements), and to amend, modify or otherwise accommodate changes to this Indenture to eliminate or modify provisions intended to comply with the US Risk Retention Regulations to the extent the US Risk Retention Regulations are repealed after the First Refinancing Date;

(bb) to change the Base Rate applicable to the Notes (a "Base Rate Amendment") from LIBOR (or the then existing Base Rate) to an alternate base rate (the "Alternate Base Rate") and to make such other amendments as are necessary or advisable in the reasonable judgment of the Collateral Manager to facilitate such change, so long as (A) such modifications are being undertaken due to (w) a material disruption to the existing Base Rate, (x) a change in the methodology of calculating the existing Base Rate or the index on which the existing Base Rate is based, if any, (y) the Benchmark Rate ceasing to exist or be reported by the Benchmark Administrator or (z) at least 50% (by principal amount) of (I) the quarterly pay Floating Rate Collateral Debt Obligations or (II) the floating rate securities issued in the new issue collateralized loan obligation market in the preceding nine months rely on reference rates other than LIBOR, in each case, determined as of the first day of the Interest Accrual Period during which the Base Rate Amendment is proposed (or the reasonable expectation of the Collateral Manager that any of the events specified in clause (w), (x), (y) or (z) will occur), and (B) consent to such modifications has been obtained from a Majority of the Class A-R Notes and a Majority of LP Certificates; provided that, no such consent shall be required if the Collateral Manager (i) elects (in its commercially reasonable discretion) an Alternate Base Rate that is (1) the rate suggested as a replacement for LIBOR by the Alternative Reference Rates Committee convened by the Federal Reserve, (2) the rate acknowledged or suggested as the industry standard for the leveraged loan market by the Loan Syndications and Trading Association or (3) the rate that is consistent with the reference rate being used with respect to at least 50% (by principal amount) of (x) the Floating Rate Collateral Debt Obligations or (y) the floating rate securities issued in the new issue collateralized loan obligation market in the preceding nine months from the date of determination that bear interest based on a reference rate other than LIBOR, and (ii) provides written notice to the Issuers, the Trustee, the Calculation Agent and the Rating Agencies of such Alternate Base Rate (and the Trustee shall notify the Holders thereof), and such Alternate Base Rate shall apply to the Notes without the execution of a supplemental indenture (following any modification to the Base Rate pursuant to this clause (bb), the Calculation Agent shall calculate the new reference rate in the same manner in which it calculated LIBOR, to the extent applicable); or

(cc) if the Base Rate is no longer LIBOR, to make any changes necessary or advisable in connection with the calculation or application of the Base Rate or to otherwise facilitate such change (for the avoidance of doubt, nothing in this clause (cc) shall allow a change to the Base Rate)."

vi. Each instance of the term "LIBOR" at the following locations with the Indenture:

a. In Section 1.1, Definitions, of the Indenture, in each of the following defined terms:

i. "Class C Note Interest Coverage Test";

ii. "Class D Note Interest Coverage Test";

iii. "Class E Note Interest Coverage Test";

iv. "Repricing"; and

v. "Senior Note Interest Coverage Test";

b. in each instance that the term appears within Section 2.3, Authorized Amount; Note Interest Rate; Stated Maturity; Denominations, of the Indenture;

c. in each instance that the term appears within Section 2.11, Additional Issuances of Notes, of the Indenture;

d. in each instance that the term appears within subsection (a) of Section 7.18, Calculation Agent, of the Indenture; and

e. in each instance that the term appears within Section 9.6, Refinancing, of the Indenture;

is hereby replaced with the term "Base Rate".

vii. Section 9.1(a) of the Indenture shall be amended by inserting the following "(unless no Class A-R Notes remain Outstanding, in which case the Rated Notes shall be redeemable in whole, but not in part, by the Issuers on any Business Day)" after the words "on any Payment Date" in the first sentence thereof.

(g) Section 1.3 of the Indenture shall be amended by inserting the following clause (h):

"(h) All references in this Indenture to the term "Initial Purchaser" shall be read to apply to (i) with respect to any Class of Notes (other than the Refinancing Notes), the Initial Purchaser, in its capacity as initial purchaser under the Securities Purchase Agreement, (ii) with respect to the Income Notes, the Initial Purchaser, in its capacity as initial purchaser under the Income Note Purchase Agreement and (iii) with respect to the Refinancing Notes, the Refinancing Initial Purchaser."

(h) The last paragraph of Section 10.4 of the Indenture shall be amended by inserting "(which, for the avoidance of doubt, is authorized to publish such reports via its electronic platform)" after the words "Intex Solutions, Inc."

(i) Schedule I of the Indenture shall be amended by inserting the following clause (cc):

"(cc) the identity of each Eligible Investment fund vehicle."

SECTION 2. Issuance and Authentication of Refinancing Notes; Cancellation of Refinanced Notes.

(a) The Issuers hereby direct the Trustee to (i) deposit in the Collection Account the proceeds of the Refinancing Notes received on the First Refinancing Date and (ii) use such proceeds (together with Interest Proceeds available for such purpose on the First Refinancing Date pursuant to the Priority of Payments (x) to pay the Redemption Prices of the Refinanced Notes and (y) to pay all Administrative Expenses (including the amounts referred to in Section 9.6 of the Indenture, which, for the avoidance of doubt, shall include all fees and expenses that are incurred in connection with this optional redemption by Refinancing of the Refinanced Notes), in each case, in accordance with Section 9.6 of the Indenture and (as applicable) the Priority of Payments.

(b) The Refinancing Notes shall be issued as Rule 144A Global Securities and Temporary Global Securities, in each case, substantially in the form attached to the refinancing date certifications and agreements and shall be executed by the Issuers and delivered to the Trustee for authentication and thereupon the same shall be authenticated and delivered to the Issuer by the Trustee upon Issuer Order and upon receipt by the Trustee of the following:

(i) Rating Letters. An Officer's Certificate of the Issuer to the effect that attached thereto is a true and correct copy of a letter signed by each Rating Agency, as applicable, and confirming such Rating Agency's rating of the Refinancing Notes as set forth below:

Class of Refinancing Notes	Rating by Fitch	Rating by S&P
Class A-R Notes	[AAAsf]	[AAA(sf)]
Class B-R Notes	[N/A]	[AA(sf)]
Class E-R Notes	[N/A]	[BB-(sf)]

(ii) Governmental Approvals. From each of the Issuers either (A) a certificate of the Applicable Issuer or other official document evidencing the due authorization, approval or consent of any governmental body or bodies, at the time having jurisdiction in the premises, together with an Opinion of Counsel of such Applicable Issuer that no other authorization, approval or consent of any governmental body is required for the valid issuance of such Refinancing Notes, or (B) an Opinion of Counsel of such Applicable Issuer that no such authorization, approval or consent of any governmental body is required for the valid issuance of such Refinancing Notes except as has been given.

(iii) Legal Opinions. Opinions of (a) Chapman and Cutler LLP, special U.S. counsel to the Issuers, or other counsel acceptable to the Trustee, dated the First Refinancing Date, substantially in form attached to the refinancing date certifications and agreements, (b) Maples and Calder, counsel to the Issuer, or other counsel acceptable to the Trustee, dated the First Refinancing Date, substantially in form attached to the refinancing date certifications and agreements and (c) Seyfarth Shaw LLP, counsel to the Trustee, dated the First Refinancing Date, substantially in form attached to the refinancing date certifications and agreements.

(iv) Officer's Certificate of the Issuer Regarding Corporate Matters. An Officer's Certificate of the Issuer (A) evidencing the authorization by the General Partner of the execution and delivery of, among other documents, this First Supplemental Indenture and the execution, authentication and delivery of the Refinancing Notes and specifying the applicable Stated Maturity, the principal amount and the Note Interest Rate of each Class of Refinancing Notes to be authenticated and delivered as set forth in Section 1(a) hereto; and (B) certifying that (1) the attached copy of the Board Resolution of the General Partner is a true and complete copy thereof, (2) such resolutions have not been rescinded and are in full force and effect on and as of the First Refinancing Date and (3) the Officers authorized to execute and deliver such documents hold the offices and have the signatures indicated thereon.

(v) Officer's Certificate of the Co-Issuer Regarding Corporate Matters. An Officer's Certificate of the Issuer (A) evidencing the authorization by Board Resolution of the execution and delivery of this First Supplemental Indenture and the execution, authentication and delivery of the Refinancing Notes, and specifying the applicable Stated Maturity, the principal amount and the Note Interest Rate, as applicable, of each Class of Refinancing Notes to be authenticated and delivered as set forth in Section 1(a) hereto; and (B) certifying that (1) the attached copy of the Board Resolution is a true and complete copy thereof, (2) such resolutions have not been rescinded and are in full force and effect on and as of the First Refinancing Date and (3) the Officers authorized to execute and deliver such documents hold the offices and have the signatures indicated thereon.

(vi) Officers' Certificates of Issuers Regarding Indenture. An Officer's certificate of each of the Issuer and the Co-Issuer stating that, (i) all conditions precedent provided in the Indenture and this First Supplemental Indenture pursuant to Sections 8.1(o), 8.4 and 9.6 of the Indenture relating to the issuance of the Refinancing Notes have been complied with, (ii) such Applicable Issuer is not in default under the Indenture and that the issuance of the Refinancing Notes applied for by it will not result in a default or a breach of any of the terms, conditions or provisions of, or constitute a default under, its organizational documents, any indenture or other agreement or instrument to which it is a party or by which it is bound, or any order of any court or administrative agency entered in any Proceeding to which it is a party or by which it may be bound or to which it may be subject, (iii) the authentication and delivery of the Refinancing Notes is authorized or permitted under the Indenture and the First Supplemental Indenture entered into in connection with the Refinancing Notes and (iv) all expenses due or accrued with respect to the offering of such Refinancing Notes or relating to actions taken on or in connection with the issuance of the Refinancing Notes have been paid or reserves therefor have been made.

(vii) Noteholder Consents. With respect to all amendments hereunder other than the amendments set forth in Section 1(f), written consents from a Majority of the LP Certificates to this First Supplemental Indenture and, with respect to the amendment set forth in Section 1(f), written consents from a 100% of the Holders of the LP Certificates to this First Supplemental Indenture.

(c) On the Redemption Date specified above, the Trustee shall (i) as custodian of the Global Securities, cause all Global Securities representing the Refinanced Notes that are held by the Trustee on behalf of Cede & Co. to be surrendered for cancellation and (ii) cause all such surrendered Global Securities and all Certificated Securities (if any) representing Refinanced Notes surrendered for cancellation to be cancelled in accordance with Section 2.9 of the Indenture.

SECTION 3. Indenture to Remain in Effect.

(a) Except as expressly modified herein, the Indenture shall continue in full force and effect in accordance with its terms. Upon the completion of the optional redemption by Refinancing contemplated herein, all references in the Indenture to (i) the Class A Notes shall apply *mutatis mutandis* to the Class A-R Notes, (ii) the Class B Notes, the Class B-1 Notes and the Class B-2 Notes shall apply *mutatis mutandis* to the Class B-R Notes and (iii) the Class E Notes shall apply *mutatis mutandis* to the Class E-R Notes. In this regard, unless the context otherwise requires, all references in the Indenture to the Class A Loans shall be to the Class A-R Notes; all references in the Indenture to any of the Class B-1 Notes, the Class B-2 Notes and the Class B Notes shall be to the Class B-R Notes; all references in the Indenture to the Class E Notes shall be to the Class E-R Notes; and all references in the Indenture to the Notes shall include the Refinancing Notes. Furthermore, the Class B-R Notes are a single Class of floating rate Notes that have replaced the Class B-1 Notes and Class B-2 Notes. All references in the Indenture to the Indenture or to "this Indenture" shall apply mutatis mutandis to the Indenture as modified by this First Supplemental Indenture. The Trustee shall be entitled to all rights, protections, immunities and indemnities set forth in the Indenture as fully as if set forth in this First Supplemental Indenture.

SECTION 4. Miscellaneous.

(a) THIS FIRST SUPPLEMENTAL INDENTURE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

(b) This First Supplemental Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

(c) Notwithstanding any other provision of this First Supplemental Indenture, the obligations of the Applicable Issuers under the Securities and the Indenture as supplemented by this First Supplemental Indenture are limited recourse obligations (with respect to such obligations of the Issuer) or non-recourse obligations (with respect to such obligations of the Co-Issuer) payable solely from the Collateral and following realization of the Collateral, and application of the proceeds thereof in accordance with the Indenture as supplemented by this First Supplemental Indenture, all obligations of and any claims against either of the Issuers hereunder or in connection herewith after such realization shall be extinguished and shall not thereafter revive. No recourse shall be had against any officer, director, partner, employee, shareholder or incorporator of either of the Issuers, the Collateral Manager or their respective successors or assigns for any amounts payable under the Securities or (except as otherwise provided herein or in the Collateral Management Agreement) the Indenture as supplemented by this First Supplemental

Indenture. It is understood that the foregoing provisions of this Section 4(c) shall not (i) prevent recourse to the Collateral for the sums due or to become due under any security, instrument or agreement which is part of the Collateral or (ii) constitute a waiver, release or discharge of any indebtedness or obligation evidenced by the Securities or secured by the Indenture as supplemented by this First Supplemental Indenture until the assets constituting the Collateral have been realized. It is further understood that the foregoing provisions of this Section 4(c) shall not limit the right of any Person to name the Issuer or the Co-Issuer as a party defendant in any Proceeding or in the exercise of any other remedy under the Securities or the Indenture as supplemented by this First Supplemental Indenture, so long as no judgment in the nature of a deficiency judgment or seeking personal liability shall be asked for or (if obtained) enforced against any such Person.

(d) Notwithstanding any other provision of the Indenture as supplemented by this First Supplemental Indenture, none of the Trustee nor the Holders or beneficial owners of the Refinancing Notes may, prior to the date which is one year (or if longer, any applicable preference period) and one day after the payment in full of all Securities, institute against, or join any other Person in instituting against, the Issuer, Co-Issuer or any Issuer 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. Nothing in this Section 4(d) shall preclude, or be deemed to stop, the Trustee (i) from taking any action prior to the expiration of the aforementioned period in (A) any case or Proceeding voluntarily filed or commenced by the Issuer or Co-Issuer or (B) any involuntary insolvency Proceeding filed or commenced by a Person other than the Trustee, or (ii) from commencing against the Issuer or Co-Issuer or any of their respective properties any legal action which is not a bankruptcy, reorganization, arrangement, insolvency, moratorium or liquidation Proceeding.

(e) The Trustee assumes no responsibility for the correctness of the recitals contained herein, which shall be taken as the statements of each of the Issuers and the Trustee shall not be responsible or accountable in any way whatsoever for or with respect to the validity, execution or sufficiency of this First Supplemental Indenture and makes no representation with respect thereto.

(f) The Issuers represent and warrant to the Trustee that this First Supplemental Indenture has been duly and validly executed and delivered by each of the Issuers and constitutes their respective legal, valid and binding obligation, enforceable against each of the Issuers in accordance with its terms.

(g) Each Holder or beneficial owner of a Refinancing Note, by its acquisition thereof on the First Refinancing Date, shall be deemed to agree to the Indenture, as supplemented by this First Supplemental Indenture and the execution by the Issuers and the Trustee hereof. Such Holders and beneficial owners shall be deemed to have (i) consented to Section 1(f) of this Supplemental Indenture and (ii) waived any right to notice in respect thereof. Section 1(f) hereof shall be of no effect until the Refinanced Notes are paid in full and no longer outstanding and the Refinancing Notes have been issued.

(h) This First Supplemental Indenture shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(i) The Issuer hereby directs the Trustee to execute this First Supplemental Indenture and acknowledges and agrees that the Trustee shall be fully protected in relying upon the foregoing direction.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this First Supplemental Indenture as of the date first written above.

LCM XXI LIMITED PARTNERSHIP,
as Issuer

By: LCM XXI GP LTD., its General Partner

By: ____
Name:
Title:

LCM XXI LLC,
as Co-Issuer

By: ____
Name:
Title:

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Trustee

By: ____
Name:
Title:

By: ____
Name:
Title:

Consented to by:

LCM ASSET MANAGEMENT LLC,

as Collateral Manager

By:_________________________________
Name:
Title:

REGISTERED OFFICES OF THE ISSUERS

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c/o MaplesFS Limited
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Cayman Islands

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COLLATERAL MANAGER

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PRINCIPAL OFFICE OF THE ADMINISTRATOR

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