

in the aggregate value of the Collateral. However, the Collateral Manager's management of the Issuer's investments is restricted by the requirement that it comply with the investment restrictions described in "Security for the Notes."

The Collateral Management Agreement generally permits the Collateral Manager or any of its Affiliates to acquire or sell securities, for its own account or for the accounts of its customers, without either requiring or precluding the purchase or sale of such securities for the account of the Issuer. In the event that, in light of market conditions and investment objectives, the Collateral Manager determines that it would be advisable to purchase the same item of Collateral both for the Issuer, and either the proprietary account of the Collateral Manager or any Affiliate of the Collateral Manager or another client of the Collateral Manager, the Collateral Manager will employ allocation procedures it deems to be fair and equitable and in accordance with its customary procedures and applicable laws.

Nothing in the Collateral Management Agreement shall preclude the Collateral Manager or its Affiliates from acting as principal, agent or fiduciary for other clients in connection with securities 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 item of Collateral. All purchases of securities between the Issuer and the Collateral Manager must be made in accordance with its customary procedures and the Advisers Act. Should a conflict of interest actually arise, the Collateral Manager will endeavor to ensure that it is resolved fairly to the extent possible under the prevailing facts and circumstances.

The Collateral Manager and its Affiliates, employees and agents are not prohibited from, and intend to, spend substantial business time in connection with other businesses or activities, including, but not limited to, managing investments, advising or managing entities whose investment objectives are the same as or overlap with those of the Issuer, participating in actual or potential investments of the Issuer, providing consulting, merger and acquisition, structuring or financial advisory services, including with respect to actual, contemplated or potential investments of the Issuer, or acting as a director, officer or creditors' committee member of, adviser to, or participant in any corporation, partnership, trust or other business entity. The Collateral Manager and its Affiliates, employees and agents may, and expect to, receive fees or other compensation from third parties for any of these activities, which fees will be for the benefit of their own account and not the Issuer. These fees can relate to actual, contemplated or potential investments of the Issuer and may be payable by entities in which the Issuer, directly or indirectly, has invested or contemplates investing.

The Collateral Manager and its Affiliates may manage other accounts that invest in assets eligible for purchase by the Issuer. The investment policies, fee arrangements and other circumstances of the Issuer may vary from those of other accounts. For example, the Issuer may desire to retain an asset at the same time that one or more other accounts desire to sell it. When the personnel of the Collateral Manager are considering purchases or sales for the Issuer and one or more of such other accounts at the same time, the Collateral Manager will attempt to allocate available investments or opportunities for sales in a manner they believe to be both equitable and consistent with its customary procedures and each entity's investment objectives. Similarly, other accounts which are in a liquidation phase may take priority as to sales of investments in which the Issuer is also an investor. These procedures could in certain circumstances affect adversely the price paid or received by the Issuer or the size of the position purchased or sold by the Issuer. Additionally, in order to avoid restrictions on the trading capabilities for certain of its funds, the Collateral Manager may actively avoid exposure to certain material, non-public information regarding certain of the issuers of items of Collateral that the Collateral Manager would, as agent of the Issuer, otherwise be entitled to receive. The Collateral Manager and its Affiliates will be free, in their sole discretion, to make recommendations to others, or effect transactions on behalf of itself or for others, which may be the same as or different from those effected with respect to the Collateral and shall have no duty in making such recommendations or effecting such transactions to act in a way favorable to the Issuer or to the Holders of the Securities.

The Collateral Manager shall seek to obtain on an arms-length basis the best execution for all orders placed with respect to the Collateral, considering all circumstances. Subject to the objective of obtaining best execution, the Collateral Manager may, in the allocation of business, take into consideration research and other brokerage services furnished to the Collateral Manager or its Affiliates by brokers and dealers. Such services may be furnished to the Collateral Manager or its Affiliates in connection with its other advisory activities or investment operations. Transactions may be executed as part of concurrent authorizations to purchase or sell the same security for other accounts served by the Collateral Manager or its Affiliates. When these concurrent transactions occur, the objective of the Collateral Manager (and any of its Affiliates involved in such transactions) shall be to allocate the executions