

reasonably determine that the warrant's inherent value exceeds the exercise price of such warrant and (iii) after the exercise of any warrant the Collateral Manager shall use commercially reasonable efforts to cause the Issuer to direct the Trustee to sell all of the related Equity Securities within 3 Business Days.

Cash on deposit in the Collection Account may be invested at any time in Eligible Investments in accordance with the Indenture pending investment in Collateral Obligations.

The Indenture provides that any sale or purchase by the Issuer of a Collateral Obligation shall be conducted on an arm's length basis. A purchase or sale may be effected with the Collateral Manager or a person Affiliated with the Collateral Manager or any fund or account for which the Collateral Manager or an Affiliate of the Collateral Manager acts as investment adviser only in accordance with the terms of the Collateral Management Agreement.

Issuer Accounts

The Collection and Payment Accounts

All distributions on the Collateral Obligations and any proceeds received from the disposition of any Collateral Obligations will be remitted to a single, segregated account held in the name of the Trustee (the "Collection Account") for the benefit of the Holders of the Notes, and will be available, together with reinvestment earnings thereon, for application to the payment of the amounts set forth under "*Description of the Notes—Priority of Payments*" and for the acquisition of additional Collateral Obligations under the circumstances and pursuant to the requirements described herein and in the Indenture. Two segregated subaccounts will be established within the Collection Account, one of which will be designated the "Interest Collection Subaccount," and one of which will be designated the "Principal Collection Subaccount." All Interest Proceeds received by the Trustee after the Closing Date will be deposited in the Interest Collection Subaccount. All other amounts remitted to the Collection Account will be deposited in the Principal Collection Subaccount.

Amounts received in the Collection Account during a Collection Period will be invested in Eligible Investments with stated maturities no later than the Business Day prior to the Payment Date next succeeding the acquisition of such securities or instruments. All proceeds from the Eligible Investments will be retained in the Collection Account unless used to purchase additional Collateral Obligations in accordance with the Investment Criteria, or used as otherwise permitted under the Indenture. See "*—Sales and Purchases of Collateral Obligations*" and "*Description of the Notes—Priority of Payments*."

Not later than the Business Day preceding each Payment Date, the Trustee will deposit into a separate account maintained by the Trustee (the "Payment Account") all funds in the Collection Account (other than Principal Proceeds in excess of the amounts required to be applied pursuant to the Priority of Payments) for payments to Holders of the Notes and payments of fees; expenses and other amounts in accordance with the priorities described under "*Description of the Notes—Priority of Payments*."

The Ramp-Up Account

The net proceeds of the issuance of the Notes remaining after payment of fees and expenses and the funding of the Expense Reserve Account (as described below) and which are not applied to pay for the purchase or refinance of Collateral Obligations purchased by the Issuer on or before the Closing Date (including, without limitation, termination of any participations or other financing arrangements entered into in connection with the purchase of Collateral Obligations prior to the Closing Date) will be deposited on the Closing Date into a separate account with the Trustee (the "Ramp-Up Account"). Of the proceeds of the issuance of the Notes, approximately \$74,000,000 will be deposited in the Ramp-Up Account. On behalf of the Issuer, the Collateral Manager will direct the Trustee, from time to time during the Ramp-Up Period, to use funds held in the Ramp-Up Account to purchase additional Collateral Obligations and invest in Eligible Investments any amounts not used to purchase such additional Collateral Obligations.