

Manager will be prohibited under the terms of the Investment Management Agreement from directing the acquisition of Collateral from, or disposition of Collateral to, its Affiliates or any other account managed by the Investment Manager except in a transaction conducted on an arm's-length basis, where the terms of such transaction are substantially as advantageous to the Issuer as the terms the Issuer would obtain in a comparable arm's length transaction with a non-Affiliate, and where such transaction complies with the Advisers Act.

The Investment Manager currently serves as the portfolio manager for a number of collateralized debt obligation transactions, retail mutual funds, institutional funds and private accounts secured by collateral consisting primarily of non-investment grade secured bank loans. Although the professional staff of the Investment Manager will devote as much time to the Issuer as the Investment Manager deems appropriate to perform its duties in accordance with the Investment Management Agreement, the staff of the Investment Manager may have conflicts in allocating their time and services among the Issuer and the Investment Manager's other accounts. The Investment Manager may, in its sole discretion, aggregate orders for its accounts under management. Depending upon market conditions, the aggregation of orders may result in a higher or lower average price paid or received by a client. There is no assurance that any CDO Vehicle or other client with strategies or investment objectives similar to the Issuer will hold the same assets or perform in a similar manner.

On each Distribution Date, the Investment Manager will be paid the Investment Manager Incentive Fee Amount to the extent of funds available in accordance with the Priority of Payments. The manner in which the Investment Manager Incentive Fee Amount is determined could create an incentive for the Investment Manager to make more speculative investments in the Collateral than the Issuer would otherwise make in order to increase the likelihood that the holders of the Subordinated Securities receive the specified Internal Rate of Return for the Investment Manager to be paid the Investment Manager Incentive Fee Amount.

The Investment Manager and its Affiliates and portfolios managed by them may own equity or other securities of obligors on the Collateral Obligations or other Collateral and may have provided and may provide in the future, advisory and other services to obligors of Collateral. The Investment Manager and/or its Affiliates may from time to time purchase and hold Securities.

While the Investment Manager may interact with potential investors in the Securities and may provide information regarding the portfolio of investments of the Issuer, the Investment Manager has the sole authority to select and manage the portfolio of Collateral. Upon request, prospective investors may obtain information regarding the Investment Manager's selections of Collateral Obligations for the Issuer; however, no investor or prospective investor has any right to require the Investment Manager to select a particular asset for purchase or sale by the Issuer.

ING Group Restructuring. ING Group has adopted a formal restructuring plan that was approved by the European Commission in November 2009 under which the ING life insurance businesses, including the retirement services and investment management businesses, which include the Investment Manager, would be divested by ING Group by the end of 2013. To achieve this goal, ING Group announced in November 2010 that it plans to pursue two separate initial public offerings: one a U.S. focused offering that would include U.S. based insurance, retirement services, and investment management operations, and the other a European based offering for European and Asian based insurance and investment management operations. There can be no assurance that the restructuring plan will be carried out through two offerings or at all.

The restructuring plan and the uncertainty about its implementation, whether implemented through the planned initial public offerings or through other means, in whole or in part, may be disruptive to the business of the Investment Manager, including, among other things, an interruption of or reduction in the Investment Manager's business and services, diversion of management's attention from day-to-day operations, and loss of key employees or customers. A failure to complete the offerings or other means of implementation on favorable terms could have a material adverse impact on the operations of the Investment Manager. The restructuring plan may result in the Investment Manager's loss of access to services and resources of ING Group and its other subsidiaries, which could adversely affect its businesses and profitability. Currently, the Investment Manager does not anticipate that the restructuring will have a material adverse impact on its operations or on its ability to perform the services required under the Investment Management Agreement and this Indenture.