

Income Notes. There is no assurance that the Issuer will be able to acquire Collateral Obligations that satisfy the Investment Criteria.

The Co-Issuers will, within 20 Business Days of the Ramp-Up End Date, request each Rating Agency to confirm, within 30 Business Days after the Ramp-Up End Date, the ratings assigned on the Closing Date to the Senior Notes. If any of such ratings on the Senior Notes are not confirmed, on the next and succeeding Payment Dates the Senior Notes will be redeemed, beginning with the most senior Class Outstanding, in accordance with the Priority of Payments until such ratings are confirmed.

Changes in Rating Methodology. One or more credit rating agencies may in the future and from time to time change their methodologies with respect to the rating of Collateral Obligations and Eligible Investments and/or securities of collateralized debt obligation transactions such as the Notes. There can be no assurance as to the effect of any such actions on the Notes. Such actions could cause a Rating Agency to downgrade, qualify or withdraw the rating of any Class of Securities, or make it more difficult to obtain confirmation of those ratings in the circumstances where the Co-Issuers are required to do so under the Indenture. Such actions may also affect the relative demand for and supply of different types of Collateral Obligations in relevant debt markets, which may in turn affect the ability of the Issuer to acquire and/or sell such obligations at economically advantageous prices and consequently the return to the Issuer from such investments. The Issuer may be permitted to amend the Indenture, without the consent of the Holders of Notes, but with the consent of the relevant Rating Agency, to accommodate certain such changes.

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 interest from the selling institution or through the acquisition of Synthetic Securities). As described in more detail below, holders of participation interests are subject to additional risks not applicable to a holder of a direct interest in a loan.

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

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