

THE COLLATERAL MANAGER AND THE COLLATERAL MANAGEMENT AGREEMENT

Under the Collateral Management Agreement to be entered into between the Issuer and the Collateral Manager on the Closing Date, the Collateral Manager will agree to select and manage the Collateral on behalf of the Issuer. The Indenture and the Collateral Management Agreement place significant restrictions on the Collateral Manager's ability to purchase or sell Collateral Obligations and the Collateral Management Agreement will require the Collateral Manager to comply with such restrictions. Accordingly, during certain periods or in certain specified circumstances, the Collateral Manager may be unable to purchase or sell Collateral Obligations or to take other actions that the Collateral Manager might consider in the best interests of the Co-Issuers and the Holders of the Notes. See "Risk Factors—Certain Conflicts of Interest—Collateral Manager Conflicts of Interest."

The Collateral Manager

The Collateral Manager, JCM, was formed under the laws of the State of Delaware on March 19, 2003. JCM is a wholly owned subsidiary of Jefferies Group, Inc., a publicly traded holding company whose securities are traded on the NYSE. Jefferies Group, Inc., together with its subsidiaries (collectively, "Jefferies Group"), is an investment bank and institutional securities firm. Jefferies Group provides clients with capital markets and financial advisory services, institutional brokerage, securities research and asset management. Jefferies Group provides trade execution in equity, high yield and international securities for institutional investors and high net worth investors. Jefferies & Company, Inc. ("Jefferies") is the principal operating subsidiary of Jefferies Group. As of September 30, 2006, Jefferies Group employed over 2,200 employees in offices worldwide. The principal place of business of JCM is 11110 Santa Monica Boulevard, 11th Floor, Los Angeles, California 90025, telephone: 310-914-1252; facsimile: 312-914-1259. As of September 30, 2006, JCM had approximately U.S.\$927 million in assets under management.

Key Personnel

The Collateral Manager will use the services of the people set forth below, although it may not necessarily continue to use their services during the entire term of the Collateral Management Agreement. The key personnel of the Collateral Manager involved in managing and/or servicing the Collateral are:

Mark D. Senkpiel, CFA, is President and Managing Director of JCM. Mr. Senkpiel joined JCM in October of 2002. Mr. Senkpiel established JCM's structured fund management business, was responsible for managing (together with DL Babson) its \$200 million Jackson Creek CDO, which was redeemed in May 2005, and is currently responsible for managing Victoria Falls CLO, Summit Lake CLO and Diamond Lake CLO. Prior to joining Jefferies, he was a Managing Director of Trust Company of the West ("TCW"). He joined TCW in 1996 as a high yield bond portfolio manager in TCW's Leveraged Finance Group. In addition to his role as portfolio manager, Mr. Senkpiel was responsible for structuring and managing TCW's high yield cash flow CDOs. Prior to joining TCW, he was an Investment Director of Allstate Insurance Company where he was responsible for the management of \$1.3 billion in high yield bonds. While at Allstate, Mr. Senkpiel designed and developed the Prime Income Trust, a bank loan mutual fund which had its initial public offering in November 1989. His high yield experience dates back to 1980 when he joined CNA Financial as an Investment Officer. Mr. Senkpiel has also served as a Portfolio Manager at Penmark Investments and, prior to that, as a Securities Analyst at Washington National Insurance Company. Mr. Senkpiel received his BA in Economics from Knox College and his MBA from Roosevelt University. He is a CFA Charterholder.

Wade T. Winter, CFA, is a Senior Vice President of JCM. Mr. Winter joined Jefferies in 2003. Previously, he was a Senior Vice President and Senior Portfolio Manager at Four Corners Capital Management where he was responsible for analyzing investment opportunities in the Gaming, Lodging, Real Estate, Food, Beverage and Tobacco and Entertainment/Leisure-Sports industries. Prior to joining Four Corners, Mr. Winter served as a Vice President at ING Capital Advisors ("ICA") where he managed a \$520 million portfolio of leveraged loans. He has spent the last fourteen years in the leveraged loan market with ICA, Deutsche Bank (formerly Bankers Trust Company), Union Bank of California and Heller Financial and has over twenty years of experience in the financial services industry. Mr. Winter received his MBA in Finance from the Marshall School of Business, University of Southern California and his AB with a double major in Business Administration and Economics from Franklin & Marshall College. He is a member of the CFA Society of Los Angeles, Inc. (CFALA) and the CFA Institute and is a CFA Charterholder.

Richard J. Barger, CFA, is a Senior Vice President of JCM and a member of its credit research team. Mr. Barger joined Jefferies in 2003. Previously, he was a Senior Vice President and Senior Portfolio Manager at Four