

On the Closing Date, the Issuer and the Collateral Manager will enter into an agreement (the "Collateral Management Agreement") pursuant to which the Collateral Manager will agree to perform certain administrative and advisory functions with respect to the Collateral. Subject to the terms of the Collateral Management Agreement, the Collateral Manager will select the Initial Collateral Obligations, make decisions and accordingly instruct the Trustee with respect to any acquisition, disposition, sale or tender of Collateral Obligations and Eligible Investments under the Indenture, provide to the Collateral Administrator certain information specified in the Collateral Administration Agreement and review the reports prepared pursuant to the Indenture and the Collateral Administration Agreement. See "Description of the Notes—The Indenture and the Collateral Administration Agreement—Reports." The Collateral Manager will act under the Collateral Management Agreement as the agent of and on behalf of the Issuer. The Collateral Manager assumes no responsibility under the Collateral Management Agreement other than to render the services called for thereunder and under the terms of the Indenture and the Collateral Administration Agreement expressly applicable to it. Neither the Initial Purchaser nor any affiliate thereof will select any of the Collateral Obligations. See "Risk Factors—Certain Conflicts of Interest—Collateral Manager Conflicts of Interest."

The Collateral Manager may, in its discretion, exercise any rights or remedies with respect to any Collateral Obligation or Eligible Investment as provided in the related underlying instruments, including, without limitation, any exercise of creditor rights or sitting on any creditors' committee, initiating or participating in lawsuits against the issuer of any Collateral Obligation or Eligible Investment or against any third party who has provided services to the Issuer at the Issuer's expense, or take any other action consistent with the terms of the Collateral Management Agreement and the Indenture.

The Indenture places significant restrictions on the Collateral Manager's ability to buy and sell Collateral, and the Collateral Manager is required to comply with these restrictions contained in the Indenture. Accordingly, during certain periods or in certain specified circumstances, the Collateral Manager may be unable to buy or sell securities or to take other actions which it might consider in the best interest of the Issuer and the Holders of Notes, as a result of the restrictions set forth in the Indenture.

In making determinations as to whether an investment satisfies the definition of Collateral Obligations or complies with the investment criteria and for making other determinations relating to the status or characteristics of an investment, the Collateral Manager is entitled to rely upon such advice of counsel or other advisors as the Collateral Manager determines reasonably appropriate in its sole discretion.

The Collateral Manager or any of its Affiliates, employees or associates may engage in other business and furnish investment management, advisory and other types of services to its Affiliates and other clients whose investment policies differ from, or are the same as, those followed by the Collateral Manager with respect to the Issuer, as required by the Collateral Management Agreement. The Collateral Manager may make recommendations to or effect transactions for such affiliates and other clients which may differ from those effected with respect to the Portfolio. The Collateral Manager and its Affiliates 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. See "Risk Factors—Certain Conflicts of Interest—Collateral Manager Conflicts of Interest."

As compensation for the performance of its obligations as Collateral Manager, the Collateral Manager will be entitled to receive a fee, which will accrue quarterly in arrears on each Payment Date, in an amount equal to:

- (i) 0.20% per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) of the sum of (a) the Aggregate Principal Balance of the Collateral Obligations and (b) without duplication, the amounts on deposit in the Collection Account representing Principal Proceeds and the amount deposited in the Ramp-Up Account (including Eligible Investments therein) (such sum, the "Fee Basis Amount") at the beginning of the Collection Period relating to such Payment Date (the "Senior Management Fee"),
- (ii) 0.30% per annum (calculated on the same basis as the Senior Management Fee) of the Fee Basis Amount at the beginning of the Collection Period relating to such Payment Date (the "Subordinate Management Fee") and
- (iii) 20% of the remaining Interest Proceeds and Principal Proceeds at the applicable level of the Priority of Payments, after the Incentive Management Fee IRR Threshold is satisfied, as an