

INDENTURE, dated as of January 18, 2007, among Clear Lake CLO, Ltd., an exempted company incorporated with limited liability under the laws of the Cayman Islands (the "Issuer"), Clear Lake CLO, Corp., a corporation organized under the laws of the State of Delaware (the "Co-Issuer" and, together with the Issuer, the "Co-Issuers"), and Wells Fargo Bank, National Association, a national banking association, as trustee (herein, together with its permitted successors in the trusts hereunder, the "Trustee").

PRELIMINARY STATEMENT

The Co-Issuers are duly authorized to execute and deliver this Indenture to provide for the Securities issuable as provided in this Indenture. Except as otherwise provided herein, all covenants and agreements made by the Co-Issuers herein are for the benefit and security of the Noteholders and the Trustee. The Co-Issuers are entering into this Indenture, and the Trustee is accepting the trusts created hereby, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged.

All things necessary to make this Indenture a valid agreement of the Co-Issuers in accordance with the agreement's terms have been done.

GRANTING CLAUSES

The Issuer hereby Grants to the Trustee, for the benefit and security of the Noteholders, the Collateral Manager, the Collateral Administrator and the Trustee (collectively, the "Secured Parties"), all of its right, title and interest in, to and under, in each case, whether now owned or existing, or hereafter acquired or arising (the "Collateral"):

(a) any Collateral Obligations (listed, as of the Closing Date, in Schedule 1 to this Indenture) and Eligible Investments which the Issuer causes to be delivered to the Trustee (directly or through an intermediary or bailee) herewith or in the future and all payments thereon or with respect thereto;

(b) (i) the Payment Account, (ii) the Collection Account, (iii) the Revolving Reserve Account, (iv) the Synthetic Security Counterparty Accounts (subject to the rights of any Synthetic Security Counterparty in any such Synthetic Security Counterparty Accounts), (v) the Expense Reserve Account, (vi) the Synthetic Security Issuer Accounts, (vii) the Ramp-Up Account and (viii) the Custodial Account, (each an "Account", and collectively, the "Accounts"), any Collateral Obligations or Eligible Investments purchased with funds on deposit therein, and all income from the investment of funds therein;

(c) the Collateral Management Agreement as set forth in Article 15 hereof, and the Collateral Administration Agreement;

(d) all Cash delivered to the Trustee (or its bailee);

(e) all accounts, chattel paper, deposit accounts, financial assets, general intangibles, instruments, investment property, letter-of-credit rights (each as defined in the applicable Uniform Commercial Code) and other supporting obligations relating to the foregoing; and