and which would meet the reinvestment criteria described herein, in such sufficient amounts to permit the investment or reinvestment of all or a portion of the funds then in the Collection Account (*see "Description of the Notes—Special Redemption*). Notes may also be redeemed during the Reinvestment Period as described above and as described under *"Description of the Notes—Optional Redemption."*

Optional Redemption

After the end of the period from the Closing Date to but excluding the Payment Date in December 2010 (the "Non-Call Period") or at any time upon the occurrence of a Tax Event, the Notes may be redeemed at the direction of the Collateral Manager (with the consent of a Majority of the Income Notes) or at the direction of a Majority of the Income Notes; *provided* that certain conditions are satisfied.

The Coverage Tests

The Coverage Tests are comprised of an overcollateralization test and an interest coverage test for each of the Class A Notes (treated as a single class for this purpose), the Class B Notes, the Class C Notes and the Class D Notes. If a Coverage Test for any such Class is not satisfied as of any Determination Date related to an applicable Payment Date following the Ramp-Up End Date, the amounts available in accordance with the Priority of Payments at the level of the Priority of Payments at which the Coverage Test is applied will be used on such Payment Date to redeem the Senior Notes in accordance with the Priority of Payments to the extent necessary to satisfy such Coverage Tests, thereby reducing amounts available for payments at lower levels of the Priority of Payments. *See "Security for the Notes—The Coverage Tests."* The failure of the Issuer to satisfy a Coverage Test will not be a Default or an Event of Default under the Indenture.

The Collateral Manager

Jefferies Capital Management, Inc. ("JCM"), as Collateral Manager, will manage the selection and modification of the Collateral on behalf of the Issuer pursuant to a Management Agreement between the Collateral Manager and the Issuer (the "Collateral Management Agreement"). 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"* and *"The Collateral Manager and the Collateral Management Agreement."*

Security for the Notes

All assets of the Issuer (except the Excluded Property) (the "Collateral") will be pledged to secure the obligations of the Issuer to the Trustee and the Collateral Administrator and to secure the obligations of the Issuer under the Securities. Payments in respect of the Securities will be made solely from, and recourse will be limited to, the Collateral in accordance with the Priority of Payments. *See "Description of the Notes—Priority of Payments."*

The Collateral will consist solely of (i) Collateral Obligations and Eligible Investments acquired with the net proceeds from the issuance of the Securities and from time to time thereafter with other amounts received by the Issuer in respect of the Collateral, (ii) funds on deposit in certain accounts established under the Indenture, (iii) the rights of the Issuer under the Indenture, the Collateral Management Agreement and the Collateral Administration Agreement and (iv) certain payments or distributions received in respect of the Collateral Obligations and Eligible Investments. *See "Security for the Notes—Collateral Obligations," "—The Collateral Quality Test," "—The Portfolio Profile Test" and "—Sales and Purchases*