If you are not the intended recipient of this message, please delete and destroy all copies of this disclaimer and the attached Offering Circular (as defined below) along with any e-mail to which either may be attached.

DISCLAIMER

Attached please find an electronic copy of the final Offering Circular (the "Offering Circular") dated January 10, 2013 relating to the offering by Jamestown CLO I Ltd. and Jamestown CLO I Corp. of certain notes (the "Offering").

The Offering Circular shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of any such jurisdiction.

In order to be eligible to view this email and/or access the Offering Circular or make an investment decision with respect to the securities described therein, you must either (a) not be a "U.S. person" within the meaning of Regulation S under the Securities Act of 1933, as amended (the "Securities Act"), or (b) be a "Qualified Institutional Buyer" within the meaning of Rule 144A under the Securities Act (or, solely in the case of the Subordinated Notes, an "accredited investor" within the meaning set forth in Rule 501(a) under the Securities Act) that is also a "qualified purchaser" within the meaning of Section 3(c)(7) of the Investment Company Act of 1940, as amended (or, solely in the case of the Subordinated Notes, a "Knowledgeable Employee" with respect to the Issuer for purposes of Rule 3c-5 of the Investment Company Act).

Distribution of this electronic transmission of the Offering Circular to any person other than (a) the person receiving this electronic transmission from the Initial Purchaser or Placement Agent on behalf of the Co-Issuers, and (b) any person retained to advise the person receiving this electronic transmission with respect to the offering contemplated by the Offering Circular (each, an "Authorized Recipient") is unauthorized. Any photocopying, disclosure or alteration of the contents of the Offering Circular, and any forwarding of a copy of the Offering Circular or any portion thereof by electronic mail or any other means to any person other than an Authorized Recipient, except as expressly authorized herein, is prohibited. By accepting delivery of the Offering Circular, each recipient hereof agrees to the foregoing.

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, EFFECTIVE FROM THE DATE OF COMMENCEMENT OF DISCUSSIONS, RECIPIENTS, AND EACH EMPLOYEE, REPRESENTATIVE OR OTHER AGENT OF THE RECIPIENTS, MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE U.S. TAX TREATMENT AND TAX STRUCTURE OF THE OFFERING AND ALL MATERIALS OF ANY KIND, INCLUDING OPINIONS OR OTHER TAX ANALYSES, THAT ARE PROVIDED TO THE RECIPIENTS RELATING TO SUCH TAX TREATMENT AND TAX STRUCTURE. THIS AUTHORIZATION TO DISCLOSE THE U.S. TAX TREATMENT AND TAX STRUCTURE DOES NOT PERMIT DISCLOSURE OF INFORMATION IDENTIFYING A CO-ISSUER, THE INITIAL PURCHASER, THE PLACEMENT AGENT, THE PORTFOLIO MANAGER OR ANY OTHER PARTY TO THE TRANSACTION, THIS OFFERING OR THE PRICING (EXCEPT TO THE EXTENT SUCH INFORMATION IS RELEVANT TO U.S. TAX STRUCTURE OR TAX TREATMENT) OF THIS OFFERING.

OFFERING CIRCULAR

Jamestown CLO I Ltd.
Jamestown CLO I Corp.

U.S.$293,000,000 Class A-1 Senior Secured Floating Rate Notes due 2024
U.S.$40,500,000 Class A-2 Senior Secured Floating Rate Notes due 2024
U.S.$36,000,000 Class B Senior Secured Deferrable Floating Rate Notes due 2024
U.S.$18,000,000 Class C Senior Secured Deferrable Floating Rate Notes due 2024
U.S.$24,750,000 Class D Senior Secured Deferrable Floating Rate Notes due 2024
U.S.$48,950,000 Subordinated Notes due 2024

The Issuer's investment portfolio will consist primarily of bank loans and Participation Interests. The portfolio will be managed by 3i Debt Management U.S. LLC.

The Notes will be sold at negotiated prices determined at the time of sale. See "Plan of Distribution".

Investing in the Notes involves risks. See "Risk Factors" beginning on page 23.

No Notes will be issued unless upon issuance (i) the Class A-1 Notes are rated "Aaa (sf)" by Moody's and "AAA(sf)" by S&P, (ii) the Class A-2 Notes are rated at least "AA(sf)" by S&P, (iii) the Class B Notes are rated at least "A(sf)" by S&P, (iv) the Class C Notes are rated at least "BBB(sf)" by S&P and (v) the Class D Notes are rated at least "BB(sf)" by S&P. The Subordinated Notes will not be rated. See "Ratings of the Secured Notes".

This Offering Circular constitutes a Prospectus for the purposes of the Prospectus Directive 2003/71/EC (the "Prospectus Directive"). The Prospectus has been approved by the Central Bank of Ireland (the "Central Bank"), as competent authority under the Prospectus Directive. The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Secured Notes to be admitted to the Official List (the "Official List") and trading on its regulated market. Such approval relates only to the Secured Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purposes of Directive 2004/39/EC or which are to be offered to the public in any member state of the European Economic Area (the "EEA"). There can be no assurance that any such approval will be granted or that any such listing will be granted or maintained.

THE NOTES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT, AND NEITHER CO-ISSUER HAS BEEN REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED. THE NOTES ARE BEING OFFERED ONLY (I) TO NON-U.S. PERSONS OUTSIDE THE UNITED STATES IN RELIANCE ON REGULATION S AND (II) TO, OR FOR THE ACCOUNT OR BENEFIT OF, PERSONS THAT ARE (A) (1) QUALIFIED INSTITUTIONAL BUYERS OR (2) SOLELY IN THE CASE OF THE SUBORDINATED NOTES, ACCREDITED INVESTORS AND ALSO (B) (1) QUALIFIED PURCHASERS, (2) SOLELY IN THE CASE OF THE SUBORDINATED NOTES, KNOWLEDGEABLE EMPLOYEES WITH RESPECT TO THE ISSUER OR (3) ENTITIES OWNED EXCLUSIVELY BY QUALIFIED PURCHASERS OR (SOLELY IN THE CASE OF THE SUBORDINATED NOTES) KNOWLEDGEABLE EMPLOYEES WITH RESPECT TO THE ISSUER. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLERS OF THE NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A OR BY ANOTHER EXEMPTION THEREUNDER. EACH ORIGINAL PURCHASER OF A NOTE WILL BE DEEMED TO MAKE CERTAIN ACKNOWLEDGMENTS, REPRESENTATIONS, WARRANTIES AND CERTIFICATIONS. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON TRANSFER, SEE "TRANSFER RESTRICTIONS".

The Notes are expected to be delivered to investors in book-entry form through The Depository Trust Company and its participants and indirect participants, including, without limitation, Euroclear and Clearstream (or, in the case of ERISA Restricted Certificated Secured Notes and Certificated Subordinated Notes, in physical form or, in the case of Uncertificated Subordinated Notes, on the books and records of the Issuer), on or about November 8, 2012.

Initial Purchaser of the Secured Notes and Placement Agent of certain of the Subordinated Notes.

Citigroup

January 10, 2013

IMPORTANT INFORMATION REGARDING THIS OFFERING CIRCULAR AND THE NOTES

In making your investment decision, you should rely solely on the information contained in this Offering Circular and in the Transaction Documents. No person has been authorized to give you any information or to make any representation other than those contained in this Offering Circular and in the Transaction Documents. If you receive any other information, you should not rely on it.

You should not assume that the information contained in this Offering Circular is accurate as of any date other than the date on the front cover of this Offering Circular.

The Notes are being offered and sold only in places where offers and sales are permitted.

The Co-Issuers and Citigroup reserve the right, for any reason, to reject any offer to purchase in whole or in part, to allot to you less than the full amount of Notes sought by you or to sell less than the stated initial principal amount of any Class of Notes.

The Notes do not represent interests in or obligations of, and are not insured or guaranteed by, Citigroup, the Portfolio Manager, the Trustee, the Collateral Administrator or any of their respective affiliates.

The Notes are subject to restrictions on resale and transfer as described under "Description of the Notes", "Plan of Distribution" and "Transfer Restrictions". By purchasing any Notes, you will be deemed to have made certain acknowledgments, representations and agreements as described in "Transfer Restrictions". You may be required to bear the financial risks of investing in the Notes for an indefinite period of time.

Unless the context otherwise requires or as otherwise indicated herein, each reference to "Citigroup" in this Offering Circular means Citigroup Global Markets Inc. in its capacity as initial purchaser of the Secured Notes and placement agent of certain of the Subordinated Notes.

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, EFFECTIVE FROM THE DATE OF COMMENCEMENT OF DISCUSSIONS, RECIPIENTS, AND EACH EMPLOYEE, REPRESENTATIVE OR OTHER AGENT OF THE RECIPIENTS, MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE U.S. TAX TREATMENT AND TAX STRUCTURE OF THE OFFERING AND ALL MATERIALS OF ANY KIND, INCLUDING OPINIONS OR OTHER TAX ANALYSES, THAT ARE PROVIDED TO THE RECIPIENTS RELATING TO SUCH TAX TREATMENT AND TAX STRUCTURE. THIS AUTHORIZATION TO DISCLOSE THE U.S. TAX TREATMENT AND TAX STRUCTURE DOES NOT PERMIT DISCLOSURE OF INFORMATION IDENTIFYING A CO-ISSUER, THE INITIAL PURCHASER, THE PLACEMENT AGENT, THE PORTFOLIO MANAGER OR ANY OTHER PARTY TO THE TRANSACTION, THIS OFFERING OR THE PRICING (EXCEPT TO THE EXTENT SUCH INFORMATION IS RELEVANT TO U.S. TAX STRUCTURE OR TAX TREATMENT) OF THIS OFFERING.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE,

TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

This Offering Circular is being provided only to prospective purchasers of the Notes. You should read this Offering Circular and the Transaction Documents before making a decision whether to purchase any Notes. Except as otherwise authorized above, you must not:

- use this Offering Circular for any other purpose;
- make copies of any part of this Offering Circular or give a copy of this Offering Circular or any portion thereof to any other person; or
- disclose any information in this Offering Circular to any other person.

The information contained in this Offering Circular has been provided by the Co-Issuers and other sources identified herein. The Co-Issuers accept responsibility for the information contained in this Offering Circular. The "Portfolio Manager Information" consists of the information contained under the headings "Risk Factors—Relating to the Portfolio Manager" and the sub-headings thereunder, "Risk Factors—Relating to Certain Conflicts of Interest—The Issuer will be subject to various conflicts of interest involving the Portfolio Manager and its affiliates" and "The Portfolio Manager". The Portfolio Manager accepts responsibility for the Portfolio Manager Information. To the best of the knowledge and belief of the Co-Issuers, the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information. To the best of the knowledge and belief of the Portfolio Manager, the Portfolio Manager Information is in accordance with the facts and does not omit anything likely to affect the import of such information.

You are responsible for making your own examination of the Co-Issuers and the Portfolio Manager and your own assessment of the merits and risks of investing in the Notes. By purchasing any Notes, you will be deemed to have acknowledged that:

- you have reviewed this Offering Circular;
- you have had an opportunity to request any additional information that you need from the Issuer; and
- neither Citigroup nor the Portfolio Manager is responsible for, or is making any representation to you concerning, (i) the future performance of the Issuer or (ii) the accuracy or completeness of this Offering Circular (except, in the case of the Portfolio Manager, with respect to the Portfolio Manager Information).

None of the Co-Issuers, Citigroup, the Portfolio Manager nor any other party to the transactions contemplated by this Offering Circular is providing you with any legal, business, tax or other advice in this Offering Circular. You should consult with your own advisors as needed to assist you in making an investment decision and to advise you as to whether you are legally permitted to purchase the Notes.

The Notes are being offered in reliance on exemptions from the registration requirements of the Securities Act. These exemptions apply to offers and sales of securities that do not involve a public offering. The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any state securities commission or other regulatory authority, and none of the foregoing authorities has confirmed the accuracy or determined the adequacy of this Offering Circular. Any representation to the contrary is a criminal offense.

In connection with the preparation and dissemination of this Offering Circular, the Co-Issuers and Citigroup have assumed that Releases Nos. 33-9117 and 34-61858 of the United States Securities and Exchange Commission reflect a policy determination to expand the required disclosure in connection with certain collateralized debt obligation fund transactions as opposed to a determination that the specific disclosure requirements proposed in such Releases are required to satisfy the disclosure and anti-fraud requirements of Federal securities laws.

You must comply with all laws that apply to you in any place where you buy, offer or sell any Notes or possess this Offering Circular. You must also obtain any consents or approvals that you need in order to purchase any Notes. None of the Co-Issuers, Citigroup, the Portfolio Manager nor any other party to the transactions contemplated by this Offering Circular is responsible for your compliance with these legal requirements.

You are hereby notified that a seller of the Notes may rely on an exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A or by another exemption under the Securities Act. These exemptions apply to offers and sales of securities that do not involve a public offering.

IMPORTANT INFORMATION REGARDING OFFERS AND SALES OF THE NOTES

The Notes offered hereby are subject to modification or revision and are offered on a "when, as and if issued" basis. You understand that, when you are considering the purchase of Notes, a binding contract of sale will not exist prior to the time that the relevant class of Notes has been priced and Citigroup or (in the case of certain of the Subordinated Notes) the Issuer, as applicable, has confirmed the allocation of such Notes to be made to you; prior to that time any "indications of interest" expressed by you, and any "soft circles" generated by Citigroup or the Issuer, as applicable, will not create binding contractual obligations for you or Citigroup (or the Issuer, as applicable) and may be withdrawn at any time.

You may commit to purchase one or more classes of Notes that have characteristics that may change, and you are advised that all or a portion of the Notes may not be issued with the characteristics described in this Offering Circular. The obligation of Citigroup or the Co-Issuers to sell and/or Citigroup to place, as applicable, such Notes to you is conditioned on the Notes having the characteristics described in this Offering Circular. If Citigroup or the Co-Issuers determine that condition is not satisfied in any material respect, you will be notified, and none of the Issuer, the Co-Issuer or Citigroup will have any obligation to you to deliver any portion of the Notes that you have committed to purchase, and there will be no liability among the Issuer, the Co-Issuer, their affiliates, Citigroup and you as a consequence of the non-delivery. Your payment for the Notes will confirm your agreement to the terms and conditions described in this Offering Circular.

The information contained herein supersedes any previous such information delivered to you and may be superseded by information delivered to you prior to the time of contract of sale.

No invitation may be made to the public in the Cayman Islands to subscribe for the Notes.

THIS OFFERING CIRCULAR DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, (I) ANY SECURITIES OTHER THAN THE NOTES OR (II) ANY NOTES IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH AN OFFER OR SOLICITATION. THE DISTRIBUTION OF THIS OFFERING CIRCULAR AND THE OFFER OR SALE OF THE NOTES MAY BE RESTRICTED BY LAW IN CERTAIN JURISDICTIONS. PERSONS INTO WHOSE POSSESSION THIS OFFERING CIRCULAR OR ANY OF THE NOTES COME ARE REQUIRED BY THE CO-ISSUERS, THE INITIAL PURCHASER AND THE PLACEMENT AGENT TO INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS.

EACH PROSPECTIVE PURCHASER OF ANY OF THE NOTES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS SUCH NOTES OR POSSESSES OR DISTRIBUTES THIS OFFERING CIRCULAR AND MUST OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED BY IT FOR THE PURCHASE, OFFER OR SALE BY IT OF THE NOTES UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTION TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS OR SALES, AND NONE OF THE CO-ISSUERS, THE INITIAL PURCHASER, THE PLACEMENT AGENT, THE PORTFOLIO MANAGER AND ANY OF THEIR RESPECTIVE AFFILIATES SHALL HAVE ANY RESPONSIBILITY THEREFOR.

NOTICE TO FLORIDA RESIDENTS

THE NOTES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER SECTION 517.061 OF THE FLORIDA SECURITIES AND INVESTOR PROTECTION ACT AND HAVE NOT BEEN REGISTERED UNDER SAID ACT IN THE STATE OF FLORIDA. ALL FLORIDA RESIDENTS WHO ARE NOT INSTITUTIONAL INVESTORS DESCRIBED IN SECTION 517.061(7) OF THE FLORIDA SECURITIES AND INVESTOR PROTECTION ACT HAVE THE RIGHT TO VOID THEIR PURCHASE OF THE NOTES, WITHOUT PENALTY, WITHIN THREE DAYS AFTER THE FIRST TENDER OF CONSIDERATION.

NOTICE TO GEORGIA RESIDENTS

THE NOTES HAVE NOT BEEN REGISTERED UNDER THE GEORGIA UNIFORM SECURITIES ACT OF 2008, AND MAY NOT BE SOLD OR TRANSFERRED EXCEPT IN A TRANSACTION THAT IS EXEMPT UNDER SUCH ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION UNDER SUCH ACT.

NOTICE TO RESIDENTS OF THE UNITED KINGDOM

WITHIN THE UNITED KINGDOM, THIS OFFERING CIRCULAR MAY NOT BE PASSED ON EXCEPT TO INVESTMENT PROFESSIONALS OR OTHER PERSONS IN CIRCUMSTANCES IN WHICH SECTION 21(1) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (AS AMENDED) DOES NOT APPLY TO THE ISSUER (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS OFFERING CIRCULAR MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFERING CIRCULAR RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

RELEVANT PERSONS SHOULD NOTE THAT ALL, OR MOST, OF THE PROTECTIONS OFFERED BY THE UNITED KINGDOM REGULATORY SYSTEM WILL NOT APPLY TO AN INVESTMENT IN THE NOTES AND THAT COMPENSATION WILL NOT BE AVAILABLE UNDER THE UNITED KINGDOM FINANCIAL SERVICES COMPENSATION SCHEME.

NOTICE TO RESIDENTS OF AUSTRALIA

NO PROSPECTUS OR OTHER DISCLOSURE DOCUMENT (AS DEFINED IN THE CORPORATIONS ACT 2001 OF AUSTRALIA) IN RELATION TO THE NOTES HAS BEEN LODGED WITH THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION ("ASIC"), AND ACCORDINGLY:

(A) OFFERS MAY NOT BE MADE AND APPLICATIONS MAY NOT BE INVITED FOR THE ISSUE, SALE OR PURCHASE OF THE NOTES IN AUSTRALIA (INCLUDING AN OFFER OR INVITATION WHICH IS RECEIVED BY A PERSON IN AUSTRALIA); AND

(B) NO DRAFT, PRELIMINARY OR DEFINITIVE OFFERING MEMORANDUM, ADVERTISEMENT OR OTHER OFFERING MATERIAL RELATING TO THE NOTES MAY BE DISTRIBUTED OR PUBLISHED IN AUSTRALIA;

UNLESS (1) THE AGGREGATE CONSIDERATION PAYABLE BY EACH OFFEREE OR INVITEE IS AT LEAST AUD500,000 (OR ITS EQUIVALENT IN OTHER CURRENCIES, BUT DISREGARDING MONIES LENT BY THE OFFEROR OR ITS ASSOCIATES) OR THE OFFER OR INVITATION OTHERWISE DOES NOT REQUIRE DISCLOSURE TO INVESTORS IN ACCORDANCE WITH PART 6D.2 OF THE CORPORATIONS ACT, (2) SUCH ACTION COMPLIES WITH ALL APPLICABLE LAWS, REGULATIONS AND DIRECTIVES, AND (3) DOES NOT REQUIRE ANY DOCUMENT TO BE LODGED WITH ASIC.

NOTICE TO RESIDENTS OF FINLAND

THE NOTES MAY NOT BE OFFERED OR SOLD, AND THIS OFFERING CIRCULAR MAY NOT BE DISTRIBUTED, DIRECTLY OR INDIRECTLY, TO ANY RESIDENT OF THE REPUBLIC OF FINLAND OR IN THE REPUBLIC OF FINLAND, EXCEPT PURSUANT TO APPLICABLE FINNISH LAWS AND REGULATIONS. SPECIFICALLY, THE NOTES MAY ONLY BE ACQUIRED FOR DENOMINATIONS OF NOT LESS THAN EURO 50,000, AND THE NOTES MAY NOT BE OFFERED OR SOLD, AND THIS OFFERING CIRCULAR MAY NOT BE DISTRIBUTED, DIRECTLY OR INDIRECTLY, TO THE PUBLIC IN THE REPUBLIC OF FINLAND AS DEFINED UNDER THE FINNISH SECURITIES MARKET ACT OF 1989.

NOTICE TO RESIDENTS OF TAIWAN AND THE PEOPLE'S REPUBLIC OF CHINA

THE OFFER OF THE NOTES HAS NOT BEEN AND WILL NOT BE REGISTERED WITH THE SECURITIES AND FUTURES COMMISSION OF TAIWAN OR WITH THE RELEVANT REGULATORY AUTHORITIES IN THE PEOPLE'S REPUBLIC OF CHINA PURSUANT TO RELEVANT SECURITIES LAWS AND REGULATIONS AND MAY NOT BE OFFERED OR SOLD WITHIN TAIWAN OR THE PEOPLE'S REPUBLIC OF CHINA THROUGH A PUBLIC OFFERING OR IN CIRCUMSTANCES WHICH CONSTITUTE AN OFFER WITHIN THE MEANING OF THE SECURITIES AND EXCHANGE LAW OF TAIWAN OR WITHIN THE MEANING OF RELEVANT SECURITIES LAWS AND REGULATIONS IN THE PEOPLE'S REPUBLIC OF CHINA THAT REQUIRE A REGISTRATION OR APPROVAL OF THE SECURITIES AND FUTURES COMMISSION OF TAIWAN OR THE RELEVANT SECURITIES REGULATORY AUTHORITIES IN THE PEOPLE'S REPUBLIC OF CHINA.

NOTICE TO RESIDENTS OF THE EUROPEAN ECONOMIC AREA

IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA THAT HAS IMPLEMENTED THE PROSPECTUS DIRECTIVE (EACH A "*RELEVANT MEMBER STATE*"), WITH EFFECT FROM AND INCLUDING THE DATE ON WHICH THE PROSPECTUS DIRECTIVE IS IMPLEMENTED IN THAT RELEVANT MEMBER STATE (THE "*RELEVANT IMPLEMENTATION DATE*") AN OFFER OF NOTES TO THE PUBLIC WHICH ARE THE SUBJECT OF THE OFFERING CONTEMPLATED BY THIS OFFERING CIRCULAR MAY NOT BE MADE IN THAT RELEVANT MEMBER STATE OTHER THAN:

(A) TO ANY LEGAL ENTITY WHICH IS A "QUALIFIED INVESTOR" AS DEFINED IN THE PROSPECTUS DIRECTIVE;

(B) TO FEWER THAN 100 OR, IF THE RELEVANT MEMBER STATE HAS IMPLEMENTED THE RELEVANT PROVISIONS OF THE 2010 PD AMENDMENT DIRECTIVE, 150, NATURAL OR LEGAL PERSONS (OTHER THAN QUALIFIED INVESTORS AS DEFINED IN THE PROSPECTUS DIRECTIVE) SUBJECT TO OBTAINING THE PRIOR CONSENT OF THE ISSUER; OR

(C) IN ANY OTHER CIRCUMSTANCES FALLING WITHIN ARTICLE 3(2) OF THE PROSPECTUS DIRECTIVE;

PROVIDED THAT NO SUCH OFFER OF NOTES SHALL REQUIRE THE ISSUER, THE INITIAL PURCHASER OR THE PLACEMENT AGENT TO PUBLISH A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS DIRECTIVE OR SUPPLEMENT A PROSPECTUS PURSUANT TO ARTICLE 16 OF THE PROSPECTUS DIRECTIVE.

FOR THE PURPOSES OF THIS PROVISION, (I) THE EXPRESSION "AN OFFER OF NOTES TO THE PUBLIC" IN RELATION TO ANY SECURITIES IN ANY RELEVANT MEMBER STATE MEANS THE COMMUNICATION IN ANY FORM AND BY ANY MEANS OF SUFFICIENT INFORMATION ON THE TERMS OF THE OFFER AND THE SECURITIES TO BE OFFERED SO AS TO ENABLE AN INVESTOR TO DECIDE TO PURCHASE OR SUBSCRIBE THE SECURITIES, AS THE SAME MAY BE VARIED IN THAT MEMBER STATE BY ANY MEASURE IMPLEMENTING THE PROSPECTUS DIRECTIVE IN THAT MEMBER STATE; (II) THE EXPRESSION "PROSPECTUS DIRECTIVE" MEANS DIRECTIVE 2003/71/EC (AND AMENDMENTS THERETO, INCLUDING THE 2010 PD AMENDMENT DIRECTIVE TO THE EXTENT IMPLEMENTED IN THE RELEVANT MEMBER STATE) AND INCLUDES ANY RELEVANT IMPLEMENTING MEASURE IN EACH RELEVANT MEMBER STATE; AND (III) THE EXPRESSION "2010 PD AMENDMENT DIRECTIVE" MEANS DIRECTIVE 2010/73/EU.

FORWARD-LOOKING STATEMENTS

This Offering Circular contains forward-looking statements, which can be identified by words like "anticipate", "believe", "plan", "hope", "goal", "initiative", "expect", "future", "intend", "will", "could", and "should" and by similar expressions. Other information herein, including any estimated, targeted or assumed information, also may constitute or contain forward-looking statements. You should not place undue reliance on forward-looking statements. Actual results could differ materially from those referred to in forward-looking statements for many reasons, including the risks described in "Risk Factors". Forward-looking statements are necessarily speculative in nature, and some of or all the assumptions underlying any forward-looking statements may not materialize or may vary significantly from actual results. Variations between assumptions and results may be material.

Without limiting the generality of the foregoing, you should not regard the inclusion of forward-looking statements in this Offering Circular as a representation by the Co-Issuers, the Portfolio Manager, Citigroup, the Trustee, the Collateral Administrator or any of their respective affiliates or any other person of the results that will actually be achieved by the Issuer or the Notes. None of the foregoing persons has any obligation to update or otherwise revise any forward-looking statements, including any revisions to reflect changes in any circumstances arising after the date of this Offering Circular relating to any assumptions or otherwise.

CERTAIN DEFINITIONS AND RELATED MATTERS

Unless otherwise indicated, (i) references in this Offering Circular to "U.S. Dollars", "Dollars" and "U.S.$" will be to United States dollars; (ii) references to the term "holder" or "Holder" will mean the person in whose name a security is registered; except where the context otherwise requires, such term will include the beneficial owner of such security; and (iii) references to "U.S." and "United States" will be to the United States of America, its territories and its possessions.

The language of the Prospectus is English. Any foreign language text that is included with or within this document has been included for convenience purposes only and does not form part of the prospectus.

SUMMARIES OF DOCUMENTS

This Offering Circular summarizes certain provisions of the Notes, the Indenture, the Portfolio Management Agreement and other transaction documents. The summaries do not purport to be complete and (whether or not so stated in this Offering Circular) are subject to, are qualified in their entirety by reference to, and incorporate by reference, the provisions of the actual documents (including definitions of terms). Copies of the above documents are available on request from the Trustee. However, no documents incorporated by reference are part of this Offering Circular for purposes of the admission of the Secured Notes to trading on the regulated market of the Irish Stock Exchange. You should direct any requests and inquiries regarding this Offering Circular and such documents to the Trustee at the following address: Citibank, N.A., 388 Greenwich Street, 14th Floor, New York, NY 10013, Attention: Global Transaction Services – Jamestown CLO I Ltd.

AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with the sale of the Notes, the Issuer (and, solely in the case of the Secured Notes other than the Class D Notes, the Co-Issuer) under the Indenture referred to under "Description of the Notes" will be required to furnish upon request of a holder of a Note to such holder and a prospective purchaser designated by such holder the information required to be delivered under Rule 144A(d)(4) under the Securities Act if at the time of the request the Co-Issuers are neither (a) reporting companies under Section 13 or Section 15(d) of the Exchange Act nor (b) exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act. Neither of the Co-Issuers expects to become such a reporting company or to become so exempt from reporting. Such information may be obtained directly from the Issuer at the address set forth on the final page of this Offering Circular.

TABLE OF CONTENTS

OVERVIEW OF TERMS

The following summary does not purport to be complete and is qualified in its entirety by reference to the detailed information appearing elsewhere in this Offering Circular (the "**Offering Circular**") and related documents referred to herein. An index of defined terms appears at the back of this Offering Circular.

Principal Terms of the Notes

Designation	Class A-1 Notes	Class A-2 Notes	Class B Notes	Class C Notes	Class D Notes	Subordinated Notes
Type	Senior Secured Floating Rate	Senior Secured Floating Rate	Senior Secured Deferrable Floating Rate	Senior Secured Deferrable Floating Rate	Secured Deferrable Floating Rate	Subordinated
Issuer(s)	Co-Issuers	Co-Issuers	Co-Issuers	Co-Issuers	Issuer	Issuer
Initial Principal Amount (U.S.$)	$293,000,000	$40,500,000	$36,000,000	$18,000,000	$24,750,000	$48,950.000
Expected Moody's Initial Rating	"Aaa (sf)"	N/A	N/A	N/A	N/A	N/A
Expected S&P Initial Rating	"AAA(sf)"	"AA(sf)"	"A(sf)"	"BBB(sf)"	"BB(sf)"	N/A
Interest Rate	LIBOR + 1.43%	LIBOR + 2.35%	LIBOR + 2.90%	LIBOR + 4.00%	LIBOR + 5.50%	N/A
Interest Deferrable	No	No	Yes	Yes	Yes	N/A
Stated Maturity	November 5, 2024	November 5, 2024	November 5, 2024	November 5, 2024	November 5, 2024	November 5, 2024
Minimum Denominations (U.S.$) (Integral Multiples)	$500,000 ($1,000)	$500,000 ($1,000)	$500,000 ($1,000)	$250,000 ($1,000)	$250,000 ($1,000)	$200,000 ($1)*
Ranking:						
Priority Class(es)	None	A-1	A-1, A-2	A-1, A-2, B	A-1, A-2, B, C	A-1, A-2, B, C, D
***Pari passu* Classes**	None	None	None	None	None	None
Junior Class(es)	A-2, B, C, D, Subordinated	B, C, D, Subordinated	C, D, Subordinated	D, Subordinated	Subordinated	None

* Up to three Subordinated Notes may be sold on the Closing Date to Accredited Investors in minimum denominations of at least $100,000, as permitted by the Issuer on a case-by-case basis, and may be Outstanding at any time thereafter.

Issuer: Jamestown CLO I Ltd., a Cayman Islands exempted company incorporated with limited liability.

Co-Issuer: Jamestown CLO I Corp., a Delaware corporation.

Portfolio Manager: 3i Debt Management U.S. LLC, a Delaware limited liability company.

Trustee: Citibank, N.A.

Collateral Administrator: Virtus Group, LP.

Initial Purchaser and Placement Agent: Citigroup Global Markets Inc.

Administrator: Appleby Trust (Cayman) Ltd.

Eligible Purchasers:	The Notes are being offered hereby (i) to non-U.S. persons in offshore transactions in reliance on Regulation S and (ii) in the United States to persons that are (x) either (A) Qualified Institutional Buyers or (B) in the case of the Subordinated Notes only, Accredited Investors and (y)(A) Qualified Purchasers, (B) in the case of the Subordinated Notes only, Knowledgeable Employees with respect to the Issuer or (C) entities owned exclusively by Qualified Purchasers or (in the case of the Subordinated Notes only) Knowledgeable Employees with respect to the Issuer. See "Description of the Notes—Form, denomination and registration of the Notes" and "Transfer Restrictions".
Payments on the Notes:	
Payment Dates.....	The 5th day of February, May, August and November of each year (or, if such day is not a Business Day, the next succeeding Business Day), commencing in May 2013.
Stated Note Interest.....	Interest on the Secured Notes is payable quarterly in arrears on each Payment Date in accordance with the Priority of Payments described herein.
Deferral of Interest.....	So long as any more senior Class of Secured Notes is outstanding, to the extent interest is not paid on the Class B Notes, the Class C Notes or the Class D Notes on any Payment Date, such non-payment will not constitute an Event of Default under the Indenture and such amounts will be deferred and added to the principal balance of the applicable Class of Secured Notes and will bear interest at the Interest Rate applicable to such Class of Secured Notes, until the earliest of (i) the Payment Date on which funds are available to pay such Secured Note Deferred Interest in accordance with the Priority of Payments, (ii) the Redemption Date with respect to the applicable Class of Secured Notes and (iii) the Stated Maturity of the applicable Class of Secured Notes. Regardless of whether any more senior Class of Notes is outstanding, to the extent that funds are not available on any Payment Date (other than the Redemption Date with respect to, or Stated Maturity of, the applicable Class of Secured Notes) to pay Secured Note Deferred Interest on the applicable Class of Secured Notes, such Secured Note Deferred Interest will not be due and payable on such Payment Date and any failure to pay such Secured Note Deferred Interest on such Payment Date will not be an Event of Default under the Indenture. See "Description of the Notes—Interest".
Distributions on Subordinated Notes	The Subordinated Notes will not bear a stated rate of interest but will be entitled to receive distributions on each Payment Date if and to the extent funds are available for such purpose. Such payments will be made on the Subordinated Notes only pursuant to the Priority of Payments. See "—Priority of Payments" and "Description of the Notes—The Subordinated Notes—Distributions on the Subordinated Notes".
Reinvestment Period:	The "**Reinvestment Period**" will be the period from and including the Closing Date to and including the earliest of (i)

the Payment Date in November 2016, (ii) any date on which the maturity of any Class of Secured Notes is accelerated following an Event of Default (and such acceleration has not been rescinded) pursuant to the Indenture and (iii) any date on which the Portfolio Manager reasonably determines that it can no longer reinvest in additional Collateral Obligations in accordance with the Indenture or the Portfolio Management Agreement, provided, in the case of this clause (iii), the Portfolio Manager notifies the Issuer, the Trustee (who shall notify the holders of Notes) and the Collateral Administrator thereof at least five Business Days prior to such date.

Optional Redemption:

Non-Call Period ..... During the period from the Closing Date to but excluding the Payment Date in November 2014 (such period, the "**Non-Call Period**"), the Secured Notes and the Subordinated Notes are not subject to Optional Redemption, but are subject to Special Redemption and Tax Redemption. See "Description of the Notes—Optional Redemption and Tax Redemption".

Redemption After Non-Call Period ..... If directed in writing by a Majority of the Subordinated Notes (together with, solely in the case of the following clause (ii), the written direction of the Portfolio Manager acting jointly with such Majority of the Subordinated Notes), the Co-Issuers or the Issuer, as applicable, will, on any Business Day after the Non-Call Period, redeem the Secured Notes (i) in whole (with respect to all Classes of Secured Notes) but not in part from Sale Proceeds and/or Refinancing Proceeds or (ii) in part by Class from Refinancing Proceeds (so long as the Secured Notes of any Class to be redeemed represent not less than the entire Class of such Secured Notes). Additionally, all of the Secured Notes will be redeemable by the Co-Issuers or the Issuer, as applicable, on any Business Day after the Non-Call Period in whole (with respect to all Classes of Secured Notes) but not in part at the written direction of the Portfolio Manager if the Collateral Principal Amount is less than 10% of the Target Initial Par Amount.

Upon any redemption in whole of the Secured Notes, the Portfolio Manager will (unless Refinancing Proceeds are available) direct the sale (and the manner thereof) of Assets in order to make payments as described under "Description of the Notes—Optional Redemption and Tax Redemption".

The Issuer may redeem the Subordinated Notes, in whole but not in part, on any Business Day on or after the Optional Redemption or repayment of the Secured Notes in full, at the direction of the Portfolio Manager or at the direction of a Majority of the Subordinated Notes.

There are certain other restrictions on the ability of the Co-Issuers to effect an Optional Redemption. See "Description of the Notes—Optional Redemption and Tax Redemption".

Redemption by Refinancing.....	In addition to (or in lieu of) a sale of Collateral Obligations and/or Eligible Investments in the manner provided above, the Co-Issuers or the Issuer, as applicable, may, after the Non-Call Period, redeem the Secured Notes in whole from Refinancing Proceeds and Sale Proceeds or in part by Class from Refinancing Proceeds by obtaining a loan or an issuance of replacement securities, whose terms in each case will be negotiated by the Portfolio Manager on behalf of the Issuer, from one or more financial institutions or purchasers and to the extent and subject to the restrictions described herein. No such redemption shall be effective unless the proceeds of such loan or replacement securities are applied to repay the aggregate Redemption Prices of the Class or Classes being redeemed. Prior to effecting any Refinancing, the Issuer shall satisfy certain conditions. See "Description of the Notes—Optional Redemption and Tax Redemption".
Additional Issuance.....	At any time during the Reinvestment Period, the Co-Issuers may issue and sell additional Notes of any one or more Classes and/or additional notes of one or more new classes that are fully subordinated to the existing Secured Notes and use the net proceeds to purchase additional Collateral Obligations or for other purposes permitted under the Indenture if the conditions for such additional issuance described under "Description of the Notes—The Indenture—Modification of Indenture" and "Description of the Notes—The Indenture—Additional Issuance" are met.
Tax Redemption.....	The Notes shall be redeemed in whole but not in part at the written direction (delivered to the Trustee) of (x) a Majority of any Class of Secured Notes that, as a result of the occurrence of a Tax Event, has not received 100% of the aggregate amount of principal and interest that would otherwise be due and payable to such Class on any Payment Date (each such Class, an "**Affected Class**") or (y) a Majority of the Subordinated Notes, in either case following (I) the occurrence and continuation of a Tax Event with respect to payments under one or more Collateral Obligations forming part of the Assets which results in a payment by, or charge or tax burden to, the Issuer that results or will result in the withholding of 5% or more of scheduled distributions for any Collection Period or (II) the occurrence and continuation of a Tax Event resulting in a tax burden on the Issuer in an aggregate amount in any Collection Period in excess of U.S.$1,000,000.
Redemption Prices.....	The Redemption Price of each Secured Note to be redeemed in an Optional Redemption or Tax Redemption will be (a) 100% of the aggregate outstanding principal amount of such Secured Note *plus* (b) accrued and unpaid interest thereon (including, if applicable, interest on any accrued and unpaid Secured Note Deferred Interest with respect to such Secured Note) to the Redemption Date; *provided* that, in connection with any Tax Redemption, holders of 100% of the aggregate outstanding principal amount of any Class of Secured Notes may elect to receive less than 100% of the Redemption Price that would otherwise be payable to the holders of such Class of Secured Notes.

The Redemption Price for each Subordinated Note will be its proportional share (based on the outstanding principal amount of Subordinated Notes) of the amount of the proceeds of the Assets remaining after giving effect to the Optional Redemption or Tax Redemption, as applicable, of the Secured Notes in whole or after all of the Secured Notes have been repaid in full and all expenses of the Co-Issuers have been paid in full and/or a reserve for such expenses (including all Management Fees and Administrative Expenses) has been created.

Special Redemption:

Redemption during the Reinvestment Period..... The Secured Notes will be subject to redemption in part by the Co-Issuers or the Issuer, as applicable, in accordance with the priorities described in "—Priority of Payments—Application of Principal Proceeds" on any Payment Date occurring during the Reinvestment Period if the Portfolio Manager notifies the Trustee that it has been unable, for a period of at least 20 consecutive Business Days, to identify additional Collateral Obligations that are deemed appropriate by the Portfolio Manager and which would meet the criteria for reinvestment described under "Security for the Secured Notes—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria" in sufficient amounts to permit the investment or reinvestment of all or a portion of the funds then in the Collection Account that are to be invested in additional Collateral Obligations. Any such notice shall be based upon the Portfolio Manager having attempted, in accordance with the standard of care set forth in the Portfolio Management Agreement, to identify additional Collateral Obligations as described above. See "Description of the Notes—Special Redemption".

Redemption after the Effective Date..... After the Effective Date, the Co-Issuers or the Issuer, as applicable, may redeem the Secured Notes in part if the Portfolio Manager notifies the Trustee that a redemption is required in order to satisfy the Moody's Rating Condition and/or to cause S&P to provide written confirmation (which may take the form of a press release or other written communication) of its initial ratings of the Secured Notes, in each case in connection with the Effective Date rating confirmation procedure described under "Use of Proceeds—Effective Date". See "Description of the Notes—Special Redemption".

The Co-Issuers must satisfy certain other conditions to effect a Special Redemption. See "Description of the Notes—Special Redemption".

Special Redemption Amount..... The amount payable in connection with a Special Redemption in respect of each Class of Secured Notes subject to such Special Redemption will be equal to the amount in the Collection Account representing (1) in the case of a Special Redemption during the Reinvestment Period, Principal

Proceeds which the Portfolio Manager has determined cannot be reinvested in additional Collateral Obligations or (2) in the case of a Special Redemption after the Effective Date, all Interest Proceeds and all other Principal Proceeds available in accordance with the Priority of Payments. In the case of clause (2), such amounts will be used for application in accordance with the Note Payment Sequence in an amount sufficient to satisfy the Moody's Rating Condition and/or to cause S&P to provide written confirmation (which may take the form of a press release or other written communication) of its initial ratings of the Secured Notes, as applicable. See "—Priority of Payments" and "Description of the Notes—Special Redemption".

Priority of Payments:

Application of Interest Proceeds ..... On each Payment Date and on any Redemption Date (to the extent that such Redemption Date is not a Payment Date), unless an Enforcement Event has occurred and is continuing, Interest Proceeds on deposit in the Collection Account, to the extent received on or before the related Determination Date (or if such Determination Date is not a Business Day, the next succeeding Business Day) and that are transferred into the Payment Account as described under "Security for the Secured Notes—The Collection Account and Payment Account", shall be applied in the following order of priority:

(A) (1) first, to the payment of taxes and governmental fees owing by the Issuer or the Co-Issuer, if any, and (2) second, to the payment of the accrued and unpaid Administrative Expenses, in the priority stated in the definition thereof, up to the Administrative Expense Cap;

(B) to the payment of the Base Management Fee due and payable (including any accrued and unpaid interest thereon) to the Portfolio Manager;

(C) to the payment of accrued and unpaid interest on the Class A-1 Notes;

(D) to the payment of accrued and unpaid interest on the Class A-2 Notes;

(E) if either of the Class A Coverage Tests (except, in the case of the Interest Coverage Test, if such Payment Date is the first Payment Date after the Closing Date) is not satisfied on the related Determination Date, to make payments in accordance with the Note Payment Sequence to the extent necessary to cause all Class A Coverage Tests that are applicable on such Payment Date to be satisfied on a pro forma basis after giving effect to all payments pursuant to this clause (E);

(F) to the payment of accrued and unpaid interest (excluding Secured Note Deferred Interest, but

including interest on Secured Note Deferred Interest) on the Class B Notes;

(G) if either of the Class B Coverage Tests (except, in the case of the Interest Coverage Test, if such Payment Date is the first Payment Date after the Closing Date) is not satisfied on the related Determination Date, to make payments in accordance with the Note Payment Sequence to the extent necessary to cause all Class B Coverage Tests that are applicable on such Payment Date to be satisfied on a pro forma basis after giving effect to all payments pursuant to this clause (G);

(H) to the payment of any Secured Note Deferred Interest on the Class B Notes;

(I) to the payment of accrued and unpaid interest (excluding Secured Note Deferred Interest, but including interest on Secured Note Deferred Interest) on the Class C Notes;

(J) if either of the Class C Coverage Tests (except, in the case of the Interest Coverage Test, if such Payment Date is the first Payment Date after the Closing Date) is not satisfied on the related Determination Date, to make payments in accordance with the Note Payment Sequence to the extent necessary to cause all Class C Coverage Tests that are applicable on such Payment Date to be satisfied on a pro forma basis after giving effect to all payments pursuant to this clause (J);

(K) to the payment of any Secured Note Deferred Interest on the Class C Notes;

(L) to the payment of accrued and unpaid interest (excluding Secured Note Deferred Interest, but including interest on Secured Note Deferred Interest) on the Class D Notes;

(M) if either of the Class D Coverage Tests (except, in the case of the Interest Coverage Test, if such Payment Date is the first Payment Date after the Closing Date) is not satisfied on the related Determination Date, to make payments in accordance with the Note Payment Sequence to the extent necessary to cause all Class D Coverage Tests that are applicable on such Payment Date to be satisfied on a pro forma basis after giving effect to all payments pursuant to this clause (M);

(N) to the payment of any Secured Note Deferred Interest on the Class D Notes;

(O) if, with respect to any Payment Date following the Effective Date, either (x) the Moody's Rating Condition has not been satisfied as described in "Use

of Proceeds—Effective Date" (unless the Issuer or the Portfolio Manager has provided a Passing Report described in "Use of Proceeds—Effective Date" to Moody's) or (y) S&P has not yet confirmed its initial ratings of the Secured Notes as described in "Use of Proceeds—Effective Date", amounts available for distribution pursuant to this clause (O) shall be used for application in accordance with the Note Payment Sequence on such Payment Date in an amount sufficient to satisfy the Moody's Rating Condition and/or to cause S&P to provide written confirmation (which may take the form of a press release or other written communication) of its initial ratings of the Secured Notes, as applicable;

(P) to the payment of the Subordinated Management Fee due and payable (including any accrued and unpaid interest thereon) to the Portfolio Manager;

(Q) during the Reinvestment Period, if the Interest Diversion Test is not satisfied on the related Determination Date, to the Collection Account as Principal Proceeds for the purchase of additional Collateral Obligations, an amount equal to the Required Interest Diversion Amount;

(R) to the payment (in the same manner and order of priority stated therein) of any Administrative Expenses not paid pursuant to clause (A)(2) above due to the limitation contained therein;

(S) to pay the holders of the Subordinated Notes (other than, during the Reinvestment Period, any Reinvesting Holder that has directed that Reinvestment Amounts in respect of its Subordinated Notes be deposited on such Payment Date in the Reinvestment Amount Account but be deemed to have been paid pursuant to the Indenture) until the Subordinated Notes have realized a Subordinated Notes Internal Rate of Return (taking into consideration all present and prior Reinvestment Amounts with respect to the Subordinated Notes of the Reinvesting Holders) of 15%; and

(T) any remaining Interest Proceeds to be paid (x) 20% to the Portfolio Manager as part of the Incentive Management Fee payable on such Payment Date; and (y) 80% to the holders of the Subordinated Notes (other than, during the Reinvestment Period, any Reinvesting Holder that has directed that Reinvestment Amounts in respect of its Subordinated Notes be deposited on such Payment Date in the Reinvestment Amount Account).

Application of Principal Proceeds .....

On each Payment Date and on any Redemption Date (to the extent that such Redemption Date is not a Payment Date), unless an Enforcement Event has occurred and is continuing, Principal Proceeds on deposit in the Collection Account that are received on or before the related Determination Date and that are transferred to the Payment Account as described under "Security for the Secured Notes—The Collection Account and Payment Account" (which will not include (i) amounts required to meet funding requirements with respect to Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations that are deposited in the Revolver Funding Account, (ii) during the Reinvestment Period, Principal Proceeds that have previously been reinvested in Collateral Obligations or that the Portfolio Manager intends to invest in Collateral Obligations during the next Interest Accrual Period, or (iii) after the Reinvestment Period, any Eligible Post Reinvestment Proceeds that have previously been reinvested in Collateral Obligations or that the Portfolio Manager intends to invest in Collateral Obligations during the next Interest Accrual Period) shall be applied in the following order of priority:

(A) to pay the amounts referred to in clauses (A) through (D) of "—Application of Interest Proceeds" (and in the same manner and order of priority stated therein), but only to the extent not paid in full thereunder;

(B) to pay the amounts referred to in clause (E) of "—Application of Interest Proceeds" but only to the extent not paid in full thereunder and to the extent necessary to cause the Coverage Tests that are applicable on such Payment Date with respect to the Class A Notes to be met as of the related Determination Date on a pro forma basis after giving effect to any payments made through this clause (B);

(C) to pay the amounts referred to in clause (F) of "—Application of Interest Proceeds" to the extent not paid in full thereunder, only to the extent that the Class B Notes are the Controlling Class;

(D) to pay the amounts referred to in clause (G) of "—Application of Interest Proceeds" but only to the extent not paid in full thereunder and to the extent necessary to cause the Coverage Tests that are applicable on such Payment Date with respect to the Class B Notes to be met as of the related Determination Date on a pro forma basis after giving effect to any payments made through this clause (D);

(E) to pay the amounts referred to in clause (H) of "—Application of Interest Proceeds" to the extent not paid in full thereunder, only to the extent that the Class B Notes are the Controlling Class;

(F) to pay the amounts referred to in clause (I) of "—Application of Interest Proceeds" to the extent not paid in full thereunder, only to the extent that the Class C Notes are the Controlling Class;

(G) to pay the amounts referred to in clause (J) of "—Application of Interest Proceeds" but only to the extent not paid in full thereunder and to the extent necessary to cause the Coverage Tests that are applicable on such Payment Date with respect to the Class C Notes to be met as of the related Determination Date on a pro forma basis after giving effect to any payments made through this clause (G);

(H) to pay the amounts referred to in clause (K) of "—Application of Interest Proceeds" to the extent not paid in full thereunder, only to the extent that the Class C Notes are the Controlling Class;

(I) to pay the amounts referred to in clause (L) of "—Application of Interest Proceeds" to the extent not paid in full thereunder, only to the extent that the Class D Notes are the Controlling Class;

(J) to pay the amounts referred to in clause (M) of "—Application of Interest Proceeds" but only to the extent not paid in full thereunder and to the extent necessary to cause the Coverage Tests that are applicable on such Payment Date with respect to the Class D Notes to be met as of the related Determination Date on a pro forma basis after giving effect to any payments made through this clause (J);

(K) to pay the amounts referred to in clause (N) of "—Application of Interest Proceeds" to the extent not paid in full thereunder, only to the extent that the Class D Notes are the Controlling Class;

(L) with respect to any Payment Date following the Effective Date, if after the application of Interest Proceeds as provided in clause (O) under "—Application of Interest Proceeds" either (x) the Moody's Rating Condition has not been satisfied as described in "Use of Proceeds—Effective Date" (unless the Issuer or the Portfolio Manager has provided a Passing Report described in "Use of Proceeds—Effective Date" to Moody's) or (y) S&P has not yet confirmed its initial ratings of the Secured Notes as described in "Use of Proceeds—Effective Date", amounts available for distribution pursuant to this clause (L) shall be used for application in accordance with the Note Payment Sequence on such Payment Date in an amount sufficient to satisfy the Moody's Rating Condition and/or to cause S&P to provide written confirmation (which may take the

form of a press release or other written communication) of its initial ratings of the Secured Notes, as applicable;

(M) (1) on any Redemption Date (other than in respect of a Special Redemption), to make payments in accordance with the Note Payment Sequence, and (2) on any other Payment Date, to make payments in the amount, if any, of the Principal Proceeds that the Portfolio Manager has determined cannot be practicably reinvested in additional Collateral Obligations, in accordance with the Note Payment Sequence;

(N) during the Reinvestment Period, to the Collection Account as Principal Proceeds to invest in Eligible Investments (pending the purchase of additional Collateral Obligations) and/or to the purchase of additional Collateral Obligations;

(O) after the Reinvestment Period, (x) in the case of Eligible Post Reinvestment Proceeds, in the sole discretion of the Portfolio Manager (with notice to the Trustee and the Collateral Administrator), to the Collection Account as Principal Proceeds to invest in Eligible Investments (pending the purchase of additional Collateral Obligations) and/or to the purchase of additional Collateral Obligations; and (y) in the case of Principal Proceeds other than Eligible Post Reinvestment Proceeds, to make payments in accordance with the Note Payment Sequence;

(P) after the Reinvestment Period, to pay the amounts referred to in clause (P) of "—Application of Interest Proceeds" only to the extent not already paid;

(Q) after the Reinvestment Period, to pay the amounts referred to in clause (R) of "—Application of Interest Proceeds" only to the extent not already paid (in the same manner and order of priority stated therein);

(R) to pay the Reinvesting Holders of the Subordinated Notes (whether or not any applicable Reinvesting Holder continues on such Payment Date to hold all or any portion of such Subordinated Notes) any Reinvestment Amounts not previously paid pursuant to this clause (R) with respect to their respective Subordinated Notes, pro rata in accordance with the respective aggregate Reinvestment Amounts with respect to the Subordinated Notes;

(S) to pay the holders of the Subordinated Notes until the Subordinated Notes have realized a Subordinated Notes Internal Rate of Return of 15%; and

(T) any remaining proceeds to be paid (x) 20% to the Portfolio Manager as part of the Incentive Management Fee payable on such Payment Date; and (y) 80% to the holders of the Subordinated Notes.

At the written direction of any Reinvesting Holder to the Trustee (with a copy to the Collateral Administrator) not later than, in the case of the first Payment Date after the Closing Date, two Business Days prior to such Payment Date and, in the case of any other Payment Date, three Business Days prior to the applicable Payment Date, but without any amendment to the Indenture, any confirmation from either Rating Agency or the consent of any other holder of Notes, all or a specified portion of amounts that would otherwise be distributed on a Payment Date during the Reinvestment Period to such Reinvesting Holder under clause (S) or (T) of "—Application of Interest Proceeds" in respect of such Reinvesting Holder's Subordinated Notes will instead be deposited by the Trustee in the Reinvestment Amount Account, and such deposit will be deemed to constitute payment of such amounts for purposes of all distributions from the Payment Account to be made on such Payment Date. Reinvestment Amounts will be actually paid to the applicable Reinvesting Holder after such Payment Date, without interest thereon and solely to the extent of Principal Proceeds available therefor as provided in "—Application of Principal Proceeds" or proceeds in respect of the Assets available therefor as provided in "Description of the Notes—Priority of Payments", as applicable. Any such direction of any Reinvesting Holder shall specify the percentage(s) of the amount(s) that such Reinvesting Holder is entitled to receive on the applicable Payment Date in respect of distributions under clause (S) or (T) of "—Application of Interest Proceeds" in respect of the Subordinated Notes held by such Reinvesting Holder (such Reinvesting Holder's "**Distribution Amount**") that such Reinvesting Holder wishes the Trustee to deposit in the Reinvestment Amount Account. The Issuer (or the Collateral Administrator on the Issuer's behalf) will provide each Reinvesting Holder with a final estimate of such Reinvesting Holder's Distribution Amount not later than, in the case of the first Payment Date after the Closing Date, three Business Days prior to such Payment Date and, in the case of any other Payment Date, five Business Days prior to such Payment Date. In addition, with respect to any Payment Date other than the first Payment Date after the Closing Date, the Issuer (or the Collateral Administrator on the Issuer's behalf) shall provide each Reinvesting Holder with an initial estimate of such Reinvesting Holder's Distribution Amount not later than six Business Days prior to such Payment Date.

Special Priority of Payments..... Upon the occurrence of an Enforcement Event, Interest Proceeds and Principal Proceeds will be applied in accordance with the Special Priority of Payments described under "Description of the Notes—Priority of Payments".

Note Payment Sequence	The "**Note Payment Sequence**" shall be the application, in accordance with the Priority of Payments described above, of Interest Proceeds or Principal Proceeds, as applicable, in the following order: (i) to the payment of principal of the Class A-1 Notes (including any defaulted interest) until such amount has been paid in full; (ii) to the payment of principal of the Class A-2 Notes (including any defaulted interest) until such amount has been paid in full; (iii) to the payment of principal of the Class B Notes until the Class B Notes have been paid in full; (iv) to the payment of accrued and unpaid interest (including any defaulted interest) on, and any Secured Note Deferred Interest in respect of, the Class B Notes until such amount has been paid in full; (v) to the payment of principal of the Class C Notes until the Class C Notes have been paid in full; (vi) to the payment of accrued and unpaid interest (including any defaulted interest) on, and any Secured Note Deferred Interest in respect of, the Class C Notes until such amount has been paid in full; (vii) to the payment of principal of the Class D Notes until the Class D Notes have been paid in full; and (viii) to the payment of accrued and unpaid interest (including any defaulted interest) on, and any Secured Note Deferred Interest in respect of, the Class D Notes until such amount has been paid in full.
Management Fees:	The Portfolio Manager will be entitled on each Payment Date to receive (i) a Base Management Fee equal to 0.20% per annum of the Fee Basis Amount, (ii) a Subordinated Management Fee equal to 0.30% per annum of the Fee Basis Amount and (iii) an Incentive Management Fee in an amount equal to 20% of any remaining Interest Proceeds pursuant to clause (T) of the Priority of Payments as described in "—Priority of Payments—Application of Interest Proceeds" above, and 20% of any remaining Principal Proceeds pursuant to clause (T) of the Priority of Payments as described in "—Priority of Payments—Application of Principal Proceeds", or as otherwise provided in the Special Priority of Payments in each case, calculated as described under "The Portfolio Management Agreement" and subject to the Special Priority of Payments and the limitations described under "The Portfolio Management Agreement".

Portfolio Management:	Pursuant to the Portfolio Management Agreement, and subject to the limitations of the Indenture, the Portfolio Manager will manage the selection, acquisition, reinvestment and disposition of the Assets, including exercising rights and remedies associated with the Assets, disposing of the Assets and certain related functions.
Security for the Secured Notes:	
General.....	The Secured Notes will be secured by the Assets, which include the various accounts pledged under the Indenture. In purchasing and selling Collateral Obligations, the Issuer will generally be required to meet certain requirements imposed by the Concentration Limitations described under "—Concentration Limitations", the Collateral Quality Test described under "—The Collateral Quality Test", the Coverage Tests described under "—Coverage Tests and Interest Diversion Test" and various other criteria described under "Security for the Secured Notes—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria". Substantially all of the Collateral Obligations will be rated below investment grade and accordingly will have greater credit and liquidity risk than investment grade corporate obligations. See "Risk Factors—Relating to the Collateral Obligations—Below investment-grade assets involve particular risks". The initial portfolio of Collateral Obligations will be purchased and/or refinanced through the application of the net proceeds of the sale of the Notes. See "Risk Factors—Relating to the Collateral Obligations—Pre-Closing Warehouse Arrangements and Closing Merger with the Issuer" and "Security for the Secured Notes—Collateral Obligations". During the Reinvestment Period, pending investment in such Collateral Obligations, a portion of such net proceeds will be invested in Eligible Investments. Each Collateral Obligation will be required to satisfy the criteria set forth in "Security for the Secured Notes—Collateral Obligations".
Purchase of Collateral Obligations; Effective Date:	The Issuer will use commercially reasonable efforts to purchase, on or before March 28, 2013 Collateral Obligations such that the Target Initial Par Condition is satisfied. See "Use of Proceeds—Effective Date".
Collateral Quality Test:	The "**Collateral Quality Test**" will be satisfied on any date of determination on and after the Effective Date and during the Reinvestment Period if, in the aggregate, the Collateral Obligations owned (or in relation to a proposed purchase of a Collateral Obligation, proposed to be owned) by the Issuer satisfy each of the tests set forth below (or if a test is not satisfied on such date of determination, the degree of compliance with such test is maintained or improved after giving effect to any purchase or sale effected on such date of determination):

(i) the Minimum Floating Spread Test;

(ii) the Minimum Weighted Average Coupon Test;

(iii) the Maximum Moody's Rating Factor Test;

(iv) the Moody's Diversity Test;

(v) the S&P CDO Monitor Test;

(vi) the Minimum Weighted Average Moody's Recovery Rate Test;

(vii) the Minimum Weighted Average S&P Recovery Rate Test; and

(viii) the Weighted Average Life Test.

The "**Minimum Floating Spread Test**" will be satisfied on any date of determination if the Weighted Average Floating Spread plus the Excess Weighted Average Coupon equals or exceeds the Minimum Floating Spread.

"**Minimum Floating Spread**" means the number set forth in the column entitled "Minimum Weighted Average Spread" in the Minimum Diversity Score/Maximum Rating/Minimum Spread Matrix set forth below based upon the applicable "row/column combination" chosen by the Portfolio Manager (or interpolating between two adjacent rows and/or two adjacent columns, as applicable) in accordance with the Indenture, reduced by the Moody's Weighted Average Recovery Adjustment; *provided* that the Minimum Floating Spread shall in no event be lower than 1.70%.

The "**Minimum Weighted Average Coupon Test**" will be satisfied on any date of determination if the Weighted Average Coupon plus the Excess Weighted Average Floating Spread equals or exceeds the Minimum Weighted Average Coupon.

The "**Minimum Weighted Average Coupon**" means 7.00%.

The "**Maximum Moody's Rating Factor Test**" will be satisfied on any date of determination if the Adjusted Weighted Average Moody's Rating Factor of the Collateral Obligations is less than or equal to the sum of (i) the number set forth in the Minimum Diversity Score/Maximum Rating/Minimum Spread Matrix set forth below at the intersection of the applicable "row/column combination" chosen by the Portfolio Manager (or interpolating between two adjacent rows and/or two adjacent columns, as applicable) in accordance with the Indenture *plus* (ii) the Moody's Weighted Average Recovery Adjustment.

The "**Moody's Weighted Average Recovery Adjustment**" means, as of any date of determination, the greater of (a) zero and (b) the product of (i)(A) the Weighted Average Moody's Recovery Rate as of such date of determination *multiplied by* 100 *minus* (B) 44 and (ii)(A) with respect to the adjustment of

the Maximum Moody's Rating Factor Test, 80 and (B) with respect to adjustment of the Minimum Floating Spread, 0.25%; *provided, however*, if the Weighted Average Moody's Recovery Rate for purposes of determining the Moody's Weighted Average Recovery Adjustment is greater than 60%, then such Weighted Average Moody's Recovery Rate shall equal 60% or such other percentage as shall have been notified to Moody's by or on behalf of the Issuer; *provided, further*, that the amount specified in clause (b)(i) above may only be allocated once on any date of determination and the Portfolio Manager shall designate to the Collateral Administrator in writing on each such date the portion of such amount that shall be allocated to clause (b)(ii)(A) and the portion of such amount that shall be allocated to clause (b)(ii)(B) (it being understood that, absent an express designation by the Portfolio Manager, all such amounts shall be allocated to clause (b)(ii)(A)).

The "**Moody's Diversity Test**" will be satisfied on any date of determination if the Diversity Score (rounded to the nearest whole number) equals or exceeds the number set forth in the column entitled "Minimum Diversity Score" in the Minimum Diversity Score/Maximum Rating/Minimum Spread Matrix set forth below based upon the applicable "row/column combination" chosen by the Portfolio Manager (or interpolating between two adjacent rows and/or two adjacent columns, as applicable) in accordance with the Indenture.

The "**Minimum Diversity Score/Maximum Rating/Minimum Spread Matrix**" means the following chart used to determine which of the "row/column combinations" are applicable for purposes of determining compliance with the Moody's Diversity Test, the Maximum Moody's Rating Factor Test and the Minimum Floating Spread Test:

Minimum Weighted Average Spread	**Minimum Diversity Score**					
	45	**50**	**55**	**60**	**65**	**70**
2.75%	2060	2135	2200	2265	2330	2395
2.85%	2090	2165	2230	2295	2360	2425
2.95%	2120	2195	2260	2325	2390	2455
3.05%	2150	2225	2290	2355	2420	2485
3.15%	2180	2255	2320	2385	2450	2515
3.25%	2210	2285	2350	2415	2480	2545
3.35%	2240	2315	2380	2445	2510	2575
3.45%	2270	2345	2410	2475	2540	2605
3.55%	2300	2375	2440	2505	2570	2635
3.65%	2330	2405	2470	2535	2600	2665
3.75%	2360	2435	2500	2565	2630	2695
3.85%	2390	2465	2530	2595	2660	2725
3.95%	2420	2495	2560	2625	2690	2755

4.05%	2450	2525	2590	2655	2720	2785
4.15%	2480	2555	2620	2685	2750	2815
4.25%	2510	2585	2650	2715	2780	2845
4.35%	2540	2615	2680	2745	2810	2875
4.45%	2570	2645	2710	2775	2840	2905
4.55%	2600	2675	2740	2805	2870	2935
4.65%	2630	2705	2770	2835	2900	2965
4.75%	2660	2735	2800	2865	2930	2995

The "**S&P CDO Monitor Test**" will be satisfied on any date of determination on or after the Effective Date following receipt by the Issuer and the Collateral Administrator of the S&P CDO Monitor (along with the assumptions and instructions to run the S&P CDO Monitor) if, after giving effect to the sale of a Collateral Obligation or the purchase of a Collateral Obligation, each Class Default Differential of the Proposed Portfolio is positive. The S&P CDO Monitor Test will be considered to be improved if each Class Default Differential of the Proposed Portfolio is greater than the corresponding Class Default Differential of the Current Portfolio.

The "**Minimum Weighted Average Moody's Recovery Rate Test**" will be satisfied on any date of determination if the Weighted Average Moody's Recovery Rate equals or exceeds 44.0%.

The "**Minimum Weighted Average S&P Recovery Rate Test**" will be satisfied on any date of determination if the Weighted Average S&P Recovery Rate for each Class of Secured Notes outstanding equals or exceeds the Weighted Average S&P Recovery Rate for such Class selected by the Portfolio Manager in connection with the S&P CDO Monitor Test.

The "**Weighted Average Life Test**" will be satisfied on any date of determination if the Weighted Average Life of all Collateral Obligations as of such date is less than the Weighted Average Life Test Level.

Concentration Limitations:

The "**Concentration Limitations**" will be satisfied on any date of determination on or after the Effective Date and during the Reinvestment Period (and, with respect to Eligible Post Reinvestment Proceeds, after the Reinvestment Period) if, in the aggregate, the Collateral Obligations owned (or in relation to a proposed purchase of a Collateral Obligation, proposed to be owned) by the Issuer comply with all of the requirements set forth below (or if not in compliance, the relevant requirements must be maintained or improved after giving effect to the purchase):

Senior Secured Loans, Cash, Eligible Investments.....

(i) not less than 90.0% of the Collateral Principal Amount may consist of Senior Secured Loans, cash and Eligible Investments;

Second Lien Loans, Unsecured Loans, Senior Secured Bonds, Senior Secured Floating Rate Notes and Unsecured Bonds	(ii) not more than 10.0% of the Collateral Principal Amount may consist, in the aggregate, of Second Lien Loans, Unsecured Loans, Senior Secured Bonds, Senior Secured Floating Rate Notes and Unsecured Bonds; *provided* that not more than 1.0% of the Collateral Principal Amount may consist of Second Lien Loans issued by a single obligor and its Affiliates;
Single Obligor	(iii) not more than 2.0% of the Collateral Principal Amount may consist of obligations issued by a single obligor and its Affiliates, except that, without duplication, obligations (other than DIP Collateral Obligations) issued by up to four obligors and their respective Affiliates may each constitute up to 3.0% of the Collateral Principal Amount;
Rating of "Caa1" and below	(iv) not more than 7.5% of the Collateral Principal Amount may consist of Collateral Obligations with a Moody's Default Probability Rating of "Caa1" or below;
Rating of "CCC+" and below	(v) not more than 7.5% of the Collateral Principal Amount may consist of Collateral Obligations with an S&P Rating of "CCC+" or below;
Interest Paid Less Frequently than Quarterly	(vi) not more than 5.0% of the Collateral Principal Amount may consist of Collateral Obligations that pay interest less frequently than quarterly;
Fixed Rate Obligations	(vii) not more than 5.0% of the Collateral Principal Amount may consist of Fixed Rate Obligations;
Current Pay Obligations	(viii) not more than 7.5% of the Collateral Principal Amount may consist of Current Pay Obligations; *provided* that at the time of purchase of a Current Pay Obligation, Current Pay Obligations issued by the obligor of such Current Pay Obligation and its Affiliates may not constitute more than 1.0% of the Collateral Principal Amount;
DIP Collateral Obligations	(ix) not more than 7.5% of the Collateral Principal Amount may consist of DIP Collateral Obligations;
Delayed Drawdown/ Revolving Collateral Obligations	(x) not more than 10.0% of the Collateral Principal Amount may consist, in the aggregate, of unfunded commitments under Delayed Drawdown Collateral Obligations and unfunded and funded commitments under Revolving Collateral Obligations;
Participation Interests	(xi) not more than 20.0% of the Collateral Principal Amount may consist of Participation Interests;
Moody's Counterparty Criteria	(xii) the Moody's Counterparty Criteria are met;
Third Party Credit Exposure	(xiii) the Third Party Credit Exposure Limits may not be exceeded;

S&P Rating derived from a Moody's Rating..... (xiv) not more than 10.0% of the Collateral Principal Amount may have an S&P Rating derived from a Moody's Rating as set forth in clause (iii)(a) of the definition of the term "S&P Rating";

Moody's Rating derived from an S&P Rating..... (xv) not more than 10.0% of the Collateral Principal Amount may consist of Collateral Obligations with a Moody's Rating derived from an S&P Rating as provided in clauses (v)(A)(1) or (2) of the definition of the term "Moody's Derived Rating";

Domicile of Obligor..... (xvi) (a) all of the Collateral Obligations must be issued by Non-Emerging Market Obligors; and (b) no more than the percentage listed below of the Collateral Principal Amount may be issued by obligors Domiciled in the country or countries set forth opposite such percentage:

% Limit	**Country or Countries**
20.0%	All countries (in the aggregate) other than the United States;
15.0%	Canada;
10.0%	all countries (in the aggregate) other than the United States and Canada;
10.0%	any individual Group I Country other than Australia or New Zealand;
7.5%	all Group II Countries in the aggregate;
5.0%	any individual Group II Country;
5.0%	all Group III Countries in the aggregate;
5.0%	all Tax Jurisdictions in the aggregate; and
3.0%	any individual country other than the United States, the United Kingdom, Canada, the Netherlands, any Group II Country or any Group III Country;

S&P Industry Classification..... (xvii) not more than 10.0% of the Collateral Principal Amount may consist of Collateral Obligations that are issued by obligors that belong to any single S&P industry classification, except that (x) the largest S&P industry classification may represent up to 15.0% of the Collateral Principal Amount; and (y) the second-largest S&P industry classification may represent up to 12.0% of the Collateral Principal Amount;

Moody's Industry Classification..... (xviii) not more than 10.0% of the Collateral Principal Amount may consist of Collateral Obligations that are issued by obligors that belong to any single Moody's industry classification, except that (x) the largest Moody's industry classification may represent up to 15.0% of the Collateral

Principal Amount; and (y) the second-largest Moody's industry classification may represent up to 12.0% of the Collateral Principal Amount;

Letter of Credit Reimbursement Obligation ..... (xix) not more than 3.0% of the Collateral Principal Amount may consist of the LC Commitment Amount under Letter of Credit Reimbursement Obligations; and

Cov-Lite Loans ..... (xx) not more than 50.0% of the Collateral Principal Amount may consist of Cov-Lite Loans.

Coverage Tests and Interest Diversion Test: The Coverage Tests will be used primarily to determine whether principal and interest may be paid on the Secured Notes and distributions may be made on the Subordinated Notes or whether funds which would otherwise be used to pay interest on the Secured Notes other than the Class A Notes and to make distributions on the Subordinated Notes must instead be used to pay principal on one or more Classes of Secured Notes according to the priorities referred to in "—Priority of Payments". The "**Coverage Tests**" will consist of the Overcollateralization Ratio Test and the Interest Coverage Test, each as applied to each specified Class of Secured Notes. In addition, the Interest Diversion Test, which is not a Coverage Test, will apply as described herein.

The "**Overcollateralization Ratio Test**" and "**Interest Coverage Test**" applicable to the indicated Class or Classes of Secured Notes will be satisfied as of any date of determination on which such Coverage Test is applicable, if (1) the applicable Overcollateralization Ratio or Interest Coverage Ratio, as the case may be, is at least equal to the applicable ratio indicated below or (2) such Class or Classes of Secured Notes is no longer outstanding.

Class	Required Interest Coverage Ratio
A	120.0%
B	115.0%
C	110.0%
D	105.0%
Class	**Required Overcollateralization Ratio**
A	124.9%
B	113.8%
C	110.1%
D	105.2%

Measurement of the degree of compliance with the Coverage Tests will be required as of each Measurement Date occurring (i) in the case of the Overcollateralization Ratio Tests, on or after the Effective Date and (ii) in the case of the Interest Coverage Tests, on or after the Determination Date immediately preceding the second Payment Date. If the Coverage Tests are not satisfied on any such Measurement Date, the Issuer will be required to apply available amounts in the Payment Account on the related Payment Date to the

repayment of principal of the Secured Notes in accordance with the Priority of Payments to the extent necessary to achieve compliance with such Coverage Tests.

The "**Interest Diversion Test**" is a test that is satisfied as of any Determination Date during the Reinvestment Period on which Class D Notes remain outstanding if the Overcollateralization Ratio with respect to the Class D Notes as of such Determination Date is at least equal to 106.2%.

Other Information:

Listing, Trading and Form of Notes .....

The Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under the Prospectus Directive 2003/71/EC (the "**Prospectus Directive**"). The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Secured Notes to be admitted to the Official List (the **"Official List**") and trading on its regulated market. Such approval relates only to the Secured Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purposes of Directive 2004/39/EC or which are to be offered to the public in any member state of the European Economic Area (the "**EEA**"). There can be no assurance that any such approval will be granted or that any such listing will be granted or maintained. See "Listing and General Information". There is currently no market for any Class of Notes and there can be no assurance that such a market will develop. See "Risk Factors—Relating to the Notes—The Notes will have limited liquidity and are subject to substantial transfer restrictions".

The Secured Notes (other than ERISA Restricted Notes) sold to persons who are Qualified Institutional Buyers will be represented by global notes or certificates in fully registered form without interest coupons to be deposited with a custodian for and registered in the name of Cede & Co., c/o The Depository Trust & Clearing Corporation, 55 Water Street, New York, NY 10041, telephone (212) 855-5471. The Secured Notes that are ERISA Restricted Notes sold to persons who are Qualified Institutional Buyers will be issued in definitive, fully registered form without interest coupons. The Secured Notes and Subordinated Notes sold to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act, other than certain Subordinated Notes which may be issued in definitive, fully registered form or uncertificated, fully registered form at the option of the Issuer (with the written consent of the Portfolio Manager), will be represented by global notes or certificates in fully registered form without interest coupons to be deposited with a custodian for and registered in the name of Cede & Co., a nominee of DTC, for the accounts of Euroclear or Clearstream. All other Subordinated Notes will be issued either (i) in definitive, fully registered form without interest coupons or (ii) if requested by the beneficial owner thereof, in

	uncertificated, fully registered form.
Governing Law	The Notes and the Indenture, and any matters arising out of or relating in any way whatsoever to any of the Notes and the Indenture (whether in contract, tort or otherwise), will be governed by the laws of the State of New York.
Tax Matters.....	See "U.S. Federal Income Tax Considerations" and "Cayman Islands Income Tax Considerations".
ERISA	See "Certain ERISA and Related Considerations".

RISK FACTORS

An investment in the Notes involves certain risks. You should carefully consider the following factors, in addition to the matters set forth elsewhere in this Offering Circular, prior to investing in the Notes.

General Economic Risks.

General economic conditions may affect the ability of the Co-Issuers to make payments on the Notes.

Beginning in mid-2007, there occurred an extreme downturn in the credit markets and other financial markets, which resulted in dramatic deterioration in the financial condition of many companies. Although adverse economic data continue to be generated, there are some indications that credit markets and other financial markets are emerging from such downturn. It is difficult to predict how long and to what extent these conditions will continue to improve and which markets, products, businesses and assets will experience this improvement (or to what degree any such improvement is dependent on monetary policies by central banks, particularly the Federal Reserve). The ability of the Co-Issuers to make payments on the Notes may depend on the continued recovery of the economy, and there is no assurance that this recovery will continue. In addition, the business, financial condition or results of operations of the obligors on the Collateral Obligations may be adversely affected by a worsening of economic and business conditions. To the extent that economic and business conditions deteriorate, non-performing assets are likely to increase, and the value and collectability of the Assets is likely to decrease. A decrease in market value of the Collateral Obligations also would adversely affect the Sale Proceeds that could be obtained upon the sale of the Collateral Obligations and could ultimately affect the ability of the Issuer to pay in full or redeem the Secured Notes, as well as the ability to make any distributions in respect of the Subordinated Notes.

Several nations, particularly within the European Union, are currently suffering from significant economic distress. There can be no assurance as to the resolution of the economic problems in those countries, nor as to whether such problems will spread to other countries or otherwise negatively affect economies or markets. A debt default by a sovereign nation or other potential consequences of these economic problems may trigger additional crises in the global credit markets and overall economy which could have a significant adverse effect on the Issuer and the Notes.

Changes in the legislative and regulatory environment may affect the ability of the Co-Issuers to make payments on the Notes.

Recent changes in legislation, together with uncertainty about the nature and timing of regulations that will be promulgated to implement such legislation, may create uncertainty in the credit and other financial markets and create other unknown risks. In particular, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), which was signed into law on July 21, 2010, includes provisions that are expected to have a broad impact on credit and other financial markets. The Dodd-Frank Act imposes a new regulatory framework on the U.S. financial services industry and the consumer credit markets in general, and proposed regulations by the United States Securities and Exchange Commission ("SEC") that, if enacted, would significantly alter the manner in which asset-backed securities, including securities similar to the Notes, are issued and structured and increase the reporting obligations of the issuers of such securities. Given the broad scope and sweeping nature of these changes and the fact that final implementing rules and regulations have not yet been enacted, the potential impact of these actions on the Issuer, any of the Notes or any Holders of Notes is unknown, and no assurance can be made that the impact of such changes would not have a material adverse effect on the prospects of the Issuer or the value or marketability of the Notes. In particular, if existing transactions are not exempted from any such new rules or regulations, compliance with such rules and regulations could impose significant costs on the Issuer and could have a material adverse effect on the Issuer and the Holders of Notes. In addition, proposed changes to Regulation AB under the Securities Act have the potential to impose new disclosure requirements that could restrict the use of this Offering Circular or require the publication of a new offering circular in connection with the issuance and sale of any additional Notes or any Refinancing.

Also, recently proposed rules regarding risk retention by sponsors of asset-backed securities could potentially limit the ability of the Issuer to issue additional Notes or undertake any Refinancing. Further, the "Volcker Rule" contained in the Dodd-Frank Act (which became effective on July 21, 2012) imposes limitations on

the ability of banking entities and their affiliates to invest in private investment funds such as the Issuer. Compliance of such institutions with the Volcker Rule could have a substantial negative impact on the liquidity of the Notes. No prediction can be made on whether the Volcker Rule will be modified by legislation, rule or regulation following its effective date or the impact of any such modifications on the liquidity of the Notes. Furthermore, no assurance can be made that the United States federal government or any U.S. regulatory body (or other authority or regulatory body) will not continue to take further legislative or regulatory action in response to the economic crisis or otherwise, and the effect of such actions, if any, cannot be known or predicted.

In addition, recent legislation adopted Sections 1471 through 1474 of the Code ("FATCA") that will subject the Issuer to a 30% U.S. withholding tax on certain U.S.-source payments received by the Issuer after December 31, 2013, and the proceeds of certain sales, received by the Issuer after December 31, 2016 with respect to an obligation that is not outstanding on or that is materially modified after March 18, 2012 (although proposed regulations extend this date to January 1, 2013) unless it has in effect an agreement with the U.S. Internal Revenue Service to (i) obtain information regarding each Holder of its Notes (other than the Notes treated as regularly traded on an established securities market) as is necessary to determine which, if any, such Holders are U.S. persons or United States owned foreign entities, (ii) provide annually to the U.S. Internal Revenue Service the name, address, taxpayer identification number and certain other information with respect to Holders and beneficial owners of Notes (other than Notes that are treated as regularly traded on an established securities market) that are U.S. persons or that are United States owned foreign entities (in which case the information must be provided with respect to the entity's "substantial U.S. owners") and (iii) comply with certain other due diligence procedures, Internal Revenue Service requests, withholding and other requirements. See "—Relating to the Notes—The Issuer may be subject to Tax". Proposed regulations have been issued covering many aspects of this recent legislation, but the actions the Issuer will need to take in order to comply are not fully addressed by existing guidance or the proposed regulations, and, therefore, the Issuer's ability to comply with these rules remains uncertain.

The ability of the Co-Issuers to make payments on the Notes could be affected by the Dodd-Frank Act, FATCA and other recent legislation, regulations already promulgated thereunder and uncertainty about additional regulations to be promulgated thereunder in the future.

Negative Collateral Obligation performance may continue.

Negative economic trends nationally as well as in specific geographic areas of the United States could result in an increase in loan defaults and delinquencies. Though levels of loan defaults and delinquencies have been decreasing from peak levels, there is a material possibility that economic activity will be volatile or will slow, and some obligors may be significantly and negatively impacted by negative economic trends. A continuing decreased ability of obligors to obtain refinancing (particularly as high levels of required refinancings approach) may result in a further economic decline that could delay an economic recovery and cause a further deterioration in loan performance generally. There is no way to determine whether such trends in the credit markets will improve or worsen in the future.

Illiquidity in the leveraged finance and fixed income markets may affect the holders of the Notes.

A severe liquidity crisis in the global credit markets has resulted in substantial fluctuations in prices for leveraged loans and high-yield debt securities and limited liquidity for such instruments. No assurance can be made that the conditions giving rise to such price fluctuations and limited liquidity will not continue or become more acute following the Closing Date. During periods of limited liquidity and higher price volatility, the Issuer's ability to acquire or dispose of Collateral Obligations at a price and time that the Issuer deems advantageous may be severely impaired. As a result, in periods of rising market prices, the Issuer may be unable to participate in price increases fully to the extent that it is unable to acquire desired positions quickly; and the Issuer's inability to dispose fully and promptly of positions in declining markets will cause its net asset value to decline as the value of unsold positions is marked to lower prices and may exacerbate losses suffered by the Issuer when Collateral Obligations are sold. Furthermore, significant additional liquidity-related risks for the Issuer and investors in the Notes exist. Those risks include, among others, (i) the possibility that, after the Closing Date, the prices at which Collateral Obligations can be sold by the Issuer will have deteriorated from their effective purchase price, (ii) the possibility that opportunities for the Issuer to sell its assets in the secondary market, including Credit Risk Obligations, Credit Improved Obligations and Defaulted Obligations, may be impaired, and (iii) increased illiquidity of the Notes because of

reduced secondary trading in collateralized loan obligation securities. These additional risks may affect the returns on the Notes to investors or otherwise adversely affect holders of the Notes.

Regardless of current or future market conditions, certain Collateral Obligations purchased by the Issuer will have only a limited trading market (or none). The Issuer's investment in illiquid debt obligations may restrict its ability to dispose of investments in a timely fashion and for a fair price, as well as its ability to take advantage of market opportunities. Illiquid debt obligations may trade at a discount from comparable, more liquid investments.

In addition, adverse developments in the primary market for leveraged loans may reduce opportunities for the Issuer to purchase new issuances of Collateral Obligations. More particularly, the ability of private equity sponsors and leveraged loan arrangers to effectuate new leveraged buy-outs and the ability of the Issuer to purchase such assets may be partially or significantly limited. The impact of the liquidity crisis on the global credit markets may adversely affect the management flexibility of the Portfolio Manager in relation to the portfolio and, ultimately, the returns on the Notes to investors.

Relating to the Notes.

The Notes will have limited liquidity and are subject to substantial transfer restrictions.

Currently, no market exists for the Notes. Citigroup is not under any obligation to make a market for the Notes. There can be no assurance that any secondary market for any of the Notes will develop, or if a secondary market does develop, that it will provide the holders of the Notes with liquidity of investment or will continue for the life of the Notes. Consequently, a purchaser of Notes must be prepared to hold the Notes for an indefinite period of time or until their Stated Maturity. The Notes will not be registered under the Securities Act or any state securities laws, and the Co-Issuers have no plans, and are under no obligation, to register the Notes under the Securities Act. As a result, the Notes are subject to certain transfer restrictions and can only be transferred to certain transferees as described herein under "Transfer Restrictions". As described herein, the Issuer may, in the future, impose additional restrictions to comply with changes in applicable law. Such restrictions on the transfer of the Notes may further limit their liquidity.

European risk retention rules may affect the liquidity of the Notes.

Under rules that became effective on January 1, 2011 pursuant to Article 122a of the European Union's Directive 2006/48/EC ("**Article 122a**"), entities regulated as credit institutions pursuant to such Directive, together with their affiliates subject to consolidated supervision (each an "**Affected Investor**"), that acquire credit risk of a securitization may be subject to certain financial and other penalties, including but not limited to increased capital requirements, unless the originator, sponsor or original lender has explicitly disclosed to the credit institution that it will retain, on an ongoing basis, a material net economic interest of not less than 5%. Guidance published by the Committee of European Banking Supervisors on December 31, 2010 confirmed that a fund managed by the asset manager that structured the relevant securitization does not constitute an "originator" for purposes of satisfying the risk retention requirements of Article 122a. Article 122a also requires that an Affected Investor be able to demonstrate that it has undertaken certain due diligence in respect of, amongst other things, the credit risk it has acquired and the underlying exposures, and that procedures have been established for monitoring the performance of the underlying exposures on an on-going basis.

No party to the transaction has committed to retain a material net economic interest in the transaction in accordance with the requirements of Article 122a or take any other action which may be required by Affected Investors for the purposes of their compliance with Article 122a. This may have a negative impact on the regulatory capital position of Affected Investors and on the value and liquidity of the Notes in the secondary market. Similar rules may be introduced in the future that would apply similar rules to other investors, such as European insurers, UCITS funds and certain European hedge funds and private equity funds, who hold securitization positions (including securitization positions purchased prior to the implementation of such rules), which could have a further adverse effect on the liquidity of the Notes. Affected Investors in the Notes are responsible for analyzing their own regulatory position, and are encouraged to consult with their own investment and legal advisors regarding compliance with Article 122a (and any corresponding implementing rules in the relevant member state of the EEA) and the suitability of the Notes for investment. None of the Issuer, the Initial Purchaser, the Placement Agent, the

Portfolio Manager, the Collateral Administrator or Trustee makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment in the Notes on the Closing Date or at any time in the future.

Citigroup will have no ongoing responsibility for the Assets or the actions of the Portfolio Manager or the Issuer.

Citigroup will have no obligation to monitor the performance of the Assets or the actions of the Portfolio Manager or the Issuer and will have no authority to advise the Portfolio Manager or the Issuer or to direct their actions, which will be solely the responsibility of the Portfolio Manager (to the extent set forth in the Portfolio Management Agreement) and /or the Issuer, as the case may be. If Citigroup owns Notes, it will have no responsibility to consider the interests of any holders of Notes in actions it takes in such capacity. While Citigroup may own Notes at any time, it has no obligation to make any investment in any Notes and may sell at any time any Notes it does purchase.

The Notes are limited recourse obligations; investors must rely on available collections from the Collateral Obligations and will have no other source for payment.

The Secured Notes other than the Class D Notes are limited recourse obligations of the Co-Issuers, and the Class D Notes and Subordinated Notes are limited recourse obligations of the Issuer. The Notes are payable solely from proceeds of the Collateral Obligations and all other Assets pledged by the Co-Issuers to the holders of the Secured Notes and other secured parties (but not including holders of the Subordinated Notes) pursuant to the Indenture. None of the Trustee, the Collateral Administrator, the Portfolio Manager, Citigroup or any of their respective affiliates or the Co-Issuers' affiliates or any other person or entity will be obligated to make payments on the Notes. Consequently, holders of the Notes must rely solely on distributions on the Assets for payments on the Notes. If distributions on such Assets are insufficient to make payments on the Notes, no other assets (in particular, no assets of the Portfolio Manager, the holders of the Notes, Citigroup, the Trustee, the Collateral Administrator or any affiliates of any of the foregoing) will be available for payment of the deficiency and all obligations of the Co-Issuers and any claims against the Co-Issuers in respect of the Notes will be extinguished and will not revive.

The Subordinated Notes are unsecured obligations of the Issuer.

The Subordinated Notes will not be secured by any of the Assets, and, while the Secured Notes are outstanding, holders of the Subordinated Notes will not generally be entitled to exercise remedies under the Indenture. The Trustee will have no obligation to act on behalf of the holders of Subordinated Notes except as expressly provided in the Indenture. Distributions to holders of the Subordinated Notes will be made solely from distributions on the Assets after all other payments have been made pursuant to the Priority of Payments described herein. See "Description of the Notes—Priority of Payments". There can be no assurance that the distributions on the Assets will be sufficient to make distributions to holders of the Subordinated Notes after making payments that rank senior to payments on the Subordinated Notes. The Issuer's ability to make distributions to the holders of the Subordinated Notes will be limited by the terms of the Indenture. If distributions on the Assets are insufficient to make distributions on the Subordinated Notes, no other assets will be available for any such distributions. See "Description of the Notes—The Subordinated Notes".

The subordination of the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Subordinated Notes, as described below, will affect their right to payment.

The Class A-1 Notes are subordinated to certain amounts payable by the Issuer to other parties as set forth in the Priority of Payments (including taxes, certain Administrative Expenses and Base Management Fees), the Class A-2 Notes are subordinated on each Payment Date to the Class A-1 Notes and amounts to which the Class A-1 Notes are subordinate; the Class B Notes are subordinated on each Payment Date to the Class A-2 Notes and amounts to which the Class A-2 Notes are subordinate; the Class C Notes are subordinated on each Payment Date to the Class B Notes and amounts to which the Class B Notes are subordinate; the Class D Notes are subordinated on each Payment Date to the Class C Notes and amounts to which the Class C Notes are subordinate; and the Subordinated Notes are subordinated on each Payment Date to the Secured Notes, amounts to which the Secured Notes are subordinate and certain other fees and expenses (including, but not limited to, the diversion of Interest

Proceeds to purchase additional Collateral Obligations if the Interest Diversion Test is not satisfied or to redeem Secured Notes if a Moody's Ramp-Up Failure or an S&P Rating Confirmation Failure occurs and is continuing, unpaid Administrative Expenses, including unexpected liabilities that may become payable by the Issuer or the Co-Issuer, whether by reason of the offering contemplated hereby or otherwise, and certain Management Fees). No payments of interest or distributions from Interest Proceeds of any kind will be made on any such Class of Notes on any Payment Date until interest due on the Notes of each Class to which it is subordinated has been paid in full, no payments of principal (other than Secured Note Deferred Interest with respect to the Class B Notes, the Class C Notes and the Class D Notes, to the extent set forth in the Priority of Payments) or distributions from Principal Proceeds of any kind will be made on any such Class of Notes on any Payment Date until principal on the Notes of each Class to which it is subordinated has been paid in full, and no distributions from Principal Proceeds of any kind will be made on the Subordinated Notes on any Payment Date until interest due on and all principal of the Notes of each Class to which it is subordinated has been paid in full. Therefore, to the extent that any losses are suffered by any of the holders of any Notes, such losses will be borne in the first instance by holders of the Subordinated Notes, then by the holders of the Class D Notes, then by the holders of the Class C Notes, then by the holders of the Class B Notes, then by the holders of the Class A-2 Notes and last by the holders of the Class A-1 Notes. Furthermore, payments on the Class B Notes, the Class C Notes and the Class D Notes are subject to diversion to pay more senior Classes of Notes pursuant to the priority of payments if certain Coverage Tests are not met, as described herein, and failure to make such payments will not be a default under the Indenture. In addition, if an Event of Default occurs, the holders of the Controlling Class of Notes will be entitled to determine the remedies to be exercised under the Indenture. See "Description of the Notes—The Indenture—Events of Default". Remedies pursued by the Controlling Class could be adverse to the interests of the holders of the Notes that are subordinated to the Notes held by the Controlling Class, and the Controlling Class will have no obligation to consider any possible adverse effect on such other interests. See "—The Controlling Class will control many rights under the Indenture and therefore, holders of subordinate Classes will have limited rights in connection with an Event of Default, Enforcement Event or distributions thereunder".

If an Event of Default has occurred and has not been cured or waived and acceleration occurs in accordance with the Indenture, the most senior Class of Notes then outstanding shall be paid in full in cash, or to the extent the Majority of such Class consents, other than in cash, before any further payment or distribution is made on account of any more subordinate Classes, in each case in accordance with the Special Priority of Payments. Upon such an acceleration, investors in any such subordinate Class of Notes will not receive any payments until such senior Classes are paid in full. If an Event of Default has occurred, but the Assets have not been liquidated and the Notes have not been accelerated, payments on the Notes will continue to be made in the order of priority described under "Overview of Terms—Priority of Payments—Application of Interest Proceeds" and "Overview of Terms—Priority of Payments—Application of Principal Proceeds". There can be no assurance that, after payment of principal and interest on the Notes senior to any Class, the Issuer will have sufficient funds to make payments in respect of such Class.

Under the Indenture, the Secured Notes will not be subject to acceleration by the Trustee or the holders of a Majority of the Controlling Class solely as a result of the failure to pay any amount due on the Notes that are not of the Controlling Class. See "Description of the Notes—The Indenture—Events of Default".

The Subordinated Notes are highly leveraged, which increases risks to investors in the Subordinated Notes.

The Subordinated Notes represent a highly leveraged investment in the Assets. Therefore, the market value of the Subordinated Notes would be anticipated to be significantly affected by, among other things, changes in the market value of the Assets, changes in the distributions on the Assets, defaults and recoveries on the Assets, capital gains and losses on the Assets, prepayments on Assets and the availability, prices and interest rates of Assets and other risks associated with the Assets as described in "—Relating to the Collateral Obligations". Accordingly, the Subordinated Notes may not be paid in full and may be subject to up to 100% loss. Furthermore, the leveraged nature of the Subordinated Notes may magnify the adverse impact on the Subordinated Notes of changes in the market value of the Assets, changes in the distributions on the Assets, defaults and recoveries on the Assets, capital gains and losses on the Assets, prepayments on Assets and availability, prices and interest rates of Assets.

The Assets may be insufficient to redeem the Notes in an Event of Default.

It is anticipated that the proceeds received by the Issuer on the Closing Date from the issuance of the Notes, net of certain fees and expenses, will be less than the aggregate amount of the Notes. Consequently, it is anticipated that on the Closing Date the Assets would be insufficient to redeem all of the Secured Notes and Subordinated Notes in the event of an Event of Default under the Indenture.

The Indenture requires mandatory redemption of the Secured Notes for failure to satisfy Coverage Tests and in the event of a Moody's Ramp-Up Failure or an S&P Rating Confirmation Failure.

If any Coverage Test with respect to any Class or Classes of Secured Notes is not met on any Determination Date on which such Coverage Test is applicable, or a Moody's Ramp-Up Failure or an S&P Rating Confirmation Failure occurs and is continuing, Interest Proceeds and, to the extent Interest Proceeds are insufficient for such purpose, Principal Proceeds will be applied as follows: Interest Proceeds that otherwise would have been used to pay certain fees and expenses or distributed to the holders of the Notes of each Class (other than Class A Notes) that is subordinated to such Class or Classes and (during the Reinvestment Period and, with respect to Eligible Post Reinvestment Proceeds, after the Reinvestment Period) Principal Proceeds that would otherwise have been reinvested in Collateral Obligations will instead be used to redeem the Secured Notes of the most senior Class or Classes then outstanding, in each case in accordance with the Priority of Payments, to the extent necessary to satisfy the applicable Coverage Tests or remedy a Moody's Ramp-Up Failure and/or S&P Rating Confirmation Failure (as the case may be) as described under "Overview of Terms—Priority of Payments". This could result in an elimination, deferral or reduction in the payments of Interest Proceeds to the holders of the Class B Notes, Class C Notes, Class D Notes and/or Subordinated Notes, as the case may be. In addition, a mandatory redemption of Secured Notes owing to a Moody's Ramp-Up Failure or an S&P Rating Confirmation Failure may cause the Portfolio Manager to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the realized value of the Collateral Obligations sold.

The Secured Notes are subject to Special Redemption at the option of the Portfolio Manager.

The Secured Notes will be subject to redemption in part by the Co-Issuers or the Issuer, as applicable, on any Payment Date during the Reinvestment Period if the Portfolio Manager notifies the Trustee that it has been unable, for a period of at least 20 consecutive Business Days, to identify additional Collateral Obligations that are deemed appropriate by the Portfolio Manager and which would meet the criteria for reinvestment described under "Security for the Secured Notes—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria" in sufficient amounts to permit the investment or reinvestment of all or a portion of the funds then in the Collection Account that are to be invested in additional Collateral Obligations. Any such notice shall be based upon the Portfolio Manager having attempted, in accordance with the standard of care set forth in the Portfolio Management Agreement, to identify additional Collateral Obligations as described above. On the Special Redemption Date, in accordance with the Indenture, the amount relating to such Special Redemption will be applied as described under "Overview of Terms—Priority of Payments—Application of Principal Proceeds" to pay the principal of the Secured Notes. The application of funds in that manner could result in an elimination, deferral or reduction of amounts available to make payments on the Subordinated Notes. See "Overview of Terms—Priority of Payments—Application of Principal Proceeds" and "Description of the Notes—Special Redemption".

Additional issuances of Notes may have different terms and may have the effect of preventing the failure of the Coverage Tests and the occurrence of an Event of Default.

At any time during the Reinvestment Period, the Co-Issuers may issue and sell additional notes of any one or more new classes of notes that are fully subordinated to the existing Secured Notes (or to the most junior class of securities of the Issuer (other than the Subordinated Notes) issued pursuant to the Indenture, if any class of securities issued pursuant to the Indenture other than the Secured Notes and the Subordinated Notes is then outstanding) and/or additional notes of any one or more existing Classes and use the net proceeds to purchase additional Collateral Obligations or for other purposes permitted under the Indenture if the conditions for such additional issuance described under "Description of the Notes—The Indenture—Modification of Indenture" and "Description of the Notes—The Indenture—Additional Issuance" are met. Any such additional issuance will be made only with the consent of the Portfolio Manager and approval by a Majority of the Subordinated Notes and, if additional Class

A-1 Notes are being issued, a Majority of the Class A-1 Notes. Among other conditions that must be satisfied in connection with an additional issuance of notes, unless only additional Subordinated Notes are being issued, the Moody's Rating Condition shall have been satisfied (or deemed inapplicable as described under "Ratings of the Secured Notes—Inapplicability of the Moody's Rating Condition") with respect to any Class A-1 Notes not constituting part of such additional issuance and S&P shall have been notified of such additional issuance (provided that if only additional Subordinated Notes are being issued, the Issuer notifies each Rating Agency of such issuance prior to the issuance date) and, in the case of the issuance of additional notes of an existing Class, the terms of the notes to be issued must be identical to the respective terms of previously issued Notes of the applicable Class (except that the interest, if any, due on additional notes will accrue from the issue date of such additional notes and the interest rate and price of such notes do not have to be identical to those of the initial Notes of that Class, provided that the interest rate on such notes may not exceed the interest rate applicable to the initial Notes of that Class). In addition, the use of such issuance proceeds as Principal Proceeds may have the effect of causing a Coverage Test that was otherwise failing to be cured or modifying the effect of events that would otherwise give rise to an Event of Default and permit the Controlling Class to exercise remedies under the Indenture.

The Controlling Class will control many rights under the Indenture and therefore, holders of subordinate Classes will have limited rights in connection with an Event of Default, Enforcement Event or distributions thereunder.

Under the Indenture, many rights of the holders of the Notes will be controlled by a Majority of the Controlling Class. Remedies pursued by the holders of the Controlling Class upon an Event of Default could be adverse to the interests of the holders of Notes subordinated to the Controlling Class. After any Enforcement Event, proceeds of any realization on the Assets will be allocated in accordance with the Special Priority of Payments pursuant to which the Secured Notes and certain other amounts owing by the Co-Issuers will be paid in full before any allocation to the Subordinated Notes, and each Class of Notes (along with certain other amounts owing by the Co-Issuers) will be paid in order of seniority until it is paid in full before any allocation is made to any more junior Class of Notes. If an Event of Default has occurred and is continuing, the holders of the Subordinated Notes will not have any creditors' rights against the Issuer and will not have the right to determine the remedies to be exercised under the Indenture. There is no guarantee that any funds will remain to make distributions to the holders of subordinated Classes of Notes following any liquidation of the Assets and the application of the proceeds from the Assets to pay senior Classes of Notes and the fees, expenses, and other liabilities payable by the Co-Issuers.

On the other hand, the ability of the Controlling Class to direct the sale and liquidation of the Assets after an Event of Default is subject to certain limitations. As described under "Description of the Notes—The Indenture—Events of Default", if an Event of Default occurs and is continuing, the Trustee will retain the Assets intact and collect all payments in respect of the Assets and continue making payments in accordance with the Priority of Payments and in accordance with the Indenture unless either:

(i) the Trustee determines (in the manner described in the Indenture) that the anticipated proceeds of a sale or liquidation of the Assets (after deducting the reasonable expenses of such sale or liquidation) would be sufficient to discharge in full the amounts then due (or, in the case of interest, accrued) and unpaid on the Secured Notes for principal and interest (including accrued and unpaid Secured Note Deferred Interest) and all other amounts that, pursuant to the Priority of Payments, are required to be paid prior to such payments on such Secured Notes (including any amounts due and owing as Administrative Expenses (without regard to the Administrative Expense Cap) and any due and unpaid Base Management Fee) and a Majority of the Controlling Class agrees with such determination; or

(ii) (x) if the Class A-1 Notes are outstanding and an Event of Default referred to in clause (f) of the definition thereof has occurred and is continuing, a Majority of the Class A-1 Notes directs the sale and liquidation of the Assets or (y) if any other Event of Default has occurred and is continuing, a Supermajority of each Class of the Secured Notes (voting separately by Class) direct the sale and liquidation of the Assets.

The Issuer may modify the Indenture by supplemental indentures, and some supplemental indentures do not require consent of all or any holders of Notes.

The Indenture provides that the Co-Issuers and the Trustee may enter into supplemental indentures to modify various provisions of the Indenture. Execution of supplemental indentures is subject to various conditions precedent. In certain cases, consent is required from all holders of Notes that would be materially and adversely affected by the supplemental indenture, but, in certain other cases, consent is not required from any holders or is only required from a Majority of a Class that would be materially and adversely affected by the supplemental indenture. In addition, while the Rating Agencies will be provided advance notice of proposed supplemental indentures, confirmation of the ratings of the applicable Secured Notes is not a condition precedent to the Issuer's entry into a supplemental indenture, except that the Moody's Rating Condition is required to be satisfied (or deemed inapplicable as described under "Ratings of the Secured Notes—Inapplicability of the Moody's Rating Condition") with respect to any supplemental indenture that modifies or amends any component of the Minimum Diversity Score/Maximum Rating/Minimum Spread Matrix or the definitions related thereto or that is entered into to correct any inconsistency or cure any ambiguity, omissions or manifest errors in the Indenture or to conform the provisions of the Indenture to this Offering Circular. Accordingly, a Class may be materially and adversely affected by a supplemental indenture that is entered into following consent thereto to by a Majority of such Class, and the Issuer may be prevented from entering into a supplemental indenture that is beneficial to one or more Classes if consents required from other Classes are not obtained. See "Description of the Notes—The Indenture—Modification of Indenture".

The Notes are subject to Optional Redemption in whole or in part by Class.

The Co-Issuers or the Issuer, as applicable, will, if so directed in writing by a Majority of the Subordinated Notes (together with, solely in the case of clause (ii) of the immediately succeeding sentence, the written direction of the Portfolio Manager acting jointly with such Majority of the Subordinated Notes), redeem the Secured Notes on any Business Day after the Non-Call Period. Any such redemption must be made (i) in whole (with respect to all Classes of Secured Notes) but not in part from Sale Proceeds and/or Refinancing Proceeds or (ii) in part by Class from Refinancing Proceeds (so long as the Secured Notes of any Class to be redeemed represent not less than the entire Class of such Secured Notes). Additionally, all of the Secured Notes will be redeemable by the Co-Issuers or the Issuer, as applicable, on any Business Day after the Non-Call Period in whole (with respect to all Classes of Secured Notes) but not in part at the written direction of the Portfolio Manager if the Collateral Principal Amount is less than 10% of the Target Initial Par Amount. Either (x) a Majority of the Subordinated Notes or (y) the Portfolio Manager may cause the Subordinated Notes to be redeemed in whole on any Business Day on or after the date on which all of the Secured Notes have been redeemed or repaid as described under "Description of the Notes—Optional Redemption and Tax Redemption" and "Description of the Notes—The Subordinated Notes—Optional Redemption". The Notes shall also be redeemed on any Payment Date in whole but not in part at the written direction (delivered to the Trustee) of (x) a Majority of any Affected Class or (y) a Majority of the Subordinated Notes following the occurrence of certain Tax Events as described under "Description of the Notes—Optional Redemption and Tax Redemption". In the event of an early redemption, the holders of the Secured Notes and Subordinated Notes will be repaid prior to the respective Stated Maturity of such Notes. There can be no assurance that, upon any such redemption, the Sale Proceeds realized and other available funds would permit any distribution on the Subordinated Notes after all required payments are made to the holders of the Secured Notes. In addition (unless Refinancing Proceeds are available), an Optional Redemption could require the Portfolio Manager to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the realized value of the Collateral Obligations sold.

As described under "Description of the Notes—Optional Redemption and Tax Redemption", Refinancing Proceeds may be used in connection with either a redemption in whole of the Secured Notes or a redemption in part of the Secured Notes by Class. The Indenture provides that the holders of the Subordinated Notes will not have any cause of action against any of the Co-Issuers, the Portfolio Manager, the Collateral Administrator or the Trustee for any failure to obtain a Refinancing. If a Refinancing is obtained meeting the requirements of the Indenture, the Issuer and, at the direction of the Portfolio Manager, the Trustee will amend the Indenture to the extent necessary to reflect the terms of the Refinancing and no consent for such amendments shall be required from the holders of any Class of Notes, other than a Majority of the Subordinated Notes directing the redemption. No assurance can be given that any such amendments to the Indenture or the terms of any Refinancing will not adversely affect the

holders of any Class or Classes of Notes not subject to redemption (or, in the case of the Subordinated Notes, the holders of the Subordinated Notes who do not form a part of the holders of the Subordinated Notes directing such redemption).

The Notes may be affected by interest rate risks, including mismatches between the Notes and the Collateral Obligations.

Except in the case of the first Interest Accrual Period, the Secured Notes will bear interest at a rate based on three-month LIBOR. The Collateral Obligations may bear interest based on other indices or on rates that reset at periods other than three month intervals. The aggregate outstanding principal balance of the Secured Notes may be different than the aggregate principal balance of the Floating Rate Obligations. In addition, any payments of principal of or interest on Collateral Obligations received during a Collection Period (and, during the Reinvestment Period (or, solely in connection with any Eligible Post Reinvestment Proceeds, after the Reinvestment Period), not reinvested in Collateral Obligations during such Collection Period) will be reinvested in Eligible Investments maturing not later than the earlier of (A) the date that is 60 days after the date of delivery thereof and (B) the Business Day immediately preceding the Payment Date immediately following the date of delivery thereof. There is no requirement that such Eligible Investments bear interest at a floating rate, and the interest rates available for such Eligible Investments are inherently uncertain. As a result of such mismatches, changes in the level of LIBOR or any other applicable floating rate index could adversely affect the ability of the Co-Issuers or the Issuer, as applicable, to make payments on the Notes. The Subordinated Notes will be subordinated to the payment of interest on the Secured Notes. There can be no assurance that the Collateral Obligations and the Eligible Investments will in all circumstances generate sufficient Interest Proceeds to make timely payments of interest on the Secured Notes or to make distributions to the holders of the Subordinated Notes.

Recent regulatory changes may affect the Issuer's ability to enter into hedge agreements.

The Issuer is not entering into any hedge agreements on the Closing Date and does not anticipate entering into such agreements. Nevertheless, economic and market conditions could change and the Issuer or the Portfolio Manager could conclude that it would be in the interest of the Issuer to enter into a hedge agreement to, for example, hedge interest rate risk. There have been recent developments, however, that may increase the cost of, or prevent the Issuer from, entering into such hedge agreements.

Pursuant to the Dodd-Frank Act, the Commodity Futures Trading Commission ("CFTC") has promulgated a range of new regulatory requirements that may affect the pricing, terms and compliance costs associated with hedge agreements. In addition, the CFTC recently adopted rules under the Dodd-Frank Act that include "swaps" along with "commodities" as contracts which if traded by an entity may cause that entity to be a "commodity pool" under the Commodity Exchange Act and any person that, on behalf of such entity, engages in or facilitates such activity to be a "commodity pool operator" ("CPO") and a "commodity trading adviser" ("CTA"). Regulation of the Issuer as a commodity pool and/or regulation of the Portfolio Manager (or another transaction party) as a CPO and CTA could cause the Issuer to be subject to extensive registration and reporting requirements that may involve material costs to the Issuer. As a result of these developments, the Issuer will not be permitted to amend the Indenture to permit it to enter into hedge agreements unless the supplemental indenture requires that prior to entering into any hedge agreement (a) the Issuer obtains an opinion of counsel that either (i) the Issuer entering into such hedge agreement will not cause it to be considered a "commodity pool" as defined in Section 1a(10) of the Commodity Exchange Act, as amended or (ii) if the Issuer would be a commodity pool, that (A) the Portfolio Manager, and no other party, would be the CPO and CTA and (B) with respect to the Issuer as a commodity pool, the Portfolio Manager is eligible for an exemption from registration as a commodity pool operator and commodity trading adviser and all conditions precedent to obtaining such an exemption have been satisfied; (b) the Portfolio Manager agrees in writing that for so long as the Issuer is a commodity pool, the Portfolio Manager will take all actions necessary to ensure ongoing compliance with the applicable exemption from registration as a commodity pool operator and commodity trading adviser with respect to the Issuer, and will take any other actions required as a CPO and CTA with respect to the Issuer; (c) the Issuer receives a written opinion of counsel that the Issuer entering into such hedge agreement will not, in and of itself, cause the Issuer to become a "hedge fund or a private equity fund" as defined for purposes of Section 13 of the Bank Holding Company Act, as amended; and (d) the Moody's Rating Condition has been satisfied (or deemed inapplicable as described under "Ratings of the Secured Notes—Inapplicability of the Moody's Rating Condition"). Accordingly, there may be circumstances where it would

otherwise be in the Issuer's interest to enter into a hedge agreement, but it will not be able to do so, which could reduce amounts available to make payments on the Notes.

Additional information about LIBOR.

Regulators and law-enforcement agencies in a number of different jurisdictions are conducting investigations into potential manipulation or attempted manipulation of LIBOR submissions to the British Bankers' Association (the "BBA"). Actions by the BBA, regulators or law-enforcement agencies may affect LIBOR (and/or the determination thereof) in unknown ways, which could adversely affect the value of the Notes. This could include a change in the methodology of setting LIBOR or reduced prominence for LIBOR as a benchmark interest rate. Any uncertainty in the value of LIBOR or the development of a widespread market view that LIBOR has been or is being manipulated may adversely affect liquidity of the Notes in the secondary market and their market value. An increase in alternative types of financing at the expense of LIBOR-based syndicated commercial loans may make it more difficult for the Issuer to source Collateral Obligations prior to the Effective Date or reinvest proceeds in Collateral Obligations that satisfy the reinvestment criteria specified herein or may increase interest expense.

The weighted average lives of the Notes may vary from their maturity date.

The average life of each Class of Notes is expected to be shorter than the number of years until its respective Stated Maturity. Each such average life may vary due to various factors affecting the early retirement of Collateral Obligations, the timing and amount of sales of such Collateral Obligations, the ability of the Portfolio Manager to invest collections and proceeds in additional Collateral Obligations, and the occurrence of any Mandatory Redemption, Optional Redemption, Tax Redemption or Special Redemption. Retirement of the Collateral Obligations prior to their respective final maturities will depend, among other things, on the financial condition of the issuers of the underlying Collateral Obligations and the respective characteristics of such Collateral Obligations, including the existence and frequency of exercise of any optional redemption, mandatory redemption or sinking fund features, the prevailing level of interest rates, the redemption prices, the actual default rates and the actual amount collected on any Defaulted Obligations and the frequency of tender or exchange offers for such Collateral Obligations. In particular, loans are generally prepayable at par, and a high proportion of loans could be prepaid. The ability of the Issuer to reinvest proceeds in Collateral Obligations with comparable interest rates that satisfy the reinvestment criteria specified herein may affect the timing and amount of payments received by the holders of Notes and the yield to maturity of the Notes. See "Security for the Secured Notes—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria".

The Issuer may be subject to Tax.

The Issuer expects to conduct its affairs so that its income generally will not be subject to Tax on a net income basis in the United States or any other jurisdiction. The Issuer expects that payments received on the Collateral Obligations and Eligible Investments generally will not be subject to withholding taxes imposed by the United States or other countries from which such payments are sourced. In addition, under FATCA, the Issuer will be subject to a 30% U.S. withholding tax on certain U.S.-source payments received by the Issuer after December 31, 2013, and the proceeds of certain sales, received by the Issuer after December 31, 2016 with respect to an obligation that is not outstanding on or that is materially modified after March 18, 2012 (although proposed regulations extend this date to January 1, 2013) unless it has in effect an agreement with the U.S. Internal Revenue Service to (i) obtain information regarding each Holder of its Notes (other than the Notes treated as regularly traded on an established securities market) as is necessary to determine which, if any, such Holders are U.S. persons or United States owned foreign entities, (ii) provide annually to the U.S. Internal Revenue Service the name, address, taxpayer identification number and certain other information with respect to Holders and beneficial owners of Notes (other than Notes that are treated as regularly traded on an established securities market) that are U.S. persons or that are United States owned foreign entities (in which case the information must be provided with respect to the entity's "substantial U.S. owners") and (iii) comply with certain other due diligence procedures, Internal Revenue Service requests, withholding and other requirements. Any Holder that fails to provide required information can be subject to a 30% withholding on payments due to it of both principal and interest after 2016. The Issuer expects to enter into such an agreement. The U.S. Internal Revenue Service has some issued guidance and proposed regulations covering many of the terms that must be included in, and the procedures for entering into, such an agreement. However, a model agreement has not been issued by the U.S. Internal Revenue Service and it is unknown whether the proposed

regulations will be finalized in the current form. In addition, the actions the Issuer will need to take in order to comply are not fully addressed by existing guidance or the proposed regulations, and therefore, the Issuer's ability to comply with these rules remains uncertain. These new rules apply regardless of whether the payment would otherwise be exempt from U.S. nonresident withholding tax (e.g., under the exemption of interest payments that qualify as "portfolio interest" or gains). Each purchaser and subsequent transferee of Notes will be required or deemed to acknowledge that the Issuer may provide such information and any other information concerning its investment in the Notes to the U.S. Internal Revenue Service. Each purchaser and subsequent transferee of an interest in a Note will be required or deemed to understand and acknowledge that the Issuer has the right, under the Indenture, to compel any Noteholder or beneficial owner of an interest in a Note that fails to comply with the foregoing requirements to sell its interest in such Note, or may sell such interest on behalf of such owner.

Payments on the Collateral Obligations and Eligible Investments might become subject to U.S. or other tax due to a change in law or other causes. Payments with respect to any equity securities held by the Issuer likely will be subject to withholding taxes imposed by the United States or other countries from which such payments are sourced. In addition, certain payments on Letter of Credit Reimbursement Obligations are expected to be and, as a condition of their eligibility for acquisition, are required to be subject to withholding by the relevant agent bank, unless the Issuer has received an opinion of nationally recognized external legal counsel to the effect that such withholding should or will not be required or the Issuer deposits into the LC Reserve Account an amount equal to 30% of all of the fees received in respect of the Letter of Credit Reimbursement Obligation.

The imposition of unanticipated withholding taxes or taxes on the Issuer's net income could materially impair the Issuer's ability to make payments on the Notes, cause the Issuer to sell the relevant Collateral Obligations or cause a Tax Redemption if certain requirements are met. In addition, if the Issuer is subject to withholding tax as a result of a holder of one of its Notes failing to provide the Issuer requested information, payments (of both principal and interest) to that holder will be reduced to extent of such withholding.

Blocker Subsidiaries will be subject to tax.

To reduce the risk that the Issuer will be engaged in a trade or business in the United States, in certain circumstances set forth in the Indenture, certain Equity Securities, Defaulted Securities and securities or obligations received in an Offer may be owned by one or more Blocker Subsidiaries wholly-owned by the Issuer. Income on such securities or obligations will be subject to U.S. federal income tax, and possibly state and local tax, at regular corporate rates and distributions by such subsidiaries to the Issuer (or, in the case of non-U.S. Blocker Subsidiaries, amounts distributed to the Blocker Subsidiary) attributable to such income may also be subject to U.S. withholding tax.

U.S. Federal Income Tax Treatment of Holders of Subordinated Notes.

As described below, the Issuer intends to treat, and the Indenture will provide that each Holder and beneficial owner of Notes, by accepting a Note, agrees, to treat the Subordinated Notes as equity interests in the Issuer, for U.S. federal income tax purposes. Because the Issuer will be a passive foreign investment company ("**PFIC**"), a U.S. person holding Subordinated Notes may be subject to additional taxes unless it elects to treat the Issuer as a qualified electing fund ("**QEF**") and to recognize currently its proportionate share of the Issuer's income. The Issuer may invest in Collateral Obligations which may be treated as equity of other PFICs. In such event, a U.S. holder of Subordinated Notes must make a separate QEF election with respect to any such other PFIC and the Issuer will provide, to the extent it receives it, the information needed for a U.S. holder of Subordinated Notes to make such a QEF election. Such investments may have adverse U.S. tax consequences for U.S. persons holding Subordinated Notes.

The Issuer also may be a controlled foreign corporation ("**CFC**") if 10% U.S. Shareholders (generally any U.S. Holder holding at least 10% of the Subordinated Notes and any other interests considered to represent voting equity in the Issuer) together own more than half (by vote or value) of the Subordinated Notes and any other interests considered to represent equity in the Issuer. If the Issuer is a CFC, a 10% U.S. Shareholder generally will be subject to the CFC rules rather than the PFIC rules, and other U.S. Holders will be subject to the PFIC rules. If the Issuer is a CFC for at least 30 consecutive days during its taxable year, a U.S. Holder that is a 10% U.S. Shareholder on the last day of the Issuer's taxable year must recognize ordinary income equal to its allocable share

of the Issuer's net earnings for the tax year whether or not the Issuer makes a distribution. Such allocable share of income will be treated as income from sources within the United States to the extent the Issuer derived it from U.S. sources. Earnings on which a U.S. Holder that is a 10% U.S. Shareholder pays tax currently will not be taxed again when they are distributed to the U.S. Holder. Such U.S. Holder's basis in its interest in the Issuer will increase by any amounts the holder includes in income currently and decrease by any amounts not subject to tax when distributed. If the Issuer is a CFC, (i) the Issuer will incur U.S. withholding tax on interest received from a related United States person, (ii) special reporting rules will apply to directors of the Issuer and certain other persons and (iii) certain other restrictions may apply. Subject to a special limitation for individual U.S. Holders that have held interests treated as voting equity in the Issuer for more than one year, gain from disposition of interests treated as equity interests in the Issuer recognized by a U.S. Holder that is or recently has been a 10% U.S. Shareholder will be treated as dividend income to the extent earnings attributable to the interests accumulated while the U.S. Holder held the interests and the Issuer was a CFC. Potential U.S. investors should consult with their tax advisors about the consequences of the Issuer's PFIC status, the advisability of a QEF election, the Issuer's potential CFC status and the tax consequences thereof. See "U.S. Federal Income Tax Considerations".

Bingham McCutchen LLP, special U.S. federal income tax counsel to the Issuer, will provide an opinion to the Issuer to the effect that the Class A Notes, the Class B Notes and the Class C Notes will, and the Class D Notes should, be treated as debt for U.S. federal income tax purposes. The Issuer intends to treat the Secured Notes, and the Indenture requires that the Noteholders agree to treat the Secured Notes, as debt for U.S. federal, state and local income and franchise tax purposes. Nevertheless, the treatment of any class of Secured Notes, particularly the Class D Notes due to their place in the capital structure, as debt of the Issuer could be challenged by the U.S. Internal Revenue Service. If such a challenge were successful, any class of Notes recharacterized would be treated as equity interests in the Issuer, and the U.S. Federal income tax consequences of investing in such Notes would be substantially the same as the consequences of investing in the Subordinated Notes without having made a QEF election. See "U.S. Federal Income Tax Considerations".

Recent legislation subjects certain U.S. investors to additional reporting requirements.

Legislation enacted in 2010 requires certain U.S. Holders to report information with respect to their investment in the Notes not held through an account with a financial institution to the IRS. Investors who fail to report required information could become subject to substantial penalties. Potential investors are encouraged to consult with their own tax advisors regarding the possible implications of such legislation on their investment in the Notes.

Payments on the Notes are not required to be grossed up for tax withheld.

The Issuer expects that payments on the Notes will ordinarily not be subject to any withholding tax in the Cayman Islands, the United States or any other jurisdiction. See "U.S. Federal Income Tax Considerations" and "Cayman Islands Income Tax Considerations". In the event that withholding or deduction of any taxes from payments on the Notes is required by law in any jurisdiction, neither of the Co-Issuers shall be under any obligation to make any additional payments in respect of such withholding or deduction.

Notes issued in additional offerings by the Issuer or the Co-Issuer may not be fungible for U.S. federal income tax purposes with the Notes issued in the original offering.

Whether any new notes would be fungible for U.S. federal income tax purposes with the Notes issued on the Closing Date would depend on whether the issuance of such new notes would be treated as a "qualified reopening" within the meaning of U.S. Treasury regulations. This determination will depend on facts that cannot be determined at this time, including the date on which such issuance occurs, the yield of the outstanding Notes at that time (based on their fair market value) and whether any outstanding Notes are publicly traded or quoted at that time.

Each of the Issuer and the Co-Issuer is recently formed, has no significant operating history, has no assets other than the Assets.

Each of the Issuer and the Co-Issuer is a recently incorporated or organized entity and has no prior operating history or track record other than, in the case of the Issuer, in connection with pre-closing warehouse

arrangements and the Closing Merger to facilitate the acquisition of Collateral Obligations in contemplation of the transaction described herein. See "—Relating to the Collateral Obligations—Pre-Closing Warehouse Arrangements and Closing Merger with the Issuer". Accordingly, neither the Issuer nor the Co-Issuer has a performance history for you to consider in making your decision to invest in the Notes.

The Notes are not guaranteed by the Co-Issuers, Citigroup, the Portfolio Manager, the Collateral Administrator or the Trustee.

None of the Co-Issuers, Citigroup, the Portfolio Manager, the Collateral Administrator or the Trustee or any affiliate thereof makes any assurance, guarantee or representation whatsoever as to the expected or projected success, profitability, return, performance result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) to you of ownership of the Notes and you may not rely on any such party for a determination of expected or projected success, profitability, return, performance result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) to you of ownership of the Notes. You will be required to represent (or, in the case of certain interests in global Notes, deemed to represent) to the Issuer and Citigroup, among other things, that you have consulted with your own legal, regulatory, tax, business, investment, financial, and accounting advisors regarding investment in the Notes as you have deemed necessary and that the investment by you is within your powers and authority, is permissible under applicable laws governing such purchase, has been duly authorized by you and complies with applicable securities laws and other laws.

Non-compliance with restrictions on ownership of the Notes and the Investment Company Act could adversely affect the Issuer.

Neither the Issuer nor the Co-Issuer has registered with the SEC as an investment company pursuant to the Investment Company Act. The Issuer has not registered in reliance on an exception under Section 3(c)(7) of the Investment Company Act for investment companies (a) whose outstanding securities are beneficially owned only by "qualified purchasers" and by "knowledgeable employees" with respect to the Issuer and certain transferees thereof identified in Rules 3c-5 and 3c-6 under the Investment Company Act and (b) which do not make a public offering of their securities in the United States.

No opinion or no-action position has been requested of the SEC with respect to the status of the Co-Issuers as investment companies under the Investment Company Act.

If the SEC or a court of competent jurisdiction were to find that the Issuer or the Co-Issuer is required, but in violation of the Investment Company Act had failed, to register as an investment company, possible consequences include, but are not limited to, the following: (i) the SEC could apply to a district court to enjoin the violation; (ii) investors in the Issuer and the Co-Issuer could sue the Issuer and the Co-Issuer and recover any damages caused by the violation; and (iii) any contract to which the Issuer and/or the Co-Issuer is party that is made in violation of the Investment Company Act or whose performance involves such violation would be unenforceable by any party to the contract unless a court were to find that under the circumstances enforcement would produce a more equitable result than non-enforcement and would not be inconsistent with the purposes of the Investment Company Act. In addition, such a finding would constitute an Event of Default under the Indenture. Should the Issuer or the Co-Issuer be subjected to any or all of the foregoing, the Issuer and the Co-Issuer would be materially and adversely affected.

Book-entry holders are not considered holders of Notes under the Indenture.

Holders of beneficial interests in any Notes held in global form will not be considered holders of such Notes under the Indenture. After payment of any interest, principal or other amount to DTC, neither the Issuer nor the Co-Issuer will have any responsibility or liability for the payment of such amount by DTC or to any holder of a beneficial interest in a Note. DTC or its nominee will be the sole holder for any Notes held in global form, and therefore each person owning a beneficial interest in a Note held in global form must rely on the procedures of DTC (and if such person is not a participant in DTC on the procedures of the participant through which such person holds such interest) with respect to the exercise of any rights of a holder of a Note under the Indenture (which may result in delays or difficulties in exercising rights or obtaining information, as well as potential delays in receiving

payments on the Notes). The procedures of these institutions may be changed without notice to or the consent of Citigroup, the Portfolio Manager, the Trustee, the Collateral Administrator or the Issuer.

Future actions of any Rating Agency can adversely affect the market value or liquidity of the Notes.

The Rating Agencies may change their published ratings criteria or methodologies for securities such as the Secured Notes at any time in the future. Further, the Rating Agencies may retroactively apply any such new standards to the ratings of the Secured Notes. Any such action could result in a substantial lowering (or even withdrawal) of any rating assigned to any Secured Note, despite the fact that such Secured Note might still be performing fully to the specifications set forth for such Secured Note in this Offering Circular and the Transaction Documents. The rating assigned to any Secured Note may also be lowered following the occurrence of an event or circumstance despite the fact that the related Rating Agency previously provided confirmation that such occurrence would not result in the rating of such Secured Note being lowered. Additionally, any Rating Agency may, at any time and without any change in its published ratings criteria or methodology, lower or withdraw any rating assigned by it to any class of Secured Notes. If any rating initially assigned to any Secured Note is subsequently lowered or withdrawn for any reason, holders of the Notes may not be able to resell their Notes without a substantial discount. Any reduction or withdrawal to the ratings on any class of Secured Notes may significantly reduce the liquidity thereof and may adversely affect the Issuer's ability to make certain changes to the composition of the Assets.

In addition to the ratings assigned to the Secured Notes, the Issuer will be utilizing ratings assigned by the Rating Agencies to obligors of individual Collateral Obligations. Such ratings will primarily be publicly available ratings. There can be no assurance that the Rating Agencies will continue to assign such ratings utilizing the same methods and standards utilized today despite the fact that such Collateral Obligation might still be performing fully to the specifications set forth in its Underlying Instrument. Any change in such methods and standards could result in a significant rise in the number of CCC Collateral Obligations and Caa Collateral Obligations in the Assets, which could cause the Issuer to fail to satisfy the Overcollateralization Ratio Test on subsequent Determination Dates, which failure could lead to the early amortization of some or all of one or more Classes of the Secured Notes. See "Description of the Notes—Mandatory Redemption" and "Security for the Secured Notes—The Coverage Tests and the Interest Diversion Test".

Either Rating Agency may revise or withdraw its ratings of the Secured Notes as a result of a failure by the responsible party to provide it with information requested by such Rating Agency or comply with any of its obligations contained in the engagement letter with such Rating Agency, including the posting of information provided to the Rating Agency on a website that is accessible by rating agencies that were not hired in connection with the issuance of the Secured Notes as described under "—Rating agencies may have certain conflicts of interest; and the Secured Notes may receive an unsolicited rating, which may have an adverse effect on the liquidity or the market price of the Secured Notes". Any such revision or withdrawal of a rating as a result of such a failure might adversely affect the value of the Notes and, for regulated entities, could affect the status of the Secured Notes as a legal investment or the capital treatment of the Secured Notes.

Under current S&P policy, the Notes could be subject to early amortization even if the Issuer's investment portfolio is performing well.

On any Payment Date after the Effective Date, if S&P has not yet confirmed its initial rating of the Secured Notes, the Secured Notes will be subject to redemption in part in an amount sufficient to cause S&P to provide written confirmation of its initial rating of the Secured Notes. Under current S&P policy, S&P reserves the right not to provide such rating confirmations upon request, regardless of the terms agreed to among transaction participants. For example, even if the Issuer satisfies the requirements described under "Use of Proceeds—Effective Date", including by delivering to S&P a report that shows that as of the Effective Date, the Target Par Condition was satisfied, the Overcollateralization Ratio Test was satisfied, the Concentration Limitations were complied with and the Collateral Quality Test (excluding the S&P CDO Monitor Test) was satisfied, S&P would not be obligated to provide confirmation of its initial ratings of the Secured Notes. As a result, under current S&P policy, the Secured Notes may be subject to a partial redemption even if the Issuer's investment portfolio is in compliance with the applicable tests under the Indenture.

Rating agencies may have certain conflicts of interest; and the Secured Notes may receive an unsolicited rating, which may have an adverse effect on the liquidity or the market price of the Secured Notes.

S&P and Moody's have been hired by the Issuer to provide their ratings on the Secured Notes. A rating agency may have a conflict of interest where, as is the case with the ratings of the Secured Notes (with the exception of unsolicited ratings), the issuer of a security pays the fee charged by the rating agency for its rating services.

To enable the Rating Agencies to comply with Rule 17g-5 of the Exchange Act, the Issuer agreed with each Rating Agency to the effect that it will post on a password-protected internet website, at the same time such information is provided to the Rating Agencies, all information (which shall not include any Accountants' Report) the Issuer provides to the Rating Agencies for the purposes of determining the initial credit rating of the Secured Notes or undertaking credit rating surveillance of the Secured Notes. Nationally recognized statistical rating organizations ("**NRSROs**") providing the requisite certification will have access to all information posted on such website. As a result, an NRSRO other than the Rating Agencies may issue ratings on the Secured Notes (the "**Unsolicited Ratings**"), which may be lower, and could be significantly lower, than the ratings assigned by the Rating Agencies. Moody's may also issue Unsolicited Ratings with respect to the Secured Notes other than the Class A-1 Notes. The Unsolicited Ratings may be issued prior to, on or after, the Closing Date and will not be reflected in this Offering Circular. Issuance of any Unsolicited Rating will not affect the issuance of the Secured Notes. Issuance of an Unsolicited Rating lower than the ratings assigned by the Rating Agencies on the Secured Notes might adversely affect the value of the Notes and, for regulated entities, could affect the status of the Secured Notes as a legal investment or the capital treatment of the Secured Notes. Investors in the Secured Notes should monitor whether an unsolicited rating of the Secured Notes has been issued by a non-hired NRSRO or (with respect to the Secured Notes other than the Class A-1 Notes) Moody's and should consult with their legal counsel regarding the effect of the issuance of a rating by a non-hired NRSRO that is lower than the expected ratings set forth in this Offering Circular.

Certain events or circumstances that require the satisfaction of the Moody's Rating Condition may occur without written confirmation from Moody's that such events or circumstances will not result in the downgrade or withdrawal of its rating assigned to the Class A-1 Notes.

Under the Indenture, certain events or circumstances require that the Moody's Rating Condition has been satisfied (or deemed inapplicable as described under "Ratings of the Secured Notes—Inapplicability of the Moody's Rating Condition"). These events or circumstances include the issuance of one or more new classes of secured notes, an Optional Redemption by Refinancing in part by Class, and the amendment of the Indenture under certain circumstances. The Moody's Rating Condition may be satisfied if Moody's provides written confirmation (which may take the form of a press release or other communication) to the effect that the occurrence of that event or circumstance will not cause it to downgrade or withdraw its rating assigned to the Class A-1 Notes.

Moody's has no duty to review any notice given with respect to any event. If the Moody's Rating Condition is deemed inapplicable, investors in the Class A-1 Notes will bear the risk that Moody's may downgrade or withdraw its rating assigned to the Class A-1 Notes as a result of the events or circumstances which required satisfaction of the Moody's Rating Condition.

Investors should consider certain ERISA considerations.

If the ownership of any class of equity interest of the Issuer, such as a class of Notes which is characterized as equity, by Benefit Plan Investors were to equal or exceed 25% of the total value of such class, as determined under the Plan Asset Regulation issued by the United States Department of Labor at 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") (such regulation as so modified, the "**Plan Asset Regulation**"), assets of the Issuer would be deemed to be "plan assets". (The Plan Asset Regulation provides that in applying such 25% limitation, Notes held by Controlling Persons must be disregarded.) If for any reason the assets of the Issuer were deemed to be "plan assets", certain transactions that the Issuer might enter into, or may have entered into, in the ordinary course of its business might constitute non-exempt "prohibited transactions" under Section 406 of ERISA or Section 4975 of the Code and might have to be rescinded at significant cost to the Issuer. The Portfolio Manager, on behalf of the Issuer, may be prevented from engaging in certain investments or other transactions or fee arrangements because they might be deemed to cause non-exempt prohibited transactions. Moreover, if the underlying assets of the Issuer were deemed

to be assets constituting plan assets, (i) the assets of the Issuer could be subject to ERISA's reporting and disclosure requirements, (ii) a fiduciary causing a Benefit Plan Investor to make an investment in the equity of the Issuer could be deemed to have delegated its responsibility to manage the assets of the Benefit Plan Investor, (iii) various providers of fiduciary or other services to the Issuer, and any other parties with authority or control with respect to the Issuer, could be deemed to be Plan fiduciaries or otherwise Parties in Interest or Disqualified Persons by virtue of their provision of such services, and (iv) it is not clear that Section 404(b) of ERISA, which generally prohibits plan fiduciaries from maintaining the indicia of ownership of assets of plans subject to Title I of ERISA outside the jurisdiction of the district courts of the United States, would be satisfied in all instances. The term "**Benefit Plan Investor**" is defined in Section 3(42) of ERISA as (a) any employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to the fiduciary responsibility provisions of Title I of ERISA, (b) any plan to which Section 4975 of the Code applies and (c) any entity whose underlying assets include plan assets by reason of such an employee benefit plan's or plan's investment in such entity.

An equity interest is defined under the Plan Asset Regulation as an interest other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. Although there is little guidance on how this definition applies, the Issuer believes that the Class A Notes, the Class B Notes and the Class C Notes will be treated as indebtedness without substantial equity features for purposes of the Plan Asset Regulation, although no assurance can be given in this regard. The Class D Notes and the Subordinated Notes will likely be treated as equity interests in the Issuer for purposes of the Plan Asset Regulation.

The Issuer intends, through the use of written or deemed representations, to restrict ownership of the Class D Notes and the Subordinated Notes by Benefit Plan Investors and Controlling Persons so that no assets of the Issuer will be deemed to be "plan assets" subject to Title I of ERISA or Section 4975 of the Code as such term is defined in Section 3(42) of ERISA and the Plan Asset Regulation. However, there can be no assurance that ownership of the Class D Notes and the Subordinated Notes by Benefit Plan Investors will always remain below the 25% Limitation established under the Plan Asset Regulation.

See "Certain ERISA and Related Considerations" herein for a more detailed discussion of certain ERISA and related considerations with respect to an investment in the Notes.

The Issuer is subject to U.S. anti-money laundering legislation

The Uniting and Strengthening America By Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "**USA PATRIOT Act**"), signed into law on and effective as of October 26, 2001, requires that financial institutions, a term that includes banks, broker-dealers and investment companies, establish and maintain compliance programs to guard against money laundering activities. The USA PATRIOT Act requires the Secretary of the United States Department of the Treasury (the "**Treasury**") to prescribe regulations in connection with anti-money laundering policies of financial institutions. The Financial Crimes Enforcement Network ("**FinCEN**"), an agency of the Treasury, has announced that it is likely that such regulations would require pooled investment vehicles such as the Co-Issuers to enact anti-money laundering policies. In addition, in December 2011, the Director of FinCEN announced that FinCEN is working on a regulatory proposal that would require investment advisers to establish anti-money laundering programs and report suspicious activity. It is possible that there could be promulgated legislation or regulations that would require the Co-Issuers, the Initial Purchaser, the Placement Agent or other service providers to the Co-Issuers, in connection with the establishment of anti-money laundering procedures, to share information with governmental authorities with respect to investors in the Notes. Such legislation and/or regulations could require the Co-Issuers to implement additional restrictions on the transfer of the Notes. The Co-Issuers reserve the right to request such information as is necessary to verify the identity of a Noteholder and the source of the payment of subscription monies, or as is necessary to comply with any customer identification programs required by FinCEN and/or the SEC. In the event of delay or failure by the applicant to produce any information required for verification purposes, an application for or transfer of Notes and the subscription monies relating thereto may be refused. See "Anti-Money Laundering and Anti-Terrorism Requirements and Disclosures".

The Issuer may be subject to Cayman Islands Anti-Money Laundering Legislation.

The Issuer may be and the Administrator is subject to anti-money laundering legislation in the Cayman Islands pursuant to the Proceeds of Crime Law (as amended) (the "**PCL**"). Pursuant to the PCL, the Cayman Islands government enacted The Money Laundering Regulations (as amended), which impose specific requirements with respect to the obligation to "know your client". Except in relation to certain categories of institutional investors, the Issuer may require a detailed verification of each investor's identity and the source of the payment used by such investor for purchasing the Notes in a manner similar to the obligations imposed under the laws of other major financial centers. In addition, if any person who is resident in the Cayman Islands knows or has a suspicion that a payment to the Issuer (by way of investment or otherwise) contains the proceeds of criminal conduct, that person must report such suspicion to the Cayman Islands authorities pursuant to the PCL. If the Issuer were determined by the Cayman Islands government to be in violation of the PCL or The Money Laundering Regulations (as amended), the Issuer could be subject to substantial criminal penalties. Such a violation could materially adversely affect the timing and amount of payments by the Issuer to the holders of the Notes.

Relating to the Portfolio Manager.

The Incentive Management Fee may create an incentive for the Portfolio Manager to seek to maximize the yield on the Collateral Obligations.

On each Payment Date, the Portfolio Manager may be paid the Incentive Management Fee to the extent of funds available on such Payment Date as described in "Overview of Terms—Priority of Payments", if the holders of the Subordinated Notes have realized the specified Subordinated Notes Internal Rate of Return as of such Payment Date. Therefore, payment of the Incentive Management Fee will be dependent to a large extent on the yield earned on the Collateral Obligations. This fee structure could create an incentive for the Portfolio Manager to manage the Issuer's investments in a manner as to seek to maximize the yield on the Collateral Obligations relative to investments of higher creditworthiness. Managing the portfolio with the objective of increasing yield, even though the Portfolio Manager is constrained by investment restrictions described in "Security for the Secured Notes", could result in an increase in defaults or volatility and could contribute to a decline in the aggregate market value of the Collateral Obligations.

The Issuer will depend on the managerial expertise available to the Portfolio Manager and its key personnel.

The performance of an investment in the Notes will be in part dependent on the analytical and managerial expertise of the investment professionals of the Portfolio Manager. The prior investment results of persons associated with the Portfolio Manager or any other entity or person described herein are not indicative of the Issuer's future investment results. The nature of, and risks associated with, the Issuer's future investments may differ substantially from those investments and strategies undertaken historically by such persons and entities. There can be no assurance that the Issuer's investments will perform as well as the past investments of any such persons or entities. In addition, such past investments may have been made utilizing a leveraged capital structure, an asset mix and fee arrangements that are different from the anticipated capital structure, asset mix and fee arrangements of the Issuer. Moreover, because the investment criteria that govern investments in the Issuer's portfolio do not govern the Portfolio Manager's prior investments and prior investment strategies generally, current investments conducted in accordance with such current criteria, and the results they yield, are not directly comparable with, and may differ substantially from other investments undertaken by the Portfolio Manager.

Because the composition of the Assets will vary over time, the performance of the Notes depends heavily on the skills of the Portfolio Manager in analyzing, selecting and managing the Collateral Obligations. As a result, the Issuer will be highly dependent on the analytical and managerial experience of the Portfolio Manager and certain of its employees, officers, directors or investment committee members to whom the task of managing the Assets has been assigned. Certain employment and other arrangements between those employees, officers, directors or investment committee members and the Portfolio Manager may exist, but the Issuer is not, and will not be, a direct beneficiary of such arrangements, which arrangements are in any event subject to change without the consent of the Issuer.

In addition, in certain events the Portfolio Manager may resign or may be terminated pursuant to the Portfolio Management Agreement. See "The Portfolio Management Agreement".

The investment professionals of the Portfolio Manager will attend to matters unrelated to the investment activities of the Issuer.

The Portfolio Manager has informed the Issuer that the investment professionals associated with the Portfolio Manager are actively involved in other investment activities not concerning the Issuer and will not be able to devote all of their time to the Issuer's business and affairs. In addition, individuals not currently associated with the Portfolio Manager may become associated with the Portfolio Manager and the performance of the Collateral Obligations may also depend on the financial and managerial experience of such individuals. See "The Portfolio Management Agreement" and "The Portfolio Manager".

Relating to the Collateral Obligations.

Below investment-grade Assets involve particular risks.

The Assets will consist primarily of non-investment grade loans or interests in non-investment grade loans, which are subject to liquidity, market value, credit, interest rate, reinvestment and certain other risks. It is anticipated that the Assets generally will be subject to greater risks than investment grade corporate obligations. These risks could be exacerbated to the extent that the portfolio is concentrated in one or more particular types of Collateral Obligations.

Prices of the Assets may be volatile, and will generally fluctuate due to a variety of factors that are inherently difficult to predict, including but not limited to changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic and international economic or political events, developments or trends in any particular industry, and the financial condition of the obligors of the Assets. The current uncertainty affecting the United States economy and the economies of other countries in which issuers of Collateral Obligations are domiciled and the possibility of increased volatility in financial markets could adversely affect the value and performance of the Collateral Obligations. Additionally, loans and interests in loans have significant liquidity and market value risks since they are not generally traded in organized exchange markets but are traded by banks and other institutional investors engaged in loan syndications. Because loans are privately syndicated and loan agreements are privately negotiated and customized, loans are not purchased or sold as easily as publicly traded securities. In addition, historically the trading volume in the loan market has been small relative to the debt securities market.

Leveraged loans have historically experienced greater default rates than has been the case for investment grade securities. There can be no assurance as to the levels of defaults and/or recoveries that may be experienced on the Collateral Obligations, and an increase in default levels could adversely affect payments on the Notes.

A non-investment grade loan or debt obligation or an interest in a non-investment grade loan is generally considered speculative in nature and may become a Defaulted Obligation for a variety of reasons. Upon any Collateral Obligation becoming a Defaulted Obligation, such Defaulted Obligation may become subject to either substantial workout negotiations or restructuring, which may entail, among other things, a substantial reduction in the interest rate, a substantial write-down of principal, and a substantial change in the terms, conditions and covenants with respect to such Defaulted Obligation. In addition, such negotiations or restructuring may be quite extensive and protracted over time, and therefore may result in substantial uncertainty with respect to the ultimate recovery on such Defaulted Obligation. The liquidity for Defaulted Obligations may be limited, and to the extent that Defaulted Obligations are sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon. Furthermore, there can be no assurance that the ultimate recovery on any Defaulted Obligation will be at least equal to either the minimum recovery rate assumed by either Rating Agency in rating the Secured Notes or any recovery rate used in connection with any analysis of the Notes that may have been prepared by Citigroup for or at the direction of holders of any Notes.

Credit ratings are not a guarantee of quality.

The following considerations apply, to the extent relevant, to the ratings of the Collateral Obligations and the Notes:

Credit ratings of assets represent the rating agencies' opinions regarding their credit quality and are not a guarantee of quality. A credit rating is not a recommendation to buy, sell or hold assets and may be subject to revision or withdrawal at any time by the assigning rating agency, including to the extent the Issuer does not comply with its covenants to enable the Rating Agencies to comply with their obligations under Rule 17g-5 of the Exchange Act. See "—Relating to the Notes—Rating agencies may have certain conflicts of interest; and the Secured Notes may receive an unsolicited rating, which may have an adverse effect on the liquidity or the market price of the Secured Notes". In the event that a rating assigned to any Collateral Obligation is lowered for any reason, no party is obligated to provide any additional support or credit enhancement with respect to such Collateral Obligation. Rating agencies attempt to evaluate the safety of principal and interest payments and do not evaluate the risks of fluctuations in market value; therefore, ratings may not fully reflect the true risks of an investment. Also, rating agencies may fail to make timely changes in credit ratings in response to subsequent events, so that an obligor's current financial condition may be better or worse than a rating indicates. Consequently, credit ratings of any Collateral Obligation should be used only as a preliminary indicator of investment quality and should not be considered a completely reliable indicator of investment quality. Rating reductions or withdrawals may occur for any number of reasons and may affect numerous assets at a single time or within a short period of time, with material adverse effects upon the Notes. It is possible that many credit ratings of assets included in or similar to the Collateral Obligations will be subject to significant or severe adjustments downward. See "—Relating to the Notes—Future actions of any Rating Agency can adversely affect the market value or liquidity of the Notes".

Pre-Closing Warehouse Arrangements and Closing Merger with the Issuer.

Prior to the Closing Date, the Issuer entered into a total return swap transaction (the "**Warehouse TRS**") with Citibank, N.A. ("**Citibank**)" and, in its capacity as counterparty to the Warehouse TRS, the "**Warehouse Provider**"). The Warehouse TRS references a portfolio of bank loans that satisfy some of the criteria expected by the Issuer to be applicable to its acquisition of Collateral Obligations. The Issuer has posted a defined amount of collateral with the Warehouse Provider to secure its obligations under the Warehouse TRS, which collateral was provided by Credit Opportunity Associates LLC, the ordinary shareholder of the Issuer prior to the Closing Date and a client of the Portfolio Manager. On the Closing Date the Issuer will acquire, via the Closing Merger described in the following paragraph, the bank loans in the reference portfolio from the Warehouse Provider for net effective consideration equal to their respective initial purchase prices upon addition to the reference portfolio. Under the Warehouse TRS, subject to netting, (a) on the Closing Date the Warehouse Provider is obligated to pay to the Issuer an amount equal to any gain realized with respect to any bank loan included in such reference portfolio, (b) on the Closing Date the Issuer is obligated to pay to the Warehouse Provider an amount equal to any loss realized with respect to any bank loan included in such reference portfolio, (c) on the Closing Date the Issuer is obligated to pay to the Warehouse Provider the excess, if any, of (i) an amount equal to a financing charge computed based on the outstanding notional amount of such reference portfolio over (ii) an amount equal to all interest income actually paid on such reference portfolio and (d) on the Closing Date the Warehouse Provider is obligated to pay to the Issuer the excess, if any, of (i) an amount equal to all interest income and certain other amounts actually paid on such reference portfolio over (ii) an amount equal to a financing charge computed based on the outstanding notional amount of such reference portfolio. The net amount received by the Issuer in connection with the payments described in the foregoing clauses (a) through (d), together with the collateral posted under the Warehouse TRS that is returned by the Warehouse Provider to the Issuer (and interest on such collateral) and an amount equal to accrued and unpaid interest on the reference portfolio, will, on the Closing Date, be paid by the Issuer to Credit Opportunity Associates LLC.

The bank loans comprising the reference portfolio were purchased by a special purpose vehicle (the "**Warehouse Subsidiary**"), which is a wholly-owned subsidiary of the Warehouse Provider, as a hedge to the Warehouse TRS. On the Closing Date, the Issuer expects to use a portion of the proceeds from the issuance of the Notes to pay merger consideration to the sole member of the Warehouse Subsidiary, and the entities will then merge, with the Issuer being the entity surviving such merger (such merger transaction, the "**Closing Merger**" xe "Closing Merger"). Under the terms of the Closing Merger, the rights and property of the Warehouse Subsidiary

(including the Collateral Obligations and Eligible Investments (if any) purchased as a hedge to the Warehouse TRS) will immediately vest in the Issuer. In addition, the Issuer will become liable for and subject, in the same manner as the Warehouse Subsidiary, to all funding obligations on any Revolving Collateral Obligations and Delayed Draw Collateral Obligations and all other liabilities and obligations related to the Collateral Obligations previously owned by the Warehouse Subsidiary. So far as the Issuer is aware, no claim, cause or proceeding, whether civil (including arbitration) or criminal, is pending by or against the Warehouse Subsidiary. Further, so far as the Issuer is aware, no petition or other similar proceeding has ever been filed or order made or resolution adopted to wind-up or liquidate the Warehouse Subsidiary in any jurisdiction. It is a condition to the issuance of the Notes that a search of certain public filing records be concluded that reveals no effective notices of any security interest or other lien (other than those to be released on the Closing Date) on the Collateral Obligations acquired by the Issuer in the Closing Merger.

Because the Issuer will acquire the bank loans in the reference portfolio from the Warehouse Provider via the Closing Merger for net effective consideration equal to their respective initial purchase prices upon addition to the reference portfolio, the purchase prices of the Collateral Obligations comprising the reference portfolio will have been determined prior to the Closing Date. The prevailing market prices of such Collateral Obligations on the Closing Date may be higher or lower than such purchase prices and, accordingly, any unrealized losses or gains in respect of such Collateral Obligations will be for the Issuer's account.

Holders of the Notes will receive limited disclosure about the Collateral Obligations.

The Issuer and the Portfolio Manager will not be required to provide the holders of the Notes or the Trustee with financial or other information (which may include material non-public information) it receives pursuant to the Collateral Obligations and related documents. The Portfolio Manager also will not be required to disclose to any of these parties the contents of any notice it receives pursuant to the Collateral Obligations or related documents. In particular, the Portfolio Manager will not have any obligation to keep any of these parties informed as to matters arising in relation to any Collateral Obligations, except with respect to: (i) the receipt or non-receipt, on an aggregate basis, of principal, interest, or other amounts of collections or recoveries; (ii) default amounts in respect of the Collateral Obligations; and (iii) certain other information required to be reported under the Portfolio Management Agreement and the Indenture.

The holders of the Notes and the Trustee will not have any right to inspect any records relating to the Collateral Obligations, and the Portfolio Manager will not be obligated to disclose any further information or evidence regarding the existence or terms of, or the identity of any obligor on, any Collateral Obligations, unless specifically required by the Portfolio Management Agreement. Furthermore, the Portfolio Manager may, with respect to any information that it elects to disclose, demand that persons receiving such information execute confidentiality agreements before being provided with the information.

Lender liability considerations and equitable subordination can affect the Issuer's rights with respect to Collateral Obligations.

A number of judicial decisions have upheld judgments of borrowers against lending institutions on the basis of various evolving legal theories, collectively termed "**lender liability**". Generally, lender liability is founded on the premise that a lender has violated a duty (whether implied or contractual) of good faith, commercial reasonableness and fair dealing, or a similar duty owed to the borrower or has assumed an excessive degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. Because of the nature of the Assets, the Issuer may be subject to allegations of lender liability.

In addition, under common law principles that in some cases form the basis for lender liability claims, if a lender (a) intentionally takes an action that results in the undercapitalization of a borrower to the detriment of other creditors of such borrower, (b) engages in other inequitable conduct to the detriment of such other creditors, (c) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (d) uses its influence as a stockholder to dominate or control a borrower to the detriment of other creditors of such borrower, a court may elect to subordinate the claim of the offending lender to the claims of the disadvantaged creditor or creditors, a remedy called "**equitable subordination**". Because of the nature of the Assets, the Assets may be subject to claims of equitable subordination.

Because affiliates of, or persons related to, the Portfolio Manager may hold equity or other interests in obligors of Collateral Obligations, the Issuer could be exposed to claims for equitable subordination or lender liability or both based on such equity or other holdings.

The preceding discussion is based upon principles of United States federal and state laws. Insofar as Collateral Obligations that are obligations of non-United States obligors are concerned, the laws of certain foreign jurisdictions may impose liability upon lenders under factual circumstances similar to those described above, with consequences that may or may not be analogous to those described above under United States federal and state laws.

Loan prepayments may affect the ability of the Issuer to invest and reinvest available funds in appropriate Assets.

Loans are generally prepayable in whole or in part at any time at the option of the obligor thereof at par *plus* accrued unpaid interest thereon. Prepayments on loans may be caused by a variety of factors which are often difficult to predict. Consequently, there exists a risk that loans purchased at a price greater than par may experience a capital loss as a result of such a prepayment. In addition, principal proceeds received upon such a prepayment are subject to reinvestment risk during and after the Reinvestment Period. Any inability of the Issuer to reinvest payments or other proceeds in Assets with comparable interest rates that satisfy the Investment Criteria specified herein may adversely affect the timing and amount of payments received by the holders of Notes and the yield to maturity of the Secured Notes and the distributions on the Subordinated Notes. There is no assurance that the Issuer will be able to reinvest proceeds in assets with comparable interest rates that satisfy the Investment Criteria or (if it is able to make such reinvestments) as to the length of any delays before such investments are made.

The Issuer may not be able to acquire Collateral Obligations that satisfy the Investment Criteria.

A portion of the initial Collateral Obligations has been purchased after the Closing Date as described herein. The ability of the Issuer to acquire an initial portfolio of Collateral Obligations that satisfies the Investment Criteria at the projected prices, ratings, rates of interest and any other applicable characteristics will be subject to market conditions and availability of such Collateral Obligations. Any inability of the Issuer to acquire Collateral Obligations that satisfy the Investment Criteria specified herein may adversely affect the timing and amount of payments received by the holders of Notes and the yield to maturity of the Secured Notes and the distributions on the Subordinated Notes. In addition, the Secured Notes will be subject to redemption in part by the Co-Issuers or the Issuer, as applicable, on any Payment Date during the Reinvestment Period if the Portfolio Manager notifies the Trustee that it has been unable, for a period of at least 20 consecutive Business Days, to identify additional Collateral Obligations that are deemed appropriate by the Portfolio Manager and which would satisfy the Investment Criteria in sufficient amounts to permit the investment or reinvestment of all or a portion of the funds then in the Collection Account that are to be invested in additional Collateral Obligations. See "The Secured Notes are subject to Special Redemption at the option of the Portfolio Manager". There is no assurance that the Issuer will be able to acquire Collateral Obligations that satisfy the Investment Criteria.

Investing in loans involves particular risks.

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). 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 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.

Certain of the loans or Participation Interests may be governed by the law of a jurisdiction other than a United States jurisdiction. The Issuer is unable to provide any information with respect to the risks associated with purchasing a loan or a Participation Interest under an agreement governed by the laws of a jurisdiction other than a United States jurisdiction, including characterization under such laws of such Participation Interest or sub-Participation Interest in the event of the insolvency of the institution from whom the Issuer purchases such Participation Interest or sub-Participation Interest or the insolvency of the institution from whom the grantor of the sub-Participation Interest purchased its Participation Interest. See also "—International Investing" below.

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.

Assignments and participations are sold strictly without recourse to the selling institutions, and the selling institutions will generally make no representations or warranties about the underlying loan, the borrowers, the documentation of the loans or any collateral securing the loans. In addition, the Issuer will be bound by provisions of the underlying loan agreements, if any, that require the preservation of the confidentiality of information provided by the borrower. Because of certain factors including confidentiality provisions, the unique and customized nature of the loan agreement, and the private syndication of the loan, loans are not purchased or sold as easily as are publicly traded securities.

Limited control of administration and amendment of Collateral Obligations.

As a holder of an interest in a syndicated loan, the Issuer will have limited consent and control rights and such rights may not be effective in view of the expected proportion of such obligations held by the Issuer. The Portfolio Manager will exercise or enforce, or refrain from exercising or enforcing, any or all of the Issuer's rights in connection with the Collateral Obligations or any related documents or will direct consents to or rejections of amendments or waivers of the terms of any Collateral Obligation and related documents in accordance with its portfolio management practices and the standard of care specified in the Portfolio Management Agreement. The Portfolio Manager's ability to change the terms of the Collateral Obligations will generally not otherwise be restricted by the Indenture. The holders of Notes will not have any right to compel the Portfolio Manager to take or refrain from taking any actions other than in accordance with its portfolio management practices and the standard of care specified in the Portfolio Management Agreement.

The Portfolio Manager may, in accordance with its portfolio management standards and subject to the Transaction Documents, agree to extend or defer the maturity, or adjust the outstanding balance of any Collateral Obligation, or otherwise amend, modify or waive the terms of any related loan agreement, including the payment terms thereunder. Any amendment, waiver or modification of a Collateral Obligation could postpone the expected maturity of the Notes and/or reduce the likelihood of timely and complete payment of interest on or principal of the Secured Notes or distributions on the Subordinated Notes.

Voting restrictions on syndicated loans for minority holders.

The Issuer will generally purchase each Collateral Obligation in the form of an assignment of, or Participation Interest in, a note or other obligation issued under a loan facility to which more than one lender is a party. These loan facilities are administered for the lenders by a lender or other agent acting as the lead administrator. The terms and conditions of these loan facilities may be amended, modified or waived only by the agreement of the lenders. Generally, any such agreement must include a majority or a super-majority (measured by outstanding loans or commitments) or, in certain circumstances, a unanimous vote of the lenders, and the Issuer may have a minority interest in such loan facilities. Consequently, the terms and conditions of a Collateral Obligation issued or sold in connection with a loan facility could be modified, amended or waived in a manner contrary to the preferences of the Issuer if the amendment, modification or waiver of such term or condition does not require the unanimous vote of the lenders and a sufficient number of the other lenders concur with such modification, amendment or waiver. There can be no assurance that any Collateral Obligations issued or sold in connection with any loan facility will maintain the terms and conditions to which the Issuer or a predecessor in interest to the Issuer originally agreed.

Participation on Creditors' Committees.

The Issuer may participate on committees formed by creditors to negotiate the management of financially troubled companies that may or may not be in bankruptcy or the Issuer may seek to negotiate directly with the debtors with respect to restructuring issues. The participants on such a committee will attempt to achieve an outcome that is in their respective individual best interests and there can be no assurance that results that are the most favorable to the Issuer will be obtained in such proceedings. By participating on such committees, the Issuer may be deemed to have duties to other creditors represented by the committees, which might thereby expose the Issuer to liability to such other creditors who disagree with the Issuer's actions.

Third party litigation; limited funds available.

The Issuer's investment activities may subject it to the risks of becoming involved in litigation by third parties. This risk may be greater where the Issuer exercises control or significant influence over a company's direction. See "—Lender liability considerations and equitable subordination can affect the Issuer's rights with respect to Collateral Obligations". The expense of defending against claims against the Issuer by third parties and paying any amounts pursuant to settlements or judgments would be borne by the Issuer. The funds available to the Issuer to pay certain fees and expenses of the Trustee, the Collateral Administrator and the Administrator and for payment of the Issuer's other accrued and unpaid Administrative Expenses are limited as described in "Description of the Notes—Priority of Payments". In the event that such funds are not sufficient to pay the expenses incurred by the Issuer, the ability of the Issuer to operate effectively may be impaired, and the Issuer may not be able to defend or prosecute legal proceedings that may be brought against it or that the Issuer might otherwise bring to protect its interests.

Concentration risk.

The Issuer will invest in a portfolio of Collateral Obligations consisting of assignments of or Participation Interests in loans and letter of credit reimbursement obligations. Although no significant concentration with respect to any particular obligor, industry or country (other than the United States) is expected to exist at the Effective Date, the concentration of the portfolio in any one obligor would subject the Notes to a greater degree of risk with respect to defaults by such obligor, and the concentration of the portfolio in any one industry would subject the Notes to a greater degree of risk with respect to economic downturns relating to such industry. See "Security for the Secured Notes".

International Investing.

A portion of the Assets may consist of Collateral Obligations that are obligations of non-U.S. obligors. Investing outside the United States may involve greater risks than investing in the United States. These risks include: (i) less publicly available information, (ii) varying levels of governmental regulation and supervision and (iii) the difficulty of enforcing legal rights in a non-U.S. jurisdiction and uncertainties as to the status, interpretation

and application of laws. Moreover, non-U.S. obligors may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those applicable to United States companies. Generally, there is less governmental supervision and regulation of exchanges, brokers and issuers in foreign countries than there is in the United States. For example, there may be no comparable provisions under certain foreign laws with respect to insider trading and similar investor protection afforded by securities laws that apply with respect to securities transactions consummated in the United States. Moreover, if the sovereign rating of a country in which an obligor on a Collateral Obligation is located is downgraded, the ratings applicable to such Collateral Obligation may decline as well.

Foreign markets also have different clearance and settlement procedures, and in certain markets there have been times when settlements have failed to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. Delays in settlement could result in periods when assets of the Issuer are uninvested and no return is earned thereon. The inability of the Issuer to make intended purchases of Collateral Obligations due to settlement problems or the risk of intermediary counterparty failures could cause the Issuer to miss investment opportunities. The inability to dispose of a Collateral Obligation due to settlement problems could result either in losses to the Issuer due to subsequent declines in the value of such Collateral Obligation or, if the Issuer has entered into a contract to sell the security, could result in possible liability to the purchaser. Transaction costs of buying and selling foreign securities, including brokerage, tax and custody costs, also are generally higher than those involved in domestic transactions. Furthermore, foreign financial markets, while generally growing in volume, have, for the most part, substantially less volume than U.S. markets, and securities of many foreign companies are less liquid and their prices more volatile than securities of comparable domestic companies.

In many foreign countries, there is the possibility of expropriation, nationalization or confiscatory taxation, limitations on the convertibility of currency or the removal of securities, property or other assets of the Issuer, political, economic or social instability or adverse diplomatic developments, each of which could have an adverse effect on the Issuer's investments in such foreign countries (which may make it more difficult to pay U.S. Dollar-denominated obligations). The economies of individual non-U.S. countries may also differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rate of inflation, volatility of currency exchange rates, depreciation, capital reinvestment, resource self-sufficiency and balance of payments position.

Insolvency considerations with respect to issuers of Collateral Obligations may affect the Issuer's rights.

Various laws enacted for the protection of creditors may apply to the Collateral Obligations. The information in this and the following paragraph is applicable with respect to U.S. issuers. Insolvency considerations will differ with respect to non-U.S. issuers. If a court in a lawsuit brought by an unpaid creditor or representative of creditors of an issuer of a Collateral Obligation, such as a trustee in bankruptcy, were to find that the issuer did not receive fair consideration or reasonably equivalent value for incurring the indebtedness constituting such Collateral Obligation and, after giving effect to such indebtedness, the issuer (i) was insolvent, (ii) was engaged in a business for which the remaining assets of such issuer constituted unreasonably small capital or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could determine to invalidate, in whole or in part, such indebtedness as a fraudulent conveyance, to subordinate such indebtedness to existing or future creditors of the issuer or to recover amounts previously paid by the issuer in satisfaction of such indebtedness. The measure of insolvency for purposes of the foregoing will vary. Generally, an issuer would be considered insolvent at a particular time if the sum of its debts were then greater than all of its property at a fair valuation or if the present fair salable value of its assets were then less than the amount that would be required to pay its probable liabilities on its existing debts as they became absolute and matured. There can be no assurance as to what standard a court would apply in order to determine whether the issuer was "insolvent" after giving effect to the incurrence of the indebtedness constituting the Collateral Obligations or that, regardless of the method of valuation, a court would not determine that the issuer was "insolvent" upon giving effect to such incurrence. In addition, in the event of the insolvency of an issuer of a Collateral Obligation, payments made on such Collateral Obligations could be subject to avoidance as a "preference" if made within a certain period of time (which may be as long as one year under federal bankruptcy law or even longer under state laws) before insolvency.

In general, if payments on Collateral Obligations are avoidable, whether as fraudulent conveyances or preferences, such payments can be recaptured, either from the initial recipient (such as the Issuer) or from subsequent transferees of such payments (such as the holders of the Notes). To the extent that any such payments

are recaptured from the Issuer, the resulting loss will be borne by the holders of the Notes in inverse order of seniority as described under "—Relating to the Notes—The Subordination of the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Subordinated Notes will affect their right to payment". However, a court in a bankruptcy or insolvency proceeding would be able to direct the recapture of any such payment from a holder of Notes only to the extent that such court has jurisdiction over such holder or its assets. Moreover, it is likely that avoidable payments could not be recaptured directly from a holder that has given value in exchange for its Note, in good faith and without knowledge that the payments were avoidable. Nevertheless, since there is no judicial precedent relating to a structured transaction such as the Notes, there can be no assurance that a holder of Notes will be able to avoid recapture on this or any other basis.

Relating to Certain Conflicts of Interest.

In general, the transaction will involve various potential and actual conflicts of interest.

Various potential and actual conflicts of interest may arise from the overall investment activity of the Portfolio Manager, its clients and its affiliates and Citigroup and its affiliates. The following briefly summarizes some of these conflicts, but is not intended to be an exhaustive list of all such conflicts.

The Issuer will be subject to various conflicts of interest involving the Portfolio Manager and its affiliates.

The following briefly summarizes certain potential and actual conflicts of interest which may arise from the overall investment activity of the Portfolio Manager, its clients and its affiliates, but is not intended to be an exhaustive list of all such conflicts.

The Portfolio Manager and its clients and affiliates may buy Notes, from which the Portfolio Manager or such clients or affiliates may derive revenues and profits in addition to the fees disclosed herein.

The Portfolio Manager is entitled to the Base Management Fee, the Subordinated Management Fee and in certain circumstances, the Incentive Management Fee in the priorities set forth herein, subject to the priority of payments as described herein and the availability of funds therefor. By reason of the Incentive Management Fee, the Portfolio Manager may have a conflict between its obligation to manage the Issuer's portfolio prudently and the financial incentive created by such fees for the Portfolio Manager to make investments that are riskier or more aggressive than would be the case in the absence of such fees.

Although the Portfolio Manager and certain of its employees, officers, directors or investment committee members will devote such time and effort as may be reasonably required to enable the Portfolio Manager to discharge its duties to the Issuer under the Portfolio Management Agreement, they will not be required to devote all of their working time to the affairs of the Issuer. As part of their regular business, the Portfolio Manager, its affiliates and their respective employees, officers, directors or investment committee members hold, purchase, sell, trade or take other related actions both for their respective accounts and for the accounts of their respective clients, on a principal or agency basis, with respect to loans, securities and other investments and financial instruments of all types. The Portfolio Manager, its affiliates and their respective employees, officers, directors or investment committee members also provide investment advisory services, among other services, and engage in private equity investment activities. The Portfolio Manager, its affiliates and their respective employees, officers, directors or investment committee members will not be restricted in their performance of any such services or in the types of debt or equity investments which they may make. The Portfolio Manager, its affiliates and their respective employees, officers, directors or investment committee members may have economic interests in or other relationships with issuers in whose obligations or securities or credit exposures the Issuer may invest. In particular, such persons may make and/or hold an investment in an issuer's securities that may be *pari passu*, senior or junior in ranking to an investment in such issuer's securities made and/or held by the Issuer or in which partners, security holders, officers, directors, agents or employees of such persons serve on boards of directors or otherwise have ongoing relationships. Each of such ownership and other relationships may result in securities laws restrictions on transactions in such securities by the Issuer and otherwise create conflicts of interest for the Issuer. In such instances, the Portfolio Manager, its affiliates and their respective employees, officers, directors or investment committee members may in their discretion make investment recommendations and decisions that may be the same as or different from those made with respect to the Issuer's investments. In connection with any such activities

described above, the Portfolio Manager, its affiliates and their respective employees, officers, directors or investment committee members may hold, purchase, sell, trade or take other related actions in securities or investments of a type that may be suitable to be included as Collateral Obligations. The Portfolio Manager, its Affiliates and their respective employees, officers, directors or investment committee members will not be required to offer such securities or investments to the Issuer or provide notice of such activities to the Issuer.

The Portfolio Manager, its clients, its partners, its members or their employees and their affiliates ("**Related Entities**") have invested and may continue to invest in debt obligations that would also be appropriate as Collateral Obligations. Neither the Portfolio Manager nor any Related Entity has any duty, in making or maintaining such investments, to act in a way that is favorable to the Issuer or to offer any such opportunity to the Issuer. The investment policies, fee arrangements and other circumstances applicable to such other parties may vary from those applicable to the Issuer. The Portfolio Manager and its Related Entities may also have or establish relationships with companies whose debt obligations are Collateral Obligations and may now or in the future own or seek to acquire equity securities or debt obligations issued by issuers of Collateral Obligations, and such debt obligations may have interests different from or adverse to the securities that are Collateral Obligations. The Portfolio Manager and/or any Related Entity may in the future organize and manage one or more entities with objectives similar to or different from those of the Issuer. In addition, the Portfolio Manager and any of its Related Entities may serve as a general partner and/or manager of limited partnerships or other entities organized to issue notes or certificates, similar to the Notes, which are secured by high-yield debt securities, loans and other investments, or may manage third party accounts which invest in high-yield debt securities, loans and other investments. The Portfolio Manager and/or any Related Entity may also provide other advisory services for a customary fee to issuers whose debt obligations or other securities are Collateral Obligations, and neither the holders of Notes nor the Co-Issuers shall have any right to such fees. In connection with the foregoing activities the Portfolio Manager and/or any Related Entity may from time to time come into possession of material nonpublic information that limits the ability of the Portfolio Manager to effect a transaction for the Issuer, and the Issuer's investments may be constrained as a consequence of the Portfolio Manager's inability to use such information for advisory purposes or otherwise to effect transactions that otherwise may have been initiated on behalf of its clients, including the Issuer. See "The Portfolio Manager".

Furthermore, the Portfolio Manager's ability to advise the Issuer to buy securities for inclusion in the Assets or sell securities which are part of the Assets may be restricted by limitations contained in the Portfolio Management Agreement and the Indenture. Accordingly, during certain periods or in certain specified circumstances, the Issuer may be unable to buy or sell securities or to take other actions that the Portfolio Manager might consider in the best interest of the Issuer and the holders of Notes. The Portfolio Manager and any of its affiliates may engage in any other business and furnish investment management and advisory services to others, which may include, without limitation, serving as portfolio manager or investment manager for, investing in, lending to, or being affiliated with, other entities organized to issue collateralized bond or debt obligations secured by securities such as the Notes and other trusts and pooled investment vehicles that acquire interests in, provide financing to, or otherwise deal with securities issued by, issuers that would be suitable investments for the Issuer. The Portfolio Manager will be free, in its sole discretion, to make recommendations to others, or effect transactions on behalf of itself or for others, that may be the same as or different from those effected on behalf of the Issuer, and the Portfolio Manager may furnish investment management and advisory services to others who may have investment policies similar to those followed by the Portfolio Manager with respect to the Issuer and who may own securities which are the same type as the Collateral Obligations.

The Portfolio Manager may make recommendations and effect transactions on behalf of its Related Entities which differ from those effected with respect to the Assets. The Portfolio Manager may often be seeking simultaneously to purchase investments for the Issuer, itself and similar entities or other investment accounts for which it serves as Portfolio Manager or for Related Entities, and the Portfolio Manager will have the discretion to apportion such investments among such entities. The Portfolio Manager cannot assure equal treatment across its investment clients. When the Portfolio Manager determines that it would be appropriate for the Issuer and one or more Related Entities to participate in an investment opportunity, the Portfolio Manager will seek to execute orders for all of the participating investment accounts, including the Issuer and its own account, on an equitable basis. If the Portfolio Manager has determined to invest at the same time for more than one of the Related Entities, the Portfolio Manager will generally place combined orders for all such Related Entities simultaneously and if all such orders are not filled at the same price, it will generally average the prices paid. Similarly, if an order on behalf of more than one Related Entity cannot be fully executed under prevailing market conditions, the Portfolio Manager will allocate the investments traded among the Issuer and different Related Entities on a basis that it considers equitable.

Situations may occur where the Issuer could be disadvantaged because of the investment activities conducted by the Portfolio Manager for the Related Entities.

The Portfolio Manager may participate in creditors' committees with respect to the bankruptcy, restructuring or workout of issuers of Collateral Obligations. In such circumstances, the Portfolio Manager may take positions on behalf of itself or Related Entities that are adverse to the interests of the Issuer in the Collateral Obligations.

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

The Portfolio Manager has advised the Issuer that, on the Closing Date, one or more of its Affiliates intends to acquire a portion of the Subordinated Notes and has advised the Issuer that such Affiliates intend to hold such Subordinated Notes. Such Subordinated Notes may be sold by such party or parties to related and unrelated parties at any time after the Closing Date. On the Closing Date, such Subordinated Notes will constitute Portfolio Manager Notes. Portfolio Manager Notes will be disregarded and have no voting rights with respect to any vote in respect of any of the following: (i) the termination of the Portfolio Management Agreement, (ii) the approval of any delegation by the Portfolio Manager pursuant to the Portfolio Management Agreement of any responsibility for the exercise of the final decision to purchase or sell any Collateral Obligation on behalf of the Issuer, (iii) the removal or replacement (other than pursuant to a resignation of the Portfolio Manager) of the Portfolio Manager, (iv) the approval of a successor Portfolio Manager if the appointment of the Portfolio Manager is being terminated (other than pursuant to a resignation of the Portfolio Manager) pursuant to the Portfolio Management Agreement, (v) the waiver of any event constituting "cause" for termination and (vi) the approval of a successor Key Person; and in each such case, such Notes will be deemed not to be outstanding in connection with any such vote, except that only Notes that a trust officer of the Trustee actually knows to be Portfolio Manager Notes shall be so disregarded. See "The Portfolio Management Agreement–Removal Resignation and Replacement of the Portfolio Manager". The investment in the Subordinated Notes by one or more of its Affiliates may give the Portfolio Manager an incentive to take actions that may vary from the interests of the holders of the Secured Notes.

The Issuer will be subject to various conflicts of interest involving Citigroup.

Various potential and actual conflicts of interest may arise as a result of the investment banking, commercial banking, asset management, financing and financial advisory services and products provided by the Citigroup Companies, to the Issuer, the Trustee, the Portfolio Manager, the issuers of the Collateral Obligations and others, as well as in connection with the investment, trading and brokerage activities of the Citigroup Companies. The following briefly summarizes some of these conflicts, but is not intended to be an exhaustive list of all such conflicts.

Citigroup will serve as initial purchaser for the Secured Notes and as placement agent for certain of the Subordinated Notes and will be paid fees and commissions for such service by the Issuer from the proceeds of the issuance of the Notes. Citibank will serve as Trustee under the Indenture, and will be paid fees for such service by the Issuer. One or more of the Citigroup Companies may from time to time hold Notes for investment, trading or other purposes. None of the Citigroup Companies are required to own or hold any Notes and may sell any Notes held by them at any time. As described under "Risk Factors—Relating to the Collateral Obligations—Pre-Closing Warehouse Arrangements and Closing Merger with the Issuer", the Issuer has entered into the Warehouse TRS with Citibank as the Warehouse Provider. Under the Warehouse TRS, the Issuer is obligated to make certain payments to the Warehouse Provider and the Warehouse Provider is obligated to make certain payments to the Issuer. The Issuer has posted a defined amount of collateral with the Warehouse Provider to secure its obligations under the Warehouse TRS and on the Closing Date the Issuer is expected to purchase the reference portfolio from the Warehouse Provider via the Closing Merger for net effective consideration equal to the aggregate of the initial purchase prices, upon addition to the reference portfolio, of the bank loans comprising the reference portfolio. See "Risk Factors—Relating to the Collateral Obligations—Pre-Closing Warehouse Arrangements and Closing Merger with the Issuer". Certain Eligible Investments may be issued, managed or underwritten by one or more of the

Citigroup Companies. One or more of the Citigroup Companies may provide investment banking, commercial banking, asset management, financing and financial advisory services and products to the Portfolio Manager, its affiliates, and funds managed by the Portfolio Manager and its affiliates, and purchase, hold and sell, both for their respective accounts or for the account of their respective clients, on a principal or agency basis, loans, securities, and other obligations and financial instruments of the Portfolio Manager, its affiliates, and funds managed by the Portfolio Manager and its affiliates. As a result of such transactions or arrangements, one or more of the Citigroup Companies may have interests adverse to those of the Issuer and holders of the Notes.

One or more of the Citigroup Companies may:

- have placed or underwritten, or acted as a financial arranger, structuring agent or advisor in connection with the original issuance of, or may act as a broker or dealer with respect to, certain of the Collateral Obligations;
- act as trustee, paying agent and in other capacities in connection with certain of the Collateral Obligations or other classes of securities issued by an issuer of a Collateral Obligation or an affiliate thereof;
- be a counterparty to issuers of certain of the Collateral Obligations under swap or other derivative agreements;
- lend to certain of the issuers of Collateral Obligations or their respective affiliates or receive guarantees from the issuers of those Collateral Obligations or their respective affiliates;
- provide other investment banking, asset management, commercial banking, financing or financial advisory services to the issuers of Collateral Obligations or their respective affiliates; or
- have an equity interest, which may be a substantial equity interest, in certain issuers of the Collateral Obligations or their respective affiliates.

When acting as a trustee, paying agent or in other service capacities with respect to a Collateral Obligation, the Citigroup Companies will be entitled to fees and expenses senior in priority to payments to such Collateral Obligation. When acting as a trustee for other classes of securities issued by the issuer of a Collateral Obligation or an affiliate thereof, the Citigroup Companies will owe fiduciary duties to the holders of such other classes of securities, which classes of securities may have differing interests from the holders of the class of securities of which the Collateral Obligation is a part, and may take actions that are adverse to the holders (including the Issuer) of the class of securities of which the Collateral Obligation is a part. As a counterparty under swaps and other derivative agreements, the Citigroup Companies might take actions adverse to the interests of the Issuer, including, but not limited to, demanding collateralization of its exposure under such agreements (if provided for thereunder) or terminating such swaps or agreements in accordance with the terms thereof. In making and administering loans and other obligations, the Citigroup Companies might take actions including, but not limited to, restructuring a loan, foreclosing on or exercising other remedies with respect to a loan, requiring additional collateral or other credit enhancement, charging significant fees and interest, placing the obligor in bankruptcy or demanding payment on a loan guarantee or under other credit enhancement. The Issuer's purchase, holding and sale of Collateral Obligations may enhance the profitability or value of investments made by the Citigroup Companies in the issuers thereof. As a result of all such transactions or arrangements between the Citigroup Companies and issuers of Collateral Obligations or their respective affiliates, the Citigroup Companies may have interests that are contrary to the interests of the Issuer and the holders of the Notes.

As part of their regular business, the Citigroup Companies may also provide investment banking, commercial banking, asset management, financing and financial advisory services and products to, and purchase, hold and sell, both for their respective accounts or for the account of their respective clients, on a principal or agency basis, loans, securities, and other obligations and financial instruments and engage in private equity investment activities. The Citigroup Companies will not be restricted in their performance of any such services or in the types of debt or equity investments, which they may make. In conducting the foregoing activities, the Citigroup Companies will be acting for their own account or the account of their customers and will have no obligation to act in the interest of the Issuer.

The Citigroup Companies may, by virtue of the relationships described above or otherwise, at the date hereof or at any time hereafter, be in possession of information regarding certain of the issuers of Collateral Obligations and their respective affiliates, that is or may be material in the context of the Notes and that is or may not be known to the general public. None of the Citigroup Companies has any obligation, and the offering of the Notes will not create any obligation on their part, to disclose to any purchaser of the Notes any such relationship or information, whether or not confidential.

DESCRIPTION OF THE NOTES

The Indenture and the Secured Notes

All of the Notes will be issued pursuant to the Indenture. However, only the Secured Notes will be secured obligations of the Issuer. The following summary describes certain provisions of the Secured Notes and the Indenture and, to a limited extent, the Subordinated Notes. The summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Indenture. Additional information regarding the Subordinated Notes appears under "—The Subordinated Notes".

Status and security

The Secured Notes will be limited recourse obligations of the Co-Issuers or the Issuer, as applicable, secured as described below, and will rank in priority with respect to each other and the Subordinated Notes as described herein. Under the terms of the Indenture, the Issuer will grant to the Trustee for the benefit of the Secured Parties a security interest in the Assets to secure the Issuer's obligations under the Indenture and the Secured Notes. See "Security for the Secured Notes".

Payments of interest and principal on the Secured Notes will be made from the proceeds of the Assets, in accordance with the priorities described under "Overview of Terms—Priority of Payments" and "—Priority of Payments". The aggregate amount that will be available from the Assets for payment on the Secured Notes and of certain expenses of the Co-Issuers on any Payment Date prior to the occurrence of an Enforcement Event will be the sum of Interest Proceeds and Principal Proceeds for the related Collection Period; *provided* that during the Reinvestment Period, it is expected that Principal Proceeds (and after the Reinvestment Period, any Eligible Post Reinvestment Proceeds) will be reinvested in additional Collateral Obligations, unless otherwise required by the Priority of Payments. To the extent that the proceeds of the Assets are insufficient to meet payments due in respect of the Secured Notes and expenses following liquidation of the Assets, the Co-Issuers will have no obligation to pay such deficiency.

Interest on the Secured Notes

The Secured Notes will bear stated interest from the Closing Date and such interest will be payable quarterly in arrears on each Payment Date at the applicable Interest Rate indicated under "Overview of Terms—Principal Terms of the Notes" on the aggregate outstanding principal amount thereof on the first day of the related Interest Accrual Period (after giving effect to payments of principal thereof on such date).

Any payment of interest due on the Class B Notes, the Class C Notes or the Class D Notes on any Payment Date to the extent sufficient funds are not available to make such payment in accordance with the Priority of Payments on such Payment Date, but only if one or more Classes of Notes more senior to such Class is Outstanding, shall constitute Secured Note Deferred Interest and will not be considered due and payable on such Payment Date, but will be deferred and added to the principal balance of the applicable Class of Secured Notes and, thereafter, will bear interest at the Interest Rate for such Class, until the earliest of (i) the Payment Date on which funds are available to pay such Secured Note Deferred Interest in accordance with the Priority of Payments, (ii) the Redemption Date with respect to such Class and (iii) the Stated Maturity of such Class, and the failure to pay such Secured Note Deferred Interest on such Payment Date will not be an Event of Default under the Indenture; *provided* that any such Secured Note Deferred Interest must, in any case, be paid no later than the earlier of the Redemption Date or the Stated Maturity of such Class. Regardless of whether any more senior Class of Secured Notes is outstanding, to the extent that funds are not available on any Payment Date (other than the Redemption Date with respect to, or Stated Maturity of, the relevant Class of Secured Notes) to pay previously accrued Secured Note Deferred Interest, such previously accrued Secured Note Deferred Interest will not be due and payable on such Payment Date and any failure to pay such previously accrued Secured Note Deferred Interest on such Payment Date will not be an Event of Default under the Indenture. See "—The Indenture—Events of Default". Interest may be deferred (i) on the Class B Notes as long as any Class A Note is outstanding, (ii) on the Class C Notes as long as any Class A Notes or Class B Notes are outstanding and (iii) on the Class D Notes as long as any Class A Notes, Class B Notes or Class C Notes are outstanding. Interest will cease to accrue on Secured Note Deferred Interest on the date of payment thereof.

If any interest due and payable in respect of any Class A-1 Note or Class A-2 Note (or, if there are no Class A Notes outstanding, any Class B Note or, if there are no Class A Notes or Class B Notes outstanding, any Class C Note, or, if there are no Class A Notes, Class B Notes or Class C Notes outstanding, any Class D Note) is not punctually paid or duly provided for on the applicable Payment Date or at the applicable Stated Maturity and such default continues for five Business Days (or, in the case of a failure to disburse due to an administrative error or omission by the Portfolio Manager, the Trustee, the Collateral Administrator, Administrator, note registrar of the Issuer or any Payment Agent, for five Business Days after a trust officer of the Trustee receives written notice or has actual knowledge of such administrative error or omission), an Event of Default will occur. To the extent lawful and enforceable, interest on such defaulted interest will accrue at a per annum rate equal to the Interest Rate applicable to such Notes from time to time in each case until paid.

Interest on the Secured Notes will be calculated on the basis of the actual number of days elapsed in the applicable Interest Accrual Period *divided* by 360.

The Calculation Agent will determine LIBOR for each Interest Accrual Period on the Interest Determination Date. The Issuer has initially appointed the Trustee as the Calculation Agent.

As soon as possible after 11:00 a.m. London time on each Interest Determination Date, but in no event later than 11:00 a.m. New York time on the London Banking Day immediately following each Interest Determination Date, the Calculation Agent will calculate the Interest Rate applicable to each Class of Secured Notes during the related Interest Accrual Period and the Note Interest Amount (in each case, rounded to the nearest cent, with half a cent being rounded upward) payable on the related Payment Date in respect of the related Interest Accrual Period. At such time, the Calculation Agent will communicate such rates and amounts to the Co-Issuers, the Trustee, the Paying Agents (as defined herein), Euroclear, Clearstream and the Portfolio Manager. The Calculation Agent will also specify to the Co-Issuers the quotations upon which the Interest Rate for each Class of Secured Notes is based, and in any event the Calculation Agent shall notify the Co-Issuers before 5:00 p.m. (New York time) on every Interest Determination Date if it has not determined and is not in the process of determining any such Interest Rate or Note Interest Amount, together with its reasons therefor. The Calculation Agent's determination of the foregoing rates and amounts for any Interest Accrual Period will (in the absence of manifest error) be final and binding upon all parties.

The Issuer will agree that for so long as any Secured Notes remain outstanding there will at all times be a Calculation Agent which shall not control, be controlled by or be under common control with the Issuer or its affiliates or the Portfolio Manager or its affiliates. The Calculation Agent may be removed by the Issuer or the Portfolio Manager, on behalf of the Issuer, at any time. If the Calculation Agent is unable or unwilling to act as such or is removed by the Issuer or the Portfolio Manager, on behalf of the Issuer, or if the Calculation Agent fails to determine any of the information required to be published on the Irish Stock Exchange via the Companies Announcement Office, the Issuer or the Portfolio Manager, on behalf of the Issuer, will be required to appoint promptly a replacement Calculation Agent which does not control and is not controlled by or under common control with the Issuer, the Portfolio Manager or their respective affiliates. The Calculation Agent may not resign its duties or be removed without a successor having been duly appointed.

Principal of the Secured Notes

The Secured Notes of each Class will mature at par on the Stated Maturity, unless previously redeemed or repaid prior thereto as described herein. Principal will not be payable on the Secured Notes except with respect to Secured Note Deferred Interest and in the limited circumstances described under "—Optional Redemption and Tax Redemption", "—Mandatory Redemption", "—Special Redemption", "Overview of Terms—Priority of Payments—Application of Interest Proceeds", "Overview of Terms—Priority of Payments—Application of Principal Proceeds" and "—Priority of Payments".

On each Payment Date prior to the occurrence of an Enforcement Event, Principal Proceeds (other than (i) amounts required to meet funding requirements with respect to Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations that are deposited in the Revolver Funding Account, (ii) during the Reinvestment Period, Principal Proceeds that have previously been reinvested in Collateral Obligations or that the Portfolio Manager intends to invest in Collateral Obligations during the next Interest Accrual Period and (iii) after the

Reinvestment Period, any Eligible Post Reinvestment Proceeds that have previously been reinvested in Collateral Obligations or that the Portfolio Manager intends to invest in Collateral Obligations during the next Interest Accrual Period) will be applied in accordance with the priorities set forth under "Overview of Terms—Priority of Payments—Application of Principal Proceeds". Upon the occurrence of an Enforcement Event, Interest Proceeds and Principal Proceeds will be applied in accordance with the Special Priority of Payments described under "—Priority of Payments".

At any time during which the Coverage Tests are not met, principal payments on the Secured Notes will be made as described under "—Mandatory Redemption".

The average life of each Class of Secured Notes is expected to be less than the number of years until the Stated Maturity of such Secured Notes. See "Risk Factors—Relating to the Notes—The weighted average lives of the Notes may vary".

Payments of principal to each Holder of the Secured Notes of each Class shall be made ratably among the Holders of the Secured Notes of such Class in the proportion that the aggregate outstanding principal amount of the Secured Notes of such Class registered in the name of each such Holder on the applicable Record Date bears to the aggregate outstanding principal amount of all Secured Notes of such Class on such Record Date.

Optional Redemption and Tax Redemption

General—Redemption of Notes. The Secured Notes will be redeemed by the Co-Issuers or the Issuer, as applicable, on any Business Day after the Non-Call Period, at the written direction of a Majority of the Subordinated Notes (together with, solely in the case of the following clause (ii), the written direction of the Portfolio Manager acting jointly with such Majority of the Subordinated Notes) as follows: based upon such written direction, (i) the Secured Notes will be redeemed in whole (with respect to all Classes of Secured Notes) but not in part from Sale Proceeds and/or Refinancing Proceeds; or (ii) the Secured Notes will be redeemed in part by Class from Refinancing Proceeds (so long as any Class of Secured Notes to be redeemed represents not less than the entire Class of such Secured Notes). Additionally, all of the Secured Notes will be redeemable by the Co-Issuers or the Issuer, as applicable, on any Business Day after the Non-Call Period in whole (with respect to all Classes of Secured Notes) but not in part at the written direction of the Portfolio Manager if the Collateral Principal Amount is less than 10% of the Target Initial Par Amount. In connection with any such redemption (each such redemption, an "**Optional Redemption**") the Secured Notes shall be redeemed at the applicable Redemption Prices. To effect an Optional Redemption, the above described written direction must be provided to the Issuer and the Trustee not later than 45 days prior to the Redemption Date on which such redemption is to be made; *provided* that all Secured Notes to be redeemed must be redeemed simultaneously.

Upon receipt of a notice of an Optional Redemption of the Secured Notes in whole but not in part (subject to the two immediately succeeding paragraphs with respect to a redemption from proceeds that include Refinancing Proceeds), the Portfolio Manager in its sole discretion will direct the sale of all or part of the Collateral Obligations and other Assets such that the proceeds from such sale and all other funds available for such purpose in the Collection Account and the Payment Account will be at least sufficient to pay the Redemption Prices of the Secured Notes to be redeemed and to pay all Administrative Expenses (regardless of the Administrative Expense Cap) payable under the Priority of Payments. If such proceeds of such sale and all other funds available for such purpose in the Collection Account and the Payment Account would not be sufficient to redeem all Secured Notes and to pay such fees and expenses, the Secured Notes may not be redeemed. The Portfolio Manager, in its sole discretion, may effect the sale of all or any part of the Collateral Obligations or other Assets through the direct sale of such Collateral Obligations or other Assets or by participation or other arrangement (including any sale or other disposition of the Collateral Obligations in a single transaction).

In addition to (or in lieu of) a sale of Collateral Obligations and/or Eligible Investments in the manner provided above, the Secured Notes may, after the Non-Call Period, be redeemed in whole from Refinancing Proceeds and Sale Proceeds or in part by Class from Refinancing Proceeds by obtaining a loan or an issuance of replacement securities, whose terms in each case will be negotiated by the Portfolio Manager on behalf of the Issuer, from one or more financial institutions or purchasers, it being understood that any rating of such replacement securities by a Rating Agency will be based on a credit analysis specific to such replacement securities and

independent of the rating of the Notes being refinanced (any such redemption and refinancing, a "**Refinancing**"); *provided* that the terms of such Refinancing and any financial institutions acting as lenders thereunder or purchasers thereof must be acceptable to the Portfolio Manager and a Majority of the Subordinated Notes and such Refinancing otherwise satisfies the conditions described below. The Portfolio Manager shall have no obligation to consent to any Refinancing at any time, and any Refinancing shall be undertaken for the Issuer by the Portfolio Manager in its sole discretion.

In the case of a Refinancing upon a redemption of the Secured Notes in whole but not in part as described above, such Refinancing will be effective only if (i) the Refinancing Proceeds, all Sale Proceeds from the sale of Collateral Obligations and Eligible Investments in accordance with the procedures set forth in the Indenture, and all other available funds will be at least sufficient to redeem simultaneously the Secured Notes, in whole but not in part, and to pay the other amounts included in the aggregate Redemption Prices and all accrued and unpaid Administrative Expenses (regardless of the Administrative Expense Cap), including the reasonable fees, costs, charges and expenses incurred by the Issuer, the Co-Issuer, the Portfolio Manager, the Trustee and the Collateral Administrator (including reasonable attorneys' fees and expenses) in connection with such Refinancing, (ii) the Sale Proceeds, Refinancing Proceeds and other available funds are used (to the extent necessary) to make such redemption and (iii) the agreements relating to the Refinancing contain limited recourse and non-petition provisions equivalent (mutatis mutandis) to those contained in the Indenture.

In the case of a Refinancing upon a redemption of the Secured Notes in part by Class as described above, such Refinancing will be effective only if (i) the Moody's Rating Condition has been satisfied (or deemed inapplicable as described under "Ratings of the Secured Notes—Inapplicability of the Moody's Rating Condition") with respect to any remaining Class A-1 Notes that were not the subject of the Refinancing and S&P has been notified with respect to any remaining Secured Notes that were not the subject of such Refinancing, (ii) the Refinancing Proceeds will be at least sufficient to pay in full the aggregate Redemption Prices of the entire Class or Classes of Secured Notes subject to Refinancing, (iii) the Refinancing Proceeds are used (to the extent necessary) to make such redemption, (iv) the agreements relating to the Refinancing contain limited recourse and non-petition provisions equivalent (*mutatis mutandis*) to those contained in the Indenture, (v) the aggregate principal amount of any obligations providing the Refinancing is equal to the aggregate outstanding principal amount of the Secured Notes being redeemed with the proceeds of such obligations, (vi) the stated maturity of each class of obligations providing the Refinancing is no earlier than the corresponding Stated Maturity of each Class of Secured Notes being refinanced, (vii) the reasonable fees, costs, charges and expenses incurred in connection with such Refinancing have been paid or will be adequately provided for from the Refinancing Proceeds (except for expenses owed to persons that the Portfolio Manager informs the Trustee will be paid solely as Administrative Expenses payable in accordance with the Indenture), (viii) the interest rate of any obligations providing the Refinancing will not be greater than the interest rate of the Secured Notes subject to such Refinancing, (ix) the obligations providing the Refinancing are subject to the Priority of Payments and do not rank higher in priority pursuant to the Priority of Payments than the Class of Secured Notes being refinanced, (x) the voting rights, consent rights, redemption rights and all other rights of the obligations providing the Refinancing are the same as the rights of the corresponding Class of Secured Notes being refinanced and (xi) an opinion of tax counsel of nationally recognized standing in the United States experienced in such matters shall be delivered to the Trustee to the effect that (A) any remaining Class A Notes, Class B Notes or Class C Notes that were not the subject of the Refinancing will, and any remaining Class D Notes that were not the subject of Refinancing should, be treated as debt for U.S. federal income tax purposes and (B) any obligations providing the refinancing will be treated as debt (or, in the case of any obligations providing refinancing for the Class D Notes, to the effect that such obligations should be treated as debt) for U.S. federal income tax purposes.

The holders of the Subordinated Notes will not have any cause of action against any of the Co-Issuers, the Portfolio Manager, the Collateral Administrator or the Trustee for any failure to obtain a Refinancing. If a Refinancing is obtained meeting the requirements specified above as certified by the Portfolio Manager, the Issuer and the Trustee shall amend the Indenture to the extent necessary to reflect the terms of the Refinancing and no further consent for such amendments shall be required from the holders of Notes other than holders of the Subordinated Notes directing the redemption. The Trustee will not be obligated to enter into any amendment that, in its view, adversely affects its duties, obligations, liabilities or protections under the Indenture, and the Trustee will be entitled to conclusively rely upon an officer's certificate and/or opinion of counsel as to matters of law (which may be supported as to factual (including financial and capital markets) matters by any relevant certificates and other documents necessary or advisable in the judgment of counsel delivering such opinion of counsel) provided by

the Issuer to the effect that such amendment meets the requirements specified above and is permitted under the Indenture (except that such officer or counsel will have no obligation to certify or opine as to the sufficiency of the Refinancing Proceeds, or the sufficiency of the Accountants' Report required under the Indenture).

In the event of any Optional Redemption, the Issuer shall, at least 30 days prior to the Redemption Date, notify the Trustee in writing of such Redemption Date, the applicable Record Date, the principal amount of Notes to be redeemed on such Redemption Date and the Redemption Prices.

Tax Redemption. The Notes shall also be redeemed in whole but not in part (any such redemption, a "**Tax Redemption**") at the written direction (delivered to the Issuer and the Trustee) of (x) a Majority of any Class of Secured Notes that, as a result of the occurrence of such Tax Event, has not received 100% of the aggregate amount of principal and interest that would otherwise be due and payable to such Class on any Payment Date (each such Class, an "**Affected Class**") or (y) a Majority of the Subordinated Notes, in either case following (I) the occurrence and continuation of a Tax Event with respect to payments under one or more Collateral Obligations forming part of the Collateral which results in a payment by, or charge or tax burden to, the Issuer that results or will result in the withholding of 5% or more of scheduled distributions for any Collection Period or (II) the occurrence and continuation of a Tax Event resulting in a tax burden on the Issuer in an aggregate amount in any Collection Period in excess of U.S.$1,000,000. Upon its receipt of such written direction directing a Tax Redemption, the Issuer (or the Portfolio Manager on its behalf) shall direct the sale (and the manner thereof) of all or a portion of the Collateral Obligations and other Assets such that the proceeds from such sale and all other funds available for such purpose in the Collection Account and the Payment Account will be at least sufficient to pay the Redemption Prices of the Notes to be redeemed or with respect to any Class of Secured Notes the holders of which have elected to receive less than 100% of the Redemption Price that would otherwise be payable to the holders of such Class, such lesser amount that the holders of such Class have elected to receive, and to pay all Administrative Expenses (regardless of the Administrative Expense Cap) payable under the Priority of Payments. The Issuer (or the Portfolio Manager on its behalf) may effect the sale of all or any part of the Collateral Obligations or other Assets through the direct sale of such Collateral Obligations or other Assets or by participation or other arrangement.

The Subordinated Notes may be redeemed, in whole but not in part, on any Business Day on or after the redemption or repayment in full of the Secured Notes, at the direction of (x) a Majority of the Subordinated Notes or (y) the Portfolio Manager. See "—The Subordinated Notes".

Redemption Procedures. Notice of an Optional Redemption or Tax Redemption will be given by or on behalf of the Issuer by first-class mail, postage prepaid, mailed not later than nine Business Days prior to the applicable Redemption Date to each holder of Notes at such holder's address in the register maintained by the registrar under the Indenture. In addition, for so long as any Notes are listed on the Irish Stock Exchange and so long as the guidelines of such exchange so require, notice of Optional Redemption or Tax Redemption to the holders of such Notes shall also be given by publication on the Irish Stock Exchange via the Companies Announcement Office. Notes called for redemption (other than Uncertificated Subordinated Notes) must be surrendered at the office of any Paying Agent. The initial Paying Agent for the Notes will be the Trustee.

The Co-Issuers will have the option to withdraw any such notice of an Optional Redemption (or any such notice of a Tax Redemption if proceeds from the sale of the Assets will be insufficient to pay, together with other required amounts, the Redemption Price of any Class of Secured Notes, and holders of such Class have not elected to receive the lesser amount that will be available) on any day up to and including the later of (x) the day on which the Portfolio Manager is required to deliver to the Trustee the sale agreement or agreements or certifications as described in the following paragraph and (y) the day on which the holders of Notes are notified of such redemption in accordance with the Indenture. Any withdrawal of such notice of an Optional Redemption will be made by written notice to the Trustee and (in the case of a withdrawal pursuant to clause (y)) the Portfolio Manager and any withdrawal pursuant to clause (x) will be made only if the Portfolio Manager is unable to deliver the sale agreement or agreements or certifications as described in the following paragraph in form satisfactory to the Trustee. If the Co-Issuers so withdraw any notice of an Optional Redemption or are otherwise unable to complete an Optional Redemption of the Notes, the proceeds received from the sale of any Collateral Obligations and other Assets sold in contemplation of such redemption may during the Reinvestment Period, at the Portfolio Manager's sole discretion, be reinvested in accordance with the Investment Criteria described herein.

Unless Refinancing Proceeds are being used to redeem the Secured Notes in whole or in part, in the event of any Optional Redemption or Tax Redemption, no Secured Notes may be optionally redeemed unless (i) at least five Business Days before the scheduled Redemption Date the Portfolio Manager shall have furnished to the Trustee evidence in a form reasonably satisfactory to the Trustee that the Portfolio Manager on behalf of the Issuer has entered into a binding agreement or agreements with a financial or other institution or institutions whose short-term unsecured debt obligations (other than such obligations whose rating is based on the credit of a person other than such institution) are rated, or guaranteed by a Person whose short-term unsecured debt obligations are rated, at least "A-1" by S&P and at least "P-1" by Moody's to purchase (directly or by participation or other arrangement), not later than the Business Day immediately preceding the scheduled Redemption Date in immediately available funds, all or part of the Assets at a purchase price at least sufficient, together with the Eligible Investments maturing, redeemable or putable to the issuer thereof at par on or prior to the scheduled Redemption Date, to pay all Administrative Expenses (regardless of the Administrative Expense Cap) payable in accordance with the Priority of Payments and redeem all of the Secured Notes on the scheduled Redemption Date at the applicable Redemption Prices (or in the case of any Class of Secured Notes, such lesser amount that the holders of such Class have elected to receive, in the case of a Tax Redemption where holders of such Class have elected to receive less than 100% of the Redemption Price that would otherwise be payable to the holders of such Class), or (ii) prior to selling any Collateral Obligations and/or Eligible Investments, the Portfolio Manager shall certify to the Trustee that, in its judgment, the aggregate sum of (A) expected proceeds from the sale of Eligible Investments, and (B) for each Collateral Obligation, the product of its principal balance and its Market Value and its Applicable Advance Rate, shall exceed the sum of (x) the aggregate Redemption Prices (or in the case of any Class of Secured Notes, such other amount that the holders of such Class have elected to receive, in the case of a Tax Redemption where holders of such Class have elected to receive less than 100% of the Redemption Price that would otherwise be payable to the holders of such Class) of the outstanding Secured Notes and (y) all Administrative Expenses (regardless of the Administrative Expense Cap) payable under the Priority of Payments. Any certification delivered by the Portfolio Manager pursuant to this section "Optional Redemption—Redemption Procedures" must include (1) the prices of, and expected proceeds from, the sale (directly or by participation or other arrangement) of any Collateral Obligations and/or Eligible Investments and (2) all calculations required by this section "Optional Redemption—Redemption Procedures". Any holder of Notes, the Portfolio Manager or any of the Portfolio Manager's Affiliates shall have the right, subject to the same terms and conditions afforded to other bidders, to bid on Assets to be sold as part of an Optional Redemption or Tax Redemption.

Notice of redemption shall be given by the Co-Issuers or, upon an issuer order, by the Trustee in the name and at the expense of the Co-Issuers. Failure to give notice of redemption, or any defect therein, to any holder of any Note selected for redemption shall not impair or affect the validity of the redemption of any other Notes. From and after the Redemption Date (unless the Issuer shall default in the payment of the Redemption Prices and accrued interest), all Notes to be redeemed that are Secured Notes shall cease to bear interest on the Redemption Date.

Mandatory Redemption

If a Coverage Test (as described under "Security for the Secured Notes—The Coverage Tests and the Interest Diversion Test") is not met on any Determination Date on which such Coverage Test is applicable, the Issuer will be required to apply available amounts in the Payment Account pursuant to the Priority of Payments on the related Payment Date to make payments in accordance with the Note Payment Sequence (a "**Mandatory Redemption**") to the extent necessary to achieve compliance with such Coverage Tests, as described under "Overview of Terms—Priority of Payments".

Special Redemption

The Secured Notes will be subject to redemption in part by the Co-Issuers or the Issuer, as applicable, on any Payment Date (i) during the Reinvestment Period, if the Portfolio Manager notifies the Trustee at least five Business Days prior to the applicable Special Redemption Date that it has been unable, for a period of at least 20 consecutive Business Days, to identify additional Collateral Obligations that are deemed appropriate by the Portfolio Manager and which would meet the criteria for reinvestment described under "Security for the Secured Notes—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria" in sufficient amounts to permit the investment or reinvestment of all or a portion of the funds then in the Collection Account that are to be invested in additional Collateral Obligations or (ii) after the Effective Date, if the Portfolio Manager notifies the

Trustee that a redemption is required in order to satisfy the Moody's Rating Condition and/or to cause S&P to provide written confirmation (which may take the form of a press release or other written communication) of its initial ratings of the Secured Notes, in each case in connection with the Effective Date rating confirmation procedure described under "Use of Proceeds—Effective Date" (each a "**Special Redemption**"). Any such notice in the case of clause (i) above shall be based upon the Portfolio Manager having attempted, in accordance with the standard of care set forth in the Portfolio Management Agreement, to identify additional Collateral Obligations as described above. On the first Payment Date (and all subsequent Payment Dates) following the Collection Period in which such notice is given (a "**Special Redemption Date**"), the amount in the Collection Account representing (1) in the case of a Special Redemption during the Reinvestment Period, Principal Proceeds which the Portfolio Manager has determined cannot be reinvested in additional Collateral Obligations or (2) in the case of a Special Redemption after the Effective Date, all Interest Proceeds and all other Principal Proceeds available in accordance with the Priority of Payments, will in each case be applied in accordance with the Priority of Payments. In the case of clause (2), such amounts will be used for application in accordance with the Note Payment Sequence in an amount sufficient to satisfy the Moody's Rating Condition and/or to cause S&P to provide written confirmation (which may take the form of a press release or other written communication) of its initial ratings of the Secured Notes, as applicable, as described in "Use of Proceeds—Effective Date". Notice of Special Redemption will be given by the Trustee not less than (x) in the case of a Special Redemption described in clause (i) above, three Business Days prior to the applicable Special Redemption Date and (y) in the of a Special Redemption described in clause (ii) above, one Business Day prior to the applicable Special Redemption Date, in each case by facsimile, email transmission or first class mail, postage prepaid, to each holder of Secured Notes affected thereby at such holder's facsimile number, email address or mailing address in the register maintained by the applicable registrar under the Indenture. In addition, for so long as any Notes are listed on the Irish Stock Exchange and so long as the guidelines of such exchange so require, notice of Special Redemption to the holders of such Notes shall also be given by publication on the Irish Stock Exchange via the Companies Announcement Office.

Issuer purchases of Secured Notes

Notwithstanding anything to the contrary in the Indenture, the Portfolio Manager, on behalf of the Issuer, may conduct purchases of the Secured Notes, in whole or in part, in accordance with, and subject to, the terms and conditions set forth below. Notwithstanding the provisions of the Indenture described under "Security for the Secured Notes—The Collection Account and Payment Account", amounts in the Principal Collection Subaccount may be disbursed for purchases of Secured Notes in accordance with the provisions described in this section. The Trustee shall cancel as described under "—Cancellation" any such purchased Secured Notes surrendered to it for cancellation or, in the case of any Global Notes, the Trustee shall decrease the aggregate outstanding principal amount of such Global Notes in its records by the full par amount of the purchased Secured Notes, and instruct DTC or its nominee, as the case may be, to conform its records.

No purchases of the Secured Notes may occur unless each of the following conditions is satisfied:

(a) (i) such purchases of Secured Notes shall occur in the following sequential order of priority: *first*, the Class A-1 Notes, until the Class A-1 Notes are retired in full; *second*, the Class A-2 Notes, until the Class A-2 Notes are retired in full; *third*, the Class B Notes, until the Class B Notes are retired in full; *fourth*, the Class C Notes, until the Class C Notes are retired in full; and, *fifth*, the Class D Notes, until the Class D Notes are retired in full;

(ii) (1) each such purchase of Secured Notes of any Class shall be made pursuant to an offer made to all holders of the Secured Notes of such Class, by notice to such holders, which notice shall specify the purchase price (as a percentage of par) at which such purchase will be effected, the maximum amount of Principal Proceeds that will be used to effect such purchase and the length of the period during which such offer will be open for acceptance, (2) each such holder shall have the right, but not the obligation, to accept such offer in accordance with its terms and (3) if the aggregate outstanding principal amount of Notes of the relevant Class held by holders who accept such offer exceeds the amount of Principal Proceeds specified in such offer, a portion of the Notes of each accepting holder shall be purchased pro rata based on the respective principal amount held by each such holder;

(iii) each such purchase shall be effected only at prices discounted from par;

(iv) each such purchase of Secured Notes shall occur during the Reinvestment Period and shall be effected with Principal Proceeds;

(v) each Coverage Test is satisfied immediately prior to each such purchase and will be satisfied after giving effect to such purchase;

(vi) no Event of Default shall have occurred and be continuing;

(vii) with respect to each such purchase, the Moody's Rating Condition shall have been satisfied with respect to any Class A-1 Notes that will remain outstanding following such purchase;

(viii) any Secured Notes to be purchased shall be surrendered to the Trustee for cancellation as described under "—Cancellation"; and

(ix) each such purchase will otherwise be conducted in accordance with applicable law; and

(b) the Trustee has received an officer's certificate of the Portfolio Manager to the effect that the conditions in the foregoing paragraph (a) have been satisfied.

Cancellation

All Notes surrendered for payment, registration of transfer, exchange or redemption, or mutilated, defaced or deemed lost or stolen, shall be promptly canceled by the Trustee and may not be reissued or resold. No Note may be surrendered (including in connection with any abandonment, donation, gift, contribution or other event or circumstance) except for payment as provided in the Indenture (including pursuant to the provisions of the Indenture described under "—Issuer purchases of Secured Notes"), or for registration of transfer, exchange or redemption, or for replacement in connection with any Note mutilated, defaced or deemed lost or stolen.

The Issuer may not acquire any of the Notes (including any Notes surrendered or abandoned) except as described above under "—Issuer purchases of Secured Notes". The preceding sentence shall not limit an optional or mandatory redemption pursuant to the terms of the Indenture.

Entitlement to payments

Payments on the Notes will be made to the person in whose name the Note is registered on the Record Date. Payments on interests in notes not in global form will be made in U.S. Dollars by wire transfer, as directed by the investor, in immediately available funds to the investor; *provided* that wiring instructions have been provided to the Trustee on or before the related Record Date and provided, further, that if appropriate instructions for any such wire transfer are not received by the Record Date, then such payment shall be made by check drawn on a U.S. bank mailed to such holder of a Note at such holder's address specified in the applicable register maintained by the Trustee. Final payments in respect of principal on the Notes will be made only against surrender of the Notes at the office of any Paying Agent appointed under the Indenture.

Payments on any Global Secured Notes or Regulation S Global Subordinated Notes will be made to DTC or its nominee, as the registered owner thereof. Neither the Co-Issuers, the Portfolio Manager, the Trustee nor any Paying Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in Global Secured Notes or Regulation S Global Subordinated Notes or for maintaining, supervising or reviewing any records relating to the beneficial ownership interests. The Co-Issuers expect that DTC or its nominee, upon receipt of any payment of principal or interest in respect of a Global Secured Note or a payment of a distribution in respect of a Regulation S Global Subordinated Note representing a Class of Notes held by it or its nominee, will immediately credit participants' accounts (through which, in the case of Regulation S Global Secured Notes or Regulation S Global Subordinated Notes, Euroclear and Clearstream hold their respective interests) with payments in amounts proportionate to their respective beneficial interests in the stated original principal amount of a Global Secured Note or Regulation S Global Subordinated Note for a Class of Notes,

as applicable, as shown on the records of DTC or its nominee. The Co-Issuers also expect that payments by participants to owners of beneficial interests in a Global Secured Note or Regulation S Global Subordinated Note held through the participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for the customers. The payments will be the responsibility of the participants.

Prescription. Except as otherwise required by applicable law, claims by holders of Notes in respect of principal and interest must be made to the Trustee or any Paying Agent if made within two years of such principal or interest becoming due and payable. Any funds deposited with the Trustee or any Paying Agent in trust for the payment of principal or interest remaining unclaimed for two years after such principal or interest has become due and payable shall be paid to the Issuer and, if applicable, the Co-Issuer, pursuant to the Indenture; and the holder of a Note shall thereafter, as an unsecured general creditor, look only to the Issuer and, if applicable, the Co-Issuer, for payment of such amounts and all liability of the Trustee and any Paying Agent with respect to such trust funds shall thereupon cease.

Priority of Payments

On each Payment Date, and on any Redemption Date (to the extent that such Redemption Date is not a Payment Date), unless an Enforcement Event has occurred and is continuing, Interest Proceeds will be applied in the order of priority described under "Overview of Terms—Priority of Payments—Application of Interest Proceeds".

On each Payment Date, and on any Redemption Date (to the extent that such Redemption Date is not a Payment Date), unless an Enforcement Event has occurred and is continuing, Principal Proceeds will be applied in the order of priority described under "Overview of Terms—Priority of Payments—Application of Principal Proceeds".

Notwithstanding the provisions of "Overview of Terms—Priority of Payments—Application of Interest Proceeds" and "Overview of Terms—Priority of Payments—Application of Principal Proceeds", if a declaration of acceleration of the maturity of the Notes has occurred following an Event of Default and such declaration of acceleration has not been rescinded (an "**Enforcement Event**"), on each date or dates fixed by the Trustee (each such date to occur on a Payment Date), proceeds in respect of the Assets will be applied in the following order of priority (the "**Special Priority of Payments**"):

(A) (1) first, to the payment of taxes and governmental fees owing by the Issuer or the Co-Issuer, if any, and (2) second, to the payment of the accrued and unpaid Administrative Expenses, in the priority stated in the definition thereof, up to the Administrative Expense Cap (provided that following the commencement of any sales of Assets pursuant to the provision of the Indenture described in clause (i) of the third paragraph under "—The Indenture", the Administrative Expense Cap shall be disregarded);

(B) to the payment of the Base Management Fee due and payable (including any accrued and unpaid interest thereon) to the Portfolio Manager;

(C) to the payment of accrued and unpaid interest on the Class A-1 Notes;

(D) to the payment of principal of the Class A-1 Notes;

(E) to the payment of accrued and unpaid interest on the Class A-2 Notes;

(F) to the payment of principal of the Class A-2 Notes;

(G) to the payment of accrued and unpaid interest (excluding Secured Note Deferred Interest, but including interest on Secured Note Deferred Interest) on the Class B Notes;

(H) to the payment of any Secured Note Deferred Interest on the Class B Notes;

(I) to the payment of principal of the Class B Notes;

(J) to the payment of accrued and unpaid interest (excluding Secured Note Deferred Interest, but including interest on Secured Note Deferred Interest) on the Class C Notes;

(K) to the payment of any Secured Note Deferred Interest on the Class C Notes;

(L) to the payment of principal of the Class C Notes;

(M) to the payment of accrued and unpaid interest (excluding Secured Note Deferred Interest, but including interest on Secured Note Deferred Interest) on the Class D Notes;

(N) to the payment of any Secured Note Deferred Interest on the Class D Notes;

(O) to the payment of principal of the Class D Notes;

(P) to the payment of the Subordinated Management Fee due and payable (including any accrued and unpaid interest thereon) to the Portfolio Manager;

(Q) to the payment of (in the same manner and order of priority stated therein) any Administrative Expenses not paid pursuant to clause (A)(2) above due to the limitation contained therein;

(R) to the payment to the Reinvesting Holders of the Subordinated Notes (whether or not any applicable Reinvesting Holder continues on the date of such payment to hold all or any portion of such Subordinated Notes) of any Reinvestment Amounts not previously paid pursuant to this clause (R) or pursuant to clause (R) under "Overview of Terms—Priority of Payments—Application of Principal Proceeds" with respect to their respective Subordinated Notes, pro rata in accordance with the respective aggregate Reinvestment Amounts with respect to the Subordinated Notes;

(S) to pay the holders of the Subordinated Notes until the Subordinated Notes have realized a Subordinated Notes Internal Rate of Return of 15%; and

(T) to pay the balance to the Portfolio Manager and the holders of the Subordinated Notes, such balance to be allocated as follows: (x) 20% to the Portfolio Manager as the Incentive Management Fee payable on such Payment Date; and (y) 80% to the holders of the Subordinated Notes.

The Indenture

Events of Default. "**Event of Default**" is defined in the Indenture as:

(a) a default in the payment, when due and payable, of (i) any interest on any Class A Note or, if there are no Class A Notes outstanding, any Class B Note or, if there are no Class A Notes or Class B Notes outstanding, any Class C Note or, if there are no Class A Notes, Class B Notes or Class C Notes outstanding, any Class D Note and, in each case, the continuation of any such default for five Business Days, or (ii) any principal of, or interest or Secured Note Deferred Interest on, or any Redemption Price in respect of, any Secured Note at its Stated Maturity or on any Redemption Date; *provided* that, in the case of a default resulting from a failure to disburse due to an administrative error or omission by the Portfolio Manager, Trustee, Collateral Administrator or any Paying Agent, such default will not be an Event of Default unless such failure continues for five Business Days after a trust officer of the Trustee receives written notice or has actual knowledge of such administrative error or omission;

(b) the failure on any Payment Date to disburse amounts available in the Payment Account in accordance with the priority of payments set forth in the Indenture and continuation of such failure for a period of five Business Days; *provided* that, in the case of a default resulting from a failure to disburse due to an administrative error or omission by the Portfolio Manager, Trustee, Collateral Administrator or any Paying Agent, such default will not be an Event of Default unless such failure continues for five Business Days after a trust officer of the Trustee receives written notice or has actual knowledge of such administrative error or omission;

(c) either of the Co-Issuers or the Assets becomes an investment company required to be registered under the Investment Company Act;

(d) except as otherwise provided in this definition of "Event of Default", a default in a material respect in the performance, or breach in a material respect, of any other covenant or other agreement of the Issuer or the Co-Issuer in the Indenture (it being understood, without limiting the generality of the foregoing, that any failure to meet any Concentration Limitation, Collateral Quality Test, Interest Diversion Test or Coverage Test is not an Event of Default and any failure to satisfy the requirements described under "Use of Proceeds—Effective Date" is not an Event of Default, except in either case to the extent provided in clause (f) below), or the failure of any representation or warranty of the Issuer or the Co-Issuer made in the Indenture or in any certificate or other writing delivered pursuant thereto or in connection therewith to be correct in each case in all material respects when the same shall have been made, and the continuation of such default, breach or failure for a period of 45 days after notice to the Issuer or the Co-Issuer, as applicable, and the Portfolio Manager by registered or certified mail or overnight courier, by the Trustee, the Issuer, the Co-Issuer or the Portfolio Manager or to the Issuer or the Co-Issuer, as applicable, the Portfolio Manager and the Trustee at the direction of the holders of at least a Majority of the Controlling Class, specifying such default, breach or failure and requiring it to be remedied and stating that such notice is a "Notice of Default" under the Indenture;

(e) certain events of bankruptcy, insolvency, receivership or reorganization of either of the Co-Issuers; or

(f) on any Measurement Date when any Class A-1 Notes are outstanding, failure of the percentage equivalent of a fraction (i) the numerator of which is equal to (1) the sum of (a) the aggregate principal balance of the Collateral Obligations, excluding Defaulted Obligations and (b) without duplication, the amounts on deposit in the Collection Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds *plus* (2) the aggregate Market Value of all Defaulted Obligations on such date and (ii) the denominator of which is equal to the aggregate outstanding principal amount of the Class A-1 Notes, to equal or exceed 102.5%.

If an Event of Default occurs and is continuing (other than an Event of Default referred to in clause (e) above), the Trustee may (with the written consent of a Majority of the Controlling Class), and shall (upon the written direction of a Majority of the Controlling Class), by notice to the applicable Co-Issuers and each Rating Agency, declare the principal of the Secured Notes to be immediately due and payable ("**acceleration**"), and upon any such declaration the principal of the Notes, together with accrued and unpaid interest thereon (including, in the case of the Class B Notes, Class C Notes and Class D Notes, any Deferred Interest) through the date of acceleration, shall become immediately due and payable. If an Event of Default described in clause (e) above occurs, such an acceleration will occur automatically. Under the Indenture, the Secured Notes will not be subject to acceleration by the Trustee or the holders of a Majority of the Controlling Class solely as a result of the failure to pay any amount due on the Notes that are not of the Controlling Class.

If an Event of Default has occurred and is continuing, the Trustee will retain the Assets intact and collect all payments in respect of the Assets and make and apply all payments and deposits and maintain all accounts in respect of the Assets and the Notes in accordance with the Priority of Payments and the subordination provisions of the Indenture unless either (i) the Trustee determines (in the manner described in the Indenture) that the anticipated proceeds of a sale or liquidation of the Assets (after deducting the reasonable expenses of such sale or liquidation) would be sufficient to discharge in full the amounts then due (or, in the case of interest, accrued) and unpaid on the Secured Notes for principal and interest (including accrued and unpaid Secured Note Deferred Interest) and all other amounts that, pursuant to the Priority of Payments, are required to be paid prior to such payments on such Secured Notes (including any amounts due and owing as Administrative Expenses (without regard to the Administrative Expense Cap) and any due and unpaid Base Management Fee) and a Majority of the Controlling Class agrees with such determination; or (ii) (x) if the Class A-1 Notes are outstanding and an Event of Default referred to in clause (f) of the definition thereof has occurred and is continuing, a Majority of the Class A-1 Notes directs the sale and liquidation of the Assets or (y) if any other Event of Default has occurred and is continuing, a Supermajority of each Class of the Secured Notes (voting separately by Class) direct the sale and liquidation of the Assets.

A Majority of the Controlling Class will have the right following the occurrence, and during the continuance of, an Event of Default to cause the institution of and direct the time, method and place of conducting any proceeding for any remedy available to the Trustee; *provided* that (a) such direction shall not conflict with any rule of law or with any express provision of the Indenture, (b) the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction, (c) the Trustee shall have been provided with indemnity reasonably satisfactory to it, and (d) notwithstanding the foregoing, any direction to the Trustee to undertake a sale of Assets may be given only in accordance with the preceding paragraph and the other applicable provisions of the Indenture.

Subject to the provisions of the Indenture relating to the duties of the Trustee, the Trustee will be under no obligation to exercise the rights or powers vested in it under the Indenture in respect of an Event of Default at the request or direction of the holders of any Notes unless such holders have provided to the Trustee security or indemnity reasonably satisfactory to the Trustee. Prior to the time a judgment or decree for payment of the money due has been obtained by the Trustee, as provided in the Indenture, a Majority of the Controlling Class may on behalf of the Holders of all the Notes waive any past Event of Default or any occurrence that is, or with notice or the lapse of time or both would become, an Event of Default, and its consequences, except any such Event of Default or occurrence (a) in the payment of the principal of or interest on any Secured Note (which may be waived only with the consent of the holder of such Secured Note), (b) in the payment of interest on the Secured Notes of the Controlling Class (which may be waived only with the consent of the holders of 100% of the Controlling Class), (c) in respect of a covenant or provision of the Indenture that, under the provision of the Indenture providing for supplemental indentures with the consent of Holders of Notes, cannot be modified or amended without the waiver or consent of the holder of each such outstanding Note materially and adversely affected thereby (which may be waived only with the consent of each such holder) or (d) in respect of certain representations contained in the Indenture relating to the security interests in the Assets (which may be waived only by a Majority of the Controlling Class with notice to S&P).

No holder of a Note will have the right to institute any proceeding with respect to the Indenture unless (i) such holder previously has given to the Trustee written notice of an Event of Default, (ii) the holders of not less than 25% in aggregate outstanding principal amount of the Notes of the Controlling Class have made a written request upon the Trustee to institute such proceedings in its own name as Trustee and such holders have provided the Trustee indemnity reasonably satisfactory to the Trustee, (iii) the Trustee, for 30 days after its receipt of such notice, request and provision of such indemnity to the Trustee, has failed to institute any such proceeding and (iv) no direction inconsistent with such written request has been given to the Trustee during such 30-day period by a Majority of the Controlling Class.

In determining whether the holders of the requisite aggregate outstanding principal amount have given any request, demand, authorization, direction, notice, consent or waiver under the Indenture, the following Notes shall be disregarded and deemed not to be Outstanding:

(a) Notes owned by the Issuer, the Co-Issuer or any other obligor upon the Notes; and

(b) only in the case of a vote on (i) the termination of the Portfolio Management Agreement, (ii) the approval of any delegation by the Portfolio Manager pursuant to the Portfolio Management Agreement of any responsibility for the exercise of the final decision to purchase or sell any Collateral Obligation on behalf of the Issuer, (iii) the removal or replacement (other than pursuant to a resignation of the Portfolio Manager) of the Portfolio Manager, (iv) the approval of a successor Portfolio Manager if the appointment of the Portfolio Manager is being terminated (other than pursuant to a resignation of the Portfolio Manager) pursuant to the Portfolio Management Agreement, (v) the waiver of any event constituting "cause" as a basis for termination of the Portfolio Management Agreement and removal of the Portfolio Manager and (vi) the approval of a successor Key Person, any Notes that are Portfolio Manager Notes,

except that (1) in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes that a trust officer of the Trustee actually knows to be so owned or to be Portfolio Manager Notes shall be so disregarded; and (2) Notes so owned that have been pledged in good faith may be regarded as outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not one of the Persons specified above.

Notices. Notices to the holders of the Notes shall be given by first class mail, postage prepaid, to registered holders of Notes at each such holder's address appearing in the register maintained by the Trustee. The Trustee will agree in the Indenture to notify the holders of the Notes of its receipt of any written notice from the Portfolio Manager to the effect that any of the events specified in the definition of "cause" has occurred.

Modification of Indenture. With the consent of a Majority of the Secured Notes of each Class materially and adversely affected thereby, if any, and if the Subordinated Notes are materially and adversely affected thereby, a Majority of the Subordinated Notes, the Trustee and the Co-Issuers may execute one or more supplemental indentures to add provisions to, or change in any manner or eliminate any provisions of, the Indenture or modify in any manner the rights of the holders of the Notes of any Class under the Indenture; *provided* that without the consent of each holder of each outstanding Note of each Class materially and adversely affected thereby, no such supplemental indenture described above may:

(i) change the Stated Maturity of the principal of or the due date of any installment of interest on any Secured Note, reduce the principal amount thereof or the rate of interest thereon or the Redemption Price with respect to any Note, or change the earliest date on which Notes of any Class may be redeemed, change the provisions of the Indenture relating to the application of proceeds of any Assets to the payment of principal of or interest on the Secured Notes, or distributions on the Subordinated Notes or change any place where, or the coin or currency in which, Notes or the principal thereof or interest or any distribution thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the applicable Redemption Date);

(ii) reduce or increase the percentage of the aggregate outstanding principal amount of holders of Notes of each Class whose consent is required for the authorization of any such supplemental indenture or for any waiver of compliance with certain provisions of the Indenture or certain defaults thereunder or their consequences provided for in the Indenture;

(iii) impair or adversely affect the Assets except as otherwise permitted in the Indenture;

(iv) except as otherwise permitted by the Indenture, permit the creation of any lien ranking prior to or on a parity with the lien of the Indenture with respect to any part of the Assets or terminate such lien on any property at any time subject thereto or deprive the holder of any Secured Note of the security afforded by the lien of the Indenture;

(v) reduce or increase the percentage of the aggregate outstanding principal amount of holders of any Class of Secured Notes whose consent is required to request the Trustee to preserve the Assets or rescind the Trustee's election to preserve the Assets or to sell or liquidate the Assets pursuant to the Indenture;

(vi) modify any of the provisions of the Indenture with respect to entering into supplemental indentures, except to increase the percentage of outstanding Notes the consent of the holders of which is required for any such action or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the holder of each Note outstanding and affected thereby;

(vii) modify the definition of the term "Controlling Class", the definition of the term "Outstanding" or the priority of payments set forth in the Indenture; or

(viii) modify any of the provisions of the Indenture in such a manner as to affect the calculation of the amount of any payment of interest or principal on any Secured Note, or any amount available for distribution to the Subordinated Notes, or to affect the rights of the holders of any Secured Notes to the benefit of any provisions for the redemption of such Secured Notes contained therein.

In addition, any supplemental indenture that would amend the Indenture to make changes to the Weighted Average Life Test shall be deemed to materially and adversely affect the Controlling Class and, therefore, in accordance with the above provisions (and any further requirements in the Indenture) shall require the consent of a Majority of the Controlling Class prior to execution of such supplemental indenture by the Trustee and the Co-Issuers.

The Co-Issuers and the Trustee may also enter into supplemental indentures, without a legal opinion of counsel being provided to the Co-Issuers or the Trustee as to whether or not any Class of Notes would be materially and adversely affected thereby (except in the case of clause (iii), (vi), (x) or (xi) below) and without obtaining the consent of holders of the Notes (except any consent required by clause (iii), (vi), (x) or (xi) below) at any time and from time to time, subject to certain requirements described in the Indenture:

(i) to evidence the succession of another person to the Issuer or the Co-Issuer and the assumption by any such successor person of the covenants of the Issuer or the Co–Issuer in the Indenture and in the Notes;

(ii) to add to the covenants of the Co-Issuers or the Trustee for the benefit of the Secured Parties;

(iii) to convey, transfer, assign, mortgage or pledge any property to or with the Trustee or add to the conditions, limitations or restrictions on the authorized amount, terms and purposes of the issue, authentication and delivery of the Notes, provided that, if the holders of any Class of Notes would be materially and adversely affected by such supplemental indenture entered into pursuant to this clause (iii), the consent to such supplemental indenture has been obtained from a Majority of each such Class;

(iv) to evidence and provide for the acceptance of appointment under the Indenture by a successor Trustee and to add to or change any of the provisions of the Indenture as shall be necessary to facilitate the administration of the trusts under the Indenture by more than one Trustee, pursuant to the requirements of the Indenture;

(v) to correct or amplify the description of any property at any time subject to the lien of the Indenture, or to better assure, convey and confirm unto the Trustee any property subject or required to be subjected to the lien of the Indenture (including, without limitation, any and all actions necessary or desirable as a result of changes in law or regulations) or to subject to the lien of the Indenture any additional property;

(vi) to modify the restrictions on and procedures for resales and other transfers of Notes to reflect any changes in ERISA or other applicable law or regulation (or the interpretation thereof) or to enable the Co-Issuers to rely upon any exemption from registration under the Securities Act or the Investment Company Act or to remove restrictions on resale and transfer to the extent not required by the Indenture, provided that, if the holders of any Class of Notes would be materially and adversely affected by such supplemental indenture entered into pursuant to this clause (vi), the consent to such supplemental indenture has been obtained from a Majority of each such Class;

(vii) to make such changes as shall be necessary or advisable in order for the listed Notes to be or remain listed on an exchange, including the Irish Stock Exchange;

(viii) subject to satisfaction of the Moody's Rating Condition (or deemed inapplicability thereof under "Ratings of the Secured Notes—Inapplicability of the Moody's Rating Condition"), otherwise to correct any inconsistency or cure any ambiguity, omission or manifest errors in the Indenture or to conform the provisions of the Indenture to this Offering Circular;

(ix) to take any action advisable to prevent the Issuer from becoming subject to withholding or other Taxes, fees or assessments or to prevent the Issuer from being treated as engaged in a trade or business within the United States for United States federal income tax purposes or otherwise being subject to United States federal, state or local income tax on a net income basis or subject to Tax on a net income basis in any jurisdiction outside the Issuer's jurisdiction of incorporation;

(x) at any time during the Reinvestment Period, subject to the consent of a Majority of the Subordinated Notes and, if additional Class A-1 Notes are being issued, a Majority of the Class A-1 Notes, to make changes to facilitate (A) issuance by the Co-Issuers of additional notes of any one or more new classes that are fully subordinated to the existing Secured Notes (or to the most junior class of securities of the Issuer (other than the Subordinated Notes) issued pursuant to the Indenture, if any class of securities issued pursuant to the Indenture other than the Secured Notes and the Subordinated Notes is then Outstanding), provided that any

such additional issuance of notes shall be issued in accordance with the Indenture; (B) issuance by the Co-Issuers of additional notes of any one or more existing Classes, provided that any such additional issuance of notes shall be issued in accordance with the Indenture; or (C) issuance by the Co-Issuers of replacement securities in connection with a Refinancing in accordance with the Indenture; or

(xi) to evidence any waiver by any Rating Agency as to any requirement in the Indenture that such Rating Agency confirm (or to evidence any other elimination of any requirement in the Indenture that any Rating Agency confirm) that an action or inaction by the Issuer or any other Person will not result in a reduction or withdrawal of its then-current rating of any Class of Secured Notes as a condition to such action or inaction; *provided* that with respect to any proposed supplemental indenture pursuant to this clause, if a Majority of the Controlling Class has provided written notice to the Trustee at least one Business Day prior to the execution of such supplemental indenture that the Controlling Class would be materially and adversely affected thereby, the Trustee and the Co-Issuers shall not enter into such supplemental indenture without the consent of a Majority of each Class of Secured Notes materially and adversely affected thereby and, if the Subordinated Notes are materially and adversely affected thereby, a Majority of the Subordinated Notes.

The Portfolio Manager will not be bound to follow any amendment or supplement to the Indenture unless it has received written notice of such supplement and a copy of such supplement from the Issuer or the Trustee. The Issuer agrees that it will not permit to become effective any supplement or modification to the Indenture which would (i) increase the duties or liabilities of, reduce or eliminate any right or privilege of (including as a result of an effect on the amount or priority of any fees or other amounts payable to the Portfolio Manager), or adversely change the economic consequences to, the Portfolio Manager, (ii) modify the restrictions on the Sales of Collateral Obligations or (iii) expand or restrict the Portfolio Manager's discretion, and the Portfolio Manager shall not be bound thereby unless the Portfolio Manager shall have consented in advance thereto in writing. No amendment to the Indenture will be effective against the Collateral Administrator if such amendment would adversely affect the Collateral Administrator, including, without limitation, any amendment or supplement that would increase the duties or liabilities of, or adversely change the economic consequences to, the Collateral Administrator, unless the Collateral Administrator otherwise consents in writing.

With respect to any supplemental indenture the consent to which is expressly required from all or a Majority of Holders of each Class materially and adversely affected thereby, the Trustee may rely upon an opinion of counsel as to matters of law (which may be supported as to factual (including financial and capital markets) matters by any relevant certificates and other documents necessary or advisable in the judgment of counsel delivering such opinion of counsel) or, solely with respect to any supplemental indenture described in the second preceding paragraph the consent to which is expressly required from all or a Majority of Holders of each Class materially and adversely affected thereby and if the Portfolio Manager is 3i Debt Management U.S. LLC or an Affiliate thereof, an officer's certificate of the Portfolio Manager, as to (i) whether or not any Class of Secured Notes would be materially and adversely affected by any supplemental indenture described above, provided that if the holders of 33-1/3% in aggregate outstanding principal amount of the Notes of such Class have provided written notice to the Trustee at least one Business Day prior to the execution of such supplemental indenture that such Class would be materially and adversely affected thereby, the Trustee shall not be entitled so to rely upon an opinion of counsel or officer's certificate of the Portfolio Manager as to whether or not the holders of such Class would be materially and adversely affected by such supplemental indenture and the Trustee shall not enter into such supplemental indenture without the consent of a Majority of such Class and (ii) whether or not the Subordinated Notes would be materially and adversely affected by any supplemental indenture described above, provided that if the holders of 33-1/3% in aggregate outstanding principal amount of the Subordinated Notes have provided written notice to the Trustee at least one Business Day prior to the execution of such supplemental indenture that the Subordinated Notes would be materially and adversely affected thereby, the Trustee shall not be entitled so to rely upon an opinion of counsel or officer's certificate of the Portfolio Manager as to whether or not the Subordinated Notes would be materially and adversely affected by such supplemental indenture and the Trustee shall not enter into such supplemental indenture without the consent of a Majority of the Subordinated Notes. The Trustee shall not be liable for any reliance made in good faith upon an opinion of counsel or, solely if the Portfolio Manager is 3i Debt Management U.S. LLC or an Affiliate thereof, an Officer's certificate of the Portfolio Manager, a certificate of the Portfolio Manager delivered to the Trustee as described in the Indenture. Such determination shall be conclusive and binding on all present and future holders.

For so long as any Notes are listed on the Irish Stock Exchange and the guidelines of such exchange shall so require, the Issuer will notify the Irish Stock Exchange of any material modification of the Indenture. At the cost of the Co-Issuers, for so long as any Notes shall remain outstanding, not later than 30 calendar days prior to the execution of any proposed supplemental indenture, the Trustee shall deliver to the Portfolio Manager, the Collateral Administrator, the Rating Agencies and the Noteholders a notice attaching a copy of such supplemental indenture and indicating the proposed date of execution of such supplemental indenture. Following such delivery by the Trustee, if any changes are made to such supplemental indenture other than to correct typographical errors or to adjust formatting, then at the cost of the Co-Issuers, for so long as any Notes shall remain Outstanding, not later than 5 Business Days prior to the execution of such proposed supplemental indenture (provided that the execution of such proposed supplemental indenture shall not in any case occur earlier than the date 30 calendar days after the initial distribution of such proposed supplemental indenture pursuant to the second sentence of this paragraph), the Trustee shall deliver to the Portfolio Manager, the Collateral Administrator, the Rating Agencies and the Noteholders a copy of such supplemental indenture as revised, indicating the changes that were made.

If any Class A-1 Notes are then outstanding and are rated by Moody's and if any supplemental indenture modifies or amends any component of the Minimum Diversity Score/Maximum Rating/Minimum Spread Matrix or the definitions related thereto, such supplemental indenture shall be subject to satisfaction of the Moody's Rating Condition (or deemed inapplicability thereof as described under "Ratings of the Secured Notes—Inapplicability of the Moody's Rating Condition"). For the avoidance of doubt, the satisfaction, or deemed inapplicability as described under "Ratings of the Secured Notes—Inapplicability of the Moody's Rating Condition", of the Moody's Rating Condition shall not imply that the Holders are not materially and adversely affected by such supplemental indenture. At the cost of the Co-Issuers, the Trustee shall provide to the Holders (in the manner described in the Indenture) a copy of the executed supplemental indenture after its execution. Any failure of the Trustee to publish or deliver such notice, or any defect therein, shall not in any way impair or affect the validity of any such supplemental indenture.

If any supplemental indenture permits the Issuer to enter into a Synthetic Security or other hedge, swap or derivative transaction (each a "**hedge agreement**"), the Co-Issuers and the Trustee shall not enter into such supplemental indenture without the consent of a Majority of the Controlling Class and a Majority of the Subordinated Notes; *provided* that the supplemental indenture shall require that, before entering into any such hedge agreement, the following conditions must be satisfied: (A) the Issuer receives a written opinion of counsel that either (1) the Issuer entering into such hedge agreement will not cause it to be considered a "commodity pool" as defined in Section 1a(10) of the Commodity Exchange Act, as amended or (2) if the Issuer would be a commodity pool, (a) that the Portfolio Manager, and no other party, would be the "commodity pool operator" and "commodity trading adviser"; and (b) with respect to the Issuer as the commodity pool, the Portfolio Manager is eligible for an exemption from registration as a commodity pool operator and commodity trading adviser and all conditions precedent to obtaining such an exemption have been satisfied; (B) the Portfolio Manager agrees in writing that for so long as the Issuer is a commodity pool, the Portfolio Manager will take all actions necessary to ensure ongoing compliance with the applicable exemption from registration as a commodity pool operator and commodity trading adviser with respect to the Issuer, and will take any other actions required as a commodity pool operator and commodity trading adviser with respect to the Issuer; (C) the Issuer receives a written opinion of counsel that the Issuer entering into such hedge agreement will not, in and of itself, cause the Issuer to become a "hedge fund or a private equity fund" as defined for the purposes of Section 13 of the Bank Holding Company Act, as amended; (D) the Moody's Rating Condition shall have been satisfied (or deemed inapplicable as described under "Ratings of the Secured Notes—Inapplicability of the Moody's Rating Condition"); and (E) (1) the applicable S&P counterparty criteria then in effect are satisfied with respect to the counterparty to the Issuer under such hedge agreement and (2) S&P receives notice of each hedge agreement and a copy of such hedge agreement is sent to S&P after execution thereof.

Additional Issuance. The Indenture will provide that, at any time during the Reinvestment Period, the Co-Issuers may issue and sell additional notes of any one or more new classes of notes that are fully subordinated to the existing Secured Notes (or to the most junior class of securities of the Issuer (other than the Subordinated Notes) issued pursuant to the Indenture, if any class of securities issued pursuant to the Indenture other than the Secured Notes and the Subordinated Notes is then outstanding) and/or additional notes of any one or more existing Classes (subject, in the case of additional notes of an existing Class of Secured Notes, to clause (e) below) and use the proceeds to purchase additional Collateral Obligations or as otherwise permitted under the Indenture; *provided* that the following conditions are met: (a) the Portfolio Manager consents to such issuance and such issuance is

consented to by a Majority of the Subordinated Notes and, if additional Class A-1 Notes are being issued, a Majority of the Class A-1 Notes; (b) in the case of additional notes of any one or more existing Classes, the aggregate principal amount of Notes of such Class issued in all additional issuances may not exceed 100% of the respective original outstanding principal amount of the Notes of such Class; (c) in the case of additional notes of any one or more existing Classes, the terms of the notes issued must be identical to the respective terms of previously issued Notes of the applicable Class (except that the interest due on additional notes will accrue from the issue date of such additional notes, and the interest rate and price of such notes do not have to be identical to those of the initial Notes of that Class, provided that the interest rate on such Notes may not exceed the interest rate applicable to the initial Notes of that Class); (d) such additional notes must be issued at a cash sales price equal to or greater than the principal amount thereof; (e) in the case of additional notes of any one or more existing Classes, unless only additional Subordinated Notes are being issued, additional notes of all Classes must be issued and such issuance of additional notes must be proportional across all Classes, provided that the principal amount of Subordinated Notes issued in any such issuance may exceed the proportion otherwise applicable to the Subordinated Notes; (f) unless only additional Subordinated Notes are being issued, the Moody's Rating Condition shall have been satisfied (or deemed inapplicable as described under "Ratings of the Secured Notes—Inapplicability of the Moody's Rating Condition") with respect to any Class A-1 Notes not constituting part of such additional issuance and S&P shall have been notified of such additional issuance, provided that if only additional Subordinated Notes are being issued, the Issuer notifies each Rating Agency of such issuance prior to the issuance date; (g) the proceeds of any additional notes (net of fees and expenses incurred in connection with such issuance) will be treated as Principal Proceeds and used to purchase additional Collateral Obligations, to invest in Eligible Investments or to apply pursuant to the Priority of Payments; (h) immediately after giving effect to such issuance, each Coverage Test is satisfied or, with respect to any Coverage Test that was not satisfied immediately prior to giving effect to such issuance and will continue not to be satisfied immediately after giving effect to such issuance, the degree of compliance with such Coverage Test is maintained or improved immediately after giving effect to such issuance and the application of the proceeds thereof; and (i) unless only additional Subordinated Notes are being issued, an opinion of tax counsel of nationally recognized standing in the United States experienced in such matters shall be delivered to the Trustee to the effect that (A) in the case of additional notes of any one or more existing Classes, such issuance would not cause the Holders or beneficial owners of previously issued Notes of such Class to be deemed to have sold or exchanged such Notes under Section 1001 of the Code and (B) any additional Class A Notes, Class B Notes or Class C Notes will, and any additional Class D Notes should, be treated as debt for U.S. federal income tax purposes. The use of such issuance proceeds as Principal Proceeds may have the effect of causing a Coverage Test that was otherwise failing to be cured or modifying the effect of events that would otherwise give rise to an Event of Default and permit the Controlling Class to exercise remedies under the Indenture. Such additional notes of an existing Class may be offered at prices that differ from the applicable initial offering price.

Any additional notes of an existing Class issued as described above will, to the extent reasonably practicable, be offered first to holders of that Class in such amounts as are necessary to preserve their pro rata holdings of Notes of such Class.

Consolidation, Merger or Transfer of Assets. Except under the limited circumstances set forth in the Indenture, neither the Issuer nor the Co-Issuer may consolidate with, merge into, or transfer or convey all or substantially all of its assets to, any other corporation, partnership, trust or other person or entity.

Petitions for Bankruptcy. The Indenture will provide that the holders of the Notes may not seek to commence a bankruptcy proceeding against or cause the Issuer, the Co-Issuer or any Blocker Subsidiary to petition for bankruptcy until the payment in full of all Notes (and any other debt obligations of the Issuer that have been rated upon issuance by any rating agency at the request of the Issuer) and the expiration of a period equal to one year and one day or, if longer, the applicable preference period then in effect plus one day, following such payment in full.

Even though each holder will agree not to cause the filing of an involuntary petition in bankruptcy in relation to the Issuer as described above, there is the possibility that a bankruptcy court may in the exercise of its equitable or other powers determine not to enforce such an agreement on the ground that such an agreement violates an essential policy underlying the United States Bankruptcy Code. In addition, there is no assurance that the Issuer or its directors would object to a breach by a holder of its obligation not to cause the filing of an involuntary petition even though they are required to do so as described below. In the event that a bankruptcy proceeding is commenced,

it is possible that the Assets could be sold or otherwise liquidated in a manner that is inconsistent with the rights of the holders of the various Classes of Notes as described herein under "—The Indenture—Events of Default". In the event one or more holders of Notes cause the filing of a petition in bankruptcy against the Issuer prior to the expiration of such period, any claim that such holder(s) have against the Issuer (including under all Notes of any Class held by such holder(s)) or with respect to any Assets (including any proceeds thereof) shall, notwithstanding anything to the contrary in the Priority of Payments and notwithstanding any objection to, or rescission of, such filing, be fully subordinate in right of payment to the claims of each holder of any Note (and each other secured creditor of the Issuer) that does not seek to cause any such filing, with such subordination being effective until each Note (and each claim of each other secured creditor) held by each holder of any Note that does not seek to cause any such filing is paid in full in accordance with the Priority of Payments (after giving effect to such subordination). The foregoing sentence shall constitute a "subordination agreement" within the meaning of Section 510(a) of the U.S. Bankruptcy Code.

The Issuer, the Co-Issuer or any Blocker Subsidiary, as applicable, shall timely file an answer and any other appropriate pleading objecting to (i) the institution of any proceeding to have the Issuer, Co-Issuer or any Blocker Subsidiary, as the case may be, adjudicated as bankrupt or insolvent or (ii) the filing of any petition seeking relief, reorganization, arrangement, adjustment or composition of or in respect of the Issuer, Co-Issuer or any Blocker Subsidiary, as the case may be, under applicable bankruptcy law or other applicable law. The reasonable fees, costs, charges and expenses incurred by the Issuer, Co-Issuer or any Blocker Subsidiary (including reasonable attorneys' fees and expenses) in connection with taking any such action shall be paid as "Administrative Expenses".

Satisfaction and Discharge of the Indenture. The Indenture will be discharged with respect to the Assets securing the Secured Notes upon (i) delivery to the Trustee for cancellation of all of the Notes (or, in the case of any Uncertificated Subordinated Notes, deregistration by the Trustee of all Uncertificated Subordinated Notes), or, with certain exceptions (including the obligation to pay principal and interest), upon deposit with the Trustee of funds sufficient for the payment or redemption thereof and (ii) the payment by the Co-Issuers of all other amounts due under the Indenture.

Trustee. Citibank, N.A. will be the Trustee under the Indenture for the Notes. The payment of the fees and expenses of the Trustee relating to the Notes is solely the obligation of the Co-Issuers and solely payable out of the Assets. The Trustee and/or its affiliates may receive compensation in connection with the Trustee's investment of trust assets in certain Eligible Investments as provided in the Indenture. Eligible Investments may include investments for which the Trustee or an affiliate of the Trustee provides services. The Co-Issuers, the Portfolio Manager and their affiliates may maintain other banking relationships in the ordinary course of business with the Trustee or its affiliates.

The Indenture contains provisions for the indemnification of the Trustee by the Issuer, payable solely out of the Assets, for any loss, liability or expense incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of the trust. The Trustee may resign at any time by providing 30 days' notice. The Trustee may be removed at any time by an act of a Majority of each Class of Secured Notes or, at any time when an Event of Default shall have occurred and be continuing, by an act of a Majority of the Controlling Class as set forth in the Indenture. No resignation or removal of the Trustee will become effective until the acceptance of the appointment of the successor Trustee.

The Trustee will make certain reports with respect to the Collateral Obligations and any notices required to be delivered to the Holders in accordance with the Indenture available via its internet website. The Trustee's internet website shall initially be located at "www.sf.citidirect.com". Assistance in using the website can be obtained by calling the Trustee's customer service desk at (800) 422-2066. Parties that are unable to use the above distribution option are entitled to have a paper copy mailed to them via first class mail by calling the customer service desk and indicating such. The Trustee shall have the right to change the way such statements are distributed in order to make such distribution more convenient and/or more accessible to the above parties and the Trustee shall provide timely and adequate notification to all above parties regarding any such changes. As a condition to access to the Trustee's internet website, the Trustee may require registration and the acceptance of a disclaimer. The Trustee will not be liable for the dissemination of information in accordance with the Indenture. The Trustee shall be entitled to rely on but shall not be responsible for the content or accuracy of any information provided in the information set forth in such reports and may affix thereto any disclaimer it deems appropriate in its reasonable

discretion. The Trustee is authorized to make available to Intex Solutions, Inc. certain reports prepared under the Indenture.

Amendment of Transaction Documents. The Indenture provides that the Issuer shall not enter into any agreement amending, modifying or terminating any Transaction Document without notifying each Rating Agency.

Form, denomination and registration of the Notes

The Secured Notes will be sold only to (i) non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act or (ii) persons that are Qualified Institutional Buyers and (a) Qualified Purchasers or (b) entities owned by Qualified Purchasers. Each Secured Note (other than an ERISA Restricted Note) sold to a person that, at the time of the acquisition, purported acquisition or proposed acquisition of any such Secured Note, is both a Qualified Institutional Buyer and a Qualified Purchaser will be issued in the form of one or more permanent global notes in definitive, fully registered form without interest coupons (the "**Rule 144A Global Secured Notes**"). The Secured Notes that are ERISA Restricted Notes sold to a person that, at the time of the acquisition, purported acquisition or proposed acquisition of any such Secured Note, is both a Qualified Institutional Buyer and a Qualified Purchaser shall be issued in the form of one or more definitive, fully registered notes without coupons (each, an "**ERISA Restricted Certificated Secured Note**"). The Secured Notes sold to non-U.S. persons in offshore transactions in reliance on Regulation S will be issued in the form of one or more permanent global notes in definitive, fully registered form without interest coupons (the "**Regulation S Global Secured Notes**"). The Rule 144A Global Secured Notes and the Regulation S Global Secured Notes are referred to herein collectively as the "**Global Secured Notes**".

Each initial investor and subsequent transferee of an ERISA Restricted Certificated Secured Note will be required to provide a purchaser representation letter in which it will be required to certify, and each initial purchaser or subsequent transferee of an interest in a Global Secured Note (except, in the case of an initial purchaser, as may be expressly agreed in writing between such initial purchaser and the Co-Issuers) will be deemed to represent, among other matters, as to its status under the Securities Act and the Investment Company Act and ERISA.

The Subordinated Notes are being initially offered, and may subsequently be transferred, only to (i) non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act or (ii) persons that are (x) Qualified Institutional Buyers or (y) Accredited Investors and, in the case of (x) and (y) above, Qualified Purchasers, Knowledgeable Employees with respect to the Issuer or entities owned by Qualified Purchasers or by Knowledgeable Employees with respect to the Issuer.

All Subordinated Notes sold to U.S. purchasers and, at the option of the Issuer (with the written consent of the Portfolio Manager), Subordinated Notes sold to certain non-U.S. purchasers in offshore transactions in reliance on Regulation S, will be evidenced by notes in definitive, fully registered form without interest coupons ("**Certificated Subordinated Notes**") or, if requested by the beneficial owner thereof, will be issued in uncertificated, fully registered form ("**Uncertificated Subordinated Notes**"). All other Subordinated Notes sold to non-U.S. Persons in offshore transactions in reliance on Regulation S will each be represented by one or more permanent global notes in definitive, fully registered form without interest coupons (the "**Regulation S Global Subordinated Notes**"). Uncertificated Subordinated Notes registered in the name of a Person shall be considered "held" by such Person for all purposes under the Indenture.

Each initial investor of a Subordinated Note and each subsequent transferee of a Certificated Subordinated Note or an Uncertificated Subordinated Note will be required to provide a purchaser representation letter in which it will be required to certify, among other matters, as to its status under the Securities Act, the Investment Company Act and ERISA. Each subsequent transferee of an interest in a Regulation S Global Subordinated Note will be deemed to make certain representations and warranties as to its status under ERISA.

As used above, "**U.S. person**" and "**offshore transaction**" shall have the meanings assigned to such terms in Regulation S under the Securities Act.

The Global Secured Notes and the Regulation S Global Subordinated Notes will be deposited with the Trustee as custodian for, and registered in the name of Cede & Co., a nominee of, DTC and, in the case of the

Regulation S Global Secured Notes and the Regulation S Global Subordinated Notes, for the respective accounts of Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream**").

A beneficial interest in a Regulation S Global Secured Note (other than an ERISA Restricted Note) may be transferred to a person who takes delivery in the form of an interest in the corresponding Rule 144A Global Secured Note only upon receipt by the Trustee of (i) a written certification from the transferor in the form required by the Indenture to the effect that such transfer is being made to a person whom the transferor reasonably believes is a Qualified Institutional Buyer in a transaction meeting the requirements of Rule 144A under the Securities Act, in compliance with certain restrictions imposed during the Distribution Compliance Period, if applicable, and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction and (ii) a written certification from the transferee in the form required by the Indenture to the effect, among other things, that such transferee is (x) a Qualified Institutional Buyer and (y) a Qualified Purchaser. A beneficial interest in a Regulation S Global Secured Note that is an ERISA Restricted Note may be transferred to a person who takes delivery in the form of an interest in the corresponding ERISA Restricted Certificated Secured Note only upon receipt by the Trustee of (i) a written certification from the transferor in the form required by the Indenture to the effect that such transfer is being made to a person whom the transferor reasonably believes is a Qualified Institutional Buyer in a transaction meeting the requirements of Rule 144A under the Securities Act, in compliance with certain restrictions imposed during the Distribution Compliance Period, if applicable, and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction, (ii) a written certification substantially in the form of Annex A-2 attached hereto executed by the transferee and (iii) a written certification substantially in the form of Annex A-3 attached hereto executed by the transferee. Beneficial interests in a Rule 144A Global Secured Note may be transferred to a person who takes delivery in the form of an interest in the applicable Regulation S Global Secured Note only upon receipt by the Trustee of a written certification from the transferor in the form required by the Indenture to the effect that such transfer is being made in accordance with Regulation S under the Securities Act and a written certification from the transferee in the form required by the Indenture to the effect, among other things, that such transferee is a non-U.S. person purchasing such Note in an offshore transaction pursuant to Regulation S. Beneficial interests in an ERISA Restricted Certificated Secured Note may be transferred to a person who takes delivery in the form of an interest in the applicable Regulation S Global Secured Note or ERISA Restricted Certificated Secured Note only upon receipt by the Trustee of (i) in the case of a transfer to a person who takes delivery in the form of an interest in the corresponding Regulation S Global Secured Note, a written certification from the transferor in the form required by the Indenture to the effect that such transfer is being made in accordance with Regulation S under the Securities Act and a written certification from the transferee in the form required by the Indenture to the effect, among other things, that such transferee is a non-U.S. person purchasing such Note in an offshore transaction pursuant to Regulation S, (ii) in the case of an ERISA Restricted Certificated Secured Note, a written certification substantially in the form of Annex A-2 attached hereto executed by the transferee and (iii) a written certification substantially in the form of Annex A-3 attached hereto executed by the transferee. Any beneficial interest in one of the Global Secured Notes that is transferred to a person who takes delivery in the form of an interest in another Global Secured Note will, upon transfer, cease to be an interest in such Global Secured Note, and become an interest in such other Global Secured Note, and accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Secured Notes for as long as it remains such an interest.

A beneficial interest in a Regulation S Global Subordinated Note may be transferred to a person who takes delivery in the form of a Certificated Subordinated Note or as an Uncertificated Subordinated Note only upon receipt by the Issuer and the Trustee of certificates substantially in the form of Annex A-1 and Annex A-2 attached hereto executed by the transferee. A Certificated Subordinated Note or an Uncertificated Subordinated Note may be transferred to a person who takes delivery in the form of an interest in a Regulation S Global Subordinated Note only upon receipt by the Issuer and the Trustee of (A) in the case of a Certificated Subordinated Note, the transferor's Certificated Subordinated Note together with an interest transfer form in the form prescribed by the Indenture executed by the transferor and (B) a certificate substantially in the form of Annex A-2 attached hereto executed by the transferee. A Certificated Subordinated Note may be transferred to a person who takes delivery in the form of an interest in a Certificated Subordinated Note or an Uncertificated Subordinated Note only upon receipt by the Issuer and the Trustee of (A) the transferor's Certificated Subordinated Note together with an interest transfer form in the form prescribed by the Indenture executed by the transferor and (B) certificates substantially in the form of Annex A-1 and Annex A-2 attached hereto executed by the transferee. An Uncertificated Subordinated Note may be transferred to a person who takes delivery in the form of an interest in a Certificated Subordinated Note or an

Uncertificated Subordinated Note only upon receipt by the Issuer and the Trustee of certificates substantially in the form of Annex A-1 and Annex A-2 attached hereto executed by the transferee. A beneficial interest in a Regulation S Global Subordinated Note may be transferred to a person who takes delivery in the form of an interest in such Regulation S Global Subordinated Note without the provision of any transferor or transferee certifications. No Subordinated Note may be transferred to a person taking delivery in the form of an interest in a Regulation S Global Subordinated Note that is a Benefit Plan Investor or a Controlling Person other than from the Issuer on the Closing Date.

No transfer of any ERISA Restricted Note (or any interest therein) will be effective, and the Trustee will not recognize any such transfer, if after giving effect to such transfer 25% or more of the value of the relevant Class of ERISA Restricted Notes of the Issuer would be held by Persons who have represented that they are Benefit Plan Investors, disregarding ERISA Restricted Notes held by Controlling Persons.

No service charge will be made for any registration of transfer or exchange of Notes but the Co-Issuers, the registrar or the Trustee may require payment of a sum sufficient to cover any transfer, tax or other governmental charge payable in connection therewith. The registrar or the Trustee will be permitted to request such evidence reasonably satisfactory to it documenting the identity and/or signatures of the transferor and transferee.

The registered owner of the relevant Global Secured Note or Regulation S Global Subordinated Note will be the only person entitled to receive payments in respect of the Notes represented thereby, and the Co-Issuers will be discharged by payment to, or to the order of, the registered owner of such Global Secured Note or Regulation S Global Subordinated Note in respect of each amount so paid. No person other than the registered owner of the relevant Global Secured Note or Regulation S Global Subordinated Note will have any claim against the Co-Issuers in respect of any payment due on that Global Secured Note or Regulation S Global Subordinated Note. Account holders or participants in Euroclear and Clearstream shall have no rights under the Indenture with respect to Global Secured Notes or Regulation S Global Subordinated Notes held on their behalf by the Trustee as custodian for DTC, and DTC may be treated by the Co-Issuers, the Trustee and any agent of the Co-Issuers or the Trustee as the holder of Global Secured Notes or Regulation S Global Subordinated Notes for all purposes whatsoever.

Except in the limited circumstances described below, owners of beneficial interests in the Global Secured Notes will not be entitled to have Notes registered in their names, will not receive or be entitled to receive definitive physical Notes, and will not be considered "holders" of Notes under the Indenture or the Notes. If DTC notifies the Co-Issuers that it is unwilling or unable to continue as depositary for Global Secured Notes of any Class or Classes or ceases to be a "clearing agency" registered under the Exchange Act and a successor depositary or custodian is not appointed by the Co-Issuers within 90 days after receiving such notice (a "**Depository Event**"), the Issuer will issue or cause to be issued, Notes of such Class or Classes in the form of definitive physical certificates in exchange for the applicable Global Secured Notes to the beneficial owners of such Global Secured Notes in the manner set forth in the Indenture. In addition, the owner of a beneficial interest in a Global Secured Note will be entitled to receive a definitive physical Note in exchange for such interest if an Event of Default has occurred and is continuing. In the event that definitive physical certificates are not so issued by the Issuer to such beneficial owners of interests in Global Secured Notes, the Issuer expressly acknowledges that such beneficial owners shall be entitled to pursue any remedy that the holders of a Global Secured Note would be entitled to pursue in accordance with the Indenture (but only to the extent of such beneficial owner's interest in the Global Secured Note) as if definitive physical Notes had been issued; *provided* that the Trustee shall be entitled to rely upon any certificate of ownership provided by such beneficial owners and/or other forms of reasonable evidence of such ownership. In the event that definitive physical Notes are issued in exchange for Global Secured Notes as described above, the applicable Global Secured Note will be surrendered to the Trustee by DTC and the Co-Issuers will execute and the Trustee will authenticate and deliver an equal aggregate outstanding principal amount of definitive physical Notes.

Owners of beneficial interests in Regulation S Global Subordinated Notes will receive definitive Subordinated Notes registered in their names in connection with a Depository Event, and may also exchange such beneficial interests for Certificated Subordinated Notes or Uncertificated Subordinated Notes in accordance with the procedures described under "Transfer Restrictions".

The Notes will be subject to certain restrictions on transfer set forth therein and in the Indenture and the Notes (other than Uncertificated Subordinated Notes) will bear the restrictive legend set forth under "Transfer Restrictions".

The Class A-1 Notes, Class A-2 Notes and Class B Notes will be issued in minimum denominations of U.S.$500,000 and integral multiples of U.S.$1,000 in excess thereof. The Class C Notes and Class D Notes will be issued in minimum denominations of U.S.$250,000 and integral multiples of U.S.$1,000 in excess thereof. The Subordinated Notes will be issued in minimum denominations of U.S.$200,000 and integral multiples of U.S.$1.00 in excess thereof (except that up to three Subordinated Notes may be sold on the Closing Date to Accredited Investors in minimum denominations of at least $100,000, as permitted by the Issuer on a case-by-case basis, and may be Outstanding at any time thereafter).

The Subordinated Notes

The Subordinated Notes will be issued pursuant to the Indenture, but will not be secured obligations thereunder. The following summary, together with the preceding summary of certain principal terms of the Indenture, describes certain provisions of the Subordinated Notes, but does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Indenture.

Status and Ranking. The Subordinated Notes will be unsecured, subordinated, non-recourse obligations issued by the Issuer under the Indenture. The Subordinated Notes will be fully subordinated to the Secured Notes and to the payment of all other amounts payable in accordance with the Priority of Payments. The Subordinated Notes will not be secured by the Assets or any pledge of the Assets but, under the terms of the Indenture, the Trustee will pay to the holders of the Subordinated Notes amounts available pursuant to the Priority of Payments. To the extent that following realization of the Assets, these amounts are insufficient to repay the principal amount of the Subordinated Notes or to make distributions thereon, no other funds will be available to make such payments.

Distributions on the Subordinated Notes. On the Stated Maturity of the Notes, the Trustee will pay the net proceeds from the liquidation of the Assets and all available cash (but only after the payment of (or establishment of a reserve for) all Administrative Expenses (in the same manner and order of priority in the definition thereof), Management Fees and interest and principal on the Secured Notes) to the holders of the Subordinated Notes in final payment of such Subordinated Notes, unless such Subordinated Notes were previously redeemed or repaid prior thereto as described herein. To the extent funds are available for such purpose under the Indenture as described above, payments will be made to the holders of the Subordinated Notes on each Payment Date, or in connection with any optional or mandatory redemption of the Subordinated Notes as set forth below.

Payments on the Subordinated Notes will be made to the person in whose name the Subordinated Note is registered on the applicable Record Date in the same manner as payments are made to the holders of the Secured Notes as described under "—Entitlement to Payments" and any unclaimed payments will be subject to the terms described under "—Entitlement to Payments—Prescription".

Mandatory Redemption. The Subordinated Notes will be fully redeemed on the Stated Maturity indicated in "Overview of Terms—Principal Terms of the Notes" unless previously redeemed as described herein. The average life of the Subordinated Notes is expected to be less than the number of years until their Stated Maturity. See "Risk Factors—Relating to the Notes—The weighted average lives of the Notes may vary".

Optional Redemption. The Subordinated Notes will be redeemed by the Issuer, in whole but not in part, on any Payment Date on or after the date on which all of the Secured Notes have been redeemed or repaid, from the proceeds of the Assets remaining after giving effect to redemption or repayment of the Secured Notes and payment in full of all expenses of the Co-Issuers, at the direction of (x) a Majority of the Subordinated Notes or (y) the Portfolio Manager (which direction may be given in connection with a direction to redeem the Secured Notes or at any time after the Secured Notes have been redeemed or repaid in full). The Redemption Price payable to each holder of the Subordinated Notes will be its proportionate share of the proceeds of the Assets remaining after the payments described above.

Voting. Holders of the Subordinated Notes will have no voting rights except as set forth in the Indenture, the Portfolio Management Agreement or the other Transaction Documents, as described herein. A Majority of the Subordinated Notes (together with the Portfolio Manager, in the case of an Optional Redemption) will be able to direct a redemption of the Secured Notes and/or the Subordinated Notes under certain circumstances pursuant to the Indenture as described herein and, at any time during the Reinvestment Period, may approve an amendment of the

Indenture to effect the issuance of additional notes of one of more new classes that are fully subordinated to the existing Secured Notes (or to the most junior class of securities of the Issuer (other than the Subordinated Notes) issued pursuant to the Indenture, if any class of securities issued pursuant to the Indenture other than the Secured Notes and the Subordinated Notes is then outstanding) and/or additional notes of any existing Class, as described herein. See "—Optional Redemption and Tax Redemption", "—The Indenture—Modification of Indenture" and "—The Indenture—Additional Issuance".

No Gross-Up

All payments on the Notes will be made without any deduction or withholding for or on account of any Tax unless such deduction or withholding is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, then in effect. If the Issuer is so required to deduct or withhold, then neither the Issuer nor the Co-Issuer will be obligated to pay any additional amounts in respect of such withholding or deduction.

Tax Characterization

The Issuer intends to treat, and the Indenture will provide that the Issuer, the Co-Issuer, the Trustee agree and each Holder and beneficial owner of Notes, by accepting a Note, agrees, to treat (i) the Secured Notes as debt instruments of the Issuer only and (ii) the Subordinated Notes as equity interests in the Issuer, in each case for U.S. federal and, to the extent permitted by law, state and local income and franchise tax purposes. The Indenture will provide that each holder, by accepting a Note, agrees to report all income (or loss) in accordance with such treatment and to take no action inconsistent with such treatment unless otherwise required by a relevant taxing authority.

The Issuer expects to be treated as a corporation for U.S. federal income tax purposes and the Indenture will provide that the Issuer agrees not to elect to be treated otherwise.

Compliance with Rule 17g-5

To enable the Rating Agencies to comply with Rule 17g-5 of the Exchange Act, the Issuer has agreed with each Rating Agency to the effect that it will post on a password-protected internet website, at the same time such information is provided to the Rating Agencies, all information the Issuer provides to the Rating Agencies for the purposes of determining the initial credit rating of the Notes or undertaking credit rating surveillance of the Notes. The Issuer has arranged to provide access to the website to other NRSROs that provide the Issuer with the certification required by Rule 17g-5. As a result, an NRSRO other than the Rating Agencies may issue ratings on the Notes, which may be lower, and could be significantly lower, than the ratings assigned by the Rating Agencies. See "Risk Factors—Relating to the Notes—Rating agencies may have certain conflicts of interest; and the Notes may receive an unsolicited rating, which may have an adverse effect on the liquidity or the market price of the Notes".

RATINGS OF THE SECURED NOTES

The Secured Notes

It is a condition of the issuance of the Notes that the Secured Notes of each Class receive from the applicable Rating Agency the minimum rating indicated under "Overview of Terms—Principal Terms of the Notes". In addition, a rating agency not hired by the Issuer to rate the transaction may provide an unsolicited rating that differs from (or is lower than) the ratings provided by the Rating Agencies, and Moody's may provide unsolicited ratings with respect to Secured Notes other than the Class A-1 Notes. A security rating is not a recommendation to buy, sell or hold securities and is subject to withdrawal at any time. There is no assurance that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by the assigning Rating Agency if in its judgment circumstances in the future so warrant. See "Risk Factors—Relating to the Notes—Rating agencies may have certain conflicts of interest; and the Notes may receive an unsolicited rating, which may have an adverse effect on the liquidity or the market price of the Notes".

The ratings of the Secured Notes address the likelihood of full and ultimate payment to holders of the Secured Notes of all distributions of stated interest (or, in the case of the S&P ratings of the Class A-1 Notes and the Class A-2 Notes, with respect to interest, timely payment of stated interest) and the ultimate payment in full of the principal amount of each such Class not later than its respective Stated Maturity. The ratings assigned to the Secured Notes of each Class by the applicable Rating Agency are based upon its assessment of the probability that the Collateral Obligations will provide sufficient funds to pay the Secured Notes of such Class (based upon the Interest Rate and principal balance or face amount, as applicable, of such Class), based largely upon such Rating Agency's statistical analysis of historical default rates on debt securities with various ratings, the terms of the Indenture, the asset and interest coverage required for the Secured Notes (which is achieved through the subordination of the Subordinated Notes and certain Classes of Secured Notes as described herein), and the Concentration Limitations and the Collateral Quality Test, each of which must be satisfied, maintained or improved in order to reinvest in additional Collateral Obligations.

In addition to their respective quantitative tests, the ratings of each Rating Agency take into account qualitative features of a transaction, including the legal structure and the risks associated with such structure, such Rating Agency's view as to the quality of the participants in the transaction and other factors that it deems relevant.

Inapplicability of the Moody's Rating Condition

With respect to any event or circumstance that requires satisfaction of the Moody's Rating Condition, such Moody's Rating Condition shall be deemed inapplicable with respect to such event or circumstance if:

(a) Moody's has made a public statement to the effect that it will no longer review events or circumstances of the type requiring satisfaction of the Moody's Rating Condition in the Indenture for purposes of evaluating whether to confirm the then-current ratings (or initial ratings) of obligations rated by Moody's;

(b) Moody's has communicated to the Issuer, the Portfolio Manager or the Trustee (or their counsel) that it will not review such event or circumstance for purposes of evaluating whether to confirm the then-current rating (or initial rating) of the Class A-1 Notes; or

(c) with respect to amendments requiring unanimous consent of all holders of Notes, such holders have been advised prior to consenting that the current ratings of the Class A-1 Notes may be reduced or withdrawn as a result of such amendment.

SECURITY FOR THE SECURED NOTES

The "**Assets**" will consist of, and the Issuer will grant to the Trustee a perfected security interest for the benefit of the Secured Parties in:

(a) the Collateral Obligations that the Issuer causes to be delivered to the Trustee (directly or through an intermediary or bailee) pursuant to the Indenture and all payments thereon or with respect thereto, and all Collateral Obligations which are delivered to the Trustee in the future pursuant to the terms of the Indenture and all payments thereon or with respect thereto;

(b) the Issuer's interest in (A) the Payment Account, (B) the Collection Account, (C) the Ramp-Up Account, (D) the Revolver Funding Account, (E) the Expense Reserve Account, (F) the Custodial Account, (G) the LC Reserve Account, (H) the Reinvestment Amount Account and (I) the Interest Reserve Account, and in each case any Eligible Investments purchased with funds on deposit therein, and all income from the investment of funds therein;

(c) the Issuer's rights under the Portfolio Management Agreement and the Collateral Administration Agreement;

(d) all cash or money delivered to the Trustee (or its bailee) for the benefit of the Secured Parties;

(e) all accounts, chattel paper, deposit accounts, financial assets, general intangibles, instruments, investment property, goods, letter-of-credit rights and other supporting obligations relating to the foregoing;

(f) any other property or assets of the Issuer (whether or not constituting Collateral Obligations or Eligible Investments); and

(g) all proceeds with respect to the foregoing;

provided that such grants shall not include the U.S.$250 transaction fee paid to the Issuer in consideration of the issuance of the Notes, the funds attributable to the issuance and allotment of the Issuer's ordinary shares or the bank account in the Cayman Islands in which such funds are deposited (or any interest thereon).

Collateral Obligations

It is anticipated that the Issuer will have completed the purchase (or commitment to purchase) of at least 80% (by principal amount) of the initial portfolio of Collateral Obligations on the Closing Date, including Collateral Obligations that the Issuer will acquire through the Closing Merger. It is expected (but there can be no assurance) that the Concentration Limitations, the Collateral Quality Test and all of the Coverage Tests will be satisfied on or before the Effective Date (or, in the case of the Interest Coverage Test, on or before the Determination Date occurring immediately prior to the second Payment Date).

An obligation meeting the standards set forth below that is pledged by the Issuer to the Trustee will constitute a "**Collateral Obligation**". An obligation will be eligible for purchase by the Issuer and will be eligible to be pledged by the Issuer to the Trustee as a Collateral Obligation if it is a Senior Secured Loan, Second Lien Loan, Senior Secured Bond, Senior Secured Floating Rate Note, Unsecured Loan, Unsecured Bond (including, but not limited to, interests in bank loans acquired by way of a purchase or assignment) or Participation Interest therein, or a Letter of Credit Reimbursement Obligation, that as of the date of acquisition by the Issuer:

(i) is U.S. Dollar denominated and is neither convertible by the issuer thereof into, nor payable in, any other currency;

(ii) is not (A) a Defaulted Obligation or (B) a Credit Risk Obligation, unless, in either case, it is being acquired through a Bankruptcy Exchange;

(iii) is not a lease (including a finance lease);

(iv) is not an Interest Only Security, Step-Up Obligation or Step-Down Obligation;

(v) provides (in the case of a Delayed Drawdown Collateral Obligation, Revolving Collateral Obligation or Letter of Credit Reimbursement Obligation, with respect to amounts drawn thereunder) for a fixed amount of principal payable in cash on scheduled payment dates and/or at maturity and does not by its terms provide for earlier amortization or prepayment at a price of less than par;

(vi) does not constitute Margin Stock;

(vii) the Issuer will receive payments due under the terms of such asset and proceeds from disposing of such asset free and clear of withholding tax, other than (A) withholding tax as to which the obligor or issuer must make additional payments so that the net amount received by the Issuer after satisfaction of such tax is the amount due to the Issuer before the imposition of any withholding tax and (B) withholding tax on (x) fees received with respect to a Letter of Credit Reimbursement Obligation, (y) amendment, waiver, consent and extension fees and (z) commitment fees and other similar fees in respect of Revolving Collateral Obligations and Delayed Drawdown Collateral Obligations;

(viii) has an S&P Rating and a Moody's Rating;

(ix) is not a debt obligation whose repayment is subject to substantial non-credit related risk as determined by the Portfolio Manager;

(x) except for Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations, is not an obligation pursuant to which any future advances or payments to the borrower or the obligor thereof may be required to be made by the Issuer;

(xi) does not have an “f”, “r”, “p”, “pi”, “q”, “sf” or “t” subscript assigned by S&P;

(xii) is not a Related Obligation, a Zero Coupon Bond, a Bridge Loan, a Middle Market Loan or a Structured Finance Obligation;

(xiii) will not require the Issuer, the Co-Issuer or the pool of Assets to be registered as an investment company under the Investment Company Act;

(xiv) is not, by its terms, convertible into or exchangeable for an Equity Security at any time over its life;

(xv) is not the subject of a pending tender offer, voluntary redemption, exchange offer, conversion or other similar action;

(xvi) does not have an S&P Rating that is below “CCC-”or a Moody’s Default Probability Rating that is below “Caa3”;

(xvii) does not mature after the Stated Maturity of the Notes;

(xviii) if a Floating Rate Obligation, accrues interest at a floating rate determined by reference to (a) the Dollar prime rate, federal funds rate or LIBOR or (b) a similar interbank offered rate, commercial deposit rate or any other index in respect of which S&P has been notified;

(xix) is Registered;

(xx) the acquisition (including the manner of acquisition), ownership, enforcement and disposition of such obligation or security will not cause the Issuer to be treated as engaged in a U.S. trade or business for U.S. federal income tax purposes or otherwise to be subject to Tax on a net income basis in any jurisdiction outside its jurisdiction of incorporation;

(xxi) is not a Synthetic Security;

(xxii) does not pay interest less frequently than semi-annually;

(xxiii) if it is a Letter of Credit Reimbursement Obligation, payments in respect of such obligation or security will be subject to withholding by the agent bank in respect of fee income, unless (a) the Issuer has received an opinion of nationally recognized external legal counsel to the effect that such withholding should or will not be required or (b) the Issuer deposits into the LC Reserve Account an amount equal to 30% of all of the fees received in respect of such Letter of Credit Reimbursement Obligation;

(xxiv) unless it is a Letter of Credit Reimbursement Obligation, does not include or support a letter of credit;

(xxv) is not an interest in a grantor trust;

(xxvi) is purchased at a price at least equal to 65% of its principal balance;

(xxvii) is issued by an obligor (a) Domiciled in the United States, Canada, a Group I Country, a Group II Country, a Group III Country or a Tax Jurisdiction and (b) not Domiciled in Greece, Italy, Spain or Portugal; and

(xxviii) is not issued by a sovereign, or by a corporate issuer located in a country, which sovereign or country on the date on which the obligation is acquired by the Issuer imposed foreign exchange controls that effectively limit the availability or use of U.S. Dollars to make when due the scheduled payments of principal thereof and interest thereon.

The composition of the Collateral Obligations will change over time as a result of (i) scheduled and unscheduled principal payments on the Collateral Obligations and (ii) subject to the limitations described under "—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria", during and after the Reinvestment Period, the acquisition of additional Collateral Obligations, sales of Assets and reinvestment of Sale Proceeds and other Principal Proceeds.

The Concentration Limitations

In connection with any investment in Collateral Obligations on and after the Effective Date and during the Reinvestment Period, the Collateral Obligations in the aggregate are required to comply with all of the requirements of the Concentration Limitations set forth under "Overview of Terms—Concentration Limitations" or, if not in compliance at the time of reinvestment, the relevant requirements must be maintained or improved as a result of such reinvestment as described in the Investment Criteria. See "—Collateral Assumptions" below for a description of the assumptions applicable to the determination of satisfaction of the Concentration Limitations.

The Collateral Quality Test

On any date of determination on and after the Effective Date and during the Reinvestment Period, the Collateral Obligations in the aggregate are required to comply with all of the requirements of the Collateral Quality Test set forth under "Overview of Terms—Collateral Quality Test" or, if not in compliance at the time of reinvestment, the relevant requirements must be maintained or improved as described in the Investment Criteria. Measurement of the degree of compliance with the Collateral Quality Test will be required on every Measurement Date on and after the Effective Date and during the Reinvestment Period. See "—Collateral Assumptions" for a description of the assumptions applicable to the determination of satisfaction of the Collateral Quality Test.

Minimum Floating Spread Test and Minimum Weighted Average Coupon Test.

The "**Minimum Floating Spread Test**" will be satisfied on any date of determination if the Weighted Average Floating Spread plus the Excess Weighted Average Coupon equals or exceeds the Minimum Floating Spread.

The "**Weighted Average Floating Spread**" as of any Measurement Date, is the number obtained by dividing:

(a) the amount equal to (A) the Aggregate Funded Spread plus (B) the Aggregate Unfunded Spread plus (C) for purposes other than the S&P CDO Monitor Test, the Aggregate Excess Funded Spread, minus any amount required to be deposited in the LC Reserve Account as described under "Security for the Secured Notes—The LC Reserve Account" in respect of any Floating Rate Obligation; by

(b) an amount equal to (x) for purposes other than the S&P CDO Monitor Test, the lesser of (A) the Reinvestment Target Par Balance and (B) the aggregate principal balance of all Floating Rate Obligations as of such Measurement Date (with respect to any Deferrable Security, including for this purpose any capitalized interest with respect to which current cash interest is being paid but excluding any portion of the principal balance or capitalized interest with respect to which current cash interest is not being paid), and (y) for purposes of the S&P CDO Monitor Test only, the amount in clause (B) above.

The "**Aggregate Funded Spread**" is, as of any Measurement Date, the sum of:

(a) in the case of each Floating Rate Obligation that bears interest at a spread over a London interbank offered rate based index, (i) the stated interest rate spread on such Collateral Obligation (with respect to any Deferrable Security, excluding any portion of such spread with respect to which current cash interest is not being paid) above such index multiplied by (ii) the principal balance of such Collateral Obligation (with respect to (A) any Deferrable Security, including for this purpose any capitalized interest with respect to which current cash interest is being paid but excluding any portion of the principal balance or capitalized interest with respect to which current cash interest is not being paid and (B) any Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation, excluding the unfunded portion), and

(b) in the case of each Floating Rate Obligation that bears interest at a spread over an index other than a London interbank offered rate based index, (i) the excess of the sum of such spread (with respect to any Deferrable Security, excluding any portion of such spread with respect to which current cash interest is not being paid) and such index over LIBOR as of the immediately preceding Interest Determination Date (which spread or excess may be expressed as a negative percentage) multiplied by (ii) the principal balance of each such Collateral Obligation (with respect to (A) any Deferrable Security, including for this purpose any capitalized interest with respect to which current cash interest is being paid but excluding any portion of the principal balance or capitalized interest with respect to which current cash interest is not being paid and (B) any Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation, excluding the unfunded portion); *provided* that for purposes of this definition, the interest rate spread with respect to any Floating Rate Obligation that has a floor based on the London interbank offered rate will be deemed to be the stated interest rate spread plus, if positive, (x) the value of such floor minus (y) LIBOR as of the immediately preceding Interest Determination Date.

The "**Aggregate Unfunded Spread**" is, as of any Measurement Date, the sum of the products obtained by multiplying (i) for each Delayed Drawdown Collateral Obligation and Revolving Collateral Obligation (other than Defaulted Obligations), the related commitment fee then in effect as of such date and (ii) the undrawn commitments of each such Delayed Drawdown Collateral Obligation and Revolving Collateral Obligation as of such date.

The "**Aggregate Excess Funded Spread**" is, as of any Measurement Date, the amount obtained by multiplying:

(a) the amount equal to LIBOR applicable to the Secured Notes during the Interest Accrual Period in which such Measurement Date occurs; by

(b) the amount (not less than zero) equal to (i) the aggregate principal balance of the Collateral Obligations as of such Measurement Date (with respect to any Deferrable Security, including for this purpose any capitalized interest with respect to which current cash interest is being paid but excluding any portion of the principal balance or capitalized interest with respect to which current cash interest is not being paid) minus (ii) the Reinvestment Target Par Balance.

"**Excess Weighted Average Floating Spread**" means a percentage equal as of any date of determination to a number obtained by multiplying (a) the excess, if any, of the Weighted Average Floating Spread over the Minimum Floating Spread by (b) the number obtained by dividing the aggregate principal balance of all Floating Rate Obligations by the aggregate principal balance of all Fixed Rate Obligations (with respect to any Deferrable Security, including for this purpose any capitalized interest with respect to which current cash interest is being paid but excluding any portion of the principal balance or capitalized interest with respect to which current cash interest is not being paid).

The "**Minimum Weighted Average Coupon Test**" will be satisfied on any date of determination if the Weighted Average Coupon plus the Excess Weighted Average Floating Spread equals or exceeds the Minimum Weighted Average Coupon.

The "**Weighted Average Coupon**" as of any Measurement Date, is the number obtained by dividing:

(a) the amount equal to the Aggregate Coupon minus any amount required to be deposited in the LC Reserve Account as described under "—The LC Reserve Account" in respect of any Fixed Rate Obligation; by

(b) an amount equal to the aggregate principal balance of all Fixed Rate Obligations as of such Measurement Date (with respect to any Deferrable Security, including for this purpose any capitalized interest with respect to which current cash interest is being paid but excluding any portion of the principal balance or capitalized interest with respect to which current cash interest is not being paid).

The "**Aggregate Coupon**" as of any Measurement Date, is the sum of the products obtained by multiplying, in the case of each Fixed Rate Obligation, (i) the stated coupon on such Collateral Obligation (with respect to any Deferrable Security, excluding any portion of such coupon with respect to which current cash interest is not being paid) expressed as a percentage and (ii) the principal balance of such Collateral Obligation (with respect to (a) any Deferrable Security, including for this purpose any capitalized interest with respect to which current cash interest is being paid but excluding any portion of such principal balance or capitalized interest with respect to which current cash interest is not being paid and (b) any Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation, excluding the unfunded portion).

"**Excess Weighted Average Coupon**" means a percentage equal as of any date of determination to a number obtained by multiplying (a) the excess, if any, of the Weighted Average Coupon over the Minimum Weighted Average Coupon by (b) the number obtained by dividing the aggregate principal balance of all Fixed Rate Obligations by the aggregate principal balance of all Floating Rate Obligations (with respect to any Deferrable Security, including for this purpose any capitalized interest with respect to which current cash interest is being paid but excluding any portion of the principal balance or capitalized interest with respect to which current cash interest is not being paid).

Maximum Moody's Rating Factor Test.

The "**Maximum Moody's Rating Factor Test**" will be satisfied on any date of determination if the Adjusted Weighted Average Moody's Rating Factor of the Collateral Obligations is less than or equal to the sum of (i) the number set forth in the Minimum Diversity Score/Maximum Rating/Minimum Spread Matrix at the intersection of the applicable "row/column combination" chosen by the Portfolio Manager (or interpolating between two adjacent rows and/or two adjacent columns, as applicable) in accordance with the Indenture *plus* (ii) the Moody's Weighted Average Recovery Adjustment.

The "**Weighted Average Moody's Rating Factor**" is the number (rounded up to the nearest whole number) determined by:

(a) summing the products of (i) the principal balance of each Collateral Obligation (excluding Equity Securities) multiplied by (ii) the Moody's Rating Factor of such Collateral Obligation (as described below) and

(b) dividing such sum by the outstanding principal balance of all such Collateral Obligations.

The "**Moody's Rating Factor**" relating to any Collateral Obligation is the number set forth in the table below opposite the Moody's Default Probability Rating (as described above) of such Collateral Obligation.

Moody's Default Probability Rating	Moody's Rating Factor	Moody's Default Probability Rating	Moody's Rating Factor
Aaa	1	Ba1	940
Aa1	10	Ba2	1,350
Aa2	20	Ba3	1,766
Aa3	40	B1	2,220
A1	70	B2	2,720
A2	120	B3	3,490
A3	180	Caa1	4,770
Baa1	260	Caa2	6,500
Baa2	360	Caa3	8,070
Baa3	610	Ca or lower	10,000

For purposes of the Maximum Moody's Rating Factor Test, any Collateral Obligation issued or guaranteed by the United States government or any agency or instrumentality thereof is assigned a Moody's Rating Factor equal to the number set forth in the table above opposite the rating in the column entitled "Moody's Default Probability Rating" that is the Moody's rating of the United States government at that time.

Moody's Diversity Test.

The "**Moody's Diversity Test**" will be satisfied on any date of determination if the Diversity Score (rounded to the nearest whole number) equals or exceeds the number set forth in the column entitled "Minimum Diversity Score" in the Minimum Diversity Score/Maximum Rating/Minimum Spread Matrix based upon the applicable "row/column combination" chosen by the Portfolio Manager (or interpolating between two adjacent rows and/or two adjacent columns, as applicable) in accordance with the Indenture.

For purposes of the Moody's Diversity Test, the Diversity Score (the "**Diversity Score**") is a single number that indicates collateral concentration in terms of both issuer and industry concentration. A higher Diversity Score reflects a more diverse portfolio in terms of issuer and industry concentration. The Diversity Score is calculated as follows:

(i) An "**Issuer Par Amount**" is calculated for each issuer of a Collateral Obligation, and is equal to the aggregate principal balance of all Collateral Obligations issued by that issuer and all affiliates.

(ii) An "**Average Par Amount**" is calculated by summing the Issuer Par Amounts for all issuers, and dividing by the number of issuers.

(iii) An "**Equivalent Unit Score**" is calculated for each issuer, and is equal to the lesser of (x) one and (y) the Issuer Par Amount for such issuer *divided* by the Average Par Amount.

(iv) An "**Aggregate Industry Equivalent Unit Score**" is then calculated for each of the Moody's industry classification groups (as defined in the Indenture) and is equal to the sum of the Equivalent Unit Scores for each issuer in such industry classification group.

(v) An "**Industry Diversity Score**" is then established for each Moody's industry classification group by reference to the following table for the related Aggregate Industry Equivalent Unit Score; *provided* that if any Aggregate Industry Equivalent Unit Score falls between any two such scores, the applicable Industry Diversity Score will be the lower of the two Industry Diversity Scores:

Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score
0.0000	0.0000	5.0500	2.7000	10.1500	4.0200	15.2500	4.5300
0.0500	0.1000	5.1500	2.7333	10.2500	4.0300	15.3500	4.5400
0.1500	0.2000	5.2500	2.7667	10.3500	4.0400	15.4500	4.5500
0.2500	0.3000	5.3500	2.8000	10.4500	4.0500	15.5500	4.5600
0.3500	0.4000	5.4500	2.8333	10.5500	4.0600	15.6500	4.5700
0.4500	0.5000	5.5500	2.8667	10.6500	4.0700	15.7500	4.5800
0.5500	0.6000	5.6500	2.9000	10.7500	4.0800	15.8500	4.5900
0.6500	0.7000	5.7500	2.9333	10.8500	4.0900	15.9500	4.6000
0.7500	0.8000	5.8500	2.9667	10.9500	4.1000	16.0500	4.6100
0.8500	0.9000	5.9500	3.0000	11.0500	4.1100	16.1500	4.6200
0.9500	1.0000	6.0500	3.0250	11.1500	4.1200	16.2500	4.6300
1.0500	1.0500	6.1500	3.0500	11.2500	4.1300	16.3500	4.6400
1.1500	1.1000	6.2500	3.0750	11.3500	4.1400	16.4500	4.6500
1.2500	1.1500	6.3500	3.1000	11.4500	4.1500	16.5500	4.6600
1.3500	1.2000	6.4500	3.1250	11.5500	4.1600	16.6500	4.6700
1.4500	1.2500	6.5500	3.1500	11.6500	4.1700	16.7500	4.6800
1.5500	1.3000	6.6500	3.1750	11.7500	4.1800	16.8500	4.6900
1.6500	1.3500	6.7500	3.2000	11.8500	4.1900	16.9500	4.7000
1.7500	1.4000	6.8500	3.2250	11.9500	4.2000	17.0500	4.7100
1.8500	1.4500	6.9500	3.2500	12.0500	4.2100	17.1500	4.7200
1.9500	1.5000	7.0500	3.2750	12.1500	4.2200	17.2500	4.7300
2.0500	1.5500	7.1500	3.3000	12.2500	4.2300	17.3500	4.7400
2.1500	1.6000	7.2500	3.3250	12.3500	4.2400	17.4500	4.7500
2.2500	1.6500	7.3500	3.3500	12.4500	4.2500	17.5500	4.7600
2.3500	1.7000	7.4500	3.3750	12.5500	4.2600	17.6500	4.7700
2.4500	1.7500	7.5500	3.4000	12.6500	4.2700	17.7500	4.7800
2.5500	1.8000	7.6500	3.4250	12.7500	4.2800	17.8500	4.7900
2.6500	1.8500	7.7500	3.4500	12.8500	4.2900	17.9500	4.8000
2.7500	1.9000	7.8500	3.4750	12.9500	4.3000	18.0500	4.8100
2.8500	1.9500	7.9500	3.5000	13.0500	4.3100	18.1500	4.8200
2.9500	2.0000	8.0500	3.5250	13.1500	4.3200	18.2500	4.8300
3.0500	2.0333	8.1500	3.5500	13.2500	4.3300	18.3500	4.8400
3.1500	2.0667	8.2500	3.5750	13.3500	4.3400	18.4500	4.8500
3.2500	2.1000	8.3500	3.6000	13.4500	4.3500	18.5500	4.8600
3.3500	2.1333	8.4500	3.6250	13.5500	4.3600	18.6500	4.8700
3.4500	2.1667	8.5500	3.6500	13.6500	4.3700	18.7500	4.8800
3.5500	2.2000	8.6500	3.6750	13.7500	4.3800	18.8500	4.8900
3.6500	2.2333	8.7500	3.7000	13.8500	4.3900	18.9500	4.9000
3.7500	2.2667	8.8500	3.7250	13.9500	4.4000	19.0500	4.9100
3.8500	2.3000	8.9500	3.7500	14.0500	4.4100	19.1500	4.9200
3.9500	2.3333	9.0500	3.7750	14.1500	4.4200	19.2500	4.9300
4.0500	2.3667	9.1500	3.8000	14.2500	4.4300	19.3500	4.9400
4.1500	2.4000	9.2500	3.8250	14.3500	4.4400	19.4500	4.9500
4.2500	2.4333	9.3500	3.8500	14.4500	4.4500	19.5500	4.9600
4.3500	2.4667	9.4500	3.8750	14.5500	4.4600	19.6500	4.9700
4.4500	2.5000	9.5500	3.9000	14.6500	4.4700	19.7500	4.9800
4.5500	2.5333	9.6500	3.9250	14.7500	4.4800	19.8500	4.9900
4.6500	2.5667	9.7500	3.9500	14.8500	4.4900	19.9500	5.0000

Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score
4.7500	2.6000	9.8500	3.9750	14.9500	4.5000		
4.8500	2.6333	9.9500	4.0000	15.0500	4.5100		
4.9500	2.6667	10.0500	4.0100	15.1500	4.5200		

(vi) The Diversity Score is then calculated by summing each of the Industry Diversity Scores for each Moody's industry classification group.

For purposes of calculating the Diversity Score, affiliated issuers in the same industry are deemed to be a single issuer except as otherwise agreed to by Moody's.

S&P CDO Monitor Test.

The S&P CDO Monitor Test will be satisfied on any date of determination if, after giving effect to the sale of a Collateral Obligation or the purchase of a Collateral Obligation, each Class Default Differential of the Proposed Portfolio is positive. The S&P CDO Monitor Test will be considered to be improved if each Class Default Differential of the Proposed Portfolio is greater than the corresponding Class Default Differential of the Current Portfolio.

Compliance with the S&P CDO Monitor Test will be measured by the Portfolio Manager on each Measurement Date on or prior to the last day of the Reinvestment Period.

There can be no assurance that actual defaults of the Collateral Obligations will not exceed those assumed in the application of the S&P CDO Monitor or that recovery rates with respect thereto will not differ from those assumed in the S&P CDO Monitor. None of the Portfolio Manager, the Initial Purchaser, the Placement Agent, the Co-Issuers, the Trustee or the Collateral Administrator makes any representation as to the expected rate of defaults of the Collateral Obligations or the timing of defaults or as to the expected recovery rate or the timing of recoveries.

Minimum Weighted Average Moody's Recovery Rate Test.

The "**Minimum Weighted Average Moody's Recovery Rate Test**" will be satisfied on any date of determination if the Weighted Average Moody's Recovery Rate equals or exceeds 44.0%.

The "**Weighted Average Moody's Recovery Rate**" is, as of any date of determination, the number, expressed as a percentage, obtained by summing the product of the Moody's Recovery Rate on such Measurement Date of each Collateral Obligation and the principal balance of such Collateral Obligation, dividing such sum by the aggregate principal balance of all such Collateral Obligations and rounding up to the first decimal place.

The "**Moody's Recovery Rate**" is, with respect to any Collateral Obligation, as of any date of determination, the recovery rate determined in accordance with the following, in the following order of priority:

(a) if the Collateral Obligation has been specifically assigned a recovery rate by Moody's (for example, in connection with the assignment by Moody's of an estimated rating), such recovery rate;

(b) if the preceding clause does not apply to the Collateral Obligation and the Collateral Obligation is a Moody's Senior Secured Loan, Moody's Non-Senior Secured Loan, Moody's Senior Secured Floating Rate Note, Senior Secured Bond, Senior Secured Floating Rate Note, Unsecured Loan or Unsecured Bond (in each case other than a DIP Collateral Obligation), the rate determined pursuant to the table below based on the number of rating subcategories difference between the loan's Moody's Rating and its Moody's Default Probability Rating (for purposes of clarification, if the Moody's Rating is higher than the Moody's Default Probability Rating, the rating subcategories difference will be positive and if it is lower, negative):

Number of Moody's Ratings Subcategories Difference Between the Moody's Rating and the Moody's Default Probability Rating	Moody's Senior Secured Loans and Moody's Senior Secured Floating Rate Notes	Moody's Non-Senior Secured Loans, Senior Secured Bonds, Senior Secured Floating Rate Notes (other than Moody's Senior Secured Floating Rate Notes), Unsecured Loans and Unsecured Bonds
+2 or more	60%	35%
+1	50%	30%
0	45%	25%
-1	40%	10%
-2	30%	5%
-3 or less	20%	0%

(c) if the Collateral Obligation is a DIP Collateral Obligation (other than a DIP Collateral Obligation which has been specifically assigned a recovery rate by Moody's), 50%.

Minimum Weighted Average S&P Recovery Rate Test.

This test will be satisfied on any date of determination if the Weighted Average S&P Recovery Rate for each Class of Secured Notes outstanding equals or exceeds the Weighted Average S&P Recovery Rate for such Class selected by the Portfolio Manager in connection with the S&P CDO Monitor Test.

"**Weighted Average S&P Recovery Rate**" means, as of any date of determination, the number, expressed as a percentage and determined separately for each Class of Secured Notes, obtained by summing the products obtained by multiplying the outstanding principal balance of each Collateral Obligation by its corresponding recovery rate as determined in accordance with Section 1 of Annex C hereto, dividing such sum by the aggregate principal balance of all Collateral Obligations, and rounding to the nearest tenth of a percent.

Weighted Average Life Test.

The "**Weighted Average Life Test**" will be satisfied on any date of determination if the Weighted Average Life of all Collateral Obligations as of such date is less than the Weighted Average Life Test Level.

The "**Weighted Average Life Test Level**" means, as of any Measurement Date, the number of years (rounded to the nearest one hundredth thereof) during the period from such date of determination to May 5, 2021.

The "**Weighted Average Life**" is, as of any date of determination with respect to all Collateral Obligations other than Defaulted Obligations, the number of years following such date obtained by summing the products obtained by multiplying:

(a) the Average Life at such time of each such Collateral Obligation by (b) the outstanding principal balance of such Collateral Obligation

and dividing such sum by:

the aggregate remaining principal balance at such time of all Collateral Obligations other than Defaulted Obligations.

The "**Average Life**" is, on any date of determination with respect to any Collateral Obligation, the quotient obtained by dividing (i) the sum of the products of (a) the number of years (rounded to the nearest one hundredth thereof) from such date of determination to the respective dates of each successive scheduled distribution of principal of such Collateral Obligation and (b) the respective amounts of principal of such scheduled distributions by (ii) the sum of all successive scheduled distributions of principal on such Collateral Obligation.

Collateral Assumptions

Unless otherwise specified, the assumptions described below will be applied to the determination of the Concentration Limitations, the Collateral Quality Test, the Coverage Tests and other determinations and calculations required by the Indenture.

For purposes of calculating all Concentration Limitations, in both the numerator and the denominator of any component of the Concentration Limitations, Defaulted Obligations will be treated as having a principal balance equal to zero. Except where expressly referenced herein for inclusion in such calculations, Defaulted Obligations will not be included in the calculation of the Collateral Quality Test.

For purposes of calculating the Coverage Tests, except as otherwise specified in the Coverage Tests, such calculations will not include scheduled interest and principal payments on Defaulted Obligations.

For purposes of calculating clause (i) of the Concentration Limitations the amounts on deposit in the Collection Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds, shall each be deemed to be a Floating Rate Obligation that is a Senior Secured Loan.

For purposes of calculating compliance with each of the Concentration Limitations, all calculations will be rounded to the nearest 0.1%. All other calculations, unless otherwise set forth in the Indenture or the context otherwise requires, shall be rounded to the nearest ten-thousandth if expressed as a percentage, and to the nearest one-hundredth if expressed otherwise.

For all purposes (including calculation of the Coverage Tests), the principal balance of a Revolving Collateral Obligation or a Delayed Drawdown Collateral Obligation will include all unfunded commitments that have not been irrevocably reduced or withdrawn.

For purposes of calculating the sale proceeds of a Collateral Obligation in sale transactions, sale proceeds will include any Principal Financed Accrued Interest received in respect of such sale.

For each Collection Period and as of any date of determination, the scheduled payment of principal and/or interest on any Asset (other than a Defaulted Obligation, which, except as otherwise provided herein, shall be assumed to have scheduled distributions of zero) shall be the sum of (i) the total amount of payments and collections to be received during such Collection Period in respect of such Asset (including the proceeds of the sale of such Asset received and, in the case of sales which have not yet settled, to be received during the Collection Period and not reinvested in additional Collateral Obligations or Eligible Investments or retained in the Collection Account for subsequent reinvestment) that, if received as scheduled, will be available in the Collection Account at the end of the Collection Period and (ii) any such amounts received by the Issuer in prior Collection Periods that were not disbursed on a previous Payment Date.

Each scheduled distribution receivable with respect to an Asset shall be assumed to be received on the applicable due date thereof, and each such scheduled distribution shall be assumed to be immediately deposited in the Collection Account to earn interest at an assumed reinvestment rate. All such funds shall be assumed to continue to earn interest until the date on which they are required to be available in the Collection Account for application, in accordance with the terms of the Indenture, to payments of principal of or interest on the Notes or other amounts payable pursuant to the Indenture.

All calculations with respect to scheduled distributions on the Assets shall be made on the basis of information as to the terms of each such Asset and upon reports of payments, if any, received on such Asset that are

furnished by or on behalf of the issuer of such Asset and, to the extent they are not manifestly in error, such information or reports may be conclusively relied upon in making such calculations.

For purposes of calculating compliance with the Investment Criteria, upon the direction of the Portfolio Manager by notice to the Trustee and the Collateral Administrator, any Eligible Investment representing Principal Proceeds received upon the sale or other disposition of a Collateral Obligation shall be deemed to have the characteristics of such Collateral Obligation until reinvested in an additional Collateral Obligation. Such calculations shall be based upon the principal amount of such Collateral Obligation, except in the case of Defaulted Obligations and Credit Risk Obligations, in which case the calculations will be based upon the Principal Proceeds received on the disposition or sale of such Defaulted Obligation or Credit Risk Obligation.

If a Collateral Obligation included in the Assets would be deemed a Current Pay Obligation but for the applicable percentage limitation in the proviso to clause (x) of the proviso to the definition of "Defaulted Obligation", then the Current Pay Obligations with the lowest Market Value (assuming that such Market Value is expressed as a percentage of the principal balance of such Current Pay Obligation as of the date of determination) will be deemed Defaulted Obligations. Each such Defaulted Obligation will be treated as a Defaulted Obligation for all purposes until such time as the aggregate principal balance of Current Pay Obligations would not exceed, on a pro forma basis including such Defaulted Obligation, the applicable percentage of the Collateral Principal Amount.

References under "Overview of Terms—Priority of Payments" to calculations made on a "pro forma basis" shall mean such calculations after giving effect to all payments, in accordance with the Priority of Payments described herein, that precede (in priority of payment) or include the clause in which such calculation is made.

For purposes of calculating the Collateral Quality Test, DIP Collateral Obligations will be treated as having an S&P Recovery Rate equal to the S&P Recovery Rate for Senior Secured Loans.

For purposes of calculating compliance with the Investment Criteria, at the election of the Portfolio Manager in its sole discretion, any proposed investment (whether a single Collateral Obligation or a group of Collateral Obligations) identified by the Portfolio Manager as such at the time when compliance with the Investment Criteria is required to be calculated (a "**Trading Plan**") may be evaluated after giving effect to all sales and reinvestments proposed to be entered into within 10 Business Days following the date of determination of such compliance (such period, the "**Trading Plan Period**"); *provided* that (w) no Trading Plan may result in the purchase of Collateral Obligations having an aggregate principal balance that exceeds 5% of the Collateral Principal Amount as of the first day of the Trading Plan Period, (x) no Trading Plan Period may include a Determination Date, (y) no more than one Trading Plan may be in effect at any time during a Trading Plan Period and (z) if the Investment Criteria are satisfied prospectively after giving effect to a Trading Plan but are not satisfied upon the expiry of the related Trading Plan Period, the Investment Criteria shall not at any time thereafter be evaluated by giving effect to a Trading Plan; *provided further* that the Portfolio Manager shall notify S&P, the Trustee and the Collateral Administrator of the commencement of any Trading Plan Period and any Collateral Obligations covered in such Trading Plan; *provided further* upon receiving notice thereof, the Trustee shall notify Noteholders of such Trading Plan by posting such notice received from the Portfolio Manager on the website specified in the Indenture.

All monetary calculations under the Indenture will be in U.S. dollars.

If withholding tax is imposed on (x) the fees associated with any Letter of Credit Reimbursement Obligation, (y) any amendment, waiver, consent or extension fees or (z) commitment fees or other similar fees in respect of Revolving Collateral Obligations and Delayed Drawdown Collateral Obligations, the calculations of the Weighted Average Floating Spread and the Interest Coverage Test, as applicable, shall be made on a net basis after taking into account such withholding, unless the obligor is required to make "gross-up" payments to the Issuer that cover the full amount of any such withholding tax on an after-tax basis pursuant to the Underlying Instrument with respect thereto.

Any reference in the Indenture to an amount of the Trustee's or the Collateral Administrator's fees calculated with respect to a period at a per annum rate shall be computed on the basis of a 360-day year of twelve 30-day months prorated for the related Interest Accrual Period and shall be based on the aggregate face amount of the Assets.

To the extent of any ambiguity in the interpretation of any definition or term contained in the Indenture or to the extent more than one methodology can be used to make any of the determinations or calculations set forth therein, the Collateral Administrator shall request direction from the Portfolio Manager as to the interpretation and/or methodology to be used, and the Collateral Administrator shall follow such direction, and together with the Trustee, shall be entitled to conclusively rely thereon without any responsibility or liability therefor.

For purposes of calculating compliance with any tests under the Indenture (including the Target Initial Par Condition, Collateral Quality Test and Concentration Limitations), the trade date (and not the settlement date) with respect to any acquisition or disposition of a Collateral Obligation or Eligible Investment shall be used by the Collateral Administrator to determine whether and when such acquisition or disposition has occurred.

The Coverage Tests and the Interest Diversion Test

See "—Collateral Assumptions" for a description of the assumptions applicable to the determination of satisfaction of the Coverage Tests and the Interest Diversion Test.

See "Overview of Terms—Coverage Tests and Interest Diversion Test" for a description of the calculation of the Overcollateralization Ratio Test, Interest Coverage Test and Interest Diversion Test.

If a Coverage Test is not satisfied on any applicable Determination Date, the Issuer will be required to apply available amounts in the Payment Account on the related Payment Date to the repayment of principal of the Secured Notes in accordance with the Priority of Payments (with no makewhole amount or premium applicable in respect of such repayment) to the extent necessary to achieve compliance with such Coverage Test.

Measurement of the degree of compliance with the Coverage Tests will be required as of each Measurement Date occurring (i) in the case of the Overcollateralization Ratio Test, on or after the Effective Date and (ii) in the case of the Interest Coverage Test, on or after the Determination Date immediately preceding the second Payment Date. Measurement of the degree of compliance with the Interest Diversion Test will be required as of each Measurement Date during the Reinvestment Period on or after the Effective Date.

If the Interest Diversion Test is not satisfied on any Determination Date during the Reinvestment Period, the Issuer will be required to deposit to the Collection Account as Principal Proceeds for the purchase of additional Collateral Obligations an amount equal to the lesser of (x) 50% of Available Funds from the Collateral Interest Amount on the related Payment Date after application of such Collateral Interest Amount to the payment of amounts set forth in clauses (A) through (P) under "Overview of Terms—Priority of Payments—Application of Interest Proceeds" and (y) the minimum amount that needs to be added to the Adjusted Collateral Principal Amount in order to cause the Interest Diversion Test to be satisfied.

Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria

Subject to the other requirements set forth in the Indenture and unless an Event of Default has occurred and is continuing (except for a sale pursuant to clauses (a), (b), (c), (d), (g) and (h) below), the Portfolio Manager on behalf of the Issuer may, but will not be required to (except as otherwise specified below), direct the Trustee to sell and the Trustee shall sell on behalf of the Issuer in the manner directed by the Portfolio Manager any Collateral Obligation or Equity Security (which shall include the direct sale or liquidation of the equity interests of any Blocker Subsidiary or assets held by a Blocker Subsidiary) if such sale meets any one of the following requirements (subject in each case to any applicable requirement of disposition under clause (g) or (h) below), for purposes of which the Sale Proceeds of a Collateral Obligation sold by the Issuer shall include any Principal Financed Accrued Interest received in respect of such sale:

(a) The Portfolio Manager may direct the Trustee to sell any Credit Risk Obligation at any time without restriction;

(b) The Portfolio Manager may direct the Trustee to sell any Credit Improved Obligation either:

(i) at any time if (A) the Sale Proceeds from such sale are at least equal to the principal balance of such Credit Improved Obligation or (B) after giving effect to such sale, the aggregate principal balance of all Collateral Obligations (excluding the Collateral Obligation being sold but including, without duplication, the anticipated net proceeds of such sale) plus, without duplication, the amounts on deposit in the Collection Account, the Reinvestment Amount Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds, will be greater than the Reinvestment Target Par Balance; or

(ii) solely during the Reinvestment Period, if the Portfolio Manager reasonably believes prior to such sale that either (A) after giving effect to such sale and subsequent reinvestment, the aggregate principal balance of all Collateral Obligations (excluding the Collateral Obligation being sold but including, without duplication, the Collateral Obligation being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such additional Collateral Obligation) plus, without duplication, the amounts on deposit in the Collection Account, the Reinvestment Amount Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds, will be greater than the Reinvestment Target Par Balance, or (B) it will be able to enter into one or more binding commitments to reinvest all or a portion of the proceeds of such sale, in compliance with the Investment Criteria, in one or more additional Collateral Obligations with an aggregate principal balance at least equal to the principal balance of such Credit Improved Obligation within 20 Business Days after such sale;

(c) The Portfolio Manager may direct the Trustee to sell any Defaulted Obligation at any time during or after the Reinvestment Period without restriction. The Portfolio Manager may direct the Trustee to consummate a Bankruptcy Exchange at any time during or after the Reinvestment Period without restriction so long as the conditions set forth in the definition of "Bankruptcy Exchange" are satisfied. With respect to each Defaulted Obligation that has not been sold or terminated within three years after becoming a Defaulted Obligation, the Market Value and principal balance of such Defaulted Obligation shall be deemed to be zero;

(d) The Portfolio Manager may direct the Trustee to sell any Equity Security at any time without restriction, and shall (unless such Equity Security is required to be sold as set forth in clause (h) below or has been transferred to a Blocker Subsidiary as set forth in clause (i) below) use its commercially reasonable efforts to effect the sale of any Equity Security (other than an interest in a Blocker Subsidiary), regardless of price:

(i) within 45 Business Days after receipt in the case of Equity Securities received on the exercise of a conversion option relating to any Collateral Obligation (or within three years after receipt, if such Equity Security is (A) received upon the conversion of a Defaulted Obligation, or (B) received in an exchange initiated by the obligor to avoid bankruptcy);

(ii) within 45 days after receipt if such Equity Security constitutes Margin Stock unless such sale is prohibited by applicable law, in which case such Equity Security shall be sold as soon as such sale is permitted by applicable law; and

(iii) within three years after receipt or after such security becoming an Equity Security, if neither (i) nor (ii) above applies, unless such sale is prohibited by applicable law, in which case such Equity Security shall be sold as soon as such sale is permitted by applicable law;

(e) After the Issuer has notified the Trustee of an Optional Redemption of the Notes or a Majority of an Affected Class or a Majority of the Subordinated Notes has directed (by a written direction delivered to the Issuer and the Trustee) a Tax Redemption and all requirements for an Optional Redemption or Tax Redemption set forth in the Indenture are met, the Portfolio Manager shall direct the Trustee to sell (which sale may be through participation or other arrangement) all or a portion of the Collateral Obligations, without regard to the limitations in these clauses (a) through (i). If any such sale is made through participations, the Issuer shall use reasonable efforts to cause such participations to be converted to assignments within six months after the sale;

(f) During the Reinvestment Period, the Portfolio Manager may direct the Trustee to sell any Collateral Obligation at any time other than during a Restricted Trading Period if:

(i) after giving effect to such sale, the aggregate principal balance of all Collateral Obligations sold as described in this sub-paragraph (f) during the preceding period of 12 calendar months (or, for the first 12 calendar months after the Closing Date, during the period commencing on the Closing Date) is not greater than 25% of the Collateral Principal Amount as of the first day of such 12 calendar month period (or as of the Closing Date, as the case may be); and

(ii) either:

(A) the Portfolio Manager reasonably believes prior to such sale that it will be able to enter into one or more binding commitments to reinvest all or a portion of the proceeds of such sale, in compliance with the Investment Criteria, in one or more additional Collateral Obligations with an aggregate principal balance at least equal to the principal balance of such Collateral Obligation within 20 Business Days after such sale; or

(B) after giving effect to such sale, the aggregate principal balance of all Collateral Obligations (excluding the Collateral Obligation being sold but including, without duplication, the anticipated net proceeds of such sale) plus, without duplication, the amounts on deposit in the Collection Account, the Reinvestment Amount Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds, will be greater than the Reinvestment Target Par Balance.

(g) The Portfolio Manager on behalf of the Issuer shall use its commercially reasonable efforts to effect the sale (regardless of price) of any Collateral Obligation that (i) no longer meets the criteria described in clause (vii) or (xxiii) of the definition of "Collateral Obligation", within 18 months after the failure of such Collateral Obligation to meet any such criteria and (ii) no longer meets the criteria described in clause (vi) of the definition of "Collateral Obligation" within 45 days after the failure of such Collateral Obligation to meet either such criteria.

(h) Within five Business Days after the Issuer's receipt thereof (or within five Business Days after such later date as such security may first be disposed of in accordance with its terms), the Issuer shall (unless such security or obligation has been transferred to a Blocker Subsidiary as set forth in clause (i) below) dispose of any Equity Security, Defaulted Obligation or security or other consideration that is received in an offer that, in each case, does not comply with clause (xx) of the definition of "Collateral Obligation".

(i) The Portfolio Manager may effect the transfer to a Blocker Subsidiary of (x) any security or obligation required to be sold pursuant to clause (h) above within five Business Days after the Issuer's receipt thereof (or within five Business Days after such later date as such security or obligation may be disposed of in accordance with its terms) or (y) any Collateral Obligation or portion thereof with respect to which the Issuer will receive a security or obligation described in clause (x) above prior to the receipt of such security or obligation. In connection with the incorporation of, or transfer of any security or obligation to, any Blocker Subsidiary, the Issuer shall not be required to satisfy the Moody's Rating Condition or obtain confirmation from S&P that such incorporation or transfer will not cause S&P to downgrade or withdraw its rating assigned to any Class of Secured Notes, provided that prior to the incorporation of any Blocker Subsidiary, the Portfolio Manager will, on behalf of the Issuer, provide written notice thereof to S&P and Moody's and an opinion of tax counsel of nationally recognized standing in the United States experienced in such matters shall be delivered to Moody's to the effect that the formation of such Blocker Subsidiary, the transfer of assets to it from the Issuer and the sale of, or receipt of income from, such Blocker Subsidiary will not (i) cause the Issuer to be treated as engaged in a United States trade or business or to otherwise be subject to U.S. federal income tax on its net income, (ii) cause the Secured Notes to be treated as exchanged for modified debt obligations for purposes of U.S. Treasury Regulations Section 1.1001-3 or (iii) alter the characterization of the Secured Notes as debt for U.S. federal income tax purposes. The Issuer shall not be required to continue to hold in a Blocker Subsidiary (and may instead hold directly) a security or obligation if, as determined by the Portfolio Manager based on written advice of nationally recognized counsel to such effect, the Issuer can transfer such security or obligation from the Blocker Subsidiary to the

Issuer and can hold such security directly without causing the Issuer to be treated as engaged in a trade or business in the United States for U.S. federal income tax purposes. For financial accounting reporting purposes (including each monthly report prepared under the Indenture) and the Coverage Tests, the Interest Diversion Test and the Collateral Quality Test (and, for the avoidance of doubt, not for tax purposes), the Issuer will be deemed to own an Equity Security or Collateral Obligation held by a Blocker Subsidiary rather than its interest in that Blocker Subsidiary; *provided* that any future anticipated tax liabilities of the Blocker Subsidiary related to an Equity Security or Collateral Obligation held by a Blocker Subsidiary shall be reflected in such financial accounting reporting (including each monthly report and distribution report prepared under the Indenture) and the Coverage Tests, the Interest Diversion Test and the Collateral Quality Test.

The Indenture will provide that: (A) the Issuer shall not permit such Blocker Subsidiary to incur any indebtedness (other than the guarantee and grant of security interest in favor of the Trustee described in clause (G) below); (B) the constitutive documents of such Blocker Subsidiary shall provide that (i) recourse with respect to the costs, expenses or other liabilities of such Blocker Subsidiary shall be solely to the assets of such Blocker Subsidiary and no creditor of such Blocker Subsidiary shall have any recourse whatsoever to the Issuer or its assets except to the extent otherwise required under applicable law, (ii) the activities and business purposes of such Blocker Subsidiary shall be limited to holding securities or obligations in accordance with clause (i) in the preceding paragraph that are otherwise required to be sold pursuant to clause (h) in the preceding paragraph and activities reasonably incidental thereto (including holding interests in other Blocker Subsidiaries), (iii) such Blocker Subsidiary will not incur any indebtedness (other than the guarantee and grant of security interest in favor of the Trustee described in clause (F) below), (iv) such Blocker Subsidiary will not create, incur, assume or permit to exist any lien (other than a lien arising by operation of law), charge or other encumbrance on any of its assets (other than a lien in favor of the Trustee), or sell, transfer, exchange or otherwise dispose of any of its assets, or assign or sell any income or revenues or rights in respect thereof, (v) such Blocker Subsidiary will be subject to the limitations on powers set forth in the organizational documents of the Issuer, (vi) if such Blocker Subsidiary is a foreign corporation for U.S. federal income tax purposes, such Blocker Subsidiary shall file a U.S. federal income tax return reporting all effectively connected income, if any, arising as a result of owning the permitted assets of such Blocker Subsidiary, (vii) after paying Taxes and expenses payable by such Blocker Subsidiary or setting aside adequate reserves for the payment of such Taxes and expenses, such Blocker Subsidiary will distribute 100% of the cash proceeds of the assets acquired by it (net of such Taxes, expenses and reserves), (viii) such Blocker Subsidiary will not form or own any subsidiary or any interest in any other entity other than interests in another Blocker Subsidiary or securities or obligations held in accordance with clause (i) in the preceding paragraph that would otherwise be required to be sold by the Issuer pursuant to clause (h) in the preceding paragraph and (ix) such Blocker Subsidiary will not acquire or hold title to any real property or a controlling interest in any entity that owns real property; (C) the constitutive documents of such Blocker Subsidiary shall provide that such Blocker Subsidiary will (i) maintain books and records separate from any other Person, (ii) maintain its accounts separate from those of any other Person, (iii) not commingle its assets with those of any other Person, (iv) conduct its own business in its own name, (v) maintain separate financial statements, (vi) pay its own liabilities out of its own funds, (vii) observe all corporate formalities and other formalities in its by-laws and its certificate of incorporation, (viii) maintain an arm's length relationship with its Affiliates, (ix) not have any employees, (x) not guarantee or become obligated for the debts of any other person (other than the Issuer) or hold out its credit as being available to satisfy the obligations of others (other than the Issuer), (xi) not acquire obligations or securities of the Issuer, (xii) allocate fairly and reasonably any overhead for shared office space, (xiii) use separate stationery, invoices and checks, (xiv) not pledge its assets for the benefit of any other Person (other than the Trustee) or make any loans or advance to any Person, (xv) hold itself out as a separate Person, (xvi) correct any known misunderstanding regarding its separate identity and (xvii) maintain adequate capital in light of its contemplated business operations; (D) the constitutive documents of such Blocker Subsidiary shall provide that the business of such Blocker Subsidiary shall be managed by or under the direction of a board of at least one director and that at least one such director shall be a person who is not at the time of appointment and for the five years prior thereto has not been (1) a direct or indirect legal or beneficial owner of the Portfolio Manager, such Blocker Subsidiary or any of their respective Affiliates (excluding *de minimis* ownership), (ii) a creditor, supplier, officer, manager, or contractor of the Portfolio Manager, such Blocker Subsidiary or any of their respective Affiliates or (iii) a person who controls (whether directly, indirectly or otherwise) the Portfolio Manager, such Blocker Subsidiary or any of their respective Affiliates or any creditor, supplier, officer, manager or contractor of the Portfolio Manager, such Blocker Subsidiary or any of their respective Affiliates; (E) the constitutive documents of such Blocker Subsidiary shall provide that, so long as the Blocker Subsidiary is owned directly or indirectly by the Issuer, upon the occurrence of the earliest of the date on which the

aggregate outstanding principal amount of each Class of Secured Notes is paid in full or the date of any voluntary or involuntary dissolution, liquidation or winding-up of the Issuer or the Co-Issuer, (x) the Issuer shall sell or otherwise dispose of all of its equity interests in such Blocker Subsidiary within a reasonable time or (y) such Blocker Subsidiary shall (i) sell or otherwise dispose of all of its property or, to the extent such Blocker Subsidiary is unable to sell or otherwise dispose of such property within a reasonable time, distribute such property in kind to its stockholders, (ii) make provision for the filing of a tax return and any action required in connection with winding up such Blocker Subsidiary, (iii) liquidate and (iv) distribute the proceeds of liquidation to its stockholders; (F) to the extent payable by the Issuer, with respect to any Blocker Subsidiary, (i) any expenses related to such Blocker Subsidiary will be considered Administrative Expenses pursuant to subclause (v) of clause *third* of the definition thereof and will be payable as Administrative Expenses as described under "Overview of Terms—Priority of Payments" and "Description of the Notes—Priority of Payments"; and (G) the Issuer shall cause each Blocker Subsidiary (x) to give a guarantee in favor of the Trustee pursuant to which such Blocker Subsidiary absolutely and unconditionally guarantees, to the Trustee for the benefit of the Secured Parties, the obligations secured by the Indenture, including the payment of all amounts due on the Secured Notes in accordance with their terms (subject to limited recourse provisions equivalent (*mutatis mutandis*) to those contained in the Indenture), and (y) to enter into a security agreement between such Blocker Subsidiary and the Trustee pursuant to which such Blocker Subsidiary grants a perfected, first-priority continuing security interest in all of its property to secure its obligations under such guarantee. The Co-Issuers and the Trustee will agree in the Indenture, and the Portfolio Manager will agree in the Portfolio Management Agreement, not to institute against any Blocker Subsidiary any proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law, or a petition for its winding-up or liquidation (other than, in the case of the Issuer, a winding-up or liquidation of a Blocker Subsidiary that no longer holds any assets), until the payment in full of all Notes (and any other debt obligations of the Issuer that have been rated upon issuance by any rating agency at the request of the Issuer) and the expiration of a period equal to one year and one day or, if longer, the applicable preference period then in effect plus one day, following such payment in full.

Investment Criteria. On any date during the Reinvestment Period (and, with respect to any Eligible Post Reinvestment Proceeds, on any date after the Reinvestment Period), the Portfolio Manager on behalf of the Issuer may, subject to the other requirements in the Indenture, but will not be required to, direct the Trustee to invest Principal Proceeds, proceeds of additional notes issued in accordance with the Indenture, Reinvestment Amounts, amounts on deposit in the Ramp-Up Account and accrued interest received with respect to any Collateral Obligation to the extent used to pay for accrued interest on additional Collateral Obligations, and the Trustee shall invest such Principal Proceeds and other amounts in accordance with such direction.

Such proceeds may be used to purchase additional obligations subject to the requirement that each of the following conditions (the "**Investment Criteria**") is satisfied as of the date the Portfolio Manager commits on behalf of the Issuer to make such purchase, in each case after giving effect to such purchase and all other sales or purchases previously or simultaneously committed to; *provided* that the conditions set forth in clauses (I)(e) and (f) below need only be satisfied with respect to purchases of Collateral Obligations occurring on or after the Effective Date:

(I) During the Reinvestment Period:

(a) such obligation is a Collateral Obligation;

(b) such obligation is not as of such date a Deferrable Security or a Credit Risk Obligation, as determined by the Portfolio Manager;

(c) such obligation is not, by its terms, convertible into or exchangeable for Equity Securities, or attached with a warrant to purchase Equity Securities;

(d) if the commitment to make such purchase occurs on or after the Effective Date (or, in the case of the Interest Coverage Tests, on or after the Determination Date occurring immediately prior to the second Payment Date), (A) each Coverage Test will be satisfied, or if not satisfied, such Coverage Test will be maintained or improved and (B) if each Coverage Test is not satisfied, the Principal Proceeds received in respect of any Defaulted Obligation or the proceeds of any sale of a Defaulted Obligation will not be reinvested in additional Collateral Obligations;

(e) (A) in the case of a substitute Collateral Obligation purchased with the proceeds from the sale of a Credit Risk Obligation or a Defaulted Obligation, either (1) the aggregate principal balance of all additional Collateral Obligations purchased with the proceeds from such sale will at least equal the Sale Proceeds from such sale, (2) the aggregate principal balance of the Collateral Obligations will be maintained or increased (when compared to the aggregate principal balance of the Collateral Obligations immediately prior to such sale) or (3) the aggregate principal balance of all Collateral Obligations (excluding the Collateral Obligation being sold but including, without duplication, the Collateral Obligation being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such additional Collateral Obligation) plus, without duplication, the amounts on deposit in the Collection Account, the Reinvestment Amount Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds, will be greater than the Reinvestment Target Par Balance and (B) in the case of any other purchase of additional Collateral Obligations purchased with the proceeds from the sale of a Collateral Obligation, either (1) the aggregate principal balance of the Collateral Obligations will be maintained or increased (when compared to the aggregate principal balance of the Collateral Obligations immediately prior to such sale) or (2) the aggregate principal balance of all Collateral Obligations (excluding the Collateral Obligation being sold but including, without duplication, the Collateral Obligation being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such additional Collateral Obligation) plus, without duplication, the amounts on deposit in the Collection Account, the Reinvestment Amount Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds, will be greater than the Reinvestment Target Par Balance;

(f) other than in the case of a Bankruptcy Exchange, either (A) each requirement or test, as the case may be, of the Concentration Limitations and the Collateral Quality Test (except, in the case of an additional Collateral Obligation purchased with the proceeds from the sale of a Credit Risk Obligation, a Defaulted Obligation or an Equity Security, the S&P CDO Monitor Test) will be satisfied or (B) if any such requirement or test was not satisfied immediately prior to such investment, such requirement or test will be maintained or improved after giving effect to the investment; and

(g) the date on which the Issuer (or the Portfolio Manager on its behalf) commits to purchase such Collateral Obligation occurs during the Reinvestment Period.

During the Reinvestment Period, following the sale of any Credit Improved Obligation or any discretionary sale of a Collateral Obligation, the Portfolio Manager shall use its reasonable efforts to purchase additional Collateral Obligations within 20 Business Days after such sale; *provided* that any such purchase must comply with the Investment Criteria.

Not later than the Business Day immediately preceding the end of the Reinvestment Period, the Portfolio Manager shall deliver to the Trustee a schedule of Collateral Obligations purchased by the Issuer with respect to which purchases the trade date has occurred but the settlement date has not yet occurred and shall certify to the Trustee that sufficient Principal Proceeds are available (including for this purpose, cash on deposit in the Principal Collection Subaccount as well as any Principal Proceeds that will be received by the Issuer from the sale of Collateral Obligations for which the trade date has already occurred but the settlement date has not yet occurred) to effect the settlement of such Collateral Obligations.

(II) After the Reinvestment Period, any Eligible Post Reinvestment Proceeds may, in the sole discretion of the Portfolio Manager (with notice to the Trustee and the Collateral Administrator), be reinvested in additional Collateral Obligations ("**Substitute Obligations**") (other than Deferrable Securities) subject to the satisfaction of the following conditions:

(a) the aggregate principal balance of the Substitute Obligations equals or exceeds the amount of Eligible Post Reinvestment Proceeds received;

(b) the stated maturity of each Substitute Obligation is the same as or earlier than the stated maturity of the Collateral Obligation that produced the Eligible Post Reinvestment Proceeds;

(c) the Weighted Average Life Test is satisfied after giving effect to such reinvestment, or if such Weighted Average Life Test is not satisfied, it will be maintained or improved after giving effect to such reinvestment;

(d) the Class Scenario Default Rate with respect to each Class of Secured Notes then rated by S&P is maintained or improved;

(e) (x) the Maximum Moody's Rating Factor Test is satisfied after giving effect to such reinvestment and (y) the Concentration Limitations are satisfied after giving effect to such reinvestment, or if any such Concentration Limitation is not satisfied, it will be maintained or improved after giving effect to such reinvestment;

(f) the Minimum Floating Spread Test is satisfied after giving effect to such reinvestment, or if such Minimum Floating Spread Test is not satisfied, it will be maintained or improved after giving effect to such reinvestment;

(g) the Minimum Weighted Average S&P Recovery Rate Test is satisfied after giving effect to such reinvestment, or if such Minimum Weighted Average S&P Recovery Rate Test is not satisfied, it will be maintained or improved after giving effect to such reinvestment;

(h) the Overcollateralization Ratio Test with respect to each Class of Secured Notes is satisfied after giving effect to such reinvestment; and

(i) a Restricted Trading Period is not then in effect.

At any time during or after the Reinvestment Period, the Portfolio Manager (on behalf of the Issuer) may enter into a Bankruptcy Exchange.

Notwithstanding the other requirements set forth in the Indenture and described above, the Issuer shall have the right to effect the sale of any Asset or purchase of any Collateral Obligation (provided that, in the case of a purchase of a Collateral Obligation, such purchase must comply with the Investment Guidelines and the applicable tax requirements set forth in the Indenture) (x) that has been consented to by holders of Notes evidencing (i) with respect to purchases during the Reinvestment Period and sales during or after the Reinvestment Period, at least 75% of the aggregate outstanding principal amount of each Class of Secured Notes and holders of 75% of the aggregate outstanding principal amount of the Subordinated Notes and (ii) with respect to purchases after the Reinvestment Period, 100% of the aggregate outstanding principal amount of each Class of Notes and (y) of which each Rating Agency and the Trustee has been notified.

During or after the Reinvestment Period, the Issuer (or the Portfolio Manager on the Issuer's behalf) may vote in favor of a Maturity Amendment only if, as determined by the Portfolio Manager, (i) the Weighted Average Life Test will be satisfied after giving effect to such Maturity Amendment and (ii) after giving effect to such Maturity Amendment, the stated maturity of the Collateral Obligation that is the subject of such Maturity Amendment is not later than the Stated Maturity of the Secured Notes.

The Collection Account and Payment Account

All distributions on the Collateral Obligations and any proceeds received from the disposition of any Collateral Obligations will be remitted to one of two segregated accounts, one of which will be designated the "**Interest Collection Subaccount**" and one of which will be designated the "**Principal Collection Subaccount**", each held in the name of the Trustee for the benefit of the Secured Parties and together comprising the "**Collection Account**". Such distributions and proceeds of distributions will be available, together with reinvestment earnings thereon, for application to the payment of the amounts set forth under "Overview of Terms—Priority of Payments" and for the acquisition of additional Collateral Obligations under the circumstances and pursuant to the requirements described herein and in the Indenture. All Interest Proceeds received by the Trustee after the Closing Date or transferred to the Collection Account from the Expense Reserve Account, Interest Reserve Account, LC Reserve Account or Payment Account will be deposited in the Interest Collection Subaccount. All other amounts received by the Trustee or transferred from the Expense Reserve Account, Interest Reserve Account, Revolver Funding

Account or LC Reserve Account and remitted to the Collection Account will be deposited in the Principal Collection Subaccount, including (i) any funds designated as Principal Proceeds by the Portfolio Manager in accordance with the Indenture and (ii) all other Principal Proceeds (unless simultaneously reinvested in additional Collateral Obligations in accordance with the provisions of the Indenture described under "Security for the Secured Notes—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria" or in Eligible Investments). The Issuer may, but under no circumstances shall be required to, deposit from time to time into the Collection Account, in addition to any amount required hereunder to be deposited therein, such monies received from external sources for the benefit of the Secured Parties (other than payments on or in respect of the Collateral Obligations, Eligible Investments or other existing Assets) as the Issuer deems, in its sole discretion, to be advisable and to designate them as Interest Proceeds or Principal Proceeds. The Collection Account will be established at Citibank, N.A.

The Portfolio Manager on behalf of the Issuer may direct the Trustee to pay from amounts on deposit in the Collection Account on any Business Day during any Interest Accrual Period (i) any amount required to exercise a warrant or right to acquire securities held in the Assets in accordance with the requirements of "Security for the Secured Notes—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria" and (ii) from Interest Proceeds only, any Administrative Expenses (such payments to be counted against the Administrative Expense Cap for the applicable period and to be subject to the order of priority as stated in the definition of Administrative Expenses); *provided* that the aggregate Administrative Expenses paid as described in this paragraph during any Collection Period shall not exceed the Administrative Expense Cap for the related Payment Date. The Portfolio Manager on behalf of the Issuer may direct the Trustee to transfer from amounts on deposit in the Interest Collection Subaccount to the Principal Collection Subaccount, amounts necessary for application as described under "Use of Proceeds—Effective Date". In addition, the Portfolio Manager on behalf of the Issuer may direct the Trustee to deposit from the Principal Collection Subaccount into the Revolver Funding Account amounts that are required to meet funding requirements with respect to Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations.

Amounts received in the Collection Account during a Collection Period will be invested in Eligible Investments with stated maturities not later than the earlier of (A) the date that is 60 days after the date of delivery thereof and (B) the Business Day immediately preceding the Payment Date immediately following the date of delivery thereof. All proceeds from the Eligible Investments will be retained in the Collection Account unless used to purchase additional Collateral Obligations in accordance with the Investment Criteria, or used as otherwise permitted under the Indenture. See "—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria" and "Overview of Terms—Priority of Payments".

On the Business Day immediately preceding each Payment Date, the Trustee will deposit into a single, segregated non-interest bearing trust account held in the name of the Trustee for the benefit of the Secured Parties (the "**Payment Account**") all funds in the Collection Account (other than amounts that the Issuer is entitled to reinvest in accordance with the Investment Criteria described herein, which amounts may be retained in the Collection Account for subsequent reinvestment) required for payments to holders of the Secured Notes and distributions on the Subordinated Notes and payments of fees and expenses in accordance with the priorities described under "Overview of Terms—Priority of Payments". The Co-Issuers shall not have any legal, equitable or beneficial interest in the Payment Account other than in accordance with the Indenture and the Priority of Payments. The Payment Account will be established at Citibank, N.A. Amounts in the Payment Account shall remain uninvested.

The Ramp-Up Account

The net proceeds of the issuance of the Notes remaining after payment of fees and expenses will be deposited on the Closing Date into a single, segregated non-interest bearing trust account held in the name of the Trustee for the benefit of the Secured Parties (the "**Ramp-Up Account**"). Of the proceeds of the issuance of the Notes which are not applied to pay for the purchase of Collateral Obligations purchased by the Issuer on or before the Closing Date (including, without limitation, repayment of any amounts borrowed by the Issuer in connection with the purchase of Collateral Obligations prior to the Closing Date) approximately U.S.$205,400,000 representing proceeds of the issuance of the Notes will be deposited in the Ramp-Up Account on the Closing Date. On behalf of the Issuer, the Portfolio Manager will direct the Trustee to, from time to time prior to the Effective Date, purchase additional Collateral Obligations and invest in Eligible Investments any amounts not used to purchase such

additional Collateral Obligations. On the first Business Day after a trust officer of the Trustee has received written notice from the Portfolio Manager that both (i) the Moody's Rating Condition has been satisfied as described in "Use of Proceeds—Effective Date" (or the Issuer has provided a Passing Report to Moody's) and (ii) S&P has confirmed its initial rating of the Secured Notes as described in "Use of Proceeds—Effective Date", or upon the occurrence of an Event of Default, the Trustee will deposit any remaining amounts in the Ramp-Up Account (excluding any proceeds that will be used to settle binding commitments entered into prior to that date) into the Principal Collection Subaccount as Principal Proceeds. Any income earned on amounts deposited in the Ramp-Up Account will be deposited in the Interest Collection Subaccount as Interest Proceeds. The Ramp-Up Account will be established at Citibank, N.A.

The Custodial Account

The Trustee will, on or prior to the Closing Date, establish a single, segregated non-interest bearing trust account in the name of the Trustee for the benefit of the Secured Parties which will be designated as the "**Custodial Account**". All Collateral Obligations shall be credited to the Custodial Account. The only permitted withdrawals from the Custodial Account shall be in accordance with the provisions of the Indenture. The Co-Issuers shall not have any legal, equitable or beneficial interest in the Custodial Account other than in accordance with the Indenture and the Priority of Payments. The Custodial Account will be established at Citibank, N.A.

The Revolver Funding Account

Upon the purchase of any Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation, funds in an amount equal to the undrawn portion of such obligation shall be withdrawn first from the Ramp-Up Account and, if necessary, from the Principal Collection Subaccount and deposited in a single, segregated non-interest bearing trust account established in the name of the Trustee for the benefit of the Secured Parties (the "**Revolver Funding Account**"); *provided* that, if such Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation is a Participation Interest with respect to which the Selling Institution requires funds to be deposited with the Selling Institution or its custodian in an amount equal to any portion of the undrawn amount of such obligation as collateral for the funding obligations under such obligation (such funds, the "**Selling Institution Collateral**"), the Issuer shall deposit the Selling Institution Collateral with such Selling Institution or custodian rather than in the Revolver Funding Account, subject to the following sentence. Any such deposit of Selling Institution Collateral shall satisfy the following requirement: either (1) the aggregate amount of Selling Institution Collateral deposited with such Selling Institution or its custodian (other than an Eligible Custodian) under all Participation Interests shall not have an aggregate principal balance in excess of 5% of the Collateral Principal Amount and shall not remain on deposit with such Selling Institution or custodian for more than 30 calendar days after such Selling Institution first fails to satisfy the rating requirements set out in the Third Party Credit Exposure Limits (and the terms of each such deposit shall permit the Issuer to withdraw the Selling Institution Collateral if such Selling Institution fails at any time to satisfy the rating requirements set out in the Third Party Credit Exposure Limits); or (2) such Selling Institution Collateral shall be deposited with an Eligible Custodian.

Approximately U.S.$0 will be deposited in the Revolver Funding Account on the Closing Date to be reserved for the unfunded funding obligations under the Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations purchased on or before the Closing Date. Upon initial purchase of any Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation, funds deposited in the Revolver Funding Account in respect of such Collateral Obligation and Selling Institution Collateral deposited with the Selling Institution in respect of such Collateral Obligation will be treated as part of the purchase price therefor. Amounts in the Revolver Funding Account will be invested in overnight funds that are Eligible Investments and earnings from all such investments will be deposited in the Interest Collection Subaccount as Interest Proceeds. The Revolver Funding Account will be established at Citibank, N.A.

Funds will be deposited in the Revolver Funding Account upon the purchase of any Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation, and upon the receipt by the Issuer of any Principal Proceeds with respect to a Revolving Collateral Obligation as directed by the Portfolio Manager, such that the amount of funds on deposit in the Revolver Funding Account shall be equal to or greater than the aggregate amount of unfunded funding obligations (disregarding the portion, if any, of any such unfunded funding obligations that is collateralized by Selling Institution Collateral) under all such Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations then included in the Assets.

Any funds in the Revolver Funding Account (other than earnings from Eligible Investments therein) will be available solely to cover any drawdowns on the Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations; *provided* that any excess of (A) the amounts on deposit in the Revolver Funding Account over (B) the sum of the unfunded funding obligations (disregarding the portion, if any, of any such unfunded funding obligations that is collateralized by Selling Institution Collateral) under all Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations that are included in the Assets (which excess may occur for any reason, including upon (i) the sale or maturity of a Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation, (ii) the occurrence of an event of default with respect to any such Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation or (iii) any other event or circumstance which results in the irrevocable reduction of the undrawn commitments under such Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation) may be transferred by the Trustee (at the written direction of the Portfolio Manager on behalf of the Issuer) from time to time as Principal Proceeds to the Principal Collection Subaccount.

The Expense Reserve Account

The Trustee will, prior to the Closing Date, establish a single, segregated non-interest bearing trust account held in the name of the Trustee for the benefit of the Secured Parties which will be designated as the "**Expense Reserve Account**". Approximately U.S.$7,500,000 will be deposited in the Expense Reserve Account as Interest Proceeds on the Closing Date for the payment of certain expenses of the Issuer incurred in connection with the issuance of the Notes. On any Business Day from the Closing Date to and including the Determination Date relating to the first Payment Date following the Closing Date, the Trustee will apply funds from the Expense Reserve Account, as directed by the Portfolio Manager, to pay expenses of the Co-Issuers incurred in connection with the establishment of the Co-Issuers, the structuring and consummation of the Offering and the issuance of the Notes and any additional issuance. By the Determination Date relating to the first Payment Date following the Closing Date, all funds in the Expense Reserve Account (after deducting any expenses paid on such Determination Date) will be deposited in the Collection Account as Interest Proceeds and/or Principal Proceeds (in the respective amounts directed by the Portfolio Manager in its sole discretion). On any Business Day after the Determination Date relating to the first Payment Date following the Closing Date, the Trustee shall apply funds from the Expense Reserve Account, as directed by the Portfolio Manager, to pay expenses of the Co-Issuers incurred in connection with any additional issuance of notes or as a deposit to the Collection Account as Principal Proceeds. Any income earned on amounts deposited in the Expense Reserve Account will be deposited in the Interest Collection Subaccount as Interest Proceeds as it is paid. The Expense Reserve Account will be established at Citibank, N.A.

The Interest Reserve Account

The Trustee will, prior to the Closing Date, establish a single, segregated non-interest bearing trust account held in the name of the Trustee for the benefit of the Secured Parties which will be designated as the "**Interest Reserve Account**". Approximately U.S.$1,500,000 will be deposited into the Interest Reserve Account on the Closing Date. By the Determination Date relating to the first Payment Date following the Closing Date, all funds in the Interest Reserve Account will be transferred to the Collection Account as Interest Proceeds and/or Principal Proceeds (in the respective amounts directed by the Portfolio Manager in its sole discretion) and the Interest Reserve Account will be closed. Any income earned on amounts deposited in the Interest Reserve Account will be deposited in the Interest Collection Subaccount as Interest Proceeds as it is paid. The Interest Reserve Account will be established at Citibank, N.A.

The LC Reserve Account

If a LOC Agent Bank does not withhold on payments of fee income in respect of any Collateral Obligation that is a Letter of Credit Reimbursement Obligation and the Issuer has not received an opinion of nationally recognized external legal counsel to the effect that such withholding should or will not be required, the Portfolio Manager will advise the Issuer and the Issuer shall deposit an amount equal to 30% of all of the fees received in respect of such Letter of Credit Reimbursement Obligation into a single, segregated non-interest bearing trust account held in the name of the Trustee for the benefit of the Secured Parties which will be designated as the "**LC Reserve Account**". Amounts deposited into the LC Reserve Account will be invested by the Trustee in Eligible Investments as directed by the Portfolio Manager. The LC Reserve Account will be established at Citibank, N.A.

The Issuer shall withdraw funds from the LC Reserve Account to pay (or to provide for the payments of) the related withholding taxes when due. The Issuer also may withdraw funds from the LC Reserve Account and apply them as Interest Proceeds (i) if the Issuer receives an opinion of nationally recognized U.S. federal income tax counsel to the effect that the Issuer should or will not be subject to U.S. withholding tax with respect to the letter of credit fees from which such funds were reserved, (ii) at Stated Maturity or (iii) on a Redemption Date in connection with an Optional Redemption (other than pursuant to a Refinancing) or Tax Redemption. The Issuer shall provide to S&P a copy of any such opinion obtained pursuant to clause (i) of the preceding sentence.

The Reinvestment Amount Account

The Trustee will, prior to the Closing Date, establish a single, segregated non-interest bearing trust account held in the name of the Trustee for the benefit of the Secured Parties which will be designated as the "**Reinvestment Amount Account**". Reinvestment Amounts deposited in the Reinvestment Amount Account will be withdrawn, not later than the Business Day after the Payment Date on which such Reinvestment Amounts are deposited in the Reinvestment Amount Account, solely to be transferred to the Collection Account as Principal Proceeds to purchase additional Collateral Obligations in accordance with the terms of the Indenture. The Reinvestment Amount Account will be established at Citibank, N.A. Amounts in the Reinvestment Amount Account shall remain uninvested.

Account Requirements

Each account established under the Indenture shall be established and maintained with (a) a federal or state-chartered depository institution with (1) a long-term debt rating of at least "A" by S&P and a short-term rating of at least "A-1" by S&P (or a long-term debt rating of at least "A+" by S&P) and if such institution's long-term debt rating falls below "A" by S&P or its short-term rating falls below "A-1" by S&P (or, if such institution either has no short-term rating or has a short-term rating below "A-1", its long-term debt rating falls below "A+" by S&P), the assets held in such Account shall be moved within 60 calendar days to another institution that has long term rating of at least "A" by S&P and a short-term rating of at least "A-1" by S&P (or a long-term debt rating of at least "A+" by S&P) and (2) at least "P-1"(short-term) and "A1" (long-term) by Moody's and if such institution's rating falls below "P-1" (short-term) or "A1" (long-term) by Moody's, the assets held in such Account shall be moved within 60 calendar days to another institution that is rated at least "P-1" (short-term) and "A1" (long-term) by Moody's or (b) in segregated trust accounts with the corporate trust department of a federal or state-chartered depository institution subject to regulations regarding fiduciary funds on deposit similar to Title 12 of the Code of Federal Regulation Section 9.10(b) with (1) a federal or state-chartered depository institution with (x) a long-term debt rating of at least "A" by S&P and a short-term rating of at least "A-1" by S&P (or a long-term debt rating of at least "A+" by S&P) and if such institution's long-term debt rating falls below "A" by S&P or its short-term rating falls below "A-1" by S&P (or, if such institution either has no short-term rating or has a short-term rating below "A-1", its long-term debt rating falls below "A+" by S&P), the assets held in such Account shall be moved within 60 calendar days to another institution that has long term rating of at least "A" by S&P and a short-term rating of at least "A-1" by S&P (or a long-term debt rating of at least "A+" by S&P) and (y) a long-term rating of at least "Baa3" by Moody's. Such institution shall have a combined capital and surplus of at least U.S.$200,000,000. All cash deposited in the Accounts shall be invested only in Eligible Investments or Collateral Obligations in accordance with the terms of the Indenture.

USE OF PROCEEDS

General

The net proceeds from the issuance of the Notes, after payment of applicable fees and expenses in connection with the structuring and placement of the Notes (including by making a deposit to the Expense Reserve Account of funds to be used to pay expenses following the Closing Date and a deposit to the Interest Reserve Account), are expected to be approximately U.S.$446,200,000.

Approximately U.S.$205,400,000 will be deposited into the Ramp-Up Account on the Closing Date for the purchase of additional Collateral Obligations prior to the Effective Date and for deposit into the Collection Account on the Effective Date as described herein, approximately U.S.$7,500,000 will be deposited into the Expense Reserve Account on the Closing Date for use as described herein, approximately U.S.$1,500,000 will be deposited into the Interest Reserve Account on the Closing Date for use as described herein, and approximately U.S.$0 will be deposited in the Revolver Funding Account on the Closing Date for use as described herein.

On the Closing Date, the Issuer expects to use a portion of the proceeds from the issuance of the Notes to pay merger consideration to the sole member of the Warehouse Subsidiary in connection with the Closing Merger in an aggregate amount equal to approximately U.S.$240,000,000 and to make a payment of approximately U.S.$800,000 to Credit Opportunity Associates LLC in respect of Warehouse Principal Financed Accrued Interest as described under "Risk Factors—Relating to the Collateral Obligations—Pre-Closing Warehouse Arrangements and Closing Merger with the Issuer".

Effective Date

The Issuer will use commercially reasonable efforts to purchase (or enter into commitments to purchase), on or before March 28, 2013, Collateral Obligations (a) such that the Target Initial Par Condition is satisfied and (b) that satisfy, as of the Effective Date, the Concentration Limitations, the Collateral Quality Test and the Overcollateralization Ratio Test.

(a) Unless clause (b) below is applicable, within 10 Business Days after the Effective Date, the Issuer will provide, or cause the Portfolio Manager to provide the following documents: (i) to each Rating Agency, a report (which the Issuer will cause the Collateral Administrator to prepare on its behalf in accordance with, and subject to the terms of, the Collateral Administration Agreement) identifying the Collateral Obligations and requesting that S&P reaffirm its initial ratings of the Secured Notes; (ii) to each Rating Agency (x) a report (which the Issuer will cause the Collateral Administrator to prepare on its behalf in accordance with, and subject to the terms of, the Collateral Administration Agreement) stating the following information (the "**Effective Date Report**"): (A) the obligor, principal balance, coupon/spread, stated maturity, Moody's Default Probability Rating, Moody's industry classification, S&P Rating and country of Domicile with respect to each Collateral Obligation as of the Effective Date and substantially similar information provided by the Issuer with respect to every other asset included in the Assets (to the extent such asset is a security or a loan), by reference to such sources as shall be specified therein and (B) as of the Effective Date, the level of compliance with, and satisfaction or non-satisfaction of (1) the Target Initial Par Condition, (2) each Overcollateralization Ratio Test, (3) the Concentration Limitations and (4) the Collateral Quality Test (excluding the S&P CDO Monitor Test) and (y) a certificate of the Issuer (such certificate, the "**Effective Date Issuer Certificate**") certifying that the Issuer has received an Accountants' Report that recalculates the information set forth in the Effective Date Report (such Accountants' Report, the "**Effective Date Accountants' Report**"); (iii) to the Trustee, the Effective Date Accountants' Report; and (iv) to the Trustee an opinion of counsel confirming the matters set forth in the opinion of counsel regarding perfection of security interests furnished on the Closing Date with respect to the Assets granted to the Trustee after the Closing Date. Upon receipt of the Effective Date Report, the Trustee will compare the information contained in such Effective Date Report to the information contained in its records with respect to the Assets and will, within three Business Days after receipt of such Effective Date Report, notify the Issuer, the Collateral Administrator, the Rating Agencies and the Portfolio Manager if the information contained in the Effective Date Report does not conform to the information maintained by the Trustee with respect to the Assets. In the event that any discrepancy exists, the Trustee and the Issuer, or the Portfolio

Manager on behalf of the Issuer, will attempt to resolve the discrepancy. If such discrepancy cannot be promptly resolved, the Trustee will within five Business Days notify the Portfolio Manager who shall, on behalf of the Issuer, request that the Independent accountants selected by the Issuer pursuant to the Indenture perform agreed-upon procedures on the Effective Date Report and the Trustee's records to determine the cause of such discrepancy. If such procedures reveal an error in the Effective Date Report or the Trustee's records, the Effective Date Report or the Trustee's records will be revised accordingly and notice of any error in the Effective Date Report will be sent as soon as practicable by the Issuer to all recipients of such report.

(b) (x) If (1) the Issuer or the Portfolio Manager, as the case may be, has not provided to Moody's both (A) an Effective Date Report that shows that the Target Initial Par Condition was satisfied, each Overcollateralization Ratio Test was satisfied, the Concentration Limitations were complied with and the Collateral Quality Test (excluding the S&P CDO Monitor Test) was satisfied and (B) the Effective Date Issuer Certificate (such an Effective Date Report, together with such Effective Date Issuer Certificate, a "**Passing Report**") prior to the date 10 Business Days after the Effective Date or (2) any of the tests referred to in (ii)(x)(B) of the foregoing clause (a) are not satisfied ((1) or (2) constituting a "**Moody's Ramp-Up Failure**") then (A) the Issuer (or the Portfolio Manager on the Issuer's behalf) shall either (i) provide a Passing Report to Moody's within 25 Business Days following the Effective Date or (ii) satisfy the Moody's Rating Condition within 25 Business Days following the Effective Date and (B) if, by the 25th Business Day following Effective Date, the Issuer (or the Portfolio Manager on the Issuer's behalf) has not provided a Passing Report to Moody's or satisfied the Moody's Rating Condition, each as described in the preceding clause (A) of this paragraph, the Issuer (or the Portfolio Manager on the Issuer's behalf) will instruct the Trustee to transfer amounts from the Interest Collection Subaccount to the Principal Collection Subaccount and may, prior to the first Payment Date, purchase additional Collateral Obligations in an amount sufficient to enable the Issuer (or the Portfolio Manager on the Issuer's behalf) to (i) provide a Passing Report to Moody's or (ii) satisfy the Moody's Rating Condition; *provided* that, in lieu of complying with the preceding clauses (A) and (B), the Issuer (or the Portfolio Manager on the Issuer's behalf) may take such action, including but not limited to, a Special Redemption and/or transferring amounts from the Interest Collection Subaccount to the Principal Collection Subaccount as Principal Proceeds (for use in a Special Redemption), sufficient to enable the Issuer (or the Portfolio Manager on the Issuer's behalf) to (1) provide to Moody's a Passing Report or (2) satisfy the Moody's Rating Condition; and (y) if S&P (which must receive the report described in subclause (iii) of the foregoing clause (a) to provide written confirmation (which may take the form of a press release or other written communication) of its initial rating of the Secured Notes) does not provide written confirmation of its initial rating of the Secured Notes (such event, an "**S&P Rating Confirmation Failure**") within 25 Business Days after the Effective Date, then the Issuer (or the Portfolio Manager on the Issuer's behalf) will instruct the Trustee to transfer amounts from the Interest Collection Subaccount to the Principal Collection Subaccount and may, prior to the first Payment Date, use such funds on behalf of the Issuer for the purchase of additional Collateral Obligations until such time as S&P has provided written confirmation (which may take the form of a press release or other written communication) of its initial rating of the Secured Notes; *provided* that, in lieu of complying with clause (y), the Issuer (or the Portfolio Manager on the Issuer's behalf) may take such action, including but not limited to, a Special Redemption and/or transferring amounts from the Interest Collection Subaccount to the Principal Collection Subaccount as Principal Proceeds (for use in a Special Redemption), sufficient to enable the Issuer (or the Portfolio Manager on the Issuer's behalf) to obtain written confirmation (which may take the form of a press release or other written communication) from S&P of its initial rating of the Secured Notes; it being understood that, if the events specified in both of clauses (x) and (y) occur, the Issuer (or the Portfolio Manager on the Issuer's behalf) will be required to satisfy the requirements of both clause (x) and clause (y)); *provided further*, that in the case of each of the foregoing clauses (x) and (y), amounts may not be transferred from the Interest Collection Subaccount to the Principal Collection Subaccount if, after giving effect to such transfer, (I) the amounts available pursuant to the Priority of Payments on the next succeeding Payment Date would be insufficient to pay the full amount of the accrued and unpaid interest on any Class of Secured Notes on such next succeeding Payment Date or (II) such transfer would result in a deferral of interest with respect to the Class B Notes, Class C Notes or Class D Notes on the next succeeding Payment Date.

THE PORTFOLIO MANAGER

The information appearing in this section has been prepared by the Portfolio Manager and has not been independently verified by the Co-Issuers or Citigroup. The Portfolio Manager has taken reasonable care to ensure that facts stated in this section are true and accurate in all material respects and that there have not been omitted material facts the omission of which would make misleading in any material respect any statements of fact or opinion herein. The Co-Issuers confirm that the information in this section has been accurately reproduced and that as far as the Co-Issuers are aware and are able to ascertain from the information, no facts have been omitted which would render the reproduced information inaccurate or misleading. Accordingly, notwithstanding anything to the contrary herein, Citigroup does not assume any responsibility for the accuracy, completeness or applicability of such information.

General

Certain advisory and administrative functions with respect to the Assets will be performed by 3i Debt Management U.S. LLC ("**3i DM US**"), as the Portfolio Manager under the Portfolio Management Agreement to be entered into on or prior to the Closing Date between the Issuer and the Portfolio Manager. 3i DM US is a fixed income investment advisory firm established in 2012. Mr. Fraser continues to operate the separate fixed income investment advisory business, Fraser Sullivan Investment Management, LLC ("**FSIM**") and FS COA Management LLC ("FSCOA"). The Portfolio Manager is located at 400 Madison Avenue, 9th Floor, New York, NY.

3i DM US is an indirect subsidiary of 3i Group plc ("**3i Group**") and is the recently established US arm of 3i Debt Management. 3i Group is a leading international investor focused on mid-market private equity, infrastructure and debt management across Europe, Asia and the Americas. 3i Debt Management specializes in the management of third-party funds investing in non-investment grade debt issued by medium and large European and US companies.

3i DM US was formed to provide fundamental credit analysis, fixed income investment advisory and management services. 3i DM US focuses on investing in non-investment grade fixed income assets, such as bank loans and high yield bonds, through a variety of investment vehicles, including collateralized loan obligations. The firm's investment professionals employ credit analytical skills developed during their respective careers to identify investment opportunities in the non-investment grade fixed income markets that the firm's investment team believes are suitable for the funds it advises or manages. 3i DM US currently provides investment advisory or management services to Credit Opportunity Associates LLC and 3i US Senior Loan Fund, LP. FSIM (but not 3i DM US) and its affiliates currently provide investment advisory or management services to Fraser Sullivan CLO I, Ltd., Fraser Sullivan CLO II, Ltd., COA Caerus CLO Ltd., Fraser Sullivan CLO V Ltd., Fraser Sullivan CLO VI Ltd. and Fraser Sullivan CLO VII Ltd.

The Portfolio Manager is a registered investment adviser under the Investment Advisers Act. Additional information regarding the Portfolio Manager can be obtained from Part 2A of the Portfolio Manager's most recent Form ADV, which is available upon request from the Portfolio Manager. The Portfolio Manager will, from time to time and upon the request of any holder of the Notes, provide a copy of Part 2A of the Portfolio Manager's most recent Form ADV to such holder.

Key Personnel

The names of the principal employees, directors and members of the Portfolio Manager who may initially be involved in the selection and management of the Collateral Obligations and their principal occupations during the past five years are listed below. There can be no assurance that such persons will continue to be employed by or remain directors or members of the Portfolio Manager, or if so employed or otherwise associated, be involved in the management of the Collateral Obligations and in carrying out the other obligations of the Portfolio Manager under the Portfolio Management Agreement during the term thereof.

John Fraser – Director and Head of 3i DM US, Chief Investment Officer of FSIM

Mr. Fraser joined 3i DM US in September 2012. He continues to serve as Chief Investment Officer and Managing Partner of FSIM and has served in such capacity since FSIM's founding in 2005. Prior to founding FSIM, Mr. Fraser was a Managing Director and Partner with Angelo, Gordon & Co., L.P. from 1997 to 2005. At Angelo, Gordon, Mr. Fraser started the firm's leveraged loan investment management business and served as portfolio manager of Angelo, Gordon's five leveraged loan funds since their inception. Before joining Angelo, Gordon, he was a Managing Director with Cypress Tree Investment Management Co., Inc., a company devoted exclusively to the leveraged loan marketplace. Prior to that, Mr. Fraser spent six years as a Vice President and Portfolio Manager with Merrill Lynch Asset Management, where he managed investments in the leveraged loan and high yield bond markets. Mr. Fraser began his career in the Chase Manhattan Bank credit training program, after which he held a number of analytical and lending positions. He holds a B.A. degree from Cornell University.

Jeremy Ghose – Director

Mr. Ghose joined 3i Debt Management in 2011 following the acquisition of Mizuho Investment Management (MIM) from Mizuho Corporate Bank. Prior to joining 3i Mr. Ghose was with Mizuho Corporate Bank (formerly The Fuji Bank) since 1988. Mr. Ghose was the founder of Mizuho's Leveraged Finance business in 1988 and the founder of the third-party independent fund management business in 2005. He had overall responsibility for the LBO/MBO franchise, leveraged syndications, mezzanine finance and equity fund business in Europe, U.S. and Asia (excluding Japan). Under his supervision, the bank was involved in financing over 500 buy-out transactions, of which it lead-managed or joint-managed over 200. A veteran of the LBO and M&A markets, Mr. Ghose has over 24 years of relevant experience globally. He was an Executive Officer of Mizuho Corporate Bank, being the first non-Japanese to achieve this status in the bank's history. He holds a B.A. (Honours) degree in Business Administration and is an Associate of the Chartered Institute of Bankers.

Andrew Bellis – Director

Mr. Bellis is a responsible for the strategic growth of 3i's Debt Management business. Before joining 3i in July 2012, he ran the global CLO new issue business at Credit Suisse. Prior to that Mr. Bellis held a number of roles at Bank of America Merrill Lynch from 2003 including running the European CLO and alternative fund structuring group and the Illiquid structured credit trading business in Europe. In total, Mr. Bellis has almost 15 years of experience of structuring and raising loan and credit funds for asset managers and his teams have won a number of industry awards from IFR. Mr. Bellis also sat as the employee representative on the investment committee of the Credit Suisse UK Pension Fund from late 2010. Mr. Bellis holds a first class honours degree from Imperial College, University of London.

David Endler, CFA – Member and Portfolio Manager

Mr. Endler joined 3i DM US in September 2012. He continues to serve as Portfolio Manager of FSIM. Mr. Endler joined FSIM from Oaktree Capital Management, where he was a Senior Vice President in the High Yield Group. During his seven years at Oaktree, he was a credit research analyst responsible for investing in high yield bonds in a variety of industries including healthcare, chemicals, airlines and media. Before joining Oaktree, Mr. Endler worked as an equity analyst for Pacific Strategic Fund Group. He holds a B.A. from the University of California at Berkeley and an M.B.A. from the University of California at Los Angeles. He is a CFA Charterholder.

David Nadeau – Member, Portfolio Manager and Trader

Mr. Nadeau joined 3i DM US in September 2012. He continues to serve as Portfolio Manager of FSIM. Mr. Nadeau joined FSIM from Citigroup Global Investments, where he served as Senior Vice President and High Yield Portfolio Manager. Mr. Nadeau was responsible for managing a $3.0 billion high yield portfolio for Travelers Life & Annuity, as well as separate accounts. Prior to his promotion to p.m., Mr. Nadeau was responsible for high yield and distressed investments in the Utilities/IPP, cyclical and telecommunications sectors for various Citigroup portfolios. Prior to that, Mr. Nadeau was a Vice President in the Global Special Investments Group at ING Baring (US) Capital. While at ING, Mr. Nadeau was responsible for investments in high yield, distressed and equity securities for the firm's $1.25 billion proprietary fund. Mr. Nadeau began his career in the Financial Analyst program in the Investment Banking Division of PaineWebber Inc., after which he held several analytical, sales and trading, and research positions. He holds a B.A. degree from Williams College.

Matthew Sosland, CFA – Member and Portfolio Manager

Mr. Sosland joined 3i DM US in September 2012. He continues to serve as Portfolio Manager of FSIM. Mr. Sosland joined FSIM from Bear Stearns Asset Management, where he was an Associate Director. At BSAM, Mr. Sosland was a senior analyst in the High Yield Bond group, where he participated in managing hedge fund, mutual fund, institutional, and CBO assets. He held primary responsibility for the Energy, Utilities, Industrials, Technology, Food, and other sectors. Prior to that, Mr. Sosland was a Vice President at Nomura Corporate Research and Asset Management, where he was a senior analyst on a team which managed various high yield bond portfolios. Mr. Sosland is a CFA Charterholder, a member of the CFA Institute, and a member of the New York Society of Securities Analysts. He holds a B.A. degree from Swarthmore College.

Francis Chang – Portfolio Manager

Mr. Chang joined 3i DM US in September 2012. He continues to serve as Portfolio Manager of FSIM. Prior to joining FSIM, Mr. Chang was a Managing Director with the Lehman Brothers Estate's Corporate Loan Group managing the firm's high yield portfolio (loans, mezzanine and equity). Mr. Chang managed a high yield loan portfolio of approximately $2.0 billion to over 35 industrial and business services companies. Mr. Chang joined Lehman Brothers in 1999 and in the subsequent nine years held positions in the Financial Sponsors Group as a coverage banker for private equity firms, the Loan Portfolio Group as a portfolio manager managing the firm's workout/restructuring loans and investments to financial sponsor portfolio companies and the Leveraged Finance Group where he was responsible for originating and executing senior bank debt, bridge loans, mezzanine debt, high yield securities and rescue financings. From 1995 to 1999, Mr. Chang was a consumer/retail coverage banker in the Investment Banking Division of Furman Selz LLC. Prior to 1995, Mr. Chang held positions with Financo, Inc. and in the Leveraged Finance Group at Bank of America. Mr. Chang holds a BA in Economics from Colgate University.

Patrick B. Maloney – General Counsel and Chief Compliance Officer

Mr. Maloney joined 3i DM US in September 2012. In addition to his role at 3i DM US, Mr. Maloney is General Counsel and Chief Compliance Officer at FSIM and FSCOA. Prior to joining the FSIM and FSCOA, Patrick was the Global Chief Compliance Officer of Aladdin Capital Management LLC and Aladdin Credit Advisors L.P. In addition, he was Chief Compliance Officer of Aladdin Capital LLC and had oversight responsibilities over an affiliated investment adviser and broker dealer in the UK. Prior to that, Patrick established the US operations of Kinetic Partners LLP, a global asset management, hedge-fund and broker dealer compliance consultancy firm . Patrick joined Kinetic Partners from the general counsel's office of JWM Partners where he was involved in a wide range of legal and compliance matters, developed surveillance tools and designed protocols for annual compliance reviews. Prior to that, he was a Managing Director in the office of the general counsel and senior regulatory counsel at Bear Stearns & Co. He worked closely with the Prime Brokerage, Operations, and Asset Management groups within the firm. Patrick is licensed to practice law in New York and graduated from St. John's University, School of Law (1992).

Jay Patel, CFA – Senior Analyst

Mr. Patel joined 3i DM US in September 2012. He continues to serve as Senior Analyst of FSIM. Mr. Patel joined FSIM from Goldman, Sachs & Co., where he was an Associate in the Special Situations Group. Mr. Patel focused on private investments including asset purchases, private equity and mezzanine loans. Prior to that, he covered Financial Institutions in the Credit Capital Markets group and worked on various strategic initiatives and corporate investments in the Corporate Treasury group. He holds a B.S. degree from New York University's Stern School of Business, and is a CFA Charterholder.

Rolando Villanueva – Senior Analyst

Mr. Villanueva joined 3i DM US in September 2012. He continues to serve as Senior Analyst of FSIM. Prior to joining FSIM, Mr. Villanueva was an Investment Analyst at Citigroup Global Investments (CGI). CGI managed over $50 billion in assets for Travelers Insurance Company and separate accounts. Mr. Villanueva was a credit research analyst covering electric and gas utilities along with independent power producers. Prior to CGI, Mr. Villanueva was an Analyst in the Investment Banking division of Salomon Smith Barney, where he worked on

various equity, fixed income, and M&A assignments in the Global Power group. He holds a B.A. degree from Columbia University and an M.B.A. from the Kellogg School of Management at Northwestern University.

Lisa Wagemann – Director of Operations

Ms. Wagemann joined 3i DM US in September 2012. She continues to serve as Director of Operations of FSIM. Ms. Wagemann joined FSIM from Navigare Partners, LLC. At Navigare Partners she was primarily responsible for loan performance, CLO compliance, and various aspects of loan administration. Prior to joining Navigare, Ms. Wagemann was an Administrative Officer at Alliance Capital. At Alliance Capital, Ms. Wagemann was responsible for the settlement, administration and reporting of loans managed by Alliance Capital. Ms. Wagemann earned a B.A. in Economics from Fordham University.

Gene Basov – Chief Financial Officer

Mr. Basov joined 3i DM US in September 2012. He continues to serve as Chief Financial Officer of FSIM. Prior to joining FSIM, Mr. Basov was a Vice President and Fund Group Controller at Cerberus Capital Management, L.P. He managed a group that was responsible for the accounting and financial reporting of the firms distressed lending and CLO funds. Prior to his position as Vice President, Mr. Basov was an Assistant Controller and worked on the fund accounting for Cerberus' CLO funds. Prior to that, Mr. Basov worked at General Motors Asset Management where he was a financial analyst in the Investment Accounting Group. Before joining GMAM, Mr. Basov was a senior auditor at Deloitte & Touche LLP. He holds a B.B.A in accounting from Baruch College and an M.B.A in finance from Fordham University. Mr. Basov is a Certified Public Accountant.

THE PORTFOLIO MANAGEMENT AGREEMENT

General

The Portfolio Manager will perform certain investment management functions, including supervising and directing the investment and reinvestment of Assets, and perform certain administrative and advisory functions on behalf of the Issuer in accordance with the applicable provisions of the Portfolio Management Agreement, the Collateral Administration Agreement and the Indenture. Under the Portfolio Management Agreement, the Portfolio Manager agrees, and will be authorized, to, among other things, in accordance with the Portfolio Management Agreement and the applicable provisions of the Indenture, (i) select the Collateral Obligations and Eligible Investments to be acquired or sold, terminated or otherwise disposed of by the Issuer, (ii) invest and reinvest the Assets in accordance with the Indenture and the Portfolio Management Agreement, (iii) instruct the Trustee with respect to any Sale or tender of a Collateral Obligation, Equity Security, Eligible Investment or other securities received in respect thereof in the open market or otherwise by the Issuer, and (iv) perform all other tasks and take all other actions that either the Indenture, the Collateral Administration Agreement or the Portfolio Management Agreement specify are to be taken by the Portfolio Manager. Neither Citigroup nor any of its affiliates will select any of the Collateral Obligations (see "Risk Factors–Relating to Certain Conflicts of Interest–The Issuer will be subject to various conflicts of interest involving Citigroup").

When purchasing or entering into Collateral Obligations on behalf of the Issuer, the Portfolio Manager shall comply with requirements in the Portfolio Management Agreement intended to prevent the Issuer from being engaged in a United States trade or business for United States federal income tax purposes (such requirements, the "**Investment Guidelines**") and with the Investment Criteria. The Portfolio Manager may deviate from the Investment Guidelines only to the extent that it has received a written opinion or written advice of nationally recognized tax counsel in the United States that, taking into account the relevant facts and circumstances and the Issuer's other activities, the Issuer's acquisition, entry into, ownership, enforcement or disposition of the asset will not cause the Issuer to be engaged in a trade or business within the United States for U.S. federal income tax purposes or otherwise subject the Issuer to U.S. federal tax on a net income basis.

Pursuant to the Indenture, not later than the date fixed by the Portfolio Manager on behalf of the Issuer for the delivery of a Collateral Obligation purchased in accordance with the requirements described under "Security for the Secured Notes—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria—Investment Criteria", the Portfolio Manager is required to deliver to the Trustee and the Collateral Administrator an officer's certificate of the Portfolio Manager certifying that such purchase complies with such requirements.

Liability of the Portfolio Manager

The Portfolio Manager will perform its obligations under the Portfolio Management Agreement and under the Indenture with reasonable care and in good faith in rendering its services as Portfolio Manager, using a degree of skill and attention no less than that which the Portfolio Manager or its affiliates exercise with respect to comparable assets that they manage for themselves and others and in accordance with its existing practices and procedures relating to assets of the nature and character of the Assets. To the extent not inconsistent with the foregoing, the Portfolio Manager will follow its customary standards, policies and procedures in performing its duties under the Portfolio Management Agreement and the Indenture. The Portfolio Manager, its Affiliates and their respective members, managers, stockholders, officers, agents and employees (collectively, the "**Portfolio Manager Parties**") will not be liable to the Issuer, the Co-Issuer, any Blocker Subsidiary, the Trustee or the holders of the Notes or any other person for any losses, costs, liabilities or claims incurred as a result of the acts or omissions by the Portfolio Manager Parties under or in connection with the Portfolio Management Agreement, the Collateral Administration Agreement or the terms of the Indenture, or for any decrease in the value of the Assets or the performance by the Portfolio Manager, its members, their Affiliates or their respective directors, officers, stockholders, partners, members, employees or agents of their duties under the Portfolio Management Agreement or the Indenture (including, without limitation, directing the acquisition or disposition by the Issuer of any Collateral Obligation), except by reason of (i) acts or omissions constituting bad faith, fraud, willful misconduct or gross negligence in the performance of, or reckless or intentional disregard with respect to, the duties of the Portfolio Manager thereunder (provided that (x) nothing in the Portfolio Management Agreement will constitute a waiver with respect to claims which the Issuer may have under applicable United States federal securities laws relating to the Portfolio Manager Information (as defined herein) and (y) a decline in the market value of any Collateral Obligation will not, by itself,

constitute negligence or gross negligence by the Portfolio Manager) or (ii) any untrue statement of a material fact contained in the Portfolio Manager Information (including any amendment or supplement thereto contained in any amendment or supplement to this Offering Circular approved by the Portfolio Manager) or any omission to state in the Portfolio Manager Information a material fact, in each case necessary to make the statements therein, in light of the circumstances in which they were made, not misleading. The matters described in (i) and (ii) in the preceding sentence are collectively referred to herein as "**Portfolio Manager Breaches**".

Pursuant to the terms of the Portfolio Management Agreement, the Portfolio Manager will be required to monitor the Collateral Obligations and provide the Issuer with certain information with respect to the composition and characteristics of the Collateral Obligations, any disposition or tender of a Collateral Obligation, the reinvestment of the proceeds of any such disposition in Eligible Investments and the retention of the proceeds of any such disposition or the application thereof toward the purchase of an additional Collateral Obligation. Pursuant to the terms of the Collateral Administration Agreement, the Collateral Administrator shall provide certain reports, schedules and calculations to the Portfolio Manager regarding the Collateral Obligations.

When purchasing or entering into Collateral Obligations on behalf of the Issuer, the Portfolio Manager is deemed to have complied with its obligations not to cause the Issuer to be subject to income taxation on a net income basis in the United States or to be engaged in a trade or business within the United States for United States federal income tax purposes if it complies with the Investment Guidelines or, to the extent it deviates from the Investment Guidelines, receives a written opinion or written advice of nationally recognized tax counsel in the United States that, taking into account the relevant facts and circumstances and the Issuer's other activities, the Issuer's acquisition, entry into, ownership, enforcement or disposition of the asset will not cause the Issuer to be engaged in a trade or business within the United States for U.S. federal income tax purposes or otherwise subject the Issuer to U.S. federal tax on a net income basis.

The Issuer shall indemnify and hold harmless the Portfolio Manager Parties from and against any and all expenses, losses, damages, liabilities, demands, charges, costs, fines and claims of any nature whatsoever (including attorneys' fees and expenses) (collectively, the "**Expenses**"), as such Expenses are incurred in investigating, preparing, pursuing or defending any claim, action, proceeding or investigation with respect to any pending or threatened litigation (collectively, the "**Actions**") (A) in respect of, in connection with, or arising from the issuance of the Notes, the transactions contemplated by the Indenture, the Portfolio Management Agreement or any other Transaction Document, and/or any acts or omissions of such Portfolio Manager Party in the performance of the duties of the Portfolio Manager under the Portfolio Management Agreement, the Collateral Administration Agreement and the Indenture and (B) in respect of any untrue statement of a material fact contained in this Offering Circular (including any amendment or supplement thereto) or any omission to state therein a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; *provided* that no Portfolio Manager Party shall be indemnified for any Expenses it incurs as a result of any Portfolio Manager Breaches. The obligations of the Issuer to indemnify the Portfolio Manager Parties will be subject to availability of funds therefor in accordance with the Priority of Payments. The Issuer and its affiliates will be entitled to indemnification by the Portfolio Manager under certain circumstances as described in the Portfolio Management Agreement.

Assignment

Any assignment (as defined in the Advisers Act) of the Portfolio Management Agreement to any Person, in whole or in part, by the Portfolio Manager shall be deemed null and void (except for the employment of third parties as set forth in the following paragraph) unless (i) it is consented to in writing by the Issuer and a Majority of the Controlling Class, (ii) the locations and actions of such Person do not, solely as a result of the locations or actions of such Person, cause the Issuer to be subject to tax in a jurisdiction other than the Issuer's jurisdiction of formation and (iii) prior notice to each Rating Agency has been provided. The Issuer will acknowledge and agree, and the holders of the Notes are deemed to acknowledge and agree, that no consent of the holders of any Notes shall be required, however, if the Portfolio Manager (or any parent company) enters into any consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all of its stock or other equity interests or of its assets to, another entity and, at the time of such consolidation, merger, amalgamation, sale or transfer the resulting, surviving or transferee entity assumes all the obligations of 3i Debt Management U.S. LLC as the Portfolio Manager generally and the other entity provides for a substantial continuation of the services and staff of the Portfolio Manager.

In addition, the Portfolio Manager may employ third parties (including affiliates) in the performance of its obligations under the Portfolio Management Agreement; *provided* that (A) without the consent of a Majority of the Controlling Class (or, if the Controlling Class is deemed not to be outstanding, a Majority of the most senior Class of Notes that is not comprised entirely of Portfolio Manager Notes), the Portfolio Manager may not delegate any responsibility for the exercise of the final decision to purchase or sell any Collateral Obligation on behalf of the Issuer, (B) the Portfolio Manager will not be relieved of any of its duties thereunder as a result of such employment of third parties and shall be liable for acts and omissions of such third parties to the same extent (including the same standard of care) as if such acts and omissions were acts or omissions of the Portfolio Manager, (C) the Portfolio Manager will be solely responsible for the fees and expenses payable to any such third party except to the extent such expenses are payable by the Issuer thereunder and (D) the locations and actions of such third parties do not cause the Issuer to be subject to tax solely as a result of such locations and actions of third parties.

The Portfolio Management Agreement may be amended to (i) correct inconsistencies, typographical or other errors, defects or ambiguities, (ii) conform the Portfolio Management Agreement to this Offering Circular or the Indenture (as it may be amended from time to time as set forth above under "Description of the Notes—The Indenture—Modification of Indenture") or (iii) permanently remove any Management Fee payable to the Portfolio Manager, in each case without the consent of the holders of any Notes and without satisfaction of the Moody's Rating Condition but with notice to S&P. Any other amendment to the Portfolio Management Agreement shall be permitted with the consent of a Majority of the Controlling Class and notice to S&P and upon satisfaction of the Moody's Rating Condition (or deemed inapplicability thereof pursuant to "Ratings of the Secured Notes—Inapplicability of the Moody's Rating Condition").

Removal, Resignation and Replacement of the Portfolio Manager

The Portfolio Manager may be removed for "cause" upon 10 Business Days' prior written notice by the Issuer or the Trustee, at the direction of the holders of either a Majority of the Controlling Class, disregarding any Portfolio Manager Notes (or, if the Controlling Class is comprised entirely of Portfolio Manager Notes, a Majority of the most senior Class that is not comprised entirely of Portfolio Manager Notes, disregarding any Portfolio Manager Notes) or a Majority of the Subordinated Notes(disregarding Portfolio Manager Notes). Notice of such removal for cause will be given by or on behalf of the Issuer to the holders of each Class of Notes. No such removal shall be effective (A) until the date as of which a successor Portfolio Manager has agreed in writing to assume all of the Portfolio Manager's duties and obligations pursuant to the Portfolio Management Agreement and (B) unless the party seeking such termination (or a representative thereof), prior to delivering any notice of termination to the Portfolio Manager, shall have given three days' prior written notice to the Holders of the Notes of its decision that the Portfolio Manager's services should be terminated. For purposes of the Portfolio Management Agreement, "cause" will mean: (a) willful violation by the Portfolio Manager of any material provision of the Portfolio Management Agreement or the Indenture applicable to the Portfolio Manager, (b) violation in any material respect by the Portfolio Manager of any provision of the Portfolio Management Agreement or the Indenture applicable to the Portfolio Manager and, if capable of being cured, such violation is not cured within 30 days of the Portfolio Manager becoming aware of, or receiving notice from the Issuer or the Trustee of, such violation, (c) the failure of any representation, warranty, certification or statement made or delivered by the Portfolio Manager pursuant to the Portfolio Management Agreement or the Indenture to be correct in any material respect when made which failure is not corrected by the Portfolio Manager within 30 days of its becoming aware of, or its receipt of notice from the Issuer or the Trustee of, such failure; (d) certain events of bankruptcy or insolvency in respect of the Portfolio Manager specified in the Portfolio Management Agreement; (e) the occurrence of an Event of Default under the Indenture (i) that is described in clause (a) of the definition of "Event of Default" or (ii) that results from any breach by the Portfolio Manager of its duties under the Portfolio Management Agreement or the Indenture; (f) (i) the occurrence of any act by the Portfolio Manager that constitutes fraud or criminal activity in the performance of its obligations under the Portfolio Management Agreement, the Indenture or the Collateral Administration Agreement or the Portfolio Manager being convicted for a criminal offence related to its business of providing asset management services or (ii) the occurrence of any act by any director or executive officer of the Portfolio Manager or any employee, officer, director or investment committee member of the Portfolio Manager who has primary responsibility for the oversight and management of the Assets that constitutes fraud or criminal activity in the performance of the Portfolio Manager's obligations under the Portfolio Management Agreement, the Indenture or the Collateral Administration Agreement, or any such person being convicted for a criminal offence related to the Portfolio Manager's business of providing asset management services; and (g) the occurrence of a Key Persons

Event. A "Key Persons Event" will occur on any date if two of the four individuals who are Key Persons on such date fail to be employees, officers, directors or investment committee members of the Portfolio Manager or any of its Affiliates (a "Key Persons Trigger"), and the positions held by such Key Persons with the Portfolio Manager or any Affiliate and the responsibilities of such position as of the Closing Date that are relevant to the performance by the Portfolio Manager of its duties under the Portfolio Management Agreement have not been assumed by an individual or group of individuals approved by a Majority of the Controlling Class and a Majority of the Subordinated Notes, in each case, disregarding any Portfolio Manager Notes (or, if the Controlling Class is comprised entirely of Portfolio Manager Notes, by a Majority of the most senior Class of Notes that is not comprised entirely of Portfolio Manager Notes, and by a Majority of the Subordinated Notes, in each case, disregarding any Portfolio Manager Notes), within 20 Business Days of the last date as of which such Key Persons were last employed by the Portfolio Manager or its Affiliates. "Key Persons" shall mean John W. Fraser, David Endler, Jeremy Ghose and Andrew Bellis or, in each case, any successor individual designated by the Portfolio Manager and approved as contemplated by the definition of "Key Persons Event"; provided that the Portfolio Manager may replace one or more Key Persons at any time prior to the occurrence of a Key Persons Trigger subject in each case to prior approval (not to be unreasonably withheld) by a Majority of the Controlling Class and a Majority of the Subordinated Notes, in each case, disregarding any Portfolio Manager Notes (or, if the Controlling Class is comprised entirely of Portfolio Manager Notes, by a Majority of the most senior Class of Notes that is not comprised entirely of Portfolio Manager Notes, disregarding any Portfolio Manager Notes). The Portfolio Management Agreement will also be automatically terminated in the event that the Administrator determines in good faith that the appointment of the Portfolio Manager, or the performance of its obligations, under the Portfolio Management Agreement has (i) caused or required the Issuer or the Co-Issuer or the pool of Assets to become registered as an investment company under the provisions of the Investment Company Act or (ii) caused the Issuer to become engaged in the conduct of a trade or business in the United States for United States federal income tax purposes, *provided, however,* that the Portfolio Management Agreement shall not be automatically terminated pursuant to clause (ii) if (A) the Portfolio Manager has complied with the Investment Guidelines or (B) the Portfolio Manager receives an opinion from tax counsel of nationally recognized standing in the United States experienced in such matters that the Portfolio Manager's activities have not caused the Issuer to be engaged in a trade or business in the United States for United States federal income tax purposes.

If any of the events specified in the definition of "cause" shall occur, the Portfolio Manager shall give prompt written notice thereof to the Issuer, each Rating Agency and the Trustee upon the Portfolio Manager's becoming aware of the occurrence of such event.

The Portfolio Manager may resign or terminate the Portfolio Management Agreement without penalty upon 90 days' prior written notice to the Issuer and the Trustee. No such resignation will be effective until the date as of which a successor Portfolio Manager has agreed in writing to assume all of the Portfolio Manager's duties and obligations pursuant to the Portfolio Management Agreement and as specified in the Indenture.

Portfolio Manager Notes will be disregarded and have no voting rights with respect to any vote in respect of any of the following: (i) the termination of the Portfolio Management Agreement, (ii) the approval of any delegation by the Portfolio Manager pursuant to the Portfolio Management Agreement of any responsibility for the exercise of the final decision to purchase or sell any Collateral Obligation on behalf of the Issuer, (iii) the removal or replacement (other than pursuant to a resignation of the Portfolio Manager) of the Portfolio Manager, (iv) the approval of a successor Portfolio Manager (other than pursuant to a resignation of the Portfolio Manager) if the appointment of the Portfolio Manager is being terminated pursuant to the Portfolio Management Agreement (v) the waiver of any event constituting "cause" for termination, and (vi) the approval of a successor Key Person; and in each such case, such Notes will be deemed not to be outstanding in connection with any such vote, except that only Notes that a trust officer of the Trustee actually knows to be Portfolio Manager Notes shall be so disregarded.

Upon any resignation or removal of the Portfolio Manager, the Issuer, at the direction of a Majority of the Subordinated Notes (or, if the Subordinated Notes are deemed not to be outstanding, a Majority of the most senior Class of Notes that is not comprised entirely of Portfolio Manager Notes), will appoint as successor Portfolio Manager an institution that: (i) has demonstrated an ability to professionally and competently perform duties similar to those imposed upon the Portfolio Manager under the Portfolio Management Agreement; (ii) is legally qualified and has the capacity to act as Portfolio Manager; (iii) does not cause or result in the Issuer becoming, or require the pool of Portfolio to be registered as, an investment company under the 1940 Act; (iv) does not cause the Issuer to be subject to net income tax outside the Issuer's jurisdiction of incorporation; (v) with respect to which the Rating

Agencies have been notified; and (vi) has not been disapproved by a Majority of the Controlling Class (or, if the Controlling Class is deemed not to be outstanding, a Majority of the most senior Class of Notes that is not comprised entirely of Portfolio Manager Notes) within 30 days after notice of an appointment. If no successor Portfolio Manager is appointed within 90 days following the termination or resignation of the Portfolio Manager, then a Majority of the Controlling Class (or, if the Controlling Class is deemed not to be outstanding, a Majority of the most senior Class of Notes that is not comprised entirely of Portfolio Manager Notes) will have 30 days to designate a successor Portfolio Manager for approval by a Majority of the Subordinated Notes (or, if the Subordinated Notes are deemed not to be outstanding, a Majority of the most senior Class of Notes that is not comprised entirely of Portfolio Manager Notes). If (a) such successor Portfolio Manager has assumed in writing all of the Portfolio Manager's duties and obligations under the Portfolio Management Agreement, (b) such successor Portfolio Manager has not been disapproved by a Majority of the Subordinated Notes (or, if the Subordinated Notes are deemed not to be outstanding, a Majority of the most senior Class of Notes that is not comprised entirely of Portfolio Manager Notes) within 30 days after notice of appointment of the successor Portfolio Manager and (c) such successor Portfolio Manager satisfies the requirements in clauses (i) through (v) above, then such proposed successor Portfolio Manager shall be appointed as the Portfolio Manager. If a Majority of the Subordinated Notes (excluding Subordinated Notes deemed not to be outstanding) objects to such successor Portfolio Manager (or any of the other requirements in the immediately preceding sentence is not satisfied or no successor is designated by the Controlling Class (or, if the Controlling Class is deemed not to be outstanding, the most senior Class of Notes that is not comprised entirely of Portfolio Manager Notes)) within such 30 day period, then the Issuer, the Portfolio Manager or any Noteholder may petition a court of competent jurisdiction to appoint a replacement Portfolio Manager, and any such appointment by a court of competent jurisdiction shall not be subject to the consent of any Noteholder.

No compensation payable to a successor Portfolio Manager from payments on the Assets will be greater than that permitted to the Portfolio Manager under the Portfolio Management Agreement without (a) the prior written consent of a Majority of each Class of Secured Notes and Subordinated Notes (each Class voting separately) and (b) prior notice to the Rating Agencies. Upon expiration of the applicable notice periods with respect to termination specified in the Portfolio Management Agreement, all authority and power of the Portfolio Manager under the Portfolio Management Agreement, whether with respect to the Assets or otherwise, will automatically and without action by any Person pass to and be vested in the successor institution upon the acceptance by such institution of its appointment under the Portfolio Management Agreement. The Issuer and the successor will take such action (or cause the outgoing Portfolio Manager to take such action) consistent with the Portfolio Management Agreement and as will be necessary to effect any such succession.

Conflicts of Interest

It is understood that the Portfolio Manager and any of its affiliates may engage in any other business and furnish investment management and advisory services to others, including persons which may have investment policies similar to those followed by the Portfolio Manager with respect to the Assets and which may own securities or obligations of the same class, or which are of the same type, as the Collateral Obligations or the Eligible Investments or other securities or obligations of the issuers of the Collateral Obligations or the Eligible Investments. The Portfolio Manager will, subject to the standard of care required by the Portfolio Management Agreement, be free, in its sole discretion, to make recommendations to others, or effect transactions on behalf of itself or for others, which may be the same as or different from those effected with respect to the Assets. Nothing in the Indenture and the Portfolio Management Agreement shall prevent the Portfolio Manager or any of its affiliates, acting either as principal or agent on behalf of others, from buying or selling, or from recommending to or directing any other account to buy or sell, at any time, securities or obligations of the same kind or class, or securities or obligations of a different kind or class of the same issuer, as those directed by the Portfolio Manager to be purchased or sold on behalf of the Issuer. One or more Affiliates of the Portfolio Manager is expected to purchase, on the Closing Date, a portion of the Subordinated Notes and such Affiliates and accounts advised by the Portfolio Manager may acquire Notes of any other Classes. It is understood that, to the extent permitted by applicable law, the Portfolio Manager, its members, their affiliates or their respective directors, officers, stockholders, partners, members, employees or agents or any such affiliate or any member of their families or a person or entity advised by the Portfolio Manager may have an interest in a particular transaction or in securities or obligations of the same kind or class, or securities or obligations of a different kind or class of the same issuer, as those whose purchase or sale the Portfolio Manager may direct hereunder. In the event that, in light of market conditions and investment objectives, the Portfolio Manager determines that it would be advisable to purchase the same item of Collateral Obligation both for the

Issuer, and for the proprietary account of the Portfolio Manager or any Affiliate of the Portfolio Manager or a client of the Portfolio Manager, the Portfolio Manager will employ allocation procedures as more fully set forth in the Portfolio Management Agreement.

Nothing in the Portfolio Management Agreement precludes the Portfolio Manager or its affiliates from acting as principal, agent or fiduciary for other clients in connection with securities simultaneously held by the Issuer or of the type eligible for investment by the Issuer or limiting any relationships the Portfolio Manager or any of its affiliates may have with any obligor of any item of Collateral Obligation. The Portfolio Management Agreement requires that all such purchases from or sales to an affiliate of the Portfolio Manager or the Portfolio Manager's clients (including the Issuer) be made in compliance with the provisions of the Investment Advisers Act and sets forth procedures designed to assure such compliance including the establishment of an Independent Review Party. See "Risk Factors—Relating to Certain Conflicts of Interest—The Issuer will be subject to various conflicts of interest involving the Portfolio Manager and its affiliates". Should a conflict of interest actually arise, the Portfolio Manager will endeavor to resolve it in a manner which it deems to be fair and equitable to the extent possible under the prevailing facts and circumstances. The provisions of the Portfolio Management Agreement do not override the Portfolio Manager's fiduciary and other duties under the Investment Advisers Act. Any purchase and sale transactions between the Issuer and any affiliate of the Portfolio Manager will be identified in the monthly report prepared under the Indenture.

The Indenture and the Portfolio Management Agreement place significant restrictions on the Portfolio Manager's ability to buy and sell Assets on behalf of the Issuer. Accordingly, during certain periods or in certain specified circumstances, the Portfolio Manager may be unable to buy or sell securities or to take other actions which it might consider in the best interests of the Issuer and the holders of Notes as a result of the restrictions set forth in the Indenture and the Portfolio Management Agreement. Unless the Portfolio Manager determines in its sole discretion that such purchase or sale may be appropriate, the Portfolio Manager shall have no obligation to direct the Issuer to purchase or sell securities or obligations of (i) entities of which the Portfolio Manager, its members, their affiliates or their respective directors, officers, stockholders, partners, members, employees or agents are directors or officers, (ii) entities for which the Portfolio Manager or any of its affiliates acts as financial adviser or underwriter or (iii) entities about which the Portfolio Manager or any of its affiliates has information which the Portfolio Manager deems confidential or non-public or otherwise might prohibit it from trading such securities or obligations in accordance with applicable law. The Portfolio Manager shall not be obligated to utilize on behalf of the Issuer any particular investment opportunity of which it becomes aware.

Compensation of the Portfolio Manager

As compensation for the performance of its obligations as Portfolio Manager, the Portfolio Manager will be entitled to receive a fee, which will accrue quarterly in arrears on each Payment Date (prorated for the related Interest Accrual Period), in an amount equal to the sum of (i) 0.20% per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) of the Fee Basis Amount at the beginning of the Collection Period relating to such Payment Date (the "**Base Management Fee**") provided that the Base Management Fee payable on any Payment Date shall not include any such fee (or any portion thereof) the payment of which has been irrevocably waived by the Portfolio Manager pursuant to the Portfolio Management Agreement, (ii) 0.30% per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) of the Fee Basis Amount at the beginning of the Collection Period relating to such Payment Date (the "**Subordinated Management Fee**") provided that the Subordinated Management Fee payable on any Payment Date shall not include any such fee (or any portion thereof) the payment of which has been irrevocably waived by the Portfolio Manager pursuant to the Portfolio Management Agreement and (iii) an amount equal to, as applicable on such Payment Date, (x) the sum of 20% of any remaining Interest Proceeds distributable pursuant to clause (T) of the Priority of Payments as described in "Overview of Terms—Priority of Payments—Application of Interest Proceeds" and 20% of any remaining Principal Proceeds distributable pursuant to clause (T) of the Priority of Payments as described in "Overview of Terms–Priority of Payments–Application of Principal Proceeds" or (y) 20% of any remaining Interest Proceeds and Principal Proceeds distributable pursuant to clause (T) of the Priority of Payments as described in "Description of the Notes–Priority of Payments" (such payments described in clause (iii), collectively, the "**Incentive Management Fee**") and, together with the Base Management Fee and the Subordinated Management Fee, the "**Management Fee**") provided that the Incentive Management Fee payable on any Payment Date shall not include any such fee (or any portion thereof) the payment of which has been irrevocably waived by the Portfolio Manager pursuant to the Portfolio Management Agreement. No waiver of Management Fee by the Portfolio Manager shall affect the amount

of any Base Management Fee or Subordinated Management Fee that would be payable to any successor Portfolio Manager.

The Management Fee is payable on each Payment Date only to the extent that sufficient Interest Proceeds or Principal Proceeds are available. To the extent they are not paid when due on any Payment Date due to the operation of the Priority of Payments (and not as the result of a waiver by the Portfolio Manager), the Base Management Fee and the Subordinated Management Fee will be deferred and will be payable on subsequent Payment Dates in accordance with the Priority of Payments, and will bear interest at a rate per annum equal to three-month LIBOR plus 3.0% for the period from (and including) the date on which such Base Management Fee or Subordinated Management Fee is due and payable to (but excluding) the date of payment thereof.

The Issuer will reimburse the Portfolio Manager for expenses including fees and out-of pocket expenses reasonably incurred by the Portfolio Manager in connection with the services provided under the Portfolio Management Agreement with respect to (a) legal advisers, consultants, rating agencies, accountants, brokers and other professionals retained by the Issuer or the Portfolio Manager (on behalf of the Issuer), (b) asset pricing and asset rating services, compliance services and software, and accounting, programming and data entry services directly related to the management of the Collateral Obligations, (c) all taxes and governmental charges (not based on the income of the Portfolio Manager), insurance premiums or expenses, (d) any and all costs and expenses incurred in connection with the acquisition, disposition of investments on behalf of the Issuer (whether or not actually consummated) and management (including without limitation any restructuring or work-outs) thereof, including attorneys' fees and disbursements and (e) as otherwise agreed upon by the parties. The fees and expenses payable to the Portfolio Manager on any Payment Date are payable only as described under "Description of the Notes—Priority of Payments".

On the Closing Date, the Portfolio Manager will be reimbursed by the Issuer for certain of its expenses incurred in connection with the acquisition of the initial Collateral Obligations and the issuance of the Notes (including, without limitation, legal fees and expenses).

THE CO-ISSUERS

General

Jamestown CLO I Ltd. (the "**Issuer**") is an exempted company incorporated with limited liability under the laws of the Cayman Islands and is a special purpose entity established for the sole purpose of acquiring the Collateral Obligations, issuing the Notes and engaging in certain related transactions. The Issuer was incorporated on November 11, 2011 in the Cayman Islands with registered number 264141 and has an indefinite existence[1]. The Issuer's registered office and the business address of each of the directors of the Issuer is at the offices of Appleby Trust (Cayman) Ltd., Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Attention: The Directors, telephone no. +1 (345) 949-4900, facsimile no. +1 (345) 949-4901. The directors of the Issuer are Richard McMillan and David Boyd. The directors of the Issuer serve as directors of and provide services to other special purpose entities that issue collateralized obligations and perform other duties for the Administrator. The Issuer has no prior operating history other than in connection with pre-closing warehouse arrangements and the Closing Merger to facilitate the acquisition of Collateral Obligations in contemplation of the transaction described herein. See "Risk Factors—Relating to the Collateral Obligations—Pre-Closing Warehouse Arrangements and Closing Merger with the Issuer". The Issuer does not publish any financial statements.

Subject to the contracting restrictions imposed upon the Issuer by the Indenture, the directors of the Issuer have the power to borrow on behalf of the Issuer. A director of the Issuer is not required to own any shares in the Issuer in order to qualify as a director.

A director of the Issuer (or his alternate director or duly appointed proxy in his absence) is at liberty to vote in respect of any contract or transaction in which he is interested; *provided* that the nature of the interest of any director or proxy or alternate director in any such contract or transaction is disclosed by him or the alternate director appointed by him at or prior to its consideration and any vote on it.

As of the Closing Date, the authorized share capital of the Issuer will consist of 250 ordinary voting shares, U.S.$1.00 par value per share (the "**Issuer Ordinary Shares**"). As of the Closing Date, all of the Issuer Ordinary Shares will be held by Appleby Trust (Cayman) Ltd. (in such capacity, the "**Share Trustee**"), under the terms of a declaration of trust ultimately for charitable purposes. The Issuer will not have any material assets other than the Collateral Obligations and certain other eligible assets. The Collateral Obligations and such other eligible assets will be pledged to the Trustee as security for the Issuer's obligations under the Secured Notes and the Indenture.

Jamestown CLO I Corp. (the "**Co-Issuer**") was incorporated under the laws of the State of Delaware and is a special purpose entity established for the sole purpose of co-issuing the Secured Notes. The Co-Issuer was incorporated on October 31, 2012 in the State of Delaware with registered number 5235184 and has an indefinite existence. The Co-Issuer's registered office is at 2711 Centerville Road, Suite 400, City of Wilmington, State of Delaware 19808, County of New Castle, telephone no. (302) 738-6680. The Co-Issuer has no substantial assets and will not pledge any assets to secure the Notes.

The sole director and officer of the Co-Issuer is Donald J. Puglisi. The principal outside function of Donald J. Puglisi consists of being a finance professor emeritus at the University of Delaware and serving as a corporate director for a variety of entities. Donald J. Puglisi may be contacted at the registered office of the Co-Issuer. The Co-Issuer has no prior operating history. Unless otherwise required pursuant to the Indenture, the Co-Issuer will not publish any financial statements.

The Co-Issuer's authorized common stock consists of 100 shares of common stock, U.S.$0.01 par value per share (the "**Co-Issuer Common Stock**"). All of the Co-Issuer Common Stock is, or will be on the Closing Date, held by the Share Trustee, under the terms of a declaration of trust in favor of charitable purposes.

[1] The Issuer was incorporated under the name "Fraser Sullivan CLO VII Ltd." On March 23, 2012, the Issuer legally changed its name to "Fraser Sullivan CLO VIII Ltd." On October 4, 2012, the Issuer legally changed its name to "Jamestown CLO I Ltd."

The Notes are not obligations of the Trustee, the Portfolio Manager, Citigroup, the Collateral Administrator, or any of their respective affiliates, the Administrator, the Share Trustee or any directors or officers of the Co-Issuers. The Co-Issuer will not make any payments of interest or principal on the Notes.

Capitalization of the Issuer

The Issuer's initial proposed capitalization and indebtedness as of the Closing Date after giving effect to the issuance of the Notes and the Issuer Ordinary Shares (before deducting expenses of the offering) is set forth below:

	Amount
Class A-1 Notes	$293,000,000
Class A-2 Notes	$40,500,000
Class B Notes	$36,000,000
Class C Notes	$18,000,000
Class D Notes	$24,750,000
Subordinated Notes	$48,950,000
Total Debt	$461,200,000
Issuer Ordinary Shares	250
Retained Earnings	
Total Equity	$250
Total Capitalization	$461,200,250[1]

[1]Unaudited.

Business of the Co-Issuers

The Issuer's Memorandum of Association describes the objects of the Issuer, which include the activities to be carried out by the Issuer in connection with the Notes. The Co-Issuer's certificate of incorporation describes the objects of the Co-Issuer, which include the activities to be carried out by the Co-Issuer in connection with the Secured Notes (other than the Class D Notes). The Co-Issuers have not issued securities, other than common shares, prior to the date of this Offering Circular and have not listed any securities on any exchange. The Issuer will not undertake any activities other than issuing, paying and redeeming the Notes and any additional notes issued pursuant to the Indenture, acquiring, holding, selling, exchanging, redeeming and pledging, solely for its own account, Collateral Obligations and Eligible Investments, acquiring, holding, selling, exchanging, redeeming and pledging shares in Blocker Subsidiaries and other activities incidental thereto, including entering into the Transaction Documents to which it is a party. The Co-Issuer shall not engage in any business or activity other than issuing and selling the Secured Notes (other than the Class D Notes) and any additional rated notes issued pursuant to the Indenture and other activities incidental thereto, including entering into the Transaction Documents to which it is a party. The Co-Issuer will have no other liabilities other than the Class A Notes, the Class B Notes and the Class C Notes. Neither of the Co-Issuers will have any subsidiaries (other than any Blocker Subsidiaries, in the case of the Issuer). In general, subject to the credit quality and diversity of the Collateral Obligations and general market conditions and the need (in the judgment of the Portfolio Manager) to satisfy the Coverage Tests, the Interest Diversion Test, the Concentration Limitations and the Collateral Quality Test or to obtain funds for the redemption or payment of the Notes, the Issuer will own the Assets and will receive payments of interest and principal on the Collateral Obligations and Eligible Investments as the principal source of its income. The ability to purchase additional Collateral Obligations and sell Collateral Obligations prior to maturity is subject to significant restrictions under the Indenture. See "Security for the Secured Notes—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria".

In addition, pursuant to the terms of an agreement to be entered into on or prior to the Closing Date among the Issuer, the Portfolio Manager and the Collateral Administrator (the "**Collateral Administration Agreement**"), the Issuer will retain Virtus Group, LP, in such capacity as collateral administrator (the "**Collateral Administrator**") to, among other things, perform certain administrative duties of the Issuer, or of the Portfolio Manager on behalf of the Issuer, with respect to the Assets, including the compilation of certain reports and the performance of certain calculations with respect to the Collateral Quality Test, the Interest Diversion Test and the

Coverage Tests, subject, in each case, to the Collateral Administrator's receipt from the Portfolio Manager of information with respect to the Assets that is not contained in the collateral database maintained under the Collateral Administration Agreement. The compensation paid by the Issuer for such services will be in addition to the fees paid to the Portfolio Manager and will be treated as an expense of the Issuer and will be subject to the Priority of Payments.

Appleby Trust (Cayman) Ltd. (the "**Administrator**"), a Cayman Islands licensed trust company, will act as the administrator of the Issuer. The office of the Administrator will serve as the general business office of the Issuer. Through this office and pursuant to the terms of an agreement between the Administrator and the Issuer (the "**Administration Agreement**"), the Administrator will perform various corporate management functions on behalf of the Issuer, including communications with the general public, and the provision of certain clerical, administrative and other corporate services in the Cayman Islands until termination of the Administration Agreement. In consideration of the foregoing, the Administrator will receive various fees and other charges payable by the Issuer at rates agreed upon from time to time *plus* expenses.

The activities of the Administrator under the Administration Agreement will be subject to the overview of the Issuer's board of directors. The Administration Agreement may be terminated by either the Issuer or the Administrator upon 30 days' prior written notice (in each case with a copy to the Portfolio Manager), in which case a replacement Administrator will be appointed. The Administrator's principal office is at Appleby Trust (Cayman) Ltd., Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary based on present law of certain U.S. federal income tax considerations for prospective purchasers of the Notes. It addresses only purchasers that buy in the original offering at the original offering price, hold the Notes as capital assets and, in the case of U.S. Holders (as defined below), use the U.S. dollar as their functional currency. The discussion is a general summary; it is not a substitute for tax advice. The discussion does not consider the circumstances of particular purchasers, some of which (such as banks, insurance companies, securities traders and dealers, tax exempt organizations or persons holding the Notes as part of a hedge, straddle, conversion, integrated or constructive sale transaction) are subject to special tax regimes.

THE STATEMENTS ABOUT U.S. FEDERAL TAX ISSUES ARE MADE TO SUPPORT MARKETING OF THE NOTES. NO TAXPAYER CAN RELY ON THEM TO AVOID TAX PENALTIES. EACH PROSPECTIVE PURCHASER SHOULD SEEK ADVICE FROM AN INDEPENDENT TAX ADVISOR ABOUT THE TAX CONSEQUENCES UNDER ITS OWN PARTICULAR CIRCUMSTANCES OF INVESTING IN NOTES UNDER THE LAWS OF THE CAYMAN ISLANDS, THE UNITED STATES AND ITS CONSTITUENT JURISDICTIONS AND ANY OTHER JURISDICTION WHERE THE PURCHASER MAY BE SUBJECT TO TAXATION.

For purposes of this discussion, a "**Holder**" is a beneficial owner of a Note. A "**U.S. Holder**" is a Holder that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) any corporation, partnership or entity treated as a corporation or partnership created or organized in or under the laws of the United States, any State thereof or the District of Columbia, (iii) a trust subject to the control of one or more United States persons and the primary supervision of a U.S. court or that is eligible to and has elected to be treated as a U.S. person or (iv) an estate the income of which is subject to U.S. federal income taxation regardless of its source. A "**Non-U.S. Holder**" is any Holder other than a U.S. Holder or an entity treated as a partnership for U.S. federal income tax purposes.

The tax consequences to a partner in a partnership holding Notes generally will depend on the status of the partner and the activities of the partnership. Partnerships should consult their own tax advisors about the U.S. federal income tax consequences to their partners of an investment in the Notes.

Notes issued in additional offerings by the Issuer or the Co-Issuer may not be fungible for U.S. federal income tax purposes with the Notes issued in the original offering.

Taxation of the Issuer

The Issuer expects to receive an opinion from Bingham McCutchen LLP, special U.S. federal income tax counsel to the Issuer, that the Issuer will not be engaged in a trade or business within the United States except to the extent the Indenture permits investments in certain equity securities issued by non-corporate entities that are so engaged. As long as the Issuer conducts its affairs so that it is not engaged in a trade or business within the United States, its net income will not be subject to U.S. federal income tax under current law. Should the Issuer acquire equity securities issued by a non-corporate entity engaged in a U.S. trade or business, those investments should not cause the Issuer's income from other investments to become subject to net income tax in the United States under current law.

The Issuer also expects that payments received on the Collateral Obligations and the Eligible Investments generally will not be subject to withholding taxes imposed by the United States or other countries from which such payments are sourced. The Issuer will be subject to a 30% U.S. withholding tax on certain U.S.-source payments received by the Issuer after December 31, 2013, and the proceeds of certain sales, received by the Issuer after December 31, 2016 with respect to an obligation that is not outstanding on or that is materially modified after March 18, 2012 (although proposed regulations extends this date to January 1, 2013) unless it has in effect an agreement with the U.S. Internal Revenue Service to (i) obtain information regarding each Holder of its Notes (other than the Notes treated as regularly traded on an established securities market) as is necessary to determine which, if any, such Holders are U.S. persons or United States owned foreign entities, (ii) provide annually to the U.S. Internal Revenue Service the name, address, taxpayer identification number and certain other information with respect to Holders and beneficial owners of Notes (other than Notes that are treated as regularly traded on an established securities market) that are U.S. persons or that are United States owned foreign entities (in which case the information must be

provided with respect to the entity's "substantial U.S. owners") and (iii) comply with certain other due diligence procedures, Internal Revenue Service requests, withholding and other requirements. A Holder that fails to provide required information can be subject to a 30% withholding on payments due to it of both principal and interest after 2016. The Issuer expects to enter into such an agreement. The U.S. Internal Revenue Service has some issued guidance and proposed regulations covering many of the terms that must be included in, and the procedures for entering into, such an agreement. However, a model agreement has not been issued by the U.S. Internal Revenue Service and it is unknown whether the proposed regulations will be finalized in the current form. In addition, the actions the Issuer will need to take in order to comply are not fully addressed by existing guidance or the proposed regulations, and therefore, the Issuer's ability to comply with these rules remains uncertain. These new rules apply regardless of whether the payment would otherwise be exempt from U.S. nonresident withholding tax (e.g., under the exemption of interest payments that qualify as "portfolio interest" or gains). Payments on the Collateral Obligations and Eligible Investments might become subject to U.S. or other tax due to a change in law, unanticipated activities by the Issuer, or other causes. Payments with respect to any equity securities held by the Issuer likely will be subject to withholding taxes imposed by the United States or other countries from which such payments are sourced. In addition, certain payments on Letter of Credit Reimbursement Obligations are expected to be and, as a condition of their eligibility for acquisition, are required to be subject to withholding by the relevant agent bank, unless the Issuer has received an opinion of nationally recognized external legal counsel to the effect that such withholding should or will not be required or the Issuer deposits into the LC Reserve Account an amount equal to 30% of all of the fees received in respect of the Letter of Credit Reimbursement Obligations. The extent to which United States or other source-country withholding taxes may apply to the Issuer's income will depend on the actual composition of its assets.

The imposition of unanticipated withholding taxes or taxes on the Issuer's net income could materially impair the Issuer's ability to make payments on the Notes, cause the Issuer to sell the relevant Collateral Obligations or cause a Tax Redemption if certain requirements are met. In addition, if the Issuer is subject to withholding tax as a result of a holder of one of its Notes failing to provide the Issuer requested information, payments (of both principal and interest) to that holder will be reduced to extent of such withholding.

Taxation of the Holders

U.S. Taxation of Class A Notes, Class B Notes, Class C Notes and Class D Notes

Bingham McCutchen LLP, special U.S. federal income tax counsel to the Issuer, will provide an opinion to the Issuer to the effect that the Class A Notes, Class B Notes and Class C Notes will, and the Class D Notes should, be treated as debt for U.S. federal income tax purposes. The Issuer intends, and the Indenture provides that each Holder will agree, to treat all of the Secured Notes as debt for such purposes, and the following discussion assumes that the Secured Notes will be debt. If any class of Secured Notes instead were to be treated as equity for U.S. federal income tax purposes, the tax consequences to a U.S. Holder generally would resemble the tax consequences of holding Subordinated Notes without having made, if it were available, an election to treat the Issuer as a qualified electing fund ("**QEF**"). See "U.S. Taxation of Subordinated Notes" below.

U.S. Holders. Interest that qualifies as qualified stated interest is includible in the gross income of a U.S. Holder in accordance with its regular method of tax accounting. Interest that does not qualify as qualified stated interest is included in income under the rules applicable to original issue discount ("**OID**"). Stated interest, to be considered qualified stated interest, must be payable at least annually and reasonable remedies must exist to compel timely payment or the terms of the debt instrument must make late payment (other than a reasonable grace period) or non-payment sufficiently remote. The Issuer intends to treat stated interest on the Class A Notes as qualified stated interest. However, a U.S. Holder of Class A Notes issued with more than *de minimis* OID also must include the OID in income on a constant yield to maturity basis whether or not it receives cash payments. The Class A Notes will have been issued with more than *de miminis* OID if their stated redemption price exceeds their issue price by an amount as great as 0.25% of their stated redemption price multiplied by their weighted average maturity.

Because the Issuer has not determined that deferral of interest on the Class B Notes, Class C Notes and Class D Notes is a remote possibility, it will treat all interest on the Class B Notes, Class C Notes or Class D Notes (together with any excess of stated principal over issue price) as OID rather than qualified stated interest. A U.S. Holder must include OID in income on a constant yield to maturity basis as ordinary income whether or not it receives a cash payment on any payment date. Even if the likelihood of deferral were remote, a U.S. Holder must

accrue interest as OID on the principal amount (including accrued but undistributed interest as OID) of any Notes on which interest actually was deferred.

The timing of accrual of OID could be affected by special rules applicable to debt instruments that are subject to principal acceleration due to prepayments on debt obligations that secure them. U.S. Holders should consult their tax advisors about the proper basis for accruing any OID on the Class A Notes, Class B Notes, Class C Notes or Class D Notes.

Assuming the Issuer is not engaged in a U.S. trade or business, interest and OID on the Secured Notes generally will be from sources outside the United States.

A U.S. Holder will recognize gain or loss on the disposition of a Secured Note in an amount equal to the difference between the amount realized (other than accrued but unpaid stated interest) and the U.S. Holder's adjusted tax basis in the Secured Note. In general, a U.S. Holder of a Secured Note will have a basis in such Note equal to the cost of the Note to such U.S. Holder, increased by any amount includible in income by such holder as OID and reduced by any payments thereon other than payments of qualified stated interest. The gain or loss generally will be capital gain or loss from sources within the United States.

Alternative Treatment. The IRS may challenge the treatment of the Secured Notes, particularly the Class D Notes, as debt of the Issuer. If the challenge succeeded, the affected Secured Notes would be treated as equity interests in the Issuer and the U.S. federal income tax consequences of investing in those Secured Notes would be substantially the same as those of investing in the Subordinated Notes without making an election to treat the Issuer as a QEF.

Non-U.S. Holders. Interest paid to a Non-U.S. Holder will not be subject to U.S. withholding tax as long as the Issuer is not engaged in a U.S. trade or business. Even if the Issuer were engaged in a U.S. trade or business, interest paid to many Non-U.S. Holders would qualify for an exemption from withholding tax if the holders certify their foreign status. In addition, interest paid to a Non-U.S. Holder will not be subject to U.S. net income tax unless the interest is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States. Gain realized by a Non-U.S. Holder on the redemption or disposition of a Secured Note will not be subject to U.S. tax unless (i) the gain is effectively connected with the Holder's conduct of a U.S. trade or business or (ii) the Holder is an individual present in the United States for at least 183 days during the taxable year of disposition and certain other conditions are met.

U.S. Taxation of Subordinated Notes

U.S. Holders. Although denominated as debt, the Issuer intends, and the Indenture provides that each Holder will agree, to treat the Subordinated Notes as equity in the Issuer for U.S. federal income tax purposes, and the following discussion assumes that the Subordinated Notes will be equity. Subject to the passive foreign investment company rules and the controlled foreign corporation rules discussed below, a U.S. Holder generally must treat distributions received with respect to the Subordinated Notes as dividend income. Dividends will not be eligible for the dividends received deduction allowable to corporations or for the preferential tax rate applicable to qualified dividend income of individuals and certain other non-corporate taxpayers. For purposes of determining a U.S. Holder's foreign tax credit limitation, dividends received from a foreign corporation generally are treated as income from sources outside the United States. For this purpose, if U.S. Holders together hold at least half (by vote or value) of the Subordinated Notes and other interests treated as equity in the Issuer, however, a percentage of the dividend income equal to the proportion of the Issuer's income that comes from U.S. sources will be treated as income from sources within the United States. Except as otherwise required by the rules discussed below, gain or loss on the sale or other disposition of the Subordinated Notes will be capital gain or loss. Gain and loss realized by a U.S. Holder generally will be U.S. source income.

The Issuer will be a passive foreign investment company (a "**PFIC**"). A U.S. Holder therefore will be subject to additional tax on excess distributions received on the Subordinated Notes or gain realized on the disposition of the Subordinated Notes. A U.S. Holder will have an excess distribution if distributions received on the Subordinated Notes during any tax year exceed 125% of the average amount received during the three preceding tax years (or, if shorter, the U.S. Holder's holding period). A U.S. Holder may realize gain for this purpose not only

through a sale or other disposition, but also by pledging the Subordinated Notes as security for a loan or entering into certain constructive disposition transactions. To compute the tax on an excess distribution or any gain, (i) the excess distribution or gain is allocated ratably over the U.S. Holder's holding period, (ii) the amount allocated to the current tax year is taxed as ordinary income and (iii) the amount allocated to each previous tax year is taxed at the highest applicable marginal rate for that year and an interest charge is imposed to recover the deemed benefit from the deferred payment of the tax. These rules effectively prevent a U.S. Holder from treating gain on the Subordinated Notes as capital gain.

A U.S. Holder of Subordinated Notes may wish to avoid the tax consequences just described by electing to treat the Issuer as a QEF. If the U.S. Holder makes a QEF election, the U.S. Holder will be required to include in gross income each year, whether or not the Issuer makes distributions, its pro rata share of the Issuer's net earnings. That income will be long-term capital gain to the extent of the U.S. Holder's pro rata share of the Issuer's net capital gains; the remainder will be ordinary income. Amounts recognized by a U.S. Holder making a QEF election generally are treated as income from sources outside the United States. If U.S. Holders together hold at least half (by vote or value) of the Subordinated Notes and other interests treated as equity in the Issuer, however, a percentage of those amounts equal to the proportion of the Issuer's income that comes from U.S. sources will be treated as income from sources within the United States. Because the U.S. Holder has already paid Tax on them, the amounts previously included in income will not be subject to Tax when they are distributed to the U.S. Holder. An electing U.S. Holder's basis in the Subordinated Notes will increase by any amounts the holder includes in income currently and decrease by any amounts not subject to Tax when distributed. The Issuer will provide U.S. Holders of the Subordinated Notes, upon request, with the information needed to make a QEF election.

A U.S. Holder that makes a QEF election may recognize income in amounts significantly greater than the distributions received from the Issuer. Income may exceed distributions when, for example, the Issuer uses earnings to repay principal on the Secured Notes or accrues original issue discount or market discount on Collateral Obligations. A U.S. Holder that makes a QEF election will be required to include in income currently its allocable share of the Issuer's net earnings (including original issue discount or market discount) whether or not the Issuer actually makes distributions. The holder may be able to elect to defer payment, subject to an interest charge for the deferral period, of the tax on income recognized on account of the QEF election. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS ABOUT THE ADVISABILITY OF MAKING THE QEF AND DEFERRED PAYMENT ELECTIONS.

The Issuer also may be a controlled foreign corporation (a "**CFC**") if U.S. Holders that each own (directly, indirectly or by attribution) at least 10% of the Subordinated Notes and any other interests considered to represent voting equity in the Issuer (each such U.S. Holder, a "**10% U.S. Shareholder**") together own more than half (by vote or value) of the Subordinated Notes and any other interests considered to represent equity in the Issuer.

If the Issuer is a CFC, a 10% U.S. Shareholder generally will be subject to the CFC rules rather than the PFIC rules, and other U.S. Holders will be subject to the PFIC rules. If the Issuer is a CFC for at least 30 consecutive days during its taxable year, a U.S. Holder that is a 10% U.S. Shareholder on the last day of the Issuer's taxable year must recognize ordinary income equal to its allocable share of the Issuer's net earnings for the tax year whether or not the Issuer makes a distribution. That income may exceed distributions for the same reasons QEF inclusions may exceed distributions. The income will be treated as income from sources within the United States to the extent the Issuer derived it from U.S. sources. Earnings on which a U.S. Holder that is a 10% U.S. Shareholder pays tax currently will not be taxed again when they are distributed to the U.S. Holder. Such U.S. Holder's basis in its interest in the Issuer will increase by any amounts the holder includes in income currently and decrease by any amounts not subject to tax when distributed. If the Issuer is a CFC, (i) the Issuer will incur U.S. withholding tax on interest received from a related United States person, (ii) special reporting rules will apply to directors of the Issuer and certain other persons and (iii) certain other restrictions may apply. Subject to a special limitation for individual U.S. Holders that have held interests treated as voting equity in the Issuer for more than one year, gain from disposition of interests treated as equity interests in the Issuer recognized by a U.S. Holder that is or recently has been a 10% U.S. Shareholder will be treated as dividend income to the extent earnings attributable to the interests accumulated while the U.S. Holder held the interests and the Issuer was a CFC.

Generally, a U.S. Holder of Subordinated Notes will be considered to own that Holder's proportionate share of any Equity Security held by the Issuer in any corporation that is a PFIC (an "**indirectly owned PFIC**"). As

a consequence, U.S. Holders of Subordinated Notes would be subject to additional PFIC reporting requirements with respect to each underlying PFIC held directly or indirectly by the Issuer and may also be subject to adverse tax consequences. These adverse tax consequences include such U.S. Holders generally being treated as actually receiving their proportionate share of any distributions by any indirectly owned PFIC and then being deemed to contribute such distributions to the Issuer. The deemed receipt of such dividends would result in current income potentially subject to the "interest charge" additional tax regardless of whether the Issuer actually distributed such amounts to Holders. Although the Issuer will not provide information that will allow a U.S. Holder of Subordinated Notes to make a QEF election for any non-U.S. corporation in which it holds Equity Securities that is or may be a PFIC, it will, upon request, provide U.S. Holders with information about the gross distributions it receives from each non-U.S. corporation, and the date and amount it receives from the sale of any such corporation. U.S. Holders of Subordinated Notes may need additional information for their U.S. tax return that the Issuer will not have or will not provide such as the value of each subsidiary on the day the U.S. Holder acquired his interest in the Issuer and the value of the stock in any PFIC held by the Issuer on the day the U.S. Holder disposes of his interest in the Issuer or is deemed to dispose of a portion of his interest a PFIC held by the Issuer to allow the U.S. Holder to calculate the amount of gain or loss with respect to each disposition of an indirectly owned PFIC. Failure of a U.S. Holder to include such information on its tax return can result in adverse tax consequences, including potentially resulting is the statute of limitations for any return (including for items unrelated to such information) in which such information was required to be provided being extended until at least three years after such information is provided. Potential U.S. investors should consult with their tax advisors about the consequences of the Issuer's PFIC status, the advisability of a QEF election, the Issuer's potential CFC status and the tax consequences thereof.

U.S. Holders generally must report, with their tax return for the tax year that includes the Closing Date, certain information relating to their purchase of the Subordinated Notes. A U.S. Holder may be required specifically to disclose any loss on the Subordinated Notes on its tax return under regulations related to tax shelter transactions. When a U.S. Holder holds 10% of the shares in a CFC or QEF, the holder also must disclose any Issuer transactions reportable under those regulations. Recently enacted legislation has added additional reporting requirements. U.S. Holders are urged to consult their tax advisors about these and all other specific reporting requirements. There are very substantial penalties for failure to comply.

Non-U.S. Holders. Payments to a Non-U.S. Holder of Subordinated Notes will not be subject to U.S. federal income tax unless the income is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States. Gain realized by a Non-U.S. Holder on the sale or other disposition of the Subordinated Notes will not be subject to U.S. federal income tax unless (i) the gain is effectively connected with the holder's conduct of a U.S. trade or business or (ii) the holder is an individual present in the United States for at least 183 days during the taxable year of disposition and certain other conditions are met.

U.S. Information Reporting and Backup Withholding

Payments on the Notes and proceeds from the disposition of the Notes paid to a non-corporate Holder generally will be subject to U.S. information reporting. Payments to Non-U.S. Holders that provide certification of foreign status generally are exempt from information reporting. Backup withholding tax may apply to reportable payments unless the Holder provides a correct taxpayer identification number or otherwise establishes an exemption. Any amount withheld may be credited against a Holder's U.S. federal income tax liability or refunded to the extent it exceeds the Holder's liability.

Recently enacted legislation requires certain U.S. Holders to report information with respect to their investment in the Notes not held through an account with a financial institution to the IRS. Investors who fail to report required information could become subject to substantial penalties. Potential investors are encouraged to consult with their own tax advisors regarding the possible implications of this new legislation on their investment in the Notes. U.S. Holders of Subordinated Notes should consult their tax advisors regarding any special reporting requirements in connection with transfers of cash or property to the Issuer. Failure to comply with these requirements may subject such persons to penalties and other adverse consequences.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE IMPORTANT TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR

SHOULD CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE NOTES UNDER THE INVESTOR'S OWN CIRCUMSTANCES.

CAYMAN ISLANDS INCOME TAX CONSIDERATIONS

The following is a discussion of certain Cayman Islands tax consequences of an investment in the Notes. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider your particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

Under existing Cayman Islands Laws:

(i) Payments of interest, principal and other amounts on the Secured Notes and amounts in respect of the Subordinated Notes will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal and other amounts on the Secured Notes or a distribution to any holder of the Subordinated Notes, nor will gains derived from the disposal of the Notes be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax;

(ii) No stamp duty is payable in respect of the issue or transfer of the Notes although duty may be payable if Notes are executed in or brought into the Cayman Islands; and

(iii) Certificates evidencing the Notes, in registered form, to which title is not transferable by delivery, should not attract Cayman Islands stamp duty. However, an instrument transferring title to a Note, if brought to or executed in the Cayman Islands, would be subject to Cayman Islands stamp duty.

The Issuer has been incorporated as an exempted company with limited liability under the laws of the Cayman Islands and, as such, has applied for an undertaking from the Governor in Cabinet of the Cayman Islands in the following form:

"The Tax Concessions Law
(2011 Revision)
Undertaking As To Tax Concessions

In accordance with the provision of Section 6 of the Tax Concession Law (2011 Revision) the Governor in Cabinet undertakes with:

Jamestown CLO I Ltd. "the Company"

(a) that no Law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and

(b) in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable

(i) on or in respect of the shares debentures or other obligations of the Company; or

(ii) by way of the withholding in whole or part of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (2011 Revision).

These concessions shall be for a period of TWENTY years from the 30th day of November 2011.

CLERK OF THE CABINET"

The Cayman Islands does not have an income tax treaty arrangement with the United States or any other country; however, the Cayman Islands has entered into a tax disclosure agreement with the United States.

CERTAIN ERISA AND RELATED CONSIDERATIONS

THE STATEMENTS ABOUT U.S. FEDERAL TAX ISSUES ARE MADE TO SUPPORT MARKETING OF THE NOTES. NO TAXPAYER CAN RELY ON THEM TO AVOID TAX PENALTIES. EACH PROSPECTIVE PURCHASER SHOULD SEEK ADVICE FROM AN INDEPENDENT TAX ADVISOR ABOUT THE TAX CONSEQUENCES UNDER ITS OWN PARTICULAR CIRCUMSTANCES OF INVESTING IN NOTES UNDER THE LAWS OF THE CAYMAN ISLANDS, THE UNITED STATES AND ITS CONSTITUENT JURISDICTIONS AND ANY OTHER JURISDICTION WHERE THE PURCHASER MAY BE SUBJECT TO TAXATION.

The United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) which are subject to Title I of ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, "**ERISA Plans**") and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment including, but not limited to, the matters discussed under "Risk Factors" and the fact that in the future there may be no market in which such fiduciary will be able to sell or otherwise dispose of the Notes.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts (together with ERISA Plans, "**Plans**") and certain persons ("parties in interest" as defined in Section 3(14) of ERISA (each a "**Party in Interest**") for purposes of ERISA or "disqualified persons" as defined in Section 4975(e)(2) of the Code (each a "**Disqualified Person**") for purposes of Section 4975 of the Code) having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A Party in Interest or Disqualified Person who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and Section 4975 of the Code.

Regulations promulgated by the United States Department of Labor at 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA (the "**Plan Asset Regulation**"), describe what constitutes the assets of a Plan with respect to the Plan's investment in an entity for purposes of certain provisions of ERISA and Section 4975 of the Code, including the fiduciary responsibility and prohibited transaction provisions of Title I of ERISA and Section 4975 of the Code. Under the Plan Asset Regulation, if a Plan invests in an "equity interest" of an entity that is neither a "publicly offered security" nor a security issued by an investment company registered under the Investment Company Act, the Plan's assets include both the equity interest and an undivided interest in each of the entity's underlying assets, unless it is established that the entity is an "operating company" or, as further discussed below, that participation in the entity by "benefit plan investors" constitutes less than 25% of each class of equity in the entity, determined in accordance with Section 3(42) of ERISA.

For purposes of the Plan Asset Regulation, a "publicly offered security" is a security that is (a) "freely transferable", (b) part of a class of securities that is "widely held", and (c)(i) sold to the Plan as part of an offering of securities to the public pursuant to an effective registration statement under the Securities Act and the class of securities to which such security is a part is registered under the Exchange Act within 120 days after the end of the fiscal year of the issuer during which the offering of such securities to the public has occurred, or (ii) is part of a class of securities that is registered under Section 12 of the Exchange Act.

It is not anticipated that (i) the Notes will constitute "publicly offered securities" for purposes of the Plan Asset Regulation, (ii) the Issuer will be an investment company registered under the Investment Company Act or (iii) the Issuer will qualify as an operating company within the meaning of the Plan Asset Regulation.

Whether or not the underlying assets of the Issuer are deemed to include "plan assets", as described below, prohibited transactions within the meaning of Section 406 of ERISA or Section 4975 of the Code may arise if Notes are acquired with the assets of a Plan with respect to which the Issuer, Citigroup, the Trustee, the Portfolio Manager, any seller of Collateral Obligations to the Issuer or any of their respective affiliates, is a Party in Interest or a Disqualified Person. Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and

Section 4975 of the Code may be applicable, however, depending in part on the type of Plan fiduciary making the decision to acquire a Note and the circumstances under which such decision is made. Included among these exemptions are Prohibited Transaction Class Exemption ("**PTCE**") 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a "qualified professional asset manager"), PTCE 90-1 (relating to investments by insurance company pooled separate accounts), PTCE 95-60 (relating to investments by insurance company general accounts), and PTCE 96-23 (relating to transactions effected by in-house asset managers). Even if one or more exemptions is available, there can be no assurance that relief will be provided from all prohibited transactions that may result if any Note or any interest therein is acquired or held by a Plan.

Governmental plans, certain church plans and non-U.S. plans, while not subject to the prohibited transaction provisions of ERISA or Section 4975 of the Code, may nevertheless be subject to other state, local, other federal or non-U.S. laws or regulations that are substantially similar to the fiduciary responsibility or prohibited transaction provisions of ERISA or Section 4975 of the Code (any such law or regulation, a "**Similar Law**"). Fiduciaries of any such plans should consult with their counsel before acquiring any Notes.

Any insurance company proposing to invest assets of its general account in Notes should consider the extent to which such investment would be subject to the requirements of Title I of ERISA and Section 4975 of the Code in light of the U.S. Supreme Court's decision in John Hancock Mutual Life Insurance Co. v. Harris Trust and Savings Bank, 510 U.S. 86 (1993), and the enactment of Section 401(c) of ERISA on August 20, 1996. In particular, such an insurance company should consider (i) the exemptive relief granted by the U.S. Department of Labor for transactions involving insurance company general accounts in PTCE 95-60 and (ii) if such exemptive relief is not available, whether its acquisition of Notes will be permissible under the final regulations issued under Section 401(c) of ERISA.

The Plan Asset Regulation defines an "equity interest" as any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and which has no substantial equity features. The assets of an entity will be deemed to be the assets of an investing Plan (in the absence of another applicable Plan Asset Regulation exception) if 25% or more of the value of any class of equity interest in the entity is held by "benefit plan investors" as calculated under the Plan Asset Regulation (the "**25% Limitation**"). The term "benefit plan investor" is defined by Section 3(42) of ERISA to include (a) an employee benefit plan (as defined in Section 3(3) of Title I of ERISA) that is subject to Part 4 of Title I of ERISA, (b) a plan as defined in Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code or (c) any entity whose underlying assets include "plan assets" by reason of any such employee benefit plan's or plan's investment in the entity (collectively, "**Benefit Plan Investors**"). An entity that is treated as holding plan assets for purposes of the Plan Asset Regulation is considered to hold plan assets only to the extent of the percentage of the equity interest held by Benefit Plan Investors. For purposes of making the 25% determination, the Plan Asset Regulation provides that the value of any equity interests held by a person (other than a Benefit Plan Investor) who has discretionary authority or control with respect to the assets of the entity or any person who provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of any such person (each, a "**Controlling Person**"), is disregarded. Under the Plan Asset Regulation, an "affiliate" of a person includes any person, directly or indirectly through one or more intermediaries, controlling, controlled by or under common control with the person, and "control" with respect to a person other than an individual means the power to exercise a controlling influence over the management or policies of such person.

Although there is little guidance on how this definition applies, the Issuer believes that the Class A Notes the Class B Notes and the Class C Notes, will be treated as indebtedness without substantial equity features for purposes of the Plan Asset Regulation, although no assurance can be given in this regard. However, the Secured Notes that are ERISA Restricted Notes may, and the Subordinated Notes will likely, be treated as equity interests in the Issuer for purposes of the Plan Asset Regulation. Accordingly, in an effort to avoid issues that could arise if the assets of the Issuer were to be treated as plan assets for purposes of ERISA or Section 4975 of the Code, the ERISA Restricted Notes will be subject to restrictions on ownership by Benefit Plan Investors and Controlling Persons.

If you are a purchaser or transferee of Class A Notes, Class B Notes or Class C Notes, you will be required or deemed (i) to represent, warrant and agree that (1) if you are, or are acting on behalf of, a Benefit Plan Investor, your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Code, and (2) if you are a governmental, church, non-U.S. or other plan, your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Similar Law.

If you are a purchaser or subsequent transferee of Certificated Subordinated Notes, Uncertificated Subordinated Notes or ERISA Restricted Certificated Secured Notes, you will be required to (i) represent and warrant in writing to the Trustee (1) whether or not, for so long as you hold such Notes or interest herein, you are, or are acting on behalf of, a Benefit Plan Investor, (2) whether or not, for so long as you hold such Notes or interest therein, you are a Controlling Person and (3) that (a) if you are, or are acting on behalf of, a Benefit Plan Investor, your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or (b) if you are a governmental, church or non-U.S. plan, your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Similar Law, and (ii) agree to certain transfer restrictions regarding your interest in such Notes.

If you are a purchaser or subsequent transferee of an interest in Regulation S Global ERISA Restricted Notes, you will be required (in the case of an original purchaser) or deemed (in the case of a subsequent transferee) to have represented and agreed that (1) for so long as you hold such Notes or interest therein, you are not, and are not acting on behalf of, a Benefit Plan Investor and are not a Controlling Person and (2) if you are a governmental, church, non-U.S. or other plan, your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Similar Law.

No transfer of an interest in ERISA Restricted Notes will be permitted or recognized if it would cause the 25% Limitation described above to be exceeded with respect to the any Class of ERISA Restricted Notes. No transfer of an interest in a Regulation S Global ERISA Restricted Note to a person that is a Benefit Plan Investor or a Controlling Person will be permitted or recognized.

If any person shall become the beneficial owner of a Note who has made or is deemed to have made a Benefit Plan Investor, Controlling Person or Similar Law representation that is subsequently shown to be false or misleading or whose beneficial ownership otherwise causes a violation of the 25% Limitation (any such person a "**Non-Permitted ERISA Holder**"), the Issuer shall, promptly after discovery that such person is a Non-Permitted ERISA Holder by the Issuer (or upon notice to the Issuer from the Trustee if it obtains actual knowledge or the Co-Issuer if it makes the discovery), send notice to such Non-Permitted ERISA Holder demanding that such Non-Permitted ERISA Holder transfer its interest to a person that is not a Non-Permitted ERISA Holder within 20 days after the date of such notice. If such Non-Permitted ERISA Holder fails to so transfer its interest in such Notes, the Issuer shall have the right, without further notice to the Non-Permitted ERISA Holder, to sell its interest in such Notes to a purchaser selected by the Issuer that is not a Non-Permitted ERISA Holder on such terms as the Issuer may choose. The Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Notes, as applicable, and selling such Notes, as applicable, to the highest such bidder. The holder of each Note, as applicable, the Non-Permitted ERISA Holder and each other person in the chain of title from the holder to the Non-Permitted ERISA Holder, by its acceptance of an interest in the Notes agrees to cooperate with the Issuer to effect such transfers. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to the Non-Permitted ERISA Holder. The terms and conditions of any sale under this sub-section shall be determined in the sole discretion of the Issuer, and the Issuer shall not be liable to any person having an interest in the Notes sold as a result of any such sale or the exercise of such discretion.

Further considerations

There can be no assurance that, despite the transfer restrictions relating to acquisitions by Benefit Plan Investors and Controlling Persons and the procedures to be employed by the Issuer to attempt to limit ownership by Benefit Plan Investors of each Class of ERISA Restricted Notes to less than 25%, Benefit Plan Investors will not in actuality own 25% or more of any Class of outstanding ERISA Restricted Notes, disregarding Notes held by Controlling Persons.

If for any reason the assets of the Issuer were deemed to be "plan assets" of a Plan, certain transactions that the Issuer might enter into, or may have entered into, in the ordinary course of its business might constitute non-exempt "prohibited transactions" under Section 406 of ERISA or Section 4975 of the Code and might have to be rescinded at significant cost to the Issuer. The Portfolio Manager, on behalf of the Issuer, may be prevented from engaging in certain investments or other transactions or fee arrangements because they might be deemed to cause non-exempt prohibited transactions. Moreover, if the underlying assets of the Issuer were deemed to be assets constituting plan assets, (i) the assets of the Issuer could be subject to ERISA's reporting and disclosure

requirements, (ii) a fiduciary causing a Benefit Plan Investor to make an investment in the equity of the Issuer could be deemed to have delegated its responsibility to manage the assets of the Benefit Plan Investor, (iii) various providers of fiduciary or other services to the Issuer, and any other parties with authority or control with respect to the Issuer, could be deemed to be Plan fiduciaries or otherwise Parties in Interest or Disqualified Persons by virtue of their provision of such services, and (iv) it is not clear that Section 404(b) of ERISA, which generally prohibits plan fiduciaries from maintaining the indicia of ownership of assets of plans subject to Title I of ERISA outside the jurisdiction of the district courts of the United States, would be satisfied in all instances.

Any Plan fiduciary or other person who proposes to use assets of any Plan to acquire any Notes should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such an investment, and to confirm that such investment will not constitute or result in a non-exempt prohibited transaction or any other violation of an applicable requirement of ERISA.

The sale of any Notes to a plan, or to a person using assets of any plan to effect its acquisition of any Notes, is in no respect a representation by the Issuer, Citigroup, the Trustee, the Collateral Administrator or the Portfolio Manager that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

ANY POTENTIAL INVESTOR CONSIDERING AN INVESTMENT IN THE NOTES THAT IS, OR IS ACTING ON BEHALF OF, A PLAN IS STRONGLY URGED TO CONSULT ITS OWN LEGAL AND TAX ADVISORS REGARDING THE CONSEQUENCES OF SUCH AN INVESTMENT UNDER ERISA, THE CODE OR ANY SIMILAR LAW AND ITS ABILITY TO MAKE THE REPRESENTATIONS DESCRIBED ABOVE.

Legal investment considerations

If your investment activities are subject to regulation by federal, state or local law or governmental authorities you should review the applicable laws and/or rules, policies and guidelines adopted from time to time by such authorities before purchasing any Notes. No representation is made as to the proper characterization of the Notes for legal investment or other purposes or as to the ability of particular investors to purchase any Notes under applicable law or other legal investment restrictions. Accordingly, if your investment activities are subject to such laws and/or regulations, regulatory capital requirements or review by regulatory authorities you should consult your own legal advisors in determining whether and to what extent the Notes constitute a legal investment or are subject to investment, capital or other restrictions.

None of the Issuer, the Co-Issuer, the Portfolio Manager, Citigroup, the Trustee or the Collateral Administrator make any representation as to the proper characterization of the Notes for legal investment or other purposes, as to the ability of particular investors to purchase the Notes for legal investment or other purposes or as to the ability of particular investors to purchase the Notes under applicable investment restrictions. All institutions whose activities are subject to legal investment laws and regulations, regulatory capital requirements or review by regulatory authorities should consult their own legal advisors in determining whether and to what extent the Notes are subject to investment, capital or other restrictions. Without limiting the generality of the foregoing, none of the Issuer, the Co-Issuer, the Portfolio Manager, Citigroup, the Trustee or the Collateral Administrator makes any representation as to the characterization of the Notes as a U.S.-domestic or foreign (non-U.S.) investment under any state insurance code or related regulations, and they are not aware of any published precedent that addresses such characterization. The uncertainties described above (and any unfavorable future determinations concerning legal investment or financial institution regulatory characteristics of the Notes) may affect the liquidity of the Notes.

ANTI-MONEY LAUNDERING AND ANTI-TERRORISM REQUIREMENTS AND DISCLOSURES

In order to comply with U.S. laws and regulations, including the USA PATRIOT Act, aimed at the prevention of money laundering and the prohibition of transactions with certain countries, organizations and individuals, the Issuer (or the Initial Purchaser or Placement Agent on its behalf) may request from an investor or a prospective investor such information as it reasonably believes is necessary to verify the identity of such investor or prospective investor, and to determine whether such investor or prospective investor is permitted to be an investor in the Issuer or the Notes pursuant to such laws and regulations. In the event of the delay or failure by any investor or prospective investor in the Notes to deliver to the Issuer any such requested information, the Issuer (or the Initial Purchaser or Placement Agent on its behalf) may (a) require such investor to immediately transfer any Note, or beneficial interest therein, held by such investor to an investor meeting the requirements of this Offering Circular and the Indenture, (b) refuse to accept the subscription of a prospective investor, or (c) take any other action required to comply with such laws and regulations. In addition, following the delivery of any such information, the Issuer (or the Initial Purchaser or Placement Agent on its behalf) may take any of the actions identified in clauses (a)-(c) above. In certain circumstances, the Issuer, the Trustee or the Initial Purchaser or Placement Agent may be required to provide information about investors to regulatory authorities and to take any further action as may be required by law. None of the Issuer, the Co-Issuer, the Trustee, the Collateral Administrator, the Portfolio Manager or the Initial Purchaser or Placement Agent will be liable for any loss or injury to an investor or prospective investor that may occur as a result of disclosing such information, refusing to accept the subscription of any potential investor, redeeming any investment in a Note or taking any other action required by law.

The Issuer may be and the Administrator is subject to anti-money laundering legislation in the Cayman Islands pursuant to the PCL. Pursuant to the PCL, the Cayman Islands government enacted The Money Laundering Regulations (as amended), which impose specific requirements with respect to the obligation to "know your client". Except in relation to certain categories of institutional investors, the Issuer may require a detailed verification of each investor's identity and the source of the payment used by such investor for purchasing the Notes in a manner similar to the obligations imposed under the laws of other major financial centers. In addition, if any person who is resident in the Cayman Islands knows or has a suspicion that a payment to the Issuer (by way of investment or otherwise) contains the proceeds of criminal conduct, that person must report such suspicion to the Cayman Islands authorities pursuant to the PCL. If the Issuer were determined by the Cayman Islands government to be in violation of the PCL or The Money Laundering Regulations (as amended), the Issuer could be subject to substantial criminal penalties. Such a violation could materially adversely affect the timing and amount of payments by the Issuer to the holders of the Notes.

PLAN OF DISTRIBUTION

The Secured Notes are being offered by Citigroup (in such capacity, the "**Initial Purchaser**") pursuant to the Purchase Agreement with the Co-Issuers and certain of the Subordinated Notes are being offered by the Issuer through Citigroup (in such capacity, the "**Placement Agent**") pursuant to the Placement Agency Agreement.

Pursuant to the Purchase Agreement, the Secured Notes will be offered by Citigroup, as initial purchaser, from time to time for sale to investors in negotiated transactions at varying prices to be determined in each case at the time of sale. Citigroup, as placement agent, will use its best efforts pursuant to the Placement Agency Agreement to arrange for the issuance of certain Subordinated Notes to investors on the Closing Date, and the Issuer will sell certain Subordinated Notes to one or more Affiliates of the Portfolio Manager on the Closing Date, in negotiated transactions at varying prices. Citigroup may elect to facilitate settlement of such Subordinated Notes on the Closing Date by receiving such Subordinated Notes from the Issuer and delivering them to investors in lieu of such Subordinated Notes being delivered directly by the Issuer to investors.

The Purchase Agreement will provide that the obligations of Citigroup to pay for and accept delivery of the Secured Notes thereunder are subject to certain conditions. The Placement Agency Agreement will provide that the obligation of Citigroup to act as placement agent of the Issuer thereunder is subject to certain conditions.

In the Purchase Agreement and the Placement Agency Agreement, each of the Co-Issuers will agree to indemnify Citigroup against certain liabilities under the Securities Act, the Exchange Act or otherwise, insofar as such liabilities arise out of or are connected with the consummation of the transactions contemplated by the offering documents for the Notes (including the final offering circular for the Notes, the preliminary Offering Circular and this supplemental preliminary Offering Circular) or the execution and delivery of, and the consummation of the transactions contemplated by, the Transaction Documents or to contribute to payments Citigroup may be required to make in respect thereof. In addition, the Issuer will agree to reimburse Citigroup for certain of its expenses incurred in connection with the closing of the transactions contemplated hereby.

The offering of the Notes has not been and will not be registered under the Securities Act and may not be offered or sold in non-offshore transactions except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

No action has been taken or is being contemplated by the Issuer and Co-Issuer that would permit a public offering of the Notes or possession or distribution of this Offering Circular or any amendment thereof, or supplement thereto or any other offering material relating to the Notes in any jurisdiction (other than Ireland) where, or in any other circumstances in which, action for those purposes is required. No offers, sales or deliveries of any Notes, or distribution of this Offering Circular or any other offering material relating to the Notes, may be made in or from any jurisdiction except in circumstances that will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer or Citigroup. Because of the restrictions contained in the front of this Offering Circular, you are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Notes.

In the Purchase Agreement and the Placement Agency Agreement, Citigroup will agree that it or one or more of its Affiliates will sell or arrange for the sale (as applicable) of Notes only to or with, in each case, (a) purchasers it reasonably believes to be (i) (x) Qualified Institutional Buyers or (y) with respect to Certificated Subordinated Notes and Uncertificated Subordinated Notes only, Accredited Investors, and (ii) (x) Qualified Purchasers, (y) in the case of the Subordinated Notes only, Knowledgeable Employees with respect to the Issuer or (z) entities owned exclusively by Qualified Purchasers or (in the case of the Subordinated Notes only) Knowledgeable Employees with respect to the Issuer and (b) non-U.S. persons in offshore transactions pursuant to Regulation S. Until 40 days after completion of the distribution by the Issuer, an offer or sale of Notes, in a non-offshore transaction by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if the offer or sale is made otherwise than pursuant to Rule 144A or a transaction exempt from the registration requirements under the Securities Act. Resales of the Notes offered in reliance on Rule 144A or in another transaction exempt from the registration requirements under the Securities Act, as the case may be, are restricted as described under "Transfer Restrictions". Beneficial interests in a Regulation S Global Secured Note or Regulation S Global Subordinated Note may not be held by a U.S. person at any time, and resales of the Notes offered in offshore transactions to non-U.S. persons in reliance on Regulation S may be effected only in

accordance with the transfer restrictions described herein. As used in this paragraph, the terms "United States" and "U.S." have the meanings given to them by Regulation S.

Citigroup and its affiliates may have had in the past and may in the future have business relationships and dealings with the Portfolio Manager and its affiliates and one or more obligors with respect to Collateral Obligations and their affiliates and may own equity or debt securities issued by such entities or their affiliates. Citigroup and its affiliates may have provided and may in the future provide investment banking services to such entities or their affiliates and may have received or may receive compensation for such services.

The Notes are offered when, as and if issued, subject to prior sale or withdrawal, cancellation or modification of the offer without notice and subject to approval of certain legal matters by counsel and certain other conditions.

The Notes are a new issue of securities for which there is currently no market. Citigroup is under no obligation to make a market in any Class of Notes and any market making activity, if commenced, may be discontinued at any time. There can be no assurance that a secondary market for any Class of Notes will develop, or if one does develop, that it will continue. Accordingly, no assurance can be given as to the liquidity of or trading market for the Notes.

In connection with the offering of the Notes, Citigroup may, as permitted by applicable law, over-allot or effect transactions that stabilize or maintain the market price of the Notes at a level which might not otherwise prevail in the open market. The stabilizing, if commenced, may be discontinued at any time.

The Co-Issuers have not authorized and do not authorize the making of any offer of Notes through any financial intermediary on their behalf, other than offers made by the Initial Purchaser or Placement Agent with a view to the final placement of the Notes as contemplated in this Offering Circular. Accordingly, no purchaser of the Notes, other than the Initial Purchaser and Placement Agent, is authorized to make any further offer of the Notes on behalf of the Co-Issuers, the Initial Purchaser or the Placement Agent.

Notice to Prospective Investors in the European Economic Area

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a "***relevant member state***"), with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the "***relevant implementation date***") an offer of Notes to the public which are the subject of the offering contemplated by this Offering Circular may not be made in that relevant member state other than:

(a) to any legal entity which is a "qualified investor" as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the relevant member state has implemented the relevant provisions of the 2010 PD Amendment Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Issuer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of Notes shall require the Issuer, the Initial Purchaser or the Placement Agent to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, (i) the expression "an offer of Notes to the public" in relation to any securities in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe the securities, as the same may be varied in that member state by any measure implementing the Prospectus Directive in that member state; (ii) the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amendment Directive to the extent implemented in the relevant

member state) and includes any relevant implementing measure in each relevant member state; and (iii) the expression "2010 PD Amendment Directive" means Directive 2010/73/EU.

Each purchaser of securities described in this Offering Circular located within a relevant member state will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of Article 2(1)(e) of the Prospectus Directive and any relevant implementing measure in each relevant member state.

Notice to Prospective Investors in the United Kingdom

Within the United Kingdom, this Offering Circular is only being distributed to, and is only directed at, professionals or other persons in circumstances in which Section 21(1) of the Financial Services and Markets Act 2000 (as amended) does not apply to the Issuer (all such persons together being referred to as "relevant persons"). This Offering Circular may not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Circular relates is available only to relevant persons and will be engaged in only with relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

Notice to Prospective Investors in France

Neither this Offering Circular nor any other offering material relating to the Notes has been submitted to the clearance procedures of the *Autorité des Marchés Financiers* or of the competent authority of another member state of the European Economic Area and notified to the *Autorité des Marchés Financiers.* The Notes have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France. Neither this Offering Circular nor any other offering material relating to the Notes has been or will be:

- released, issued, distributed or caused to be released, issued or distributed to the public in France; or
- used in connection with any offer for subscription or sale of the Notes to the public in France.

Such offers, sales and distributions will be made in France only:

- to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle restreint d'investisseurs*), in each case investing for their own account, all as defined in, and in accordance with, articles L.411-2, D.411-1, D.411-2, D.734-1, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier*;
- to investment services providers authorized to engage in portfolio management on behalf of third parties; or
- in a transaction that, in accordance with article L.411-2-II-1°-or-2°-or 3° of the French *Code monétaire et financier* and article 211-2 of the General Regulations (*Règlement Général*) of the *Autorité des Marchés Financiers*, does not constitute a public offer (*appel public à l'épargne*).

The Notes may be resold directly or indirectly, only in compliance with articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French *Code monétaire et financier*.

Notice to Prospective Investors in Italy

The Notes will not be offered, sold or delivered, and copies of this Offering Circular or any other document relating to the Notes will not be distributed, in the Republic of Italy unless such offer, sale or delivery of Notes or distribution of copies of this Offering Circular or any other document relating to the Notes in the Republic of Italy is:

- made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September, 1993 (the "*Banking Act*"), the Financial Services Act, Regulation 11522 and any other applicable laws and regulations; and

- in compliance with any and all other applicable laws and regulations.

Notice to Prospective Investors in Ireland

The Notes will not be underwritten or placed otherwise than in conformity with the provisions of the Investment Intermediaries Act, 1995 of Ireland, as amended, including, without limitation, Sections 9 and 23 (including advertising restrictions made thereunder) thereof and the codes of conduct made under Section 37 thereof or, in the case of a credit institution exercising its rights under the Banking Consolidation Directive (2000/12/EC of 20th March, 2000) in conformity with the codes of conduct or practice made under Section 117(1) of the Central Bank Act, 1989, of Ireland, as amended.

In connection with offers or sales of the Notes, each of the Co-Issuers, the Initial Purchaser and the Placement Agent has only issued or passed on, and will only issue or pass on, in Ireland, any document received by it in connection with the issue of the Notes to persons who are persons to whom the documents may otherwise lawfully be issued or passed on.

In respect of a local offer (within the meaning of Section 38(1) of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland (the "2005 Act")) of Securities in Ireland, Section 49 of the 2005 Act has been complied with and will be complied with.

Notice to Prospective Investors in Japan

The Notes have not been registered under the Financial Instruments and Exchange Law of Japan. The Notes have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan, except (i) pursuant to an exemption from the registration requirements of the Financial Instruments and Exchange Law and (ii) in compliance with any other applicable requirements of Japanese law.

TRANSFER RESTRICTIONS

Because of the following restrictions, you are advised to consult legal counsel prior to making any offer, resale, or transfer of the Notes.

The Notes have not been registered under the Securities Act or any state securities or "Blue Sky" laws or the securities laws of any other jurisdiction and, accordingly, may not be reoffered, resold, pledged or otherwise transferred except in accordance with the restrictions described herein and set forth in the Indenture.

Without limiting the foregoing, by holding a Note, you will acknowledge and agree, among other things, that you understand that neither of the Co-Issuers is registered as an investment company under the Investment Company Act, and that the Issuer is exempt from registration as such by virtue of Section 3(c)(7) of the Investment Company Act. Section 3(c)(7) excepts from the provisions of the Investment Company Act those issuers who privately place their securities solely to persons who at the time of purchase are "qualified purchasers" or are "knowledgeable employees" with respect to the Issuer. In general terms, "**qualified purchaser**" is defined to mean, among other things, any natural person who owns not less than U.S.$5,000,000 in investments; any person who in the aggregate owns and invests on a discretionary basis, not less than U.S.$25,000,000 in investments; and trusts as to which both the settlor and the decision-making trustee are qualified purchasers (but only if such trust was not formed for the specific purpose of making such investment). In general terms, "**knowledgeable employees**" is defined to mean, among other things, executive officers, directors and certain investment professionals and employees of an issuer and its related investment manager.

Global Secured Notes and Regulation S Global Subordinated Notes

If you are either an initial purchaser or a transferee of Notes represented by an interest in a Global Secured Note or Regulation S Global Subordinated Note you will be deemed to have represented and agreed as follows (except as may be expressly agreed in writing between you and the Co-Issuers or the Issuer, as applicable, if you are an initial purchaser):

(i) In connection with the purchase of such Notes: (A) none of the Co-Issuers, the Portfolio Manager, Citigroup, the Trustee, the Collateral Administrator or any of their respective affiliates is acting as a fiduciary or financial or investment advisor for such beneficial owner; (B) such beneficial owner is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Co-Issuers, the Portfolio Manager, the Trustee, the Collateral Administrator, Citigroup or any of their respective affiliates other than any statements in this Offering Circular, and such beneficial owner has read and understands this Offering Circular; (C) such beneficial owner has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary and has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Indenture) based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Co-Issuers, the Portfolio Manager, the Trustee, the Collateral Administrator, Citigroup or any of their respective affiliates; (D) such beneficial owner is either (1) (in the case of a beneficial owner of an interest in a Rule 144A Global Secured Note) both (a) a "qualified institutional buyer" (as defined under Rule 144A under the Securities Act) that is not a broker-dealer which owns and invests on a discretionary basis less than U.S.$25,000,000 in securities of issuers that are not affiliated persons of the dealer and is not a plan referred to in paragraph (a)(1)(i)(d) or (a)(1)(i)(e) of Rule 144A under the Securities Act or a trust fund referred to in paragraph (a)(1)(i)(f) of Rule 144A under the Securities Act that holds the assets of such a plan, if investment decisions with respect to the plan are made by beneficiaries of the plan and (b) a "qualified purchaser" for purposes of Section 3(c)(7) of the Investment Company Act or an entity owned exclusively by "qualified purchasers" or (2) not a "U.S. person" as defined in Regulation S and is acquiring the Notes in an offshore transaction (as defined in Regulation S) in reliance on the exemption from registration provided by Regulation S; (E) such beneficial owner is acquiring its interest in such Notes for its own account; (F) such beneficial owner was not formed for the purpose of investing in such Notes; (G) such beneficial owner understands that the Issuer may receive a list of participants holding interests in the Notes from one or more book-entry depositories, (H) such beneficial owner will hold and transfer at least

the minimum denomination of such Notes, (I) (in the case of the Subordinated Notes) such beneficial owner is a sophisticated investor and is purchasing the Notes with a full understanding of all of the terms, conditions and risks thereof, and is capable of and willing to assume those risks, (J) such beneficial owner will provide notice of the relevant transfer restrictions to subsequent transferees and (K) if it is not a U.S. person, it is not acquiring any Note as part of a plan to reduce, avoid or evade U.S. federal income tax.

(ii) (1) Each purchaser or transferee of Class A Notes or an interest therein, Class B Notes or an interest therein or Class C Notes or an interest therein will be deemed to represent and warrant that (a) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Code, and (b) if it is a governmental, church, non-U.S. or other plan, its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Similar Law; and (2) each initial purchaser of Regulation S Global ERISA Restricted Notes or an interest therein will be required to represent and agree, and each subsequent transferee of Regulation S Global ERISA Restricted Notes or an interest therein will be deemed to have represented and agreed, that (a) for so long as it holds such Notes or interest therein, it is not, and is not acting on behalf of, a Benefit Plan Investor and is not a Controlling Person and (b) if it is a governmental, church, non-U.S. or other plan, its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Similar Law.

(iii) Such beneficial owner understands that such Notes are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, such Notes have not been and will not be registered under the Securities Act, and, if in the future such beneficial owner decides to offer, resell, pledge or otherwise transfer such Notes, such Notes may be offered, resold, pledged or otherwise transferred only in accordance with the provisions of the Indenture and the legend on such Notes. Such beneficial owner acknowledges that no representation has been made as to the availability of any exemption under the Securities Act or any state securities laws for resale of such Notes. Such beneficial owner understands that neither of the Co-Issuers has been registered under the Investment Company Act, and that the Issuer is exempt from registration as such by virtue of Section 3(c)(7) of the Investment Company Act.

(iv) Such beneficial owner is aware that, except as otherwise provided in the Indenture, any Notes being sold to it in reliance on Regulation S will be represented by one or more Regulation S Global Secured Notes or Regulation S Global Subordinated Notes, as applicable, and that in each case beneficial interests therein may be held only through DTC for the respective accounts of Euroclear or Clearstream.

(v) Such beneficial owner will provide notice to each person to whom it proposes to transfer any interest in the Notes of the transfer restrictions and representations set forth in the Indenture.

In addition, if you purchase an interest in a Regulation S Global ERISA Restricted Note from the Issuer or Citigroup on the Closing Date, you will be required to provide Citigroup or the Issuer with a subscription agreement containing representations substantially similar to those set forth in Annex A-1 or A-3 (as applicable) and Annex A-2 hereto.

ERISA Restricted Certificated Secured Notes

If you are a purchaser or transferee of an ERISA Restricted Certificated Secured Note after the Closing Date (including by way of a transfer of an interest in a Global Secured Note to you as a transferee acquiring an ERISA Restricted Certificated Secured Note), no such purchase or transfer will be recorded or otherwise recognized unless you have provided the Trustee with certificates substantially in the form of Annexes A-2 and A-3 hereto. Initial purchasers of an ERISA Restricted Certificated Secured Note will be required to provide Citigroup with a subscription agreement containing representations substantially similar to those set forth in Annexes A-2 and A-3 hereto.

Certificated Subordinated Notes and Uncertificated Subordinated Notes

If you are a purchaser or transferee of a Subordinated Note in certificated or uncertificated form after the Closing Date (including by way of a transfer of an interest in a Regulation S Global Subordinated Note to you as a transferee acquiring a Subordinated Note in certificated or uncertificated form), no such purchase or transfer will be recorded or otherwise recognized unless you have provided the Issuer and the Trustee with certificates substantially in the form of Annex A-1 and Annex A-2 hereto. Initial purchasers of the Subordinated Notes will be required to provide Citigroup or the Issuer with a subscription agreement containing representations substantially similar to those set forth in Annex A-1 and Annex A-2 hereto.

Additional restrictions

No transfer of any Note will be effective, and no such transfer will be recognized, if it may result in 25% or more of the value of any Class of ERISA Restricted Notes being held by Benefit Plan Investors (the "**25% Limitation**"). For purposes of this determination, the value of Notes held by Citigroup, the Trustee, the Portfolio Manager and certain of their affiliates (other than those interests held by a Benefit Plan Investor) or a person (other than a Benefit Plan Investor) who is a Controlling Person is disregarded. If you are a Benefit Plan Investor or a Controlling Person, you may not acquire Regulation S Global ERISA Restricted Notes or any interest therein. See "Certain ERISA and Related Considerations".

Each purchaser and subsequent transferee of Secured Notes will be required or deemed to represent that such purchaser or subsequent transferee, as applicable, is not an Affected Bank. If you are a purchaser or transferee of Certificated Subordinated Notes, Uncertificated Subordinated Notes or ERISA Restricted Certificated Secured Notes after the Closing Date, you will be required to provide the Issuer and the Trustee written certification by the delivery of a certificate in the form of Annex A-2 hereto as to whether you are an Affected Bank. If you purchase an interest in an ERISA Restricted Note from the Issuer or Citigroup on the Closing Date, you will be required to provide the Issuer or Citigroup with a subscription agreement containing representations substantially similar to those set forth in Annex A-2 hereto as to whether you are an Affected Bank. Each purchaser and subsequent transferee of Regulation S Global ERISA Restricted Notes will be required or deemed to represent that such purchaser or subsequent transferee, as applicable, is not an Affected Bank. No transfer of any Secured Note or Subordinated Note to an Affected Bank will be effective, and no such transfer will be recognized, unless such transfer is specifically authorized by the Issuer in writing; *provided* that the Issuer shall authorize any such transfer if (x) such transfer would not cause an Affected Bank, directly or in conjunction with its affiliates, to own more than 33-1/3% of the aggregate outstanding principal amount of any Class of Notes, or (y) the transferor is an Affected Bank previously approved by the Issuer. "**Affected Bank**" means a "bank" for purposes of Section 881 of the Code or an entity affiliated with such a bank that is neither (x) a United States person (within the meaning of Section 7701(a)(30) of the Code) nor (y) entitled to the benefits of an income tax treaty with the United States under which withholding taxes on interest payments made by obligors resident in the United States to such bank are reduced to 0%.

Each purchaser, beneficial owner and subsequent transferee of Notes or interest therein will: (1) be required or deemed to agree to provide the Issuer and Trustee (i) any information as is necessary (in the sole determination of the Issuer or the Trustee, as applicable) for the Issuer and the Trustee to determine whether such purchaser, beneficial owner or transferee is a United States person as defined in Section 7701(a)(30) of the Code ("United States person") or a United States owned foreign entity as described in Section 1471(d)(3) of the Code ("United States owned foreign entity") and (ii) any additional information that the Issuer or its agent requests in connection with Sections 1471-1474 of the Code and (2) if it is a United States person or a United States owned foreign entity that is a holder or beneficial owner of Notes or an interest therein, be required to (x) provide the Issuer and Trustee its name, address, U.S. taxpayer identification number, if it is a United States owned foreign entity, the name, address and taxpayer identification number of each of its substantial United States owners as defined in Section 1473(2) of the Code ("substantial United States owner") and any other information requested by the Issuer or its agent upon request and (y) update any such information provided in clause (x) promptly upon learning that any such information previously provided has become obsolete or incorrect or is otherwise required (the foregoing agreements, the "**Noteholder Reporting Obligations**"). Each purchaser and subsequent transferee of Notes will be required or deemed to acknowledge that the Issuer may provide such information and any other information concerning its investment in the Notes to the U.S. Internal Revenue Service. Each purchaser and subsequent

transferee of an interest in a Note will be required or deemed to understand and acknowledge that the Issuer has the right, under the Indenture, to compel any Noteholder or beneficial owner of an interest in a Note that fails to comply with the foregoing requirements to sell its interest in such Note, or may sell such interest on behalf of such owner.

To the extent required by the Issuer, as determined by the Issuer or the Portfolio Manager on behalf of the Issuer, the Issuer may, upon notice to the Trustee, impose additional transfer restrictions on the Subordinated Notes to comply with the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 and other similar laws or regulations, including, without limitation, requiring each transferee of a Subordinated Note, as applicable, to make representations to the Issuer in connection with such compliance.

Legends

The Secured Notes will bear a legend substantially to the following effect unless the Issuer determines otherwise in compliance with applicable law:

> THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO A "QUALIFIED PURCHASER" (AS DEFINED FOR PURPOSES OF SECTION 3(C)(7) OF THE INVESTMENT COMPANY ACT) THAT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN RELIANCE ON THE EXEMPTION FROM SECURITIES ACT REGISTRATION PROVIDED BY SUCH RULE THAT IS NOT A BROKER-DEALER WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25 MILLION IN SECURITIES OF ISSUERS THAT ARE NOT AFFILIATED PERSONS OF THE DEALER AND IS NOT A PLAN REFERRED TO IN PARAGRAPH (A)(1)(i)(D) OR (A)(1)(i)(E) OF RULE 144A OR A TRUST FUND REFERRED TO IN PARAGRAPH (A)(1)(i)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH A PLAN, IF INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE BY THE BENEFICIARIES OF THE PLAN OR (B) TO A PERSON THAT IS NOT A "U.S. PERSON" (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT, AND IN EACH CASE IN COMPLIANCE WITH THE CERTIFICATION AND OTHER REQUIREMENTS SPECIFIED IN THE INDENTURE REFERRED TO HEREIN AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAW OF ANY APPLICABLE JURISDICTION.
>
> THE ISSUER HAS THE RIGHT, UNDER THE INDENTURE, TO COMPEL ANY BENEFICIAL OWNER OF AN INTEREST IN A NOTE THAT IS A U.S. PERSON AND IS NOT BOTH (A) A QUALIFIED PURCHASER OR A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY (OTHER THAN A TRUST) EACH SHAREHOLDER, PARTNER, MEMBER OR OTHER EQUITY OWNER OF WHICH IS A QUALIFIED PURCHASER AND (B) A QUALIFIED INSTITUTIONAL BUYER TO SELL ITS INTEREST IN THE NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.
>
> [EACH PURCHASER OR TRANSFEREE OF THIS NOTE WILL BE REQUIRED OR DEEMED TO REPRESENT AND WARRANT THAT (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED

(THE "CODE"), AND (B) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF ERISA OR SECTION 4975 OF THE CODE (ANY SUCH LAW OR REGULATION, A "SIMILAR LAW"), ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY SUCH SIMILAR LAW. "BENEFIT PLAN INVESTOR" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (B) A PLAN AS DEFINED IN SECTION 4975(e)(1) OF THE CODE THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY.

THE ISSUER HAS THE RIGHT, UNDER THE INDENTURE, TO COMPEL ANY BENEFICIAL OWNER OF A SECURED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION OR SIMILAR LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25% LIMITATION TO SELL ITS INTEREST IN SUCH NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.][2]

[THIS SECURED NOTE IS AN ERISA RESTRICTED NOTE. EACH PURCHASER OR TRANSFEREE OF AN ERISA RESTRICTED CERTIFICATED SECURED NOTE WILL BE REQUIRED TO (I) REPRESENT AND WARRANT IN WRITING TO THE TRUSTEE (1) WHETHER OR NOT, FOR SO LONG AS IT HOLDS SUCH NOTE OR AN INTEREST THEREIN, IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, (2) WHETHER OR NOT, FOR SO LONG AS IT HOLDS SUCH NOTE OR AN INTEREST THEREIN, IT IS A CONTROLLING PERSON AND (3) THAT (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA") OR SECTION 4975 OF SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") OR (B) IF IT IS A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, SUBJECT TO ANY FEDERAL, STATE, LOCAL NON-U.S. OR OTHER LAW THAT IS SIMILAR TO THE FIDUCIARY RESPONSIBILITY OR PROHIBITED TRANSACTION PROVISIONS OF ERISA OR SECTION 4975 OF THE CODE (ANY SUCH LAW OR REGULATION, A "SIMILAR LAW"), ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY SIMILAR LAW, AND (II) AGREE TO CERTAIN TRANSFER RESTRICTIONS REGARDING ITS INTEREST IN SUCH NOTE. EACH PURCHASER OR TRANSFEREE OF AN INTEREST IN AN ERISA RESTRICTED NOTE REPRESENTED BY A REGULATION S GLOBAL ERISA RESTRICTED NOTE WILL BE REQUIRED (IN THE CASE OF AN ORIGINAL PURCHASER) OR DEEMED (IN THE CASE OF A SUBSEQUENT PURCHASER) TO HAVE REPRESENTED AND AGREED THAT FOR SO LONG AS IT HOLDS SUCH NOTE OR AN INTEREST THEREIN, (I) IT IS NOT, AND IS NOT ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR AND IS NOT A CONTROLLING PERSON, AND (II) IF IT IS A GOVERNMENTAL,

2 Insert only in the case of Secured Notes that are not ERISA Restricted Notes.

CHURCH, NON-U.S. OR OTHER PLAN, ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY SIMILAR LAW. "BENEFIT PLAN INVESTOR" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (B) A PLAN AS DEFINED IN SECTION 4975(e)(1) OF THE CODE THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "CONTROLLING PERSON" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "AFFILIATE" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "CONTROL" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON.

NO TRANSFER OF AN ERISA RESTRICTED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25% OR MORE OF THE TOTAL VALUE OF THE RELEVANT CLASS OF ERISA RESTRICTED NOTES TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING ERISA RESTRICTED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS. NO TRANSFER OF AN INTEREST IN A REGULATION S GLOBAL ERISA RESTRICTED NOTE TO A PERSON THAT IS A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER.][3]

THE ISSUER HAS THE RIGHT, UNDER THE INDENTURE, TO COMPEL ANY BENEFICIAL OWNER OF AN ERISA RESTRICTED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON OR SIMILAR LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25% LIMITATION TO SELL ITS INTEREST IN THE ERISA RESTRICTED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.

[ANY TRANSFER, PLEDGE OR OTHER USE OF THIS NOTE FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN, UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("DTC"), NEW YORK, NEW YORK, TO THE CO-ISSUERS OR THEIR AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR OF SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO.).

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3 Insert only in the case of Secured Notes that are ERISA Restricted Notes.

TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE.][4]

TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO HEREIN.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE TRUSTEE.

THE FAILURE TO PROVIDE THE ISSUER, THE TRUSTEE AND ANY PAYING AGENT WITH THE PROPERLY COMPLETED AND SIGNED TAX CERTIFICATIONS (GENERALLY, IN THE CASE OF U.S. FEDERAL INCOME TAX, AN INTERNAL REVENUE SERVICE FORM W-9 (OR APPLICABLE SUCCESSOR FORM) IN THE CASE OF A PERSON THAT IS A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE OR THE APPROPRIATE INTERNAL REVENUE SERVICE FORM W-8 (OR APPLICABLE SUCCESSOR FORM) IN THE CASE OF A PERSON THAT IS NOT A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE) OR THE FAILURE TO MEET ITS NOTEHOLDER REPORTING OBLIGATIONS MAY RESULT IN WITHHOLDING FROM PAYMENTS IN RESPECT OF SUCH NOTE, INCLUDING U.S. FEDERAL WITHHOLDING OR BACK-UP WITHHOLDING.

EACH HOLDER AND BENEFICIAL OWNER OF THIS NOTE OR AN INTEREST IN THIS NOTE THAT IS A "UNITED STATES PERSON" (AS DEFINED IN SECTION 7701(a)(30) OF THE CODE) OR A "UNITED STATES OWNED FOREIGN ENTITY" (AS DESCRIBED IN SECTION 1471(d)(3) OF THE CODE) WILL MAKE, OR BY ACQUIRING THIS NOTE OR AN INTEREST IN THIS NOTE WILL BE DEEMED TO MAKE, REPRESENTATIONS TO THE EFFECT THAT (I) IT WILL PROVIDE TO THE ISSUER AND THE TRUSTEE ITS NAME, ADDRESS, U.S. TAXPAYER IDENTIFICATION NUMBER, IF IT IS A UNITED STATES OWNED FOREIGN ENTITY, THE NAME, ADDRESS AND TAXPAYER IDENTIFICATION NUMBER OF EACH OF ITS SUBSTANTIAL UNITED STATES OWNERS AS DEFINED IN SECTION 1473(2) OF THE CODE ("SUBSTANTIAL UNITED STATES OWNER") AND ANY OTHER INFORMATION THAT THE ISSUER OR THE HOLDER REQUESTS AND (II) IT WILL UPDATE ANY SUCH INFORMATION PROVIDED IN CLAUSE (I) PROMPTLY UPON LEARNING THAT ANY SUCH INFORMATION PREVIOUSLY PROVIDED HAS BECOME OBSOLETE OR INCORRECT OR IS OTHERWISE REQUIRED. IN ADDITION, EACH HOLDER AND BENEFICIAL OWNER OF THIS NOTE OR ANY INTEREST IN THIS NOTE WILL MAKE, OR BY ACQUIRING THIS NOTE OR ANY INTEREST IN THIS NOTE WILL BE DEEMED TO MAKE, REPRESENTATIONS TO THE EFFECT THAT IT WILL PROVIDE TO THE ISSUER AND THE TRUSTEE (X) ANY INFORMATION AS IS NECESSARY (IN THE SOLE DETERMINATION OF THE ISSUER OR THE TRUSTEE, AS APPLICABLE) FOR THE ISSUER AND THE TRUSTEE TO DETERMINE WHETHER SUCH HOLDER OR BENEFICIAL OWNER IS A UNITED STATES PERSON OR A UNITED STATES OWNED FOREIGN ENTITY, AND (Y) ANY ADDITIONAL INFORMATION THAT THE ISSUER OR ITS AGENT REQUESTS IN

4 Insert in the case of Global Secured Notes only.

CONNECTION WITH SECTIONS 1471-1474 OF THE CODE. EACH SUCH HOLDER AND BENEFICIAL OWNER WILL AGREE, OR BY ACQUIRING THIS NOTE OR AN INTEREST IN THIS NOTE BE DEEMED TO AGREE THAT THE ISSUER MAY PROVIDE SUCH INFORMATION, AND ANY OTHER INFORMATION REGARDING ITS INVESTMENT IN THE NOTES TO THE U.S. INTERNAL REVENUE SERVICE. THE ISSUER HAS THE RIGHT, UNDER THE INDENTURE, TO COMPEL ANY BENEFICIAL OWNER OF AN INTEREST IN A NOTE THAT FAILS TO COMPLY WITH THE FOREGOING REQUIREMENTS TO SELL ITS INTEREST IN SUCH NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER. THE FAILURE TO MEET ITS NOTEHOLDER REPORTING OBLIGATIONS MAY RESULT IN WITHHOLDING FROM PAYMENTS IN RESPECT OF SUCH NOTE.

EACH HOLDER AND BENEFICIAL OWNER OF THIS NOTE OR AN INTEREST IN THIS NOTE THAT IS NOT A "UNITED STATES PERSON" (AS DEFINED IN SECTION 7701(a)(30) OF THE CODE) WILL MAKE, OR BY ACQUIRING THIS NOTE OR AN INTEREST IN THIS NOTE WILL BE DEEMED TO MAKE, A REPRESENTATION TO THE EFFECT THAT (A) EITHER (I) IT IS NOT A BANK EXTENDING CREDIT PURSUANT TO A LOAN AGREEMENT ENTERED INTO IN THE ORDINARY COURSE OF ITS TRADE OR BUSINESS (WITHIN THE MEANING OF SECTION 881(c)(3)(A) OF THE CODE), OR (II) IT IS A PERSON THAT IS ELIGIBLE FOR BENEFITS UNDER AN INCOME TAX TREATY WITH THE UNITED STATES THAT ELIMINATES U.S. FEDERAL INCOME TAXATION OF U.S. SOURCE INTEREST NOT ATTRIBUTABLE TO A PERMANENT ESTABLISHMENT IN THE UNITED STATES, AND (B) IT IS NOT PURCHASING THIS NOTE IN ORDER TO REDUCE ITS U.S. FEDERAL INCOME TAX LIABILITY PURSUANT TO A TAX AVOIDANCE PLAN.

EACH HOLDER AND BENEFICIAL OWNER OF THIS NOTE (A) WILL MAKE, OR BY ACQUIRING THIS NOTE OR AN INTEREST IN THIS NOTE WILL BE DEEMED TO MAKE, A REPRESENTATION TO THE EFFECT THAT IT IS NOT AN AFFECTED BANK AND (B) WILL AGREE, OR BY ACQUIRING THIS NOTE OR AN INTEREST IN THIS NOTE WILL BE DEEMED TO AGREE, THAT NO TRANSFER OF THIS NOTE TO AN AFFECTED BANK WILL BE EFFECTIVE AND THE TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER, UNLESS SUCH TRANSFER IS SPECIFICALLY AUTHORIZED BY THE ISSUER IN WRITING; PROVIDED THAT THE ISSUER SHALL AUTHORIZE ANY SUCH TRANSFER IF (X) SUCH TRANSFER WOULD NOT CAUSE AN AFFECTED BANK, DIRECTLY OR IN CONJUNCTION WITH ITS AFFILIATES, TO OWN MORE THAN 33-1/3% OF THE AGGREGATE OUTSTANDING PRINCIPAL AMOUNT OF THE [CLASS A-1][5][CLASS A-2][6] [CLASS B][7] [CLASS C][8] [CLASS D][9] NOTES OR (Y) THE TRANSFEROR IS AN AFFECTED BANK PREVIOUSLY APPROVED BY THE ISSUER. AN "AFFECTED BANK" IS A "BANK" FOR PURPOSES OF SECTION 881 OF THE CODE OR AN ENTITY AFFILIATED WITH SUCH A BANK THAT IS NEITHER (X) A UNITED STATES PERSON (WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE) NOR (Y) ENTITLED TO THE BENEFITS OF AN INCOME TAX TREATY WITH THE UNITED STATES UNDER WHICH

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5 Insert in the case of a Class A-1 Note.

6 Insert in the case of a Class A-2 Note.

7 Insert in the case of a Class B Note.

8 Insert in the case of a Class C Note.

9 Insert in the case of a Class D Note.

WITHHOLDING TAXES ON INTEREST PAYMENTS MADE BY OBLIGORS RESIDENT IN THE UNITED STATES TO SUCH BANK ARE REDUCED TO 0%.

EACH HOLDER AND EACH BENEFICIAL OWNER OF THIS NOTE, BY ACQUIRING THIS NOTE OR ITS INTEREST IN THIS NOTE, AS THE CASE MAY BE, SHALL BE DEEMED TO HAVE AGREED TO TREAT, AND SHALL TREAT, THIS NOTE AS DEBT OF THE ISSUER FOR U.S. FEDERAL AND, TO THE EXTENT PERMITTED BY LAW, STATE AND LOCAL INCOME AND FRANCHISE TAX PURPOSES AND SHALL TAKE NO ACTION INCONSISTENT WITH SUCH TREATMENT UNLESS REQUIRED BY ANY RELEVANT TAXING AUTHORITY.

Additionally, the Class B Notes, Class C Notes and Class D Notes will bear a legend substantially to the following effect unless the Issuer determines otherwise in compliance with applicable law:

THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("OID") FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS NOTE MAY BE OBTAINED BY WRITING TO BRETT NEUBECK, CITIGROUP GLOBAL MARKETS INC., 390 GREENWICH STREET, NEW YORK, NEW YORK 10013, TELEPHONE NO. 212-723-3188.

The Subordinated Notes will bear a legend substantially to the following effect unless the Issuer determines otherwise in compliance with applicable law:

THIS SUBORDINATED NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY TO (A) A PERSON THAT IS BOTH (1) A "QUALIFIED PURCHASER", A "KNOWLEDGEABLE EMPLOYEE" WITH RESPECT TO THE ISSUER OR A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY (OTHER THAN A TRUST) EACH SHAREHOLDER, PARTNER, MEMBER OR OTHER EQUITY OWNER OF WHICH IS EITHER A KNOWLEDGEABLE EMPLOYEE WITH RESPECT TO THE ISSUER OR A QUALIFIED PURCHASER (IN EACH CASE, AS DEFINED FOR PURPOSES OF SECTION 3(C)(7) OF THE INVESTMENT COMPANY ACT) AND (2) EITHER (X) A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN RELIANCE ON THE EXEMPTION FROM SECURITIES ACT REGISTRATION PROVIDED BY SUCH RULE THAT IS NOT A BROKER-DEALER WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25 MILLION IN SECURITIES OF ISSUERS THAT ARE NOT AFFILIATED PERSONS OF THE DEALER AND IS NOT A PLAN REFERRED TO IN PARAGRAPH (A)(1)(i)(D) OR (A)(1)(i)(E) OF RULE 144A OR A TRUST FUND REFERRED TO IN PARAGRAPH (A)(1)(i)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH A PLAN, IF INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE BY THE BENEFICIARIES OF THE PLAN OR (Y) AN "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(A) UNDER THE SECURITIES ACT) OR (B) A PERSON THAT IS NOT A "U.S. PERSON" (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) AND IS ACQUIRING THIS SUBORDINATED NOTE IN RELIANCE ON THE EXEMPTION FROM SECURITIES ACT REGISTRATION PROVIDED BY SUCH REGULATION, AND IN EACH CASE IN COMPLIANCE WITH THE CERTIFICATION AND OTHER REQUIREMENTS SPECIFIED IN THE INDENTURE REFERRED TO HEREIN AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAW OF ANY APPLICABLE JURISDICTION.

EACH PURCHASER OR TRANSFEREE OF A CERTIFICATED SUBORDINATED NOTE WILL BE REQUIRED TO (I) REPRESENT AND WARRANT IN WRITING TO THE TRUSTEE (1) WHETHER OR NOT, FOR SO LONG AS IT HOLDS SUCH NOTE OR AN INTEREST THEREIN, IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR AND (2) WHETHER OR NOT, FOR SO LONG AS IT HOLDS SUCH NOTE OR AN INTEREST THEREIN, IT IS A CONTROLLING PERSON. EACH PURCHASER OR TRANSFEREE OF SUBORDINATED NOTES REPRESENTED BY A REGULATION S GLOBAL SUBORDINATED NOTE WILL BE REQUIRED (IN THE CASE OF AN ORIGINAL PURCHASER) OR DEEMED (IN THE CASE OF A SUBSEQUENT PURCHASER) TO HAVE REPRESENTED AND AGREED THAT FOR SO LONG AS IT HOLDS SUCH SUBORDINATED NOTE OR AN INTEREST THEREIN, IT IS NOT, AND IS NOT ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR AND IS NOT A CONTROLLING PERSON. EACH PURCHASER OR SUBSEQUENT TRANSFEREE OF AN INTEREST IN A SUBORDINATED NOTE WILL BE REQUIRED OR DEEMED TO REPRESENT AND WARRANT THAT, IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, SUBJECT TO ANY FEDERAL, STATE, LOCAL NON-U.S. OR OTHER LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE FIDUCIARY RESPONSIBILITY OR PROHIBITED TRANSACTION PROVISIONS OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") (SUCH LAW OR REGULATION, A "SIMILAR LAW"), ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH SUBORDINATED NOTE OR AN INTEREST THEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY SIMILAR LAW. "BENEFIT PLAN INVESTOR" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (B) A PLAN AS DEFINED IN SECTION 4975(e)(1) OF THE CODE THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "CONTROLLING PERSON" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "AFFILIATE" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "CONTROL" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON.

NO TRANSFER OF A SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25% OR MORE OF THE TOTAL VALUE OF THE RELEVANT CLASS OF SUBORDINATED NOTES TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS. NO TRANSFER OF AN INTEREST IN A REGULATION S GLOBAL SUBORDINATED NOTE TO A PERSON THAT IS A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER.

THE ISSUER HAS THE RIGHT, UNDER THE INDENTURE, TO COMPEL ANY BENEFICIAL OWNER OF A SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON OR SIMILAR LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25% LIMITATION TO SELL ITS INTEREST IN THE SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.

THE ISSUER HAS THE RIGHT, UNDER THE INDENTURE, TO COMPEL ANY BENEFICIAL OWNER OF AN INTEREST IN A SUBORDINATED NOTE THAT IS A U.S. PERSON AND IS NOT BOTH (A) A QUALIFIED PURCHASER, A KNOWLEDGEABLE EMPLOYEE WITH RESPECT TO THE ISSUER OR A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY (OTHER THAN A TRUST) EACH SHAREHOLDER, PARTNER, MEMBER OR OTHER EQUITY OWNER OF WHICH IS EITHER A KNOWLEDGEABLE EMPLOYEE WITH RESPECT TO THE ISSUER OR A QUALIFIED PURCHASER AND (B) A QUALIFIED INSTITUTIONAL BUYER OR AN ACCREDITED INVESTOR TO SELL ITS INTEREST IN THE SUBORDINATED NOTES, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.

[ANY TRANSFER, PLEDGE OR OTHER USE OF THIS SUBORDINATED NOTE FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN, UNLESS THIS SUBORDINATED NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("DTC"), NEW YORK, NEW YORK, TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY SUBORDINATED NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR OF SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO.).

TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE.][10]

DISTRIBUTIONS OF PRINCIPAL PROCEEDS AND INTEREST PROCEEDS TO THE HOLDER OF THE SUBORDINATED NOTES REPRESENTED HEREBY ARE SUBORDINATED TO THE PAYMENT ON EACH PAYMENT DATE OF PRINCIPAL OF AND INTEREST ON THE SECURED NOTES OF THE ISSUER AND THE PAYMENT OF CERTAIN OTHER AMOUNTS, TO THE EXTENT AND AS DESCRIBED IN THE INDENTURE.

THE FAILURE TO PROVIDE THE ISSUER, THE TRUSTEE AND ANY PAYING AGENT WITH THE PROPERLY COMPLETED AND SIGNED TAX CERTIFICATIONS (GENERALLY, IN THE CASE OF U.S. FEDERAL INCOME TAX, AN INTERNAL REVENUE SERVICE FORM W-9 (OR APPLICABLE SUCCESSOR FORM) IN THE CASE OF A PERSON THAT IS A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE OR THE APPROPRIATE INTERNAL REVENUE SERVICE FORM W-8 (OR APPLICABLE SUCCESSOR FORM) IN THE CASE OF A PERSON THAT IS NOT A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE) OR THE FAILURE TO MEET ITS NOTEHOLDER REPORTING

[10] Insert in the case of Regulation S Global Subordinated Notes only.

OBLIGATIONS MAY RESULT IN WITHHOLDING FROM PAYMENTS IN RESPECT OF SUCH NOTE, INCLUDING U.S. FEDERAL WITHHOLDING OR BACK-UP WITHHOLDING.

EACH HOLDER AND BENEFICIAL OWNER OF THIS NOTE OR AN INTEREST IN THIS NOTE THAT IS A "UNITED STATES PERSON" (AS DEFINED IN SECTION 7701(a)(30) OF THE CODE) OR A "UNITED STATES OWNED FOREIGN ENTITY" (AS DESCRIBED IN SECTION 1471(d)(3) OF THE CODE) WILL MAKE, OR BY ACQUIRING THIS NOTE OR AN INTEREST IN THIS NOTE WILL BE DEEMED TO MAKE, REPRESENTATIONS TO THE EFFECT THAT (I) IT WILL PROVIDE TO THE ISSUER AND THE TRUSTEE ITS NAME, ADDRESS, U.S. TAXPAYER IDENTIFICATION NUMBER, IF IT IS A UNITED STATES OWNED FOREIGN ENTITY, THE NAME, ADDRESS AND TAXPAYER IDENTIFICATION NUMBER OF EACH OF ITS SUBSTANTIAL UNITED STATES OWNERS AS DEFINED IN SECTION 1473(2) OF THE CODE ("SUBSTANTIAL UNITED STATES OWNER") AND ANY OTHER INFORMATION THAT THE ISSUER OR ITS AGENT REQUESTS AND (II) IT WILL UPDATE ANY SUCH INFORMATION PROVIDED IN CLAUSE (I) PROMPTLY UPON LEARNING THAT ANY SUCH INFORMATION PREVIOUSLY PROVIDED HAS BECOME OBSOLETE OR INCORRECT OR IS OTHERWISE REQUIRED. IN ADDITION, EACH HOLDER AND BENEFICIAL OWNER OF THIS NOTE OR ANY INTEREST IN THIS NOTE WILL MAKE, OR BY ACQUIRING THIS NOTE OR ANY INTEREST IN THIS NOTE WILL BE DEEMED TO MAKE, REPRESENTATIONS TO THE EFFECT THAT IT WILL PROVIDE TO THE ISSUER AND THE TRUSTEE (X) ANY INFORMATION AS IS NECESSARY (IN THE SOLE DETERMINATION OF THE ISSUER OR THE TRUSTEE, AS APPLICABLE) FOR THE ISSUER AND THE TRUSTEE TO DETERMINE WHETHER SUCH HOLDER OR BENEFICIAL OWNER IS A UNITED STATES PERSON OR A UNITED STATES OWNED FOREIGN ENTITY, AND (Y) ANY ADDITIONAL INFORMATION THAT THE ISSUER OR ITS AGENT REQUESTS IN CONNECTION WITH SECTIONS 1471-1474 OF THE CODE. EACH SUCH HOLDER AND BENEFICIAL OWNER WILL AGREE, OR BY ACQUIRING THIS NOTE OR AN INTEREST IN THIS NOTE BE DEEMED TO AGREE THAT THE ISSUER MAY PROVIDE SUCH INFORMATION, AND ANY OTHER INFORMATION REGARDING ITS INVESTMENT IN THE NOTES TO THE U.S. INTERNAL REVENUE SERVICE. THE ISSUER HAS THE RIGHT, UNDER THE INDENTURE, TO COMPEL ANY BENEFICIAL OWNER OF AN INTEREST IN A NOTE THAT FAILS TO COMPLY WITH THE FOREGOING REQUIREMENTS TO SELL ITS INTEREST IN SUCH NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER. THE FAILURE TO MEET ITS NOTEHOLDER REPORTING OBLIGATIONS MAY RESULT IN WITHHOLDING FROM PAYMENTS IN RESPECT OF SUCH NOTE.

EACH HOLDER AND BENEFICIAL OWNER OF THIS SUBORDINATED NOTE OR AN INTEREST IN THIS NOTE THAT IS NOT A "UNITED STATES PERSON" (AS DEFINED IN SECTION 7701(a)(30) OF THE CODE) WILL MAKE, OR BY ACQUIRING THIS SUBORDINATED NOTE OR AN INTEREST IN THIS NOTE WILL BE DEEMED TO MAKE, A REPRESENTATION THAT IT IS NOT PURCHASING THIS NOTE IN ORDER TO REDUCE ITS U.S. FEDERAL INCOME TAX LIABILITY PURSUANT TO A TAX AVOIDANCE PLAN.

EACH HOLDER AND BENEFICIAL OWNER OF THIS SUBORDINATED NOTE OR AN INTEREST IN THIS NOTE (A) WILL MAKE A REPRESENTATION AS TO WHETHER IT IS AN AFFECTED BANK AND (B) WILL AGREE THAT NO TRANSFER OF A SUBORDINATED NOTE TO AN AFFECTED BANK WILL BE EFFECTIVE AND THE TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER, UNLESS SUCH TRANSFER IS SPECIFICALLY AUTHORIZED BY

THE ISSUER IN WRITING; PROVIDED THAT THE ISSUER SHALL AUTHORIZE ANY SUCH TRANSFER IF (X) SUCH TRANSFER WOULD NOT CAUSE AN AFFECTED BANK, DIRECTLY OR IN CONJUNCTION WITH ITS AFFILIATES, TO OWN MORE THAN 33-1/3% OF THE AGGREGATE OUTSTANDING PRINCIPAL AMOUNT OF THE SUBORDINATED NOTES OR (Y) THE TRANSFEROR IS AN AFFECTED BANK PREVIOUSLY APPROVED BY THE ISSUER. AN "AFFECTED BANK" IS A "BANK" FOR PURPOSES OF SECTION 881 OF THE CODE OR AN ENTITY AFFILIATED WITH SUCH A BANK THAT IS NEITHER (X) A UNITED STATES PERSON (WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE) NOR (Y) ENTITLED TO THE BENEFITS OF AN INCOME TAX TREATY WITH THE UNITED STATES UNDER WHICH WITHHOLDING TAXES ON INTEREST PAYMENTS MADE BY OBLIGORS RESIDENT IN THE UNITED STATES TO SUCH BANK ARE REDUCED TO 0%.

EACH HOLDER AND EACH BENEFICIAL OWNER OF THIS SUBORDINATED NOTE, BY ACQUIRING THIS NOTE OR AN INTEREST IN THIS NOTE, AS THE CASE MAY BE, SHALL BE DEEMED TO HAVE AGREED TO TREAT, AND SHALL TREAT, THIS SUBORDINATED NOTE AS EQUITY IN THE ISSUER FOR U.S. FEDERAL AND, TO THE EXTENT PERMITTED BY LAW, STATE AND LOCAL INCOME AND FRANCHISE TAX PURPOSES AND SHALL TAKE NO ACTION INCONSISTENT WITH SUCH TREATMENT UNLESS REQUIRED BY ANY RELEVANT TAXING AUTHORITY.

Non-Permitted Holder/Non-Permitted ERISA Holder

If (x) any U.S. person that is not a Qualified Institutional Buyer and a Qualified Purchaser or that does not have an exemption available under the Securities Act and the Investment Company Act shall become the holder or beneficial owner of an interest in any Secured Note, (y) any U.S. person that is not (i) a Qualified Institutional Buyer or an Accredited Investor and either (ii) a Qualified Purchaser or a Knowledgeable Employee with respect to the Issuer (or a corporation, partnership, limited liability company or other entity (other than a trust) each shareholder, partner, member or other equity owner of which is either a Qualified Purchaser or a Knowledgeable Employee with respect to the Issuer) or that does not have an exemption available under the Securities Act and the Investment Company Act shall become the holder or beneficial owner of a Subordinated Note or (z) any holder of Notes shall fail to comply with the Noteholder Reporting Obligations (any such person a "**Non-Permitted Holder**"), the Issuer shall, promptly after discovery that such person is a Non-Permitted Holder by the Issuer, the Co-Issuer or the Trustee (or upon notice to the Issuer from the Trustee if it obtains actual knowledge or by the Co-Issuer if it makes the discovery (who, in each case, agree to notify the Issuer of such discovery, if any)), send notice to such Non-Permitted Holder demanding that such Non-Permitted Holder transfer its interest to a person that is not a Non-Permitted Holder within 30 days after the date of such notice. If such Non-Permitted Holder fails to so transfer its Notes, the Issuer or the Portfolio Manager acting for the Issuer shall have the right, without further notice to the Non-Permitted Holder, to sell such Notes or interest in such Notes to a purchaser selected by the Issuer that is not a Non-Permitted Holder on such terms as the Issuer may choose. The Issuer or the Portfolio Manager acting on behalf of the Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Notes and selling such Notes to the highest such bidder, provided that the Portfolio Manager, its Affiliates and accounts, funds, clients or portfolios established and controlled by the Portfolio Manager shall be entitled to bid in any such sale. However, the Issuer or the Portfolio Manager may select a purchaser by any other means determined by it in its sole discretion. The holder of each Note, as applicable, the Non-Permitted Holder and each other person in the chain of title from the holder to the Non-Permitted Holder, by its acceptance of an interest in the Notes agrees to cooperate with the Issuer and the Trustee to effect such transfers. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to the Non-Permitted Holder. The terms and conditions of any sale shall be determined in the sole discretion of the Issuer, and the Issuer shall not be liable to any person having an interest in the Notes sold as a result of any such sale or the exercise of such discretion.

If any person shall become the beneficial owner of a Note who has made or is deemed to have made a prohibited transaction representation or a Benefit Plan Investor, Controlling Person or Similar Law representation

that is subsequently shown to be false or misleading or whose beneficial ownership otherwise causes a violation of the 25% Limitation (any such person a "**Non-Permitted ERISA Holder**"), the Issuer shall, promptly after discovery that such person is a Non-Permitted ERISA Holder by the Issuer (or upon notice to the Issuer from the Trustee if it obtains actual knowledge or the Co-Issuer if it makes the discovery), send notice to such Non-Permitted ERISA Holder demanding that such Non-Permitted ERISA Holder transfer its interest to a person that is not a Non-Permitted ERISA Holder (and that is otherwise eligible to hold such Notes or an interest therein) within 20 days after the date of such notice. If such Non-Permitted ERISA Holder fails to so transfer its Notes, the Issuer shall have the right, without further notice to the Non-Permitted ERISA Holder, to sell such Non-Permitted ERISA Holder's interest in such Notes, as applicable, to a purchaser selected by the Issuer that is not a Non-Permitted ERISA Holder (and that is otherwise eligible to hold such Notes or an interest therein) on such terms as the Issuer may choose. The Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Notes and sell such Notes to the highest such bidder. The holder of each Note, the Non-Permitted ERISA Holder and each other person in the chain of title from the holder to the Non-Permitted ERISA Holder, by its acceptance of an interest in the Notes, agrees to cooperate with the Issuer to effect such transfers. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to the Non-Permitted ERISA Holder. The terms and conditions of any sale under this sub-section shall be determined in the sole discretion of the Issuer, and the Issuer shall not be liable to any person having an interest in the Notes sold as a result of any such sale or the exercise of such discretion.

Cayman Islands placement provisions

Citigroup has agreed that it has not made and will not make any invitation to the public in the Cayman Islands to subscribe for the Notes.

LISTING AND GENERAL INFORMATION

1. The Prospectus has been approved by the Central Bank, as competent authority under the Prospectus Directive 2003/71/EC. The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Secured Notes to be admitted to the Official List and trading on its regulated market. Such approval relates only to the Secured Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purposes of Directive 2004/39/EC or which are to be offered to the public in any member state of the EEA. There can be no assurance that any such approval will be granted or that any such listing will be granted or maintained. It is expected that the total expenses related to admission to trading will be approximately €13,900.

2. For the term of the Notes, copies of the Memorandum of Association and Articles of Association of the Issuer, the Certificate of Incorporation and By-laws of the Co-Issuer, the Indenture, the Portfolio Management Agreement and the Collateral Administration Agreement will be available in electronic form for inspection at the principal office of the Issuer and the offices of the Trustee at 388 Greenwich Street, 14th Floor, New York, NY 10013, Attention: Global Transaction Services – Jamestown CLO I Ltd., and copies thereof may be obtained upon request.

3. Since incorporation and as of the date hereof, neither the Issuer nor the Co-Issuer has commenced trading, established any accounts or declared any dividends, except for the transactions described herein. Neither the Issuer nor the Co-Issuer has any loan capital (including term loans) outstanding or created but unissued, or any outstanding mortgages, charges, or other borrowings or indebtedness in the nature of borrowing, including bank overdrafts and liabilities under acceptance credits, hire purchase agreements, guarantee or other contingent liabilities, other than the Notes and other transactions described herein.

4. Neither of the Co-Issuers is, or has since incorporation been, involved in any litigation, governmental proceedings or arbitration proceedings relating to claims in amounts which may have or have had a significant effect on the Co-Issuers nor, so far as either Co-Issuer is aware, is any such litigation, governmental proceedings or arbitration involving it pending or threatened.

5. The issuance by the Issuer of the Notes has been authorized by the board of directors of the Issuer by resolutions passed on or about the Closing Date and the issuance by the Co-Issuer of the Secured Notes (other than the Class D Notes) has been authorized by the board of directors of the Co-Issuer by resolutions passed on the Closing Date.

6. The Issuer is not required by Cayman Islands law, and the Issuer does not intend, to publish annual reports and accounts, nor has it done so as of the date hereof. The Co-Issuer is not required by Delaware State law, and the Co-Issuer does not intend, to publish annual reports and accounts, nor has it done so as of the date hereof. The Indenture, however, requires the Issuer to provide the Trustee with written confirmation, on an annual basis, that to the best of its knowledge following review of the activities of the prior year, no Event of Default has occurred and in continuing or, if one has, specifying the same. The Co-Issuers do not intend to provide to the public post-issuance transaction information regarding the securities to be admitted to trading or the performance of the underlying collateral.

7. As of the date of this Offering Circular, each of the Rating Agencies has applied for registration under Regulation (EU) No 1060/2009 (the "**CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority, therefore, the Rating Agencies are not included in the European Securities and Markets Authority ("**ESMA**") list of credit rating agencies registered in accordance with the CRA Regulation. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

8. No website mentioned in this Offering Circular forms part of the document.

9. The Notes sold in offshore transactions in reliance on Regulation S under the Securities Act and represented by the Regulation S Global Secured Notes or the Regulation S Global Subordinated Notes, as applicable, have been accepted for clearance through Clearstream and Euroclear. The Notes sold to persons that are Qualified Institutional Buyers and Qualified Purchasers in reliance on Rule 144A under the Securities Act and represented by Rule 144A Global Secured Notes have been accepted for clearance through DTC. The CUSIP Numbers, Common Codes and International Securities Identification Numbers (ISIN) for the Notes are as follows:

Rule 144A Global		
	CUSIP	ISIN
Class A-1 Notes	470498AA4	US470498AA44
Class A-2 Notes	47049AC0	US470498AC00
Class B Notes	470498AE6	US470498AE65
Class C Notes	470498AG1	US470498AG14

Rule 144A Certificated		
	CUSIP	ISIN
Class D Notes	470475AA2	US470475AA25
Subordinated Notes	470475AC8	US470475AC80

Regulation S			
	CUSIP	ISIN	Common Code
Class A-1 Notes	G8228GAA4	USG8228GAA43	084401145
Class A-2 Notes	G8228GAB2	USG8228GAB26	084401498
Class B Notes	G8228GAC0	USG8228GAC09	084401765
Class C Notes	G8228GAD8	USG8228GAD81	084401897
Class D Notes	G82278AA3	USG82278AA37	084402478
Subordinated Notes	G82278AB1	USG82278AB10	084402664

Accredited Investor		
	CUSIP	ISIN
Subordinated Notes	470475AD6	US470475AD63

LEGAL MATTERS

Certain legal matters with respect to the Notes will be passed upon for Citigroup by Freshfields Bruckhaus Deringer US LLP. Certain legal matters with respect to the Notes will be passed upon for the Co-Issuers by Bingham McCutchen LLP. Certain matters with respect to Cayman Islands law will be passed upon for the Issuer by Appleby (Cayman) Ltd. Certain legal matters with respect to the Portfolio Manager will be passed upon by Bingham McCutchen LLP.

"**Accountants' Report**" means an agreed-upon procedures report from the accountants selected by the Issuer pursuant to the Indenture.

"**Accredited Investor**" has the meaning set forth in Rule 501(a) under the Securities Act.

"**Adjusted Collateral Principal Amount**" means, as of any date of determination:

(a) the aggregate principal balance of the Collateral Obligations (other than Defaulted Obligations, Discount Obligations, Deferring Securities and Excess Deferrable Securities); *plus*

(b) without duplication, the amounts on deposit in the Collection Account, the Reinvestment Amount Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds; *plus*

(c) the lesser of the (i) S&P Collateral Value of all Defaulted Obligations Deferring Securities and Excess Deferrable Securities and (ii) Moody's Collateral Value of all Defaulted Obligations, Deferring Securities and Excess Deferrable Securities; *provided* that the Adjusted Collateral Principal Amount will be zero for any Defaulted Obligation which the Issuer has owned for more than three years after its default date; *plus*

(d) the aggregate, for each Discount Obligation, of the purchase price (expressed as a percentage of par) multiplied by the principal balance of such Discount Obligation as of such date of determination; *minus*

(e) the Excess CCC/Caa Adjustment Amount;

provided that, with respect to any Collateral Obligation that satisfies more than one of the definitions of Defaulted Obligation, Discount Obligation, Deferring Security or Excess Deferrable Security or any asset that falls into the Excess CCC/Caa Adjustment Amount, such Collateral Obligation shall, for the purposes of this definition, be treated as belonging to the category of Collateral Obligations which results in the lowest Adjusted Collateral Principal Amount on any date of determination.

"**Adjusted Weighted Average Moody's Rating Factor**" means, as of any date of determination, a number equal to the Weighted Average Moody's Rating Factor determined in the following manner: for purposes of determining a Moody's Default Probability Rating, Moody's Rating or Moody's Derived Rating in connection with determining the Weighted Average Moody's Rating Factor for purposes of this definition, the last paragraph of the definition of each of "Moody's Default Probability Rating", "Moody's Rating" and "Moody's Derived Rating" shall be disregarded, and instead each applicable rating on credit watch by Moody's that is on (a) positive watch will be treated as having been upgraded by one rating subcategory, (b) negative watch will be treated as having been downgraded by two rating subcategories and (c) negative outlook will be treated as having been downgraded by one rating subcategory.

"**Administrative Expense Cap**" means an amount equal on any Payment Date (when taken together with any Administrative Expenses paid during the period since the preceding Payment Date or in the case of the first Payment Date, the period since the Closing Date), to the sum of (a) 0.025% per annum (prorated for the related Interest Accrual Period on the basis of a 360-day year consisting of twelve 30-day months) of the Fee Basis Amount on the related Determination Date and (b) U.S.$175,000 per annum (prorated for the related Interest Accrual Period on the basis of a 360-day year consisting of twelve 30-day months); *provided* that (1) in respect of any Payment Date after the third Payment Date following the Closing Date, if the aggregate amount of Administrative Expenses paid pursuant to clause (A) under "Overview of Terms—Application of Interest Proceeds", clause (A) under "Overview of Terms—Application of Principal Proceeds" and clause (A) of the Special Priority of Payments described under "Description of the Notes—Priority of Payments" (including any excess applied in accordance with this proviso) on the three immediately preceding Payment Dates and during the related Collection Periods is less than the stated Administrative Expense Cap (without regard to any excess applied in accordance with this proviso) in the aggregate for such three preceding Payment Dates, then the excess may be applied to the Administrative Expense Cap with respect to the then-current Payment Date; and (2) in respect of the third Payment Date following the Closing Date, such excess amount shall be calculated based on the Payment Dates preceding such Payment Date.

"**Administrative Expenses**" include fees, expenses (including indemnities) and other amounts due or accrued with respect to any Payment Date (including, with respect to any Payment Date, any such amounts that were due and not paid on any prior Payment Date) and payable in the following order by the Issuer or the Co-Issuer: *first*, to the Trustee pursuant to the Indenture, *second*, to the Collateral Administrator pursuant to the Collateral Administration Agreement, *third*, on a *pro rata* basis, the following amounts (excluding indemnities) to the following parties:

(i) the Independent accountants, agents (other than the Portfolio Manager) and counsel of the Issuer for fees and expenses;

(ii) the Rating Agencies for fees and expenses (including any annual fee, amendment fees and surveillance fees) in connection with any rating of the Secured Notes or in connection with the rating of (or provision of credit estimates in respect of) any Collateral Obligations;

(iii) the Portfolio Manager under the Indenture and the Portfolio Management Agreement, including without limitation reasonable expenses of the Portfolio Manager (including fees for its accountants, agents and counsel) incurred in connection with the purchase or sale of any Collateral Obligations, any other expenses incurred in connection with the Collateral Obligations and certain amounts payable pursuant to the Portfolio Management Agreement but excluding the Management Fee;

(iv) the Administrator pursuant to the Administration Agreement; and

(v) any other person in respect of any other fees or expenses permitted under the Indenture and the documents delivered pursuant to or in connection with the Indenture (including any expenses, taxes and governmental fees related to any Blocker Subsidiary, the payment of facility rating fees and all legal and other fees and expenses incurred in connection with the purchase or sale of any Collateral Obligations and any other expenses incurred in connection with the Collateral Obligations) and the Notes, including but not limited to, amounts owed to the Co-Issuer pursuant to the Indenture and any amounts due in respect of the listing of the Notes on any stock exchange or trading system;

and *fourth*, on a pro rata basis, indemnities payable to any Person pursuant to any Transaction Document; *provided* that (x) for the avoidance of doubt, amounts that are expressly payable to any person under the Priority of Payments in respect of an amount that is stated to be payable as an amount other than as Administrative Expenses (including, without limitation, interest and principal in respect of the Notes) shall not constitute Administrative Expenses and (y) no amount shall be payable to the Portfolio Manager as Administrative Expenses in reimbursement of fees or expenses of any third party unless the Portfolio Manager shall have first paid the fees or expenses that are the subject of such reimbursement.

"**Affiliate**" means, with respect to a person, (a) any other person who, directly or indirectly, is in control of, or controlled by, or is under common control with, such person or (b) any other person who is a director, officer, employee or general partner (i) of such person, (ii) of any subsidiary or parent company of such person or (iii) of any person described in clause (a) of this sentence. For the purposes of this definition, control of a person means the power, direct or indirect, (x) to vote more than 50% of the securities having ordinary voting power for the election of directors of such person or (y) to direct or cause the direction of the management and policies of such person whether by contract or otherwise. For purposes of this definition, no entity shall be deemed an Affiliate of the Issuer or the Co-Issuer solely because the Administrator or any of its Affiliates acts as administrator or share trustee for such entity.

"**Applicable Advance Rate**" means, for each Collateral Obligation and for the applicable number of Business Days between the certification date for a sale or participation as described in "Description of the Notes—Optional Redemption—Redemption Procedures" and the expected date of such sale or participation, the percentage specified below:

	Same Day	**1-2 days**	**3-5 days**	**6-15 days**
Senior Secured Loans with a Market Value of:				
90% or more	100%	93%	92%	88%
below 90%	100%	80%	73%	60%
Other Collateral Obligations with a Moody's Rating of at least "B3" and a Market Value of 90% or more	100%	89%	85%	75%
All other Collateral Obligations	100%	75%	65%	45%

"**Approved Index List**" means the nationally recognized indices specified in a schedule to the Indenture as amended from time to time by the Portfolio Manager with prior notice of any amendment to Moody's and S&P in respect of such amendment and a copy of any such amended Approved Index List to the Collateral Administrator.

"**Asset-backed Commercial Paper**" means commercial paper or other short-term obligations of a program that primarily issues externally rated commercial paper backed by assets or exposures held in a bankruptcy-remote, special purpose entity.

"**Available Funds**" means with respect to any Payment Date, the amount of any positive balance (of cash and Eligible Investments) in the Collection Account as of the Determination Date relating to such Payment Date and, with respect to any other date, such amount as of that date.

"**Bankruptcy Exchange**" means an exchange of a Defaulted Obligation (without the payment of any additional funds other than reasonable and customary transfer costs) for another debt obligation issued by another obligor which, but for the fact that such debt obligation is a Defaulted Obligation or a Credit Risk Obligation, would otherwise qualify as a Collateral Obligation and (i) in the Portfolio Manager's reasonable business judgment, at the time of the exchange, such debt obligation received on exchange has a better likelihood of recovery than the Defaulted Obligation to be exchanged, (ii) as determined by the Portfolio Manager, at the time of the exchange, the debt obligation received on exchange is no less senior in right of payment vis-à-vis such obligor's other outstanding indebtedness than the Defaulted Obligation to be exchanged vis-à-vis its obligor's other outstanding indebtedness, (iii) as determined by the Portfolio Manager, both prior to and after giving effect to such exchange, each of the Coverage Tests is satisfied or, if any Coverage Test was not satisfied prior to such exchange, such Coverage Test will be maintained or improved by such exchange, (iv) no more than one other Bankruptcy Exchange has occurred during the Collection Period under which such Bankruptcy Exchange is occurring, (v) as determined by the Portfolio Manager, both prior to and after giving effect to such exchange, not more than 5.0% of the Collateral Principal Amount consists of obligations received in a Bankruptcy Exchange, (vi) the period for which the Issuer held the Defaulted Obligation to be exchanged will be included for all purposes in the Indenture when determining the period for which the Issuer holds the debt obligation received on exchange, (vii) as determined by the Portfolio Manager, such exchanged Defaulted Obligation was not acquired in a Bankruptcy Exchange, (viii) the exchange does not take place during the Restricted Trading Period, (ix) the Bankruptcy Exchange Test is satisfied, and (x) the Collateral Principal Amount of assets acquired in Bankruptcy Exchanges since the Closing Date is not more than 15% of the Target Initial Par Amount.

"**Bankruptcy Exchange Test**" means a test that will be satisfied if, in the Portfolio Manager's reasonable business judgment, the projected internal rate of return of the obligation obtained as a result of a Bankruptcy Exchange is greater than the projected internal rate of return of the Defaulted Obligation exchanged in a Bankruptcy Exchange, calculated by the Portfolio Manager by aggregating all cash payments in respect of, and the Market Value of any

Collateral Obligation subject to a Bankruptcy Exchange and the obligation to be obtained as the result of such Bankruptcy Exchange, in each case at the time of each Bankruptcy Exchange; *provided* that the foregoing calculation will not be required for any Bankruptcy Exchange prior to and including the occurrence of the third Bankruptcy Exchange.

"**Blocker Subsidiary**" means an entity treated as a corporation for U.S. federal income tax purposes, 100% of the equity interests in which are owned directly or indirectly by the Issuer.

"**Bond**" means a debt security (that is not a Loan) that is issued by a corporation, limited liability company, partnership or trust.

"**Bridge Loan**" means any loan or other obligation that (x) is incurred in connection with a merger, acquisition, consolidation, or sale of all or substantially all of the assets of a person or similar transaction and (y) by its terms, is required to be repaid within one year of the incurrence thereof with proceeds from additional borrowings or other refinancings (it being understood that any such loan or debt security that has a nominal maturity date of one year or less from the incurrence thereof but has a term-out or other provision whereby (automatically or at the sole option of the obligor thereof) the maturity of the indebtedness thereunder may be extended to a later date is not a Bridge Loan).

"**Business Day**" means any day other than (i) a Saturday or a Sunday or (ii) a day on which commercial banks are authorized or required by applicable law, regulation or executive order to close in New York, New York or in the city in which the corporate trust office of the Trustee is located or, for any final payment of principal, in the relevant place of presentation.

"**Caa Collateral Obligation**" means a Collateral Obligation (other than a Defaulted Obligation or a Deferring Security) with a Moody's Rating of "Caa1" or lower.

"**Calculation Agent**" means the calculation agent appointed by the Issuer, initially the Trustee, for purposes of determining LIBOR for each Interest Accrual Period.

"**CCC Collateral Obligation**" means a Collateral Obligation (other than a Defaulted Obligation or a Deferring Security) with an S&P Rating of "CCC+" or lower.

"**CCC/Caa Collateral Obligations**" means the CCC Collateral Obligations and/or the Caa Collateral Obligations, as the context requires.

"**CCC/Caa Excess**" means the amount equal to the greater of:

(i) the excess of the principal balance of all CCC Collateral Obligations over an amount equal to 7.5% of the Collateral Principal Amount as of the current Determination Date; and

(ii) the excess of the principal balance of all Caa Collateral Obligations over an amount equal to 7.5% of the Collateral Principal Amount as of the current Determination Date;

provided that, in determining which of the CCC/Caa Collateral Obligations shall be included in the CCC/Caa Excess, the CCC/Caa Collateral Obligations with the lowest Market Value (assuming that such Market Value is expressed as a percentage of the principal balance of such Collateral Obligations as of such Determination Date) shall be deemed to constitute such CCC/Caa Excess.

"**Citigroup**" means Citigroup Global Markets Inc.

"**Citigroup Companies**" means Citigroup and its Affiliates (including Citibank, N.A. and its Affiliates).

"**Class**" means, in the case of (a) the Secured Notes, all of the Secured Notes having the same Interest Rate, Stated Maturity and designation and (b) the Subordinated Notes, all of the Subordinated Notes.

"**Class A Coverage Tests**" means the Overcollateralization Ratio Test and the Interest Coverage Test, each as applied with respect to the Class A Notes.

"**Class A Notes**" means the Class A-1 Notes and the Class A-2 Notes, collectively.

"**Class A-1 Notes**" means the Class A-1 Senior Secured Floating Rate Notes issued pursuant to the Indenture.

"**Class A-2 Notes**" means the Class A-2 Senior Secured Floating Rate Notes issued pursuant to the Indenture.

"**Class B Coverage Tests**" means the Overcollateralization Ratio Test and the Interest Coverage Test, each as applied with respect to the Class B Notes.

"**Class B Notes**" means the Class B Senior Secured Deferrable Floating Rate Notes issued pursuant to the Indenture.

"**Class Break-even Default Rate**" means, with respect to any Class or Classes of Secured Notes, the maximum percentage of defaults, at any time, that the Current Portfolio or the Proposed Portfolio, as applicable, can sustain, determined through application of the applicable S&P CDO Monitor chosen by the Portfolio Manager in accordance with the definition of "S&P CDO Monitor" that is applicable to the portfolio of Collateral Obligations, which, after giving effect to S&P's assumptions on recoveries, defaults and timing and to the Priority of Payments, will result in sufficient funds remaining for the payment of such Class or Classes of Notes in full. After the Effective Date, S&P will provide the Portfolio Manager with the Class Break-even Default Rates for each S&P CDO Monitor based upon the Weighted Average Floating Spread and the Weighted Average S&P Recovery Rate to be associated with such S&P CDO Monitor as selected by the Portfolio Manager from Section 2 of Annex C or any other Weighted Average Floating Spread and Weighted Average S&P Recovery Rate selected by the Portfolio Manager from time to time.

"**Class C Coverage Tests**" means the Overcollateralization Ratio Test and the Interest Coverage Test, each as applied with respect to the Class C Notes.

"**Class C Notes**" means the Class C Senior Secured Deferrable Floating Rate Notes issued pursuant to the Indenture.

"**Class D Coverage Tests**" means the Overcollateralization Ratio Test and the Interest Coverage Test, each as applied with respect to the Class D Notes.

"**Class D Notes**" means the Class D Senior Secured Deferrable Floating Rate Notes issued pursuant to the Indenture.

"**Class Default Differential**" means, with respect to any Class of Secured Notes at any time, the rate calculated by subtracting the Class Scenario Default Rate at such time for such Class of Notes from the Class Break-even Default Rate for such Class of Notes at such time.

"**Class Scenario Default Rate**" means, with respect to any Class of Secured Notes, at any time, an estimate of the cumulative default rate for the Current Portfolio or the Proposed Portfolio, as applicable, consistent with S&P's initial rating of the such Class of Notes, determined by application by the Portfolio Manager and the Collateral Administrator of the S&P CDO Monitor at such time.

"**Closing Date**" means November 8, 2012.

"**Code**" means United States Internal Revenue Code of 1986, as amended and the Treasury regulations promulgated thereunder.

"**Co-Issuer**" means Jamestown CLO I Corp.

"**Co-Issuers**" means the Issuer together with the Co-Issuer.

"**Collateral Administration Agreement**" means an agreement dated as of the Closing Date relating to the administration of the Assets among the Issuer, the Portfolio Manager and the Collateral Administrator, as amended from time to time.

"**Collateral Administrator**" means Virtus Group, LP, in its capacity as collateral administrator under the Collateral Administration Agreement, and any successor thereto.

"**Collateral Interest Amount**" means, as of any date of determination, without duplication, the aggregate amount of Interest Proceeds that has been received or that is expected to be received (other than Interest Proceeds expected to be received from Defaulted Obligations and Deferring Securities, but including Interest Proceeds actually received from Defaulted Obligations and Deferring Securities), in each case during the Collection Period in which such date of determination occurs (or after such Collection Period but on or prior to the related Payment Date if such Interest Proceeds would be treated as Interest Proceeds with respect to such Collection Period).

"**Collateral Principal Amount**" means, as of any date of determination, the sum of (a) the aggregate principal balance of the Collateral Obligations (other than Defaulted Obligations) and (b) without duplication, the amounts on deposit in the Collection Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds.

"**Collection Period**" means, (i) with respect to the first Payment Date, the period commencing on the Closing Date and ending at the close of business on the sixth Business Day prior to the first Payment Date; and (ii) with respect to any other Payment Date, the period commencing on the day immediately following the prior Collection Period and ending (a) in the case of the final Collection Period preceding the latest Stated Maturity of any Class of Notes, on the day preceding such Stated Maturity, (b) in the case of the final Collection Period preceding an Optional Redemption or Tax Redemption in whole of the Notes, on the day preceding the Redemption Date and (c) in any other case, at the close of business on the eighth Business Day prior to such Payment Date.

"**Controlling Class**" means the Class A-1 Notes so long as any Class A-1 Notes are outstanding; then the Class A-2 Notes so long as any Class A-2 Notes are outstanding; then the Class B Notes so long as any Class B Notes are outstanding; then the Class C Notes so long as any Class C Notes are outstanding; then the Class D Notes so long as any Class D Notes are outstanding; and then the Subordinated Notes.

"**Cov-Lite Loan**" means a Loan that is not subject to financial covenants; *provided* that a Loan shall not constitute a Cov-Lite Loan if (a) the Underlying Instruments require the obligor thereunder to comply with one or more Maintenance Covenants (regardless of whether compliance with one or more Incurrence Covenants is otherwise required by the Underlying Instruments) or (b) the Underlying Instruments contain a cross-default provision to, or is pari passu with, another loan of the underlying obligor forming part of the same loan facility that requires the underlying obligor to comply with one or more financial covenants or Maintenance Covenants.

"**Credit Improved Criteria**" means, the criteria that will be met if with respect to any Collateral Obligation, the change in price of such Collateral Obligation during the period from the date on which it was acquired by the Issuer to the date of determination by a percentage either is more positive, or less negative, as the case may be, than the percentage change in the average price of any index specified on the Approved Index List plus 0.50 percentage points over the same period.

"**Credit Improved Obligation**" means any Collateral Obligation which, in the Portfolio Manager's judgment exercised in accordance with the Portfolio Management Agreement, has significantly improved in credit quality after it was acquired by the Issuer, which improvement may (but need not) be evidenced by one of the following: (a) such Collateral Obligation satisfies the Credit Improved Criteria, (b) such Collateral Obligation has been upgraded at least one rating sub-category by either Rating Agency or has been placed and remains on credit watch with positive implication by either Rating Agency, (c) the issuer of such Collateral Obligation has raised equity capital or other capital subordinated to the Collateral Obligation or (d) the issuer of such Collateral Obligation has, in the Portfolio Manager's reasonable commercial judgment, shown improved results or possesses less credit risk, in each case since such Collateral Obligation was acquired by the Issuer; *provided* that during a Restricted Trading Period, in addition to the foregoing, a Collateral Obligation will qualify as a Credit Improved Obligation only if (i) it has been upgraded by any Rating Agency at least one rating sub-category or has been placed and remains on a credit

watch with positive implication by Moody's or S&P since it was acquired by the Issuer, (ii) the Credit Improved Criteria are satisfied with respect to such Collateral Obligation or (iii) a Majority of the Controlling Class votes to treat such Collateral Obligation as a Credit Improved Obligation.

"**Credit Risk Criteria**" means, the criteria that will be met if with respect to any Collateral Obligation, the change in price of such Collateral Obligation during the period from the date on which it was acquired by the Issuer to the date of determination by a percentage either is more negative, or less positive, as the case may be, than the percentage change in the average price of any index specified on the Approved Index List less 0.50 percentage points over the same period.

"**Credit Risk Obligation**" means any Collateral Obligation that, in the Portfolio Manager's judgment exercised in accordance with the Portfolio Management Agreement, has a significant risk of declining in credit quality or price; *provided* that during a Restricted Trading Period, a Collateral Obligation will qualify as a Credit Risk Obligation for purposes of sales of Collateral Obligations only if, in addition to the foregoing, (i) such Collateral Obligation has been downgraded by any Rating Agency at least one rating sub-category or has been placed and remains on a credit watch with negative implication by Moody's or S&P since it was acquired by the Issuer, (ii) the Credit Risk Criteria are satisfied with respect to such Collateral Obligation or (iii) a Majority of the Controlling Class votes to treat such Collateral Obligation as a Credit Risk Obligation.

"**Current Pay Obligation**" means any Collateral Obligation (other than a DIP Collateral Obligation) that would otherwise be treated as a Defaulted Obligation but as to which no payments are due and payable that are unpaid (disregarding any forbearance or grace period in excess of 90 days with respect to any payment that is unpaid but would be due and payable but for such forbearance or grace period) and with respect to which the Portfolio Manager has certified to the Trustee (with a copy to the Collateral Administrator) in writing that it believes, in its reasonable business judgment, that the issuer or obligor of such Collateral Obligation (a) will continue to make scheduled payments of interest (and/or fees, as applicable, in the case of a Delayed Drawdown Collateral Obligation, Revolving Collateral Obligation or Letter of Credit Reimbursement Obligation) thereon and will pay the principal thereof by maturity or as otherwise contractually due, (b) if the issuer or obligor is subject to a bankruptcy proceeding, it has been the subject of an order of a bankruptcy court that authorizes payments on such Collateral Obligation and all interest (and/or fees, as applicable, in the case of a Delayed Drawdown Collateral Obligation, Revolving Collateral Obligation or Letter of Credit Reimbursement Obligation) and principal payments and any other amounts due thereunder have been paid in cash when due, (c) the Collateral Obligation has a Market Value of at least 80% of its par value and (d) if the Secured Notes are then rated by Moody's (A) has a Moody's Rating of at least "Caa1" and a Market Value of at least 80% of its par value or (B) has a Moody's Rating of at least "Caa2" and its Market Value is at least 85% of its par value (Market Value being determined, solely for the purposes of clauses (c) and (d), without taking into consideration clause (iii) of the definition of the term "Market Value").

"**Current Portfolio**" means, at any time, the portfolio of Collateral Obligations and Eligible Investments, representing Principal Proceeds (determined in accordance with certain assumptions included in the Indenture), then held by the Issuer.

"**Defaulted Obligation**" means any Collateral Obligation included in the Assets as to which:

(a) a default as to the payment of principal and/or interest has occurred and is continuing with respect to such Collateral Obligation (without regard to any grace period applicable thereto, or waiver or forbearance thereof, after the passage (in the case of a default that in the Portfolio Manager's judgment, as certified to the Trustee in writing, is not due to credit-related causes) of five Business Days or seven calendar days, whichever is greater, but in no case beyond the passage of any grace period applicable thereto);

(b) a default known to the Portfolio Manager as to the payment of principal and/or interest has occurred and is continuing on another debt obligation of the same issuer which is senior or *pari passu* in right of payment to such Collateral Obligation (without regard to any grace period applicable thereto, or waiver or forbearance thereof, after the passage (in the case of a default that in the Portfolio Manager's judgment, as certified to the Trustee in writing, is not due to credit-related causes) of five Business Days or seven calendar days, whichever is greater, but in no case beyond the passage of any grace period applicable thereto, and the holders of such Collateral Obligation have accelerated the maturity of all or a portion of

such Collateral Obligation; *provided* that (x) such Collateral Obligation shall constitute as Defaulted Obligation under this clause only until such acceleration has been rescinded and (y) both the Collateral Obligation and such other debt obligation are full recourse obligations of the applicable issuer or secured by the same collateral);

(c) the issuer or others have instituted proceedings to have the issuer adjudicated as bankrupt or insolvent or placed into receivership and such proceedings have not been stayed or dismissed or such issuer has filed for protection under Chapter 11 of the United States Bankruptcy Code;

(d) such Collateral Obligation has an S&P Rating of "CC" or lower or "SD" or had such rating before such rating was withdrawn or the obligor on such Collateral Obligation has a "probability of default" rating assigned by Moody's of "D" or "LD";

(e) such Collateral Obligation is *pari passu* in right of payment as to the payment of principal and/or interest to another debt obligation of the same issuer which has an S&P Rating of "CC" or lower or "SD" or had such rating before such rating was withdrawn or the obligor on such Collateral Obligation has a "probability of default" rating assigned by Moody's of "D" or "LD"; *provided* that both the Collateral Obligation and such other debt obligation are full recourse obligations of the applicable issuer or secured by the same collateral;

(f) a default with respect to which the Portfolio Manager has received notice or has knowledge that a default has occurred under the underlying instruments and any applicable grace period has expired and the holders of such Collateral Obligation have accelerated the repayment of the Collateral Obligation (but only until such acceleration has been rescinded) in the manner provided in the Underlying Instrument;

(g) the Portfolio Manager has in its reasonable commercial judgment otherwise declared such debt obligation to be a "Defaulted Obligation";

(h) such Collateral Obligation is a Participation Interest with respect to which the Selling Institution has defaulted in any respect in the performance of any of its payment obligations under the Participation Interest; or

(i) such Collateral Obligation is a Participation Interest in a loan that would, if such loan were a Collateral Obligation, constitute a "Defaulted Obligation" or with respect to which the Selling Institution has an S&P Rating of "CC" or lower or "SD" or had such rating before such rating was withdrawn;

provided that (x) a Collateral Obligation shall not constitute a Defaulted Obligation pursuant to clauses (b) through (e) and (i) above if such Collateral Obligation (or, in the case of a Participation Interest other than a Letter of Credit Reimbursement Obligation, the underlying Senior Secured Loan, Second Lien Loan or Unsecured Loan) is a Current Pay Obligation (provided that the aggregate principal balance of Current Pay Obligations exceeding 7.5% of the Collateral Principal Amount will be treated as Defaulted Obligations) and (y) a Collateral Obligation shall not constitute a Defaulted Obligation pursuant to any of clauses (b), (c), (e), and (i) if such Collateral Obligation (or, in the case of a Participation Interest other than a Letter of Credit Reimbursement Obligation, the underlying Senior Secured Loan, Second Lien Loan or Unsecured Loan) is a DIP Collateral Obligation (other than a DIP Collateral Obligation that has an S&P Rating of "CC" or lower).

Each obligation received in connection with a Distressed Exchange that would be a Collateral Obligation but for the fact that it is a Defaulted Obligation shall be deemed to be a Defaulted Obligation, and each other obligation received in connection with a Distressed Exchange shall be deemed to be an Equity Security.

"**Deferrable Security**" means a Collateral Obligation which by its terms permits the deferral or capitalization of payment of accrued, unpaid interest.

"**Deferring Security**" means a Deferrable Security that is deferring the payment of interest due thereon and has been so deferring the payment of interest due thereon (i) with respect to Collateral Obligations that have a Moody's Rating of at least "Baa3", for the shorter of two consecutive accrual periods or one year, and (ii) with respect to Collateral Obligations that have a Moody's Rating of "Ba1" or below, for the shorter of one accrual period or six

consecutive months, which deferred capitalized interest has not, as of the date of determination, been paid in cash; *provided* that such Deferrable Security will cease to be a Deferring Security at such time as it (a) ceases to defer or capitalize the payment of interest, (b) pays in cash all accrued and unpaid interest and (c) commences payment of all current interest in cash.

"**Delayed Drawdown Collateral Obligation**" means any Collateral Obligation that (a) requires the Issuer to make one or more future advances to the borrower under the underlying instruments relating thereto, (b) specifies a maximum amount that can be borrowed on one or more fixed borrowing dates, and (c) does not permit the re-borrowing of any amount previously repaid by the borrower thereunder; but any such Collateral Obligation will be a Delayed Drawdown Collateral Obligation only until all commitments by the Issuer to make advances to the borrower expire or are terminated or are reduced to zero.

"**Determination Date**" means the last day of each Collection Period.

"**DIP Collateral Obligation**" means a loan made to a debtor-in-possession pursuant to Section 364 of the U.S. Bankruptcy Code having the priority allowed by either Section 364(c) or 364(d) of the U.S. Bankruptcy Code and fully secured by senior liens.

"**Discount Obligation**" means (1) any Collateral Obligation that is not a Bond which was purchased (as determined without averaging prices of purchases on different dates) for less than (a) 85.0% of its principal balance, if such Collateral Obligation has a Moody's Rating lower than "B3", or (b) 80.0% of its principal balance, if such Collateral Obligation has a Moody's Rating of "B3"or higher; or (2) any Collateral Obligation that is a Bond which was purchased (as determined without averaging prices of purchases on different dates) for less than (a) 80.0% of its principal balance, if such Collateral Obligation has a Moody's Rating lower than "B3", or (b) 75.0% of its principal balance, if such Collateral Obligation has a Moody's Rating of "B3"or higher; *provided* that:

(x) such Collateral Obligation shall cease to be a Discount Obligation at such time as the Market Value (expressed as a percentage of the par amount of such Collateral Obligation) determined for such Collateral Obligation on each day during any period of 30 consecutive days since the acquisition by the Issuer of such Collateral Obligation, equals or exceeds (A) 90% on each such day in the case of a Collateral Obligation that is not a Bond or (B) 85% on each such day in the case of a Collateral Obligation that is a Bond;

(y) any Collateral Obligation that would otherwise be considered a Discount Obligation, but that is purchased in accordance with the Investment Criteria with the proceeds of sale of a Collateral Obligation that was not a Discount Obligation at the time of its purchase, so long as such purchased Collateral Obligation (A) is purchased or committed to be purchased within five Business Days of such sale, (B) is purchased at a purchase price (expressed as a percentage of the par amount of such Collateral Obligation) equal to or greater than the sale price of the sold Collateral Obligation, (C) is purchased at a purchase price (expressed as a percentage of the par amount of such Collateral Obligation) not less than 65% and (D) has a Moody's Default Probability Rating equal to or greater than the Moody's Default Probability Rating of the sold Collateral Obligation, will not be considered to be a Discount Obligation; and

(z) clause (y) above in this proviso shall not apply to any such Collateral Obligation at any time on or after the acquisition by the Issuer of such Collateral Obligation if, as determined at the time of such acquisition, such application would result in (A) more than 5% of the Collateral Principal Amount consisting of Collateral Obligations to which such clause (y) has been applied (or more than 2.5% of the Collateral Principal Amount consisting of Collateral Obligations to which such clause (y) has been applied if the purchase price of the Collateral Obligation is less than 75% of the principal balance thereof) or (B) the aggregate principal balance of all Collateral Obligations to which such clause (y) has been applied since the Closing Date being more than 10% of the Target Initial Par Amount.

"**Distressed Exchange**" means, in connection with any Collateral Obligation, a distressed exchange or other debt restructuring has occurred, as reasonably determined by the Portfolio Manager, pursuant to which the issuer or obligor of such Collateral Obligation has issued to the holders of such Collateral Obligation a new security or package of securities or obligations that, in the sole judgment of the Portfolio Manager, amounts to a diminished

financial obligation or has the purpose of helping the issuer of such Collateral Obligation avoid default; *provided* that no Distressed Exchange shall be deemed to have occurred if the securities or obligations received by the Issuer in connection with such exchange or restructuring satisfy the definition of "Collateral Obligation".

"**Distribution Compliance Period**" means the 40-day period prescribed by Regulation S commencing on the later of (a) the date upon which Notes are first offered to Persons other than the Initial Purchaser and any other distributor (as such term is defined in Regulation S) of the Notes and (b) the Closing Date.

"**Domicile**" or "**Domiciled**" means, with respect to any issuer of, or obligor with respect to, a Collateral Obligation: (a) except as provided in clause (b) below, its country of organization; or (b) if it is organized in a Tax Jurisdiction, each of such jurisdiction and the country in which, in the Portfolio Manager's good faith estimate, a substantial portion of its operations are located or from which a substantial portion of its revenue is derived, in each case directly or through subsidiaries (which shall be any jurisdiction and country known at the time of designation by the Portfolio Manager to be the source of the majority of revenues, if any, of such issuer or obligor).

"**DTC**" means The Depository Trust Company, its nominee and their respective successors.

"**Effective Date**" means the earlier to occur of (i) March 28, 2013 and (ii) the first date on which the Portfolio Manager certifies to the Trustee and the Collateral Administrator that the Target Initial Par Condition has been satisfied.

"**Eligible Custodian**" means a custodian that satisfies, *mutatis mutandis*, the eligibility requirements in the Indenture that are applicable to an entity acting as Trustee under the Indenture.

"**Eligible Investment Required Ratings**" are (a) if such obligation or security (i) has both a long-term and a short-term credit rating from Moody's, such ratings are "Aa3" or better (not on credit watch for possible downgrade) and "P-1" (not on credit watch for possible downgrade), respectively, (ii) has only a long-term credit rating from Moody's, such rating is "Aaa" (not on credit watch for possible downgrade) or (iii) has only a short-term credit rating from Moody's, such rating is "P-1" (not on credit watch for possible downgrade) and (b) "A-1" or better (or, in the absence of a short-term credit rating, "A+" or better) from S&P.

"**Eligible Investments**" means any United States dollar investment that, at the time it is delivered to the Trustee (directly or through an intermediary or bailee), (x) matures not later than the earlier of (A) the date that is 60 days after the date of delivery thereof and (B) the Business Day immediately preceding the Payment Date immediately following the date of delivery thereof, and (y) is one or more of the following obligations or securities:

(i) (1) direct Registered obligations of, and Registered obligations the timely payment of principal and interest on which is fully and expressly guaranteed by, the United States of America or (2) any agency or instrumentality of the United States of America the obligations of which are expressly backed by the full faith and credit of the United States of America that satisfies clause (b) of the Eligible Investment Required Ratings at the time of such investment or contractual commitment providing for such investment;

(ii) demand and time deposits in, certificates of deposit of, trust accounts with, bankers' acceptances issued by, or federal funds sold by any depository institution or trust company incorporated under the laws of the United States of America (including Citibank, N.A.) or any state thereof and subject to supervision and examination by federal and/or state banking authorities, in each case payable within 183 days after issuance, so long as the commercial paper and/or the debt obligations of such depository institution or trust company (or, in the case of the principal depository institution in a holding company system, the commercial paper or debt obligations of such holding company) at the time of such investment or contractual commitment providing for such investment have the Eligible Investment Required Ratings;

(iii) unleveraged repurchase obligations (if treated as debt by the Issuer and the counterparty) with respect to (a) any security described in clause (i) above or (b) any other Registered security issued or guaranteed by an agency or instrumentality of the United States of America, in either case entered into with a depository institution or trust company (acting as principal) described in clause (ii) above or entered into with an entity (acting as principal) with, or whose parent company has (in addition to a guarantee agreement with such

entity, which guarantee agreement complies with S&P's then-current criteria with respect to guarantees), the Eligible Investment Required Ratings;

(iv) Registered debt securities bearing interest or sold at a discount issued by a corporation formed under the laws of the United States of America or any State thereof that satisfies the Eligible Investment Required Ratings at the time of such investment or contractual commitment providing for such investment;

(v) commercial paper or other short-term obligations (other than Asset-backed Commercial Paper) with the Eligible Investment Required Ratings and that either bear interest or are sold at a discount from the face amount thereof and have a maturity of not more than 183 days from their date of issuance;

(vi) a Reinvestment Agreement issued by any bank (if treated as a deposit by such bank), or a Reinvestment Agreement issued by any insurance company or other corporation or entity, in each case with the Eligible Investment Required Ratings; *provided* that (a) the Issuer has received written confirmation from each Rating Agency (with a copy to the Trustee), that such investment would not cause the rating of the Secured Notes to be reduced or withdrawn or (b) such Reinvestment Agreement may be unwound at the option of the Issuer without penalty; and

(vii) non-U.S. money market funds that have, at all times, credit ratings of "Aaa-mf" by Moody's and "AAAm" or "AAAm-G" by S&P, respectively;

provided that (1) Eligible Investments purchased with funds in the Collection Account shall be held until maturity except as otherwise specifically provided herein and shall include only such obligations or securities, other than those referred to in clause (vii) above, as mature (or are putable at par to the issuer thereof) no later than the Business Day prior to the next Payment Date unless such Eligible Investments are issued by the Trustee in its capacity as a banking institution, in which event such Eligible Investments may mature on such Payment Date; and (2) none of the foregoing obligations or securities shall constitute Eligible Investments if (a) such obligation or security has an "f", "r", "p", "pi", "sf", "q" or "t" subscript assigned by S&P, (b) all, or substantially all, of the remaining amounts payable thereunder consist of interest and not principal payments, (c) payments with respect to such obligations or securities or proceeds of disposition are subject to withholding taxes by any jurisdiction unless the payor is required to make "gross-up" payments that cover the full amount of any such withholding tax on an after-tax basis, (d) the acquisition (including the manner of acquisition), ownership, enforcement and disposition of such obligations or securities will cause the Issuer to be engaged in a trade or business within the United States for U.S. federal income tax purposes or be subject to tax in any jurisdiction outside the Issuer's jurisdiction of incorporation, (e) such obligation or security is secured by real property, (f) such obligation or security is purchased at a price greater than 100% of the principal or face amount thereof, (g) such obligation or security is subject of a tender offer, voluntary redemption, exchange offer, conversion or other similar action, (h) in the Portfolio Manager's judgment, such obligation or security is subject to material non-credit related risks, (i) such obligation is a Structured Finance Obligation or (j) such obligation or security is represented by a certificate of interest in a grantor trust. Eligible Investments may include, without limitation, those investments for which the Trustee or an Affiliate of the Trustee provides services and receives compensation.

"**Eligible Post Reinvestment Proceeds**" means, as of any Measurement Date, up to 100% (or, on any Measurement Date after the Reinvestment Period, if the Weighted Average Life of all Collateral Obligations as of such Measurement Date is greater than the Weighted Average Life Test Level as of such Measurement Date, then (on such Measurement Date and all future Measurement Dates) up to 50%) of the Principal Proceeds received from unscheduled amortizations and unscheduled repayments of any Collateral Obligations and sales of Credit Risk Obligations, in each case, received after the Reinvestment Period.

"**Equity Security**" means any security or debt obligation which at the time of acquisition, conversion or exchange does not satisfy the requirements of a Collateral Obligation and is not an Eligible Investment.

"**ERISA Restricted Notes**" means the Class D Notes and the Subordinated Notes.

"**Excess CCC/Caa Adjustment Amount**" means, as of any date of determination, an amount equal to the excess, if any, of:

(a) the aggregate principal balance of all Collateral Obligations included in the CCC/Caa Excess; ***over***

(b) the sum of the Market Values of all Collateral Obligations included in the CCC/Caa Excess.

"**Excess Deferrable Securities**" means, as of any date of determination, the Deferrable Securities corresponding to the excess of the principal balance of all Deferrable Securities over an amount equal to 5.0% of the Collateral Principal Amount as of such date of determination; *provided* that, in determining which Deferrable Securities shall constitute Excess Deferrable Securities, the Deferrable Securities with the lowest Market Value (assuming that such Market Value is expressed as a percentage of the principal balance of such Collateral Obligations as of such Determination Date) shall be deemed to constitute Excess Deferrable Securities.

"**Exchange Act**" means the United States Securities Exchange Act of 1934, as amended.

"**Fee Basis Amount**" means, as of any date of determination, the sum of (a) the Collateral Principal Amount, (b) the aggregate principal amount of all Defaulted Obligations and (c) the aggregate amount of all Principal Financed Accrued Interest.

"**Fixed Rate Obligation**" means any Collateral Obligation that bears a fixed rate of interest.

"**Floating Rate Obligation**" means any Collateral Obligation that bears a floating rate of interest.

"**Group I Country**" means The Netherlands, Australia, New Zealand and the United Kingdom (or such other countries as may be notified by Moody's to the Portfolio Manager from time to time).

"**Group II Country**" means Germany, Ireland, Sweden and Switzerland (or such other countries as may be notified by Moody's to the Portfolio Manager from time to time).

"**Group III Country**" means Austria, Belgium, Denmark, Finland, France, Iceland, Liechtenstein, Luxembourg and Norway (or such other countries as may be notified by Moody's to the Portfolio Manager from time to time).

"**Incentive Management Fee**" refers collectively to any amounts payable to the Portfolio Manager under clause (T) of "Overview of Terms–Priority of Payments–Application of Interest Proceeds", clause (T) of "Overview of Terms–Priority of Payments–Application of Principal Proceeds" and clause (T) of the Special Priority of Payments described in "Description of the Notes–Priority of Payments".

"**Incurrence Covenant**" means a covenant by any borrower to comply with one or more financial covenants only upon the occurrence of certain actions of the borrower, including a debt issuance, dividend payment, share purchase, merger, acquisition or divestiture.

"**Indenture**" means the indenture to be dated November 8, 2012 among the Issuer, the Co-Issuer and the Trustee.

"**Independent**" means, as to any person, any other person (including, in the case of an accountant or lawyer, a firm of accountants or lawyers, and any member thereof, or an investment bank and any member thereof) who (i) does not have and is not committed to acquire any material direct or any material indirect financial interest in such person or in any Affiliate of such person, and (ii) is not connected with such person as an officer, employee, promoter, underwriter, voting trustee, partner, director or person performing similar functions. "Independent" when used with respect to any accountant may include an accountant who audits the books of such person if in addition to satisfying the criteria set forth above the accountant is independent with respect to such person within the meaning of Rule 101 of the Code of Professional Conduct of the American Institute of Certified Public Accountants.

Whenever any Independent person's opinion or certificate is to be furnished to the Trustee, such opinion or certificate shall state that the signer has read this definition and that the signer is Independent within the meaning hereof.

Any pricing service, certified public accountant or legal counsel that is required to be Independent of another person under the Indenture must satisfy the criteria above with respect to the Issuer, the Portfolio Manager and their Affiliates.

"**Interest Accrual Period**" means (i) with respect to the initial Payment Date, the period from and including the Closing Date to but excluding such Payment Date; and (ii) with respect to each succeeding Payment Date, the period from and including the immediately preceding Payment Date to but excluding the following Payment Date or, if earlier, the date on which the principal of the Secured Notes is paid or made available for payment; *provided* that any interest-bearing notes issued after the Closing Date in accordance with the terms of the Indenture shall accrue interest during the Interest Accrual Period in which such additional notes are issued from and including the applicable date of issuance of such additional notes to but excluding the last day of such Interest Accrual Period at the applicable Interest Rate.

"**Interest Coverage Ratio**" means, for any designated Class or Classes of Secured Notes, as of any date of determination, the percentage derived from the following equation: (A – B) / C, where:

A = The Collateral Interest Amount as of such date of determination;

B = Amounts payable (or expected as of the date of determination to be payable) on the following Payment Date as set forth in clauses (A) and (B) under "Overview of Terms—Priority of Payments—Application of Interest Proceeds"; and

C = Interest due and payable on the Secured Notes of such Class or Classes and each Class of Secured Notes that rank senior to or *pari passu* with such Class or Classes (excluding Secured Note Deferred Interest, but including any interest on Secured Note Deferred Interest with respect to the Class B Notes, Class C Notes and Class D Notes) on such Payment Date.

"**Interest Determination Date**" means the second London Banking Day preceding the first day of each Interest Accrual Period.

"**Interest Only Security**" means any obligation or security that does not provide in the related Underlying Instruments for the payment or repayment of a stated principal amount in one or more installments on or prior to its stated maturity.

"**Interest Proceeds**" means, with respect to any Collection Period or Determination Date, without duplication, the sum of:

(i) all payments of interest and delayed compensation (representing compensation for delayed settlement) received in cash by the Issuer during the related Collection Period on the Collateral Obligations and Eligible Investments, including the accrued interest received in connection with a sale thereof during the related Collection Period, less any such amount that represents Principal Financed Accrued Interest;

(ii) all principal and interest payments received by the Issuer during the related Collection Period on Eligible Investments purchased with Interest Proceeds;

(iii) all amendment and waiver fees, late payment fees and other fees received by the Issuer during the related Collection Period, except for those in connection with (a) the lengthening of the maturity of the related Collateral Obligation or (b) the reduction of the par of the related Collateral Obligation, as determined by the Portfolio Manager with notice to the Trustee and the Collateral Administrator;

(iv) commitment fees and other similar fees received by the Issuer during such Collection Period in respect of Revolving Collateral Obligations and Delayed Drawdown Collateral Obligations;

(v) any amounts deposited in the Collection Account from the Expense Reserve Account and/or the Interest Reserve Account that are designated as Interest Proceeds in the sole discretion of the Portfolio Manager pursuant to the Indenture in respect of the related Determination Date; and

(vi) any funds withdrawn from the LC Reserve Account during the related Collection Period in accordance with the procedures described under "Security for the Secured Notes—The LC Reserve Account" for application as Interest Proceeds;

provided that (A) (1) any amounts received in respect of any Defaulted Obligation will constitute Principal Proceeds (and not Interest Proceeds) until the aggregate of all collections in respect of such Defaulted Obligation since it became a Defaulted Obligation equals the outstanding principal balance of such Collateral Obligation at the time it became a Defaulted Obligation and (2) (x) any amounts received in respect of any Equity Security that was received in exchange for a Defaulted Obligation and is held by a Blocker Subsidiary will constitute Principal Proceeds (and not Interest Proceeds) until the aggregate of all collections in respect of such Equity Security equals the outstanding principal balance of the Collateral Obligation, at the time it became a Defaulted Obligation, for which such Equity Security was received in exchange and (y) any amounts received in respect of any other asset held by a Blocker Subsidiary will constitute Principal Proceeds (and not Interest Proceeds), (B) any amounts deposited in the Collection Account as Principal Proceeds as described in clause (Q) under "Overview of Terms—Priority of Payments—Application of Interest Proceeds" due to the failure of the Interest Diversion Test to be satisfied shall not constitute Interest Proceeds and (C) no funds on deposit in the LC Reserve Account will be treated as Interest Proceeds unless and until withdrawn from such account as described under "Security for the Secured Notes—The LC Reserve Account" for application as Interest Proceeds.

"**Interest Rate**" means, with respect to each Class of Secured Notes, the per annum stated interest rate payable on such Class with respect to each Interest Accrual Period as indicated under "Overview of Terms—Principal Terms of the Notes".

"**Investment Advisers Act**" means the Investment Advisers Act of 1940, as amended.

"**Investment Company Act**" means the United States Investment Company Act of 1940, as amended.

"**Irish Listing Agent**" means NCB Stockbrokers Limited.

"**Issuer**" means Jamestown CLO I Ltd.

"**Junior Class**" means, with respect to a particular Class of Notes, each Class of Notes that is subordinated to such Class, as indicated in "Overview of Terms—Principal Terms of the Notes".

"**Knowledgeable Employee**" has the meaning set forth in Rule 3c-5 promulgated under the Investment Company Act.

"**LC Commitment Amount**" means, with respect to any Letter of Credit Reimbursement Obligation, the amount which the Issuer could be required to pay to the LOC Agent Bank in respect thereof (including, for the avoidance of doubt, any portion thereof which the Issuer has collateralized or deposited into a trust or with the LOC Agent Bank for the purpose of making such payments).

"**Letter of Credit Reimbursement Obligation**" means a facility whereby (i) a fronting bank that, at the time of acquisition of such Letter of Credit Reimbursement Obligation by the Issuer or the Issuer's commitment to acquire the same, has at least a short-term rating of "A-1" (or if no short-term rating exists, a long-term rating of "A+") by S&P ("**LOC Agent Bank**") issues or will issue a letter of credit ("**LC**") for or on behalf of a borrower pursuant to an Underlying Instrument, (ii) in the event that the LC is drawn upon, and the borrower does not reimburse the LOC Agent Bank, the lender/participant is obligated to fund its portion of the facility, (iii) the LOC Agent Bank passes on (in whole or in part) the fees and any other amounts it receives for providing the LC to the lender/participant and (iv)(a) the related Underlying Instruments require the Issuer to fully collateralize the Issuer's obligations to the related LOC Agent Bank or obligate the Issuer to make a deposit into a trust in an aggregate amount equal to the related LC Commitment Amount, (b) the collateral posted by the Issuer is held by, or the Issuer's deposit is made in, a depository institution meeting the requirement set forth in "Security for the Secured Notes–Account Requirements" and (c) the collateral posted by the Issuer is invested in Eligible Investments.

"**LIBOR**" with respect to the Secured Notes, for any Interest Accrual Period will equal (a) the rate appearing on the Reuters Screen for deposits with a term of three months; *provided* that LIBOR for the first Interest Accrual Period will equal the rate determined by interpolating linearly between the rate appearing on the Reuters Screen for deposits with a term of five months and the rate appearing on the Reuters Screen for deposits with a term of six months or (b) if such rate is unavailable at the time LIBOR is to be determined, LIBOR shall be determined on the basis of the rates at which deposits in U.S. Dollars are offered by four major banks in the London market selected by the Calculation Agent after consultation with the Portfolio Manager (the "**Reference Banks**") at approximately 11:00 a.m., London time, on the Interest Determination Date to prime banks in the London interbank market for a period approximately equal to such Interest Accrual Period and an amount approximately equal to the amount of the aggregate outstanding principal amount of the Secured Notes. The Calculation Agent will request the principal London office of each Reference Bank to provide a quotation of its rate. If at least two such quotations are provided, LIBOR shall be the arithmetic mean of such quotations (rounded upward to the next higher 1/100). If fewer than two quotations are provided as requested, LIBOR with respect to such Interest Accrual Period will be the arithmetic mean of the rates quoted by three major banks in New York, New York selected by the Calculation Agent after consultation with the Portfolio Manager at approximately 11:00 a.m., New York Time, on such Interest Determination Date for loans in U.S. Dollars to leading European banks for a term approximately equal to such Interest Accrual Period and an amount approximately equal to the amount of the Secured Notes. If the Calculation Agent is required but is unable to determine a rate in accordance with at least one of the procedures described above, LIBOR will be LIBOR as determined on the previous Interest Determination Date. "LIBOR", when used with respect to a Collateral Obligation, means the "libor" rate determined in accordance with the terms of such Collateral Obligation.

"**Loan**" means any obligation for the payment or repayment of borrowed money that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement.

"**LOC Agent Bank**" has the meaning specified in the definition of the term Letter of Credit Reimbursement Obligation.

"**London Banking Day**" means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London, England.

"**Maintenance Covenant**" means a covenant by any borrower to comply with one or more financial covenants during each reporting period, whether or not such borrower has taken any specified action.

"**Majority**" means, with respect to any Class or Classes of Notes, the holders of more than 50% of the aggregate outstanding principal amount of the Notes of such Class or Classes.

"**Margin Stock**" means "Margin Stock" as defined under Regulation U issued by the Federal Reserve Board, including any debt security which is by its terms convertible into "Margin Stock".

"**Market Value**" means, with respect to any loans or other assets, the amount (determined by the Portfolio Manager) equal to the product of the principal amount thereof and the price determined in the following manner:

(i) in the case of a loan only, the bid price determined by the Loan Pricing Corporation, Markit Group Limited or any other nationally recognized loan pricing service selected by the Portfolio Manager with notice to Moody's and approved by S&P in writing; or

(ii) if a price described in clause (i) is not available,

(A) the average of the bid prices determined by three broker-dealers active in the trading of such asset that are Independent from each other and the Issuer and the Portfolio Manager;

(B) if only two such bids can be obtained, the lower of the bid prices of such two bids; or

(C) if only one such bid can be obtained, and such bid was obtained from a Qualified Broker/Dealer, the bid price of such bid; or

(iii) if a price described in clause (i) or (ii) is not available, then the Market Value of an asset will be the lower of (x) the higher of (A) such asset's S&P Recovery Rate and (B) 70% of the notional amount of such asset, (y) the price at which the Portfolio Manager reasonably believes such asset could be sold in the market within 30 days, as certified by the Portfolio Manager to the Trustee and determined by the Portfolio Manager consistent with the manner in which it would determine the market value of an asset for purposes of other funds or accounts managed by it; *provided*, *however*, that, if the Portfolio Manager is not a Registered Investment Advisor, the Market Value of any such asset may not be determined in accordance with this clause (iii)(y) for more than 30 days; and (z) solely if such asset either was purchased within the three preceding months or was previously assigned a Market Value within the three preceding months, either (A) if such asset was purchased within the three preceding months, its purchase price or (B) otherwise, the last Market Value that was assigned to it other than pursuant to this clause (iii)(z); or

(iv) if the Market Value of an asset is not determined in accordance with clause (i), (ii) or (iii) above, then such Market Value shall be deemed to be zero until such determination is made in accordance with clause (i) or (ii) above;

provided, that the Market Value of any Defaulted Obligation that has not been sold or terminated within three years after becoming a Defaulted Obligation will be deemed to be zero.

"**Maturity Amendment**" means with respect to any Collateral Obligation, any waiver, modification, amendment or variance that would extend the stated maturity date of such Collateral Obligation. For the avoidance of doubt, a waiver, modification, amendment or variance that would extend the stated maturity date of the credit facility of which a Collateral Obligation is part, but would not extend the stated maturity date of the Collateral Obligation held by the Issuer, does not constitute a Maturity Amendment.

"**Measurement Date**" means (i) any day on which a purchase of a Collateral Obligation occurs, (ii) any Determination Date, (iii) the date as of which the information in any monthly report prepared under the Indenture is calculated, (iv) with five Business Days' prior notice, any Business Day requested by either Rating Agency and (v) the Effective Date.

"**Middle Market Loan**" means any loan made pursuant to Underlying Instruments governing the issuance of indebtedness having an aggregate principal amount (whether drawn or undrawn) of less than U.S.$ 150,000,000.

"**Minimum Denominations**" means in terms of (i) the Class A-1 Notes, the Class A-2 Notes and Class B Notes, U.S.$500,000 and integral multiples of U.S.$1,000 in excess thereof, (ii) the Class C Notes and Class D Notes, U.S.$250,000 and integral multiples of U.S.$1,000 in excess thereof and (iii) the Subordinated Notes, U.S.$200,000 and integral multiples of U.S.$1.00 in excess thereof (except that up to three Subordinated Notes may be sold on the Closing Date to Accredited Investors in minimum denominations of at least $100,000, as permitted by the Issuer on a case-by-case basis, and may be Outstanding at any time thereafter).

"**Moody's**" means Moody's Investors Service, Inc and any successor thereto.

"**Moody's Collateral Value**" means, on any date of determination, with respect to any Defaulted Obligation or Deferring Security, the lesser of (i) the Moody's Recovery Amount of such Defaulted Obligation or Deferring Security as of such date and (ii) the Market Value of such Defaulted Obligation or Deferring Security as of such date.

"**Moody's Counterparty Criteria**" are, with respect to any Participation Interest or Letter of Credit Reimbursement Obligation proposed to be acquired by the Issuer, criteria that will be met if immediately after giving effect to such acquisition, (x) the percentage of the Collateral Principal Amount that consists in the aggregate of Participation Interests or Letter of Credit Reimbursement Obligations with Selling Institutions or LOC Agent Banks, as the case may be, that have the same or a lower Moody's credit rating does not exceed the "Aggregate Percentage Limit" set forth below for such Moody's credit rating and (y) the percentage of the Collateral Principal Amount that consists in the aggregate of Participation Interests or Letter of Credit Reimbursement Obligations with any single Selling

Institution or LOC Agent Bank, as the case may be, that has the Moody's credit rating set forth below or a lower credit rating does not exceed the "Individual Percentage Limit" set forth below for such Moody's credit rating:

Moody's credit rating of Selling Institution or LOC Agent Bank (at or below)	**Aggregate Percentage Limit**	**Individual Percentage Limit**
Aaa	20%	20%
Aa1	20%	10%
Aa2	20%	10%
Aa3	15%	10%
A1	10%	5%
A2 and P-1 (both)	5%	5%
A2 (without P-1), A3 or below	0%	0%

"**Moody's Non-Senior Secured Loan**" means any assignment of or Participation Interest in or other interest in a loan that is not a Moody's Senior Secured Loan.

"**Moody's Rating Condition**" means a condition that is satisfied if:

(a) with respect to the Effective Date rating confirmation procedure described under "Use of Proceeds—Effective Date," Moody's provides written confirmation (which may take the form of a press release or other written communication) that Moody's will not downgrade or withdraw its initial rating of the Class A-1 Notes; or

(b) with respect to any other event or circumstance,

(i) Moody's provides written confirmation (which may take the form of a press release or other written communication) that the occurrence of that event or circumstance will not cause Moody's to downgrade or withdraw its rating assigned to the Class A-1 Notes; or

(ii) no Class A-1 Notes are outstanding, or no Class A-1 Notes then outstanding are rated by Moody's.

See also "Ratings of the Secured Notes—Inapplicability of the Moody's Rating Condition".

"**Moody's Recovery Amount**" means, with respect to any Collateral Obligation that is a Defaulted Obligation or a Deferring Security, an amount equal to:

(a) the applicable Moody's Recovery Rate; *multiplied by*

(b) the principal balance of such Collateral Obligation.

"**Moody's Senior Secured Floating Rate Note**" means a Senior Secured Floating Rate Note that (x) has a Moody's facility rating and the obligor of such note has a Moody's corporate family rating and (y) such Moody's facility rating is not lower than such Moody's corporate family rating.

"**Moody's Senior Secured Loan**" means:

(a) a loan that:

(i) is not (and cannot by its terms become) subordinate in right of payment to any other debt obligation of the obligor of the loan;

(ii) (x) is secured by a valid first priority perfected security interest or lien in, to or on specified collateral securing the obligor's obligations under the loan and (y) such specified collateral does not consist entirely of equity securities or common stock; *provided* that any loan that would be considered a Moody's Senior Secured Loan but for clause (y) above shall be considered a Moody's Senior Secured Loan if it is a loan made to a parent entity and as to which the Portfolio Manager determines in good faith that the value of the common stock of the subsidiary (or other equity interests in the subsidiary) securing such loan at or about the time of acquisition of such loan by the Issuer has a value that is at least equal to the outstanding principal balance of such loan and the outstanding principal balances of any other obligations of such parent entity that are pari passu with such loan, which value may include, among other things, the enterprise value of such subsidiary of such parent entity; and

(iii) the value of the collateral securing the loan together with other attributes of the obligor (including, without limitation, its general financial condition, ability to generate cash flow available for debt service and other demands for that cash flow) is adequate (in the commercially reasonable judgment of the Portfolio Manager) to repay the loan in accordance with its terms and to repay all other loans of equal seniority secured by a first lien or security interest in the same collateral); or

(b) a loan that:

(i) is not (and cannot by its terms become) subordinate in right of payment to any other debt obligation of the obligor of the loan, except that such loan can be subordinate with respect to the liquidation of such obligor or the collateral for such loan;

(ii) with respect to such liquidation, is secured by a valid perfected security interest or lien that is not a first priority in, to or on specified collateral securing the obligor's obligations under the loan;

(iii) the value of the collateral securing the loan together with other attributes of the obligor (including, without limitation, its general financial condition, ability to generate cash flow available for debt service and other demands for that cash flow) is adequate (in the commercially reasonable judgment of the Portfolio Manager) to repay the loan in accordance with its terms and to repay all other loans of equal or higher seniority secured in the same collateral); and

(iv) (x) has a Moody's facility rating and the obligor of such loan has a Moody's corporate family rating and (y) such Moody's facility rating is not lower than such Moody's corporate family rating; and

(c) the loan is not:

(i) a DIP Collateral Obligation; or

(ii) a loan for which the security interest or lien (or the validity or effectiveness thereof) in substantially all of its collateral attaches, becomes effective, or otherwise "springs" into existence after the origination thereof.

"**Non-Emerging Market Obligor**" means an obligor that is Domiciled in any country that has a country ceiling for foreign currency bonds of at least "Aa2" by Moody's and a foreign currency issuer credit rating of at least "AA" by S&P.

"**Note Interest Amount**" means, with respect to any Class of Secured Notes and any Payment Date, the amount of interest for the related Interest Accrual Period payable in respect of each U.S.$100,000 outstanding principal amount of such Class of Notes.

"**Notes**" means the Secured Notes and the Subordinated Notes.

"**Overcollateralization Ratio**" means, with respect to any specified Class or Classes of Secured Notes as of any date of determination, the percentage derived from:

(a) the Adjusted Collateral Principal Amount on such date; ***divided by***

(b) the aggregate outstanding principal amount on such date of the Secured Notes of such Class or Classes, each class of Secured Notes senior to such Class or Classes and each *pari passu* Class or Classes of Secured Notes.

"**Pari Passu Class**" means with respect to any specified Class of Notes, each Class of Notes that ranks pari passu to such Class, as indicated in "Overview of Terms—Principal Terms of the Notes".

"**Participation Interest**" means a Letter of Credit Reimbursement Obligation or a participation interest in a loan that, at the time of acquisition or the Issuer's commitment to acquire the same, is represented by a contractual obligation of a Selling Institution that has at the time of such acquisition or the Issuer's commitment to acquire the same at least a short-term rating of "A-1" (or if no short-term rating exists, a long-term rating of "A+") by S&P.

"**Paying Agent**" means each of any paying agent appointed under the Indenture in order to receive the Redemption Price.

"**Payment Date**" means each of the 5th day of February, May, August and November of each year (or, if such day is not a Business Day, the next succeeding Business Day), commencing in May 2013, except that the final Payment Date (subject to any earlier redemption or payment of the Notes) shall be November 5, 2024 (or, if such day is not a Business Day, the next succeeding Business Day).

"**Person**" means an individual, corporation (including a business trust), partnership, limited liability company, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated association or government or any agency or political subdivision thereof.

"**Placement Agency Agreement**" means the agreement to be entered into among the Co-Issuers and Citigroup, as placement agent of certain of the Subordinated Notes, as amended from time to time.

"**Portfolio Management Agreement**" means an agreement to be entered into between the Issuer and the Portfolio Manager relating to the management of the Collateral Obligations and the other Assets by the Portfolio Manager on behalf of the Issuer.

"**Portfolio Manager**" means 3i Debt Management U.S. LLC, a Delaware limited liability company, until a successor Person shall have become the Portfolio Manager pursuant to the provisions of the Portfolio Management Agreement, and thereafter "Portfolio Manager" shall mean such successor Person.

"**Portfolio Manager Notes**" means, as of any date of determination, (a) all Notes held on such date by (i) the Portfolio Manager, (ii) any Affiliate of the Portfolio Manager or (iii) any account, fund, client or portfolio managed or advised on a discretionary basis by the Portfolio Manager or any of its Affiliates and (b) all Notes as to which economic exposure is held on such date (whether through any derivative financial transaction or otherwise) by any Person identified in the foregoing clause (a).

"**Principal Financed Accrued Interest**" means, with respect to (i) the Collateral Obligations owned or purchased by the Issuer on the Closing Date, an amount equal to the amount of Warehouse Principal Financed Accrued Interest and (ii) any Collateral Obligation acquired on or after the Closing Date, the amount of Principal Proceeds, if any, applied towards the purchase of accrued interest on such Collateral Obligation.

"**Principal Proceeds**" means, with respect to any Collection Period or Determination Date, all amounts received by the Issuer during the related Collection Period that do not constitute Interest Proceeds and any amounts that have been designated as Principal Proceeds pursuant to the terms of the Indenture.

"**Priority Category**" means, with respect to any Collateral Obligation, the applicable category listed in the table under the heading "Priority Category" in Section 1(b) of Annex C.

"**Priority Class**" means, with respect to any specified Class of Notes, each Class of Notes that ranks senior to such Class, as indicated in "Overview of Terms—Principal Terms of the Notes".

"**Proposed Portfolio**" means the portfolio of Collateral Obligations and Eligible Investments resulting from the proposed purchase, sale, maturity or other disposition of a Collateral Obligation or a proposed reinvestment in an additional Collateral Obligation, as the case may be.

"**Purchase Agreement**" means the agreement to be entered into among the Co-Issuers and Citigroup, as initial purchaser of the Secured Notes, as amended from time to time.

"**Qualified Broker/Dealer**" means any of Bank of America/Merrill Lynch, Deutsche Bank, JP Morgan, BNP Paribas, UBS, Citibank, Royal Bank of Scotland, Royal Bank of Canada, Morgan Stanley, Goldman Sachs, Credit Suisse, Wachovia/Wells Fargo, Barclays Bank, Imperial Capital, TD Securities, General Electric Capital or Canadian Imperial Bank of Commerce (CIBC).

"**Qualified Institutional Buyer**" has the meaning set forth in Rule 144A.

"**Qualified Purchaser**" has the meaning set forth in the Investment Company Act.

"**Rating Agency**" means each of (a) Moody's, for so long as any Class A-1 Notes are rated by Moody's and (b) S&P, for so long as any Class of Notes is rated by S&P.

"**Record Date**" means, with respect to the Global Secured Notes and the Regulation S Global Subordinated Notes, the date one day prior to the applicable Payment Date and, with respect to the ERISA Restricted Certificated Secured Notes, Certificated Subordinated Notes and Uncertificated Subordinated Notes, the date 15 days prior to the applicable Payment Date.

"**Redemption Date**" means any Business Day (including without limitation any Payment Date) specified for a redemption of Notes pursuant to the Indenture.

"**Redemption Price**" means (a) for each Secured Note, 100% of the outstanding principal amount of such Secured Note, *plus* accrued and unpaid interest thereon (including interest on any accrued and unpaid Secured Note Deferred Interest, in the case of the Class B Notes, Class C Notes and Class D Notes) to the Redemption Date and (b) for each Subordinated Note, its proportional share (based on the aggregate outstanding principal amount of such Note) of the portion of the proceeds of the remaining Assets (after giving effect to the Optional Redemption or Tax Redemption of the Secured Notes in whole or after all of the Secured Notes have been repaid in full and payment in full of (and/or creation of a reserve for) all expenses (including all Management Fees and Administrative Expenses) of the Co-Issuers); *provided* that, in connection with any Tax Redemption, holders of 100% of the aggregate outstanding principal amount of any Class of Secured Notes may elect to receive less than 100% of the Redemption Price that would otherwise be payable to the holders of such Class of Secured Notes.

"**Refinancing Proceeds**" means the cash proceeds from a Refinancing.

"**Registered**" means, in registered form for U.S. federal income tax purposes and issued after July 18, 1984, provided that a certificate of interest in a grantor trust shall not be treated as Registered unless each of the obligations or securities held by the trust was issued after that date.

"**Registered Investment Advisor**" means a Person duly registered as an investment advisor in accordance with the Investment Advisers Act.

"**Regulation S**" has the meaning set forth in Regulation S under the Securities Act.

"**Regulation S Global ERISA Restricted Note**" means an ERISA Restricted Note issued in the form of a Regulation S Global Secured Note or a Regulation S Global Subordinated Note.

"**Reinvesting Holder**" means each holder on the Closing Date of a Subordinated Note that is a U.S. person, and such holder's successors other than any purchaser of all or any portion of the Subordinated Notes of such holder.

"**Reinvestment Agreement**" means a guaranteed reinvestment agreement from a bank, insurance company or other corporation or entity having an Eligible Investment Required Rating; *provided* that such agreement provides that it is terminable by the purchaser, without penalty, in the event that the rating assigned to such agreement by either Rating Agency is at any time lower than such agreement's Eligible Investment Required Rating.

"**Reinvestment Amount**" means, with respect to the Subordinated Notes held by a Reinvesting Holder, any amount that is available to be distributed on any Payment Date during the Reinvestment Period to such Reinvesting Holder in respect of its Subordinated Notes pursuant to clause (S) or (T) of "Overview of Terms—Priority of Payments—Application of Interest Proceeds" but is instead deposited in the Reinvestment Amount Account on such Payment Date at the direction of such Reinvesting Holder in accordance with the last paragraph of "Overview of Terms—Priority of Payments—Application of Principal Proceeds". Each Reinvestment Amount shall be deemed to be paid to the applicable Reinvesting Holder on the Payment Date on which it is deposited in the Reinvestment Amount Account at the direction of such Reinvesting Holder, and each Reinvestment Amount will be actually paid to such Reinvesting Holder after such Payment Date, without interest thereon and solely to the extent of Principal Proceeds available therefor as provided in "Overview of Terms—Application of Principal Proceeds" or proceeds in respect of the Assets available therefor as provided in "Description of the Notes—Priority of Payments", as applicable.

"**Reinvestment Target Par Balance**" means, as of any date of determination, the Target Initial Par Amount *minus* (i) the amount of any reduction in the aggregate outstanding principal amount of the Notes through the payment of Principal Proceeds *plus* (ii) the aggregate amount of Principal Proceeds that result from the issuance of any additional notes under and in accordance with the Indenture (after giving effect to such issuance of any additional notes).

"**Related Obligation**" means an obligation issued by the Portfolio Manager, any of its Affiliates that are collateralized debt obligation funds or any other person that is a collateralized debt obligation fund whose investments are primarily managed by the Portfolio Manager or any of its Affiliates.

"**Required Interest Diversion Amount**" means, the lesser of (x) 50% of Available Funds from the Collateral Interest Amount on any Payment Date after application of such Collateral Interest Amount to the payment of amounts set forth in clauses (A) through (P) under "Overview of Terms—Priority of Payments—Application of Interest Proceeds" and (y) the minimum amount that needs to be added to the Adjusted Collateral Principal Amount in order to cause the Interest Diversion Test to be satisfied.

"**Restricted Trading Period**" means the period during which (a) the Moody's rating or S&P rating of the Class A-1 Notes is withdrawn (and not reinstated) or is one or more sub-categories below its rating on the Closing Date; (b) the S&P rating of the Class A-2 Notes is withdrawn (and not reinstated) or is one or more sub-categories below its rating on the Closing Date; or (c) the S&P rating of the Class B Notes, Class C Notes or Class D Notes is withdrawn (and not reinstated) or is two or more sub-categories below its rating on the Closing Date; *provided* in each case that (1) such period will not be a Restricted Trading Period if (A) after giving effect to any sale of the relevant Collateral Obligations, the aggregate principal balance of the Collateral Obligations (excluding the Collateral Obligation being sold) and Eligible Investments constituting Principal Proceeds (including, without duplication, the anticipated net proceeds of such sale) will be at least equal to the Reinvestment Target Par Balance, (B) each test specified in the definition of Collateral Quality Test is satisfied, and (C) each Overcollateralization Ratio Test is satisfied; (2) such period will not be a Restricted Trading Period upon the direction of the Issuer with the consent of a Majority of the Controlling Class, which direction shall remain in effect until the earlier of (i) a further downgrade or withdrawal of the Moody's rating of the Class A-1 Notes or of the S&P rating of any Class of Secured Notes that, disregarding such direction, would cause the condition set forth in clause (a), (b) or (c) above to be true and (ii) a subsequent direction to the Issuer (with a copy to the Trustee and the Collateral Administrator) by a Majority of the Controlling Class declaring the beginning of a Restricted Trading Period; and (3) no Restricted Trading Period shall restrict any

sale of a Collateral Obligation entered into by the Issuer at a time when a Restricted Trading Period is not in effect, regardless of whether such sale has settled.

"**Reuters Screen**" means Reuters Page LIBOR01 (or such other page that may replace that page on such service for the purpose of displaying comparable rates) as reported by Bloomberg Financial Markets Commodities News as of 11:00 a.m., London time, on the Interest Determination Date.

"**Revolving Collateral Obligation**" means any Collateral Obligation (other than a Delayed Drawdown Collateral Obligation) that is a loan (including, without limitation, revolving loans, including funded and unfunded portions of revolving credit lines and letter of credit facilities, unfunded commitments under specific facilities and other similar loans and investments) that by its terms may require one or more future advances to be made to the borrower by the Issuer; *provided* that any such Collateral Obligation will be a Revolving Collateral Obligation only until all commitments to make advances to the borrower expire or are terminated or irrevocably reduced to zero.

"**Rule 144A**" has the meaning set forth under the Securities Act.

"**S&P**" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, and any successor or successors thereto.

"**S&P CDO Monitor**" means, each dynamic, analytical computer model developed by S&P used to calculate the default frequency in terms of the amount of debt assumed to default as a percentage of the original principal amount of the Collateral Obligations consistent with a specified benchmark rating level based upon certain assumptions (including the applicable Weighted Average S&P Recovery Rate) and S&P's proprietary corporate default studies, as may be amended by S&P from time to time upon notice to the Issuer, the Collateral Administrator and the Trustee. Each S&P CDO Monitor shall be chosen by the Portfolio Manager and associated with either (x) a Weighted Average S&P Recovery Rate and a Weighted Average Floating Spread from Section 2 of Annex C or (y) a Weighted Average S&P Recovery Rate and a Weighted Average Floating Spread confirmed by S&P, provided that as of any date of determination the Weighted Average S&P Recovery Rate for each Class of Secured Notes outstanding equals or exceeds the Weighted Average S&P Recovery Rate for such Class chosen by the Portfolio Manager and the Weighted Average Floating Spread equals or exceeds the Weighted Average Floating Spread chosen by the Portfolio Manager.

"**S&P Collateral Value**" means, with respect to any Defaulted Obligation or Deferring Security, the lesser of (i) the S&P Recovery Amount of such Defaulted Obligation or Deferring Security, respectively, as of the relevant Measurement Date and (ii) the Market Value of such Defaulted Obligation or Deferring Security, respectively, as of the relevant Measurement Date.

"**S&P Rating**" has the meaning specified in Annex C hereto.

"**S&P Recovery Amount**" means with respect to any Collateral Obligation, an amount equal to:

(a) the applicable S&P Recovery Rate; ***multiplied by***

(b) the principal balance of such Collateral Obligation.

"**S&P Recovery Rate**" means, with respect to a Collateral Obligation, the recovery rate set forth in Section 1 of Annex C using the initial rating of the most senior Class of Secured Notes outstanding at the time of determination.

"**S&P Recovery Rating**" means, with respect to a Collateral Obligation for which an S&P Recovery Rate is being determined, the "Recovery Rating" assigned by S&P to such Collateral Obligation based upon the following table:

Recovery Rating	Description of Recovery	Recovery Range (%)
1+	High expectation, full recovery	75-95
1	Very high recovery	65-95
2	Substantial recovery	50-85
3	Meaningful recovery	30-65
4	Average recovery	20-45
5	Modest recovery	5-25
6	Negligible recovery	2-10

"**Sale Proceeds**" are all proceeds (excluding accrued interest, if any) received with respect to Assets as a result of sales of such Assets in accordance with the restrictions described in "Security for the Secured Notes—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria", *less* any reasonable expenses incurred by the Portfolio Manager, the Collateral Administrator or the Trustee (other than amounts payable as Administrative Expenses) in connection with such sales.

"**Second Lien Loan**" means any assignment of or Participation Interest in a Loan that: (a) is not (and cannot by its terms become) subordinate in right of payment to any other obligation of the obligor of the Loan but which is subordinated (with respect to liquidation preferences with respect to pledged collateral) to a Senior Secured Loan of the obligor; (b) is secured by a valid second-priority perfected security interest or lien in, to or on specified collateral securing the obligor's obligations under the Second Lien Loan the value of which is adequate (in the commercially reasonable judgment of the Portfolio Manager) to repay the Loan in accordance with its terms and to repay all other Loans of equal or higher seniority secured by a lien or security interest in the same collateral and (c) is not secured solely or primarily by common stock or other equity interests; *provided* that the limitation set forth in this clause (c) shall not apply with respect to a Loan made to a parent entity that is secured solely or primarily by the stock of one or more of the subsidiaries of such parent entity to the extent that the granting by any such subsidiary of a lien on its own property would violate law or regulations applicable to such subsidiary (whether the obligation secured is such Loan or any other similar type of indebtedness owing to third parties); and provided, further, that for a Loan to which, due to the operation of the foregoing proviso, the limitation set forth in this clause (c) does not apply, the S&P Recovery Rate will be determined on a case by case basis if there is no assigned S&P Recovery Rating.

"**Secured Note Deferred Interest**" means: (i) with respect to the Class B Notes, any payment of interest due on the Class B Notes on any Payment Date to the extent sufficient funds are not available to make such payment in accordance with the Priority of Payments on such Payment Date, but only if one or more senior Classes of Notes are outstanding on such Payment Date; (ii) with respect to the Class C Notes, any payment of interest due on the Class C Notes on any Payment Date to the extent sufficient funds are not available to make such payment in accordance with the Priority of Payments on such Payment Date, but only if one or more senior Classes of Notes are outstanding on such Payment Date; and (iii) with respect to the Class D Notes, any payment of interest due on the Class D Notes on any Payment Date to the extent sufficient funds are not available to make such payment in accordance with the Priority of Payments on such Payment Date, but only if one or more senior Classes of Notes are outstanding on such Payment Date.

"**Secured Notes**" means the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes.

"**Secured Parties**" means collectively the holders of the Secured Notes, the Portfolio Manager, the Collateral Administrator and the Trustee.

"**Securities Account Control Agreement**" means the Securities Account Control Agreement dated as of the Closing Date between the Issuer, the Trustee and Citibank, N.A., as custodian.

"**Securities Act**" means the United States Securities Act of 1933, as amended.

"**Securities Intermediary**" is as defined in Section 8-102(a)(14) of the Uniform Commercial Code as in effect in the applicable jurisdiction.

"**Selling Institution**" means the entity obligated to make payments to the Issuer under the terms of a Participation Interest.

"**Senior Secured Bond**" means any obligation that (a) constitutes borrowed money, (b) is in the form of, or represented by, a bond, note, certificated debt security or other debt security (other than any of the foregoing that evidences a Loan, Participation Interest or Senior Secured Floating Rate Note), (c) is not secured solely or primarily by common stock or other equity interests, (d) if it is subordinated by its terms, is subordinated only to indebtedness for borrowed money, trade claims, capitalized leases or other similar obligations and (e) is secured by a valid first priority perfected security interest or lien in, to or on specified collateral securing the obligor's obligations under such obligation.

"**Senior Secured Floating Rate Note**" means any obligation that (a) constitutes borrowed money, (b) is in the form of, or represented by, a bond, note (other than any note evidencing a Loan), certificated debt security or other debt security, (c) is expressly stated to bear interest based upon a London interbank offered rate for Dollar deposits in Europe or a relevant reference bank's published base rate or prime rate for Dollar-denominated obligations in the United States or the United Kingdom, (d) is not secured solely or primarily by common stock or other equity interests, (e) if it is subordinated by its terms, is subordinated only to indebtedness for borrowed money, trade claims, capitalized leases or other similar obligations and (f) is secured by a valid first priority perfected security interest or lien in, to or on specified collateral securing the obligor's obligations under such obligation.

"**Senior Secured Loan**" means any assignment of or Participation Interest in a Loan that: (a) is not (and cannot by its terms become) subordinate in right of payment to any other obligation of the obligor of the Loan; (b) is secured by a valid first-priority perfected security interest or lien in, to or on specified collateral securing the obligor's obligations under the Loan; (c) the value of the collateral securing the Loan together with other attributes of the obligor (including, without limitation, its general financial condition, ability to generate cash flow available for debt service and other demands for that cash flow) is adequate (in the commercially reasonable judgment of the Portfolio Manager) to repay the Loan in accordance with its terms and to repay all other Loans of equal seniority secured by a first lien or security interest in the same collateral; and (d) is not secured solely or primarily by common stock or other equity interests; *provided* that the limitation set forth in this clause (d) shall not apply with respect to a Loan made to a parent entity that is secured solely or primarily by the stock of one or more of the subsidiaries of such parent entity to the extent that the granting by any such subsidiary of a lien on its own property would violate law or regulations applicable to such subsidiary (whether the obligation secured is such Loan or any other similar type of indebtedness owing to third parties); and provided, further, that for a Loan to which, due to the operation of the foregoing proviso, the limitation set forth in this clause (d) does not apply, the S&P Recovery Rate will be determined on a case by case basis if there is no assigned S&P Recovery Rating.

"**Stated Maturity**" means the Payment Date in November 5, 2024.

"**Step-Down Obligation**" means an obligation or security which by the terms of the related Underlying Instruments provides for a decrease in the per annum interest rate on such obligation or security (other than by reason of any change in the applicable index or benchmark rate used to determine such interest rate) or in the spread over the applicable index or benchmark rate, solely as a function of the passage of time; *provided* that, an obligation or security providing for payment of a constant rate of interest at all times after the date of acquisition by the Issuer shall not constitute a Step-Down Obligation.

"**Step-Up Obligation**" means an obligation or security which by the terms of the related Underlying Instruments provides for an increase in the per annum interest rate on such obligation or security, or in the spread over the applicable index or benchmark rate, solely as a function of the passage of time; *provided* that, an obligation or security providing for payment of a constant rate of interest at all times after the date of acquisition by the Issuer shall not constitute a Step-Up Obligation.

"**Structured Finance Obligation**" means any obligation secured directly by, referenced to, or representing ownership of, a pool of receivables or other financial assets of any obligor, including collateralized debt obligations and mortgage-backed securities.

"**Subordinated Notes**" means the Subordinated Notes issued pursuant to the Indenture.

"**Subordinated Notes Internal Rate of Return**" means an annualized internal rate of return (computed using the "XIRR" function in Microsoft® Excel 2002 or an equivalent function in another software package), stated on a per annum basis, for the following cash flows, assuming all Subordinated Notes were purchased on the Closing Date for U.S.$48,950,000:

(i) each distribution of Interest Proceeds made to the holders of the Subordinated Notes on any prior Payment Date and, to the extent necessary to reach the applicable Subordinated Notes Internal Rate of Return, the current Payment Date; and

(ii) each distribution of Principal Proceeds made to the holders of the Subordinated Notes on any prior Payment Date and, to the extent necessary to reach the applicable Subordinated Notes Internal Rate of Return, the current Payment Date;

provided, however, that all Reinvestment Amounts with respect to the Subordinated Notes shall be deemed to have been distributed to the relevant Reinvesting Holder(s) through the applicable Payment Date for purposes of calculating the Subordinated Notes Internal Rate of Return (whether or not any relevant Reinvesting Holder continues to hold the applicable Subordinated Notes).

"**Supermajority**" means, with respect to any Class of Notes, the holders of at least 66-2/3% of the aggregate outstanding principal amount of the Notes of such Class.

"**Synthetic Security**" means a security or swap transaction, other than a Participation Interest, that has payments associated with either payments of interest on and/or principal of a reference obligation or the credit performance of a reference obligation.

"**Target Initial Par Amount**" equals U.S.$450,000,000.

"**Target Initial Par Condition**" means a condition satisfied as of the Effective Date if the aggregate principal balance of Collateral Obligations that are held by the Issuer and that the Issuer has committed to purchase on such date, together with the amount of any proceeds of prepayments, maturities or redemptions of Collateral Obligations purchased by the Issuer prior to such date (other than any such proceeds that have been reinvested in Collateral Obligations held by the Issuer on the Effective Date), will equal or exceed the Target Initial Par Amount; *provided* that for purposes of this definition, any Collateral Obligation that becomes a Defaulted Obligation prior to the Effective Date shall be treated as having a principal balance equal to its Moody's Collateral Value.

"**Tax**" means any tax, levy, impost, duty, charge or assessment of any nature (including interest, penalties and additions thereto) imposed by any governmental taxing authority.

"**Tax Event**" means an event that occurs if (i) any obligor under any Collateral Obligation is required to deduct or withhold from any payment under such Collateral Obligation to the Issuer for or on account of any Tax for whatever reason (other than (x) withholding tax on (1) fees received with respect to a Letter of Credit Reimbursement Obligation, (2) amendment, waiver, consent and extension fees and (3) commitment fees and other similar fees in respect of Revolving Collateral Obligations and Delayed Drawdown Collateral Obligations and (y) withholding tax imposed as a result of the failure by any Holder to comply with its Noteholder Reporting Obligations, so long as the Issuer, within 60 days after the imposition of such withholding tax, exercises its right to demand that such Non-Permitted Holder transfer its interest to a Person that is not a Non-Permitted Holder and, if such Non-Permitted Holder fails to so transfer its Notes, the Issuer exercises its right to sell such Notes or interest therein to a person that is not a Non-Permitted Holder) and such obligor is not required to pay to the Issuer such additional amount as is necessary to ensure that the net amount actually received by the Issuer (free and clear of Taxes, whether assessed against such obligor or the Issuer) will equal the full amount that the Issuer would have received had no such deduction or withholding occurred or (ii) any jurisdiction imposes net income, profits or similar Tax on the Issuer.

"**Tax Jurisdiction**" means the Bahamas, Bermuda, the British Virgin Islands, the Cayman Islands, the Channel Islands or the Netherlands Antilles and any other tax advantaged jurisdiction as may be notified by Moody's to the Portfolio Manager from time to time.

"**Third Party Credit Exposure**" means, as of any date of determination, the principal balance of each Collateral Obligation that consists of a Participation Interest.

"**Third Party Credit Exposure Limits**" means limits that shall be satisfied if the Third Party Credit Exposure with counterparties having the ratings below from S&P do not exceed the percentage of the Collateral Principal Amount specified below:

S&P's credit rating of Selling Institution	**Aggregate Percentage Limit**	**Individual Percentage Limit**
AAA	20%	20%
AA+	10%	10%
AA	10%	10%
AA-	10%	10%
A+	5%	5%
A	5%	5%

provided that a Selling Institution having an S&P credit rating of "A" must also have a short-term S&P rating of "A-1" otherwise its Aggregate Percentage Limit and Individual Percentage Limit shall be 0%; *provided*, *further*, any Selling Institution having an S&P credit rating below "A" shall have an Aggregate Percentage Limit and Individual Percentage Limit of 0%.

"**Transaction Documents**" means the Indenture, the Portfolio Management Agreement, the Collateral Administration Agreement, the Securities Account Control Agreement, the Purchase Agreement, the Placement Agency Agreement and the Administration Agreement.

"**Transfer Agent**" means the Person or Persons, which may be the Issuer, authorized by the Issuer to exchange or register the transfer of Notes.

"**Trustee**" means Citibank, N.A., in its capacity as Trustee under the Indenture, and any successor thereto.

"**Underlying Instrument**" means the indenture or other agreement pursuant to which an Asset has been issued or created and each other agreement that governs the terms of or secures the obligations represented by such Asset or of which the holders of such Asset are the beneficiaries.

"**Unit**" means an obligation or security with a warrant, option or other equity component attached that is exercisable solely at the option of the holder thereof, which obligation or security otherwise satisfies the definition of "Collateral Obligation".

"**Unsecured Bond**" means any senior unsecured obligation that (a) constitutes borrowed money, (b) is in the form of, or represented by, a bond, note, certificated debt security or other debt security (other than any of the foregoing that evidences an Unsecured Loan) and (c) which is not (and by its terms is not permitted to become) subordinate in right of payment to any other debt for borrowed money incurred by the obligor under such obligation.

"**Unsecured Loan**" means a senior unsecured Loan obligation of any corporation, partnership or trust which is not (and by its terms is not permitted to become) subordinate in right of payment to any other debt for borrowed money incurred by the obligor under such Loan.

"**Warehouse Principal Financed Accrued Interest**" means the accrued and unpaid interest on the Warehouse TRS reference portfolio in an amount equal to approximately $800,000.

"**Zero Coupon Bond**" means any debt security that by its terms (a) does not bear interest for all or part of the remaining period that it is outstanding, (b) provides for periodic payments of interest in cash less frequently than semi-annually or (c) pays interest only at its stated maturity.

INDEX OF DEFINED TERMS

Following is an index of defined terms used in this Offering Circular and the page number where each definition appears.

Annex A-1

FORM OF PURCHASER REPRESENTATION LETTER FOR CERTIFICATED OR UNCERTIFICATED SUBORDINATED NOTES

[DATE]

Citibank, N.A., as Trustee
480 Washington Boulevard
Jersey City, NJ 07310
Attention: Global Transaction Services – Jamestown CLO I Ltd.

Re: Jamestown CLO I Ltd. (the "**Issuer**"); Subordinated Notes

Reference is hereby made to the Indenture, dated as of November 8, 2012, among the Issuer, Jamestown CLO I Corp., as Co-Issuer, and Citibank, N.A., as Trustee (the "**Indenture**"). Capitalized terms not defined in this Certificate shall have the meanings ascribed to them in the final offering circular of the Issuer or the Indenture.

This letter relates to U.S.$_____ aggregate outstanding principal amount of the Subordinated Notes (the "**Subordinated Notes**") in the form of [one or more certificated] [uncertificated] [a beneficial interest in a Regulation S Global] Subordinated Notes to effect the transfer of the Subordinated Notes to _____ (the "**Transferee**").

The Transferee hereby represents, warrants and covenants for the benefit of the Issuer and its counsel that we are:

(a) **(PLEASE CHECK ONLY ONE)**

_____ a "qualified institutional buyer" as defined in Rule 144A under the United States Securities Act of 1933, as amended (the "**Securities Act**"), who is also a Qualified Purchaser or an entity owned exclusively by Qualified Purchasers and is acquiring the Subordinated Notes in reliance on the exemption from Securities Act registration provided by Rule 144A thereunder;

_____ a "qualified institutional buyer" as defined in Rule 144A under the Securities Act who is also a Knowledgeable Employee with respect to the Issuer or an entity owned exclusively by Knowledgeable Employees with respect to the Issuer and is acquiring the Subordinated Notes in reliance on the exemption from Securities Act registration provided by Rule 144A thereunder;

_____ an "accredited investor" as defined in Rule 501(a) under the Securities Act who is also a Qualified Purchaser or an entity owned exclusively by Qualified Purchasers;

_____ an "accredited investor" as defined in Rule 501(a) under the Securities Act who is also a Knowledgeable Employee with respect to the Issuer or an entity owned exclusively by Knowledgeable Employees with respect to the Issuer; or

_____ a person that is not a "U.S. person" as defined in Regulation S under the Securities Act, and are acquiring the Subordinated Notes in an offshore transaction (as defined in Regulation S) in reliance on the exemption from Securities Act registration provided by Regulation S; and

(b) acquiring the Subordinated Notes for our own account (and not for the account of any other person) in a minimum denomination of U.S.$200,000 (or $100,000 if the transferee is purchasing a Subordinated Note that was originally issued to an Accredited Investor in a denomination of less than U.S. $200,000) and in integral multiples of U.S.$1.00 in excess thereof.

The Transferee further represents, warrants and agrees as follows:

1. It understands that the Subordinated Notes have not been and will not be registered under the Securities Act, and, if in the future it decides to offer, resell, pledge or otherwise transfer the Subordinated Notes, such Subordinated Notes may be offered, resold, pledged or otherwise transferred only in accordance with the provisions of the Indenture and the legends on such Subordinated Notes, including the requirement for written certifications. In particular, it understands that the Subordinated Notes may be transferred only (I) to a person that is either (a) a "qualified purchaser" (as defined in the Investment Company Act of 1940, as amended (the "**Investment Company Act**")), (b) a "Knowledgeable Employee", as defined in Rule 3c-5 promulgated under the Investment Company Act, of the Issuer or (c) a corporation, partnership, limited liability company or other entity (other than a trust) each shareholder, partner, member or other equity owner of which either is a Qualified Purchaser or is a Knowledgeable Employee with respect to the Issuer and in the case of (a), (b) and (c) above that is either (i) a "qualified institutional buyer" as defined in Rule 144A under the Securities Act who purchases such Subordinated Notes in reliance on the exemption from Securities Act registration provided by Rule 144A thereunder or (ii) an "accredited investor" as defined in Rule 501(a) under the Securities Act or (II) to a person that is not a "U.S. person" as defined in Regulation S under the Securities Act, and is acquiring the Subordinated Notes in an offshore transaction (as defined in Regulation S thereunder) in reliance on the exemption from registration provided by Regulation S thereunder. It acknowledges that no representation is made as to the availability of any exemption under the Securities Act or any state securities laws for resale of the Subordinated Notes. It understands that neither of the Co-Issuers has been registered under the Investment Company Act, and that the Issuer is exempt from registration as such by virtue of Section 3(c)(7) of the Investment Company Act. It understands and acknowledges that the Issuer has the right, under the Indenture, to compel any beneficial owner of an interest in the Subordinated Notes that fails to comply with the foregoing requirements to sell its interest in such Subordinated Notes, or may sell such interest on behalf of such owner.

2. In connection with its purchase of the Subordinated Notes: (i) none of the Co-Issuers, Citigroup, the Portfolio Manager, the Trustee, the Collateral Administrator or any of their respective affiliates is acting as a fiduciary or financial or investment adviser for it; (ii) it is not relying (for purposes of making any investment decision or otherwise) upon any written or oral advice, counsel or representations of the Co-Issuers, Citigroup, the Portfolio Manager, the Trustee, the Collateral Administrator or any of their respective affiliates other than any statements in the final offering circular for such Subordinated Notes; (iii) it has read and understands the final offering circular for such Subordinated Notes (including, without limitation, the descriptions therein of the structure of the transaction in which the Subordinated Notes are being issued and the risks to purchasers of the Subordinated Notes); (iv) it has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers to the extent it has deemed necessary, and has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Indenture) based upon its own judgment and upon any advice from such advisers as it has deemed necessary and not upon any view expressed by the Co-Issuers, Citigroup, the Portfolio Manager, the Trustee, the Collateral Administrator or any of their respective affiliates; (v) it will hold and transfer at least the minimum denomination of such Subordinated Notes; (vi) it was not formed for the purpose of investing in the Subordinated Notes; and (vii) it is a sophisticated investor and is purchasing the Subordinated Notes with a full understanding of all of the terms, conditions and risks thereof, and it is capable of assuming and willing to assume those risks.

3. (i) It is either (x) a Person that is (A) a "qualified purchaser" for purposes of Section 3(c)(7) of the Investment Company Act, (B) a "Knowledgeable Employee" with respect to the Issuer for purposes of Rule 3c-5 of the Investment Company Act or (C) a corporation, partnership, limited liability company or other entity (other than a trust) each shareholder, partner, member or other equity owner of which either is a Qualified Purchaser or is a Knowledgeable Employee with respect to the Issuer and in the case of (A), (B) and (C) above that is either (1) a "qualified institutional buyer" as defined in Rule 144A under the Securities Act who purchases such Preferred Securities in reliance on the exemption from Securities Act registration provided by Rule 144A thereunder or (2) an "accredited investor" as defined in Rule 501(a) under the Securities Act or (y) not a "U.S. person" as defined in Regulation S under the Securities Act and is acquiring the Subordinated Notes in an offshore transaction (as defined in Regulation S thereunder) in reliance on the exemption from registration provided by Regulation S thereunder; (ii) it is acquiring the Subordinated Notes as principal solely for its own account for investment and not with a view to the resale, distribution or other disposition thereof in violation of the Securities Act; (iii) it is not a (A) partnership, (B) common trust fund, or (C) special trust, pension, profit sharing or other retirement trust fund or plan

in which the partners, beneficiaries or participants may designate the particular investments to be made; (iv) it agrees that it shall not hold any Subordinated Notes for the benefit of any other person, that it shall at all times be the sole beneficial owner thereof for purposes of the Investment Company Act and all other purposes and that it shall not sell participation interests in the Subordinated Notes or enter into any other arrangement pursuant to which any other person shall be entitled to a beneficial interest in the distributions on the Subordinated Notes; (v) it is acquiring its interest in the Subordinated Notes for its own account; and (vi) it will hold and transfer at least the minimum denomination of the Subordinated Notes and provide notice of the relevant transfer restrictions to subsequent transferees.

4. It acknowledges and agrees that all of the assurances given by it in certifications required by the Indenture as to its status under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") or as to its status as an Affected Bank are correct and are for the benefit of the Issuer, the Trustee, Citigroup and the Portfolio Manager. It agrees and acknowledges that none of Issuer or the Trustee will recognize any transfer of the Subordinated Notes if such transfer may result in 25% or more of the value of the relevant Class of Subordinated Notes being held by Benefit Plan Investors, as defined in Section 3(42) of ERISA. It further agrees and acknowledges that no transfer of a Regulation S Global Subordinated Note to a Benefit Plan Investor or a person (other than a Benefit Plan Investor) who has discretionary authority or control with respect to the assets of the Issuer or any person who provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of any such person will be permitted. For this purpose, an "affiliate" of a person includes any person, directly or indirectly through one or more intermediaries, controlling, controlled by or under common control with the person, and "control" with respect to a person other than an individual means the power to exercise a controlling influence over the management or policies of such person and will be effective and the Trustee will not recognize any such transfer. It further agrees and acknowledges that the Issuer has the right, under the Indenture, to compel any beneficial owner of a Subordinated Note who has made or has been deemed to make a Benefit Plan Investor, Controlling Person or Similar Law representation that is subsequently shown to be false or misleading or whose ownership otherwise causes a violation of the 25% Limitation to sell its interest in the Subordinated Note, or may sell such interest on behalf of such owner. It further agrees and acknowledges that no transfer of a Subordinated Note to an Affected Bank will be effective and the Trustee will not recognize any such transfer, unless such transfer is specifically authorized by the Issuer in writing; *provided* that the Issuer shall authorize any such transfer if (x) such transfer would not cause an Affected Bank, directly or in conjunction with its affiliates, to own more than 33-1/3% of the aggregate outstanding principal amount of the Subordinated Notes or (y) the transferor is an Affected Bank previously approved by the Issuer.

5. It will treat its Subordinated Notes as equity in the Issuer for United States federal and, to the extent permitted by law, state and local income and franchise tax purposes unless otherwise required by any relevant taxing authority.

6. It is _____ (check if applicable) a "United States person" within the meaning of Section 7701(a)(30) of the Code, and a properly completed and signed Internal Revenue Service Form W-9 (or applicable successor form) is attached hereto; or _____ (check if applicable) not a "United States person" within the meaning of Section 7701(a)(30) of the Code, and a properly completed and signed applicable Internal Revenue Service Form W-8 (or applicable successor form) is attached hereto. It understands and acknowledges that failure to provide the Issuer or the Trustee with the applicable tax certifications or the failure to meet its Noteholder Reporting Obligations may result in withholding or back-up withholding from payments to it in respect of the Subordinated Notes.

7. If it is not a "United States person" (as defined in Section 7701(a)(30) of the Code), it hereby represents that it is not purchasing Subordinated Notes in order to reduce its U.S. federal income tax liability pursuant to a tax avoidance plan.

8. It hereby agrees to provide the Issuer and Trustee (i) any information as is necessary (in the sole determination of the Issuer or the Trustee, as applicable) for the Issuer and the Trustee to determine whether it is a United States person as defined in Section 7701(a)(30 of the Code (a "United States person") or a United States owned foreign entity as described in Section 1471(d)(3) of the Code (a "United States owned foreign entity") and (ii) any additional information that the Issuer or its agent requests in connection with Sections 1471-1474 of the Code. If it is a United States person or a United States owned foreign entity, it also hereby agrees to (x) provide the Issuer and Trustee its name, address, U.S. taxpayer identification number, if it is a United States owned foreign

entity, the name, address and taxpayer identification number of each of its "substantial United States owners" (as defined in Section 1473(2) of the Code) and any other information requested by the Issuer or its agent upon request and (y) update any such information provided in clause (x) promptly upon learning that any such information previously provided has become obsolete or incorrect or is otherwise required. It understands and acknowledges that the Issuer may provide such information and any other information concerning its investment in the Subordinated Notes to the U.S. Internal Revenue Service. It understands and acknowledges that the Issuer has the right, under the Indenture, to compel any beneficial owner of an interest in the Subordinated Notes that fails to comply with the foregoing requirements to sell its interest in such Subordinated Notes, or may sell such interest on behalf of such owner.

9. It agrees not to seek to commence in respect of the Issuer, the Co-Issuer or any Blocker Subsidiary, or cause the Issuer, the Co-Issuer or any Blocker Subsidiary to commence, a bankruptcy proceeding before a year and a day has elapsed since the payment in full to the holders of the Notes (and any other debt obligations of the Issuer that have been rated upon issuance by any rating agency at the request of the Issuer) issued pursuant to the Indenture or, if longer, the applicable preference period then in effect.

10. To the extent required by the Issuer, as determined by the Issuer or the Portfolio Manager on behalf of the Issuer, the Issuer may, upon notice to the Trustee, impose additional transfer restrictions on the Subordinated Notes to comply with the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "**USA Patriot Act**") and other similar laws or regulations, including, without limitation, requiring each transferee of a Subordinated Note to make representations to the Issuer in connection with such compliance.

11. It represents and warrants that _____ (check if applicable) upon acquisition by it of the Subordinated Notes, the Subordinated Notes will constitute Portfolio Manager Notes; or _____ (check if applicable) upon acquisition by it of the Subordinated Notes, the Subordinated Notes will not constitute Portfolio Manager Notes.

12. It understands that the Issuer, the Trustee and Citigroup will rely upon the accuracy and truth of the foregoing representations, and it hereby consents to such reliance.

[The remainder of this page has been intentionally left blank.]

Name of Purchaser:
Dated:

_____

By:
Name:
Title:

Outstanding principal amount of Subordinated Notes: U.S.$_____

Taxpayer identification number:

Address for notices:

Wire transfer information for payments:

Bank:

Address:

Bank ABA#:

Account #:

Telephone:

FAO:

Facsimile:

Attention:

Attention:

Denominations of certificates (if applicable and if more than one):
Registered name:

cc: Jamestown CLO I Ltd.
c/o Appleby Trust (Cayman) Ltd.
Clifton House, 75 Fort Street, PO Box 1350
Grand Cayman KY1-1108, Cayman Islands
Attention: The Directors

Jamestown CLO I Corp.
c/o Puglisi & Associates
850 Library Avenue, Suite 204
Newark, Delaware 19711

Annex A-2

FORM OF ERISA AND AFFECTED BANK CERTIFICATE

The purpose of this Certificate (this "**Certificate**") is, among other things, to (i) endeavor to ensure that less than 25% of the value of each Class of ERISA Restricted Notes issued by Jamestown CLO I Ltd. (the "**Issuer**") is held by "Benefit Plan Investors" as contemplated and defined under Section 3(42) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") and the U.S. Department of Labor's regulations set forth at 29 C.F.R. Section 2510.3-101 as modified by Section 3(42) of ERISA (the "**Plan Asset Regulations**") so that the Issuer will not be subject to the U.S. federal employee benefits provisions contained in ERISA and Section 4975 of the Internal Revenue Code of 1986 (the "**Code**"), (ii) endeavor to ensure that no Affected Bank, directly or in conjunction with its affiliates, owns more than 33-1/3% of the Subordinated Notes or any Class of Secured Notes, (iii) obtain from you certain representations and agreements and (iv) provide you with certain related information with respect to your acquisition, holding or disposition of ERISA Restricted Notes. **By signing this Certificate, you agree to be bound by its terms**.

Please be aware that the information contained in this Certificate is not intended to constitute advice and the examples given below are not intended to be, and are not, comprehensive. You should contact your own counsel if you have any questions in completing this Certificate. Capitalized terms not defined in this Certificate shall have the meanings ascribed to them in the final offering circular of the Issuer or the Indenture.

Please review the information in this Certificate and check ANY of the following boxes 1, 2, 3, 4, 7 and 10 that apply to you in the spaces provided.

If any of boxes 1, 2, 3, 4, 7 and 10 is not checked, you are agreeing that the applicable Section does not, and will not, apply to you. If you intend to purchase interests in ERISA Restricted Notes in the form of Regulation S Global Notes, you must check Box 4 and you must not check Boxes 1, 2, 3 or 7; otherwise you will not be permitted to purchase such interests.

1. ☐ **Employee Benefit Plans Subject to ERISA or the Code**. We, or the entity on whose behalf we are acting, are an "employee benefit plan" within the meaning of Section 3(3) of ERISA that is subject to Part 4 of Title I of ERISA or a "plan" within the meaning of Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code.

> **Examples**: (i) tax qualified retirement plans such as pension, profit sharing and section 401(k) plans, (ii) welfare benefit plans such as accident, life and medical plans, (iii) individual retirement accounts or "IRAs" and "Keogh" plans and (iv) certain tax-qualified educational and savings trusts.

2. ☐ **Entity Holding Plan Assets by Reason of Plan Asset Regulations**. We, or the entity on whose behalf we are acting, are an entity or fund whose underlying assets include "plan assets" by reason of a Benefit Plan Investor's investment in such entity.

> **Examples:** (i) an insurance company separate account, (ii) a bank collective trust fund and (iii) a hedge fund or other private investment vehicle where 25% or more of the value of any class of its equity is held by Benefit Plan Investors.

If you check Box 2, please indicate the maximum percentage of the entity or fund that will constitute "plan assets" for purposes of Title I of ERISA or Section 4975 of the Code: _____%.

An entity or fund that cannot provide the foregoing percentage hereby acknowledges that for purposes of determining whether Benefit Plan Investors own less than 25% of the value of each Class of ERISA Restricted Notes issued by the Issuer, 100% of the assets of the entity or fund will be treated as "plan assets".

ERISA and the regulations promulgated thereunder are technical. Accordingly, if you have any question regarding whether you may be an entity described in this Section 2, you should consult with your counsel.

3. ☐ **Insurance Company General Account**. We, or the entity on whose behalf we are acting, are an insurance company purchasing ERISA Restricted Notes with funds from our or their general account (*i.e.*, the insurance company's corporate investment portfolio), whose assets, in whole or in part, constitute "plan assets" for purposes of the Plan Asset Regulations.

If you check Box 3, please indicate the maximum percentage of the insurance company general account that will constitute "plan assets" for purposes of conducting the 25% test under the Plan Asset Regulations: ____%. IF YOU DO NOT INCLUDE ANY PERCENTAGE IN THE BLANK SPACE, YOU WILL BE COUNTED AS IF YOU FILLED IN 100% IN THE BLANK SPACE.

4. ☐ **None of Sections (1) Through (3) Above Apply**. We, or the entity on whose behalf we are acting, are a person that does not fall into any of the categories described in Sections (1) through (3) above.

5. **No Prohibited Transaction**. If we checked any of the boxes in Sections (1) through (3) above, we represent, warrant and agree that our acquisition, holding and disposition of ERISA Restricted Notes do not and will not constitute or give rise to a non-exempt prohibited transaction under ERISA or Section 4975 of the Code.

6. **No Violation of Similar Law**. If we are a governmental, church, non-U.S. or other plan, we represent, warrant and agree that our acquisition, holding and disposition of the Subordinated Notes do not and will not constitute or result in a non-exempt violation of any law or regulation that is substantially similar to the prohibited transaction provisions of ERISA or Section 4975 of the Code.

7. ☐ **Controlling Person**. We are, or we are acting on behalf of any of: (i) the Trustee, (ii) the Portfolio Manager, (iii) any person that has discretionary authority or control with respect to the assets of the Issuer, (iv) any person who provides investment advice for a fee (direct or indirect) with respect to such assets or (v) any "affiliate" of any of the above persons. "Affiliate" shall have the meaning set forth in the Plan Asset Regulations. Any of the persons described in the first sentence of this Section (7) is referred to in this Certificate as a "Controlling Person".

Note: We understand that, for purposes of determining whether Benefit Plan Investors hold less than 25% of the value of each Class of ERISA Restricted Notes, the value of any ERISA Restricted Notes held by Controlling Persons (other than Benefit Plan Investors) are required to be disregarded.

8. **Compelled Disposition**. We acknowledge and agree that:

(i) if any representation that we made hereunder is subsequently shown to be false or misleading or our beneficial ownership otherwise causes a violation of the 25% Limitation, the Issuer shall, promptly after such discovery (or upon notice from the Trustee if the Trustee makes the discovery (who, in each case, agree to notify the Issuer of such discovery, if any)), send notice to us demanding that we transfer our interest to a person that is not a Non-Permitted ERISA Holder within 20 days after the date of such notice;

(ii) if we fail to transfer our ERISA Restricted Notes that are causing a violation of the 25% Limitation, the Issuer shall have the right, without further notice to us, to sell such ERISA Restricted Notes or our interest in such ERISA Restricted Notes, to a purchaser selected by the Issuer that is not a Non-Permitted ERISA Holder on such terms as the Issuer may choose;

(iii) the Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to such ERISA Restricted Notes and selling such securities to the highest such bidder. However, the Issuer may select a purchaser by any other means determined by it in its sole discretion;

(iv) by our acceptance of an interest in ERISA Restricted Notes, we agree to cooperate with the Issuer to effect such transfers;

(v) the proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to us; and

(vi) the terms and conditions of any sale under this sub-section shall be determined in the sole discretion of the Issuer, and the Issuer shall not be liable to us as a result of any such sale or the exercise of such discretion.

9. **Required Notification and Agreement**. We hereby agree that we (a) will inform the Trustee of any proposed transfer by us of all or a specified portion of ERISA Restricted Notes and (b) will not initiate any such transfer after we have been informed by the Issuer or the Transfer Agent in writing that such transfer would cause the 25% Limitation to be exceeded. We hereby agree and acknowledge that after the Trustee effects any permitted transfer of ERISA Restricted Notes owned by us to a Benefit Plan Investor or a Controlling Person or receives notice of any such permitted change of status, the Trustee shall include such ERISA Restricted Notes in future calculations of the 25% Limitation unless subsequently notified that such ERISA Restricted Notes (or such portion), as applicable, would no longer be deemed to be held by Benefit Plan Investors or Controlling Persons.

10. ☐ **Affected Bank**. We, or the entity on whose behalf we are acting, are a "bank" for purposes of Section 881 of the Code or an entity affiliated with such a bank that is neither (x) a United States person (within the meaning of Section 7701(a)(30) of the Code) nor (y) entitled to the benefits of an income tax treaty with the United States under which withholding taxes on interest payments made by obligors resident in the United States to such bank are reduced to 0%.

Note: We understand that, if we checked the box in Section (10), the Trustee will not register the transfer of ERISA Restricted Notes to us unless such transfer is specifically authorized by the Issuer in writing; *provided* that the Issuer shall authorize any such transfer if (x) such transfer would not cause an Affected Bank, directly or in conjunction with its affiliates, to own more than 33-1/3% of the Subordinated Notes or any Class of Secured Notes or (y) the transferor of the ERISA Restricted Notes to it is an Affected Bank previously approved by the Issuer.

11. **Continuing Representation; Reliance**. We acknowledge and agree that the representations contained in this Certificate shall be deemed made on each day from the date we make such representations through and including the date on which we dispose of our interests in the ERISA Restricted Notes. We understand and agree that the information supplied in this Certificate will be used and relied upon by the Issuer and the Trustee to determine that (i) Benefit Plan Investors own or hold less than 25% of the value of each Class of ERISA Restricted Notes upon any subsequent transfer of ERISA Restricted Notes in accordance with the Indenture and (ii) no Affected Bank, directly or in conjunction with its affiliates, owns or holds more than 33-1/3% of the Subordinated Notes or any Class of Secured Notes at any time.

12. **Further Acknowledgement and Agreement**. We acknowledge and agree that (i) all of the assurances contained in this Certificate are for the benefit of the Issuer, the Trustee, Citigroup and the Portfolio Manager as third-party beneficiaries hereof, (ii) copies of this Certificate and any information contained herein may be provided to the Issuer, the Trustee, Citigroup, the Portfolio Manager, affiliates of any of the foregoing parties and to each of the foregoing parties' respective counsel for purposes of making the determinations described above and (iii) any acquisition or transfer of ERISA Restricted Notes by us that is not in accordance with the provisions of this Certificate shall be null and void from the beginning, and of no legal effect.

[The remainder of this page has been intentionally left blank.]

13. Future Transfer Requirements.

Transferee Letter and its Delivery. We acknowledge and agree that we may not transfer any Certificated Subordinated Notes, Uncertificated Subordinated Notes or ERISA Restricted Certificated Secured Notes to any person unless the Trustee has received a certificate substantially in the form of this Certificate. Any attempt to transfer in violation of this section will be null and void from the beginning, and of no legal effect.

Note: Unless you are notified otherwise, the name and address of the Trustee is as follows:

Citibank, N.A., as Trustee
480 Washington Boulevard
Jersey City, NJ 07310
Attention: Global Transaction Services – Jamestown CLO I Ltd.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Certificate.

_____ [Insert Purchaser's Name]

By:
Name:
Title:
Dated:

This Certificate relates to U.S.$_____ of Class _____ Notes

Annex A-3

FORM OF PURCHASER REPRESENTATION LETTER FOR ERISA RESTRICTED CERTIFICATED SECURED NOTES

[DATE]

Citibank, N.A., as Trustee
480 Washington Boulevard
Jersey City, NJ 07310
Attention: Global Transaction Services – Jamestown CLO I Ltd.

Re: Jamestown CLO I Ltd. (the "**Issuer**"); Class D Notes

Reference is hereby made to the Indenture, dated as of November 8, 2012, among the Issuer, Jamestown CLO I Corp. (the "**Co-Issuer**" and together with the Issuer, the "**Co-Issuers**"), and Citibank, N.A., as Trustee (the "**Indenture**"). **Capitalized terms not defined in this Certificate shall have the meanings ascribed to them in the final offering circular of the Issuer or the Indenture.**

This letter relates to U.S.$_____ aggregate outstanding principal amount of Class D Notes (the "**Notes**"), in the form of one or more Certificated Notes to effect the transfer of the Notes to _____ (the "**Transferee**").

In connection with such request, and in respect of such Notes, the Transferee does hereby certify that the Notes are being transferred (i) in accordance with the transfer restrictions set forth in the Indenture and (ii) pursuant to an exemption from registration under the United States Securities Act of 1933, as amended (the "**Securities Act**") and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

In addition, the Transferee hereby represents, warrants and covenants for the benefit of the Issuer and its counsel that we are:

(a) a "qualified institutional buyer" as defined in Rule 144A under the Securities Act, who is also a Qualified Purchaser or an entity owned exclusively by Qualified Purchasers and is acquiring the Notes in reliance on the exemption from Securities Act registration provided by Rule 144A thereunder;

(b) acquiring the Notes for our own account (and not for the account of any other Person) in a minimum denomination of U.S.$250,000 and in integral multiples of U.S.$1,000 in excess thereof; and

(c) not acquiring the Notes during the Distribution Compliance Period from a transferee that held such Notes in the form of a Regulation S Global Note.

The Transferee further represents, warrants and covenants for the benefit of the Issuer as follows:

1. It understands that the Notes have not been and will not be registered under the Securities Act, and, if in the future it decides to offer, resell, pledge or otherwise transfer the Notes, such Notes may be offered, resold, pledged or otherwise transferred only in accordance with the provisions of the Indenture and the legends on such Notes, including the requirement for written certifications. In particular, it understands that the Notes may be transferred only to a person that is either (a) a "qualified purchaser" (as defined in the Investment Company Act of 1940, as amended (the "**Investment Company Act**")) or an entity beneficially owned by one or more "qualified purchasers" that in each case is a "qualified institutional buyer" as defined in Rule 144A under the Securities Act who purchases such Notes in reliance on the exemption from Securities Act registration provided by Rule 144A thereunder or (b) a person that is not a "U.S. person" as defined in Regulation S under the Securities Act, and is acquiring the Notes in an offshore transaction (as defined in Regulation S thereunder) in reliance on the exemption from registration

provided by Regulation S thereunder. It acknowledges that no representation is made as to the availability of any exemption under the Securities Act or any state securities laws for resale of the Notes. It understands that neither of the Co-Issuers has been registered under the Investment Company Act, and that the Issuer is exempt from registration as such by virtue of Section 3(c)(7) of the Investment Company Act. It understands and acknowledges that the Issuer has the right, under the Indenture, to compel any beneficial owner of an interest in the Notes that fails to comply with the foregoing requirements to sell its interest in such Notes, or may sell such interest on behalf of such owner.

2. In connection with its purchase of the Notes: (i) none of the Co-Issuers, Citigroup, the Portfolio Manager, the Trustee, the Collateral Administrator or any of their respective affiliates is acting as a fiduciary or financial or investment adviser for it; (ii) it is not relying (for purposes of making any investment decision or otherwise) upon any written or oral advice, counsel or representations of the Co-Issuers, Citigroup, the Portfolio Manager, the Trustee, the Collateral Administrator or any of their respective affiliates other than any statements in the final offering circular for such Notes; (iii) it has read and understands the final offering circular for such Notes (including, without limitation, the descriptions therein of the structure of the transaction in which the Notes are being issued and the risks to purchasers of the Notes); (iv) it has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers to the extent it has deemed necessary, and has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Indenture) based upon its own judgment and upon any advice from such advisers as it has deemed necessary and not upon any view expressed by the Co-Issuers, Citigroup, the Portfolio Manager, the Trustee, the Collateral Administrator or any of their respective affiliates; (v) it will hold and transfer at least the minimum denomination of such Notes; (vi) it was not formed for the purpose of investing in the Notes; and (vii) it is a sophisticated investor and is purchasing the Notes with a full understanding of all of the terms, conditions and risks thereof, and it is capable of assuming and willing to assume those risks.

3. (i) It is a "qualified institutional buyer" as defined in Rule 144A under the Securities Act and also (x) a "qualified purchaser" for purposes of Section 3(c)(7) of the Investment Company Act or (y) a corporation, partnership, limited liability company or other entity (other than a trust), each shareholder, partner, member or other equity owner of which is either a "qualified purchaser"; (ii) it is acquiring the Notes as principal solely for its own account for investment and not with a view to the resale, distribution or other disposition thereof in violation of the Securities Act; (iii) it is not a (A) partnership, (B) common trust fund, or (C) special trust, pension, profit sharing or other retirement trust fund or plan in which the partners, beneficiaries or participants may designate the particular investments to be made; (iv) it agrees that it shall not hold any Notes for the benefit of any other person, that it shall at all times be the sole beneficial owner thereof for purposes of the Investment Company Act and all other purposes and that it shall not sell participation interests in the Notes or enter into any other arrangement pursuant to which any other person shall be entitled to a beneficial interest in the distributions on the Notes; (v) it is acquiring its interest in the Notes for its own account; and (vi) it will hold and transfer at least the minimum denomination of the Notes and provide notice of the relevant transfer restrictions to subsequent transferees.

4. It will treat its Notes as debt of the Issuer for United States federal and, to the extent permitted by law, state and local income and franchise tax purposes unless otherwise required by any relevant taxing authority.

5. It is _____ (check if applicable) a "United States person" within the meaning of Section 7701(a)(30) of the Code, and a properly completed and signed Internal Revenue Service Form W-9 (or applicable successor form) is attached hereto; or _____ (check if applicable) not a "United States person" within the meaning of Section 7701(a)(30) of the Code, and a properly completed and signed applicable Internal Revenue Service Form W-8 (or applicable successor form) is attached hereto. It understands and acknowledges that failure to provide the Issuer or the Trustee with the applicable tax certifications or the failure to meet its Noteholder Reporting Obligations may result in withholding or back-up withholding from payments to it in respect of the Notes.

6. It hereby agrees to provide the Issuer and Trustee (i) any information as is necessary (in the sole determination of the Issuer or the Trustee, as applicable) for the Issuer and the Trustee to determine whether it is a United States person as defined in Section 7701(a)(30) of the Code (a "United States person") or a United States owned foreign entity as described in Section 1471(d)(3) of the Code (a "United States owned foreign entity") and (ii) any additional information that the Issuer or its agent requests in connection with Sections 1471-1474 of the Code. If it is a United States person or a United States owned foreign entity, it also hereby agrees to (x) provide the

Issuer and Trustee its name, address, U.S. taxpayer identification number, if it is a United States owned foreign entity, the name, address and taxpayer identification number of each of its "substantial United States owners" (as defined in Section 1473(2) of the Code and any other information requested by the Issuer or its agent upon request and (y) update any such information provided in clause (x) promptly upon learning that any such information previously provided has become obsolete or incorrect or is otherwise required. It understands and acknowledges that the Issuer may provide such information and any other information concerning its investment in the Notes to the U.S. Internal Revenue Service. It understands and acknowledges that the Issuer has the right, under the Indenture, to compel any beneficial owner of an interest in the Notes that fails to comply with the foregoing requirements to sell its interest in such Notes, or may sell such interest on behalf of such owner.

7. If it is not a "United States person" (as defined in Section 7701(a)(30) of the Code), it hereby represents that (i) either (A) it is not a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business (within the meaning of Section 881(c)(3)(A) of the Code), or (B) it is a person that is eligible for benefits under an income tax treaty with the United States that eliminates U.S. federal income taxation of U.S. source interest not attributable to a permanent establishment in the United States, and (ii) it is not purchasing the Notes in order to reduce its U.S. federal income tax liability pursuant to a tax avoidance plan.

8. It hereby represents and warrants that it is not an Affected Bank and it agrees and acknowledges that no transfer of a Note to an Affected Bank will be effective and the Trustee will not recognize any such transfer, unless such transfer is specifically authorized by the Issuer in writing; *provided* that the Issuer shall authorize any such transfer if (x) such transfer would not cause an Affected Bank, directly or in conjunction with its affiliates, to own more than 33-1/3% of the aggregate outstanding principal amount of Class D Notes or (y) the transferor is an Affected Bank previously approved by the Issuer. An "**Affected Bank**" is a "bank" for purposes of Section 881 of the Code or an entity affiliated with such a bank that is neither (x) a United States person (within the meaning of Section 7701(a)(30) of the Code) nor (y) entitled to the benefits of an income tax treaty with the United States under which withholding taxes on interest payments made by obligors resident in the United States to such bank are reduced to 0%.

9. It agrees not to seek to commence in respect of the Issuer, the Co-Issuer or any Blocker Subsidiary, or cause the Issuer, the Co-Issuer or any Blocker Subsidiary to commence, a bankruptcy proceeding before a year and a day has elapsed since the payment in full to the holders of the Notes (and any other debt obligations of the Issuer that have been rated upon issuance by any rating agency at the request of the Issuer) issued pursuant to the Indenture or, if longer, the applicable preference period then in effect.

10. To the extent required by the Issuer, as determined by the Issuer or the Portfolio Manager on behalf of the Issuer, the Issuer may, upon notice to the Trustee, impose additional transfer restrictions on the Notes to comply with the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "**USA Patriot Act**") and other similar laws or regulations, including, without limitation, requiring each transferee of a Note to make representations to the Issuer in connection with such compliance.

11. It represents and warrants that _____ (check if applicable) upon acquisition by it of the Notes, the Notes will constitute Portfolio Manager Notes; or _____ (check if applicable) upon acquisition by it of the Notes, the Notes will not constitute Portfolio Manager Notes.

12. It understands that the Issuer, the Trustee and Citigroup will rely upon the accuracy and truth of the foregoing representations, and it hereby consents to such reliance.

[The remainder of this page has been intentionally left blank.]

Name of Purchaser:

Dated:

_____

By:
Name:
Title:

Outstanding principal amount of Class D Notes: U.S.$

Taxpayer identification number:

Address for notices:

Wire transfer information for payments:

Bank:

Address:

Bank ABA#:

Account #:

Telephone:

FAO:

Facsimile:

Attention:

Attention:

Denominations of certificates (if more than one):
Registered name:

cc: Jamestown CLO I Ltd.
c/o Appleby Trust (Cayman) Ltd.
Clifton House, 75 Fort Street, PO Box 1350
Grand Cayman KY1-1108, Cayman Islands
Attention: The Directors

Annex B

MOODY'S RATING DEFINITIONS

"**Moody's Default Probability Rating**" means, with respect to any Collateral Obligation, as of any date of determination, the rating determined in accordance with the following methodology:

(i) With respect to a Collateral Obligation that is a Moody's Senior Secured Floating Rate Note, Moody's Senior Secured Loan or Participation Interest in a Moody's Senior Secured Loan, if the obligor of such Collateral Obligation has a corporate family rating by Moody's, then such corporate family rating; and (solely for purposes of determining the Adjusted Weighted Average Moody's Rating Factor) with respect to a Collateral Obligation that is a Current Pay Obligation, one subcategory below the facility rating (whether public or private) of such Current Pay Obligation rated by Moody's;

(ii) With respect to a Collateral Obligation that is a Moody's Senior Secured Loan or Participation Interest in a Moody's Senior Secured Loan, if not determined pursuant to clause (i) above, if such Collateral Obligation (A) is publicly rated by Moody's, such public rating, or (B) is not publicly rated by Moody's but for which a rating or rating estimate has been assigned by Moody's upon the request of the Issuer or the Portfolio Manager, such rating or the corporate family rating estimate, as applicable; *provided, however*, that a rating estimate shall no longer constitute a Moody's Default Probability Rating if (1) it was provided by Moody's more than 12 months prior to the date of determination and an update or confirmation by Moody's has not been applied for by the Portfolio Manager or (2) there has been a material modification to the related Collateral Obligation and an update or confirmation by Moody's that accounts for such modification has not been received by the Portfolio Manager;

(iii) With respect to a Collateral Obligation, if not determined pursuant to clause (i) or (ii) above, (A) if the obligor of such Collateral Obligation has one or more senior unsecured obligations publicly rated by Moody's, then the Moody's public rating on any such obligation (or, if such Collateral Obligation is a Moody's Senior Secured Loan, the Moody's rating that is one subcategory higher than the Moody's public rating on any such senior unsecured obligation) as selected by the Portfolio Manager in its sole discretion or, if no such rating is available, (B) if such Collateral Obligation is publicly rated by Moody's, such public rating or, if no such rating is available, (C) if a rating or rating estimate has been assigned to such Collateral Obligation by Moody's upon the request of the Issuer, the Portfolio Manager or an affiliate of the Portfolio Manager, such rating or, in the case of a rating estimate, the applicable rating estimate for such obligation or (D) if such Collateral Obligation is a DIP Collateral Obligation, the Moody's Derived Rating set forth in clause (i) in the definition thereof; *provided*, *however*, that a rating estimate shall no longer constitute a Moody's Default Probability Rating if (1) it was provided by Moody's more than 12 months prior to the date of determination and an update or confirmation by Moody's has not been applied for by the Portfolio Manager or (2) there has been a material modification to the related Collateral Obligation and an update or confirmation by Moody's that accounts for such modification has not been received by the Portfolio Manager; and

(iv) With respect to a Collateral Obligation, if not determined pursuant to clause (i), (ii) or (iii) above, the Moody's Derived Rating.

For purposes of calculating a Moody's Default Probability Rating, each applicable rating on credit watch by Moody's with positive or negative implication at the time of calculation will be treated as having been upgraded or downgraded by one rating subcategory, as the case may be.

"**Moody's Derived Rating**" means, with respect to a Collateral Obligation whose Moody's Rating or Moody's Default Probability Rating cannot be determined pursuant to clause (i), (ii) or (iii) of the respective definitions thereof, the Moody's Derived Rating for purposes of clause (iv) of the definition of Moody's Rating and Moody's Default Probability Rating (as applicable) shall be determined as set forth below:

(i) With respect to any DIP Collateral Obligation, one subcategory below the facility rating (whether public or private) of such DIP Collateral Obligation rated by Moody's.

(ii) If not determined pursuant to clause (i) above, if the obligor of such Collateral Obligation has a long-term issuer rating by Moody's, then such long-term issuer rating.

(iii) If not determined pursuant to clause (i) or (ii) above, if another obligation of the obligor is rated by Moody's, then by adjusting the rating of the related Moody's rated obligations of the related obligor by the number of rating sub-categories according to the table below:

Obligation Category of Rated Obligation	**Rating of Rated Obligation**	**Number of Subcategories Relative to Rated Obligation Rating**
Senior secured obligation	greater than or equal to B2	-1
Senior secured obligation	less than B2	-2
Subordinated obligation	greater than or equal to B3	+1
Subordinated obligation	less than B3	0

(iv) If not determined pursuant to clause (i), (ii) or (iii) above, if the obligor of such Collateral Obligation has a corporate family rating by Moody's, then one subcategory below such corporate family rating;

(v) If not determined pursuant to clause (i), (ii), (iii) or (iv) above, then by using any one of the methods provided below:

(A) (1) pursuant to the table below:

Type of Collateral Obligation	**S&P Rating (Public and Monitored)**	**Collateral Obligation Rated by S&P**	**Number of Subcategories Relative to Moody's Equivalent of S&P Rating**
Not Structured Finance Obligation	≥BBB-	Not a Loan or Participation Interest in Loan	-1
Not Structured Finance Obligation	≤BB+	Not a Loan or Participation Interest in Loan	-2
Not Structured Finance Obligation		Loan or Participation Interest in Loan	-2

(2) if such Collateral Obligation is not rated by S&P but another security or obligation of the obligor has a public and monitored rating by S&P (a "parallel security"), then the rating of such parallel security will at the election of the Portfolio Manager be determined in accordance with the table set forth in subclause (v)(A)(1) above, and the Moody's Derived Rating for purposes of clause (iv) of the definition of Moody's Rating and Moody's Default Probability Rating (as applicable) of such Collateral Obligation will be determined in accordance with the methodology set forth in clause (iii) above (for such purposes treating the parallel security as if it were rated by Moody's at the rating determined pursuant to this subclause (v)(A)(2)); or

(3) if such Collateral Obligation is a DIP Collateral Obligation, no Moody's Derived Rating may be determined based on a rating by S&P or any other rating agency; or

(B) if such Collateral Obligation is not rated by Moody's or S&P and no other security or obligation of the issuer of such Collateral Obligation is rated by Moody's or S&P, and if Moody's has been requested by the Issuer, the Portfolio Manager or the issuer of such Collateral Obligation to assign a rating or rating estimate with respect to such Collateral Obligation but such rating or rating estimate has not been received, pending receipt of such estimate, the Moody's Derived Rating for purposes of clause (iv) of the definition of Moody's Rating and Moody's Default Probability Rating (as applicable) of such Collateral Obligation shall be (x) "B3" if the Portfolio Manager certifies to the Trustee and the Collateral Administrator that the Portfolio Manager believes that such estimate will be at least "B3" and if the aggregate principal balance of Collateral Obligations determined pursuant to this clause (B) does not exceed 5% of the Collateral Principal Amount of all Collateral Obligations or (y) otherwise, "Caa1".

For purposes of calculating a Moody's Derived Rating, each applicable rating on credit watch by Moody's with positive or negative implication at the time of calculation will be treated as having been upgraded or downgraded by one rating subcategory, as the case may be.

"**Moody's Rating**" means, with respect to any Collateral Obligation, as of any date of determination, the rating determined in accordance with the following methodology:

(i) With respect to a Collateral Obligation that (A) is publicly rated by Moody's, such public rating, or (B) is not publicly rated by Moody's but for which a rating or rating estimate has been assigned by Moody's upon the request of the Issuer or the Portfolio Manager, such rating or, in the case of a rating estimate, the applicable rating estimate for such obligation; *provided*, *however*, that a rating estimate shall no longer constitute a Moody's Rating if (1) it was provided by Moody's more than 12 months prior to the date of determination and an update or confirmation by Moody's has not been applied for by the Portfolio Manager or (2) there has been a material modification to the related Collateral Obligation and an update or confirmation by Moody's that accounts for such modification has not been received by the Portfolio Manager;

(ii) With respect to a Collateral Obligation that is a Moody's Senior Secured Floating Rate Note, Moody's Senior Secured Loan or Participation Interest in a Moody's Senior Secured Loan, if not determined pursuant to clause (i) above, if the obligor of such Collateral Obligation has a corporate family rating by Moody's, then such corporate family rating;

(iii) With respect to a Collateral Obligation, if not determined pursuant to clause (i) or (ii) above, if the obligor of such Collateral Obligation has one or more senior unsecured obligations publicly rated by Moody's, then the Moody's public rating on any such obligation (or, if such Collateral Obligation is a Moody's Senior Secured Loan, the Moody's rating that is one subcategory higher than the Moody's public rating on any such senior unsecured obligation) as selected by the Portfolio Manager in its sole discretion; and

(iv) With respect to a Collateral Obligation, if not determined pursuant to clause (i), (ii) or (iii) above, the Moody's Derived Rating.

For purposes of calculating a Moody's Rating, each applicable rating on credit watch by Moody's with positive or negative implication at the time of calculation will be treated as having been upgraded or downgraded by one rating subcategory, as the case may be.

Annex C

S&P RATING DEFINITION AND RECOVERY RATE TABLES

"**Information**" means S&P's "Credit Estimate Information Requirements" dated June 2007 and any other available information S&P reasonably requests in order to produce a credit estimate for a particular asset.

"**S&P Rating**" means, with respect to any Collateral Obligation, as of any date of determination, the rating determined in accordance with the following methodology:

(i) (a) if there is an issuer credit rating of the issuer of such Collateral Obligation by S&P as published by S&P, or the guarantor which unconditionally and irrevocably guarantees such Collateral Obligation pursuant to a form of guaranty approved by S&P for use in connection with this transaction, then the S&P Rating shall be such rating (regardless of whether there is a published rating by S&P on the Collateral Obligations of such issuer held by the Issuer, provided that private ratings (that is, ratings provided at the request of the obligor) may be used for purposes of this definition if the related obligor has consented to the disclosure thereof and a copy of such consent has been provided to S&P) or (b) if there is no issuer credit rating of the issuer by S&P but (1) there is a senior secured rating on any obligation or security of the issuer, then the S&P Rating of such Collateral Obligation shall be one sub-category below such rating; (2) if clause (1) above does not apply, but there is a senior unsecured rating on any obligation or security of the issuer, the S&P Rating of such Collateral Obligation shall equal such rating; and (3) if neither clause (1) nor clause (2) above applies, but there is a subordinated rating on any obligation or security of the issuer, then the S&P Rating of such Collateral Obligation shall be one sub-category above such rating if such rating is higher than "BB+", and shall be two sub-categories above such rating if such rating is "BB+" or lower;

(ii) with respect to any Collateral Obligation that is a DIP Collateral Obligation, the S&P Rating thereof shall be the credit rating assigned to such issue by S&P;

(iii) if there is not a rating by S&P on the issuer or on an obligation of the issuer, then the S&P Rating may be determined pursuant to clauses (a) through (c) below:

(a) if an obligation of the issuer is not a DIP Collateral Obligation and is publicly rated by Moody's, then the S&P Rating will be determined in accordance with the methodologies for establishing the Moody's Rating set forth above except that the S&P Rating of such obligation will be (1) one sub-category below the S&P equivalent of the Moody's Rating if such Moody's Rating is "Baa3" or higher and (2) two sub-categories below the S&P equivalent of the Moody's Rating if such Moody's Rating is "Ba1" or lower;

(b) the S&P Rating may be based on a credit estimate provided by S&P, and in connection therewith, the Issuer, the Portfolio Manager on behalf of the Issuer or the issuer of such Collateral Obligation shall, prior to or within 30 days after the acquisition of such Collateral Obligation, apply (and concurrently submit all available Information in respect of such application) to S&P for a credit estimate which shall be its S&P Rating; *provided* that, if such Information is submitted within such 30-day period, then, pending receipt from S&P of such estimate, such Collateral Obligation shall have an S&P Rating as determined by the Portfolio Manager in its sole discretion if the Portfolio Manager certifies to the Trustee and the Collateral Administrator that it believes that such S&P Rating determined by the Portfolio Manager is commercially reasonable and will be at least equal to such rating; *provided further*, that if such Information is not submitted within such 30-day period, then, pending receipt from S&P of such estimate, the Collateral Obligation shall have (1) the S&P Rating as determined by the Portfolio Manager for a period of up to 90 days after the acquisition of such Collateral Obligation and (2) an S&P Rating of "CCC-" following such 90-day period; unless, during such 90-day period, the Portfolio Manager has requested the extension of such period and S&P, in its sole discretion, has granted such request; *provided further*, that if such 90-day period (or other extended period) elapses pending S&P's decision with respect to such application, the S&P Rating of such the Collateral Obligation shall be "CCC-";

provided further, that if the Collateral Obligation has had a public rating by S&P that S&P has withdrawn or suspended within six months prior to the date of such application for a credit estimate in respect of such Collateral Obligation, the S&P Rating in respect thereof shall be "CCC-" pending receipt from S&P of such estimate, and S&P may elect not to provide such estimate until a period of six months have elapsed after the withdrawal or suspension of the public rating; *provided further* that the S&P Rating may not be determined pursuant to this clause (b) if the Collateral Obligation is a DIP Collateral Obligation; *provided further* that such credit estimate shall expire 12 months after the acquisition of such Collateral Obligation, following which such Collateral Obligation shall have an S&P Rating of "CCC-" unless, during such 12-month period, the Issuer applies for renewal thereof in accordance with the Indenture, in which case such credit estimate shall continue to be the S&P Rating of such Collateral Obligation until S&P has confirmed or revised such credit estimate, upon which such confirmed or revised credit estimate shall be the S&P Rating of such Collateral Obligation; *provided further* that such confirmed or revised credit estimate shall expire on the next succeeding 12-month anniversary of the date of the acquisition of such Collateral Obligation and (when renewed annually in accordance with the Indenture) on each 12-month anniversary thereafter;

(c) with respect to a Collateral Obligation that is not a Defaulted Obligation, the S&P Rating of such Collateral Obligation will at the election of the Issuer (at the direction of the Portfolio Manager) be "CCC-" provided (i) neither the issuer of such Collateral Obligation nor any of its Affiliates are subject to any bankruptcy or reorganization proceedings and (ii) the issuer has not defaulted on any payment obligation in respect of any debt security or other obligation of the issuer at any time within the two year period ending on such date of determination, all such debt securities and other obligations of the issuer that are pari passu with or senior to the Collateral Obligation are current and the Portfolio Manager reasonably expects them to remain current; or

(iv) with respect to a DIP Collateral Obligation that has no issue rating by S&P or a Current Pay Obligation that is rated "D" or "SD" by S&P, the S&P Rating of such DIP Collateral Obligation or Current Pay Obligation, as applicable, will be, at the election of the Issuer (at the direction of the Portfolio Manager), "CCC-" or the S&P Rating determined pursuant to clause (iii)(b) above;

provided, that for purposes of the determination of the S&P Rating, (x) if the applicable rating assigned by S&P to an obligor or its obligations is on "credit watch positive" by S&P, such rating will be treated as being one sub-category above such assigned rating and (y) if the applicable rating assigned by S&P to an obligor or its obligations is on "credit watch negative" by S&P, such rating will be treated as being one sub-category below such assigned rating.

Section 1.

(a)(i) If a Collateral Obligation has an S&P Recovery Rating, or is *pari passu* with another obligation of the same obligor that has an S&P Recovery Rating and is secured by the same collateral as such other obligation, the S&P Recovery Rate for such Collateral Obligation shall be determined as follows:

S&P Recovery Rating of a Collateral Obligation	**Initial Liability Rating**					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	75%	85%	88%	90%	92%	95%
1	65%	75%	80%	85%	90%	95%
2	50%	60%	66%	73%	79%	85%
3	30%	40%	46%	53%	59%	65%
4	20%	26%	33%	39%	43%	45%
5	5%	10%	15%	20%	23%	25%
6	2%	4%	6%	8%	10%	10%
	Recovery rate					

(ii) If (x) a Collateral Obligation does not have an S&P Recovery Rating and such Collateral Obligation is a senior unsecured loan, second lien loan or senior unsecured bond and (y) the issuer of such Collateral Obligation has issued another debt instrument that is outstanding and senior to such Collateral Obligation that is a Senior Secured Loan, senior secured note or senior secured bond (a "**Senior Secured Debt Instrument**") that has an S&P Recovery Rating, the S&P Recovery Rate for such Collateral Obligation shall be determined as follows:

For Collateral Obligations Domiciled in Group A

S&P Recovery Rating of the Senior Secured Debt Instrument	**Initial Liability Rating**					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	18%	20%	23%	26%	29%	31%
1	18%	20%	23%	26%	29%	31%
2	18%	20%	23%	26%	29%	31%
3	12%	15%	18%	21%	22%	23%
4	5%	8%	11%	13%	14%	15%
5	2%	4%	6%	8%	9%	10%
6	-%	-%	-%	-%	-%	-%
	Recovery rate					

For Collateral Obligations Domiciled in Group B

S&P Recovery Rating of the Senior Secured Debt Instrument	**Initial Liability Rating**					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	16%	18%	21%	24%	27%	29%
1	16%	18%	21%	24%	27%	29%
2	16%	18%	21%	24%	27%	29%
3	10%	13%	15%	18%	19%	20%
4	5%	5%	5%	5%	5%	5%
5	2%	2%	2%	2%	2%	2%
6	-%	-%	-%	-%	-%	-%
	Recovery rate					

For Collateral Obligations Domiciled in Group C

S&P Recovery Rating of the Senior Secured Debt Instrument	**Initial Liability Rating**					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	13%	16%	18%	21%	23%	25%
1	13%	16%	18%	21%	23%	25%
2	13%	16%	18%	21%	23%	25%
3	8%	11%	13%	15%	16%	17%
4	5%	5%	5%	5%	5%	5%
5	2%	2%	2%	2%	2%	2%
6	-%	-%	-%	-%	-%	-%
	Recovery rate					

(iii) If (x) a Collateral Obligation does not have an S&P Recovery Rating and such Collateral Obligation is a subordinated loan or subordinated bond and (y) the issuer of such Collateral Obligation has issued another debt instrument that is outstanding and senior to such Collateral Obligation that is a Senior Secured Debt Instrument that has an S&P Recovery Rating, the S&P Recovery Rate for such Collateral Obligation shall be determined as follows:

For Collateral Obligations Domiciled in Groups A, B and C

S&P Recovery Rating of the Senior Secured Debt Instrument	**Initial Liability Rating**					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	8%	8%	8%	8%	8%	8%
1	8%	8%	8%	8%	8%	8%
2	8%	8%	8%	8%	8%	8%
3	5%	5%	5%	5%	5%	5%
4	2%	2%	2%	2%	2%	2%
5	-%	-%	-%	-%	-%	-%
6	-%	-%	-%	-%	-%	-%
	Recovery rate					

(b) If a recovery rate cannot be determined using clause (a), the recovery rate shall be determined as follows.

Recovery rates for obligors Domiciled in Group A, B, C or D:

Priority Category	**Initial Liability Rating**					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and "CCC"
Senior Secured Loans						
Group A	50%	55%	59%	63%	75%	79%
Group B	45%	49%	53%	58%	70%	74%
Group C	39%	42%	46%	49%	60%	63%
Group D	17%	19%	27%	29%	31%	34%
Senior Secured Loans (Cov-Lite Loans)[11], Senior Secured Bonds and Senior Secured Floating Rate Notes						
Group A	41%	46%	49%	53%	63%	67%
Group B	37%	41%	44%	49%	59%	62%
Group C	32%	35%	39%	41%	50%	53%
Group D	17%	19%	27%	29%	31%	34%
Senior unsecured loans, Unsecured Bonds and Second Lien Loans[12]						
Group A	18%	20%	23%	26%	29%	31%
Group B	16%	18%	21%	24%	27%	29%
Group C	13%	16%	18%	21%	23%	25%
Group D	10%	12%	14%	16%	18%	20%

[11] Solely for purposes of the calculations by S&P pursuant hereto, the definition of "Cov-Lite Loan" shall be read to exclude clause (b) thereof.

[12] Second Lien Loans with an aggregate principal balance in excess of 15% of the Collateral Principal Amount shall use the "Subordinated loans" Priority Category for the purpose of determining their S&P Recovery Rate.

Priority Category	Initial Liability Rating					
Subordinated loans						
Group A	8%	8%	8%	8%	8%	8%
Group B	10%	10%	10%	10%	10%	10%
Group C	9%	9%	9%	9%	9%	9%
Group D	5%	5%	5%	5%	5%	5%
	Recovery rate					

Group A: Australia, Denmark, Finland, Hong Kong, Ireland, The Netherlands, New Zealand, Norway, Singapore, Sweden, U.K.

Group B: Austria, Belgium, Canada, Germany, Israel, Japan, Luxembourg, Portugal, South Africa, Switzerland, U.S.

Group C: Argentina, Brazil, Chile, France, Greece, Italy, Mexico, South Korea, Spain, Taiwan, Turkey, United Arab Emirates.

Group D: Kazakhstan, Russia, Ukraine, others

Section 2. S&P CDO Monitor

Liability Rating	"AAA"	"AA"	"A"	"BBB"	"BB"
Weighted Average S&P Recovery Rate	35.5%	41.7%	46.8%	50.7%	55.4%
	36.5%	42.9%	48.1%	52.1%	57.0%
	37.5%	44.1%	49.5%	53.6%	58.5%
	38.5%	45.3%	50.8%	55.0%	60.1%
	39.5%	46.4%	52.1%	56.4%	61.6%
	40.5%	47.6%	53.4%	57.9%	63.2%
	41.5%	48.8%	54.7%	59.3%	64.8%
	42.5%	50.0%	56.0%	60.7%	66.3%
	43.5%	51.1%	57.4%	62.1%	67.9%
	44.5%	52.3%	58.7%	63.6%	69.4%
	45.5%	53.5%	60.0%	65.0%	71.0%
	46.5%	54.7%	61.3%	66.4%	72.6%
	47.5%	55.9%	62.6%	67.9%	74.1%
	48.5%	57.0%	64.0%	69.3%	75.7%
	49.5%	58.2%	65.3%	70.7%	77.2%
	50.5%	59.4%	66.6%	72.1%	78.8%
	51.5%	60.6%	67.9%	73.6%	80.4%
	52.5%	61.7%	69.2%	75.0%	81.9%
	53.5%	62.9%	70.5%	76.4%	83.5%
	54.5%	64.1%	71.9%	77.9%	85.0%
	55.5%	65.3%	73.2%	79.3%	86.6%

Weighted Average Spread

3.25%, 3.35%, 3.45%, 3.55%, 3.65%, 3.75%, 3.85%, 3.95%, 4.05%, 4.15%, 4.25%

Unless the Portfolio Manager otherwise notifies S&P in writing on or prior to the Effective Date, as of the Effective Date the Portfolio Manager will elect the following Weighted Average S&P Recovery Rates:

Liability Rating	"AAA"	"AA"	"A"	"BBB"	"BB"
Weighted Average S&P Recovery Rate	45.5%	53.5%	60.0%	65.0%	71.0%

Unless the Portfolio Manager otherwise notifies S&P in writing on or prior to the Effective Date, as of the Effective Date the Portfolio Manager will elect the following Weighted Average Floating Spread:

3.75%

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