If you are not the intended recipient of this message, please delete and destroy all copies of this disclaimer and all attached documents, along with any e-mail to which either may be attached.

DISCLAIMER

Attached please find an electronic copy of the Final Offering Circular dated March 29, 2017 (the "**Offering Circular**") relating to the issuance of the Class A Senior Secured Floating Rate Notes due 2029, the Class B Senior Secured Floating Rate Notes due 2029, the Class C Secured Deferrable Floating Rate Notes due 2029 and the Class D Secured Deferrable Floating Rate Notes due 2029 offered by Woodmont 2017-1 Trust, a statutory trust organized under the laws of the State of Delaware (the "**Issuer**"). The Issuer is also issuing Class E Secured Deferrable Floating Rate Notes due 2029, which are not being offered hereby.

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.

The Offering Circular does not constitute an offer to any Person, other than the recipient, or to the public generally to subscribe for or otherwise acquire any of the securities described herein.

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 on behalf of the Issuer, 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 THE ISSUER, THE INITIAL PURCHASER, THE COLLATERAL 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.

FINAL OFFERING CIRCULAR

WOODMONT 2017-1 TRUST

U.S.$284,300,000 Class A Senior Secured Floating Rate Notes due 2029
U.S.$48,600,000 Class B Senior Secured Floating Rate Notes due 2029
U.S.$37,900,000 Class C Secured Deferrable Floating Rate Notes due 2029
U.S.$30,700,000 Class D Secured Deferrable Floating Rate Notes due 2029

The Issuer's investment portfolio consists primarily of bank loans and participation interests therein. The portfolio will be managed by MidCap Financial Services Capital Management, LLC.

The Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes are collectively referred to herein as the "**Offered Notes**." The Offered Notes are offered by and through Wells Fargo Securities, LLC, as placement agent and initial purchaser (collectively, in such capacities, the "**Initial Purchaser**") from time to time in one or more negotiated transactions or otherwise at varying prices to be determined, in each case, at the time of sale. See "*Plan of Distribution*" beginning on page 155. The Issuer is also issuing the Class E Notes, which are not being offered hereby (the Class E Notes together with the Offered Notes, the "**Notes**"). **The Class E Notes and the residual interests that will be issued pursuant to the Trust Agreement (the "Certificates" and together with the Notes, the "Securities") are being sold directly by the Issuer to the Retention Provider, an Affiliate of the Collateral Manager, on the Closing Date and are not being offered hereunder. References to Class E Notes and Certificates are solely for convenience and to aid understanding of the Offered Notes.**

Investing in the Notes involves certain risks. See "*Risk Factors*" beginning on page 24 for a discussion of certain risks that you should consider in connection with an investment in the Offered Notes.

No Offered Notes will be issued unless upon issuance (i) the Class A Notes are rated "Aaa(sf)" by Moody's and "AAA(sf)" by S&P, (ii) the Class B Notes are rated at least "AA(sf)" by S&P, (iii) the Class C Notes are rated at least "A(sf)" by S&P, (iv) the Class D Notes are rated at least "BBB-(sf)" by S&P and (v) the Class E Notes are rated at least "BB(sf)" by S&P. The Certificates will not be rated. See "*Ratings of the Offered Notes*" beginning on page 100.

This document (this "**Prospectus**") has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under the Prospectus Directive 2003/71/EC, as amended (the "**Prospectus Directive**"). The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and European Union law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange plc (the "**Irish Stock Exchange**") for the Offered Notes to be admitted to the Official List (the "**Official List**") and to be traded on the regulated market of the Irish Stock Exchange plc (the "**Regulated Market**"). This Offering Circular comprises a "prospectus" for the purposes of the Prospectus Directive. There can be no assurance that such listing will be maintained.

The Notes and the Certificates have not been registered under the Securities Act, and the Issuer has not been registered under the 1940 Act. 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) Qualified Institutional Buyers or (B) solely in the case of Notes issued as Certificated Offered Notes, Institutional Accredited Investors, that in the case of each of clause (I) and (II) are (i) Qualified Purchasers, or (ii) entities owned exclusively by Qualified Purchasers. For a description of certain restrictions on transfer, see "*Transfer Restrictions*" beginning on page 156.

The Issuer expects to qualify for the "loan securitization" exemption set forth in the implementing regulations of the Volcker Rule. See "*Risk Factors—General Commercial Risks—Recent legal and regulatory provisions affecting investors could adversely affect the liquidity of the Notes.*"

The Offered Notes are expected to be delivered to investors in book-entry form through The Depository Trust Company (or, in the case of Certificated Offered Notes, physical form) and its participants and indirect participants, including, without limitation, Euroclear and Clearstream, on or about February 23, 2017.

Wells Fargo Securities

The date of this Offering Circular is March 29, 2017.

IMPORTANT INFORMATION REGARDING THIS OFFERING CIRCULAR AND THE OFFERED NOTES

In making your investment decision, you should only rely 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 Offered Notes are being offered and sold only in places where such offers and sales are permitted.

The Issuer and Wells Fargo Securities 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 Offered Notes sought by you or to sell less than the stated initial principal amount of any Class of Offered Notes.

The Offered Notes do not represent interests in or obligations of, and are not insured or guaranteed by, Wells Fargo Securities, the Retention Provider, the Collateral Manager, the Trustee, the Collateral Administrator or any of their respective affiliates.

The Offered Notes are subject to restrictions on resale and transfer as described under "*Description of the Securities*," "*Plan of Distribution*" and "*Transfer Restrictions*." By purchasing any Offered 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 Offered Notes for an indefinite period of time.

You have requested that Wells Fargo Securities provide to you information in connection with your consideration of any purchase of Offered Notes. These materials are being provided to you for informative purposes only in response to your specific request.

Wells Fargo Securities may from time to time perform investment banking services for, or solicit investment banking business from, any company named in these materials. The Initial Purchaser and/or its employees may from time to time have a long or short position in any contract or security discussed in these materials.

Wells Fargo Securities is the trade name for the capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Securities, LLC, member FINRA and SIPC.

Unless the context otherwise requires or as otherwise expressly indicated, in this Offering Circular, "Wells Fargo Securities" means Wells Fargo Securities, LLC in its capacity as initial purchaser of and placement agent for the Offered Notes.

This Offering Circular is being provided only to prospective purchasers of the Offered Notes. You should read this Offering Circular and the Transaction Documents before making a decision whether to purchase any Offered 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 it to any other Person; or
- disclose any information in this Offering Circular to any other Person.

Wells Fargo Bank, National Association, in each of its capacities, including but not limited to Trustee, registrar, Transfer Agent, Calculation Agent, Paying Agent and Collateral Administrator, has not participated in the preparation of this Offering Circular and assumes no responsibility for its contents.

The Issuer accepts responsibility for the information in this Offering Circular. To the best of the knowledge and belief of the Issuer, having taken all reasonable care to ensure that such is the case, 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.

You are responsible for making your own examination of the Issuer and the Collateral Manager and your own assessment of the merits and risks of investing in the Offered Notes. By purchasing any Offered 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 the Collateral Manager;
- neither the Initial Purchaser nor any of its Affiliates assumes any responsibility for the performance of any obligations of the Issuer, the Collateral Manager, the Retention Provider, the Collateral Administrator, the Trustee, any of their respective Affiliates or any other Person described in this Offering Circular, for the due execution, validity or enforceability of the Notes or the instruments or documents delivered in connection with the Notes or for the value or validity of any collateral or security interests pledged in connection therewith; and
- neither Wells Fargo Securities nor the Collateral Manager (except in the case of clause (ii) below with respect to the Collateral Manager Information), the Retention Provider, the Trustee or the Collateral Administrator 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.

The Initial Purchaser will have no liability for any information included in this Offering Circular or otherwise made available in connection with the offering of the Notes, except for any liabilities expressly assumed by the Initial Purchaser in the definitive purchase agreement for the Notes and related documentation for the offering of the Notes. Without limiting the foregoing, the Initial Purchaser makes no representation or warranty, express or implied, as to the accuracy or completeness of any information included in this Offering Circular or any other information, written or oral, or any document made available in connection with the offering of the Notes.

Wells Fargo Bank, National Association, in each of its capacities including but not limited to Trustee, Calculation Agent, Paying Agent and Collateral Administrator, has not participated in the preparation of this Offering Circular and assumes no responsibility for its contents.

None of the Issuer, Wells Fargo Securities, the Collateral Manager, the Retention Provider 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 Offered Notes.

THE OFFERED 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 OFFERED 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.

APPLICATION HAS BEEN MADE TO THE IRISH STOCK EXCHANGE FOR THE OFFERED NOTES TO BE ADMITTED TO THE OFFICIAL LIST AND TO TRADING ON THE REGULATED MARKET. THERE CAN BE NO ASSURANCE THAT SUCH LISTING WILL BE MAINTAINED.

You must comply with all laws that apply to you in any place where you buy, offer or sell any Offered Notes or possess this Offering Circular. You must also obtain any consents or approvals that you need in order to purchase any Offered Notes. None of the Issuer, Wells Fargo Securities, the Collateral Manager, the Retention Provider nor any other party to the transactions contemplated by this Offering Circular are responsible for your compliance with these legal requirements.

You are hereby notified that a seller of the Offered Notes may rely on an exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A, by Regulation S or by Section 4(a)(2) of the Securities Act. These exemptions apply to offers and sales of securities that do not involve a public offering.

NOTICE TO FLORIDA RESIDENTS

The Offered Notes are offered pursuant to a claim of exemption under section 517.061 of the Florida securities 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 act have the right to void their purchase of the Offered 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 which is exempt under such act or pursuant to an effective registration under such act.

NOTICE TO RESIDENTS OF THE UNITED KINGDOM

THE OFFERED NOTES MUST NOT BE OFFERED OR SOLD AND THE DISTRIBUTION OF THIS OFFERING CIRCULAR AND ANY OTHER DOCUMENT IN CONNECTION WITH THE OFFERING AND ISSUANCE OF THE OFFERED NOTES MUST NOT BE ISSUED OR PASSED ON TO PERSONS IN THE UNITED KINGDOM EXCEPT TO PERSONS WHO: (i) ARE OUTSIDE OF THE UNITED KINGDOM; OR (ii) WHO ARE IN THE UNITED KINGDOM AND (A) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS; OR (B) ARE PERSONS FALLING WITHIN ARTICLE 49(2) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 ("**FSMA**") (FINANCIAL PROMOTION) ORDER 2005 (THE "**ORDER**") OR ARE PERSONS TO WHOM THIS OFFERING CIRCULAR OR ANY OTHER SUCH DOCUMENT MAY OTHERWISE LAWFULLY BE ISSUED OR PASSED ON (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**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 OFFERED NOTES AND THAT COMPENSATION WILL NOT BE AVAILABLE UNDER THE UNITED KINGDOM FINANCIAL SERVICES COMPENSATION SCHEME.

NOTICE TO RESIDENTS OF THE EUROPEAN ECONOMIC AREA

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the Initial Purchaser has represented and agreed that with effect from and

including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), it has not made and will not make an offer of the Offered Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Offered Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of the Offered Notes to the public in that Relevant Member State at any time:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of the Offered Notes to the public**" in relation to any Offered Notes 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 Offered Notes to be offered so as to enable an investor to decide to purchase or subscribe the Offered Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto), and includes any relevant implementing measure in each Relevant Member State.

EU RETENTION REQUIREMENTS

In accordance with Articles 404-410 of the European Union Capital Requirements Regulation (Regulation (EU) No 575/2013) as published on June 27, 2013 ("**Articles 404-410**" or the "**CRR**," as the context so requires), together with any final guidance and technical standards published in relation thereto and the guidelines and related documents previously published in relation to the preceding risk retention legislation by the European Banking Authority (and/or its predecessor, the Committee of European Banking Supervisors and together with any successor or replacement agency or authority, the "**EBA**") which continues to apply to the provisions of the CRR (together with Articles 404-410, the CRR and such final guidance and regulatory and implementing standards, the "**CRR Retention Requirements**"), credit institutions and investment firms established in a Member State of the European Economic Area ("**EEA**") and consolidated group affiliates thereof (including those that are based in the United States) (each an "**Affected CRR Investor**") are subject to a severe capital charge on a securitization position acquired by an Affected CRR Investor unless, among other conditions, (a) the originator, sponsor, or original lender for the securitization has explicitly disclosed to the Affected CRR Investor that it will retain, on an ongoing basis, a material net economic interest of not less than 5% in respect of certain specified credit risk tranches or asset exposures, and (b) the Affected CRR Investor is able to demonstrate that it has undertaken certain due diligence in respect of its securitization position and the underlying exposures and that procedures are established for such activities to be monitored on an on-going basis. Similar retention requirements affect EEA managers of alternative investment funds the managers of which are regulated under European Union Directive 2011/61/EU ("**AIFMD**"), as supplemented by Section 5 of Commission Delegated Regulation (EU) No 231/2013, implementing Article 17 of AIFMD (the "**AIFMD Level 2 Regulation**" and together with AIFMD, the "**AIFMD Retention Requirements**") and other investments in securitizations by EEA insurance and reinsurance undertakings under European Union Directive 2009/138/EC on the taking-up and pursuit of the business of insurance and reinsurance ("**Solvency II**"), as supplemented by Articles 254-257 of Commission Delegated Regulation (EU) 2015/35 (the "**Solvency II Level 2 Regulation**" and together with Solvency II, the "**Solvency II Retention Requirements**" and, together with the CRR Retention Requirements and the AIFMD Retention Requirements, and any applicable guidelines, technical standards and related documents published by the European Commission and the EBA in relation thereto, are herein referred to as the "**EU Retention Requirement Laws**").

Each prospective investor in the Notes that is required to comply with the EU Retention Requirement Laws is required to independently assess and determine the sufficiency of the information described above, in this Offering Circular generally in relation to this transaction and in any reports provided to investors in relation to this

transaction, for the purposes of complying with the EU Retention Requirement Laws. None of the Issuer, Wells Fargo Securities, the Collateral Manager, the Retention Provider nor any other party to the transactions contemplated by this Offering Circular makes any representation, warranty or guarantee that any such information is sufficient for such purposes or any other purpose and no such Person shall have any liability to any prospective investor or any other Person with respect to the insufficiency of such information or any failure of the transactions contemplated hereby to satisfy the requirements of the applicable EU Retention Requirement Laws or any other applicable legal, regulatory or other requirements. Each prospective investor in the Notes which is subject to any EU Retention Requirement Law should consult with its own legal, accounting and other advisors and/or its national regulator to determine whether, and to what extent, such information is sufficient for such purposes and any other EU Retention Requirement Law requirements or any other applicable legal, regulatory or other requirements of which it is uncertain.

U.S. RISK RETENTION RULES

PURSUANT TO THE U.S. RISK RETENTION RULES, THE SPONSOR IS REQUIRED TO DISCLOSE OR CAUSE TO BE DISCLOSED TO INVESTORS THE FAIR VALUE DETERMINATION DESCRIBED UNDER "*CREDIT RISK RETENTION*". SUCH FAIR VALUE DETERMINATION MUST INCLUDE DESCRIPTIONS OF ALL INPUTS AND ASSUMPTIONS THAT EITHER COULD HAVE A MATERIAL IMPACT ON THE FAIR VALUE CALCULATION OR WOULD BE MATERIAL TO A PROSPECTIVE INVESTOR'S ABILITY TO EVALUATE SUCH FAIR VALUE CALCULATIONS. IN ADOPTING THE U.S. RISK RETENTION RULES, THE RELEVANT REGULATORY AUTHORITIES INDICATED THAT THE PURPOSE OF THE DISCLOSURE OF THE FAIR VALUE DETERMINATION IS TO ALLOW INVESTORS TO ANALYZE THE AMOUNT OF THE SPONSOR'S ECONOMIC INTEREST ("**SKIN IN THE GAME**") IN THE TRANSACTIONS DESCRIBED HEREIN. AS SUCH, THE FAIR VALUE DETERMINATION SET FORTH HEREIN SHOULD NOT BE USED FOR ANY OTHER PURPOSE, INCLUDING WITHOUT LIMITATION, IN MAKING AN INVESTMENT DECISION WITH RESPECT TO THE NOTES.

NONE OF THE INITIAL PURCHASER, TRUSTEE OR THE COLLATERAL ADMINISTRATOR OR ANY OF THEIR RESPECTIVE AFFILIATES OR ANY OTHER PERSON MAKES ANY REPRESENTATION, WARRANTY OR GUARANTEE, AND NO SUCH PERSON SHALL HAVE ANY LIABILITY TO ANY RECIPIENT OF THIS OFFERING CIRCULAR OR ANY OTHER PERSON WITH RESPECT TO THE SUFFICIENCY OF INFORMATION PROVIDED HEREIN OR ACTIONS DESCRIBED HEREIN TO SATISFY OR OTHERWISE COMPLY WITH THE U.S. RISK RETENTION RULES OR ANY OTHER APPLICABLE LEGAL, REGULATORY OR OTHER REQUIREMENTS. EACH RECIPIENT OF THIS OFFERING CIRCULAR, TO THE EXTENT IT CONSIDERS THE U.S. RISK RETENTION RULES TO BE RELEVANT TO ITS DECISION TO INVEST, SHOULD INDEPENDENTLY ASSESS AND DETERMINE THE SUFFICIENCY, FOR THE PURPOSES OF COMPLYING WITH THE U.S. RISK RETENTION RULES, OF THE INFORMATION SET FORTH IN THIS OFFERING CIRCULAR, AND SHOULD CONSULT WITH ITS OWN LEGAL, ACCOUNTING AND OTHER ADVISORS OR ITS NATIONAL REGULATOR TO DETERMINE WHETHER, AND TO WHAT EXTENT, SUCH INFORMATION IS SUFFICIENT FOR SUCH PURPOSES AND WITH RESPECT TO ANY OTHER RELATED REQUIREMENTS OF WHICH IT IS UNCERTAIN.

FORWARD-LOOKING STATEMENTS

THIS OFFERING CIRCULAR CONTAINS FORWARD-LOOKING STATEMENTS, WHICH CAN BE IDENTIFIED BY WORDS LIKE "ANTICIPATE," "BELIEVE," "PLAN," "HOPE," "GOAL," "INITIATIVE," "EXPECT," "CONTINUE," "FUTURE," "INTEND," "MAY," "WILL," "COULD" AND "SHOULD" OR THE NEGATIVES THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. ANY SUCH STATEMENTS, WHICH INCLUDE PRELIMINARY FAIR VALUE DETERMINATIONS MADE PRIOR TO THE CLOSING DATE, ESTIMATES PRIOR TO THE CLOSING DATE OF THE EXPECTED RANGE OF AMOUNTS AND EXPECTED RANGE OF PERCENTAGES OF THE U.S. RETENTION INTEREST TO BE

ACQUIRED ON THE CLOSING DATE AND CERTAIN INFORMATION APPEARING UNDER THE HEADINGS "*RISK FACTORS*" AND "*CREDIT RISK RETENTION*" (INCLUDING ALL OF THE INFORMATION APPEARING UNDER THE HEADING "*CREDIT RISK RETENTION—KEY INPUTS AND ASSUMPTIONS*"), ARE INHERENTLY SUBJECT TO A VARIETY OF RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE PROJECTED, EXPECTED, INTENDED, ASSUMED AND/OR DESCRIBED HEREIN. SUCH RISKS AND UNCERTAINTIES INCLUDE, AMONG OTHER THINGS, CHANGES IN POLITICAL AND ECONOMIC CONDITIONS, MARKET CONDITIONS, CHANGES IN INTEREST RATES, CURRENCY EXCHANGE RATE FLUCTUATIONS, MARKET, FINANCIAL OR LEGAL UNCERTAINTIES, DIFFERENCES IN THE ACTUAL ALLOCATION OF THE COLLATERAL OBLIGATIONS AMONG ASSET CATEGORIES FROM THOSE ASSUMED, THE TIMING AND PRICING OF ACQUISITIONS AND DISPOSITIONS AND THE AVAILABILITY OF THE COLLATERAL OBLIGATIONS, THE TIMING, FREQUENCY AND SEVERITY OF DEFAULTS ON THE COLLATERAL OBLIGATIONS AND RECOVERIES THEREON, MISMATCHES BETWEEN THE TIMING OF ACCRUAL AND RECEIPT OF INTEREST PROCEEDS AND PRINCIPAL PROCEEDS FROM THE COLLATERAL OBLIGATIONS (PARTICULARLY DURING THE REINVESTMENT PERIOD), THE EFFECTIVENESS OF ANY HEDGE AGREEMENT AND THE PERFORMANCE OF ANY HEDGE COUNTERPARTY, THE POTENTIAL IMPACT OF ANY CURRENT, PENDING OR FUTURE APPLICABLE LAWS (INCLUDING THE DODD-FRANK WALL STREET REFORM AND CONSUMER PROTECTION ACT (THE "**DODD-FRANK ACT**") AND/OR ACCOUNTING STANDARDS (INCLUDING ANY AMENDMENT, REPEAL OR CHANGES TO SUCH APPLICABLE LAWS AND/OR ACCOUNTING STANDARDS, ADDITIONAL GUIDANCE OR CHANGES IN THE INTERPRETATION THEREOF) AND REGULATORY INITIATIVES IMPACTING BANKS, OTHER FINANCIAL INSTITUTIONS, ASSET MANAGERS, SECURITIZERS OF ASSETS AND PRIVATE FUNDS (INCLUDING HEIGHTENED CAPITAL REQUIREMENTS AND LIQUIDITY RESERVES, REGULATION OF SWAPS, SWAP DEALERS AND OTHER MARKET PARTICIPANTS AND RULES RELATED TO SECURITIZATIONS), CHANGES IN FISCAL OR MONETARY POLICIES AND FLUCTUATIONS, CHANGES IN MARKET PRACTICES, AND VARIOUS OTHER EVENTS, CONDITIONS AND CIRCUMSTANCES, MANY OF WHICH ARE BEYOND THE CONTROL OF THE ISSUER, THE TRUSTEE, THE INITIAL PURCHASER, THE COLLATERAL MANAGER, THE COLLATERAL ADMINISTRATOR OR ANY OF THEIR RESPECTIVE AFFILIATES OR ANY OTHER PERSON.

WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE INCLUSION OF FORWARD-LOOKING STATEMENTS HEREIN SHOULD NOT BE REGARDED AS A REPRESENTATION BY ANY OF THE ISSUER, THE TRUSTEE, THE INITIAL PURCHASER, THE COLLATERAL MANAGER, THE COLLATERAL ADMINISTRATOR OR ANY OF THEIR RESPECTIVE AFFILIATES OR ANY OTHER PERSON OF THE RESULTS THAT WILL ACTUALLY BE ACHIEVED. SUCH FORWARD-LOOKING STATEMENTS ARE BASED UPON CERTAIN INPUTS AND ASSUMPTIONS ABOUT FUTURE EVENTS AND CONDITIONS, AND ARE INTENDED ONLY TO ILLUSTRATE HYPOTHETICAL RESULTS USING THOSE INPUTS AND ASSUMPTIONS (NOT ALL OF WHICH ARE SPECIFIED HEREIN OR CAN BE ASCERTAINED AS OF THE DATE HEREOF). SUCH FORWARD-LOOKING STATEMENTS DO NOT REPRESENT ANY ACTUAL PRICES, VALUES OR THE PERFORMANCE OF THE ISSUER OR ANY CLASS OF SECURITIES AND NEITHER DO THEY PRESENT ALL POSSIBLE OUTCOMES OR DESCRIBE ALL FACTORS THAT MAY AFFECT THE VALUE OF ANY APPLICABLE INVESTMENT. ACTUAL EVENTS OR CONDITIONS ARE UNLIKELY TO BE CONSISTENT WITH, AND MAY DIFFER SIGNIFICANTLY FROM, THOSE ASSUMED. ACCORDINGLY, ACTUAL RESULTS MAY VARY AND THE VARIATIONS MAY BE SUBSTANTIAL. EXCEPT TO THE EXTENT SET FORTH UNDER "*CREDIT RISK RETENTION—POST-CLOSING UPDATE*," NONE OF THE FOREGOING PERSONS HAS ANY OBLIGATION TO UPDATE OR OTHERWISE REVISE ANY FORWARD-LOOKING STATEMENTS, INCLUDING ANY REVISION TO REFLECT CHANGES IN ANY CIRCUMSTANCES ARISING AFTER THE DATE HEREOF 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**" will mean the Person in whose name a security is

registered; except where the context otherwise requires, holder 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 Offering Circular is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law. 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 Offering Circular.

The Annexes to this Offering Circular are incorporated into and are part of this Offering Circular.

SUMMARIES OF DOCUMENTS

This Offering Circular summarizes certain provisions of the Offered Notes, the Indenture, the Collateral Management Agreement, the Master Loan Sale Agreement and other transactions and 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). However, no documents incorporated by reference are part of this Offering Circular for purposes of the admission of the Offered Notes to trading on the Regulated Market of the Irish Stock Exchange and for the purposes of the approval of the Offering Circular under the rules of the Global Exchange Market.

AVAILABLE INFORMATION

To permit compliance with Rule 144A under the Securities Act in connection with the sale of the Offered Notes, the Issuer under the Indenture referred to under "*Description of the Securities*" will be required to furnish upon request of a holder of an Offered 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 Issuer is not a reporting company under Section 13 or Section 15(d) of the Exchange Act, or are not exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act. The Issuer does not expect to become 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.

From time to time, the Collateral Manager receives requests from investors and prospective investors in the Offered Notes for certain specified information relating to the Collateral Obligations (the "**Additional Information**"). To the extent the Collateral Manager or the Issuer is not prohibited under contract or applicable law from doing so, the Collateral Manager may make such information available on a password protected website, which may be accessed by any investor or prospective investor which has entered into a non-disclosure agreement acceptable to the Collateral Manager in its sole discretion. You are encouraged to refer to the Additional Information prior to making your investment decision. A non-disclosure agreement may be obtained by contacting the Issuer at the location listed on the final page of this Offering Circular.

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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 Final 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[(1)]	**Class A Notes**	**Class B Notes**	**Class C Notes**	**Class D Notes**	**Class E Notes**
Type	Senior Secured Floating Rate	Senior Secured Floating Rate	Secured Deferrable Floating Rate	Secured Deferrable Floating Rate	Secured Deferrable Floating Rate
Initial Principal Amount (U.S.$)[(2)]	$284,300,000	$48,600,000	$37,900,000	$30,700,000	$33,200,000
Expected Moody's Initial Rating	"Aaa(sf)"	N/A	N/A	N/A	N/A
Expected S&P Initial Rating	"AAA(sf)"	"AA(sf)"	"A(sf)"	"BBB-(sf)"	"BB(sf)"
Interest Rate[(3)]	LIBOR + 2.05%	LIBOR + 2.75%	LIBOR + 3.75%	LIBOR + 5.05%	LIBOR + 8.60%
Interest Deferrable	No	No	Yes	Yes	Yes
Stated Maturity	2029	2029	2029	2029	2029
Minimum Denominations (U.S.$) (Integral Multiples)	$250,000 ($1.00)	$250,000 ($1.00)	$250,000 ($1.00)	$250,000 ($1.00)	$250,000 ($1.00)
Priority Classes	None	A	A, B	A, B, C	A, B, C, D
Pari Passu Classes	None	None	None	None	None
Junior Classes	B, C, D, E Certificates	C, D, E, Certificates	D, E, Certificates	E, Certificates	Certificates
Form	Book-Entry (Physical for IAIs)	Book-Entry (Physical for IAIs)	Book-Entry (Physical for IAIs)	Book-Entry (Physical for IAIs)	Book-Entry (Physical for IAIs)

(1) Each Class of Notes is referred to in this Offering Circular using the respective term set forth under the heading "Designation" in the table above. The Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes are referred to herein collectively as the "**Offered Notes**." The Offered Notes and the Class E Notes are referred to herein collectively as the "**Notes**".

(2) Or such other prices in privately negotiated transactions determined at the time of sale.

(3) LIBOR is calculated as set forth under the "*Description of the Securities—Interest*." LIBOR for the first Interest Accrual Period will be set on two different Interest Determination Dates, and therefore two different rates may apply during that period.

Issuer:	Woodmont 2017-1 Trust, a statutory trust formed under the laws of the state of Delaware (the "**Issuer**").
Collateral Manager:	MidCap Financial Services Capital Management, LLC, a limited liability company formed under the laws of the state of Delaware ("**MidCap Capital Management**").
Retention Provider:	Woodmont Intermediate 2017-1 Trust, a statutory trust formed under the laws of the State of Delaware in its capacity as E.U. Retention Provider and U.S. Retention Holder.
Transferor:	MidCap Financial Trust, a statutory trust formed under the laws of the state of Delaware ("**MidCap Financial Trust**" and "**Transferor**").
Certificates and Class E Notes:	Residual interests ("**Certificates**") in the Issuer will also be issued pursuant to the Trust Agreement. The Class E Notes and the Certificates will be purchased and/or received for the Contribution of Collateral Obligations by the Retention Provider on the Closing Date and are not being offered pursuant to this Offering Circular.
Trustee:	Wells Fargo Bank, National Association, a national banking association organized under the laws of the United States as trustee.
Collateral Administrator:	Wells Fargo Bank, National Association, as collateral administrator.
Initial Purchaser:	Wells Fargo Securities, solely with respect to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes offered by the 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.
Eligible Purchasers:	The Offered 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) Qualified Institutional Buyers or (B) solely in the case of Offered Notes issued as Certificated Offered Notes, Institutional Accredited Investors, that in the case of each of clause (I) and (II) are (i) Qualified Purchasers, or (ii) entities owned exclusively by Qualified Purchasers. See "*Description of the Securities—Form, Denomination and Registration of the Notes*" and "*Transfer Restrictions*."
Credit Risk Retention:	The U.S. Risk Retention Rules require the "sponsor" of a "securitization transaction" to acquire (either directly or through its "majority-owned affiliates"), not less than 5% of the "credit risk" of the "securitized assets" (as such terms are defined in the U.S. Risk Retention Rules). To this end, the "sponsor" may retain an "eligible vertical interest" or an "eligible horizontal residual interest" (as such terms are defined in the U.S. Risk Retention Rules), or any combination thereof. The U.S. Risk Retention Rules further prohibit the "sponsor" or its "majority-owned affiliates," as applicable, from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the "credit risk" that it is required to acquire during the period specified under the U.S. Risk Retention Rules. For purposes of this

transaction, the Collateral Manager would be considered to be a "sponsor" for purposes of the U.S. Risk Retention Rules. See "*Risk Factors—Legislative and regulatory actions in the United States may have a material and adverse effect on the Issuer, the Securities and/or the Collateral Manager*."

In this transaction, the credit risk retention requirement will be achieved by the U.S. Retention Holder acquiring an "eligible horizontal residual interest" (the "**U.S. Retention Interest**") for purposes of the U.S. Risk Retention Rules. See "*Credit Risk Retention—Fair Value of U.S. Retention Interest*."

The statements contained in this Offering Circular regarding how compliance with the U.S. Risk Retention Rules will be achieved are solely based on publicly available information as of the date of this Offering Circular.

Payments on the Notes:

Payment Dates .....The 18th day of January, April, July and October of each year (or, if such day is not a Business Day, then the next succeeding Business Day) commencing in July, 2017, except that the final Payment Date (subject to any earlier redemption or payment of the Notes) shall be April 2029 (or, if such day is not a Business Day, the next succeeding Business Day) (each a "**Payment Date**").

Stated Note Interest .....Interest on the Offered 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 Notes is Outstanding, to the extent interest is not paid on the Class C Notes, the Class D Notes or the Class E Notes on any Payment Date, such amounts will be deferred and will bear interest at the Interest Rate applicable to such Notes, and the failure to pay such amounts prior to the maturity of such Notes will not be an Event of Default under the Indenture. See "*Description of the Securities—Interest*."

Distributions on Certificates.....The Certificates 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 Certificates only pursuant to the Priority of Payments. See "*—Priority of Payments*" and "*Description of the Securities—The Certificates—Distributions on the Certificates*."

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 April 2021, (ii) the date of the acceleration of the maturity of any Class of Offered Notes pursuant to the Indenture, (iii) other than in the case of a Retention Deficiency, the date on which the Collateral Manager determines in its sole discretion that it can no longer reinvest in additional Collateral Obligations in accordance with the Indenture or the Collateral Management Agreement and (iv) an Optional Redemption in whole from Sale Proceeds and/or Contributions of cash as further described in "*Description of the Securities—Optional Redemption*" in

connection with which all Assets are sold; *provided* that, in the case of clause (iii), the Collateral Manager notifies the Issuer and the Trustee (who shall notify the Holders of Notes, the Collateral Administrator and the Rating Agencies) thereof at least five Business Days prior to such date; *provided further* that once terminated pursuant to clause (i) or clause (iii) above, the Reinvestment Period cannot be reinstated.

Optional Redemption:

Non-Call Period.....During the period from the Closing Date to but excluding February 25, 2019 (such period, the "**Non-Call Period**"), the Notes and the Certificates are not subject to Optional Redemption but are subject to Special Redemption and Tax Redemption. See "*Description of the Securities—Optional Redemption*."

Redemption after Non-Call Period; Redemption by Refinancing.....If directed in writing by a Majority of the Certificates (with the consent of the Collateral Manager), the Issuer will redeem the Notes (i) in whole in order of seniority (with respect to all Classes of Notes) but not in part on any Business Day after the end of the Non-Call Period from Sale Proceeds, Contributions of cash and/or Refinancing Proceeds or (ii) in part by Class from Refinancing Proceeds, Contributions of cash and/or Partial Refinancing Interest Proceeds, based upon such written direction, on any Business Day after the end of the Non-Call Period as long as the Class of Notes to be redeemed represents not less than the entire Class of such Notes.

Upon any redemption in whole of the Notes, the Collateral Manager shall in its sole discretion direct the sale (and the manner thereof) of Assets to the extent necessary to make payments as described under "*Description of the Securities—Optional Redemption*."

Solely after the expiration of the Non-Call Period, in addition to (or in lieu of) a sale of Collateral Obligations and/or Eligible Investments in the manner provided above, if directed in writing by a Majority of the Certificates (with the consent of the Collateral Manager), the Issuer may redeem the Notes in whole on any Business Day from Refinancing Proceeds, Contributions of cash and/or Sale Proceeds or in part by Class from Refinancing Proceeds, Contributions of cash and/or Partial Refinancing Interest Proceeds, in each case, by obtaining a loan or an issuance of replacement securities, whose terms in each case will be negotiated by the Collateral Manager on behalf of the Issuer, from one or more financial institutions or purchasers as described herein. Prior to effecting any Refinancing in part by Class, the Issuer shall satisfy the Global Rating Agency Condition in relation to such Refinancing and certain other conditions. See "*Description of the Securities—Optional Redemption*."

There are certain other restrictions on the ability of the Issuer to effect an Optional Redemption. See "*Description of the Securities—Optional Redemption*."

Tax Redemption .....The Notes and the Certificates shall be redeemed in whole but not in part on any Business Day at the written direction (delivered to the Trustee) of (x) a Majority of any Class of 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 Certificates, in either case following the occurrence and continuation of a Tax Event.

Redemption Prices .....The Redemption Price of each Note to be redeemed will be (a) 100% of the Aggregate Outstanding Amount of such Note *plus* (b) accrued and unpaid interest thereon (including any defaulted interest and any accrued and unpaid interest thereon and any Deferred Interest and any accrued and unpaid interest thereon) to the Redemption Date *plus* (c) in the case of a Tax Redemption pursuant to clause (iii) of the definition of Tax Event that occurs prior to the Redemption Make Whole-End Date, solely in the case of the Offered Notes, the Redemption Premium; *provided* that, in connection with any Tax Redemption, Optional Redemption or Clean-Up Call Redemption of the Notes in whole, holders of 100% of the Aggregate Outstanding Amount of any Class of Notes may elect to receive less than 100% of the Redemption Price that would otherwise be payable to the holders of such Class of Notes, and such lesser amount shall be the "Redemption Price."

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

In the case of a Tax Redemption pursuant to clause (iii) of the definition of Tax Event that occurs prior to the Redemption Make-Whole End Date, the Redemption Price of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes issued on the Closing Date will include a Redemption Premium.

Special Redemption:

Redemption during the Reinvestment Period .....The Notes will be subject to redemption in part by the Issuer in accordance with the priorities described in "*—Priority of Payments—Application of Principal Proceeds*" on any Payment Date during the Reinvestment Period, if the Collateral Manager in its sole discretion 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

Collateral Manager in its sole discretion and which would meet the criteria for reinvestment described under "*Security for the 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. See "*Description of the Securities—Special Redemption*."

Redemption after the Effective Date.....After the Effective Date, the Issuer shall redeem the Notes in part if the Collateral Manager notifies the Trustee that a redemption is required in order to (i) satisfy the Moody's Rating Condition or (ii) obtain from S&P confirmation of its initial ratings of the Notes. See "*Description of the Securities—Special Redemption*."

The Issuer must satisfy certain other conditions to effect a Special Redemption. See "*Description of the Securities—Special Redemption*."

Special Redemption Amount.....The amount payable in connection with a Special Redemption in respect of each Class of Notes subject to such Special Redemption will be equal to the amount in the Collection Account representing, as applicable, either (1) Principal Proceeds which the Collateral Manager has determined cannot be reinvested in additional Collateral Obligations or (2) Interest Proceeds and Principal Proceeds available therefor in accordance with the Priority of Payments on each Payment Date until the Issuer obtains confirmation from each Rating Agency of the initial ratings of the Notes rated by such Rating Agency (*provided* such confirmation from Moody's is not required if the Moody's Effective Date Deemed Rating Confirmation has occurred and such confirmation from S&P is not required if the S&P Deemed Rating Confirmation has occurred). See "*—Priority of Payments*" and "*Description of the Securities—Special Redemption*."

Clean-Up Call Redemption:.....At the written direction of either the Issuer (acting at the direction of a Majority of the Certificates) or the Collateral Manager, the Offered Notes will be subject to redemption by the Issuer, in whole but not in part, at the Redemption Price therefor, on any Business Day after the Non-Call Period if the Collateral Principal Amount is less than 20% of the Target Initial Par Amount.

There are certain other restrictions on the ability of the Issuer to effect a Clean-Up Call Redemption. See "*Description of the Securities—Clean-Up Call Redemption*."

Contributions: .....At any time during or after the Reinvestment Period, any holder of Certificates may (i) make a contribution of cash, Eligible Investments or Collateral Obligations or (ii) by notice given in accordance with the Indenture, designate all or a specified portion of amounts that would otherwise be distributed on a Payment Date to such holder of Certificates to be instead deposited in the Supplemental Reserve Account as

a contribution (each, a "**Contribution**" and each such Person, a "**Contributor**"); *provided* that the notice in the form required by the Indenture is provided. Each Contribution shall be in a minimum amount of U.S.$3,000,000. The Collateral Manager, on behalf of the Issuer, may accept or reject any Contribution in its sole discretion and shall notify the Trustee and the Collateral Administrator of any such acceptance. Each accepted Contribution of cash or Eligible Investments shall be deposited into the Supplemental Reserve Account and may be withdrawn at the written direction of the Collateral Manager. Contributions of cash or Eligible Investments may only be used for a Permitted Use or Permitted Uses as directed by the applicable Contributor at the time such Contribution is made, so long as the Collateral Manager consents to such Permitted Use or Permitted Uses (or, if no direction is given by the Contributor, at the Collateral Manager's reasonable discretion). No Contribution of cash or Eligible Investments or portion thereof will be returned to any applicable holder of Certificates at any time. In connection with the purchase of the Certificates by the Initial Certificate Holder on the Closing Date and from time to time thereafter, the Initial Certificate Holder may make Contributions or transfers of cash, Eligible Investments or Collateral Obligations, or any combination thereof, either directly or through one or more intermediate Related Entities or Affiliates, to the Issuer. For administrative convenience any Contributions or transfers of cash, Eligible Investments or Collateral Obligations made through one or more intermediate Related Entities or Affiliates of the Initial Certificate Holder may instead be made directly into the Issuer, bypassing such intermediate Related Entity or Affiliate. The value received by the Issuer in cash, Eligible Investments and/or in the form of Collateral Obligations will not be affected by the elimination of such intermediate steps. In the case of any such payment made to the Issuer in the form of a combination of cash and Collateral Obligations, the cash portion of such payment shall be an amount equal to the total payment required to be made to the Issuer reduced by an amount equal to the fair market value as determined by the Collateral Manager as of the date of contribution of the Collateral Obligations and Eligible Investments Contributed or transferred to the Issuer in respect of such payment.

"**Permitted Use**" means, with respect to any amount on deposit in the Supplemental Reserve Account, any of the following uses: (i) the transfer of the applicable portion of such amount to the Collection Account for application as Principal Proceeds or, with the consent of a Majority of the Controlling Class, Interest Proceeds; (ii) to pay expenses or other amounts due in connection with a Refinancing; and (iii) after the Non-Call Period, to pay expenses or other amounts due in connection with an Optional Redemption.

Additional Issuance:.....At any time during the Reinvestment Period, the Issuer may issue and sell additional Notes of each Class (on a *pro rata* basis with respect to each Class of Notes or, if additional Class A Notes are not being issued, on a *pro rata* basis for all Classes of Notes that are subordinate to the Class A 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 Securities—The Indenture—Additional Issuance*" are met.

Priority of Payments: The Issuer will distribute available Interest Proceeds and Principal Proceeds in accordance with the Priority of Payments described below.

Application of Interest Proceeds On each Payment Date, unless an Enforcement Event has occurred and is continuing, and on each Redemption Date (other than in connection with (a) a redemption of Offered Notes in part by Class, (b) a Failed Optional Redemption or (c) the Stated Maturity), 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 Notes—The Collection Account and Payment Account*," shall be applied in the following order of priority:

(A) to the payment of (1) *first,* taxes and governmental fees owing by the Issuer, if any, and (2) *second*, the accrued and unpaid Administrative Expenses, in the priority stated in the definition thereof, up to the Administrative Expense Cap (except as otherwise expressly provided in connection with any Optional Redemption or Tax Redemption);

(B) to the payment to the Collateral Manager of (i) any accrued and unpaid Collateral Management Fee due on such Payment Date (including any interest accrued on any Collateral Management Fee Shortfall Amount) *minus* the amount of any Current Deferred Management Fee, if any, and (ii) any Cumulative Deferred Management Fee requested to be paid at the option of the Collateral Manager; *provided* that Interest Proceeds shall only be used to make payments with respect to the Cumulative Deferred Management Fee pursuant to this clause (B) to the extent such Interest Proceeds are not needed to (x) satisfy either of the Class A/B Coverage Tests or (y) pay the amounts referred to in any of clauses (C) through (F) below, (H) below and/or (K) below (on a *pro forma* basis after giving effect to such proposed payment of the Cumulative Deferred Management Fee);

(C) to the payment of accrued and unpaid interest (including defaulted interest and interest thereon) on the Class A Notes;

(D) to the payment of accrued and unpaid interest (including defaulted interest and interest thereon) on the Class B Notes;

(E) if either of the Class A/B Coverage Tests 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/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 (E);

(F) to the payment of (1) *first*, accrued and unpaid interest on the Class C Notes (excluding Deferred Interest but including interest thereon) and (2) *second*, any Deferred Interest on the Class C Notes;

(G) if either of the Class C Coverage Tests 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 (G);

(H) to the payment of (1) *first*, accrued and unpaid interest on the Class D Notes (excluding Deferred Interest but including interest thereon) and (2) *second*, any Deferred Interest on the Class D Notes;

(I) if either of the Class D Coverage Tests 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 (I);

(J) to the payment of (1) *first*, accrued and unpaid interest on the Class E Notes (excluding Deferred Interest but including interest thereon) and (2) *second*, any Deferred Interest on the Class E Notes;

(K) if the Class E Coverage Test is not satisfied on the related Determination Date, to make payments in accordance with the Note Payment Sequence to the extent necessary to cause the Class E Coverage Test if applicable on such Payment Date to be satisfied on a *pro forma* basis after giving effect to all payments pursuant to this clause (K);

(L) with respect to any Payment Date upon which the Moody's Rating Condition has not been satisfied pursuant to "*Use of Proceeds—Effective Date*" or S&P has not confirmed its initial rating of each Class of Secured Notes and no S&P Deemed Rating

Confirmation has occurred, amounts available for distribution pursuant to this clause (L) shall be (1) in the case of the first Payment Date following the Closing Date, deposited to the Collection Account as Interest Proceeds, to be applied on the second Payment Date for application in accordance with "—*Application of Interest Proceeds*" or (2) in the case of any Payment Date following the first Payment Date, used for application in accordance with the Note Payment Sequence on such Payment Date in an amount sufficient to (a) satisfy the Moody's Rating Condition and (b) obtain from S&P a confirmation of its initial rating of each Class of Notes, as applicable;

(M) to the payment of (1) *first*, any Administrative Expenses not paid pursuant to clause (A)(2) above due to the limitation contained therein (in the same manner and order of priority stated therein), (2) *second*, any Cumulative Deferred Management Fee not paid pursuant to clause (B)(ii) above due to the limitations contained therein (in the same manner and order of priority stated therein) and (3) *third*, any Redemption Premium with respect to the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes, sequentially;

(N) during the Reinvestment Period, at the direction of the Collateral Manager, to the Supplemental Reserve Account; and

(O) any remaining Interest Proceeds to be paid to the holders of the Certificates.

Application of Principal Proceeds.....On each Payment Date, unless an Enforcement Event has occurred and is continuing, and on each Redemption Date (other than in connection with (a) a redemption of Offered Notes in part by Class, (b) a Failed Optional Redemption or (c) the Stated Maturity), Principal Proceeds on deposit in the Collection Account that are 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 to the Payment Account as described under "*Security for the 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 or (ii) during the Reinvestment Period, Principal Proceeds that have previously been reinvested in Collateral Obligations or Principal Proceeds which the Issuer has entered into any commitment to reinvest in Collateral Obligations) 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;

provided that Principal Proceeds shall only be used to make payments with respect to the Cumulative Deferred Management Fee pursuant to clause (B) of "—*Application of Interest Proceeds*" to the extent such Principal Proceeds are not needed to (x) pay accrued and unpaid interest (including defaulted interest and interest thereon) on the Class A Notes or Class B Notes, (y) satisfy either of the Class A/B Coverage Tests or (z) pay the amounts referred to in any of clause (C), clause (E) or clause (G) of "—*Application of Principal Proceeds*" (on a *pro forma* basis after giving effect to such proposed payment of the Cumulative Deferred Management Fee);

(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 Class A/B Coverage Tests that are applicable on such Payment Date 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*" (and in the same manner and order of priority stated therein) to the extent not paid in full thereunder, only to the extent that the Class C 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 Class C Coverage Tests that are applicable on such Payment Date to be met as of the related Determination Date;

(E) to pay the amounts referred to in clause (H) of "—*Application of Interest Proceeds*" (and in the same manner and order of priority stated therein) to the extent not paid in full thereunder, only to the extent that the Class D Notes are the Controlling Class;

(F) to pay the amounts referred to in clause (I) of "—*Application of Interest Proceeds*," but only to the extent not paid in full thereunder and to the extent necessary to cause the Class D Coverage Tests that are applicable on such Payment Date to be met as of the related Determination Date;

(G) to pay the amounts referred to in clause (J) of "—*Application of Interest Proceeds*" (and in the same manner and order of priority stated therein) to the extent not paid in full thereunder, only to the extent that the Class E Notes are the Controlling Class;

(H) to pay the amounts referred to in clause (K) of "—*Application of Interest Proceeds*," but only to the

extent not paid in full thereunder and to the extent necessary to cause the Class E Coverage Test if applicable on such Payment Date to be met as of the related Determination Date;

(I) with respect to any Payment Date upon which the Moody's Rating Condition has not been satisfied pursuant to "*Use of Proceeds—Effective Date*" or S&P has not confirmed its initial rating of each Class of Secured Notes and no S&P Deemed Rating Confirmation has occurred, amounts available for distribution pursuant to this clause (I) shall be (1) in the case of the first Payment Date following the Closing Date, deposited 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 or be applied on the second Payment Date for application in accordance with this *"—Application of Principal Proceeds*" or (2) in the case of any Payment Date following the first Payment Date, used for application in accordance with the Note Payment Sequence on such Payment Date in an amount sufficient to (a) satisfy the Moody's Rating Condition and (b) obtain from S&P a confirmation of its initial rating of each Class of Notes, as applicable;

(J) if such Payment Date is a Redemption Date, to make payments in accordance with the Note Payment Sequence;

(K) if such Payment Date is a Special Redemption Date occurring in connection with a Special Redemption described in "*—Special Redemption—Redemption during the Reinvestment Period*" to make payments in the amount of the Special Redemption Amount at the election of the Collateral Manager, in accordance with the Note Payment Sequence;

(L) during the Reinvestment Period, at the discretion of the Collateral Manager either (x) 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 or (y) if the reinvestment of such Principal Proceeds would, in the sole determination of the Collateral Manager, cause (or would be likely to cause) a Retention Deficiency, to make such payments in accordance with the Note Payment Sequence in an amount determined by the Collateral Manager in its sole discretion (and for the avoidance of doubt such payment shall not result in a termination of the Reinvestment Period);

(M) after the Reinvestment Period, to make payments in accordance with the Note Payment Sequence;

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

(O) any remaining proceeds to be paid to the holders of the Certificates.

Special Priority of Payments.....Notwithstanding the provisions of "*—Priority of Payments—Application of Interest Proceeds*" and "*—Priority of Payments—Application of Principal Proceeds*," on the Stated Maturity of the Notes, on a Redemption Date occurring with respect to a Failed Optional Redemption, or if the maturity of the Notes has been accelerated following an Event of Default and has not been rescinded in accordance with the Indenture (an "**Enforcement Event**"), proceeds in respect of the Assets will be applied at the date or dates fixed by the Trustee in the following order of priority (the "**Special Priority of Payments**"):

(A) to the payment of (1) *first*, taxes and governmental fees owing by the Issuer, if any, and (2) *second*, 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 Aggregate Collateral Management Fee due and payable (including any accrued and unpaid interest thereon) to the Collateral Manager until such amount has been paid in full, other than any Cumulative Deferred Management Fee, to the extent not already paid;

(C) to the payment of (1) *first*, accrued and unpaid interest (including defaulted interest and interest thereon) on the Class A Notes and (2) *second*, if applicable, any Redemption Premium with respect to the Class A Notes;

(D) to the payment of principal of the Class A Notes, until the Class A Notes have been paid in full;

(E) to the payment of (1) *first*, accrued and unpaid interest (including defaulted interest and interest thereon) on the Class B Notes and (2) *second*, if applicable, any Redemption Premium with respect to the Class B Notes;

(F) to the payment of principal of the Class B Notes, until the Class B Notes have been paid in full;

(G) to the payment of (1) *first*, accrued and unpaid interest (excluding Deferred Interest but including interest on Deferred Interest) on the Class C Notes and (2) *second*, if applicable, any Redemption Premium with respect to the Class C Notes;

(H) to the payment of any Deferred Interest on the Class C Notes;

(I) to the payment of principal of the Class C Notes, until the Class C Notes have been paid in full;

(J) to the payment of (1) *first*, accrued and unpaid interest (excluding Deferred Interest but including interest on Deferred Interest) on the Class D Notes and (2) *second*, if applicable, any Redemption Premium with respect to the Class D Notes;

(K) to the payment of any Deferred Interest on the Class D Notes;

(L) to the payment of principal of the Class D Notes, until the Class D Notes have been paid in full;

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

(N) to the payment of any Deferred Interest on the Class E Notes;

(O) to the payment of principal of the Class E Notes, until the Class E Notes have been paid in full;

(P) 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;

(Q) to the payment of any Cumulative Deferred Management Fee to the extent not already paid; and

(R) the balance to the holders of the Certificates.

If any declaration of acceleration is rescinded in accordance with the provisions of the Indenture, proceeds in respect of the Assets will be applied in accordance with the "*—Priority of Payments—Application of Principal Proceeds*" or "*—Priority of Payments—Application of Interest Proceeds*," as applicable.

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 Notes until the Class A Notes have been paid in full;

(ii) to the payment of principal of the Class B Notes until the Class B Notes have been paid in full;

(iii) to the payment of (1) *first*, any accrued and unpaid interest (excluding Deferred Interest but including interest on Deferred Interest) on the Class C Notes and (2) *second*, to the payment of any Deferred

Interest on the Class C Notes, in each case, until such amounts have been paid in full;

(iv) to the payment of principal of the Class C Notes until the Class C Notes have been paid in full;

(v) to the payment of (1) *first*, any accrued and unpaid interest (excluding Deferred Interest but including interest on Deferred Interest) on the Class D Notes and (2) *second*, to the payment of any Deferred Interest on the Class D Notes, in each case, until such amounts have been paid in full;

(vi) to the payment of principal of the Class D Notes until the Class D Notes have been paid in full;

(vii) to the payment of (1) *first*, any accrued and unpaid interest (excluding Deferred Interest but including interest on Deferred Interest) on the Class E Notes and (2) *second*, to the payment of any Deferred Interest on the Class E Notes, in each case, until such amounts have been paid in full; and

(viii) to the payment of principal of the Class E Notes until the Class E Notes have been paid in full.

Collateral Management Fee: .....The Collateral Manager will be entitled on each Payment Date to receive a Collateral Management Fee equal to 0.25% *per annum* (calculated on the basis of the actual number of days in the applicable Collection Period *divided by* 360) of the Fee Basis Amount at the beginning of the Collection Period relating to such Payment Date subject to the Priority of Payments and the limitations described under "*The Collateral Management Agreement*."

Collateral Management: .....Pursuant to the Collateral Management Agreement, and subject to the limitations of the Indenture and the Collateral Management Agreement, the Collateral Manager will, among other things, manage the selection, acquisition, reinvestment and disposition of the Assets, including exercising rights and remedies associated with the Issuer's interest in the Assets, disposing of the Assets, amending, waiving and/or taking any other action with respect to managing the Issuer's interests in the Assets, and certain related functions.

Security for the Notes: .....The Notes will be secured by the Assets. In purchasing and selling Collateral Obligations, the Issuer will generally be required to meet certain requirements imposed by (i) the Concentration Limitations described under "*—Concentration Limitations*," (ii) the Collateral Quality Test described under "*—Collateral Quality Test*," (iii) the Coverage Tests described under "*—Coverage Tests*" and (iv) various other criteria described under "*Security for the Notes—Sales of Collateral Obligations; Additional Collateral Obligations and Investment Criteria*." Substantially all of the Collateral Obligations will consist of non-investment grade Broadly Syndicated Loans and non-investment grade Middle Market Loans (or interests in non-investment grade Broadly Syndicated Loans and non-

investment grade Middle Market Loans) and, accordingly, will have greater credit and liquidity risk than investment grade corporate obligations. See "*Risk Factors—Relating to the Collateral Obligations*." The initial Collateral Obligations will be acquired through a contribution of cash and/or Collateral Obligations from the Retention Provider or its affiliates and the net proceeds of the sale of the Offered Notes. See "*Risk Factors—Relating to the Collateral Obligations—Warehouse Arrangements*" and "*Risk Factors—Relating to Certain Conflicts of Interest—Certain Conflicts of Interest Relating to the Collateral Manager and its Affiliates*." During the Reinvestment Period, pending investment in such Collateral Obligations, a portion of such net proceeds will be invested in Eligible Investments. The initial Collateral Obligations will be transferred (or deemed to be transferred) to the Issuer pursuant to the Master Loan Sale Agreement. The initial transfer of a beneficial economic interest in a number of such Collateral Obligations will be initially accomplished by the Closing Date Seller granting a Participation Interest in such initial Collateral Obligations pursuant to the Master Participation Agreement. Such Participation Interests will be (or will be deemed to be) transferred through the Transferor, although payments will be made directly to the Issuer from the Closing Date Seller for administrative convenience. To the extent that all Closing Date Assets have been assigned to the Issuer on the Closing Date, no Closing Date Assets will be settled for administrative convenience pursuant to the Master Participation Agreement and all references in the Transaction Documents to the Master Participation Agreement, the Closing Date Participations and the Closing Date Participation Condition shall be of no force and effect and the Issuer and the Closing Date Seller will not execute the Master Participation Agreement.

Approximately 100% of the initial Collateral Obligations will have been acquired by the Issuer from the Retention Provider on the Closing Date using the proceeds from the issuance of the Offered Notes and an "in kind" Contribution of such assets from the Retention Provider. Certain obligations of the Closing Date Seller, an affiliate of the Issuer, under the Loan and Servicing Agreement will be repaid using a portion of the proceeds from the issuance of the Notes. In addition, it is expected that the Retention Provider will contribute a portion of the initial Collateral Obligations in exchange for receipt of the Class E Notes and Certificates. See "*Risk Factors—Relating to the Collateral Obligations—Warehouse Arrangements*" and *Risk Factors—Relating to the Collateral Obligations—The Retention Provider will depend on the investment expertise of the Management Company and its key personnel."*

The Collateral Obligations are subject to a number of risks, including credit, liquidity, interest rate and other risks. See "*Risk Factors—Relating to the Collateral Obligations*."

Collateral Obligations: .....The Issuer expects to qualify for the "loan securitization" exemption from the definition of "covered fund" provided for

in the Final Volcker Regulations and expects to so qualify throughout the life of the Securities. During the life of the Notes, the Issuer will not knowingly acquire any asset which would prevent it from qualifying for the "loan securitization" exemption from the definition of "covered fund" provided for in the Final Volcker Regulations.

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 (including, but not limited to, interests in Broadly Syndicated Loans and Middle Market Loans acquired by way of a purchase, assignment or contribution), or a Participation Interest therein, or a Second Lien Loan, or a Participation Interest therein, that as of the date the Collateral Manager on behalf of the Issuer commits to acquire:

(i) is not a Bond, note or letter of credit;

(ii) is not (A) an Equity Security or (B) by its terms convertible into or exchangeable for an Equity Security;

(iii) is not a Synthetic Security;

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

(v) is not (A) a Defaulted Obligation or (B) a Credit Risk Obligation;

(vi) is not a lease;

(vii) provides 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;

(viii) does not constitute Margin Stock;

(ix) provides for the Issuer to receive payments due under the terms of such asset and proceeds from disposing of such asset free and clear of withholding tax (other than withholding tax on amendment, waiver, consent and extension fees, letter of credit fees, commitment fees and other similar fees) or 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;

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

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

(xii) 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;

(xiii) does not have an "f," "r," "p," "pi," "q," "sf" or "t" subscript assigned by S&P (or any other equivalent of the subscript "sf" assigned by any NRSRO);

(xiv) is not a repurchase obligation, a Zero Coupon Bond, an Unsecured Loan, a Bridge Loan, a Commercial Real Estate Loan, a Structured Finance Obligation or a Step-Down Obligation;

(xv) will not require the Issuer or the pool of Assets to be registered as an investment company under the 1940 Act;

(xvi) is not the subject of an Offer of exchange, or tender by its issuer, for cash, securities or any other type of consideration other than a Permitted Offer;

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

(xviii) other than in the case of a Fixed 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 then-customary index;

(xix) is Registered;

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

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

(xxii) is purchased at a price at least equal to 60% of its outstanding principal balance;

(xxiii) if it is a Participation Interest other than a Closing Date Participation, the Moody's Counterparty Criteria is satisfied with respect to the acquisition thereof;

(xxiv) is not an obligation of a Portfolio Company;

(xxv) does not have an attached warrant to purchase an Equity Security, was not originated or acquired with any warrants to purchase an Equity Security (whether such warrant is held at the Issuer or any affiliate thereof) and does not provide for mandatory or optional conversion or exchange for Equity Securities;

(xxvi) is not a commodity forward contract;

(xxvii) has an S&P Rating that is at least "CCC-" or a Moody's Default Probability Rating that is at least "Caa3;"

(xxviii) is issued by a Non-Emerging Market Obligor that is not located in Europe;

(xxix) is not issued by an Obligor with a most-recently calculated EBITDA (calculated in accordance with the related Underlying Instruments) of less than $10,000,000; and

(xxx) is an Eligible Asset;

provided that, in circumstances (other than a Distressed Exchange) in which a portion of redemption proceeds with respect to the repayment of a Collateral Obligation are rolled as consideration for a new obligation (including by way of a "cashless roll") that meets the criteria for being a Collateral Obligation as of such date, such applicable portion will be treated as a Collateral Obligation hereunder.

Purchase of Collateral Obligations; Effective Date: .....The Issuer will use commercially reasonable efforts to purchase, on or before September 18, 2017, Collateral Obligations such that the Target Initial Par Condition is satisfied. See "*Use of Proceeds—Effective Date*."

Collateral Quality Test: .....The "**Collateral Quality Tests**" will be satisfied on any Measurement Date 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, after the Effective Date, if a test is not satisfied on such date, the degree of compliance with such test is maintained or improved after giving effect to the investment) except to the extent the terms of the Indenture do not require such test to be satisfied:

(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) for so long as any Outstanding Class of Notes is rated by S&P, at any time during any S&P CDO Monitor Election Period, the Minimum Weighted Average S&P Recovery Rate Test; and

(viii) the Weighted Average Life Test.

Concentration Limitations:.....The "**Concentration Limitations**" will be satisfied on any Measurement Date on or 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 comply with all of the requirements set forth below (or in relation to a proposed purchase after the Effective Date, if not

	in compliance, the relevant requirements (excluding clause (xii)(c)) must be maintained or improved after giving effect to the purchase).
Senior Secured Loans, Cash, Eligible Investments	(i) not less than 95.0% of the Collateral Principal Amount may consist of Senior Secured Loans, cash and Eligible Investments;
Second Lien Loans	(ii) not more than 5.0% of the Collateral Principal Amount may consist of Second Lien Loans;
First-Lien Last-Out Loans and Second Lien Loans	(iii) not more than 12.5% of the Collateral Principal Amount may, in the aggregate, consist of First-Lien Last-Out Loans and Second Lien Loans;
Single Obligor	(iv) not more than 2.5% of the Collateral Principal Amount may consist of obligations issued by a single Obligor and its Affiliates, except that Collateral Obligations issued by up to five Obligors and their respective Affiliates may each constitute up to 3.0% of the Collateral Principal Amount;
Single Second Lien Obligor	(v) not more than 1.0% of the Collateral Principal Amount may consist of Second Lien Loans issued by a single Obligor and its Affiliates;
Caa Collateral Obligations	(vi) not more than 17.5% of the Collateral Principal Amount may consist of Caa Collateral Obligations;
CCC Collateral Obligations	(vii) not more than 17.5% of the Collateral Principal Amount may consist of CCC Collateral Obligations;
Fixed Rate Obligations	(viii) not more than 5.0% of the Collateral Principal Amount may consist of Fixed Rate Obligations;
Current Pay Obligations	(ix) not more than 5.0% of the Collateral Principal Amount may consist of Current Pay Obligations;
DIP Collateral Obligations	(x) not more than 5.0% of the Collateral Principal Amount may consist of DIP Collateral Obligations;
Delayed Drawdown and Revolving Collateral Obligations	(xi) 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 and Third Party Credit Exposure	(xii) (a) not more than 5.0% of the Collateral Principal Amount may consist of Participation Interests, excluding the Closing Date Participations, (b) each such Participation Interest (other than the Closing Date Participations) shall satisfy the Moody's Counterparty Criteria and (c) the Third Party Credit Exposure Limits (excluding the Closing Date Participations) may not be exceeded with respect to any such Participation Interest;
Domicile of Obligor	(xiii) 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
10.0%	All countries (in the aggregate) other than the United States;
10.0%	Canada;
5.0%	all countries (in the aggregate) other than the United States, Canada and the United Kingdom;
2.5%	any individual Group I Country;
2.0%	all Group II Countries in the aggregate;
2.0%	any individual Group II Country;
1.5%	all Group III Countries in the aggregate, except that up to 5.0% of the Collateral Principal Amount, collectively with all Collateral Obligations issued by Obligors Domiciled in Group III Countries, may be issued by Obligors Domiciled in the country of Luxembourg;
0.0%	Greece, Ireland, Italy, Portugal and Spain in the aggregate;
1.0%	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.....(xiv) not more than 12.0% 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 20.0% of the Collateral Principal Amount; (y) the second-largest S&P industry classification may represent up to 17.0% of the Collateral Principal Amount; and (z) the third-largest S&P industry classification may represent up to 15.0% of the Collateral Principal Amount;

Semi-Annual Pay.....(xv) not more than 5.0% of the Collateral Principal Amount may consist of Collateral Obligations that pay interest at least semi-annually, but less frequently than quarterly;

Discount Obligations.....(xvi) not more than 10.0% of the Collateral Principal Amount may consist of Collateral Obligations that are Discount Obligations;

Deferrable Obligations.....(xvii) not more than 5.0% of the Collateral Principal Amount may consist of Collateral Obligations that are Deferrable Obligations; and

Cov-Lite Loans.....(xviii) not more than 10.0% of the Collateral Principal Amount may consist of Cov-Lite Loans.

Coverage Tests: .....The Coverage Tests will be used primarily to determine whether principal and interest may be paid on the Class C Notes, the Class D Notes and the Class E Notes and distributions may be made on the Certificates or whether funds which would otherwise be used to pay interest on the Class C Notes, the Class D Notes and the Class E Notes and to make distributions on the Certificates must instead be used to pay principal on one or more Classes of Offered 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 or Classes of Offered Notes.

The "**Overcollateralization Ratio Test**" and "**Interest Coverage Test**" applicable to a designated Class or Classes of the Offered 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 the Offered Notes are no longer outstanding.

Class	Required Interest Coverage Ratio
A/B	120.00%
C	110.00%
D	105.00%

Class	Required Overcollateralization Ratio
A/B	141.20%
C	127.30%
D	118.50%
E	110.00%

Measurement of the degree of compliance with the Coverage Tests will be required as of each Determination 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 occurring immediately prior to the second Payment Date. If the Coverage Tests are not satisfied on any such 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 Offered Notes in accordance with the Priority of Payments to the extent necessary to achieve compliance with such Coverage Tests.

Independent Review Party: .....An Independent Review Party will be appointed by the Issuer. The initial Independent Review Party is Estera Trust (Cayman) Limited. By acquiring an interest in a Note, the holder of such Note shall be deemed to have approved the appointment of the initial Independent Review Party. No removal or resignation of the Independent Review Party will be effective except as set forth in "*The Collateral Management Agreement – Conflicts of Interest*." The Independent Review Party will be directly compensated by the

Issuer and the fees and expenses of such Independent Review Party will be treated as Administrative Expenses, will have no professional affiliation with the Collateral Manager (except that the Independent Review Party may act in a similar capacity with respect to other clients of the Collateral Manager), and will not be involved in the daily administration of the Issuer (or any affiliate thereof). Independent Review Party approval shall be required in connection with any principal transaction under Section 206(3) of the Investment Advisers Act (or as may be otherwise requested by the Collateral Manager in its discretion in connection with any conflict of interest or potential conflict of interest), and as otherwise specified herein and in the Collateral Management Agreement.

Other Information:

Minimum Denominations.....The Notes will be issued in Minimum Denominations of U.S.$250,000 and integral multiples of U.S.$1.00 in excess thereof.

Listing, Trading and Form of Notes.....Application has been made to the Irish Stock Exchange for the Offered Notes to be admitted to the Official List and to trading on the Regulated Market of the Irish Stock Exchange plc. There can be no assurance that such listing will be 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 Offered 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 Offered Notes sold to Persons who are Institutional Accredited Investors will be issued in definitive, fully registered form without interest coupons. The Offered Notes sold to non-U.S. Persons in offshore transactions in reliance on Regulation S under the Securities Act 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.

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. The organizational documents of the Issuer will be governed by the laws of the State of Delaware.

Tax Matters.....See "*U.S. Federal Income Tax Considerations.*"

ERISA .....See "*Certain ERISA and Related Considerations*."

RISK FACTORS

Each Person receiving this Offering Circular should carefully review the following risks before making a decision to invest in any Class of Securities. In particular, the timing and amount of payments received on the Securities will depend on payments received on and other recoveries with respect to the Collateral, the structure of the transaction and the terms of the Transaction Documents as well as market, economic and other conditions. Therefore, an investment in the Securities should only be undertaken by sophisticated investors capable of evaluating and bearing such risks. As with any security, a partial or complete loss of an investment in the Securities is possible.

The risks and uncertainties described below in this section are not the only ones relating to the Securities. Additional risks and uncertainties that are not presently known or that are currently believed to be immaterial may also materially and adversely affect an investment in the Securities. If any of the following events or circumstances identified as risks actually occur or materialize, an investment in the Securities may be materially and adversely affected.

General Commercial Risks

General economic conditions and recent developments in the leveraged loan market

In recent years, the global economy has been affected by significant disruptions in the credit markets and, although improving somewhat in some countries, the global economy continues to experience a general economic downturn and, in certain countries, recessions. The global economy is still being negatively affected by, among other things, certain national deficits and sovereign debt levels and the continuing sovereign debt crisis in certain European countries. Among the sectors of the global credit markets that have experienced particular difficulty are segments of the asset backed securitization, collateralized debt obligations, collateralized loan obligations and leveraged finance markets. There continues to exist significant risks for the Issuer and investors as a result of these ongoing economic conditions. These risks include, among others, (i) the likelihood that the Issuer will find it more difficult to sell any of its assets in the secondary market, thus rendering it more difficult to dispose of such assets, (ii) the possibility that, on or after the Closing Date, the price at which assets can be sold by the Issuer will have deteriorated from their effective purchase price, and (iii) the illiquidity of the Notes, as there is currently little (and from time to time may be no) secondary trading in securities issued in connection with middle market collateral loan obligation transactions. These risks may affect the returns on the Notes to investors and the ability of investors to realize their investment in the Notes prior to their stated maturity, if at all. In addition, the volume of leveraged loans available for purchase by the Issuer in the primary market may vary from time to time. As a result, opportunities for the Issuer to purchase assets in the primary market may be limited. This is also likely to heighten refinancing risk in respect of maturing Collateral Obligations. In addition, Obligors on Collateral Obligations may be more likely to exercise any rights they may have to redeem or refinance such Collateral Obligations when interest rates or spreads are declining. These additional risks may affect the returns on the Notes to investors and could further slow, delay or reverse an economic recovery and cause a further deterioration in loan performance generally.

The credit crisis had an impact on the economic conditions in a number of countries. The slowdown in growth or commencement of a recession in such economies has and will continue to have an adverse effect on the ability of consumers and businesses to repay or refinance their existing debt. Adverse macroeconomic conditions may adversely affect the rating, performance and the realization value of the Collateral Obligations. It is possible that the Collateral Obligations will experience higher default rates than anticipated and that performance will suffer.

During the recession, some leading global financial institutions were forced into mergers with other financial institutions, were partially or fully nationalized or became bankrupt or insolvent. The bankruptcy or insolvency of a major financial institution in the future may have an adverse effect on the Issuer, the Collateral Obligations or the Notes. In addition, the bankruptcy, insolvency or financial distress of one or more additional financial institutions, or one or more sovereigns, may trigger additional crises in the global credit markets and overall economy which could have a significant adverse effect on the Issuer, the Collateral Obligations and the Notes. The Collateral Obligations will primarily consist of loans (including participation interests in such loans) to small and medium-sized businesses that may be particularly susceptible to economic slowdowns or recessions and may be unable to make scheduled payments of interest or principal on their borrowings during these periods.

Legislative and regulatory actions in the United States may have a material and adverse effect on the Issuer, the Securities and/or the Collateral Manager

In response to the downturn in the credit markets and the global economic crisis, various U.S. Governmental Authorities have taken actions to address the financial crisis. These actions include, but are not limited to, the enactment of the Dodd-Frank Act, which was signed into law on July 21, 2010, and which imposes a new regulatory framework over the U.S. financial services industry and the consumer credit markets in general. The Dodd-Frank Act, in turn, mandates the issuance of a number of new regulations by the U.S. regulatory agencies. Many of these regulations have been adopted, but some remain in proposed form or have yet to be proposed. These changes could, individually or collectively, significantly alter the manner in which asset-backed securities, including securities similar to the Securities, are issued and structured, increase the reporting obligations of the issuers of such securities and increase obligations of the sponsors or securitizers of such securities. Given the broad scope and sweeping nature of these changes and the fact that, in some instances, final implementing rules and regulations have not yet been adopted, or have been adopted with little agency guidance in connection therewith, the potential impact of these actions on the Issuer, any of the Securities, any holders of Securities and/or the Collateral Manager is not fully known, 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 Securities. In particular, to the extent any future changes or guidance have retroactive application and affect pre-existing transactions, the costs of compliance with such rules and regulations could have a material adverse effect on the Issuer, the holders of Securities and/or the Collateral Manager. If the Issuer is unable to comply with such rules and regulations (because of excessive cost, unavailability of information or otherwise), the Securities could need to be redeemed and/or an Event of Default could result. An early redemption or a liquidation of the Assets as a result of an Event of Default could have a material adverse effect on the Securities, particularly the Certificates. In addition, the failure to comply with such rules and regulations may result in the removal and replacement of the Collateral Manager and/or have a material and adverse effect on the market value and/or liquidity of the Securities.

Section 619 of the Dodd-Frank Act added a provision, commonly referred to as the "Volcker Rule," to federal banking laws to generally prohibit various banking entities from engaging in proprietary trading or acquiring or retaining an ownership interest in, sponsoring or having certain relationships with a "covered fund" (defined in final regulations adopted on December 10, 2013 (the "**Final Volcker Regulations**"), as, among other things, any entity relying on Section 3(c)(1) or Section 3(c)(7) of the 1940 Act to be exempt from registration under the 1940 Act), subject to certain exclusions. The Volcker Rule also provides for certain supervised nonbank financial companies that engage in such activities or have such ownership interests in covered funds or relationships to be subject to additional capital requirements, quantitative limits or other restrictions. The Final Volcker Regulations became effective on April 1, 2014, although banking entities had until July 21, 2016, to bring any existing activities and investments into full conformance, subject to a one-year extension granted at the discretion of the Federal Reserve upon a consideration of a variety of factors, including a determination that an extension would not be detrimental to the public interest. Subsequently, the Federal Reserve has issued orders that collectively extend until July 31, 2017 the period for banking entities to conform their ownership interests in and sponsorship of CLOs to the Final Volcker Regulations. Only CLOs in place as of December 31, 2013 that do not qualify for the loan securitization exemption would be eligible for such extensions. It is intended that the Issuer will not be treated as a "covered fund" under the Final Volcker Regulations. First, the Issuer intends to qualify for the "loan securitization" exemption from the definition of "covered fund" provided for in the Final Volcker Regulations and intends to so qualify throughout the life of the Notes. Second, the Issuer intends to qualify for the exclusion that it is an issuer that relies on an exclusion or exemption from the definition of "investment company" under the 1940 Act other than the exclusions contained in Section 3(c)(1) and 3(c)(7) thereof because the Issuer intends to rely on Rule 3a-7 under the 1940 Act to be excluded from the definition of "investment company" thereunder. There can be no assurance that the Issuer will so qualify for the exemption under 3a-7 or as a "loan securitization" throughout the life of the Notes or that the Final Volcker Regulations will not be further revised in the future. If the Issuer does not qualify for the "loan securitization" exemption and is deemed to be a "covered fund" under the Final Volcker Regulations, there would be limitations on the ability of banking entities to purchase or retain any Class deemed to be ownership interests, which would be expected to include the then-Controlling Class of Notes and the Certificates, but could also potentially include other Classes. Depending on market conditions, this could significantly and negatively affect the liquidity and market value of the affected Classes. Moreover, the ability of the Initial Purchaser to make a market in the affected Classes would be subject to certain limitations, which could, if the Initial Purchaser otherwise had decided to make a market in such securities, further negatively affect liquidity and market value of the affected

Classes. In addition, if the Issuer were determined to be a covered fund and the Initial Purchaser were determined to have sponsored or organized and offered the Issuer's Notes, the Initial Purchaser and its affiliates may not be permitted to engage in certain transactions with the Issuer, possibly including the sale of loans to the Issuer. This could negatively affect the Issuer and the Collateral Manager's ability to manage the portfolio of Assets.

The Financial Accounting Standards Board has adopted changes to the accounting standards for structured products. These changes, or any future changes, may affect the accounting for entities such as the Issuer, could under certain circumstances require an investor or its owner generally to consolidate the assets of the issuing entity in its financial statements and record third parties' investments in the Issuer as liabilities of that investor or owner or could otherwise adversely affect the manner in which the investor or its owner must report an investment in Securities for financial reporting purposes.

On October 21, 2014, the U.S. Risk Retention Rules were issued and became effective on December 24, 2016 with respect to asset-backed securities collateralized by assets other than residential mortgages. The statements contained in this Offering Circular regarding how compliance with the U.S. Risk Retention Rules will be achieved are solely based on publicly available information as of the date of this Offering Circular. Except with respect to asset-backed securities transactions that satisfy certain exemptions, the U.S. Risk Retention Rules generally require one of the "sponsors" of asset-backed securities or a "majority-owned affiliate" thereof to retain not less than 5% of the credit risk of the assets collateralizing asset-backed securities. The preamble to the rule text in the U.S. Risk Retention Rules indicates that a party that organizes and initiates a securitization would be the "sponsor." In the case of many collateralized loan obligation transactions, the entity acting as collateral manager typically organizes and initiates transaction and, therefore, would be considered the "sponsor" for U.S. Risk Retention Rules purposes, as further discussed in the preamble. For purposes of this transaction, based upon the language in the preamble to rule text, the Collateral Manager would be a "sponsor" but there can be no assurance, and no representation, made that any Governmental Authority will agree that such is the case. The U.S. Risk Retention Rules provide that if there is more than one "sponsor" of a securitization transaction, each "sponsor" is to ensure that at least one "sponsor" (or its "majority-owned affiliate") retains the requisite U.S. Retention Interest. At this time, each Person receiving this Offering Circular should understand that there are a number of unresolved questions, little regulatory guidance, and no established line of authority, precedent or market practice, with respect to the U.S. Risk Retention Rules. In addition, there are a number of future uncertainties surrounding, U.S. Risk Retention requirements for collateral managers, including: (i) the ultimate results of litigation currently in process brought by the Loan Syndications and Trading Association (LSTA), a major industry trade association, challenging, among other things, the regulators' application of U.S. Risk Retention Rules to collateral managers of typical so-called open market CLOs, (ii) proposed legislation designed to exclude from U.S. Risk Retention Rules, collateral managers of certain defined "QCLOs" (qualified CLOs) and (iii) future directives and interpretations by Governmental Authorities with respect to the U.S. Risk Retention Rules. If such publicly available information is altered as a result of the foregoing (or anything else), there can be no assurance that the credit risk retention and disclosures contemplated herein would be viewed by any Governmental Authority as sufficient to meet the requirements under the U.S. Risk Retention Rules. The failure to satisfy the requirements of the U.S. Risk Retention Rules may have a material and adverse effect on the market value and/or liquidity of the Notes

The U.S. Risk Retention Rules will apply to any additional Securities issued after the Closing Date and to any Optional Redemption by Refinancing. In addition, the SEC has indicated in contexts separate from the U.S. Risk Retention Rules that an "offer" or a "sale" of securities may arise when amendments to securities are so material as to require holders to make an "investment decision" with respect to such amendment. Thus, if the SEC were to take a similar position with respect to the U.S. Risk Retention Rules, they could apply to material amendments to the Indenture and the Securities, to the extent such amendments in effect require investors to make an investment decision. As a result, the U.S. Risk Retention Rules may adversely affect the Issuer (and the performance and market value of the Securities) if the Issuer is unable to undertake any such additional issuance, Optional Redemption by Refinancing or other material amendment. In granting or withholding its consent to any such action to the extent required under the Indenture with respect thereto, it should be expected that the Collateral Manager will act in its own self-interest (and will not take into account the interests of any other Person, including the Issuer and/or any Holders of Securities) and not consent to any of the foregoing actions if to do so might cause the Collateral Manager to be concerned about its ability to comply with the U.S. Risk Retention Rules.

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 Collateral Manager could conclude that it would be in the interests of the Issuer to enter into hedge agreements 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. Such requirements include (i) the requirement that certain swaps be centrally cleared and in some cases traded on a designated contract market or swap execution facility, (ii) initial and variation margin requirements of any central clearing organization (with respect to cleared swaps) or initial or variation requirements as may otherwise be required with respect to uncleared swaps and (iii) swap reporting and recordkeeping obligations, and other matters. If the Issuer were to enter into a hedge agreement, such new requirements could significantly increase the cost of such hedge agreement, have unforeseen legal consequences on the Issuer or the Collateral Manager or have other material adverse effects on the Issuer or the Noteholders.

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 Collateral 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 shall not enter into any hedge agreement unless the Global Rating Agency Condition is satisfied with respect thereto and it obtains (a) a certification from the Collateral Manager that (i) the written terms of the derivative directly relate to the Collateral Obligations and the Notes and (ii) such derivative reduces the interest rate and/or foreign exchange risks related to the Collateral Obligations and the Notes, and (b) written advice of counsel that such hedge agreement will not cause any person to be required to register as a "commodity pool operator" (within the meaning of the Commodity Exchange Act) with the Commodity Futures Trading Commission in connection with the Issuer.

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.

No assurance can be made that any U.S. Governmental Authority 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. To the extent that any such action involved the repeal or exemption of this transaction from the U.S. Risk Retention Rules, the Transaction Documents provide that any obligations on the Collateral Manager or the U.S. Retention Holder relating to the retention of the U.S. Retention Interest shall be of no further force and effect.

Determining the fair value of the Securities involves significant elements of subjective judgment and analysis, and, as a result, such fair values are inherently uncertain

For a description of certain risks related to the determination of the fair value of the Securities, see "*Credit Risk Retention-Fair Value of U.S. Retention Interest*".

Each Person receiving this Offering Circular should understand that any fair value determinations made in reliance on Level 3 inputs and assumptions may be difficult to make and are inherently uncertain. A differing opinion regarding the appropriate inputs and assumptions could materially change the determination of the range of the fair value of the Securities (including the U.S. Retention Interest). Further, the actual characteristics of the Collateral Obligations owned by the Issuer on the Closing Date and thereafter will likely differ from the assumptions used in such determinations and the actual performance of the Collateral Obligations is likely to differ from the assumed performance (such as the actual timing and amount of defaults and recoveries). Accordingly, the present value of the projected cash flows on the Securities (including the U.S. Retention Interest) is expected to vary (in ways that may be material) from the discounted actual cash flows on the Collateral Obligations, and prospective investors should not assume that the fair value of the Securities (including the U.S. Retention Interest) set forth will be equal to or greater than the present value of the actual cash flows on the Securities (including the U.S. Retention Interest). In addition, discounted cash flow models are complex, making them inherently imperfect predictors of

actual results. Accordingly, no assurance can be given that the fair value of the Securities (including the U.S. Retention Interest) set forth under the heading "*Credit Risk Retention—Fair Value of U.S. Retention Interest*" will not be materially different from quoted or published prices, from the fair value determinations made by other Persons for the Securities (including the U.S. Retention Interest) and/or from the actual value that could be or is realized upon the sale of any Securities (including the U.S. Retention Interest). For various reasons, the price at which any Securities (including the U.S. Retention Interest) might be sold in a specific transaction between specific parties on a specific date may be significantly different than the fair value thereof set forth under the heading "*Credit Risk Retention—Fair Value of U.S. Retention Interest*".

Recent regulation and enhanced scrutiny of the private investment fund industry

The Dodd-Frank Act provides for a number of changes to the regulatory regime governing investment advisers and private investment funds, including the Collateral Manager and the Issuer.

Among other effects, the Dodd-Frank Act imposes increased recordkeeping and reporting obligations on the Collateral Manager with respect to the Issuer. Records and reports relating to the Issuer that must be maintained by the Collateral Manager and are subject to inspection by the SEC include (i) assets under management and use of leverage (including off-balance-sheet leverage), (ii) counterparty credit risk exposure, (iii) trading and investment positions, (iv) valuation policies and practices of the Issuer, (v) type of assets held, (vi) side arrangements or side letters, (vii) trading practices and (viii) such other information as the SEC, in consultation with the Financial Stability Oversight Council, determines is necessary and appropriate. While the Dodd-Frank Act subjects such records and reports to certain confidentiality provisions and provides an exemption from the Freedom of Information Act, no assurance can be given that the mandated disclosure of records or reports to the SEC or other governmental entities will not have a significant negative impact on the Issuer, the Collateral Manager or any individual holder of Notes. Among other things, the costs of compliance with rules and regulations promulgated under the Dodd-Frank Act could have a material adverse impact on the Issuer and the holders of the Securities, particularly the Certificates.

European legal investment considerations and retention requirements will affect certain potential investors

Articles 404-410 impose a severe capital charge on a securitization position acquired by an Affected CRR Investor unless, among other conditions, (a) the originator, sponsor or original lender for the securitization has explicitly disclosed to the Affected CRR Investor that it will retain, on an ongoing basis, a material net economic interest of not less than 5% in respect of certain specified credit risk tranches or asset exposures, and (b) the Affected CRR Investor is able to demonstrate that it has undertaken certain due diligence in respect of its securitization position and the underlying exposures and that procedures are established for such activities to be monitored on an on-going basis. For purposes of the CRR, an Affected CRR Investor may be subject to the capital requirements as a result of activities of its overseas affiliates, including those that are based in the United States.

Article 17 of AIFMD required the European Commission to adopt level 2 measures similar to those in Articles 404-410, permitting EEA managers of alternative investment funds ("**AIFMs**") to invest in securitizations on behalf of the alternative investment funds ("**AIFs**") they manage only if the originator, sponsor or original lender has explicitly disclosed that it will retain on an ongoing basis, a material net economic interest of not less than 5% in respect of certain specified credit risk tranches or asset exposures and also to undertake certain due diligence requirements. The AIFMD Level 2 Regulation included those level 2 measures. Although the requirements in the AIFMD Level 2 Regulation are similar to those which apply under Articles 404-410, they are not identical. In particular, the AIFMD Level 2 Regulation requires AIFMs to ensure that the sponsor or originator of a securitization meets certain underwriting and originating criteria in granting credit, and imposes more extensive due diligence requirements on AIFMs investing in securitizations than are imposed on credit institutions under Articles 404-410. Furthermore, AIFMs who discover after the assumption of a securitization exposure that the retained interest does not meet the requirements, or subsequently falls below 5% of the economic risk, are required to take such corrective action as is in the best interests of investors. It is unclear how this last requirement is expected to be addressed by AIFMs should those circumstances arise.

Article 135(2) of Solvency II required the European Commission to adopt level 2 measures similar to those in Articles 404-410, permitting EEA insurers and reinsurers to invest in securitizations only if the originator, sponsor or original lender has explicitly disclosed that it will retain, on an ongoing basis, a material net economic interest of

not less than 5%. The Solvency II Level 2 Regulation included those level 2 measures. As with the AIFMD Level 2 Regulation, although the requirements in the Solvency II Level 2 Regulation are similar to those which apply under Articles 404-410, they are not identical.

Each prospective investor subject to any of the EU Retention Requirement Laws is an "**Affected Investor**," and each prospective investor subject in the future to Similar Retention Requirement Laws (as defined below) is a "**Similar Affected Investor**."

Subject to the adoption of secondary legislation, requirements similar to the EU Retention Requirement Laws ("**Similar Retention Requirements**") will apply to investments in securitizations by funds regulated under EU Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("**UCITS**"), as amended by EU Directive 2014/91/EU of 23 July 2014. Investors subject to Similar Retention Requirements may be Similar Affected Investors and be subject to risks similar to those relating to Affected Investors with respect to the applicable EU Retention Requirement Laws. Such requirements and any other changes to the regulation or regulatory treatment of securitizations or of the Notes for some or all holders may negatively impact the regulatory position of individual holders and, in addition, may have a negative impact on the price and liquidity of the Notes in the secondary market.

It should also be noted that, on September 30, 2015, the European Commission published a proposed regulation to a European framework for simple transparent and standardized (STS) securitisation (the "**Draft Regulation**") aiming to create a harmonized securitization framework within the European Union. The Draft Regulation, if finalized, would repeal the current EU Retention Requirement Laws and replace them with a single regime that would apply to all investors currently subject to the EU Retention Requirement Laws, UCITS funds and institutions for occupational pension provision (IORPs). The Presidency of the Council of Ministers of the European Union has also published compromise proposals concerning the Draft Regulation. Currently there are a number of proposed amendments to the Securitisation Regulation which are being considered by the European Parliament (the "**Proposed Amendments**") In its current form, the Draft Regulation permits the grandfathering of transactions which have been issued prior to the date of the final Draft Regulation in respect of the risk retention requirements set out therein (save in respect of due diligence requirements which are currently proposed to be applied retrospectively) and, as a result, the re-cast risk retention rules should not apply to the transaction described herein if the Draft Regulation were to be adopted in its current form. Investors should be aware that there are material differences between the current EU Retention Requirement Laws, the Draft Regulation and the Proposed Amendments. The Draft Regulation may enter into force in a form that differs from the published proposals and drafts. It is unclear at this time when the Draft Regulation will become effective. Until the proposed Draft Regulation is considered and adopted by the European Parliament and Council, it is not possible to tell what effect the proposed Draft Regulation would have on the transaction. Investors are themselves responsible for monitoring and assessing any changes to European risk retention laws and regulations.

Each Affected Investor should consult with its own legal, accounting and other advisors and/or its national regulator to determine whether, and to what extent, the information set out in the section entitled "*EU Retention Requirements*," information elsewhere in this Offering Circular generally and in any investor report provided in relation to the transaction is sufficient for the purpose of satisfying the EU Retention Requirement Laws, Similar Retention Requirements or any other applicable requirements. Affected Investors are required to independently assess and determine the sufficiency of such information. In making such determination investors should consider, among other factors, (1) whether the E.U. Retention Provider is one of real economic substance that would satisfy Articles 404-410, (2) whether their regulator would regard the indirect ownership of the securitized assets by the E.U. Retention Provider via the Master Loan Sale Agreement as satisfying Articles 404-410 and (3) whether potential subsequent changes to Article 404 as a consequence of the Draft Regulation would make it less likely that the E.U. Retention Provider satisfies Article 404 in its then-applicable form. To the extent that the Notes do not satisfy the requirements of the Retention Requirement Laws, the Notes are not a suitable investment for Affected Investors and, as a result, the price and liquidity of the Notes in the secondary market may be adversely affected.

None of the Issuer, Wells Fargo Securities, the Collateral Manager, the E.U. Retention Provider, the Transferor nor any other party to the transactions contemplated by this Offering Circular (i) makes any representation, warranty or guarantee that the information described above or elsewhere in this Offering Circular is sufficient for the purpose of allowing an investor to comply with the requirements of the EU Retention Requirement Laws, Similar Retention Requirements, or any other applicable legal, regulatory or other requirements; (ii) shall have any liability to any

prospective investor or any other person with respect to the insufficiency of such information or any failure of the transactions contemplated hereby to comply with or otherwise satisfy the requirements of the Retention Requirement Laws, Similar EU Retention Requirements, or any other applicable legal, regulatory or other requirements; or (iii) shall have any obligation, other than the specific obligations undertaken by the E.U. Retention Provider under the Risk Retention Letter, to enable compliance with the EU Retention Requirement Laws, Similar Retention Requirements, or any other applicable legal, regulatory or other requirements.

The aim behind the relevant retention requirements described in "*—European legal investment considerations and retention requirements will affect certain potential investors*" above is that Affected Investors should only invest in securitisations where the originator, sponsor or original lender for the securitisation has explicitly disclosed that it will retain on an ongoing basis, a net economic interest of not less than five percent in the securitisation. The five percent net economic interest is measured as the nominal value of the securitised exposures, calculated based on the nominal value of the Collateral Obligations. The E.U. Retention Provider has agreed to retain such an interest in the transaction by holding the minimum principal amount of Certificates required by the EU Retention Requirement Laws, being an amount equal to 5% of the nominal value of the Collateral Obligations.

Certain discretions of the Collateral Manager acting on behalf of the Issuer are restricted where the exercise of the discretion would cause the retention holding described in "*Retention Requirements*" of this Offering Circular to be (or to be likely to be) insufficient to comply with the Retention Requirements.

In particular, if, at any time, the deposit of Trading Gains into the Collection Account would, in the sole discretion of the Collateral Manager cause (or would be likely to cause) a Retention Deficiency, such Trading Gains which would have been deposited into the Collection Account as Principal Proceeds and designated for reinvestment or used to redeem the Notes in accordance with the Priority of Payment will instead at the direction of the Collateral Manager be deposited into the Collection Account as Interest Proceeds. Such Trading Gains will then be distributed as Interest Proceeds if the reinvestment of such amount would, in the sole discretion of the Collateral Manager, cause (or would be likely to cause) a Retention Deficiency in accordance with the Priority of Payments. In addition, the Collateral Manager is not permitted to reinvest in additional Collateral Obligations where such reinvestment would cause a Retention Deficiency. As a result, the Collateral Manager may be prevented from reinvesting available proceeds in Collateral Obligations in circumstances where such reinvestment would cause (or would be likely to cause) a Retention Deficiency and therefore the aggregate principal balance of Collateral Obligations securing the Notes may be less than what would have otherwise have been the case if such amounts had been reinvested in Collateral Obligations.

As a result of such restrictions, the Issuer, or the Collateral Manager on its behalf, may be restricted from building or maintaining the par value of the Collateral Obligations in certain circumstances under which they would otherwise be able to do so, in order to comply with the provisions of the conditions intended to achieve ongoing compliance with the applicable retention requirements.

All investors whose investment activities are subject to investment laws and regulations, regulatory capital requirements, or review by regulatory authorities should consult with their own legal, accounting and other advisors in determining whether, and to what extent, the Securities will constitute legal investments for them or are subject to investment or other regulatory restrictions, unfavorable accounting treatment, capital charges, reserve requirements or other consequences.

There can be no assurance that the U.S. Retention Holder's retention of the U.S. Retention Interest will result in compliance by the Collateral Manager with the U.S. Risk Retention Rules

The statements contained in this Offering Circular regarding how compliance with the U.S. Risk Retention Rules will be achieved are solely based on publicly available information as of the date of this Offering Circular. Although the Collateral Manager intends to satisfy the U.S. Risk Retention Rules, the ultimate interpretation of whether the U.S. Retention Holder's retention of the U.S. Retention Interest as contemplated herein will result in compliance by the Collateral Manager or the U.S. Retention Holder with the U.S. Risk Retention Rules will be a matter of interpretation by the applicable Governmental Authorities. At this time, there is no established line of authority, precedent or market practice with respect to the U.S. Risk Retention Rules, and therefore there can be no assurance or representation that the U.S. Retention Holder's retention of the U.S. Retention Interest as contemplated herein will enable the Collateral Manager or U.S. Retention Holder to comply with the U.S. Risk Retention Rules or

that any applicable Governmental Authority will agree that the description thereof set forth herein or the activities of the Collateral Manager or the U.S. Retention Holder in connection therewith described herein satisfy any such U.S. Risk Retention Rules.

The failure by the Collateral Manager and/or the U.S. Retention Holder to comply with the U.S. Risk Retention Rules may have a material and adverse effect on the Notes, the Issuer and/or the Collateral Manager

The failure by the Collateral Manager and/or the U.S. Retention Holder to comply with the U.S. Risk Retention Rules may result in regulatory actions and other proceedings being brought against the Collateral Manager and/or the U.S. Retention Holder, which could result in the Collateral Manager and/or the U.S. Retention Holder being required, among other things, to pay damages, transfer interests and/or acquire additional Notes (which may or may not be available at such time for acquisition) or be subject to cease and desist orders or other regulatory action. In addition, a failure to remedy non-compliance with the U.S. Risk Retention Rules may also trigger a "cause" event under the Collateral Management Agreement and/or subject the Collateral Manager and/or U.S. Retention Holder to adverse publicity and reputational risk resulting from such non-compliance. In addition, given the lack of clarity under the U.S. Risk Retention Rules with respect to the identity of the party responsible for holding the U.S. Retention Interest upon a resignation or removal of the Collateral Manager, if the Collateral Manager resigns or the applicable Holders desire to remove the Collateral Manager in connection with any such "cause" event, there may be no successor Collateral Manager willing to accept appointment as such, in which case the Collateral Manager will be required to continue to act as Collateral Manager under the Collateral Management Agreement. As a result of any of the foregoing, the failure of the Collateral Manager and/or U.S. Retention Holder to comply with the U.S. Risk Retention Rules may have a material and adverse effect on the market value and/or liquidity of the Notes as well as on the business, condition (financial or otherwise), assets, operations or prospects of the Issuer and/or the Collateral Manager.

The potential impact of existing laws and regulations is not yet fully known

Legislation and regulations adopted by U.S. Governmental Authorities following the financial crisis continue to create uncertainty in the credit and other financial markets. These actions include, but are not limited to, the enactment of the Dodd Frank Act, including the Volcker Rule and the U.S. Risk Retention Rules, which imposed a new regulatory framework over the U.S. financial services industry and the consumer credit markets in general, and the adoption of its related regulations. This new regulatory framework may change in the future either due to interpretation thereof or guidance with respect thereto by any applicable governmental agency or by legislative action which may include the amendment or repeal of all or a portion thereof. Given the broad scope and sweeping nature of these applicable laws, the potential impact thereof on the Issuer, the Collateral Manager, the U.S. Retention Holder, any of the Notes and/or any holders of Notes is not yet fully known. In particular, it is possible that the U.S. Risk Retention Rules may have a material and adverse effect on the market value and/or liquidity of the Notes as well as on the business, condition (financial or otherwise), assets, operations or prospects of the Issuer and/or the Collateral Manager. In addition, the U.S. Risk Retention Rules have reduced and may in the future further reduce the number of investment managers active in the collateralized loan obligation ("**CLO**") market, which may result in fewer new issue CLOs and reduce the liquidity provided by CLOs to the leveraged loan market generally. A contraction or reduced liquidity in the loan market could reduce opportunities for the Collateral Manager to sell Collateral Obligations or to invest in Collateral Obligations when it believes it is in the interest of the Issuer to do so, which in turn could have a material and adverse effect on the Issuer's performance and reduce the market value and/or liquidity of the Notes. Any reduction in the volume and liquidity provided by CLOs in the leveraged loan market could also reduce opportunities to redeem or refinance the Notes in an Optional Redemption or Refinancing. Moreover, a reduction in the number of investment managers active in the CLO market results in a smaller universe of potential successor Collateral Managers available for appointment by the Issuer in the event of a resignation or replacement of the Collateral Manager. Accordingly, no assurance can be made as to the potential impact of such applicable laws on the market value and/or liquidity of the Notes or on the business, condition (financial or otherwise), assets, operations or prospects of the Issuer and/or the Collateral Manager.

Changes in applicable laws and/or accounting standards may have a material and adverse effect on the Notes, the Issuer and/or the Collateral Manager

The Collateral Manager and the Issuer are subject to various applicable laws (including the U.S. Risk Retention Rules) and accounting standards. Those applicable laws and accounting standards and their interpretation and

application may also change from time to time, and those changes may have a material and adverse effect on the Notes, the Issuer and/or the Collateral Manager.

Consent rights granted to the Collateral Manager may impair or preclude the Issuer from effecting a supplemental indenture, additional issuance, Refinancing or Optional Redemption

Due to applicability of the U.S. Risk Retention Rules to the "offer and sale of asset-backed" securities such as the Notes, it is a condition to the Issuer effecting a supplemental indenture, additional issuance, Refinancing or Optional Redemption that the Collateral Manager provide its prior written consent thereto. In granting or withholding such consent, it should be expected that the Collateral Manager will act in its own self-interest (and will not take into account the interests of any other Person, including the Issuer and/or any Holders of Notes) and not consent to any of the foregoing actions if to do so might cause the Collateral Manager to be in violation of the U.S. Risk Retention Rules or to have to increase the amount of the U.S. Retention Interest held by the U.S. Retention Holder. Moreover, there are additional disclosure and other requirements that would need to be satisfied on or prior to the date of any supplemental indenture, additional issuance, Refinancing or Optional Redemption. Although the Collateral Manager intends to satisfy the U.S. Risk Retention Rules in connection with a supplemental indenture, additional issuance, Refinancing or Optional Redemption, there can be no assurance or representation that the Collateral Manager or U.S. Retention Holder will do so, or will comply with any such additional requirements under the U.S. Risk Retention Rules related to a supplemental indenture, additional issuance, Refinancing or Optional Redemption, which may impair or preclude the Issuer from effecting any such supplemental indenture, additional issuance, Refinancing or Optional Redemption, which may have a material and adverse effect on the Issuer and/or Holders of the Notes.

The effect of the United Kingdom exiting the European Union may adversely affect the holders of the Notes

On June 23, 2016, the United Kingdom held an advisory referendum with respect to its continued membership of the European Union (the "**Referendum**"). The result of the Referendum was a vote in favor of leaving the EU. Whilst the result of the **Referendum** itself is clear, the next steps of the UK executive and UK Parliament and the reaction of the other Member States to these steps are not. In particular, the format of the negotiation, negotiation positions of the participants and timeframe are uncertain, with any limited public statements subject to change.

There is at present uncertainty as to whether or not the UK will formally decide to withdraw from the EU and subsequently invoke Article 50 of the Treaty on European Union ("**Article 50**"). Article 50 provides that a Member State which decides to withdraw from the EU is required to notify the European Council of its intention to do so. If notice is given under Article 50 by a Member State, the EU will negotiate and conclude an agreement with such Member State, setting out the arrangements for its withdrawal. There is currently limited information as to the proposed timing of any formal decision to withdraw from the EU or the subsequent notification by the UK government of its intention to withdraw from the EU pursuant to Article 50. The results of the Referendum and any potential notification by the UK government of its intention to withdraw from the EU pursuant to Article 50 may affect the Issuer's risk profile through introducing potentially significant new uncertainties and instability in financial markets. These uncertainties could have a material adverse effect on the business, financial condition, results of operations and prospects of the obligors under the Collateral Obligations, and therefore their ability to make the payments due under the Collateral Obligations, which would affect the Issuer's ability to make payments on the Notes. In addition, it is unclear at this stage what the consequences would be for the Issuer, the Collateral Manager or any other transaction party both during the period of negotiation prior to the United Kingdom's exit from the European Union and following such departure.

Combination or "layering" of multiple risks may significantly increase risk of loss

Although the various risks discussed in this Offering Circular are generally described separately, you should consider the potential effects of the interplay of multiple risk factors. Where more than one significant risk factor is present, the risk of loss to an investor in the Notes may be significantly increased.

Relating to the Notes

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

Currently, no market exists for the Notes. Although the Initial Purchaser may from time to time attempt to make a market in one or more Classes of the Offered Notes, Wells Fargo Securities is not under any obligation to make a market for the Offered Notes. The Notes are illiquid investments and there is no established secondary market for the Notes. Although a secondary market in the Notes may develop, there can be no assurance that it would provide the holders of the Notes with liquidity of investment or will continue for the life of the Notes. Additionally, some possible buyers of such notes now view securitization products as an inappropriate investment, thereby reducing the number of possible buyers and/or potentially affecting liquidity in the secondary market. Holders of the Notes must be prepared to hold such 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 Issuer has no plans, and is 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.

Regulatory or legislative provisions applicable to certain investors, including provisions introduced in the future, may have the effect of limiting or restricting their ability to hold or acquire the Notes, which may negatively impact investors who may be required to sell their Notes, and which also may have a negative impact on the ability of investors in the Notes who are not subject to those provisions to resell their Notes in the secondary market and in either such case may adversely affect the price that may be realized for such Notes.

Investor suitability

An investment in the Notes will not be appropriate for all investors. Structured investment products like the Notes are complex instruments, and typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. Moreover, certain prospective investors may be subject to regulatory requirements that restrict their ability to purchase Notes. Over the past five years, securities issued in securitization transactions have experienced historically high volatility and significant fluctuations in market value. Any investor interested in purchasing Notes should conduct its own investigation and analysis of such investment and consult its own professional advisers as to the risks involved in making such a purchase.

Need to seek independent advice; Lack of hypothetical performance scenarios

None of Wells Fargo Securities, the Trustee, the Collateral Administrator, the Issuer, the Collateral Manager, the Retention Provider, the Transferor or any affiliate of any of them is providing investment, accounting, tax or legal advice to investors or prospective investors in respect of the Notes and will not have a fiduciary relationship with any investor or prospective investor in the Notes. No financial hypothetical performance scenarios, modeling runs or return analyses are included in this Offering Circular and no financial hypothetical performance scenarios, modeling runs or return analyses previously provided may be relied upon by a prospective investor in considering its investment.

The actual performance of the Notes will be affected by, among other things, (i) the amount and frequency of principal payments on the Collateral Obligations, which are dependent upon, among other things, the amount of payments received at or in advance of the scheduled maturity of Collateral Obligations (whether through sale, maturity, prepayment, redemption, default or other liquidation or disposition), (ii) the financial condition of the Obligors or issuers of the Collateral Obligations and the characteristics thereof, including the existence and frequency of exercise of any optional or mandatory redemption features (including applicable redemption prices), the prevailing level of interest rates, the actual default rate and the actual level and timing of recoveries on, among other Collateral Obligations, any Defaulted Obligations, Credit Risk Obligations, Credit Improved Obligations and Current Pay Obligations, the frequency of tender or exchange offers for such Collateral Obligations, and (iii) the extent to which Collateral Obligations may be acquired in the circumstances set forth in the Indenture or otherwise and the reinvestment rates obtained in connection with the purchase of such Collateral Obligations or in connection

with the reinvestment of proceeds in Eligible Investments. It is expected that, with respect to a substantial portion of the Collateral Obligations, the Obligor thereof will have the right or obligation to cause them to be mandatorily or optionally redeemed or otherwise repaid at various times and subject to various conditions.

The Notes are not guaranteed by the Issuer, Wells Fargo Securities, the Collateral Manager, the Collateral Administrator, the Retention Provider, the Transferor or the Trustee

None of the Issuer, Wells Fargo Securities, the Collateral Manager, the Collateral Administrator, the Retention Provider, the Transferor 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 any investor of ownership of the Notes, and no investor may 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 any investor of ownership of the Notes. Each holder of a Note will be required to represent (or, in the case of certain non-certificated Notes, deemed to represent) to the Trustee, the Issuer, the Collateral Manager and Wells Fargo Securities, among other things, that it has consulted with its own legal, regulatory, tax, business, investment, financial, and accounting advisors regarding investment in the Notes as it has deemed necessary and that the investment by it is within its powers and authority, is permissible under applicable laws governing such purchase, has been duly authorized by it and complies with applicable securities laws and other laws.

Wells Fargo Securities will have no ongoing responsibility for the Assets or the actions of the Collateral Manager or the Issuer

Wells Fargo Securities will have no obligation to monitor the performance of the Assets or the actions of the Collateral Manager or the Issuer and will have no authority to advise the Collateral Manager or the Issuer or to direct their actions, which will be solely the responsibility of the Collateral Manager and/or the Issuer, as the case may be. If Wells Fargo Securities or one of its affiliates owns Offered Notes, it will have no responsibility to consider the interests of any other holders of Offered Notes in actions it takes in such capacity. While Wells Fargo Securities and/or its affiliates may own a portion of certain Classes of Offered Notes on the Closing Date prior to resale to investors on the Closing Date and may own Offered Notes at any time, it has no obligation to make any investment in any Offered Notes and may sell at any time any Offered 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 Notes are limited recourse obligations of the Issuer; therefore, the Notes are payable solely from the Collateral Obligations and all other Assets pledged by the Issuer to the Trustee for the benefit of holders of the Notes and other Secured Parties pursuant to the Indenture. None of the Trustee, the Collateral Administrator, the Collateral Manager, the Retention Provider, the Transferor, Wells Fargo Securities or any of their respective affiliates or the Issuer's 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 and, after an Event of Default, proceeds from the liquidation of 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 Collateral Manager, the Retention Provider, Wells Fargo Securities, 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 Issuer and any claims against the Issuer in respect of the Notes will be extinguished and will not revive.

The Subordination of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes will affect their right to payment

The Class A Notes are subordinated to certain amounts payable by the Issuer to other parties as set forth in the Priority of Payments (including taxes, Administrative Expenses (subject generally to a cap) and the Collateral Management Fee); the Class B Notes are subordinated on each Payment Date to the Class A Notes; the Class C Notes are subordinated on each Payment Date to the Class A Notes and the Class B Notes; the Class D Notes are subordinated on each Payment Date to the Class A Notes, the Class B Notes and the Class C Notes; the Class E Notes are subordinated on each Payment Date to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, in each case to the extent described herein. No payments of interest (including Deferred Interest on the Class C Notes, Class D Notes or Class E Notes) 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 or distributions of any kind from Principal Proceeds will be made on any such Class of Notes on any Payment Date until all required principal payments on 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 the Certificates, then the Class E Notes, then the Class D Notes, then the Class C Notes, then the Class B Notes, then the Class A Notes. Furthermore, payments on the Class C Notes are subject to diversion to pay the Class A Notes and the Class B Notes pursuant to the Priority of Payments if any of the Class A/B Coverage Tests are not met, payment on the Class D Notes are subject to diversion to pay the Class A Notes and the Class B Notes pursuant to the Priority of Payments if any of the Class A/B Coverage Tests are not met and the Class C Notes pursuant to the Priority of Payments if any of the Class C Coverage Tests are not met and payment on the Class E Notes are subject to diversion to pay the Class A Notes and the Class B Notes pursuant to the Priority of Payments if any of the Class A/B Coverage Tests are not met, to pay the Class C Notes pursuant to the Priority of Payments if any of the Class C Coverage Tests are not met and to pay and to pay the Class D Notes pursuant to the Priority of Payments if any of the Class D 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 Controlling Class will be entitled to determine the remedies to be exercised under the Indenture, subject to the terms of the Indenture. See "*Description of the Securities—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. Furthermore, the Collateral Obligations may be sold and liquidated only as set forth under "*Description of the Securities—The Indenture—Events of Default*." As a consequence of the foregoing, Holders of Classes of Notes other than the Class A Notes may have no vote as to whether a sale and liquidation should be effected, which may increase the risk that they will not receive payment in full of principal of and interest on their Notes. Furthermore, in certain circumstances prior to the sale of any Collateral Obligation in connection with an acceleration or other exercise of remedies, the Collateral Manager or an affiliate thereof will have the right to purchase such Collateral Obligation at a price equal to the highest bid received by the Trustee in accordance with the Indenture (or if only one bid price is received, such bid price). See "*Description of the Securities—The Indenture—Events of Default*." The ability of the Collateral Manager to exercise such purchase right could deter bidding by potential purchasers and, as a result, have a material and adverse effect on the timing and amount of proceeds received in connection with a liquidation of any such Collateral Obligation.

If an Event of Default has occurred and acceleration occurs in accordance with the Indenture, the most senior Class of Notes then Outstanding shall be paid in full 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 and the Notes have not been accelerated or acceleration has been rescinded, 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.

Pricing of the Notes

The Notes will be sold from time to time in individually negotiated transactions at varying prices determined at the time of sale and depending on several factors, including fees and closing expenses and fluctuations in the market value of the Collateral Obligations from time to time.

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 Notes in full in the event of an Event of Default under the Indenture.

Early Termination of the Reinvestment Period

The Reinvestment Period may terminate early in the event of an acceleration following an Event of Default, or, other than in the case of a Retention Deficiency, if the Collateral Manager notifies the Issuer that it is unable to invest in Collateral Obligations in accordance with the Indenture. Early termination of the Reinvestment Period could adversely affect returns to the Certificates and may also cause the holders of Notes to receive principal payments earlier than anticipated.

The Indenture requires mandatory redemption of the 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 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 (which could occur as a result of the failure to satisfy the Closing Date Participation Condition), Interest Proceeds and Principal Proceeds that otherwise would have been distributed to the holders of the Class C Notes, the Class D Notes, the Class E Notes and the Certificates and (during the Reinvestment Period) Principal Proceeds that could otherwise have been reinvested in Collateral Obligations will instead be used to redeem the Notes of the most senior Class or Classes then Outstanding (or, in the case of a Moody's Ramp-Up Failure or an S&P Rating Confirmation Failure, Interest Proceeds available to the Issuer prior to the first Payment Date may be deposited into the Principal Collection Subaccount to purchase additional Collateral Obligations), in each case, to the extent necessary to satisfy the applicable Coverage Tests, the Moody's Ramp-Up Failure and/or the S&P Rating Confirmation Failure (as the case may be) as described under "*Overview of Terms—Priority of Payments*," and in the case of any such redemption, in accordance with the Priority of Payments. This could result in an elimination, deferral or reduction in the payments of Interest Proceeds to the holders of the Class C Notes, the Class D Notes, the Class E Notes and/or the Certificates, as the case may be. In addition, a mandatory redemption of Notes owing to a Moody's Ramp-Up Failure or an S&P Rating Confirmation Failure could result in the Collateral Manager causing the Issuer to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the realized value of the Collateral Obligations sold and could adversely affect returns to the Class C Notes, the Class D Notes, the Class E Notes and the Certificates. In addition, any such mandatory redemption of Notes will shorten the average life of the Notes.

The Notes are subject to Special Redemption at the option of the Collateral Manager

The Notes will be subject to redemption in part by the Issuer on any Payment Date as described under "*Overview of Terms—Special Redemption—Redemption after the Effective Date*" and "*Description of the Securities—Special Redemption*." On the Special Redemption Date, in accordance with the Indenture, the Special Redemption Amount will be applied as described under "*Overview of Terms—Priority of Payments—Application of Principal Proceeds*" to pay the principal of the Notes.

The Notes are subject to Clean-Up Call Redemption

At the written direction of either the Issuer (acting at the direction of a Majority of the Certificates) or the Collateral Manager, the Notes will be subject to redemption by the Issuer, in whole but not in part, at the Redemption Price therefor, on any Business Day after the Non-Call Period if the Collateral Principal Amount is less than 20% of the Target Initial Par Amount; *provided* that any such redemption is subject to certain conditions described below under "*Description of the Securities—Clean-Up Call Redemption*." The timing of a Clean-Up Call Redemption could affect the return to the holders of the Notes.

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 Issuer may issue and sell additional Notes of any one or more Classes (on a *pro rata* basis with respect to each Class of Notes or, if additional Class A Notes are not being issued, on a *pro rata* basis for all Classes that are subordinate to the Class A 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 Securities—The Indenture—Additional Issuance*" are met. Any such additional issuance will be made only with the consent of the Collateral Manager, if approved by a Majority of the Certificates, and the prior written consent of a Majority of the Controlling Class, but does not otherwise require the approval or consent of the holders of any other Class of the Notes. No assurance can be given

that the issuance of additional notes having different interest rates than existing Classes of Notes may not adversely affect the holders of any Class of Notes. In addition, at any time during or after the Reinvestment Period any holder of Certificates may make Contributions as described in "*Overview of Terms—The Indenture—Contributions.*" The use of such Contributions of cash or Eligible Investments as Principal Proceeds, Interest Proceeds and/or Contributions of Collateral Obligations may have the effect of causing a Coverage Test that was otherwise failing, to be cured or to modify 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 use of such Contributions of cash or Eligible Investments as Principal Proceeds after the Reinvestment Period may result in faster amortization of the Notes.

The Controlling Class will control many rights under the Indenture and therefore, holders of the subordinated 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 Notes and certain other amounts owing by the Issuer will be paid in full before any allocation to the Certificates, and each Class of Notes (along with certain other amounts owing by the Issuer) will be paid in order of seniority until it is paid in full before any allocation is made to the next Class of Notes. If an Event of Default has occurred and is continuing, the holders of the Certificates 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 Issuer.

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

The Indenture provides that the Issuer 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, the consent of holders of Notes is required, but, in certain cases, such consent is not required. See "*Description of the Securities—The Indenture—Modification of Indenture*."

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

Holders of at least a Majority of the Certificates (with the consent of the Collateral Manager) may cause the Issuer to redeem the Notes in whole in order of seniority (with respect to all Classes of Notes) on any Business Day after the end of the Non-Call Period from Sale Proceeds, Contributions of cash and/or Refinancing Proceeds or in part by Class from Refinancing Proceeds, Contributions of cash and/or Partial Refinancing Interest Proceeds as described under "*Description of the Securities—Optional Redemption.*" The Notes shall also be redeemed on any Business Day 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 Certificates following the occurrence and continuation of a Tax Event as described under "*Description of the Securities—Optional Redemption*." In the event of an early redemption, the holders of the Notes and Certificates will be repaid prior to the respective Stated Maturity dates 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 any class of subordinated Notes, after all required payments are made to the holders of the senior Class(es) of Notes. In addition, an Optional Redemption could require the Collateral 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 Securities—Optional Redemption*," Refinancing Proceeds may be used in connection with either a redemption in whole of the Offered Notes or a redemption in part of the Notes by Class.

Amounts deposited into the Supplemental Reserve Account may be used for multiple purposes that may affect the performance of the Notes

(i) Contributions of cash and Eligible Investments made by any one or more holders of Certificates as described in "*Description of the Securities—The Indenture—Contributions*," (ii) amounts designated by the Collateral Manager pursuant to clause (O) of "*Overview of Terms—Priority of Payments—Application of Interest Proceeds*" and/or (iii) proceeds from an additional issuance of only Certificates as described in "*Description of the Securities—The Indenture—Additional Issuance*" will be deposited into the Supplemental Reserve Account and applied to any Permitted Use designated by the applicable Contributor or the Collateral Manager, as applicable. Any such deposit or Contribution of Collateral Obligations could have the effect of causing a Coverage Test to pass or preventing an Event of Default from occurring.

A decrease in LIBOR will lower the interest payable on the Notes and an increase in LIBOR may indirectly reduce the credit support to the Notes

The Interest Rate on each Class of Notes is based upon LIBOR and therefore may fluctuate from one Interest Accrual Period to another in response to changes in LIBOR. Over the past five years, LIBOR experienced historically high volatility and significant fluctuations. The Issuer believes that LIBOR will continue to fluctuate and makes no representation as to what LIBOR will be in the future. Because the Notes bear interest based upon three-month LIBOR (other than during the first Interest Accrual Period), there may be a basis mismatch between the Notes and the underlying Collateral Obligations and Eligible Investments with interest rates based on an index other than LIBOR, interest rates based on LIBOR for a different period of time or even three-month LIBOR for a different accrual period. In addition, some Collateral Obligations or Eligible Investments may bear interest at a fixed rate. It is possible that LIBOR payable on the Notes may rise (or fall) during periods in which LIBOR (or another applicable index), with respect to the various Collateral Obligations and Eligible Investments, is stable or falling (or rising but capped at a level lower than LIBOR for the Notes). Some Collateral Obligations, however, may have LIBOR floor arrangements that may help mitigate this risk, but there is no requirement for any Collateral Obligation to have a LIBOR floor and there is no guarantee that any such LIBOR floor will fully mitigate the risk of falling LIBOR. If LIBOR payable on the Notes rises during periods in which LIBOR (or another applicable index) with respect to the various Collateral Obligations and Eligible Investments is stable or during periods in which the Issuer owns Collateral Obligations or Eligible Investments bearing interest at a fixed rate, or at a floating rate that is falling or is rising but is capped at a lower level, "excess spread" (*i.e.*, the difference between the interest collected on the Collateral Obligations and the sum of the interest payable on the Notes and certain transaction fees payable by the Issuer) that otherwise would be available as credit support may instead be used to pay interest on the Notes. There may also be a timing mismatch between the Notes and the underlying Collateral Obligations as the LIBOR (or another applicable index) on such Collateral Obligations may adjust more frequently or less frequently or on different dates than LIBOR on the Notes. Such a mismatch could result in the Issuer not collecting sufficient Interest Proceeds to make interest payments on the Notes. The Issuer will not enter into interest rate swap transactions to hedge any interest rate or timing mismatch.

Ongoing Investigations and Proposed Legislation Concerning LIBOR Could Adversely Affect an Investment in the Notes.

The Interest Rate on each Class of Notes is based on Libor. Regulators and law-enforcement agencies from a number of governments, including entities in the United States, Japan, Canada and the United Kingdom, have conducted or are conducting civil and criminal investigations into whether the banks that contributed to the British Bankers' Association (the "**BBA**") in connection with the calculation of daily Libor may have been under-reporting or otherwise manipulating or attempting to manipulate Libor. Several financial institutions have reached settlements with the U.S. Commodity Futures Trading Commission, the U.S. Department of Justice Fraud Section and the United Kingdom Financial Services Authority in connection with investigations by such authorities into submissions made by such financial institutions to the bodies that set Libor and other interbank offered rates. In such settlements, such financial institutions admitted to submitting rates to the BBA that were lower than the actual rates at which such financial institutions could borrow funds from other banks. Additional investigations remain ongoing with respect to other major banks. There can be no assurance that there will not be additional admissions or findings of rate-setting manipulation or that manipulations of Libor or other similar interbank offered rates will not be shown to have occurred. Any of such actions or other effects from such investigations could adversely affect the liquidity and value of the Notes.

Based on a review conducted by the Financial Conduct Authority (the "**FCA**") and a consultation conducted by the European Commission, proposals have been made for governance and institutional reform, regulation, technical changes and contingency planning. In particular: (a) new legislation has been enacted in the United Kingdom pursuant to which Libor submissions and administration are now "regulated activities" and manipulation of Libor has been brought within the scope of the market abuse regime; (b) legislation has been proposed which if implemented would, among other things, alter the manner in which Libor is determined, compel more banks to provide Libor submissions, and require these submissions to be based on actual transaction data; (c) Libor rates for certain currencies and maturities are no longer published daily; and (d) on July 9, 2013, it was announced that NYSE Euronext Rate Administration Limited will take over the administration of Libor from the BBA, subject to authorization from the FCA and following a period of transition. Accordingly, ICE Benchmark Administration Limited (formerly NYSE Euronext Rate Administration Limited) assumed this role on February 1, 2014. Any new administrator of Libor may make methodological changes to the way in which Libor is calculated or may alter, discontinue or suspend calculation or dissemination of Libor.

It is not possible to predict the changes that will ultimately be made to Libor, the effect of any such changes and any other reforms to Libor that may be enacted in the United Kingdom and elsewhere and the effect of any perceived inaccuracy of Libor. These matters may result in a sudden or prolonged increase or decrease in reported Libor rates, Libor being more volatile than it has been in the past and/or fewer loans utilizing Libor as an index for interest payments. An increase in alternative types of financing in place of Libor-based syndicated loans (resulting from a decrease in confidence of borrowers in such rates) may make it more difficult for the Issuer to source Collateral Obligations prior to the Effective Date or reinvest proceeds in Collateral Obligations with comparable interest rates that satisfy the reinvestment criteria specified herein or may increase interest rate mismatches between the Notes and the Collateral Obligations. See "*—Relating to the Notes—A decrease in LIBOR will lower the interest payable on the Notes and an increase in LIBOR may indirectly reduce the credit support to the Notes*" and "*—Relating to the Notes—The weighted average lives of the Notes may vary.*" In addition, questions surrounding the integrity in the process for determining Libor may have other unforeseen consequences, including potential litigation against banks and/or obligors on loans. Furthermore, any floating rate Collateral Obligations that reference discontinued Libor rates or which specifically refer to a Libor rate as it was administered by the BBA may be subject to a degree of contractual uncertainty. These matters may adversely affect the value of the floating rate Collateral Obligations and the Notes.

In addition, if the determination of Libor is subject to additional regulatory oversight or if the methodology for setting Libor is changed, it is possible that fewer banks will actively participate in the Libor submission process which could result in erratic swings in Libor. Any change to the methodology for setting Libor may result in interest rate levels different than those expected based on the methodology used in the past to set Libor and could lead to the reduction or elimination of Libor as a global benchmark going forward which could adversely affect the liquidity and value of the Notes. As noted above, if the interest rate on an increased proportion of the loans is based on a rate other than Libor or is based on a Libor methodology different than the one used to determine LIBOR for the Notes, the Issuer could have interest rate mismatches which could lead to shortfalls in available proceeds to make payments on the Notes. Such mismatches could adversely affect the liquidity and value of the Notes.

While the Issuer's assets and liabilities may be considered to be naturally hedged as the substantial majority of the interest payments due on the Issuer's assets are expected to be calculated based upon LIBOR and the Notes pay interest based upon LIBOR, an inaccurate LIBOR setting could have adverse effects on the Issuer and/or the holders of the Notes. For example, holders of the Notes would receive lower dollar amounts as interest payments if LIBOR was artificially lower than a properly functioning market would otherwise set LIBOR. Other negative consequences of the perceived inaccuracy of Libor could include fewer loans utilizing Libor as an index for interest payments and/or erratic swings in Libor, both of which could result in interest rate mismatches between the Issuer's assets and its liabilities and expose the Issuer to cash shortfalls. Investors should consider these recent developments when making their investment decision with respect to the Notes. Investors should consider the investigations into Libor and its possible effects in making their investment decision.

The weighted average lives of the Notes may vary

The average life of each Class of Notes is expected to be shorter than the number of years until its respective Stated Maturity date. Each such average life may vary due to various factors affecting the early retirement of Collateral Obligations from payments, defaults, or otherwise, the timing and amount of sales of such Collateral

Obligations, the ability of the Collateral Manager to invest collections and proceeds in additional Collateral Obligations, and the occurrence of any Mandatory Redemption, Optional Redemption, Tax Redemption, Special Redemption or Clean-Up Call Redemption. Retirement of the Collateral Obligations prior to their respective final maturities will depend, among other things, on the financial condition of the Obligors 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 loans 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. If an early payment of principal were to occur on any of the Notes at a time when interest rates on investments similar to the Notes are below current levels, the Notes would be repaid at par at a time when they may be trading in the market at a premium and when other investments bearing the same rate of interest relative to the level of risk assumed may be difficult or expensive to acquire. See "*Security for the Notes—Sales of Collateral Obligations; Additional Collateral Obligations and Investment Criteria*."

Projections, Forecasts and Estimates

Estimates of the average lives of the Notes, together with any projections, forecasts and estimates provided to prospective purchasers of the Notes, are forward-looking statements. Projections are necessarily speculative in nature, and it should be expected that some or all of the assumptions underlying the projections will not materialize or will vary significantly from actual results. Accordingly, actual results will vary from the projections, and such variations may be material. Some important factors that could cause actual results to differ materially from those in any forward-looking statements include changes in interest rates, exchange rates and default and recovery rates; market, financial or legal uncertainties; the timing of acquisitions of Collateral Obligations; differences in the actual allocation of Collateral Obligations among asset categories from those assumed; mismatches between the time of accrual and receipt of Interest Proceeds from the Collateral Obligations. None of the Issuer, Wells Fargo Securities, the Collateral Manager, the Retention Provider, the Transferor, the Trustee, the Collateral Administrator or any other party to this transaction or any of their respective affiliates has any obligation to update or otherwise revise any projections, forecasts or estimates, including any revisions to reflect changes in economic conditions or other circumstances arising after the date of this Offering Circular or to reflect the occurrence of unanticipated events.

Changes in Tax Law; No Gross-up in Respect of Offered Notes.

All payments made on the Offered Notes will be made without any deduction or withholding for or on account of any tax unless such deduction or withholding is required by applicable laws, as modified by the practice of any relevant governmental revenue authority then in effect. Although no U.S. withholding tax or deduction generally is imposed on the payments of interest or principal or other amounts on the Offered Notes currently to holders that provide appropriate tax certifications, there can be no assurance that, as a result of a change in any applicable law, treaty, rule, regulation, or interpretation thereof (whether by official or informal means), the payments on the Offered Notes would not in the future become subject to U.S. withholding tax or deductions. In addition, although no Irish withholding tax should be imposed on payments on the Offered Notes, there can be no assurance that, as a result of a change in any applicable law, treaty, rule, regulation, or interpretation thereof (whether by official or informal means), the payments on the Offered Notes would not in the future become subject to Irish withholding tax. In the event that any withholding tax or deduction is imposed on payments on the Offered Notes, the Issuer will not "gross up" payments to the holders of the Offered Notes.

Changes in Tax Law; No Gross-Up in Respect of Collateral Obligations.

A Collateral Obligation will only be eligible for purchase by the Issuer if, at the time it is purchased, either the payments thereon are not subject to withholding tax (other than withholding tax imposed on amendment fees, commitment fees, letter of credit fees and other similar fees) or the obligor thereof is required to "gross up" payments on account of such withholding taxes. There can be no assurance, however, that, as a result of any change in any applicable law, treaty, rule, regulation or interpretation thereof, the payments on the Collateral Obligations would not in the future become subject to withholding taxes. In that event, if the obligors of such Collateral Obligations were not then required to make "gross up" payments that cover the full amount of any such withholding taxes, the amounts available to make payments on the Notes would accordingly be reduced. There can be no

assurance that remaining payments on the Collateral Obligations would be sufficient to make timely payments on each Class of Notes.

The Issuer could become subject to tax; Tax Redemption

Subject to the assumptions, representations and covenants discussed under "*U.S. Federal Income Tax Considerations - U.S. Federal Income Tax Treatment of the Issuer*," Dechert LLP will deliver an opinion to the effect that the Issuer is and will be disregarded for U.S. federal income tax purposes. To prevent the Issuer from being attributed a different tax classification, Certificates will be subject to transfer restrictions that prohibit the acquisition of the Class E Notes and the Certificates by, or transfer to, any person who, directly or indirectly, does not beneficially own all of the Class E Notes and the Certificates after such transfer, unless an opinion of Dechert LLP, Cadwalader, Wickersham & Taft LLP or of counsel of nationally recognized standing is provided concluding that, following such transfer, the Issuer will not be subject to U.S. federal income tax on a net income basis (including any tax imposed under Section 1446 of the Code). Investors should be aware that opinions of counsel are based on certain assumptions, representations and covenants and do not have any binding effect on the U.S. Internal Revenue Service ("**IRS**") or the courts. If the Issuer were classified as a taxable mortgage pool, an association or publicly traded partnership that is taxable as a corporation, the income of the Issuer would be taxable at regular U.S. federal corporate income tax rates. In addition, if the Issuer were treated as a partnership for U.S. federal income tax purposes, it could be required to withhold on distributions to holders of Certificates and Class E Notes treated as equity for U.S. federal income tax purposes that are not United States persons. Such entity-level taxes on the Issuer could substantially reduce the amounts available for payments on the Offered Notes. The Issuer may be subject to Irish corporate tax if it has a permanent establishment in Ireland through which it engages in "trading" activities. The Issuer does not intend to have a permanent establishment in Ireland and does not expect to engage in such activities in Ireland. Even if the Issuer were to engage in those activities, it nevertheless should not be subject to Irish corporate tax due to its structure. There can be no assurance that, as a result of a change in any applicable law, treaty, rule, regulation, or interpretation thereof (whether by official or informal means) or otherwise, the Issuer will not be subject to tax on a net income basis (including any tax imposed under Section 1446 of the Code). In the event the Issuer were subject to tax on a net income basis (including any tax imposed under Section 1446 of the Code), the amounts available for payments on the Offered Notes could be substantially reduced and a Tax Event could occur. See "*Description of the Securities— Optional Redemption*."

Changes in the tax status of holders of the Offered Notes; Optional Redemption

An indirect owner of the Retention Provider intends to claim the benefits of the Convention between the Government of Ireland and Government of the United States of America for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital Gains signed at Dublin on July 28, 1997, including the protocols thereto (the "**Treaty**"). To qualify for benefits under the Treaty, a limitation is imposed on deductible payments made to persons who are Non-Qualified Holders. To ensure the indirect owners continued qualification for benefits under the Treaty, each purchaser or transferee of an Offered Note will be required to make certain representations as to its tax status. Moreover, if an indirect owner of the Retention Provider determines that it (or its owners) could be materially adversely affected as a result of the tax status of the holders of the outstanding Offered Notes, a redemption of the Offered Notes in the manner described under "*Description of the Securities—Optional Redemption*" may occur.

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 regulation promulgated 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**") (collectively, the "**Plan Asset Regulation**"), resulting in the assets of the Issuer being deemed to be "plan assets," certain adverse consequences could occur. 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 Collateral 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 the Plan Asset Regulation 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 ("**Plan Asset 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 each Class of Offered 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 Issuer also believes, although there is little guidance on this subject, that if the Class E Notes became transferable to a person other than the sole beneficial owner purchasing the Class E Notes from the Issuer as part of the initial Offering (the "**Class E Transferability Date**"), at that time the Class E 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 E Notes prior to the Class E Transferability Date and the Certificates 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 representations, to restrict ownership of the Class E Notes prior to the Class E Transferability Date and the Certificates 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 the Plan Asset Regulation. However, there can be no assurance that ownership of the Class E Notes and the Certificates 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 Offered Notes.

Emerging Requirements of the European Community

As part of the harmonization of securities markets in Europe, the European Commission has adopted Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 and amended Directive 2001/34/EC (collectively known as the "**Transparency Directive**") that, among other things, imposes continuing financial reporting obligations on issuers that have certain types of securities admitted to trading on an EU regulated market, including the Irish Stock Exchange. In addition, Directive 2003/6/EC of the European Parliament and of the Council of 28 January 2003 on insider dealing and market manipulation (the "**Market Abuse Directive**") harmonizes the rules on insider trading and market manipulation in respect of securities admitted to trading on an EU regulated market and requires issuers of such securities to disclose any non-public price-sensitive information as soon as possible, subject to certain limited exemptions. The listing of the Offered Notes on the Regulated Market of the Irish Stock Exchange would subject the Issuer to regulation under these directives, although the requirements applicable to the Issuer are not yet fully clarified. The Indenture will not require the Issuer to maintain a listing for any Class of Notes on an EU regulated market if compliance with these directives (or other requirements adopted by the European Commission or a relevant EU Member State) becomes burdensome in the sole judgment of the Collateral Manager.

The Issuer is recently formed, has no significant operating history, has no assets other than the Assets and is limited in its permitted activities

The Issuer is a recently formed or organized entity and has no prior operating history or track record. Accordingly, the Issuer has no performance history for investors to consider in making a decision as to whether or not to invest in the Offered Notes.

Non-compliance with restrictions on ownership of the Offered Notes and the 1940 Act could adversely affect the Issuer

The Issuer has not registered with the United States Securities and Exchange Commission ("**SEC**") as an investment company pursuant to the 1940 Act, in reliance on an exception under Section 3a-7 of the 1940 Act providing that any issuer who is engaged in the business of purchasing, or otherwise acquiring and holding Eligible Assets (and in activities related or incidental thereto), and who does not issue redeemable securities, will be deemed not to be an investment company for purposes of the 1940 Act; *provided* the conditions specified therein are met including, among other things, that (a) the Issuer issues Fixed-Income Securities or other securities which entitle their holders to receive payments that depend primarily on the cash flow from Eligible Assets, (b) securities sold by the Issuer or any underwriter thereof are Fixed-Income Securities rated, at the time of initial sale, in one of the four highest categories assigned to long-term debt by rating agencies, except that (i) any Fixed-Income Securities may be sold to Institutional Accredited Investors and (ii) any securities may be sold to Qualified Institutional Buyers as defined in Rule 144A under the Securities Act and Persons (other than any rating organization rating the Issuer's securities) involved in the organization or operation of the Issuer or an affiliate (as defined in Rule 405 under the Securities Act) of such Person; *provided* that the Issuer or any underwriter thereof effecting such sale exercises reasonable care to ensure that such securities are sold and will be resold to Persons specified in clause (i) or (ii) of this clause (b), (c) the Issuer acquires additional Eligible Assets, or disposes of Eligible Assets, only if (i) the assets are acquired or disposed of in accordance with the terms and conditions set forth in the Indenture or other instruments pursuant to which the Issuer's securities are issued, (ii) the acquisition or disposition of the assets does not result in a downgrading in the rating of the Issuer's outstanding Fixed-Income Securities, and (iii) the assets are not acquired or disposed of for the primary purpose of recognizing gains or decreasing losses resulting from market value changes, and (d) the Issuer (i) appoints a trustee that meets certain requirements set forth in the 1940 Act and that is not affiliated (as defined in Rule 405 under the Securities Act) with the Issuer or with any Person involved in the organization or operation of the Issuer, which does not offer or provide credit or credit enhancement to the Issuer, and that executes an agreement or instrument concerning the Issuer's securities containing certain provisions set forth in the 1940 Act, (ii) takes reasonable steps to cause the trustee to have a perfected security interest or ownership interest valid against third parties in those Eligible Assets that principally generate the cash flow needed to pay the Fixed-Income Security holders, *provided* that such assets otherwise required to be held by the trustee may be released to the extent needed at the time for the operation of the Issuer, and (iii) takes action necessary for the cash flow derived from Eligible Assets for the benefit of the holders of Fixed-Income Securities to be deposited periodically in a segregated account that is maintained or controlled by the trustee consistent with the rating of the outstanding Fixed-Income Securities. In addition, the Issuer has not registered with the SEC as an investment company in reliance on an exclusion under Section 3(c)(7) of the 1940 Act for investment companies (a) whose outstanding securities are beneficially owned only by "qualified purchasers" and by "knowledgeable employees" with respect to the Issuer or the Collateral Manager and certain transferees thereof identified in Rules 3c-5 and 3c-6 under the 1940 Act and (b) which do not make and do not propose to make a public offering of their securities in the United States.

Certain restrictions under Rule 3a-7 and Section 3(c)(7) under the 1940 Act limit the transferability of the Classes of Notes respectively affected thereby, and certain restrictions under Rule 3a-7 under the 1940 Act limit the Issuer's ability to acquire or dispose of the Assets, which restrictions may have an adverse effect on the ability of the Issuer to make payments on the Notes.

If the SEC or a court of competent jurisdiction were to find that the Issuer is required, but in violation of the 1940 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 could sue the Issuer and recover any damages caused by the violation; and (iii) any contract to which the Issuer is a party that is made in violation of the 1940 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 1940 Act. In addition, such a finding would constitute an Event of Default under the Indenture. Should the Issuer be subjected to any or all of the foregoing, the Issuer would be materially and adversely affected.

Book-entry holders are not considered Holders of Notes under the Indenture and may delay receipt of payments on the Notes

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, the Issuer will not 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, except for such rights with respect to which such a beneficial owner has delivered a Beneficial Ownership Certificate to the Trustee as permitted under the Indenture. Notwithstanding anything in the Indenture or this Offering Circular to the contrary, a holder of a beneficial interest in Global Notes will have the right to receive access to reports on the Trustee's website and will be entitled to exercise rights to vote, give consents and directions which holders of the related Class of Notes are entitled to give under the Indenture upon delivery of a certificate (a "**Beneficial Ownership Certificate**") to the Trustee as set forth in the Indenture which certifies (i) that such Person is a beneficial owner of an interest in a Global Note, (ii) the amount and Class of Notes so owned and (iii) that such Person will notify the Trustee when it sells all or a portion of its beneficial interest in such Class of Notes. A separate Beneficial Ownership Certificate must be delivered each time any such vote, consent or direction is given; *provided* that nothing will prevent the Trustee from requesting additional information and documentation with respect to such beneficial owner; *provided, further,* that the Trustee shall be entitled to conclusively rely on the accuracy and currency of each Beneficial Ownership Certificate and shall not be required to obtain any further information in this regard.

Holders of beneficial interests in the Notes owning a book-entry Note may experience some delay in their receipt of distributions of interest and principal on such Note since distributions are required to be forwarded by the Trustee to DTC, and DTC will be required to credit such distributions to the accounts of its participants which thereafter will be required to credit them to the accounts of the applicable holders of the Notes, either directly or indirectly through indirect participants. See "*Description of the Securities—Form, Denomination and Registration of the Notes*."

Future actions of any Rating Agency and other NRSROs 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 Notes at any time in the future. Further, the Rating Agencies may retroactively apply any such new standards to the ratings of the Notes. Any such action could result in a substantial lowering, suspension or withdrawal of any rating assigned to any Note, despite the fact that such Note might still be performing fully to the specifications set forth for such Note in this Offering Circular and the Transaction Documents. Additionally, any Rating Agency may, at any time and without any change in its published ratings criteria or methodology, lower, suspend or withdraw any rating assigned by it to any class of Notes. If any rating initially assigned to any Note is subsequently lowered, suspended or withdrawn for any reason, holders of the Notes may not be able to resell their Notes without a substantial discount. Any reduction, suspension or withdrawal to the ratings on any class of 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 Notes, the Issuer will be utilizing ratings assigned by the Rating Agencies to Obligors of individual Collateral Obligations. 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 Instruments. Any change in such methods and standards could result in a significant rise in the number of CCC Collateral Obligations or Caa Collateral Obligations in the Assets, which could cause the Issuer to fail to satisfy an 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 Notes. See "*Description of the Securities—Mandatory Redemption*" and "*Security for the Notes—The Coverage Tests*."

Requirements imposed on Rating Agencies could result in withdrawal of ratings if certain actions are not taken by the Arranger

On June 2, 2010, certain amendments to Rule 17g-5 under the Exchange Act promulgated by the SEC became effective. Amended Rule 17g-5 requires each rating agency providing a rating of a structured finance product such as this transaction paid for by the "arranger" (defined as the issuer, the underwriter or the sponsor) to obtain an undertaking from the arranger to (i) create a password protected website (the "**17g-5 Website**"), (ii) post on that website all information provided to the rating agency in connection with the initial rating of any Class of Notes and all information provided to the rating agency in connection with the surveillance of such rating, in each case, contemporaneous with the provision of such information to the applicable rating agency and (iii) provide access to such website to other rating agencies that have made certain certifications to the arranger regarding their use of the information. In this transaction, the "arranger" is the Issuer.

Each Rating Agency must be able to reasonably rely on the arranger's certifications. If the arranger does not comply with its undertakings to any Rating Agency with respect to this transaction, such Rating Agency may withdraw its ratings of the Notes, as applicable. In such case, the withdrawal of ratings by any Rating Agency may adversely affect the price or transferability of the Notes and may adversely affect any beneficial owner that relies on ratings of securities for regulatory or other compliance purposes.

The Issuer has established certain procedures in connection with its obligations under Rule 17g-5. Pursuant to these procedures, the Issuer has engaged the Collateral Administrator to act as its information agent (in such capacity, the "**Information Agent**") to receive and post or cause to be posted to the 17g-5 Website rating related information provided in writing to the Information Agent as provided under the Indenture by the Issuer, the Trustee or the Collateral Manager upon receipt of such written information from the provider. However, there can be no assurance that these procedures will be sufficient to ensure compliance with the Issuer's obligations under Rule 17g-5.

Under Rule 17g-5 under the Exchange Act, nationally recognized statistical rating organizations ("**NRSROs**") not currently rating the Notes will be able to have access to the information that the Issuer has provided to the Rating Agencies to allow them to rate, or undertake credit rating surveillance on, the Notes. Any NRSRO accessing such information may, in its sole discretion, provide an unsolicited rating on any of the Notes. There can be no assurance that any such unsolicited rating assigned by an NRSRO (other than the Rating Agencies) on any of the Notes will not be lower than the ratings of such Notes then assigned by the Rating Agencies, and any such unsolicited rating may be lowered, suspended or withdrawn at any time. If such unsolicited rating is lower than the ratings then assigned by the Rating Agencies, the market value of such Notes may be adversely affected and the liquidity of such Notes may be significantly reduced.

The SEC adopted Rule 15Ga-2 and Rule 17g-10 to the Exchange Act on August 27, 2014, which require certain filings or certifications be made in connection with the performance of "due diligence services" for a rated asset-backed security on or after June 15, 2015. In connection with the Effective Date, the Indenture requires an accountant's agreed upon procedures report to be delivered to the Trustee as described under "*Use of Proceeds—Effective Date*," and portions of this report may constitute "due diligence services" under Rule 17g-10. Under Rule 17g-10, a provider of third-party due diligence services must provide to each NRSRO rating the transaction a written certification on Form ABS Due Diligence-15E (which obligation to provide such report may be satisfied if an issuer agrees to post such Form ABS Due Diligence-15E to the Rule 17g-5 website maintained in connection with the transaction). If the Issuer or any third party that provides due diligence services to the Issuer does not comply with its obligations under Rule 17g-10, Moody's may withdraw (or fail to confirm) their ratings of the Notes. In such case, the withdrawal of, or failure to confirm, ratings by Moody's may adversely affect the price or transferability of the Notes, may result in the holders of the Notes receiving payments of principal significantly earlier than expected and may adversely affect any beneficial owner that relies on ratings of securities for regulatory or other compliance purposes.

Financial information provided to holders of Notes in the Monthly Report and the Distribution Report will be unaudited

On a monthly basis, excluding any month in which a scheduled distribution occurs and beginning on June 18, 2017, the Issuer will compile and make available (or cause to be compiled and made available) to each Rating

Agency, the Trustee, the Collateral Manager, the Initial Purchaser and to any other Holder shown on the register of a Note, and any beneficial owner of a Note who has delivered a Beneficial Ownership Certificate to the Trustee, a monthly report on a settlement date basis (the "**Monthly Report**"), setting forth certain information with respect to the Collateral Obligations in respect of the immediately preceding month, including certain loss and delinquency information on the Collateral Obligations and measurements of each criterion included in the Investment Criteria. In preparing and furnishing the Monthly Reports, the Issuer will rely conclusively on the accuracy and completeness of the information or data regarding the Collateral Obligations that has been provided to it by the Collateral Administrator, which will rely conclusively on the accuracy and completeness of the information provided to it by the Collateral Manager, and neither the Issuer nor the Collateral Administrator will verify, recompute, reconcile or recalculate any such information or data. On each Payment Date, the Issuer shall make available to each Rating Agency, the Trustee, the Collateral Manager, the Initial Purchaser and to any holder shown on the register of a Note, and any beneficial owner of a Note who has delivered a Beneficial Ownership Certificate to the Trustee, a report containing all the information in a Monthly Report (*provided* that such Payment Date is not also a Redemption Date for an Optional Redemption, Tax Redemption, Clean-Up Call Redemption or Refinancing in each case in whole but not in part) reported for the full Collection Period as well as setting forth, among other things, certain information as to the distributions being made on such Payment Date, the fees to be paid to the Collateral Manager and the Trustee and the loss and delinquency status of the Collateral Obligations (the "**Distribution Report**"). These Monthly Reports and Distribution Reports will also be made available at the internet website of the Trustee. Not all such information or other financial information furnished to holders of the Notes will be audited and reported upon, and an opinion will not be expressed, by an independent public accountant with respect to all such information.

Money laundering prevention

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 Issuer to enact anti-money laundering policies. It is possible that there could be promulgated legislation or regulations that would require the Issuer, the Initial Purchaser or other service providers to the Issuer, 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 Issuer to implement additional restrictions on the transfer of the Notes. The Issuer reserves the right to request such information as is necessary to verify the identity of a holder of a Note 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*."

Regulation U requirements

Regulation U ("**Regulation U**") issued by the Board of Governors of the Federal Reserve System (the "**FRB**") governs certain extensions of credit that are secured by Margin Stock by persons other than securities broker dealers (such persons, "**Regulation U Lenders**"). Under current interpretations of Regulation U by the FRB and its staff, the purchase of a debt security such as the Notes in a private placement may constitute an extension of credit. Among other things, Regulation U generally imposes certain limits on the amount of credit that Regulation U Lenders may extend that is used to purchase or carry Margin Stock ("**Purpose Credit**"). The provisions of the Indenture and the Collateral Management Agreement are intended to ensure that the credit extended by purchasing the Notes is not Purpose Credit. Regulation U Lenders are not subject to the Regulation U credit limits with respect to extensions of credit that are not Purpose Credit.

Regulation U also generally requires Regulation U Lenders (other than persons that are banks within the meaning of Regulation U) who are not otherwise exempted from the registration requirements to register with the FRB. Under an interpretation of Regulation U by the FRB staff, Qualified Institutional Buyers purchasing debt securities in a transaction in compliance with Rule 144A are not required to register with the FRB where the

proceeds of the securities are not Purpose Credit. Non-U.S. Persons purchasing Notes in reliance on Regulation S who do not have their principal place of business in a Federal Reserve District of the FRB also are not required to register with the FRB. However, other purchasers of the Notes should consider whether they are required to register with the FRB. In addition, purchasers of Notes subject to the registration requirements of Regulation U, as well as any purchasers of the Notes that are "banks" within the meaning of Regulation U, also may be subject to certain additional requirements under Regulation U. If the registration or other requirements of Regulation U are applicable to a purchaser of Notes, and such purchaser does not comply with such requirements, such failure may affect the enforceability of such purchaser's Notes. Purchasers of the Notes should consult their own legal advisors as to Regulation U and its application to them.

Relating to the Collateral Obligations

Below investment-grade Collateral Obligations involve particular risks

The Collateral Obligations will consist of non-investment grade Broadly Syndicated Loans (or interests in non-investment grade Broadly Syndicated Loans) and non-investment grade Middle Market Loans (or interests in non-investment grade Middle Market Loans), which are subject to liquidity, market value, credit, interest rate, reinvestment and certain other risks. It is anticipated that the Collateral Obligations 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 Collateral Obligations 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 Collateral Obligations. In particular, the market for non-investment grade loans has experienced periods of severe price volatility and reduced liquidity. 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. Historically, the trading volume in the loan market has been small relative to the high-yield debt securities market. In addition, middle market loans are less liquid and have a smaller trading market than the market for broadly syndicated loans.

Middle market loans may have default rates that differ (and may be greater) than has been the case for broadly syndicated loans or 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.

Some of the Collateral Obligations may be Cov-Lite Loans. Cov-Lite Loans typically do not have Maintenance Covenants. Ownership of Cov-Lite Loans may expose the Issuer to different risks, including with respect to liquidity, price volatility and ability to restructure loans, than is the case with loans that have Maintenance Covenants.

A non-investment grade loan, bond or other 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 Notes (or in the case of Moody's, the Class A Notes only) or any recovery rate used in connection with

any analysis of the Notes that may have been prepared by Wells Fargo Securities for or at the direction of holders of any Notes.

Credit ratings are not a guarantee of quality

Credit ratings of Collateral Obligations represent the rating agencies' opinions regarding their credit quality and are not a guarantee of quality or performance. A credit rating is not a recommendation to buy, sell or hold any Collateral Obligations and may be subject to revision or withdrawal at any time by the assigning rating agency. If 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 (as is also the case in respect of the Notes) 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 and other NRSROs can adversely affect the market value or liquidity of the Offered Notes*."

The nature of the Obligors, lack of publicly available information about them and the volatility inherent in the Obligors' businesses expose holders of the Notes to risk of losses

The Obligors of the Collateral Obligations will primarily be middle market businesses, the majority of which will be privately-owned. There is generally no publicly available information about these businesses. Some Obligors may not meet net income, cash flow and other coverage tests typically imposed by lenders. Numerous factors may affect an Obligor's ability to repay its related Collateral Obligation, including the failure to meet its business plan, a downturn in its industry or continuing negative economic conditions. A deterioration in an Obligor's financial condition and prospects may be accompanied by deterioration in the collateral securing the Collateral Obligation. Such deterioration might impair the ability of the Obligor thereof to obtain refinancing or force it to seek to have the Collateral Obligation restructured.

Loans to middle market businesses may carry more inherent risks than loans to larger, publicly-traded entities. These companies generally have more limited access to capital and higher funding costs, may be in a weaker financial position, may need more capital to expand or compete, and may be unable to obtain financing from public capital markets or from traditional sources, such as commercial banks. Accordingly, loans made to middle market companies may involve higher risks than loans made to companies that have larger businesses, greater financial resources or are otherwise able to access traditional credit sources. Middle market businesses typically have narrower product lines and smaller market shares than large businesses. Therefore, they tend to be more vulnerable to competitors' actions and market conditions, as well as general economic downturns. These businesses may also experience substantial variations in operating results. The success of a middle market business may also depend on the management talents and efforts of one or two persons or a small group of persons. The death, disability or resignation of one or more of these persons could have a material adverse impact on the Obligor. In addition, middle market businesses often need substantial additional capital to expand or compete and will have borrowed money from other lenders. Also, middle market businesses might need additional capital to survive the current economic downturn.

The Senior Secured Loans and Second Lien Loans will be secured by the assets of the related Obligors. In the case of Second Lien Loans and certain Senior Secured Loans, the Issuer's rights to payment and its security interest will be subordinated to the payment rights and security interests of one or more senior lenders. See "*—Second Lien Loans contain terms that may expose holders of the Notes to risk of losses on these Loans*." Often, a deterioration in an Obligor's financial condition and prospects will be accompanied by a deterioration in the value of the collateral securing the related Collateral Obligation, if any, by an inability to obtain refinancing and/or by the need to restructure the Collateral Obligation. These conditions may make it difficult for the Issuer to obtain repayment of the Collateral Obligations. As a result, holders of the Notes may experience a loss on their investment.

The concentration of Collateral Obligations to a limited number of Obligors or to Obligors in particular industries or regions could impair payments on the Notes if the relevant Obligor, industry or region were to experience economic difficulties

Payments on the Notes could be impaired by the concentration of the Collateral Obligations to any one Obligor or to Obligors in a particular industry or geographic location in the event that such Obligor, industry or geographic location were to experience adverse business conditions or other adverse events. In addition, defaults may be highly correlated with particular Obligors, industries or geographic locations. If Collateral Obligations involving a particular Obligor, industry or geographic location represent more than a small proportion of the Collateral Obligations, and that Obligor, industry or geographic location were to experience difficulties that would affect payments on the Collateral Obligations, the overall timing and amount of collections on the Collateral Obligations held by the Issuer may differ from what investors may have expected, and investors may experience delays or reductions in payments they expected to receive on the Notes.

The Transferor will depend on the investment expertise of the Management Company and its key personnel

Each Collateral Obligation in the portfolio will have been acquired (whether from an affiliate, third party or at initial funding) by the Collateral Manager on behalf of the Issuer only to the extent that the opportunity to invest in such Collateral Obligation was made available to the MidCap Group by Apollo Capital Management, L.P. (the "**Management Company**"). The Management Company has significant discretion as to the implementation of the MidCap Group's investment objectives. In particular, the performance of the Transferor (and the MidCap Group in general) and such other Affiliates will depend on the success of the Management Company's investment process. Pursuant to the terms of the investment management agreement (the "**Management Agreement**"), a credit committee at the Management Company will make the final review and determination as to whether a particular investment should be acted upon by the MidCap Group. Although the Management Company will not make any determination or recommendation as to the Issuer's acquisition of any particular Collateral Obligation from the MidCap Group, the quality and composition of the Issuer's assets will have been influenced by the relationship of the Management Company with the MidCap Group.

Warehouse arrangements

Certain lenders (including Affiliates of Wells Fargo Securities) are providing financing to certain entities that are Affiliates of the Transferor pursuant to one or more credit facilities (each as amended or otherwise modified from time to time a "**Credit Facility**"). One or more Affiliates of the Collateral Manager, including the Transferor, is also acting as collateral manager pursuant to the related transaction documents under each Credit Facility. The Collateral Obligations to be acquired by the Issuer on the Closing Date (the "**Closing Date Assets**") are currently being financed (or will be acquired by the Closing Date Seller on or prior to the Closing Date from an affiliate or third party prior to being transferred) under the Loan and Servicing Agreement, which is one of the Credit Facilities, and are permitted to be released from the lien of the Loan and Servicing Agreement, or the lenders and agents under such Credit Facility will agree to release the lien of the Loan and Servicing Agreement. The borrower under the Loan and Servicing Agreement will transfer the Closing Date Assets owned by it to the Transferor on the Closing Date, the Transferor will transfer such Closing Date Assets to the Retention Provider and the Retention Provider will transfer such Closing Date Assets to the Issuer. For convenience, the Closing Date Assets may be assigned directly to the Issuer by the Closing Date Seller under the Master Participation Agreement and deemed to have been transferred by the Closing Date Seller to the Transferor, by the Transferor to the Retention Provider and by the Retention Provider to the Issuer pursuant to the Master Loan Sale Agreement, as applicable. For administrative convenience, the Closing Date Seller will participate certain of the Closing Date Assets to the Issuer so that upon the elevation date for such assets, the assets may be assigned directly to the Issuer. No such direct participation is intended to effect the sale of assets from the Closing Date Seller to the Transferor, the Transferor to the Retention Provider or the Retention Provider to the Issuer. As described above, such sale is effected pursuant to the Master Loan Sale Agreement. In addition, following the Closing Date, the Issuer may acquire additional Collateral Obligations from Affiliates of the Transferor that are borrowers under the Credit Facilities. It is expected that the Credit Facilities, including the Loan and Servicing Agreement, will continue following the Closing Date and any subsequent acquisitions of assets subject to such Credit Facilities.

All or a portion of the proceeds from the sale of the Offered Notes will be used by the Issuer on the Closing Date to acquire the Closing Date Assets from the Retention Provider and by the Retention Provider, the Transferor

or the Closing Date Seller (or any Person from whom the Closing Date Seller acquired such Closing Date Asset) to pay certain amounts due to the lenders under the Loan and Servicing Agreement or other credit agreement in connection with the release of the lien on the related Closing Date Assets transferred to the Issuer on the Closing Date. See "*Use of Proceeds*." The Closing Date Seller is entitled to receive the interest earned on such Closing Date Assets prior to the Closing Date. The Retention Provider or its affiliates may retain all or a portion of certain origination, closing, structuring and other fees relating to the Closing Date Assets (but not fees which are customarily passed through to lenders in connection with the purchase and ownership of Collateral Obligations, including, without limitation, OID, amendment and waiver fees which will be for the benefit of the Issuer). The Issuer may pay the purchase price for the Closing Date Assets directly to the Closing Date Seller for administrative convenience.

The Collateral Obligations purchased by the Issuer following the Closing Date may be less favorable in terms of their relative prices, coupons, spreads, prepayments, average lives, maturities, credit risks and market liquidity than the Closing Date Assets. Collateral Obligations purchased following the Closing Date may provide less interest coverage with respect to the Notes than the Closing Date Assets as of the Closing Date, and resale values may be lower. There can be no assurance that Collateral Obligations purchased following the Closing Date will perform the same or as well as the Closing Date Assets.

The interests and incentives of the parties to the Credit Facilities, including the Credit Facility with an Affiliate of Wells Fargo Securities (the "**Loan and Servicing Agreement**"), may not necessarily be aligned with the interests and incentives of the Issuer and of purchasers of the Notes. Pursuant to the Loan and Servicing Agreement, the Transferor, as collateral manager for the applicable borrower thereunder, selected each Collateral Obligation subject to the Loan and Servicing Agreement. Each such Collateral Obligation was subject to the consent of the administrative agent thereunder, Wells Fargo Securities, prior to its inclusion in the collateral for the Loan and Servicing Agreement.

It is anticipated that on the Closing Date that the Retention Provider will purchase (and/or receive in exchange for a contribution of Collateral Obligations) all of the Class E Notes and the Certificates from the Issuer.

By its acquisition thereof, the Issuer is deemed to have consented on behalf of itself and prospective investors in the Issuer to the Issuer's acquisition of the initial Collateral Obligations, and, by its purchase of Notes, each Holder is deemed to have consented on behalf of itself to such acquisitions.

Related Persons; purchase price of Closing Date Assets and certain additional Collateral Obligations prior to the Effective Date

Prospective investors should note that (i) the Transferor, the Retention Provider, the Collateral Manager, the Closing Date Seller, the borrowers under the Credit Facilities and the Issuer are all related entities; (ii) the sale and acquisition of the Closing Date Assets and of certain additional Collateral Obligations expected to be acquired by the Issuer from the Retention Provider prior to, and after, the Effective Date could be considered a conflict of interest because of the related nature of such entities, (iii) the acquisition price paid by the Issuer for the Closing Date Assets acquired pursuant to the Master Loan Sale Agreement will be an amount equal to the fair market value thereof, which will be as reasonably determined, on the date the applicable party agrees to acquire such Collateral Obligation, without any third-party valuation and (iv) no representation or warranty with respect to the fair market value thereof on the date of acquisition thereof by the Issuer is made by the Transferor, the Retention Provider, the Collateral Manager, the Issuer or any other Person. To the extent the fair market value of the Collateral Obligations acquired by the Issuer exceeds the net cash purchase price paid by the Issuer to the Retention Provider, such excess amount shall be deemed to be a capital contribution by the Retention Provider to the Issuer. Each investor purchasing an interest in the Offered Notes on the Closing Date will receive information prior to the Closing Date regarding the Closing Date Assets and certain additional Collateral Obligations expected to be acquired by the Issuer from the Retention Provider prior to the Effective Date and, by such purchase, will be deemed to have acknowledged the foregoing and to have consented for the benefit of (and on behalf of) the Issuer to such acquisition of the Closing Date Assets and any such additional Collateral Obligations by the Issuer for purposes of any applicable law. There is no assurance that all of the additional Collateral Obligations so disclosed to the investors will be purchased by the Issuer.

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

Except as set forth under "*—Related Persons; purchase price of Closing Date Assets and certain additional Collateral Obligations prior to the Effective Date*", the Issuer and the Collateral Manager will not provide the holders of the Notes or the Trustee with financial or other information (which may include material non-public information) they receive pursuant to the Collateral Obligations and related documents unless required to do so pursuant to the Indenture or the Collateral Management Agreement and such disclosure would not be prohibited by applicable law or the Underlying Instruments relating to such Collateral Obligation. The Collateral Manager also will not disclose to any of these parties the contents of any notice it receives pursuant to the Collateral Obligations or related documents unless required to do so pursuant to the Indenture or the Collateral Management Agreement. In particular, the Collateral Manager will not have any obligation to keep any of these parties informed as to matters arising in relation to any Collateral Obligations, except as may be required in connection with the regular reports prepared by the Issuer (or the Collateral Administrator on behalf of the Issuer) in accordance with 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 Collateral 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 Collateral Management Agreement. Furthermore, the Collateral 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; the Issuer's investment activities may expose it to third party litigation

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 Collateral Obligations, 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 or bondholder (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 or bondholder to the claims of the disadvantaged creditor or creditors, a remedy called "**equitable subordination**."

Because affiliates of, or Persons related to, the Issuer or the Collateral 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 or bondholders 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.

The Issuer's investment activities also subject it to the normal risks of becoming involved in litigation by third parties. This risk would be somewhat greater if the Issuer or any affiliate of the Issuer were to exercise control or significant influence over a company's direction. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would be borne by the Issuer and would, absent bad faith, willful misconduct, gross negligence or reckless disregard by the Collateral Manager in the performance of its duties under the terms of the Collateral Management Agreement and the terms of the Indenture applicable to the Collateral Manager, reduce the amounts available for payment to holders of Notes. The Collateral Manager and certain others would also be indemnified by the Issuer in connection with such litigation, subject to certain conditions, further reducing such available amounts.

Additionally, the Issuer has agreed to indemnify the Initial Purchaser, the Collateral Manager, the Trustee and the Collateral Administrator in connection with certain litigation which may occur in connection with the disclosure set forth herein, the issuance of the Notes and the Transaction Documents. The expense of defending against any such claims and paying any amounts pursuant to settlements or judgments would be payable as Administrative Expenses and borne by the Issuer and would reduce the funds available for distribution and the Issuer's net assets. While the aggregate amount of any such payments prior to payments on the Notes are limited and capped by the Administrative Expense Cap, all such amounts are payable prior to any distributions on the Certificates.

Reinvestment Risk

The amount of Collateral Obligations purchased on the Closing Date and the amount and timing of purchases of Collateral Obligations after the Closing Date will affect the cash flows available to make payments on, and the return to the holders of, the Notes. Reduced liquidity and relatively lower volumes of trading in certain Collateral Obligations, in addition to restrictions on investment under the Indenture, could result in periods of time during which the Issuer is not able to fully invest its available cash in Collateral Obligations or during which the Collateral Obligations available for investment will not be of comparable quality. It is unlikely that the Issuer's available cash will be invested fully in Collateral Obligations at any time. Further, the longer the period such cash is invested in Eligible Investments, the greater the adverse impact may be on the aggregate amount of Interest Proceeds available for distribution by the Issuer. The associated reinvestment risk on the Collateral Obligations will be borne by the holders of the Notes in the reverse of such securities' order of priority, beginning with the Certificates. Although the Collateral Manager may mitigate this risk to some degree during the Reinvestment Period by declaring a Special Redemption, the Collateral Manager is not required to do so. Any Special Redemption will result in early deleveraging of the Issuer and may result in a lower yield on the Certificates.

The level of earnings on reinvestments will depend on the availability of investments determined by the Collateral Manager to be appropriate investments by the Issuer and the interest rates thereon. The need to satisfy the Investment Criteria and identify acceptable investments may require the purchase of Collateral Obligations having lower yields than those Collateral Obligations previously acquired by the Issuer as Collateral Obligations mature, prepay or are sold or require temporary investment in Eligible Investments. In addition, Obligors on the Collateral Obligations may be more likely to exercise any rights they may have to redeem or refinance such obligations when interest rates or spreads are declining. Any decrease in the yield on the Collateral Obligations will reduce the amounts available for distribution on the Notes.

Liability related to the disclosures in this Offering Circular (other than Collateral Manager Information) are limited recourse obligations of the Issuer and investors must rely on available collections from the Collateral Obligations to satisfy any claims related thereto

The Issuer prepared this Offering Circular. If an investor in the Notes were to commence litigation relating to this Offering Circular (including the disclosure under "*Credit Risk Retention*" below) it would be required to institute such litigation against the Issuer and any liability of the Issuer related thereto would be payable solely from the Assets of the Issuer. Further, any award or recourse related thereto would be payable as "Administrative Expenses" solely from the Collateral Obligations and all other Assets pledged by the Issuer to the Trustee for the benefit of holders of the Notes and other Secured Parties pursuant to the Indenture. If distributions on such Assets are insufficient to make payments on the Notes and such awards or recourse, no other assets (in particular, no assets of the Collateral Manager, the Retention Provider, Wells Fargo Securities, the Trustee, the Collateral Administrator or any affiliates of any of the foregoing) will be available for payment of the deficiency. Administrative Expenses of the Issuer are senior (but subject to a cap in most instances) to other amounts owing by the Issuer. If the Issuer were required to pay any such amounts it could reduce or eliminate the ability of the Issuer to make payments to the holders of the Notes. See "*—Relating to the Notes—The Subordination of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes will affect their right to payment.*"

Limited funds available to the Issuer to pay its operating and indemnification expenses

The funds available to the Issuer to pay certain fees and expenses of the Trustee and the Collateral Administrator and for payment of the Issuer's other accrued and unpaid Administrative Expenses are limited as described in "*Overview of Terms—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 it may not be able to defend or prosecute legal proceedings that may be brought against it or that it might otherwise bring to

protect its interests. For example, certain service providers who are not paid in full may have the right to resign. In addition, the Issuer may not be able to defend actions that may be brought against it or prosecute legal proceedings that it might otherwise bring to protect the interests of the Issuer. Moreover, under the Transaction Documents, the Issuer has indemnified the other parties to the transaction for certain losses and liabilities (including, to the extent permitted by applicable law, liabilities related to disclosure contained in this Offering Circular (other than Collateral Manager Information). If a holder or other Person brings litigation against the Issuer or an indemnified party, the related costs of such litigation including any damages or awards levied against the Issuer or an indemnity payable by the Issuer would be Administrative Expenses. Any such payments could adversely affect the ability of the Issuer to make payments on the Notes.

Participation on creditors' committees

The Issuer may (through the Collateral Manager) participate on committees formed by creditors to negotiate the management of financially troubled Obligors that may or may not be in bankruptcy or the Issuer may seek to negotiate directly with the Obligors with respect to restructuring issues. If the Issuer does join a creditors' committee, the participants of the committee would be interested in obtaining an outcome that is in their respective individual best interests and there can be no assurance of obtaining results most favorable to the Issuer 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 expose the Issuer to liability to such other creditors who disagree with the Issuer's actions.

Loan prepayments may affect the ability of the Issuer to invest and reinvest available funds in appropriate Collateral Obligations; Loan prepayments may reduce the expected return on an investment in the Notes

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 the Reinvestment Period. Any inability of the Issuer to reinvest payments or other proceeds in Collateral Obligations 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 Notes and the distributions on the Certificates. 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.

In addition, when Obligors prepay principal, up to a full period's interest for the period in which such prepayment occurs will not be paid, potentially resulting in interest shortfalls. Any such shortfalls would reduce the amount of Interest Proceeds available for distribution to the holders of the Notes. In addition, certain of the Collateral Obligations may include excess cash flow capture and other mandatory prepayment provisions which may accelerate the amortization of the applicable Collateral Obligation. Further, any permanent commitment reduction or termination with respect to any Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation in the Collateral may result in excess funds being transferred from the Revolver Funding Account to the Principal Collection Subaccount and used to make accelerated principal payments on the Offered Notes. Prepayments, accelerated amortization due to structural features of the Collateral Obligations, the inability of Obligors to refinance Collateral Obligations and defaults on the Collateral Obligations, Contributions of Principal Proceeds received after the Reinvestment Period, mandatory redemptions, Special Redemptions, Optional Redemptions, Tax Redemptions, as well as the liquidation of the collateral securing the Collateral Obligations, may cause the Issuer to pay principal on the Notes sooner than a holder of a Note expected. Similarly, upon the occurrence of an Event of Default, holders of the Notes may also receive principal on the Notes sooner than they expected. Holders of the Notes may not be able to reinvest those distributions of principal at yields equivalent to the yield on the Notes; therefore, the ultimate return a holder of a Note receives on its investment in the Notes may be less than the return it expected on the Notes at the time of initial investment.

The rate of prepayments, amortization and defaults with respect to the Collateral Obligations may be influenced by various factors including:

- changes in Obligor performance and requirements for capital;

- the level of interest rates;
- lack of credit being extended and/or the tightening of credit underwriting standards in the commercial lending industry; and
- the overall economic environment, including any fluctuations in economic conditions.

The Issuer cannot predict the actual rate of prepayments, accelerated amortization or defaults which will be experienced with respect to the Collateral Obligations. As a result, the Notes may not be a suitable investment for any investor that requires a regular or predictable schedule of principal payments.

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

A portion of the Collateral Obligations is expected to be 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 Notes and the distributions on the Certificates. There is no assurance that the Issuer will be able to acquire Collateral Obligations that satisfy the Investment Criteria.

Investing in Participation Interests 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 Interest. As a result, the Issuer will assume the credit risk of both the borrower and the institution selling the Participation Interest, 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 Interest 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 (other than the Closing Date Participations) 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 in the event of the insolvency of the institution from whom the Issuer purchases such Participation Interest.

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 Instruments, 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.

Liens arising by operation of law may take priority over the Issuer's Liens on an Obligor's underlying collateral and impair the Issuer's recovery on a Collateral Obligation in the event of a default or foreclosure on that Collateral Obligation

Federal or state law may grant Liens on the collateral (if any) securing a Collateral Obligation that have priority over the Issuer's interest. An example of a Lien arising under federal or state law is a tax or other government Lien on property of an Obligor. A tax Lien may have priority over the Issuer's Lien on such collateral. To the extent a Lien having priority over the Issuer's Lien exists with respect to the collateral related to any Collateral Obligation, the Issuer's interest in the asset will be subordinate to such Lien. If the creditor holding such Lien exercises its remedies, it is possible that, after such creditor is repaid, sufficient cash proceeds from the underlying collateral will not be available to pay the outstanding principal amount of such Collateral Obligation.

Insolvency considerations with respect to Obligors 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. Obligors. Insolvency considerations will differ with respect to non-U.S. Obligors. If a court in a lawsuit brought by an unpaid creditor or representative of creditors of an Obligor of a Collateral Obligation, such as a trustee in bankruptcy, were to find that the Obligor 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 Obligor (i) was insolvent, (ii) was engaged in a business for which the remaining assets of such Obligor 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 Obligor or to recover amounts previously paid by the Obligor in satisfaction of such indebtedness. The measure of insolvency for purposes of the foregoing will vary. Generally, an Obligor 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 Obligor 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 Obligor was "insolvent" upon giving effect to such incurrence. In addition, in the event of the insolvency of an Obligor of a Collateral Obligation, payments made on such Collateral Obligation 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 Offered 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 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E 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.

Bankruptcy of one or more Obligors could reduce or eliminate the return to the Issuer on a Collateral Obligation and so may impair payments on the Offered Notes

There is a significant risk that one or more of the Obligors may enter bankruptcy proceedings. Such proceedings may result in, among other things, a substantial reduction in the interest rate and a substantial write down of the principal of the related Collateral Obligation(s). There are a number of significant risks inherent in the bankruptcy process. First, rulings in a bankruptcy case are the product of adversarial proceedings determined by a court with equitable powers, and are beyond the control of specific creditors. Second, a bankruptcy filing may adversely and permanently affect the Obligor making such filing. The Obligor may lose its market position, key employees, relationships with important suppliers, access to the capital markets or other sources of liquidity and otherwise become incapable of restoring itself as a viable entity. If for this or any other reason, a Chapter 11 reorganization is converted to or becomes a liquidation, the liquidation value of the Obligor may not equal the liquidation value that was believed to exist at the time of purchase of the Collateral Obligation. Third, the duration of a bankruptcy case is difficult to predict. A creditor's return on investment can be adversely affected by delays while a plan of reorganization is being negotiated, approved by parties in interest and confirmed by the bankruptcy court until it ultimately becomes effective. For example, in general, unsecured creditors' claims for interest accrued between the bankruptcy filing and a reorganization plan's consummation are not allowed. Fourth, the administrative costs of the debtor and official committees in connection with the bankruptcy case are frequently high and will be paid out of the debtor's estate prior to any return to general unsecured creditors. If the bankruptcy case involves protracted or difficult litigation, or turns into a liquidation, substantial assets may be devoted to such administrative costs; a creditor's costs in monitoring and enforcing its investment also may substantially increase. Certain claims that have priority by law (for example, claims for taxes) also may be significant. Finally, under certain circumstances, creditors' claims against bankrupt or insolvent entities may be subject to equitable subordination or recharacterization as equity (particularly where the creditor is an insider or otherwise controls the debtor), and transfers made to creditors may be subject to avoidance and disgorgement as preferences or fraudulent conveyances as described above.

Collateral Obligations to non-U.S. Obligors may expose the Issuer to different economic risks, legal and regulatory uncertainties and potential impairment of enforcement actions against such Obligors

The Collateral Obligations may consist, in part, of loans to Obligors organized under the laws of, or all or substantially all of the assets of which are located in, a country other than the United States. Collateral Obligations to Obligors located outside the United States and its territories may involve greater risks than Collateral Obligations to Obligors located in the United States and its territories. These risks include: (a) less publicly available information about the related Obligor; (b) varying levels of governmental regulation and supervision; and (c) the difficulty of enforcing legal rights in a foreign jurisdiction and related uncertainties as to the status, interpretation and application of laws. Moreover, foreign companies are generally not subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those applicable to U.S. companies. The economies of individual non-U.S. countries may also differ from the U.S. economy in such respects as the effect of the global recession, growth or contraction of the gross domestic product, rate of inflation, volatility of currency exchange rates, depreciation, capital reinvestment, resources, self-sufficiency and balance of payments position. Accordingly, Collateral Obligations to non-U.S. Obligors could face risks which would not pertain to Collateral Obligations to U.S. Obligors, which could expose the Issuer to losses on such Collateral Obligations.

Rising interest rates may render some Obligors unable to pay interest on their Collateral Obligations

Most of the Collateral Obligations bear interest at floating interest rates. To the extent interest rates increase, periodic interest obligations owed by the related Obligors will also increase. As prevailing interest rates increase, some Obligors may not be able to make the increased interest payments on Collateral Obligations or refinance their balloon and bullet Collateral Obligations, resulting in payment defaults and Defaulted Obligations. Conversely if interest rates decline, Obligors may refinance their Collateral Obligations at lower interest rates which could shorten the average life of the Notes.

Balloon loans and bullet loans present refinancing risk

The Collateral Obligations that are Middle Market Loans or interests therein are primarily balloon loans or bullet loans. Balloon and bullet loans involve a greater degree of risk than other types of transactions because they are structured to allow for either small (balloon) or no (bullet) principal payments over the term of the Collateral Obligation, requiring the Obligor to make a large final payment upon the maturity of the Collateral Obligation. The ability of such Obligor to make this final payment upon the maturity of the Collateral Obligation typically depends upon its ability either to refinance the Collateral Obligation prior to maturity or to generate sufficient cash flow to repay the Collateral Obligation at maturity. The ability of any Obligor to accomplish any of these goals will be affected by many factors, including the availability of financing at acceptable rates to such Obligor, the financial condition of such Obligor, the marketability of the collateral (if any) securing such Collateral Obligation, the operating history of the related business, tax laws and the prevailing general economic conditions. Consequently, such Obligor may not have the ability to repay the Collateral Obligation at maturity, and the Issuer could lose all or most of the principal of the Collateral Obligation. Given their relative size and limited resources and access to capital, some Obligors may have difficulty in repaying or refinancing their balloon and bullet Collateral Obligation on a timely basis or at all.

The Collateral Obligations will primarily be "Cash Flow" Loans

The Collateral Obligations to be acquired by the Issuer on the Closing Date are, and it is projected that additional Collateral Obligations will be, primarily "cash flow" corporate loans to the Obligors thereof. Cash flow lending involves lending money to an Obligor based primarily on the expected cash flow, profitability and enterprise value of such Obligor, with the value of any tangible assets as secondary protection. In some cases, cash flow loans may have more leverage than traditional bank debt. In the case of a senior cash flow loan, the originator thereof or other collateral agent on behalf of the lenders generally takes a Lien on substantially all of an Obligor's assets, but the value of those tangible assets is typically less than the amount of money advanced to the Obligor of such loan. The risks inherent in cash flow lending include, among other things:

- reduced use of or demand for the Obligor's products or services and, thus, reduced cash flow of the Obligor to service the loan as well as reduced value of the Obligor as a going concern;
- inability of the Obligor to manage working capital, which could result in lower cash flow;
- inaccurate or fraudulent reporting of the Obligor's positions or financial statements;
- economic downturns, regulatory changes, litigation or other macroeconomic factors that affect the Obligor's business, financial condition and prospects; and
- the Obligor's poor management of its business.

Additionally, many Obligors use the proceeds of cash flow transactions to make acquisitions. Poorly executed or poorly conceived acquisitions can tax management, systems and the operations of the existing business, causing a decline in both the Obligor's cash flow and the value of its business as a going concern. In addition, many acquisitions involve new management teams taking over control of an Obligor. These new management teams may fail to execute at the same level as the former management team, which could reduce the cash flow of the Obligor available to service the loan, as well as reduce the value of the Obligor as a going concern.

The Collateral Obligations are illiquid investments and the fair market value thereof may be lower than the par value thereof

There is no established trading market for the Collateral Obligations and the fair market value of the Collateral Obligations may not be readily determinable and may fluctuate significantly on a monthly, quarterly and annual basis. However, it is expected that the fair market value of the Collateral Obligations to be acquired by the Issuer on the Closing Date will be less than the aggregate outstanding principal amount (*i.e.*, the par amount) thereof. If the Notes are accelerated as a result of an Event of Default, there is no certainty that the Assets will be able to be sold at a price sufficient to pay the Aggregate Outstanding Amount of the Notes. In addition, although the Notes may have specified initial levels of credit enhancement on the Closing Date relative to the aggregate outstanding principal amount of the Collateral Obligations to be acquired by the Issuer on the Closing Date and/or the outstanding

principal amount of the Certificates, such credit enhancement will be less if measured relative to the fair market value of the Collateral Obligations on the Closing Date or from time to time thereafter.

Because valuations of the Collateral Obligations are inherently uncertain, the determinations of Market Value of any Collateral Obligations may differ materially from the values that may ultimately be attained in the sale of any such Collateral Obligation. In addition, given the limited trading market for Collateral Obligations and the uncertainty as to their Market Value at any point in time, if the Collateral Manager (on behalf of the Issuer) seeks to sell a Collateral Obligation, it may not be able to do so at a favorable price or at all.

Restructurings of Collateral Obligations may decrease the value thereof

The Collateral Manager, on behalf of the Issuer, has broad authority to direct and supervise the investment and reinvestment of the Collateral Obligations, which may include the execution of amendments, waivers, modifications and other changes to the Collateral Obligations in accordance with the Collateral Management Agreement. If the Collateral Manager certifies to the Trustee that the Collateral Manager either would not be permitted to, or would not elect to enter into a proposed Specified Amendment, the related Collateral Obligation may be repurchased or substituted at the option of the Transferor as described in "*Security for the Notes—Optional Repurchase or Substitution*." During the current economic and business conditions it is likely that the incidence of amendments, waivers, modifications and restructurings of Collateral Obligations will continue to increase, which may lead to a decrease in the value of such Collateral Obligations that could adversely affect the Issuer's ability to make payments to holders of the Notes.

There is no guarantee that any particular restructuring strategy pursued by the Collateral Manager will maximize the value of or any recovery on any Collateral Obligation. Any restructuring can fundamentally alter the nature of the related Collateral Obligation and restructurings are not subject to the same underwriting standards that are employed in connection with the origination or acquisition of Collateral Obligations. Any restructuring could alter, reduce or delay the payment of interest or principal from any Collateral Obligation and, as such, could delay the timing and reduce the amount of payments made on the Notes. Restructurings of Collateral Obligations might result in extensions of the term thereof, which would likely extend the average life of such Collateral Obligations and, in the aggregate, could extend the weighted average life of the Collateral Obligations. Such extension could delay the timing of payments made on the Notes.

Additionally, an Obligor may issue Equity Securities in connection with the restructuring of any Collateral Obligation. If any restructuring of a Collateral Obligation takes the form of an exchange of a Collateral Obligation for new debt and Equity Securities or for all Equity Securities, the Issuer will receive its share of such Equity Securities as part of the Assets. The Collateral Manager may direct the Trustee to sell any Equity Security or any asset received by the Issuer in a workout, restructuring or similar transaction at any time without restriction and shall use its commercially reasonable efforts to effect the sale of any Equity Security, regardless of price (i) 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; and (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.

Cross-Collateralization arrangements may be subject to challenge, which could result in the subordination of the Issuer's interest in the Collateral securing the Collateral Obligation or the Collateral Obligation itself

Certain of the Collateral Obligations are cross-collateralized. Cross-collateralization arrangements involving more than one Obligor could be challenged as fraudulent conveyances by creditors of the related Obligor in an action brought outside a bankruptcy case or, if the Obligor were to become a debtor in a bankruptcy case, by the Obligor's representative (or the Obligor as debtor-in-possession). A Lien granted by the Obligor could be voided if a court were to determine that (a) the Obligor was insolvent when it granted the Lien securing the Collateral Obligation, was rendered insolvent by the granting of the Lien, was left with inadequate capital when it allowed its properties to be encumbered by a Lien securing the Collateral Obligation, or was not able to pay its debts as they became due, and (b) the Obligor did not receive fair consideration or reasonably equivalent value when it allowed its properties to be encumbered by a Lien securing the Collateral Obligation.

Among other things, a legal challenge to the granting of the Liens may focus on the benefits realized by the related Obligor from the applicable Collateral Obligation proceeds, as well as the overall cross-collateralization. If a

court were to conclude that the granting of the Liens to cross-collateralize a Collateral Obligation was a voidable fraudulent conveyance, such court could:

- subordinate all or part of the pertinent Collateral Obligation to existing or future indebtedness of that Obligor;
- recover payments made under that Collateral Obligation; or
- take other actions detrimental to the holders of the Notes, including, under certain circumstances, invalidating the Collateral Obligation or the Issuer's interest in the collateral securing the cross-collateralized Collateral Obligation.

Any of these actions could impair, delay or eliminate payments by the Obligor of a Collateral Obligation that is cross-collateralized, which would adversely affect the Issuer's ability to make payments on the Notes.

Agency provisions with respect to the Collateral Obligations may impair enforcement actions against the Collateral securing the Collateral Obligation and expose the holders of the Notes to losses on the Collateral Obligations

The Collateral Obligations are expected to consist primarily of agented loans. Under the Underlying Instruments with respect to agented loans, a financial institution or other entity (including an Affiliate of the Issuer, the Collateral Manager, the Transferor or the Retention Provider) may be designated as the administrative agent and/or collateral agent or a Person acting in a similar capacity. Under these arrangements, the Obligor grants a Lien to the agent on behalf of the holders of the associated indebtedness and directs payments to the agent, which, in turn, will distribute payments to the holders of the associated indebtedness, including the Issuer. As is typical in such agency arrangements, the agent is the party responsible for administering and enforcing the loan and generally may take actions only in accordance with the instructions of a majority or two thirds in commitments and/or principal amount of the associated indebtedness. In the case of loans that are part of a capital structure that includes both senior and subordinated indebtedness, the agent may take such action in accordance with the instructions of one or more senior tranches of the related indebtedness without any right to vote (except in certain limited circumstances) on the subordinated tranches of the related indebtedness. In many cases, the Collateral Obligations held by the Issuer represent less than the amount of associated indebtedness sufficient to compel such actions or represent subordinated debt which is precluded from acting and, consequently, the Issuer would only be able to direct such actions if instructions from the Issuer were made in conjunction with other holders of associated indebtedness that together with the Issuer compose the requisite percentage of the related indebtedness then entitled to take action. Conversely, if holders of the required amount of the associated indebtedness other than the Issuer desire to take certain actions, such actions may be taken even if the Issuer did not support such actions. Furthermore, if a Collateral Obligation is subordinated to one or more senior loans made to the Obligor, the ability of the Issuer to exercise such rights may be subordinated to the exercise of such rights by the senior lenders. However, as is typical for such Collateral Obligations, certain actions, including amendments to the payment terms of the Collateral Obligations, typically may not be taken without consent of all holders of the related indebtedness, including the Issuer. If the Collateral Obligation is a syndicated Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation, other lenders may fail to satisfy their full contractual funding commitments for such Collateral Obligation, which could create a breach of contract resulting in a lawsuit by the Obligor against the lenders and adversely affect the fair market value of such Collateral Obligation.

There is a risk that a loan agent may become bankrupt or insolvent. Such an event would delay, and possibly impair, any enforcement actions undertaken by holders of the associated indebtedness such as the Issuer, including attempts to realize upon the collateral securing the Collateral Obligation and/or direct the agent to take actions against the related Obligor or the collateral securing a Collateral Obligation and actions to realize on proceeds of payments made by Obligors that are in the possession or control of one or more holders of the associated indebtedness, assignors thereunder, or such other financial institution.

In addition, agented Collateral Obligations typically allow for the agent to resign with certain advance notice. Such Collateral Obligations may not, however, contain provisions for holders of the associated indebtedness to remove the agent thereunder. Therefore, under circumstances where removal of the agent would be in the best interests of the holders of the associated indebtedness (including the Issuer), the underlying loan documents would have to be amended by the requisite holders of the associated indebtedness with the agreement of the agent to

remove the agent thereunder. For additional risks related to the Collateral Manager, the Transferor, the Retention Provider or an Affiliate thereof serving as an agent with respect to a Collateral Obligation see "*–The use of financing provided by Credit Facilities may result in additional risks to holders of the Notes due to both the conflicts of interest and the complexity inherent in these arrangements*".

The Collateral Obligations may have different seasoning

The Collateral Obligations to be acquired by the Issuer on the Closing Date have different seasoning periods. Further, there is no guarantee that any additional Collateral Obligations subsequently added to the Assets will or will not have significant seasoning. With respect to Collateral Obligations with short seasoning periods, it is difficult to predict what level of delinquencies and defaults the Issuer may experience over the life of such Collateral Obligations, including, in the case of Collateral Obligations which do not initially require the related Obligor to make principal payments, once such Obligors are required to begin making principal payments. With respect to Collateral Obligations with extensive seasoning, certain of such Collateral Obligations have experienced credit deterioration since their origination or acquisition. Furthermore, the shortened remaining life of such a seasoned Collateral Obligation may increase the need for such Collateral Obligation to be restructured to avoid a default if refinancing cannot be obtained or may encourage the related Obligor to seek to refinance (and, thus possibly prepay) such Collateral Obligation. Such delinquencies, defaults, restructurings and refinancings may reduce, delay, accelerate or otherwise alter payments to the holders of the Notes.

The composition and characteristics of the Collateral Obligations will change over the term to maturity of the Notes

The characteristics of the Collateral Obligations will change between the Closing Date and the end of the Reinvestment Period as a result of the purchase of additional Collateral Obligations during such period. The characteristics of the Collateral Obligations will also change from time to time as a result of dispositions of Collateral Obligations, restructurings, substitutions and repurchases as well as scheduled amortization, potential prepayments, extensions, waivers, modifications, delinquencies and defaults on Collateral Obligations. As discussed in the introductory paragraph of this "*Risk Factors*" section, such events could materially and adversely change the characteristics and increase the related risks associated with the Notes. Prospective investors are urged to consider the implications of such changes before investing in the Notes.

Certain Collateral Obligations feature interest rates which allow the Obligor to elect between interest rate indexes

The interest rates payable by Obligors under certain Collateral Obligations may vary based on an option available to the related Obligor under the applicable Underlying Instruments which allows the Obligor to change interest rate indexes. Under the terms of these Collateral Obligations, the related Obligor may periodically elect to have the interest rate for all or a portion of the outstanding principal balance of the related Collateral Obligation determined by reference to either the LIBOR rate (and may generally elect to change the interest rate between a one month and three month LIBOR rate, or in limited circumstances, up to one year) or the prime rate as set forth in the applicable Underlying Instruments. Because the Notes bear interest based upon three month LIBOR, there will be a basis mismatch between the Notes and the underlying Collateral Obligations with interest rates based on a rate other than three month LIBOR rate or a prime rate, and this mismatch would become more acute to the extent a greater proportion of these Obligors elected to have the interest rate on such Collateral Obligations be determined by reference to a rate other than the three-month LIBOR rate or the prime rate specified in the Underlying Instruments. In addition, if Obligors under these Collateral Obligations elect interest rates based on a prime rate at a time when it is advantageous for them to do so because LIBOR is rising or is at a high level relative to the prime rate, the "*excess spread*" (*i.e.*, the difference between the interest collected on the Collateral Obligations and the sum of the interest payable on the Notes and certain transaction fees payable by the Issuer) that otherwise would be available as credit support may instead be used to pay interest on the Notes. Additionally, some Obligors may have chosen or been required to hedge their interest rate risk by entering into interest rate hedge agreements or other swaps or derivative transactions. In the event that the counterparty in such hedging transaction is unable to make required payments thereunder to the related Obligor, such Obligor may be unable to meet its payment obligations under the related Collateral Obligation. Such a circumstance could lead to such Collateral Obligation undergoing a restructuring, becoming a Defaulted Obligation or otherwise negatively impact the ability of the related Obligor to make payments on such Collateral Obligation which would adversely affect the Issuer's ability to make payments on the Notes.

Second Lien Loans contain terms that may expose holders of the Notes to risk of losses on these Loans

A portion of the Collateral Obligations may consist of Second Lien Loans. Second Lien Loans are secured by Liens on the collateral securing the Collateral Obligation that are subordinated to the Liens of at least one other class of obligations of the related Obligor, and thus, the ability of the Issuer to exercise remedies after a Second Lien Loan becomes a Defaulted Obligation is subordinated to, and limited by, the rights of the senior creditors holding such other classes of obligations. In many circumstances, the Issuer may be prevented from foreclosing on the collateral securing a Second Lien Loan until the related senior loan is paid in full. Moreover, any amounts that might be realized as a result of collection efforts or in connection with a bankruptcy or insolvency proceeding involving a Second Lien Loan must generally be turned over to the senior secured lender until the senior secured lender has realized the full value of its own claims. In addition, certain of the Second Lien Loans contain provisions requiring the Issuer's interest in the collateral to be released in certain circumstances. These Lien and payment obligation subordination provisions may materially and adversely affect the ability of the Issuer to realize value from Second Lien Loans and adversely affect the Issuer's ability to make payments on the Notes.

Restrictions on ability to assign certain Collateral Obligations and the related collateral may expose the Issuer to a higher risk of loss on the Collateral Obligations

Certain of the Collateral Obligations contain provisions prohibiting the Collateral Obligations from being assigned or otherwise transferred to parties who do not meet certain criteria set forth in the Underlying Instruments. If following an Event of Default, the Trustee attempts to sell the Collateral Obligations subject to such restrictions, the Trustee will not be able to sell the Collateral Obligations to a transferee that did not meet the criteria in the applicable Underlying Instruments. Such provisions could have an adverse effect on the value received for such Collateral Obligations by the Trustee upon any sale or liquidation.

Risks associated with the acquisition of additional Collateral Obligations during the Reinvestment Period and the maintenance of the Revolver Funding Account may reduce the yield on the Assets and, consequently, the amounts available to make payments on the Offered Notes

During the Reinvestment Period, it is anticipated that amounts available for investment and reinvestment will be used to purchase additional Collateral Obligations and deposited into the Revolver Funding Account to cover unfunded commitments with respect to such additional Collateral Obligations which are Revolving Collateral Obligations and Delayed Drawdown Collateral Obligations. Certain factors, such as prevailing interest rates and market conditions for Collateral Obligations generally, may require the purchase of additional Collateral Obligations with lower loan rates than those of the Collateral Obligations acquired by the Issuer on the Closing Date, thereby reducing the Issuer's yield on the Collateral Obligations. In addition, from the date such amounts are received until the date that such amounts are used to purchase additional Collateral Obligations, such funds will be maintained temporarily in cash or Eligible Investments with a stated maturity as selected by the Collateral Manager on behalf of the Issuer, which may further reduce the yield on the Assets. Furthermore, amounts in the Revolver Funding Account will be maintained in cash or invested in Eligible Investments that will likely have a yield less than the interest rate of the Notes. Any decrease in the yield on the Collateral Obligations or other Assets will have the effect of reducing the amounts available to make payments of principal and interest on the Offered Notes. In addition, the Transferor will have the option to provide Substitute Collateral Obligations to the Issuer, subject to certain conditions. The acquisition of each additional Collateral Obligation and each Substitute Collateral Obligation by the Issuer is subject to the satisfaction of the Portfolio Acquisition and Disposition Requirements and, in the case of the Substitute Collateral Obligations, the Substitute Collateral Obligation Qualification Conditions and certain other criteria described under "*Security for the Notes—Optional Repurchase or Substitution*." The need to satisfy such conditions and other factors, such as prevailing interest rates and market conditions for Collateral Obligations generally, may require the purchase of additional Collateral Obligations and the substitution of Substitute Collateral Obligations with lower interest rates than those of the Collateral Obligations acquired by the Issuer on the Closing Date, thereby reducing the Issuer's yield on the Assets. Further, Obligors may be more likely to exercise any prepayment rights they may have under the related Underlying Instruments when interest rates or spreads are declining. Any decrease in the yield on the Collateral Obligations or other Assets will have the effect of reducing the amounts available to make payments on the Notes.

Structural Risks

Recharacterization of the transfer of the Assets as other than a true sale in the event of a bankruptcy of the Transferor or an Affiliate of the Transferor could result in the delay, reduction or elimination of payments to the Holders of the Notes

Distribution of proceeds of the Assets to the Issuer could be delayed for an indefinite period of time if the Transferor or an Affiliate of the Transferor (including a borrower under a Credit Facility) that owned such Collateral Obligation prior to sale to the Issuer, as applicable, were to become a debtor in a bankruptcy case and creditors of the Transferor or such Affiliate, as applicable, acting as a debtor-in-possession or a bankruptcy trustee for the Trustee or such Affiliate, as applicable, were to assert that the transfer of the Collateral Obligations from the Transferor to the Retention Provider was ineffective to remove such Collateral Obligations from the estate of the Transferor or such Affiliate, as applicable. Until the bankruptcy court ruled on such assertion, distributions of proceeds of the Assets may be subject to the automatic stay provisions of the Bankruptcy Code. Furthermore, if such bankruptcy court were to hold that the Collateral Obligations were property of the bankruptcy estate of the Transferor or such Affiliate, as applicable, the bankruptcy court could authorize the adjustment of the debt. In addition, if the transfer of the Collateral Obligations were recharacterized as a pledge instead of a sale, certain tax liens on the property of the Transferor or such Affiliate, as applicable, would have priority over the Retention Provider or the Issuer's interest in the Collateral Obligations. In any of such cases, distributions to the holders of the Notes could be delayed or reduced. In addition, a bankruptcy court could: (a) authorize the sale of the Collateral Obligations if the proceeds of the sale could satisfy the amount of the debt deemed owed by the Transferor or such Affiliate, as applicable, or if the bankruptcy court found that certain other conditions were satisfied; and/or (b) authorize the substitution of other collateral in lieu of the Collateral Obligations to secure the debt. In the Master Loan Sale Agreement, the Transferor will represent and warrant to the Retention Provider and the Issuer that (other than for accounting and tax purposes) the conveyance of the Collateral Obligations to the Retention Provider is a valid sale and transfer of the Collateral Obligations to the Retention Provider. In the Master Loan Sale Agreement, the Retention Provider will represent and warrant to the Issuer that (other than for accounting and tax purposes) the conveyance of the Collateral Obligations to the Issuer is a valid sale and transfer of the Collateral Obligations to the Issuer, and the Retention Provider will take all actions that are required under applicable law to evidence the Issuer's ownership interest in the Collateral Obligations sold by the Transferor, although there can be no assurance that the parties' intent would be given effect in the event of a bankruptcy of the Transferor or the Retention Provider. In the Master Participation Agreement, the Closing Date Seller will represent and warrant that the conveyance of the Closing Date Participations is a valid sale and transfer. In addition, to the extent that the Transferor first acquired such Collateral Obligation from an affiliate, recharacterization of the transfer of such transfer of such asset to the Transferor could have a similar impact to that described above.

Bankruptcy of the Transferor, Retention Provider or any pre-closing seller of participations to the Transferor or the Retention Provider could result in the delay, reduction or elimination of payments to the Holders of the Notes

If the Transferor, the Retention Provider, the Closing Date Seller or any post-closing seller of Participation Interests becomes subject to any bankruptcy or insolvency proceedings, payments and proceeds of any such Participation Interest purchased by the Issuer therefrom may be delayed or reduced. Any of the foregoing events could materially and adversely affect the Issuer's ability to make payments or distributions on the Notes.

The Issuer relies on the Collateral Manager for proper servicing of the Collateral Obligations, and any failure by the Collateral Manager to service the Collateral Obligations could increase the holders of the Notes' risk of loss on the Offered Notes

Pursuant to the Collateral Management Agreement, MidCap Capital Management will act as the initial Collateral Manager of the Collateral Obligations. Subject to certain limitations in the Collateral Management Agreement, the Collateral Manager will exercise or refrain from exercising or enforcing its rights arising under the Collateral Obligations or any related documents in accordance with the servicing standard and other terms and provisions set forth therein. The Issuer is relying on the customary business practices of the Collateral Manager with respect to the management of the Collateral Obligations. None of the holders of the Notes, the Trustee or the Issuer has any right to compel the Collateral Manager to take or refrain from taking any actions other than in accordance with the Collateral Management Agreement. The Collateral Manager relies heavily on the performance and integrity of its personnel in making credit decisions with respect to the Collateral Obligations and in servicing the Collateral Obligations. Because there is generally little or no publicly available information about the Obligors,

the Collateral Manager cannot independently confirm or verify the information provided by its personnel for use in making credit and funding decisions. Additionally, because most of the Obligors on the Collateral Obligations do not publicly report their financial condition, the Issuer and Collateral Manager are more susceptible to fraud if committed by any such Obligor, which could cause the Assets to suffer losses in value. The failure of an Obligor to accurately report its financial position, compliance with loan covenants or eligibility for additional borrowings could result in the Collateral Manager being unable to manage the related Collateral Obligation(s) in accordance with Collateral Management Agreement, potentially leading to defaults in payments on such Collateral Obligation(s) and the loss of some or all of the principal of such Collateral Obligation(s).

Deteriorating financial conditions or other events with respect to the Collateral Manager or with respect to any Affiliate of the Collateral Manager which provide services to the Collateral Manager could cause MidCap Capital Management to be unable to fulfill its duties as Collateral Manager under the Collateral Management Agreement at any time between the Closing Date and the payment in full of the Notes. Further, the Collateral Manager may elect to resign as Collateral Manager, although no such resignation shall be effective until another qualified Collateral Manager has been approved and has accepted the Collateral Manager's duties and obligations in writing. The Collateral Manager may also assign or delegate its obligations if it provides prior written notice to each Rating Agency and obtains the consent of the Issuer and the consent of (voting separately) a Majority of the Controlling Class and a Majority of the Certificates. Under certain circumstances, the Collateral Manager may assign or delegate its obligations to an Affiliate without the consent of any other party, *provided* that such Affiliate is professionally competent and such assignment satisfies the requirements of the Investment Advisers Act. See "*The Collateral Management Agreement—Removal, Resignation and Replacement of the Collateral Manager*" and "*The Collateral Management Agreement—Assignment*."

In the event of certain defaults under the Collateral Management Agreement, a Supermajority of the Controlling Class or a Majority of the Certificates may direct the Issuer to remove the Collateral Manager for Cause, and a successor Collateral Manager shall be appointed. See "*The Collateral Management Agreement—Removal, Resignation and Replacement of the Collateral Manager*." There are few third parties that are qualified to perform the Collateral Manager's duties, including, in particular, managing a loan portfolio of the nature of the Collateral Obligations (which, as a loan portfolio that will ultimately be composed primarily of Middle Market Loans, requires expertise in that particular area of the loan market). There can be no assurance that a qualified entity would be willing and able to act as successor Collateral Manager or that it would be willing to do so in consideration of the management fees and the other terms applicable to the Collateral Manager. There is no assurance that a successor Collateral Manager will be able to manage the Assets according to the same standards as the initial Collateral Manager. Any such transfer of the Collateral Obligations to a successor Collateral Manager could result in reduced or delayed collections, delays in processing payments on the Collateral Obligations and information in respect thereof, and a failure to meet all required management procedures, and could adversely affect the Issuer's ability to make payments to holders of the Notes.

If an event relating to bankruptcy, insolvency or receivership occurs with respect to the Collateral Manager but no other trigger event with respect to the Collateral Manager has occurred, an unpaid creditor of the Collateral Manager or a representative of creditors of the Collateral Manager, such as a trustee in bankruptcy, or the Collateral Manager acting as a debtor-in-possession, would have the power to prevent the appointment of a successor Collateral Manager, in which case the party acting as Collateral Manager could continue to manage the Collateral Obligations. A bankrupt or insolvent Collateral Manager may not be able to manage the Collateral Obligations in accordance with all the requirements of the Collateral Management Agreement, which could adversely affect the Issuer's ability to make payments to holders of the Notes.

Closing Date Acquisition of Collateral Obligations

All initial investors in the Notes, by virtue of the acquisition of a beneficial interest in such Notes, will be deemed to have consented to the purchase of the Collateral Obligations (or Participation Interests therein) acquired by the Issuer from the Retention Provider (including the Closing Date Participation Interests and related Collateral Obligations for administrative convenience) in accordance with the Master Loan Sale Agreement and in accordance with the related Master Participation Agreement.

Risks Relating to the Collateral Manager

The Collateral Manager has limited operating history; past performance of the Collateral Manager and its affiliates not indicative

The Collateral Manager was formed in October 2016. The Collateral Manager is a Registered Investment Adviser. The Collateral Manager has no experience serving as a collateral manager for collateralized loan obligation transactions, though it does serve as servicer in one asset-backed securitization. The Collateral Manager will utilize employees from MidCap Financial Services, LLC and MidCap Financial Services (Ireland) Limited to perform its obligations under the Indenture, the Collateral Management Agreement and any other Transaction Documents. The past performance of the Collateral Manager or its principals in other portfolios or investment vehicles may not be indicative of the results that the Collateral Manager may be able to achieve with the Collateral Obligations. Similarly, the past performance of the Collateral Manager or its principals over a particular period may not necessarily be indicative of the results that may be expected in future periods. Furthermore, the nature of, risks associated with, and strategies guiding the Issuer's investments may differ substantially from those investments and strategies undertaken historically by the Collateral Manager or its principals. There can be no assurance that the Issuer's investments will perform as well as past investments of the Collateral Manager or its principals, that the Issuer will be able to avoid losses, that the Issuer will be able to make investments similar to the past investments of the Collateral Manager or its principals or any other person described herein, or that the Issuer will invest in accordance with the investment strategy set forth in "*The Collateral Manager, the Transferor and the Retention Provider.*" 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 Collateral Manager or its principals' investments and investment strategies generally, such investments conducted in accordance with such criteria, and the results they yield, are not directly comparable with, and may differ substantially from other investments undertaken by the Collateral Manager or its principals.

In addition, the Indenture places significant restrictions on the Collateral Manager's ability to buy and sell Collateral Obligations, and the Collateral Manager is required to comply with the restrictions contained in the Indenture. As a result of these restrictions, during certain periods or in certain specified circumstances, the Collateral Manager may be unable to buy or sell Collateral Obligations or to take other actions which it might consider to be in the best interest of the Issuer and the holders of Notes.

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

The Collateral Manager is a Registered Investment Adviser and is a wholly-owned subsidiary of MidCap Financial Services, LLC. The Issuer's activities will be directed by the Collateral Manager. The Holders of the Notes will generally not make decisions with respect to the management, disposition or other realization of any Collateral Obligation, or other decisions regarding the business and affairs of the Issuer. Consequently, the success of the Issuer will depend, in large part, on the skill and expertise of the Collateral Manager's investment professionals. The Collateral Manager will have access to investment professionals from MidCap Financial Services, LLC and MidCap Financial Services (Ireland) Limited. There can be no assurance that such investment professionals will continue to serve in their current positions or continue to be authorized persons of or made available to the Collateral Manager. Although such investment professionals will devote such time as they determine in their discretion is reasonably necessary to fulfill the Collateral Manager's obligations to the Issuer effectively, they will not devote all of their professional time to the affairs of the Collateral Manager or the Issuer.

Relating to Certain Conflicts of Interest

In general, the transaction described in this Offering Circular 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 Collateral Manager, its clients and its affiliates and Wells Fargo Securities, its clients 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 Rating Agencies may have certain conflicts of interest

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

Certain Conflicts of Interest Relating to the Collateral 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 Collateral Manager, its clients and its affiliates, but is not intended to be an exhaustive list of all such conflicts. The scope of the activities of the affiliates of the Collateral Manager and the funds and clients advised by affiliates of the Collateral Manager may give rise to conflicts of interest or other restrictions and/or limitations imposed on the Issuer in the future that cannot be foreseen or mitigated at this time.

Certain affiliates of the Collateral Manager may engage in transactions with, provide services to, invest in, advise, sponsor and/or act as investment manager to portfolio companies, investment vehicles and other Persons or entities that may have similar structures and investment objectives and policies to those of the Issuer and that may compete with the Issuer for investment opportunities. Such affiliates of the Collateral Manager may receive fees or other benefits for these services even if the Collateral Manager is not receiving any fee for its services to the Issuer due to a waiver or deferral thereof. This disparity in fee income may create potential conflicts of interest between the Collateral Manager's obligations to the Issuer and such affiliates' obligations to such other clients.

Certain affiliates of the Collateral Manager may be engaged in the loan origination and/or servicing businesses. In connection with their lending activities, such loan origination and/or servicing businesses may receive fees, including origination fees, commitment fees, collateral management fees, facility or float fees and other fees received as part of such loan origination and/or servicing businesses. The Issuer may acquire loans originated and/or arranged by such affiliated loan origination and/or servicing businesses and in respect of which such businesses receive fees.

The Collateral Manager is a Registered Investment Adviser. As such, the Collateral Manager is subject to the provisions of the Investment Advisers Act. Failure to comply with the requirements imposed on the Collateral Manager as a consequence of its registration under the Investment Advisers Act may have a significant adverse effect on the Collateral Manager's ability to perform its duties to the Issuer. The Collateral Manager's ability to perform its duties to the Issuer may also be adversely affected by negative publicity arising from any regulatory compliance failures or other inappropriate behavior attributed to or any other publicity related to the Collateral Manager, any affiliate of the Collateral Manager, the Management Company or any of their respective investment professionals.

As part of their regular business, the Collateral Manager, its affiliates and their respective officers, directors, shareholders, members, partners and employees 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 Collateral Manager, its affiliates and their respective officers, directors, shareholders, members, partners and employees also provide investment advisory services, among other services, and engage in private equity, real estate and capital markets-oriented investment activities. The Collateral Manager, its affiliates and their respective officers, directors, shareholders, members, partners and employees 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 Collateral Manager, its affiliates and their respective officers, directors, shareholders, members, partners and employees 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, members, 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 Collateral Manager, its affiliates and their respective officers, directors, shareholders, members, partners and employees 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 Collateral Manager, its affiliates and their respective officers, directors, shareholders, members, partners and employees may hold, purchase, sell, trade or take other related actions in investments of a type that may be suitable to be included as Assets. The Collateral Manager, its affiliates and their respective officers, directors, shareholders, members, partners and employees will not be required to offer such investments to the Issuer or provide notice of such activities to the Issuer.

The Collateral Manager, its clients, its partners, its members, funds or other investment accounts managed by the Collateral Manager or any of its affiliates, the Management Company or their employees and their affiliates or funds or other investments accounts managed by any such Person ("**Related Entities**") have invested and may continue to invest in debt obligations that would also be appropriate as Collateral Obligations. Neither the Collateral 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. In addition, the Collateral Manager or Related Entities may knowingly and willfully adversely affect the interests of the Holders of the Notes in the Collateral Obligations in connection with any action taken in the ordinary course of business of the Collateral Manager or such Related Entity in accordance with such Person's fiduciary duties to its other clients. The investment policies, fee arrangements and other circumstances applicable to such other parties may vary from those applicable to the Issuer. The Collateral Manager and/or any Related Entity may also provide advisory or other services for a customary fee to issuers whose debt obligations are Collateral Obligations, and neither the Holders of Notes nor the Issuer shall have any right to such fees. In connection with the foregoing activities the Collateral Manager and/or any Related Entity may from time to time come into possession of material nonpublic information that limits the ability of the Collateral Manager to effectuate a transaction for the Issuer, and the Issuer's investments may be constrained as a consequence of the Collateral Manager's inability to use such information for advisory purposes or otherwise to effectuate transactions that otherwise may have been initiated on behalf of its clients, including the Issuer.

In addition, the Collateral Manager and its affiliates may, from time to time, be presented with investment opportunities that fall within the investment objectives of the Issuer and other Related Entities. Neither the Collateral Manager nor any Related Entities has any duty, in making or maintaining such investments, to act in a manner that is favorable to the Issuer or to offer any such opportunity to the Issuer. If the Collateral Manager and its affiliates decide to offer such an opportunity to the Issuer, the Collateral Manager and its affiliates expect to allocate such opportunities among the Issuer and such other affiliated funds on a basis that the Collateral Manager and its affiliates determine in good faith is appropriate taking into consideration such factors as the fiduciary duties owed to the Issuer and such other funds, the primary mandates of the Issuer and such other funds, the capital available to the Issuer and such other funds, any restrictions on investment, the sourcing of the transaction, the size of the transaction, the amount of potential follow-on investing that may be required for such investment and the other Collateral Obligations of the Issuer and such other funds, the relation of such opportunity to the investment strategy of the Issuer and such other funds, reasons of portfolio balance, the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals for the Issuer and each such other fund and any other consideration deemed relevant by the Collateral Manager and its affiliates in good faith.

The Collateral Manager will seek to obtain the best execution (but shall have no obligation to obtain the lowest price available) for all orders placed with respect to any trade, in a manner permitted by law and in a manner it believes to be in the best interests of the Issuer. The Collateral Manager may, in the allocation of business, select brokers and/or dealers with which to effectuate trades on behalf of the Issuer and may open cash trading accounts with such brokers and dealers. The Collateral Manager may, in the allocation of business, take into consideration research and other brokerage services furnished to the Collateral Manager or its affiliates by brokers and dealers that are not affiliates of the Collateral Manager. Such services may be used by the Collateral Manager in connection with its other advisory activities or investment operations. The Collateral Manager may aggregate sales and purchase orders of securities placed with respect to the Assets with similar orders being made simultaneously for other accounts managed by the Collateral Manager or with accounts of affiliates of the Collateral Manager, if in the Collateral Manager's reasonable judgment such aggregation shall not result in an overall economic detriment to the Issuer, taking into consideration all circumstances that it considers relevant. In making any such aggregation, the objective of the Collateral Manager will be to allocate the executions among the accounts in an equitable manner and in accordance with the internal policies and procedures of the Collateral Manager and applicable law. The determination by the Collateral Manager of any benefit (or lack of detriment) to the Issuer will be subjective and will represent the Collateral Manager's evaluation at the time taking into consideration all circumstances that it

considers relevant. Under some circumstances, such allocation may adversely affect the Issuer with respect to the price or size of the positions being sold to the Issuer.

The Transferor and the Retention Provider is each managed by the Management Company. On and after the Closing Date, the Collateral Manager will, subject to the Collateral Management Agreement and consistent with applicable law (including applicable provisions of the Investment Advisers Act), direct the Issuer to purchase certain Collateral Obligations from the Retention Provider pursuant to the Master Loan Sale Agreement, and the Retention Provider will acquire such Collateral Obligations from the Transferor pursuant to the Master Loan Sale Agreement.

Upon the removal or resignation of the Collateral Manager, a Majority of the Certificates may direct the Issuer to appoint a replacement collateral manager, subject to the right of a Majority of the Controlling Class to approve such successor, in the manner provided in the Collateral Management Agreement. Unless all 100% of the Certificates are Collateral Manager Securities, Collateral Manager Securities will have no voting rights with respect to any vote on the removal of the Collateral Manager for "cause" or the waiver of any event constituting "cause" and will be deemed not to be Outstanding in connection with any such vote; *provided* that Collateral Manager Securities will have voting rights with respect to all other matters as to which the holders of such Notes are entitled to vote, including, without limitation, any vote to direct an Optional Redemption and any vote to appoint a replacement Collateral Manager. It is anticipated that the Retention Provider (the Retention Provider, together with its respective successors, the "**Initial Certificate Holder**") will purchase all of the Outstanding Certificates on the Closing Date (which purchase may be made in kind). If the Initial Certificate Holder were to hold both a Majority of the Certificates and a Majority of the Controlling Class, such holders would be able to prevent a successor Collateral Manager from being appointed following the Collateral Manager's removal, unless the Collateral Manager being removed petitioned a court to appoint a successor. In addition, the Collateral Manager and its Affiliates are not prohibited from entering into economic arrangements with any holder of Notes that may influence such holder's voting of its Notes. See "*The Collateral Management Agreement*" and "*Description of the Securities—Optional Redemption*." The Initial Certificate Holder may treat the Issuer and the Collateral Obligations as part of the portfolio of the Initial Certificate Holder and, the Collateral Manager, which is an Affiliate of the Initial Certificate Holder, may manage the Issuer and the Collateral Obligations in a different manner than another investment manager of collateralized loan obligation vehicles that is not affiliated with holders of notes issued by such collateralized loan obligation vehicles, or than another investment manager that manages only one collateralized loan obligation vehicle, might manage such collateralized loan obligation vehicles or the assets owned by such vehicles. In addition, the Initial Certificate Holder may have an incentive to direct the Trustee to liquidate the Assets to provide liquidity for the overall portfolio of the Initial Certificate Holder which incentive and timing could be adverse to the interests of the holders of the Notes. Furthermore, in connection with the purchase of the Certificates by the Initial Certificate Holder on the Closing Date and from time to time thereafter, the Initial Certificate Holder may make Contributions or transfers of cash, Eligible Investments or Collateral Obligations, or any combination thereof, either directly or through one or more intermediate Related Entities or Affiliates, to the Issuer. For administrative convenience any Contributions or transfers of cash, Eligible Investments or Collateral Obligations made through one or more intermediate Related Entities or Affiliates of the Initial Certificate Holder may instead be made on a net basis directly into the Issuer, and by bypassing such intermediate Related Entity or Affiliate. The value received by the Issuer in cash, Eligible Investments and/or in the form of Collateral Obligations will not be affected by the elimination of such intermediate steps. In the case of any such payment made to the Issuer in the form of a combination of cash and Collateral Obligations, the cash portion of such payment shall be an amount equal to the total payment required to be made to the Issuer reduced by an amount equal to the fair market value as determined by the Collateral Manager as of the date of contribution of the Collateral Obligations and Eligible Investments Contributed or transferred to the Issuer in respect of such payment.

The Initial Certificate Holder intends to acquire the Outstanding Class E Notes and Certificates on the Closing Date and the Initial Certificate Holder, the Collateral Manager and their respective Affiliates may purchase (directly or indirectly) Certificates or Notes of one or more other Classes from time to time. As described in this Offering Circular, the Indenture and the Collateral Management Agreement provide for certain actions to occur at the direction of the specified percentage of Certificates, including an Optional Redemption of the Notes. In addition, in the event of a resignation, termination or removal of the Collateral Manager, a Majority of the Certificates will have the right to appoint a successor Collateral Manager, subject to the right of a Majority of the Controlling Class to approve such successor as described under "*The Collateral Management Agreement—Removal, Resignation and Replacement of the Collateral Manager*." It may be difficult or not possible, so long as the Initial Certificate Holder

owns a significant portion of the Certificates, to take such actions without the consent of the Initial Certificate Holder. To the extent that the interests of the holders of the Notes differ from the interests of the holders of the Certificates, the holding of a significant portion of the Certificates by the Initial Certificate Holder, the Collateral Manager and their respective Affiliates may create additional conflicts of interest. Any such Certificates or Notes acquired by the Initial Certificate Holder, the Collateral Manager, any Affiliate of the Collateral Manager or any account managed by the Collateral Manager or its affiliates may be sold by any such person to related and/or unrelated parties at any time.

Although the professional staff of the Collateral Manager (which will be made available to the Collateral Manager pursuant to agreements with MidCap Financial Services, LLC and MidCap Financial Services (Ireland) Limited) will devote as much time to the Issuer as the Collateral Manager deems appropriate to perform its duties in accordance with the Collateral Management Agreement and in accordance with reasonable commercial standards, the staff may have conflicts in allocating its time and services among the Issuer and the Collateral Manager's or its Affiliates' other accounts. The Indenture places significant restrictions on the Collateral Manager's ability to buy and sell Collateral Obligations, and the Collateral Manager is required to comply with such restrictions. Accordingly, during certain periods or in certain circumstances, the Collateral Manager may be unable as a result of such restrictions to buy or sell debt obligations or to take other actions that it might consider to be in the best interests of the Issuer and the holders of the Notes and which it might take on behalf of other managed accounts that are not so restricted.

The directors, officers, employees and agents of the Collateral Manager, its Related Entities, and the Collateral Manager may, subject to the Indenture and applicable law, serve as directors (whether supervisory or managing), officers, employees, partners, agents, nominees or signatories for the Issuer or any Related Entity, or for any obligor or issuer in respect of the Collateral Obligations, Equity Securities or Eligible Investments or any affiliate thereof, to the extent permitted by their governing instruments, or by any resolutions duly adopted by the Issuer, its Related Entities or any obligor or issuer in respect of any of the Collateral Obligations, Eligible Investments or Equity Securities (or any affiliate thereof) pursuant to their respective governing instruments.

The Issuer will acquire all of the initial Collateral Obligations on the Closing Date from the Retention Provider, a Related Entity. In addition, for future purchases the Issuer expects that such purchases will be acquired from the Retention Provider or a Related Entity or funded at initial funding from an opportunity first made available to the MidCap Group and selected by the Collateral Manager for inclusion in the Assets. As further described under "*The Collateral Management Agreement—Conflicts of Interest*," the Collateral Manager will effect client cross-transactions where the Collateral Manager causes a transaction to be effected between the Issuer and another account advised by it or any Related Entities. The Collateral Manager will engage in a client cross-transaction involving the Issuer any time that the Collateral Manager believes such transaction to be fair to the Issuer and its other client. The Issuer expects to engage in a significant amount of client cross-transactions. By purchasing a Note of the Issuer or a beneficial interest therein, a holder is deemed to have consented to such client cross-transactions between the Issuer and another client of the Collateral Manager or one of its Related Entities.

As further described under "*The Collateral Management Agreement—Conflicts of Interest*," the Collateral Manager may effect principal transactions where the Issuer may invest in debt obligations of obligors in which the Collateral Manager and/or its Related Entities have a debt, equity or participation interest, in each case in accordance with applicable law, which may include the Collateral Manager obtaining the consent and approval of the Issuer (including through an Independent Review Party (as defined below) or any of the other methods described herein) prior to engaging in any such principal transaction between the Issuer and the Collateral Manager or its Related Entities. By purchasing a Note of the Issuer or a beneficial interest therein, a holder is deemed to have consented to such procedures relating to principal transactions between the Issuer and the Collateral Manager or its Related Entities.

The Collateral Manager may direct the Issuer to acquire or dispose of Collateral Obligations in cross trades or similar trades between the Issuer and other clients of the Collateral Manager or Related Entities in accordance with applicable legal and regulatory requirements. In such case, the Collateral Manager and such Affiliates may have a potentially conflicting division of loyalties and responsibilities regarding the Issuer and the other parties to such trade. Under certain circumstances, the Collateral Manager and Related Entities may determine that it is appropriate to seek to avoid such conflicts by selling a Collateral Obligation at a fair value that has been calculated pursuant to the Collateral Manager's valuation procedures to another fund managed or advised by the Collateral Manager or

Related Entities. In addition, in the future and with the prior blanket authorization of the Issuer, which can be revoked at any time thereafter, the Collateral Manager may enter into agency cross-transactions where it or any of its Affiliates acts as broker for the Issuer and for the other party to the transaction, to the extent permitted under applicable law. The Collateral Manager or its Affiliates may conduct principal trades with the Issuer, subject to the Collateral Manager obtaining the Issuer's written consent to such transactions through an Independent Review Party. However, the Issuer will be barred from acquiring debt assets issued by Portfolio Companies.

The Issuer may invest in debt obligations of obligors in which the Collateral Manager and/or its Related Entities have a debt, equity or participation interest. As a consequence, the purchase, holding and sale of such investments by the Issuer may enhance the profitability of the Collateral Manager's or its Related Entities' own investments in such companies. Additionally, the Issuer may invest in assets originated by the Collateral Manager or its Related Entities. Under either such circumstance, to the extent that applicable law requires disclosure to and the consent and approval of the Issuer to any purchase or sale transaction on a principal basis with the Collateral Manager or its Related Entities, such requirements may be satisfied with respect to the Issuer and all holders by (i) giving disclosure and obtaining consent and approval on behalf of the Issuer pursuant to any of the methods further described herein or (ii) any other manner that is permitted pursuant to then applicable law.

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

Additionally, following the Closing Date, the Collateral Manager or the Related Entities may originate assets, some of which will be similar to the Collateral Obligations. Subject to the terms of the Collateral Management Agreement, the Collateral Manager may cause the Issuer to purchase directly from the Collateral Manager, for inclusion in the Assets, Collateral Obligations originated by the Collateral Manager. Such a transaction could be a principal transaction that is subject to procedures describing principal transactions described above.

The Collateral Manager and/or its Related Entities may act as an underwriter, arranger or placement agent, or otherwise participate in the origination, structuring, negotiation, syndication or offering of Collateral Obligations purchased by the Issuer. Such transactions are on an arm's-length basis. There is no expectation for preferential access to transactions involving Collateral Obligations that are underwritten, originated, arranged or placed by the Collateral Manager and/or its Related Entities.

There is no limitation or restriction on the Collateral Manager or any of its Related Entities with regard to acting as collateral manager (or in a similar role) to other parties or persons. This and other future activities of the Collateral Manager and/or its Related Entities may give rise to additional conflicts of interest.

No independent counsel has been appointed to represent the investors in respect of the Collateral Manager and its Related Entities. The same counsel may represent the Issuer, the Related Entities and the Collateral Manager itself.

Potential litigation and regulatory actions may materially and adversely affect the Collateral Manager

There can be no assurance that the Collateral Manager or its affiliates will avoid potential litigation or regulatory actions under existing laws (including the U.S. Risk Retention Rules) or laws enacted in the future. Recent SEC enforcement actions and settlements involving U.S.-based private fund advisers have involved a number of issues, including undisclosed legal fee arrangements affording the applicable adviser with greater discounts than those afforded to funds advised by such adviser and the undisclosed acceleration of certain special fees. In addition, the failure by the Collateral Manager to comply with the U.S. Risk Retention Rules may result in regulatory actions and other proceedings being brought against the Collateral Manager. If the SEC or any other Governmental Authority takes issue with the practices of the Collateral Manager or any of its affiliates as they pertain to any of the foregoing, the Collateral Manager and/or any such affiliates will be at risk for regulatory sanction. Even if an investigation or proceeding did not result in a sanction or the sanction imposed against the Collateral Manager and/or such affiliates was small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm the Issuer, the Collateral Manager and/or their respective affiliates' reputations which may adversely affect the market value and/or liquidity of the Notes. There is

also a material risk that Governmental Authorities in the United States and beyond will continue to adopt new laws or regulations (including tax laws or regulations), or change existing laws or regulations, or enhance the interpretation or enforcement of existing laws and regulations including the U.S. Risk Retention Rules. Any such events or changes could occur during the term of the Notes and may materially and adversely affect the Collateral Manager and its ability to operate and/or pursue its management strategies on behalf of the Issuer. Such risks are often difficult or impossible to predict, avoid or mitigate in advance.

Adverse interests of the Collateral Manager

The Collateral Manager may from time to time consult with, receive input from and provide information to third parties (who may or may not be or become direct and indirect owners of any Class of Notes) in respect of obligations being considered for acquisition by the Issuer. Some of those same third parties may have interests adverse to those of the holders of the Notes and may take a short position (for example, by buying protection under a credit default swap) relating to any such obligations or Notes.

Conflicts related to obligations of the Collateral Manager's investment professionals, the Collateral Manager or its affiliates have to other clients

The Collateral Manager's investment professionals serve or may serve as officers, directors or principals of entities that operate in the same or a related line of business as the Issuer, or of other investment funds managed by the Collateral Manager or its Related Entities. In serving in these multiple capacities, they may have obligations to other clients or investors in those entities, the fulfillment of which may not be in the best interests of the Issuer or the holders of the Notes. The Issuer may compete with these and other entities managed by the Collateral Manager and its Related Entities for capital and investment opportunities.

Because of the different priorities and other characteristics of the various Classes of Notes, decisions by the Collateral Manager with respect to the Issuer are likely to affect such Classes differently (and may even affect one or more Classes adversely while affecting one or more other Classes positively). Such conflicts are inherent in a multi-tranche capital structure within a single entity managed by a single investment manager.

No ethical screens or information barriers

There are generally no ethical screens or information barriers among the Collateral Manager and certain of its Related Entities of the type that many firms implement to separate persons who make investment decisions from others who might possess material, non-public information that could influence such decisions. If the Collateral Manager or any of its personnel were to receive material non-public information about a particular Obligor or Collateral Obligation, or have an interest in causing the Issuer to acquire a particular Collateral Obligation, the Collateral Manager may be prevented from causing the Issuer to purchase or sell such asset due to internal restrictions imposed on the Collateral Manager. Conversely, if the Collateral Manager or certain of its Related Entities were to receive material non-public information about a particular Obligor or Collateral Obligation, or have an interest in acquiring a particular Collateral Obligation, the Issuer may be prevented from making such acquisition. Notwithstanding the maintenance of certain internal controls relating to the management of material non-public information, it is possible that such controls could fail and result in the Collateral Manager, or one of its investment professionals, buying or selling an asset while, at least constructively, in possession of material non-public information. Inadvertent trading on material non-public information could have adverse effects on the Collateral Manager's reputation, result in the imposition of regulatory or financial sanctions, and as a consequence, negatively impact the Collateral Manager's ability to perform its investment management services for the Issuer. In addition, while the Collateral Manager and certain of its Related Entities currently operate without information barriers on an integrated basis, such entities could be required by certain regulations, or decide that it is advisable, to establish information barriers. In such event, the Collateral Manager's ability to operate as an integrated platform could also be impaired, which would limit the Collateral Manager's access to personnel of its Related Entities and potentially impair its ability to manage the Issuer's investments.

There is a highly competitive market for investment opportunities, which could reduce returns and result in losses

A number of entities compete with the Issuer to make the types of investments that the Issuer plans to make. The Issuer will compete with public and private funds, commercial and investment banks, commercial financing companies, business development companies and, to the extent they provide an alternative form of financing, private

equity and hedge funds. Many of these competitors are substantially larger and have considerably greater financial, technical and marketing resources than the Issuer does. For example, the Issuer believes some of its competitors may have access to funding sources that are not available to the Issuer. In addition, some of its competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than the Issuer. As a result of this competition, the Issuer may not be able to take advantage of attractive investment opportunities from time to time, and the Collateral Manager may not be able to identify and make investments that are consistent with the investment criteria in the Indenture.

Other potential conflicts of interest

The Collateral Manager has had communications with holders and other parties interested in the transaction and may have communications with other holders and/or other parties interested in the transaction during the term of the transaction, in each case, relating to the composition of the Issuer's investments and/or other matters relating to the Issuer. There can be no assurances that such communications will not influence the Collateral Manager's decisions relating to the Issuer's assets or other matters with respect to which the Collateral Manager has discretion.

Subdivision of debt obligations

Members of the MidCap Group (MidCap FinCo Holdings Limited ("**Parent**"), its subsidiary, MidCap FinCo Designated Activity Company ("**FinCo**") and Parent's other subsidiaries (including MidCap Financial Services, LLC unless the context otherwise requires but not including any clients of the Collateral Manager), the "**MidCap Group**"), the Management Company and other clients of the Management Company (the MidCap Group, Management Company and its other clients, collectively the "**Group Entities**"), and MidCap Clients (MidCap Capital Management (with respect to MidCap Clients) and the Management Company and its affiliates (with respect to their clients, including the MidCap Group but not including clients of MidCap Capital Management), each an "**Applicable Manager**") may, from time to time, subdivide a debt obligation into two or more tranches, each of which has different terms from the original obligation with respect to interest and principal repayment, seniority and subordination, default remedies, rights to collateral and other matters. The owner of the original obligation, which may be acquired directly from a borrower in a negotiated transaction or in the secondary market, may retain an interest in one or more tranches and may dispose of any such interests, including in related party transactions between Group Entities and MidCap Clients. MidCap Clients, including the Issuer, may obtain tranches of such debt obligations to the extent that the Collateral Manager engages in such activities or to the extent that an opportunity to do so is made available to the MidCap Group. The subdivision or "tranching" of debt obligations typically will be undertaken when an entity such as the Transferor or the Management Company determines that it may achieve competitive advantages or other benefits. For example, a borrower may favor a lender that is prepared to negotiate a single consolidated credit arrangement, instead of having to negotiate senior and subordinated loans and/or secured and unsecured loans with multiple lenders. Tranching may also facilitate access to debt obligations or other securities having specific features that suit the differing risk and return parameters of different Group Clients or MidCap Clients on a more customized basis than is available in the market at a particular time. Participation by Group Entities and MidCap Clients, in these tranching activities, either as a creator/seller of tranches to, or as a purchaser from, other clients of its Applicable Manager or clients of the other Applicable Manager will give rise to a variety of potential conflicts of interest with the Group Entities and MidCap Clients. These potential conflicts could impact the Issuer, and include the following:

Terms of tranches: The terms of the tranches, including pricing terms and other terms, including inter-creditor rights and obligations between or among the holders of the different tranches, typically will not be the result of any arms' length negotiations. Each Applicable Manager will endeavor to ascertain and adhere to prevailing market practices at the time that the terms of the tranches are established. However, for any particular terms, there can be no assurance that a prevailing market practice exists or can be readily ascertained or that it will be adopted if there are circumstances that cause an Applicable Manager to conclude that it is not appropriate in a particular case.

Exercise of rights and remedies: Once different tranches have been allocated among the clients of the Applicable Manager, a variety of situations may arise in which the holders of a particular tranche will have the opportunity to enforce rights or remedies relating to the borrower, or to vote on or consent to waivers, amendments or other changes. In general, if the relevant documents give holders of one tranche a right to take action, each Applicable Manager expects that under most circumstances, it will take such action in the manner that it believes to be in the best interests of its clients, without regard to the consequences for holders of other tranches, including other

Group Entities or MidCap Clients. A decision on any of these matters on behalf of holders of one tranche could have an adverse effect on the expected return for holders of other tranches. In these circumstances, an Applicable Manager may consider whether there are alternative measures that could fairly reconcile the competing interests of its clients, but there can be no assurance that such alternative measures will be available. As a result, a particular Applicable Manager may be required to take, or not take, an action that will place the interests of one client ahead of those of other clients (including, with respect to MidCap Capital Management, the Issuer). Alternatively, if a particular client of an Applicable Manager is the owner of a tranche in which unaffiliated investors also own a material interest, in order to mitigate conflict with other clients holding interests in a different tranche, the Applicable Manager may elect to take a passive approach in which it allows the unaffiliated holders to guide the action to be taken or not taken. These conflicts may impact the Issuer and negatively impact tranches held by the Issuer. Further, the Management Company has no obligation to consider the interests of the Issuer and the Issuer is not a client of the Management Company.

Bankruptcy and other distress situations: When a debtor with different classes of outstanding debt becomes bankrupt or experiences severe financial distress, a resolution of the situation often requires adversarial judicial proceedings or contentious negotiations. If this were to occur with respect to a debtor for which one or more Group Entities and one or more MidCap Clients (including the Issuer) hold different tranches of debt or other securities, it generally may not be feasible for the Applicable Manager to advocate effectively for the interests of all of its clients to the extent that there are conflicting or competing interests among holders of different tranches. As a threshold matter, each Applicable Manager expects that in a bankruptcy or other distressed situation, it will arrange for separate legal counsel to be engaged on behalf of each separate tranche in order to analyze and identify the available rights, remedies, potential claims and legal strategies for seeking to maximize the recovery potentially available to the tranche, unless the outcome for a particular tranche is clear and certain. It is anticipated that, where feasible, an effort will be made to fashion a compromise solution. Any such effort to reach a compromise solution could result in clients of the Applicable Manager (including the Issuer) experiencing a worse outcome than they might have achieved in the absence of such conflict. In certain circumstances, an Applicable Manager may seek to mitigate the conflict by delegating certain decision-making responsibilities on behalf of a client to unaffiliated third parties, or by seeking to dispose in whole or in part of one or more tranches. Alternatively, an Applicable Manager may seek to accommodate the competing interests of its clients by assigning different teams of investment professionals, supported by separate legal counsel and other advisers, to act independently of each other in representing different tranches. There can be no assurance that any of these measures will be feasible or effective in any particular situation, and it is possible that the outcome for an Applicable Manager's clients will be less favorable than might otherwise have been the case if the Applicable Manager had not had duties to clients holding other tranches.

While it is anticipated that, over time, the overall benefits of permitting multiple clients to participate in different tranches will outweigh the potential disadvantages in particular circumstances, there is no way to predict whether these net benefits will ultimately be achieved. Moreover, it is possible that an Applicable Manager's own interests will have an influence on how conflicts between clients in these situations will be resolved. For example, an Applicable Manager may have an incentive to favor the interests of a client that invests primarily in more subordinated classes of debt, since compensation from such clients is generally higher than the compensation earned from clients that invest primarily in more senior debt. While the policies and procedures for addressing the conflicts between its clients in these situations are intended to resolve the conflicts in an impartial manner, there can be no assurance that such interests will not influence its conduct. The Issuer will not be a client of the Management Company and the Management Company will have no fiduciary duty to the Issuer. Further, the Management Company may intentionally take actions that will result in detriment to the Issuer in circumstances similar to those described above.

"**MidCap Clients**" means any (i) investment fund, partnership, limited liability company, corporation or similar collective investment vehicle; (ii) client or the assets or investments for the account of any client; and/or (iii) separate account for which, in each case, the Collateral Manager or one or more of its affiliates acts as general partner, manager, managing member, investment adviser, sponsor or in a similar capacity; *provided* that, notwithstanding the foregoing, MidCap Clients will not include any portfolio company or investment of any MidCap Client.

The underlying assets may be transferred for no cash consideration

Members of the MidCap Group (in their respective sole discretion) may decide, from time to time, to cause one CLO, securitization (including any warehouse facility) and/or other financing transaction to transfer loans and/or other assets to, or acquire underlying assets from, another or new CLO, securitization or financing transaction (each an "**Affiliate Finance Transfer**"). Such Affiliate Finance Transfers may be accomplished in a multitude of ways and in a number of different contexts, including facilitating the completion of a new CLO, securitization or other financing transaction (*e.g.*, the redemption, refinancing or replacement of an existing CLO, securitization or financing transaction with a new CLO, securitization or financing transaction).

For a variety of reasons, including administrative convenience, members of the MidCap Group (in their respective sole discretion) or MidCap Clients (in their discretion or as directed by MidCap Capital Management) may decide, from time to time, based on factors they deem relevant at the time, to effect Affiliate Finance Transfers for little or no payment of cash consideration, as transfers of "in kind" and/or as transfers for contributed consideration (or any combination or permutation thereof). In many cases, such Affiliate Finance Transfers will be effected through the payment or receipt of "in kind" consideration (e.g., the acquisition price of the loans transferred is offset or credited against the acquisition price of the CLO and securitization securities acquired). In certain other cases, any cash payment amounts owed to and/or among the various persons and CLOs and other financing transactions involved in the transaction will be netted against each other so as to eliminate or offset some or all of the need for sending full cash payments back and forth among such persons. In the case of any or all of such Affiliate Finance Transfers, it may be the case that underlying assets transferred or acquired between and among the persons to such transaction for a cash purchase price that may be more or less than the fair market value of such underlying assets, with the difference in price being documented as, or deemed to be, a capital contribution, cash capital contribution, deemed dividend or any other form of equity capitalization, as applicable.

For a variety of reasons, including administrative convenience, members of the MidCap Group, including any CLOs and/or securitizations in which they invest, or MidCap Clients, may decide in their respective sole discretion, from time to time, based on factors they deem relevant at the time to cause the transfer or acquisition of any underlying assets to be effected in a multitude of ways depending upon the context. For example, some underlying assets may be transferred directly from one or more persons to a CLO or securitization, thereby bypassing one or more intermediate steps or transfers that may be required. In addition, in certain instances such transfers may be effected through the means of a participation or master participation interest in such underlying asset or portfolio of underlying assets, which interest may be required to be elevated to a full assignment within a specified period of time and expose one of more of the selling persons to the requirement to repurchase or indemnify the buying Persons for losses in connection with such failure. Each of such methods of transferring or acquiring loans could expose investors to increased risk of loss in connection with these Affiliate Finance Transfers.

The exact payment, transfer or acquisition method employed in any Affiliate Finance Transfer will vary from transaction to transaction and will likely not be explicitly disclosed directly to any investor with respect to any particular transaction.

Contributing affiliates may acquire Securities for in-kind consideration

Certain of the assets of members of the MidCap Group, including any CLOs and/or securitizations in which they invest, may be acquired directly or indirectly from affiliates of the MidCap Group entities (the "**Contributing Affiliates**"). These Contributing Affiliates will receive consideration, which could, in whole or in part, take the form of in-kind consideration therefor. Such contributed assets may take any form and could include all or any combination of the following: (i) loans and/or other underlying assets; (ii) services of any kind or nature; (iii) debt and/or residual interests in existing CLOs or other securitizations; and/or (iv) assignments of collateral management agreements for existing CLOs and securitizations. Thus, the Contributing Affiliates may not pay (in whole or in part) for their Certificates in cash. In case of a contribution of assets by such Contributing Affiliates, such persons will receive consideration which may be in the form of a cash payment to such person, interests issued to such person or a credit against the purchase price or the capital account associated with any interests acquired or held by such person, in each case in an amount equal to the value (determined by a valuation agent) of such contributed assets.

The Issuer will be subject to various conflicts of interest involving Wells Fargo Securities and its Affiliates

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 Initial Purchaser and/or its affiliates (each, a "**Wells Fargo Entity**") to the Issuer, the Trustee, the Collateral Manager the issuers of the Collateral Obligations and others, as well as in connection with the investment, trading and brokerage activities of the Wells Fargo Entities. The following briefly summarizes some of these conflicts, but is not intended to be an exhaustive list of all such conflicts.

The Initial Purchaser will be paid fees and commissions for such service as Initial Purchaser by the Issuer from the proceeds of the issuance of the Notes. The Offered Notes will be acquired by the Initial Purchaser on the Closing Date at varying prices. One or more of the Wells Fargo Entities may from time to time hold Notes for investment, trading or other purposes. None of the Wells Fargo Entities are required to own or hold any Notes and may sell any Notes held by them at any time.

An affiliate of the Initial Purchaser acted as lender pursuant to a Credit Facility in order to finance a substantial amount of the principal balance of the Collateral Obligations to be held by the Issuer as of the Closing Date. As described under "*—Relating to the Collateral Obligations—Warehouse Arrangements*" above, the Warehousing Agreement will continue following the Closing Date.

Certain of the Collateral Obligations acquired by the Issuer on the Closing Date may be obligations of issuers or obligors for which the Initial Purchaser or any Affiliate thereof has acted as structuring or syndication agent, manager, underwriter, agent, placement agent or principal or of which the Initial Purchaser or any Affiliate thereof is an equity owner or with which the Initial Purchaser or any of its Affiliates has other business relationships.

The Initial Purchaser and its Affiliates are actively engaged in transactions in some of the same Collateral Obligations in which the Issuer may invest. Such transactions may be different from those made on behalf of the Issuer. Subject to applicable law, the Initial Purchaser and its Affiliates may purchase or sell the securities of, or otherwise invest in or finance or provide investment banking, advisory and other services to companies in which the Issuer has an interest or to the Collateral Manager and its Affiliates and to portfolios and funds managed by the Collateral Manager and its Affiliates. The Initial Purchaser and its Affiliates may also have a proprietary interest in, and may manage or advise other accounts or investment funds that have investment objectives similar or dissimilar to those of the Issuer and/or which engage in transactions in, the same types of securities as the Issuer. As a result, the Initial Purchaser and its Affiliates may possess information relating to obligors on or issuers of Collateral Obligations that is not known to the Collateral Manager. None of the Initial Purchaser or its Affiliates is under any obligation to share any investment opportunity, idea or strategy with the Collateral Manager or the Issuer. As a result, the Initial Purchaser and its Affiliates may compete with the Issuer for appropriate investment opportunities and will be under no duty or obligation to share such investment opportunities with the Issuer. In addition, the Initial Purchaser and its Affiliates, and clients of their Affiliates, may invest in debt obligations and securities that are senior to, or have interests different from or adverse to, the Collateral Obligations. The Initial Purchaser takes no responsibility for, and has no obligations in respect of, the Issuer.

The Initial Purchaser or its Affiliates may own positions in and will likely have placed or underwritten certain of the Collateral Obligations (or other obligations of the obligors of Collateral Obligations) when they were originally issued and may have provided or be providing investment banking services and other services to obligors of certain Collateral Obligations. It is expected that from time to time the Collateral Manager will purchase from or sell Collateral Obligations through or to the Initial Purchaser or its Affiliates (including a significant portion of the Collateral Obligations to be purchased on or prior to the Closing Date) and that one or more Affiliates of the Initial Purchaser may act as the Selling Institution with respect to Participation Interests or a counterparty under a hedge agreement. The Initial Purchaser and its Affiliates may act as placement agent and/or initial purchaser in other transactions involving issues of collateralized debt obligations or other investment funds with assets similar to those of the Issuer, which may have an adverse effect on the availability of collateral for the Issuer.

Certain Eligible Investments may be issued, managed or underwritten by one or more of the Wells Fargo Entities.

The Issuer also may invest in loans to companies affiliated with the Initial Purchaser or its Affiliates or in which the Initial Purchaser or its Affiliates has an equity or participation interest. The purchase, holding and sale of such investments by the Issuer may enhance the profitability of the Initial Purchaser's own investments in such companies.

The Initial Purchaser or its Affiliates may buy Notes on or after the Closing Date for their own account or for re packaging purposes or enter into transactions related or linked to the Notes. In the future, the Initial Purchaser or its Affiliates may, but are not required to, repurchase and resell the Notes in market making transactions.

One or more of the Wells Fargo Entities may:

- 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 or obligor on a Collateral Obligation or an affiliate thereof;

- be a counterparty to issuers or obligors of certain of the Collateral Obligations under swap or other derivative agreements;

- lend to certain of the issuers or obligors of Collateral Obligations or their respective affiliates or receive guarantees from the issuers or obligors of those Collateral Obligations or their respective affiliates (which may include investments in obligations or securities that are senior to, or have interests different from or adverse to, the Collateral Obligations);

- provide investment banking, asset management, commercial banking, financing or financial advisory services to the issuers or obligors of Collateral Obligations or their respective affiliates;

- as principal or agent, have an equity interest, which may be a substantial equity interest, in certain issuers of the Collateral Obligations or their respective affiliates;

- from time to time, act in two or more different capacities or roles (including as advisor, investor or creditor) in transactions or in relation to other services provided by any Wells Fargo Entity and may pay or receive fees, commissions or other benefits and allow or receive discounts or rebates in respect of each such capacity or role or as a result of any other matter referred to herein (which such Wells Fargo Entity shall be entitled to retain); or

- have officers who serve as directors of any of the companies referred to in this Offering Circular or the issuers or obligors of Collateral Obligations.

When acting as a trustee, paying agent or in other service capacities with respect to a Collateral Obligation, the Wells Fargo Entities will be entitled to fees and expenses senior in priority to payments to the holders of such Collateral Obligation. When acting as a trustee for other classes of securities issued by the issuer of or obligor on a Collateral Obligation or an affiliate thereof, the Wells Fargo Entities 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 Wells Fargo Entities 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 that might cause the issuer or obligor that is, or is affiliated with, the derivatives or swap counterparty to be in financial distress. In making and administering loans and other obligations, the Wells Fargo Entities 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 Wells Fargo Entities in the obligors or issuers thereof. As a result of all such transactions or arrangements between the Wells Fargo Entities and issuers or obligors of Collateral Obligations or their respective affiliates, the Wells Fargo Entities 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 Wells Fargo Entities may also provide a wide range of investment banking, commercial banking, asset management, investment advisory (including issuance of research), 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, a wide range of loans, securities, and other obligations and financial instruments and engage in private equity investment activities. The Wells Fargo Entities 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 Wells Fargo Entities 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 Wells Fargo Entities 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 Wells Fargo Entities 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.

The use of financing provided by Credit Facilities may result in additional risks to holders of the Notes due to both the conflicts of interest and the complexity inherent in these arrangements

Certain lenders (including an Affiliate of the Initial Purchaser) are providing Credit Facilities to affiliates of the Issuer. The Collateral Manager or its Affiliates, including the Transferor, are also acting as collateral managers under the related transaction documents under the Credit Facilities.

Certain of the Collateral Obligations may represent a portion of a larger loan to the related Obligor wherein other portions of the loan may be financed through a Credit Facility. In the case of any Collateral Obligation that is part of a larger loan, a portion of which is financed through a Credit Facility, or in the case of any Collateral Obligation the Obligor of which is an obligor of another loan which is financed through a Credit Facility, the Issuer and the secured parties under a Credit Facility would have claims against the Obligor with respect to such loan or Collateral Obligation in the event of a default under the related loan documents or the related Underlying Instruments, as applicable. As such, in either case an intercreditor relationship would exist among the secured parties in such Credit Facility and the secured parties under the Transaction Documents. Affiliates of the Issuer or Collateral Manager would generally retain an equity interest in a Credit Facility, which may result in additional conflicts between such Affiliate's interests as an equity owner and the interests of the holders of the Notes.

In addition, in the event of a bankruptcy or insolvency of the Collateral Manager or one of its Affiliates acting as collateral manager, the transaction documents under a Credit Facility may provide for the removal of the Collateral Manager or such Affiliates, as applicable, as the collateral manager thereunder and for related remedies, including the right to take possession of and sell the loans financed under the applicable Credit Facility. In such an event, the multiple conflicts of interest and the various competing claims of the secured parties under such Credit Facility and under the Transaction Documents could complicate the exercise of remedies provided for under the Transaction Documents and, accordingly, could delay or eliminate payments to holders of the Notes. Furthermore, with respect to Collateral Obligations under which the Collateral Manager or an Affiliate of the Collateral Manager acts as administrative agent or collateral agent, in the event of a bankruptcy or insolvency of the Collateral Manager or such Affiliate, enforcement actions with respect to such Collateral Obligations requiring action by the administrative agent or collateral agent thereunder would likely be delayed and possibly impaired, and any actions to realize on proceeds of payments made by Obligors that are in the possession or control of the Collateral Manager or such Affiliate in its capacity as administrative agent or collateral agent under such Collateral Obligations would likely be delayed and possibly impaired. In addition, any recharacterization of the conveyance of loans under the Credit Facilities as other than sales in the event of a bankruptcy or insolvency of the Collateral Manager or an Affiliate of the Collateral Manager could result in a similar recharacterization of the transfer of the Collateral Obligations to the Issuer as other than a sale thereof, which could also delay or reduce payments to the holders of the Notes.

Waiver of conflicts of interest

By purchasing Notes, each investor will be deemed to have acknowledged the existence of the conflicts of interest described herein and to have waived any claim with respect to any liability arising from the existence thereof.

DESCRIPTION OF THE SECURITIES

The Indenture and Notes

All of the Notes will be issued pursuant to the Indenture and will be secured obligations of the Issuer. The following summary describes certain provisions of the Offered Notes and the Indenture and, to a limited extent, the other Securities. 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. The Class E Notes and the Certificates are not offered hereby, but the description herein is to assist prospective purchasers in understanding the Offered Notes.

Status and Security

The Notes will be limited recourse obligations of the Issuer, secured as described below, and will rank in priority with respect to each other and the Certificates 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 Notes. See "*Security for the Notes*."

Payments of interest and principal on the 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 Notes and of certain expenses of the Issuer 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. To the extent that the proceeds of the Assets are insufficient to meet payments due in respect of the Notes and expenses following liquidation of the Assets, the Issuer will have no obligation to pay such deficiency.

Interest

The Notes will bear stated interest from the Closing Date and such interest will be payable quarterly in arrears on each Payment Date on the Aggregate Outstanding Amount thereof on the first day of the related Interest Accrual Period (after giving effect to payments of principal thereof on such date); *provided* that, for the avoidance of doubt, with respect to any payment of interest on a Redemption Date, such interest shall be determined in accordance with the calculation above solely for the period from, and including, the first day of such Interest Accrual Period through, but excluding, such Redemption Date.

The *per annum* stated interest rate payable on the Notes of each Class (the "**Interest Rate**" for such Class) with respect to each Interest Accrual Period will be the rate indicated under "*Overview of Terms—Principal Terms of the Notes*."

So long as any Priority Class is Outstanding, to the extent that funds are not available on any Payment Date to pay the full amount of interest on the Class C Notes, the Class D Notes or the Class E Notes, or if such interest is not paid in order to satisfy the Coverage Tests, the related Deferred Interest will not be due and payable on such Payment Date (and the failure to pay such interest will not be an Event of Default under the Indenture) and, thereafter, will bear interest at the Interest Rate for such Class C Notes, the Class D Notes or the Class E Notes, as applicable, until the earliest of (i) the Payment Date on which funds are available to pay such Deferred Interest in accordance with the Priority of Payments and (ii) the Stated Maturity of the Notes; *provided* that any such Deferred Interest must, in any case, be paid no later than the earlier of the Payment Date (i) which is the Redemption Date with respect to such Class C Notes, Class D Notes or Class E Notes and (ii) which is the Stated Maturity of the Notes. Regardless of whether any Priority Class is Outstanding with respect to the Class C Notes, the Class D Notes or the Class E Notes, to the extent that funds are not available on any Payment Date (other than the Redemption Date with respect to, or Stated Maturity of, such applicable Notes) to pay previously accrued Deferred Interest, such previously accrued Deferred Interest will not be due and payable on such Payment Date and any failure to pay such previously accrued 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 on the Class C Notes, the Class D Notes or the Class E Notes as long as any Priority Class is Outstanding.

If any interest due and payable in respect of any Class A Note or 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; or if there are no Class A Notes, Class B Notes, Class C Notes or Class D Notes Outstanding, any Class E 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 Collateral Manager, Trustee, Collateral Administrator or any Paying Agent, for seven Business Days), 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 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 Collateral Administrator 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 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 Issuer, the Trustee, the Paying Agents (as defined herein), Euroclear, Clearstream and the Collateral Manager. The Calculation Agent will also specify to the Issuer the quotations upon which the Interest Rate for each Class of Notes is based, and in any event, the Calculation Agent shall notify the Issuer 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 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 Collateral Manager or its affiliates. The Calculation Agent may be removed by the Issuer or the Collateral 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 Collateral 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 Collateral 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 Collateral Manager or their respective affiliates. The Calculation Agent may not resign its duties or be removed without a successor having been duly appointed in accordance with the terms of the Indenture. In addition, for so long as any Notes are listed on the Irish Stock Exchange and the guidelines of such exchange so require, notice of the appointment of any replacement Calculation Agent will be sent to the Irish Listing Agent for release through the Companies Announcements Office of the Irish Stock Exchange.

Principal

The Notes of each Class will mature at par on the Stated Maturity, unless previously redeemed or repaid prior thereto as described herein. Principal will be payable on the Notes in the limited circumstances described under "*—Optional Redemption*," "*—Mandatory Redemption*," "*—Special Redemption*," "*—Clean-Up Call 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 and on each Redemption Date (other than in connection with (a) a redemption of Notes in part by Class (b) a Failed Optional Redemption or (c) the Stated Maturity), 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 and (ii) during the Reinvestment Period, Principal Proceeds that have previously been reinvested in Collateral Obligations or Principal Proceeds which the Issuer has entered into any commitment to reinvest in Collateral Obligations) 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, a Failed

Optional Redemption or the Stated Maturity, Interest Proceeds and Principal Proceeds will be applied in accordance with the Special Priority of Payments described under "*Overview of Terms—Priority of Payments—Special Priority of Payments*."

On any Payment Date or applicable Redemption Date for which the Coverage Tests were not met as of the applicable time, principal payments on the Notes will be made as described under "*—Mandatory Redemption*."

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

Any payment of principal on a Class of Notes will be made by the Trustee on a *pro rata* basis among the holders of such Class of Notes according to the respective unpaid principal amounts thereof outstanding immediately prior to such payment.

Optional Redemption

General—Redemption of Notes. The Notes may be redeemed by the Issuer at the written direction of a Majority of the Certificates (with the consent of the Collateral Manager) as follows: (i) the Notes may be redeemed in whole in order of seniority (with respect to all Classes of Notes) but not in part on any Business Day after the end of the Non-Call Period from Sale Proceeds, Contributions of cash and/or Refinancing Proceeds or (ii) the Notes may be redeemed in part by Class from Refinancing Proceeds, Contributions of cash and/or Partial Refinancing Interest Proceeds on any Business Day after the end of the Non-Call Period as long as the Class of Notes to be redeemed represents not less than the entire Class of such Notes. In connection with any such redemption (each such redemption, an "**Optional Redemption**"), the Notes shall be redeemed at the applicable Redemption Prices and a Majority of the Certificates must provide the above described written direction (and the Collateral Manager the above described consent in the case of a Refinancing) to the Issuer not later than 30 days (or such shorter period of time as the Collateral Manager finds reasonably acceptable) prior to the Business Day on which such redemption is to be made; *provided* that all Notes to be redeemed must be redeemed simultaneously.

Upon receipt of a notice of any redemption of Notes in whole, the Collateral Manager in its sole discretion will direct the sale (and manner thereof) of all or part of the Collateral Obligations and other Assets in an amount sufficient 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 and to pay all Administrative Expenses (regardless of the Administrative Expense Cap) and Aggregate Collateral Management Fee due and payable under "*Overview of Terms—Priority of Payments—Application of Interest Proceeds*." 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 Notes and to pay such fees and expenses, the Notes may not be redeemed. The Collateral 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.

In addition to (or in lieu of) a sale of Collateral Obligations and/or Eligible Investments in the manner provided above, the Notes may be redeemed on any Business Day after the expiration of the Non-Call Period in whole from Refinancing Proceeds, Contributions of cash and/or Sale Proceeds or in part by Class from Refinancing Proceeds, Contributions of cash and/or Partial Refinancing Interest Proceeds by obtaining a loan or an issuance of replacement securities, whose terms in each case will be negotiated by the Collateral Manager on behalf of the Issuer, from one or more financial institutions or purchasers (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 Collateral Manager and the Issuer (acting at the direction of a Majority of the Certificates) and such Refinancing otherwise satisfies the conditions described below. Prior to effecting any Refinancing in part by Class, the Issuer shall satisfy the Global Rating Agency Condition in relation to such Refinancing.

In the case of a Refinancing upon a redemption of the Notes in whole but not in part as described above, such Refinancing will be effective only if: (i) the Refinancing Proceeds, any amounts in the Supplemental Reserve Account, all or a specified (as directed by the Issuer acting at the direction of the Holders of Certificates entitled to receive such Interest Proceeds and as determined by the Issuer, or the Collateral Manager on its behalf) portion of Interest Proceeds that are otherwise payable pursuant to clause (N) of "*Overview of Terms—Priority of Payments—*

Application of Interest Proceeds," all Sale Proceeds, if any, from the sale of Collateral Obligations and Eligible Investments in accordance with the procedures set forth in the Indenture, Contributions of cash and all other available funds will be at least sufficient to redeem simultaneously the Notes then required to be redeemed, in whole but not in part (subject to any election to receive less than 100% of Redemption Price as noted below), and to pay all accrued and unpaid Administrative Expenses (regardless of the Administrative Expense Cap), including, without limitation, the reasonable fees, costs, charges and expenses incurred by the Trustee and the Collateral Administrator (including reasonable attorneys' fees and expenses) in connection with such Refinancing, (ii) the Refinancing Proceeds, any amounts in the Supplemental Reserve Account, all or a specified (as directed by the Issuer acting at the direction of the Holders of Certificates entitled to receive such Interest Proceeds and as determined by the Issuer, or the Collateral Manager on its behalf) portion of Interest Proceeds that are otherwise payable pursuant to clause (N) of "*Overview of Terms—Priority of Payments—Application of Interest Proceeds*," all Sale Proceeds, if any, Contributions of cash and other available funds are used (to the extent necessary) to make such redemption, (iii) the agreements relating to the Refinancing contain limited recourse and non-petition provisions equivalent (*mutatis mutandis*) to those contained in the Indenture and (iv) the Collateral Manager consents to such Refinancing.

In the case of a Refinancing upon a redemption of the Notes in part by Class as described above, such Refinancing will be effective only if: (i) notice is provided to S&P and Moody's, (ii) the Refinancing Proceeds, the Partial Refinancing Interest Proceeds, Contributions of cash, any amounts in the Supplemental Reserve Account and all or a specified (as directed by the Issuer acting at the direction of the Holders of Certificates entitled to receive such Interest Proceeds and as determined by the Issuer, or the Collateral Manager on its behalf) portion of Interest Proceeds that are otherwise payable pursuant to clause (N) of "*Overview of Terms—Priority of Payments—Application of Interest Proceeds*" will be at least sufficient to pay in full the aggregate Redemption Prices of the entire Class or Classes of Notes subject to Refinancing, (iii) the Refinancing Proceeds, the Partial Refinancing Interest Proceeds, Contributions of cash, any amounts in the Supplemental Reserve Account and all or a specified (as directed by the Issuer acting at the direction of the Holders of Certificates entitled to receive such Interest Proceeds and as determined by the Issuer, or the Collateral Manager on its behalf) portion of Interest Proceeds that is otherwise payable pursuant to clause (N) of "*Overview of Terms—Priority of Payments—Application of Interest 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 principal amount of the Notes being redeemed with the proceeds of such obligations *plus* an amount equal to the reasonable fees, costs, charges and expenses incurred in connection with such Refinancing, (vi) the stated maturity of each class of obligations providing the Refinancing is no earlier than the corresponding Stated Maturity of each Class of 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 Collateral Manager informs the Trustee will be paid solely as Administrative Expenses payable in accordance with the Indenture; *provided* that any such fees and expenses due to the Trustee and determined by the Collateral Manager to be paid in accordance with the Priority of Payments shall not be subject to the Administrative Expense Cap), (viii) the spread over LIBOR of any obligations providing the Refinancing will not be greater than the spread over LIBOR of the Notes subject to such Refinancing (*provided that* (A) any Class of floating rate Notes may be refinanced with obligations that bear interest at a fixed rate so long as the fixed rate of the obligation is less than LIBOR (determined as of the date that is two Business Days prior to the applicable Redemption Date) *plus* the applicable margin with respect to such class of notes and (B) if more than one Class of Notes is subject to a Refinancing, the spread over LIBOR of the obligations providing the Refinancing for a Class of Notes may be greater than the spread over LIBOR for such Class of Notes subject to Refinancing so long as either (x) no Class of Non-Refinanced Notes exists or (y) if a Class of Non-Refinanced Notes exists, then (I) the Global Rating Agency Condition is satisfied (and, solely for purposes of this clause (I), clause (ii) of the definition of "Moody's Rating Condition" shall be modified to replace the words "then current ratings of any Class of Notes" with the words "then current ratings of any Class of Non-Refinanced Notes") and (II) the weighted average of the spread over LIBOR of the obligations comprising the Refinancing that are senior to a Class of Non-Refinanced Notes (based on the aggregate principal amount of the applicable Classes of Notes subject to Refinancing) is equal to or less than the weighted average of the spread over LIBOR with respect to the Classes of Notes being refinanced (based on the aggregate principal amount of each such Classes) that are senior to such Class of Non-Refinanced Notes), (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 Notes being refinanced, (x) the Collateral Manager consents to such Refinancing and (xi) written advice from Dechert LLP, Cadwalader, Wickersham & Taft LLP or an

opinion of tax counsel of nationally recognized standing in the United States experienced in such matters is delivered to the Issuer (with a copy to the Trustee), in form and substance satisfactory to the Collateral Manager, to the effect that (1) such Refinancing will not (A) result in the Issuer being treated as other than an entity disregarded as separate from its sole equity owner for U.S. federal income tax purposes or becoming subject to U.S. federal income tax with respect to its net income (including any tax imposed under Section 1446 of the Code), (B) have a material adverse effect on the tax consequences to the holders of Notes of any Class not being refinanced at the time of such Refinancing, as described herein under "*U.S. Federal Income Tax Considerations*," or (C) result in the holders or beneficial owners of Notes of a Class not being refinanced to be deemed to have sold or exchanged such Notes under Section 1001 of the Code and (2) any Notes of a Class being refinanced (other than the Class E Notes) will be treated as debt for U.S. federal income tax purposes.

The holders of the Certificates will not have any cause of action against any of the Issuer, the Collateral 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 Collateral Manager, the Issuer and the Trustee (at the direction of the Issuer) 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 a Majority of the Certificates 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 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 20 days (or such shorter period of time as the Trustee and the Collateral Manager find reasonably acceptable) 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 applicable Redemption Price; *provided* that failure to effect any Optional Redemption which is withdrawn by the Issuer in accordance with the Indenture or with respect to which a Refinancing fails to occur shall not constitute an Event of Default under the Indenture.

In connection with any Optional Redemption of the Notes in whole, holders of 100% of the Aggregate Outstanding Amount of any Class of Notes may elect to receive less than 100% of the Redemption Price that would otherwise be payable to the holders of such Class of Notes and such lesser amount shall be the "Redemption Price."

The Notes shall also be redeemed in whole but not in part on any Business Day (any such redemption, a "**Tax Redemption**") at their applicable Redemption Prices at the written direction (delivered to the Trustee) of (x) a Majority of any Affected Class or (y) the Issuer (acting at the direction of a Majority of the Certificates), in either case following the occurrence and continuation of a Tax Event. In connection with any Tax Redemption, holders of 100% of the Aggregate Outstanding Amount of any Class of Notes may elect to receive less than 100% of the Redemption Price that would otherwise be payable to the holders of such Class of Notes.

In the case of a Tax Redemption pursuant to clause (iii) of the definition of Tax Event that occurs prior to the Redemption Make-Whole End Date, the Redemption Price of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes issued on the Closing Date will include a Redemption Premium.

Redemption Procedures. In the event of any Optional Redemption, the written direction of a Majority of the Certificates (with the consent of the Collateral Manager) shall be provided to the Issuer, the Trustee and the Collateral Manager as set forth above under "*—General—Redemption of Notes*." Notice of an Optional Redemption or Tax Redemption will be given by the Trustee by overnight delivery service (or through the applicable procedures of DTC), mailed not later than five Business Days prior to the applicable Redemption Date to each holder of Notes as provided in the Indenture. In addition, for so long as any Notes are listed on the Regulated Market of 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 must be surrendered at the office of the Trustee.

The Issuer will have the option to withdraw any such notice of an Optional Redemption on any day up to the fifth Business Day prior to the proposed Redemption Date. At least three Business Days (or such shorter period of time as the Trustee and the Collateral Manager find reasonably acceptable) before any scheduled Redemption Date, the Issuer (or the Collateral Manager on behalf of the Issuer) may, by written notice to the Trustee (who shall forward such notice to the Holders of Notes and each Rating Agency), elect to postpone such scheduled Redemption Date by up to 15 Business Days.

Unless Refinancing Proceeds are being used to redeem the Notes in whole or in part, in the event of any Optional Redemption or Tax Redemption, no Notes may be optionally redeemed unless (i) at least five Business Days before the scheduled Redemption Date the Collateral Manager shall have furnished to the Trustee evidence in a form reasonably satisfactory to the Trustee (which may be in the form of a Responsible Officer's certificate of the Collateral Manager) that the Collateral 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) and Aggregate Collateral Management Fees payable in connection with such Optional Redemption or Tax Redemption, in each case, as applicable and in accordance with the Priority of Payments, and redeem the applicable Class of Notes on the scheduled Redemption Date at the applicable Redemption Prices, (ii) prior to selling any Collateral Obligations and/or Eligible Investments, the Collateral 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) the sum of the Market Value for each Collateral Obligation shall exceed the sum of (x) the aggregate Redemption Prices of the applicable Class of Notes and (y) all Administrative Expenses (regardless of the Administrative Expense Cap) and Aggregate Collateral Management Fees payable in connection with such Optional Redemption or Tax Redemption, in each case, as applicable and in accordance with the Priority of Payments, (iii) at least one Business Day before the scheduled Redemption Date, the Collateral Manager has furnished to the Trustee evidence in form reasonably satisfactory to the Trustee that the Collateral Manager (or an Affiliate or agent thereof) has priced but not yet closed another collateralized loan obligation transaction or similar transaction, the net proceeds of which will at least equal, in each case, an amount sufficient, together with the proceeds from the Eligible Investments (maturing on or prior to the scheduled Redemption Date) and (without duplication) any cash to be applied to such redemption and (without duplication) the aggregate amount of the expected proceeds from the sale of the Assets and Eligible Investments not later than the Business Day immediately preceding the scheduled Redemption Date, (A) to pay all Administrative Expenses payable under the Priority of Payments (regardless of the Administrative Expense Cap), (B) to pay any accrued and unpaid Aggregate Collateral Management Fees and (C) to redeem such Notes in whole but not in part on the scheduled Redemption Date at the applicable Redemption Prices or (iv) at least one Business Day before the scheduled Redemption Date, the Collateral Manager has furnished to the Trustee evidence in form reasonably satisfactory to the Trustee that the Issuer possesses adequate Interest Proceeds and Principal Proceeds to pay the amounts specified in clause (iii) above. Any certification delivered by the Collateral 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 holders of Notes, the Collateral Manager or any of their respective affiliates or accounts managed thereby or by any of their respective 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.

If a Class or Classes of Notes is redeemed in connection with a Refinancing in part by Class, Refinancing Proceeds, together with Partial Refinancing Interest Proceeds, and/or Contributions of cash shall be used to pay the Redemption Price(s) of such Class or Classes of Notes without regard to the Priority of Payments. See "*Security for the Notes—The Collection Account and Payment Account.*"

Notice of redemption shall be given by the Issuer or, upon an issuer order, by the Trustee in the name and at the expense of the Issuer. 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.

Mandatory Redemption

If a Coverage Test (as described under "*Security for the Notes—The Coverage Tests*") is not met on any Determination Date on which such Coverage Test is applicable, the Issuer shall apply available amounts in the Payment Account to make payments on the Notes pursuant to the Priority of Payments (a "**Mandatory Redemption**") as described under "*Overview of Terms—Priority of Payments.*"

Special Redemption

The Notes will be subject to redemption in part by the Issuer, on any Payment Date (i) during the Reinvestment Period, if the Collateral Manager at its sole discretion 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 Collateral Manager in its sole discretion and which would meet the criteria for reinvestment described under "*Security for the 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 Collateral Manager notifies the Trustee that a redemption is required in order to (A) satisfy the Moody's Rating Condition and (B) obtain from S&P its written confirmation of its initial ratings of the Notes (each a "**Special Redemption**"). 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 as applicable either (1) Principal Proceeds which the Collateral Manager has determined cannot be reinvested in additional Collateral Obligations or (2) Interest Proceeds and Principal Proceeds available therefor in accordance with the Priority of Payments on each Payment Date until the Issuer obtains confirmation from each of the Rating Agencies of the initial ratings of the Notes rated by such Rating Agency (such amount, the "**Special Redemption Amount**"), will be applied as described under "*Overview of Terms—Priority of Payments*." Notice of a 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 case 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 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 and to each Rating Agency. In addition, for so long as any Notes are listed on the Regulated Market of 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.

Clean-Up Call Redemption

At the written direction of either the Issuer (acting at the direction of a Majority of the Certificates) or the Collateral Manager, in its sole discretion (which direction shall be given so as to be received by the Issuer, the Trustee, each Rating Agency and, in the case of such direction delivered by a Majority of the Certificates, the Collateral Manager not later than 30 days prior to the proposed Redemption Date specified in such direction), the Notes will be subject to redemption by the Issuer, in whole but not in part (a "**Clean-Up Call Redemption**"), at the Redemption Price therefor, on any Business Day after the Non-Call Period if the Collateral Principal Amount is less than 20% of the Target Initial Par Amount.

Upon receipt of notice directing the Issuer to effect a Clean-Up Call Redemption and subject to any transfer restriction, the Issuer (or, at the written direction and expense of the Issuer, the Trustee on its behalf) will offer to the Collateral Manager, the holders of the Certificates and any other Person identified by the Issuer or the Collateral Manager the right to bid to purchase the Collateral Obligations at a price not less than the Clean-Up Call Purchase Price. Any Clean-Up Call Redemption is subject to (i) the sale of the Collateral Obligations by the Issuer to the highest bidder therefor pursuant to the immediately preceding sentence on or prior to the third Business Day immediately preceding the related Redemption Date, for a purchase price in cash (the "**Clean-Up Call Purchase Price**") payable prior to or on the Redemption Date at least equal to the greater of (1) the sum of (a) the sum of the Redemption Prices of the Notes, *plus* (b) the aggregate of all other amounts owing by the Issuer on the date of such

redemption that are payable in accordance with the Priority of Payments prior to distributions in respect of the Certificates, *minus* (c) all other Assets available for application in accordance with the Priority of Payments on the Redemption Date and (2) the Market Value of such Assets being purchased, and (ii) the receipt by the Trustee from the Collateral Manager, prior to such purchase, of certification from the Collateral Manager that the sum expected to be received satisfies clause (i). Upon receipt by the Trustee of the certification referred to in the preceding sentence, the Trustee (pursuant to written direction from, and at the expense of, the Issuer) and the Issuer shall take all actions necessary to sell, assign and transfer the Assets to the applicable holder of Certificates, the Collateral Manager or such other Person upon payment in immediately available funds of the Clean-Up Call Purchase Price. The Trustee shall deposit such payment into the applicable sub-account of the Collection Account in accordance with the instructions of the Collateral Manager.

Upon receipt from the Issuer (acting at the direction of a Majority of the Certificates) or the Collateral Manager of a direction in writing to effect a Clean-Up Call Redemption, the Issuer shall set the related Redemption Date (as specified by the Collateral Manager in its direction) and the Record Date and give written notice thereof to the Trustee, the Collateral Administrator, the Collateral Manager and each Rating Agency not later than 15 Business Days prior to the proposed Redemption Date.

Any notice of Clean-Up Call Redemption may be withdrawn by the Issuer up to two Business Days prior to the related scheduled Redemption Date by written notice in accordance with the Indenture only if amounts equal to the Clean-Up Call Purchase Price are not received in full in immediately available funds by the third Business Day immediately preceding such Redemption Date. The Trustee shall also arrange for notice of such withdrawal to be delivered to the Irish Listing Agent appointed by the Issuer (the "**Irish Listing Agent**") to deliver to the Irish Stock Exchange so long as any Notes are listed thereon and so long as the guidelines of such exchange so require.

On the Redemption Date related to any Clean-Up Call Redemption, the Clean-Up Call Purchase Price shall be distributed pursuant to the Priority of Payments.

Cancellation

All Notes surrendered for payment, registration of transfer, exchange or redemption, 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 any surrender in connection with any abandonment, gift, donation or other cause or event) except for payment as provided in the Indenture, for payment, registration of transfer, exchange or redemption in accordance with an Optional Redemption, Tax Redemption, Special Redemption, Clean-Up Call Redemption or Mandatory Redemption (and, in the case of a Special Redemption or a Mandatory Redemption, only to the extent that such Special Redemption or Mandatory Redemption results in the payment in full of the applicable Class of Notes), or for replacement in connection with any Note deemed lost or stolen.

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 certificated notes will be made in U.S. Dollars by wire transfer, as directed by the holder thereof, in immediately available funds to the holder thereof; *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 register maintained by the applicable registrar under the Indenture. Final payments in respect of principal on the Notes will be made only against surrender of the Notes at the applicable office of the Trustee.

Payments on any Global Notes will be made to DTC or its nominee, as the registered owner thereof. Neither the Issuer, the Collateral Manager, the Trustee nor any Paying Agent will have any responsibility or liability for any aspect of the records of DTC or its nominee relating to or payments made on account of beneficial ownership interests in Global Notes or for maintaining, supervising or reviewing any records of DTC or its nominee relating to the beneficial ownership interests. The Issuer expects that DTC or its nominee, upon receipt of any payment of principal or interest in respect of a Global 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 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 Note for a Class of Notes, as shown on the records of

DTC or its nominee. The Issuer also expects that payments by participants to owners of beneficial interests in a Global Note held through those 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, pursuant to the Indenture; and the holder of a Note shall thereafter, as an unsecured general creditor, look only to the 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, unless an Enforcement Event has occurred and is continuing, and on each Redemption Date (other than in connection with (a) a redemption in part by Class of one or more Classes of Notes, (b) a Failed Optional Redemption or (c) the Stated Maturity), 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, unless an Enforcement Event has occurred and is continuing, and on each Redemption Date (other than in connection with (a) a redemption in part by Class of one or more Classes of Notes, (b) a Failed Optional Redemption or (c) the Stated Maturity), Principal Proceeds will be applied in the order of priority described under "*Overview of Terms—Priority of Payments—Application of Principal Proceeds*."

Upon the occurrence of an Enforcement Event, a Failed Optional Redemption or the Stated Maturity, Interest Proceeds and Principal Proceeds will be applied in accordance with the Special Priority of Payments described under "*Overview of Terms—Priority of Payments—Special Priority of Payments.*"

If any declaration of acceleration is rescinded in accordance with the provisions of the Indenture, proceeds in respect of the Assets will be applied in accordance with the "*Overview of Terms—Priority of Payments—Application of Principal Proceeds*" or "*Overview of Terms—Priority of Payments—Application of Interest Proceeds*," as applicable.

The Indenture

The following summary describes certain provisions of the Indenture between the Issuer and the Trustee to be dated as of the Closing Date. 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.

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 any Class B Note or, if there are no Class A Notes Outstanding or Class B Notes Outstanding, any interest on any Note in the Class then comprising the Controlling Class, and in each case, the continuation of any such default for five Business Days after a trust officer of the Trustee has actual knowledge or receives written notice from any holder of Notes of such payment default or (ii) any principal of, or interest or Deferred Interest on, or any Redemption Price in respect of, any Note at its Stated Maturity or any Redemption Date; *provided* that the failure to effect any Optional Redemption which is withdrawn by the Issuer in accordance with the Indenture or with respect to which any Refinancing fails to occur shall not constitute an Event of Default and *provided further* that, solely with respect to clause (i) above, in the case of a failure to disburse funds due to an administrative error or omission by the Collateral Manager, Trustee, Collateral Administrator or any Paying Agent, such failure continues for seven 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 excess of (i) U.S.$10,000, in the case of any amounts due and payable in respect of (A) any principal of, or interest (or Deferred Interest, or any accrued and unpaid interest on such Deferred Interest) on, or any Redemption

Price in respect of, any Note or (B) taxes, governmental fees, filing and registration fees owing by the Issuer, or (ii) $25,000 in all other cases, in each case in accordance with the priority of payments set forth in the Indenture and continuation of such failure for a period of ten Business Days or, in the case of a failure to disburse due to an administrative error or omission by the Trustee, Collateral Administrator or any Paying Agent, 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 Issuer or the Assets becomes an investment company required to be registered under the 1940 Act;

(d) except as otherwise provided in this definition of "Event of Default," a material breach of any other covenant of the Issuer in the Indenture (other than any failure to satisfy any of the Concentration Limitations, Collateral Quality Tests or Coverage Tests, or other covenants or agreements for which a specific remedy has been provided under the Indenture, or any failure to satisfy the requirements described under "*Use of Proceeds—Effective Date*"), or the failure of any material representation or warranty of the 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 which breach or failure has a material adverse effect on the Holders of the Notes, and the continuation of such breach or failure for a period of 45 days after notice to the Issuer and the Collateral Manager by the Trustee or to the Issuer, the Collateral Manager and the Trustee by the Holders of at least a Majority of the Controlling Class, in each case, by registered or certified mail or overnight delivery service, specifying such breach or failure and requiring it to be remedied and stating that such notice is a "**Notice of Default**" under the Indenture; *provided that*, if the Issuer (as notified to the Trustee by the Collateral Manager in writing) has commenced curing such default, breach or failure during the 45-day period specified above, such default, breach or failure shall not constitute an Event of Default under this clause (d) unless it continues for a period of 75 days (rather than, and not in addition to, such 45-day period specified above) after notice to the Issuer and the Collateral Manager by registered or certified mail or overnight courier, by the Trustee, the Issuer or the Collateral Manager, or to the Issuer, the Collateral Manager and the Trustee by 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" hereunder;

(e) certain events of bankruptcy, insolvency, receivership or reorganization of the Issuer; or

(f) on any Measurement Date after the Effective Date as of which the Class A Notes are Outstanding, failure of the percentage equivalent of a fraction (i) the numerator of which is equal to (1) the Collateral Principal Amount *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 Amount of the Class A 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, and shall subject to the terms of the Indenture, upon the written direction of a Majority of the Controlling Class by notice to the Issuer and each Rating Agency, declare the principal of and accrued interest on the Notes to be immediately due and payable. If an Event of Default described in clause (e) above occurs, such acceleration will occur automatically.

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 at the date or dates fixed by the Trustee and deposits and maintain all accounts in respect of the Assets and the Notes in accordance with the Priority of Payments and other applicable 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 Notes for principal and interest (including accrued and unpaid Deferred Interest) and all other amounts that, pursuant to the Priority of Payments, are required to be paid prior to such payments on such Notes (including any amounts due and owing as Administrative Expenses (without regard to the Administrative Expense Cap) and any due and unpaid Aggregate Collateral Management Fee) and a Majority of the Controlling Class agrees with such determination; (ii) in the case of an Event of Default specified in clause (a) of the definition of such term due to failure to pay interest on the Class A Notes or clause (f) of the definition of such term, the

holders of at least a Majority of the Class A Notes direct the sale and liquidation of the Assets (without regard to whether another Event of Default has occurred prior, contemporaneously or subsequent to such Event of Default); *provided* that no Class of Notes (other than the Class A Notes) will have any rights to direct the sale and liquidation of the Assets pursuant to the provisions of the Indenture as described in this clause (ii), regardless of whether any such Class becomes the Controlling Class; or (iii) in the case of each other Event of Default, the holders of at least a Supermajority of each Class of Notes (in each case, voting separately by Class) direct the sale and liquidation of the Assets. The Trustee shall make the determinations required by clause (i) of the preceding sentence within 30 days after an Event of Default and at the request of a Majority of the Controlling Class at any time during which the Trustee retains the Assets pursuant to the Indenture.

Prior to the sale of any Collateral Obligation in connection with an exercise of remedies described in the immediately preceding paragraph, the Trustee will offer the Collateral Manager or an affiliate thereof the right to purchase such Collateral Obligation at a price equal to the highest bid received by the Trustee in accordance with the Indenture (or if only one bid price is received, such bid price). The Collateral Manager or an affiliate thereof shall have the right to bid on any Collateral Obligation sold pursuant to an acceleration or other exercise of remedies.

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 or exercising any trust or power conferred upon the Trustee under the Indenture; *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 an 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 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. A Majority of the Controlling Class may, in certain cases, waive any default or Event of Default with respect to such Notes, except a default or Event of Default (a) in the payment of the principal of any Note (which may be waived only with the consent of the holder of such Note), (b) in the payment of interest on any Note (which may be waived only with the consent of the holder of such Note), (c) in respect of a provision of the Indenture that 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 if the Global Rating Agency Condition is satisfied).

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 a Majority of the Controlling Class (or if the Class A Notes are the Controlling Class and interest on the Class B Notes is due and unpaid, the Class B Notes) 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.

The Trustee will provide notice to the Holders of the Notes and the Certificates (as set forth in the Indenture) of any public sale of the Assets, and the Holders of the Notes, the Holders of the Certificates and the Collateral Manager (and each of their Affiliates) will be permitted to participate in any such public sale to the extent permitted by applicable law and to the extent such Holders or the Collateral Manager (or their Affiliates), as applicable, meet any applicable eligibility requirements with respect to such sale.

Notices. Notices to the holders of the Notes will generally be given by first class mail, postage prepaid or overnight delivery service, to registered holders of Notes (which in the case of Global Notes will be DTC) at each such holder's address appearing in the register maintained by the applicable registrar under the Indenture. Notices to holders of the Notes may also be posted to the Trustee's internet website.

Modification of Indenture.

Modifications with Consent. With the consent of the Collateral Manager, a Majority of the Notes of each Class materially and adversely affected thereby, if any, and if the Certificates are materially and adversely affected thereby, a Majority of the Certificates (and with the consent of a Majority of each Class of Notes, voting separately, regardless of whether any such Class would be materially and adversely affected thereby, if such supplemental indenture would modify the Weighted Average Life Test, the Investment Criteria or the Reinvestment Period), the Trustee and the Issuer 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 and the Certificates of any Class under the Indenture; *provided* that without the consent of each holder of each Security 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 Note, reduce the principal amount thereof or the rate of interest thereon or, except as otherwise expressly permitted by the Indenture, the Redemption Price with respect to any Note, or change the earliest date on which the 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 Notes, or distributions on the Certificates 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 the percentage of the Aggregate Outstanding Amount (in the case of the Notes) or outstanding amount (in the case of the Certificates) of holders of Securities 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 to the Indenture or deprive the holder of any Note of the security afforded by the lien of the Indenture;

(v) reduce the percentage of the Aggregate Outstanding Amount (in the case of the Notes) or outstanding amount (in the case of the Certificates) of holders of any Class of Securities 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 (x) entering into supplemental indentures requiring the consent of the holders of a Majority of each Class of Securities or of the holder of each Outstanding Security of each Class, except to increase the percentage of Outstanding Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes or Certificates 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 Class A Note Outstanding, Class B Note Outstanding, Class C Note Outstanding, Class D Note Outstanding, Class E Note Outstanding or Certificate Outstanding and affected thereby or (y) entering into supplemental indentures without the consent of such holders or the requirements relating to the execution of such supplemental indentures;

(vii) modify 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 Note, or any amount available for distribution to

the Certificates, or to affect the rights of the holders of any Notes to the benefit of any provisions for the redemption of such Notes contained therein.

The Issuer and the Trustee may, pursuant to clause (xii) of the following paragraph and as described under "— *Optional Redemption*," without regard to the provisions of the immediately preceding paragraph, enter into a supplemental indenture to reflect the terms of a Refinancing upon a redemption of the Notes in whole but not in part, including to make any supplements or amendments to the Indenture that would otherwise be subject to the provisions of the immediately preceding paragraph, with the consent of the Collateral Manager. The Issuer shall deliver a copy of any such supplemental indenture to the Holders prior to the execution of any such supplemental indenture.

Modifications without Consent. The Issuer and the Trustee may also enter into supplemental indentures, without obtaining the consent of holders of any Security (except any consent specified below) but with the written consent of the Collateral Manager, 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 and the assumption by any such successor Person of the covenants of the Issuer in the Indenture and in the Notes;

(ii) to add to the covenants of the Issuer or the Trustee for the benefit of the Secured Parties, or to surrender any right or power therein conferred upon the Issuer;

(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;

(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 Issuer to rely upon any exemption from registration under the Securities Act or the 1940 Act or otherwise comply with any applicable securities law;

(vii) to remove restrictions on resale and transfer of Notes to the extent not required under clause (vi) above;

(viii) to make such changes (including the removal and appointment of any listing agent) as shall be necessary or advisable in order for the Notes to be or remain listed on an exchange, including the Irish Stock Exchange;

(ix) to correct or supplement any inconsistent or defective provisions in the Indenture, to cure any ambiguity, omission or errors in the Indenture;

(x) to conform the provisions of the Indenture to this Offering Circular;

(xi) to take any action necessary, advisable, or helpful to prevent the Issuer, the Trustee or the holders of any Notes from being subject to (or to otherwise reduce) withholding or other taxes, fees or assessments, or to reduce the risk of the Issuer being subject to Tax;

(xii) with the consent or at the direction of a Majority of the Certificates to permit the Issuer to issue a replacement loan or securities or other indebtedness in connection with a Refinancing, and to make such other changes as shall be necessary to facilitate a Refinancing;

(xiii) to modify the procedures herein relating to compliance with Rule 17g-5 of the Exchange Act;

(xiv) to accommodate the issuance of the Notes in book-entry form through the facilities of the depository or otherwise;

(xv) to take any action necessary or advisable to prevent the Issuer or the pool of Assets from being required to register under the 1940 Act, or to avoid any requirement that the Collateral Manager or any Affiliate consolidate the Issuer on its financial statements for financial reporting purposes (*provided* that no holders are materially adversely affected thereby);

(xvi) to reduce the permitted Minimum Denomination of the Notes;

(xvii) to change the date on which reports are required to be delivered under the Indenture; *provided* that the consent to such supplemental indenture has been obtained from a Majority of the Controlling Class (such consent not to be unreasonably withheld or delayed);

(xviii) to modify provisions of the Indenture relating to the creation, perfection and preservation of the security interest of the Trustee in the Assets to conform with applicable law;

(xix) to evidence any waiver or elimination by any Rating Agency of any requirement or condition of such Rating Agency set forth herein; *provided* that the consent to such supplemental indenture has been obtained from a Majority of the Controlling Class (such consent not to be unreasonably withheld or delayed);

(xx) to conform to ratings criteria and other guidelines (including, without limitation, any alternative methodology published by either of the Rating Agencies) relating to collateral debt obligations in general published by either of the Rating Agencies; *provided* that the consent to such supplemental indenture has been obtained from a Majority of the Controlling Class;

(xxi) to modify any defined term in Section 1.1 of the Indenture or any Schedule to the Indenture that begins with or includes the word "Moody's" or "S&P" (other than the defined terms "Moody's Rating Condition" and "S&P Rating Condition"); *provided* that the consent to such supplemental indenture has been obtained from a Majority of the Controlling Class (such consent not to be unreasonably withheld or delayed);

(xxii) to change the name of the Issuer in connection with the change in name or identity of the Collateral Manager or as otherwise required pursuant to a contractual obligation or to avoid the use of a trade name or trademark in respect of which the Issuer does not have a license; *provided* that the consent to such supplemental indenture has been obtained from a Majority of the Controlling Class (such consent not to be unreasonably withheld or delayed);

(xxiii) to amend, modify or otherwise accommodate changes to the Indenture to comply with any rule or regulation enacted by regulatory agencies of the United States federal government, Member State of the European Economic Area, stock exchange authority, listing agent, transfer agent or additional registrar after the Closing Date that are applicable to the Notes; *provided* that, other than in connection with an amendment solely to comply with the U.S. Risk Retention Rules to permit a Refinancing, if a Majority of any Class of Notes notifies the Trustee in accordance with the Indenture that such supplemental indenture materially and adversely affects such holders, the Trustee shall not execute any such supplemental indenture without the consent of a Majority of such Class of Notes;

(xxiv) to amend, modify or otherwise change the provisions of the Indenture so that (A) the Issuer is not a "covered fund" under the Volcker Rule, (B) the Notes are not considered to constitute "ownership interests" under the Volcker Rule or (C) ownership of the Notes will otherwise be exempt from the

Volcker Rule; *provided* that the consent to such supplemental indenture has been obtained from (1) a Supermajority of the Section 13 Banking Entities (voting as a single class) and (2) a Majority of the applicable Class of Notes to the extent a Majority of such Class notifies the Trustee in accordance with the Indenture that such supplemental indenture materially and adversely affects such holders;

(xxv) to modify the definition of "Credit Improved Obligation" or "Credit Risk Obligation" in a manner not materially adverse to any holders of any Class of Notes as evidenced by an officer's certificate of the Collateral Manager to the effect that such modification would not be materially adverse to the holder of any Class of Notes;

(xxvi) to permit the Issuer to enter into any additional agreements not expressly prohibited by the Indenture as well as any amendment, modification or waiver thereof if the Issuer determines that such additional agreement, amendment, modification or waiver would not, upon or after becoming effective, materially and adversely affect the rights or interests of holders of any Class of Notes; *provided* that (A) any such additional agreement shall include customary limited recourse and non-petition provisions; (B) the consent to such supplemental indenture has been obtained from a Majority of the Controlling Class and (C) the Trustee receives an opinion of counsel with respect to whether the interests of holders of any Class of Notes would be materially and adversely affected (which opinion 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 the opinion);

(xxvii) to take any action to reduce or eliminate any tax imposed on the Retention Provider (or any of its direct or indirect owners) *provided* that, in the judgement of the Retention Provider (as certified to the Trustee, in which the Trustee shall be able to conclusively rely) in consultation with Dechert LLP, Akin Gump Strauss Hauer & Feld LLP or tax counsel of nationally recognized standing in the United States experienced in such matters, such action would not materially adversely affect the holders of Notes; and

(xxviii) to take any action necessary or advisable for any Bankruptcy Subordination Agreement; and to (A) issue a new Note or Notes in respect of, or issue one or more new sub-classes of, any Class of Notes, in each case with new identifiers (including CUSIPs, ISINs and Common Codes, as applicable) in connection with any Bankruptcy Subordination Agreement; provided that, any sub-class of a Class of Notes issued pursuant to this clause shall be issued on identical terms as, and rank *pari passu* in all respects with, the existing Notes of such Class and (B) provide for procedures under which beneficial owners of such Class that are not subject to a Bankruptcy Subordination Agreement may take an interest in such new Notes or sub-class(es).

The Issuer and the Trustee may only enter into one or more supplemental indentures, with or without consent of holders, to the extent that written advice from Dechert LLP, Cadwalader, Wickersham & Taft LLP or an opinion of tax counsel of nationally recognized standing in the United States experienced in such matters is delivered to the Issuer (with a copy to the Trustee), in form and substance satisfactory to the Collateral Manager, to the effect that such supplemental indenture will not (A) result in the Issuer being treated as other than an entity disregarded as separate from its sole equity owner for U.S. federal income tax purposes or becoming subject to U.S. federal income tax with respect to its net income (including any tax imposed under Section 1446 of the Code), (B) have a material adverse effect on the tax consequences to the holders of any Outstanding Notes, as described herein under "*U.S. Federal Income Tax Considerations*," (C) result in the holders or beneficial owners of the Outstanding Notes to be deemed to have sold or exchanged such Notes under Section 1001 of the Code or (D) adversely affect the tax characterization of any Outstanding Notes that were characterized as debt, for U.S. federal income tax purposes, at the time of issuance.

The Issuer and the Trustee may, pursuant to clause (xii) of "*—Modification of Indenture—Modifications without Consent*" and as described in "*—Optional Redemption*", without regard to the provisions of "*—Modification of Indenture—Modifications with Consent*", enter into a supplemental indenture to reflect the terms of a Refinancing upon a redemption of the Offered Notes in whole but not in part, including to make any supplements or amendments to the Indenture that would otherwise be subject to the provisions of the immediately preceding paragraph, with the consent of the Collateral Manager and a Majority of the Certificates, if the Certificates are materially and adversely

affected thereby. The Issuer shall deliver a copy of any such supplemental indenture to the Holders prior to the execution of any such supplemental indenture.

Notwithstanding any other provision relating to supplemental indentures, at any time after the expiration of the Non-Call Period, if any Class of Notes has been or contemporaneously with the effectiveness of any supplemental indenture will be paid in full in accordance with the Indenture as so supplemented or amended, the written consent of any holder of any Note of such Class will not be required with respect to such supplemental indenture, and no such Holder may claim to be materially and adversely affected thereby.

Except as otherwise expressly provided in the Indenture, in the case of any supplemental indenture entered into in accordance with clause (viii) of "*The Indenture—Modification of Indenture—Modifications without Consent,*" any supplemental indenture described in clause (xii) of "*The Indenture—Modification of Indenture—Modifications without Consent*" effecting a Refinancing or any supplemental indenture to which the holders of each Outstanding Note of each Class have provided their consent (i) such supplemental indenture shall not be subject to the satisfaction of the Global Rating Agency Condition, (ii) except in the case of a supplemental indenture described in clause (xii), of "*The Indenture—Modification of Indenture—Modifications without Consent*" effecting a Refinancing, the Trustee shall not be required to provide notice of such supplemental indenture to any Rating Agency and (iii) the Trustee shall not be required to request written confirmation from any Rating Agency that the Global Rating Agency Condition has been satisfied. Notwithstanding the foregoing, the Trustee shall subsequently provide to Moody's a copy of any supplemental indenture described in clause (xii) of "*The Indenture—Modification of Indenture—Modifications without Consent,*" and to S&P a copy of any supplemental indenture described in the immediately preceding sentence.

To the extent the Issuer executes a supplemental indenture or other modification or amendment of the Indenture for purposes of correcting any inconsistency or curing any ambiguity, omission or errors in the Indenture or conforming the Indenture to this Offering Circular pursuant to clause (ix) or (x) of "*The Indenture—Modification of Indenture—Modifications without Consent*" and one or more other amendment provisions described above also applies, such supplemental indenture or other modification or amendment of the Indenture will be deemed to be a supplemental indenture, modification or amendment to correct any inconsistency or cure any ambiguity, omission or errors in the Indenture or conform the Indenture to this Offering Circular pursuant to clause (ix) or (x) "*The Indenture—Modification of Indenture—Modifications without Consent*" regardless of the applicability of any other provision regarding supplemental indentures set forth in the Indenture.

The Trustee may conclusively rely on an opinion of counsel (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 the opinion) or a Responsible Officer's certificate of the Collateral Manager as to whether the interests of any holder of Securities would be materially and adversely affected by the modifications set forth in any supplemental indenture, it being expressly understood and agreed that the Trustee shall have no obligation to make any determination as to the satisfaction of the requirements related to any supplemental indenture which may form the basis of such opinion of counsel or such Responsible Officer's certificate; *provided* that if a Majority of the holders of any Class of Securities 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 to rely on an opinion of counsel or a Responsible Officer's certificate of the Collateral Manager as to whether or not the Holders of such Class would be materially and adversely affected by such supplemental indenture and shall not enter into such supplemental indenture without the consent of a Majority (or Supermajority or each Holder, as applicable) of such Class. Such determination by such Class as to whether the interests of any Holder have been materially and adversely affected shall be conclusive and binding on all present and future holders. The Trustee shall not be liable for any determination made in good faith and in reliance upon an opinion of counsel or such a Responsible Officer's certificate delivered to the Trustee as described herein.

At the cost of the Issuer, for so long as any Notes are Outstanding, not later than 15 Business Days prior to the execution of any proposed supplemental indenture pursuant to "*The Indenture—Modification of Indenture—Modifications without Consent*" above and not later than 10 Business Days prior to the execution of any proposed supplemental indenture pursuant to "*The Indenture—Modification of Indenture—Modifications with Consent*" above, the Trustee shall be required to deliver to the Collateral Manager, the Collateral Administrator and the holders a copy of such proposed supplemental indenture. It shall not be necessary for the holders of the requisite

Notes to approve the particular form of any proposed supplemental indenture, but it shall be sufficient, if the consent of any holder to such proposed supplemental indenture is required, that such holder shall approve the substance thereof. Except as otherwise provided in the "*The Indenture—Modification of Indenture—Modifications without Consent*," if any Class of Notes is then Outstanding and will remain Outstanding after giving effect to such supplemental indenture and is rated by a Rating Agency, the Trustee shall enter into any such supplemental indenture only if, as a result of such supplemental indenture, the Global Rating Agency Condition is satisfied. At the cost of the Issuer, for so long as any Class of Notes shall remain Outstanding and such Class is rated by a Rating Agency, the Trustee shall provide to such Rating Agency a copy of any proposed supplemental indenture at least 10 Business Days prior to the execution thereof by the Trustee (unless such period is waived by the applicable Rating Agency) and, for so long as such Class of Notes is Outstanding and so rated, request written confirmation that the Global Rating Agency Condition is satisfied. Following such deliveries by the Trustee, if any changes are made to such proposed supplemental indenture other than to correct typographical errors or to adjust formatting, then at the cost of the Issuer, 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 15 Business Days or 10 Business Days, as applicable, after the initial distribution of such proposed supplemental indenture pursuant to the first sentence of this paragraph), the Trustee shall deliver to the Collateral Manager, the Collateral Administrator, the Noteholders, the holders of Certificates and the Rating Agencies a copy of such supplemental indenture as revised, indicating the changes that were made. If, prior to delivery by the Trustee of such supplemental indenture as revised, any Holder has provided its written consent to the supplemental indenture as initially distributed, such Holder will be deemed to have consented in writing to the supplemental indenture as revised unless such Holder has provided written notice of its withdrawal of such consent to the Trustee and the Issuer not later than one Business Day prior to the execution of such supplemental indenture. Any failure of the Trustee to publish or deliver such notices, or any defect therein, shall not in any way impair or affect the validity of any such supplemental indenture. In the case of a supplemental indenture to be entered into pursuant to clause (xii) of "*The Indenture—Modification of Indenture—Modifications without Consent*," the foregoing notice periods shall not apply and a copy of the proposed supplemental indenture shall be included in the notice of Optional Redemption given to each holder of Notes under the provisions of the Indenture described under "*—Optional Redemption—Redemption Procedures*;" and, upon execution of the supplemental indenture, a copy thereof shall be delivered to each Rating Agency and each holder of Securities.

The Collateral Manager will not be bound to follow any amendment or supplement to the Indenture unless it has consented thereto in accordance with the Indenture. The Trustee shall not be obligated to enter into any supplemental indenture which affects the Trustee's own rights, duties, liabilities or immunities under the Indenture or otherwise, except to the extent required by law. 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 to the Indenture 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.

Notwithstanding anything herein to the contrary, without the prior written consent of a Supermajority of the Section 13 Banking Entities (voting as a single class), no supplemental indenture, or other modification or amendment of the Indenture shall modify any of (i) the definitions of "Assets," "Collateral Obligations," "Concentration Limitations," "Eligible Investments," "Participation Interest," or "Section 13 Banking Entity," or (ii) the criteria required to enter into a hedge agreement.

Hedge Agreements. The Issuer and the Trustee shall not enter into any supplemental indenture that permits the Issuer to enter into a hedge agreement unless the Global Rating Agency Condition is satisfied with respect thereto and the Issuer obtains (a) a certification from the Collateral Manager that (i) the written terms of the derivative directly relate to the Collateral Obligations and the Notes, and (ii) such derivative reduces the interest rate and/or foreign exchange risks related to the Collateral Obligations and the Notes, and (b) written advice of counsel that such hedge agreement will not cause any person to be required to register as a "commodity pool operator" (within the meaning of the Commodity Exchange Act) with the Commodity Futures Trading Commission in connection with the Issuer.

Contributions. At any time during or after the Reinvestment Period, any holder of Certificates may make a Contribution of cash, Eligible Investments or Collateral Obligations in accordance with the Indenture, designate any

portion of Interest Proceeds or Principal Proceeds that would otherwise be distributed on its Certificates in accordance with clause (O) of "*Overview of Terms—Priority of Payments—Application of Interest Proceeds*" or clause (O) of "*Overview of Terms—Priority of Payments—Application of Principal Proceeds*," to be a Contribution to the Issuer. Each Contribution shall be in a minimum amount of U.S.$3,000,000. The Collateral Manager, on behalf of the Issuer, may accept or reject any Contribution in its sole discretion. Upon receiving and acceptance by the Collateral Manager of a Contribution of cash or Eligible Investments, the Trustee will immediately deposit such Contribution into the Supplemental Reserve Account. A Contribution of cash or Eligible Investments may only be used for a Permitted Use or Permitted Uses as directed by the applicable Contributor at the time such Contribution is made, so long as the Collateral Manager consents to such Permitted Use(s) (or, if no direction is given by the Contributor, at the Collateral Manager's reasonable discretion). No Contribution of cash or Eligible Investments or portion thereof will be returned to any applicable holder at any time. Furthermore, in connection with the purchase of the Certificates by the Initial Certificate Holder on the Closing Date and from time to time thereafter, the Initial Certificate Holder may make Contributions or transfers of cash, Eligible Investments or Collateral Obligations, or any combination thereof, either directly or through one or more intermediate Related Entities or Affiliates, to the Issuer. For administrative convenience any Contributions or transfers of cash, Eligible Investments or Collateral Obligations made through one or more intermediate Related Entities or Affiliates of the Initial Certificate Holder may instead be made directly into the Issuer, bypassing such intermediate Related Entity or Affiliate. The value received by the Issuer in cash, Eligible Investments and/or in the form of Collateral Obligations will not be affected by the elimination of such intermediate steps. In the case of any such payment made to the Issuer in the form of a combination of cash and Collateral Obligations, the cash portion of such payment shall be an amount equal to the total payment required to be made to the Issuer reduced by an amount equal to the fair market value as determined by the Collateral Manager as of the date of contribution of the Collateral Obligations and Eligible Investments Contributed or transferred to the Issuer in respect of such payment.

Additional Issuance. The Indenture will provide that, at any time during the Reinvestment Period, the Issuer may issue and sell additional Notes of each Class (on a *pro rata* basis with respect to each Class of Notes or, if additional Class A Notes are not being issued, on a *pro rata* basis for all Classes of Notes that are subordinate to the Class A Notes) and use the proceeds to purchase additional Collateral Obligations or as otherwise permitted under the Indenture (including Permitted Uses); *provided* that the following conditions are met: (a) the Collateral Manager consents to such issuance and such issuance is approved by a Majority of the Certificates; (b) the aggregate principal amount of additional Notes of any Class issued in all additional issuances shall not exceed 100% of the respective original outstanding principal amount of the Notes of such Class; (c) the Global Rating Agency Condition has been satisfied; (d) the proceeds of any additional Notes (net of fees and expenses incurred in connection with such issuance) will be treated as Principal Proceeds, used to purchase additional Collateral Obligations or as another Permitted Use; (e) to the extent such issuance would be of additional Notes, the prior written consent of a Majority of the Controlling Class has been obtained; (f) the Overcollateralization Ratio with respect to each Class of Notes is not reduced after giving effect to such issuance; (g) written advice from Dechert LLP, Cadwalader, Wickersham & Taft LLP or an opinion of tax counsel of nationally recognized standing in the United States experienced in such matters will be delivered to the Issuer (with a copy to the Trustee), in form and substance satisfactory to the Collateral Manager, to the effect that (1) such additional issuance will not (A) result in the Issuer being treated as other than an entity disregarded as separate from its sole equity owner for U.S. federal income tax purposes or becoming subject to U.S. federal income tax with respect to its net income (including any tax imposed under Section 1446 of the Code), or (B) have a material adverse effect on the tax consequences to the holders of any Class of Notes outstanding at the time of issuance, as described herein under "*U.S. Federal Income Tax Considerations*," (2) such additional issuance will not result in the holders or beneficial owners of the Notes previously issued to be deemed to have sold or exchanged such Notes under Section 1001 of the Code and (3) any additional Notes (other than the Class E Notes held or beneficially owned by the sole owner of the Certificates) will be treated as debt for U.S. federal income tax purposes; (h) such issuance is accomplished in a manner that allows the independent accountants of the Issuer to accurately provide the tax information relating to original issue discount required to be provided to the holders of Notes (including the additional Notes); and (i) an officer's certificate of the Issuer is delivered to the Trustee stating that the foregoing conditions (a) through (i) have been satisfied. 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 to modify 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. In addition to additional issuance of Notes under the Indenture, additional Certificates may be issued under the Trust Agreement, including in connection with an additional issuance of Notes. An issuance of additional Certificates in connection with an additional issuance of

Notes shall not be subject to the conditions set forth above. The Issuer may also issue additional Notes in accordance with a Refinancing which issuance shall not be subject to the conditions above. The Collateral Manager or an Affiliate of the Collateral Manager shall have the right to acquire any Notes or Certificates issued to the extent it deems such acquisition advisable for compliance with the U.S. Risk Retention Rules, and no consent of any Person to such additional issuance shall be required.

Subject to the final sentence of the first preceding paragraph, any additional Notes of any 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, the Issuer may not consolidate with, merge into, or transfer or convey all or substantially all of its assets to, any other corporation, partnership, limited liability company, trust or other Person or entity.

Petitions for Bankruptcy. The Indenture will provide that none of the Issuer, the Trustee, the Secured Parties or the holders of the Notes may seek to commence a bankruptcy, insolvency or similar proceeding in the United States or any other jurisdiction against or cause the Issuer to petition for bankruptcy until the payment in full of all Notes 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.

The Indenture will provide that in the event one or more Holders cause the filing of a petition in bankruptcy against the Issuer prior to the expiration of the period set forth in the immediately preceding paragraph, 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 (and each other secured creditor of the Issuer) that does not seek to cause any such filing, with such subordination being effective until all Notes (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 set forth herein (after giving effect to such subordination). The terms described in the immediately preceding sentence are referred to in the Indenture as the "**Bankruptcy Subordination Agreement**". The Bankruptcy Subordination Agreement is intended to constitute a "subordination agreement" within the meaning of Section 510(a) of the U.S. Bankruptcy Code (Title 11 of the United States Code, as amended from time to time (or any successor statute)). The Trustee shall be entitled to rely upon an issuer order from the Issuer with respect to the payment of amounts payable to Holders, which amounts are subordinated pursuant to this paragraph.

The Indenture will require that the Issuer shall timely file an answer and any other appropriate pleading objecting to (i) the institution of any proceeding to have the Issuer 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 under applicable bankruptcy law or other applicable law. The reasonable fees, costs, charges and expenses incurred by the Issuer (including reasonable attorneys' fees and expenses) in connection with taking any such action shall be payable as "Administrative Expenses."

Satisfaction and Discharge of the Indenture. The Indenture will be discharged with respect to the Assets securing the Notes upon (i) delivery to the Trustee for cancellation of all of the 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 Issuer of all other amounts due under the Indenture.

Trustee. Wells Fargo Bank, National Association 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 Issuer 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 Issuer, the Collateral 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 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. If the Trustee shall resign or be removed as Trustee, Wells Fargo Bank, National Association shall also resign or be removed as Custodian, Paying Agent, Calculation Agent, registrar and any other capacity in which Wells Fargo Bank, National Association is then acting pursuant to the Indenture or any other Transaction Document.

The Trustee will make certain reports prepared pursuant to the Indenture available via its internet website. The Trustee's internet website shall initially be located at www.ctslink.com.[1] The Trustee may change the way such statements are distributed. 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. Unless the Trustee receives written notice of an error or omission related to financial information or disbursements provided to holders within 90 days of holders' receipt of the same, the Trustee shall have no liability in connection with such and, absent direction by the requisite percentage of holders entitled to direct the Trustee, no further obligations in connection thereof.

Collateral Administrator. Certain administrative duties of the Issuer will be performed for the Issuer, or the Collateral Manager on behalf of the Issuer, with respect to the Assets, including the performance of certain calculations with respect to the Collateral Quality Tests and the Coverage Tests, by Wells Fargo Bank, National Association in such capacity as collateral administrator (the "**Collateral Administrator**") subject, in each case, to the Collateral Administrator's receipt from the Collateral Manager of information with respect to the Assets that is not contained in the Assets database under the agreement to be entered into on or prior to the Closing Date among the Issuer, the Collateral Manager and the Collateral Administrator (the "**Collateral Administration Agreement**").

Pursuant to the terms of the Collateral Administration Agreement, the Issuer and the Collateral Manager will retain Wells Fargo Bank, National Association to compile certain reports, schedules and calculations required to be prepared by the Issuer under the Indenture or by the Collateral Manager under the Collateral Management Agreement. The compensation paid to Wells Fargo Bank, National Association by the Issuer for such services will be the fees paid to the Collateral Administrator and to Wells Fargo Bank, National Association in its capacity as Trustee.

The Issuer hereby agrees that for so long as any of the Notes remain outstanding there will at all times be a Collateral Administrator. The Collateral Administrator may be removed by the Issuer or the Collateral Manager on behalf of the Issuer at any time. If the Collateral Administrator is unable or unwilling to act as such or is removed by the Issuer or the Collateral Manager on behalf of the Issuer, the Issuer or the Collateral Manager on behalf of the Issuer shall promptly appoint a replacement Collateral Administrator. The Collateral Administrator may not resign from its duties or be removed without a successor having been duly appointed.

Confidentiality Provisions. The Indenture will provide that the Trustee, the Collateral Administrator and each holder of Notes will maintain the confidentiality of all Confidential Information in accordance with procedures adopted by such Person in good faith to protect Confidential Information of third parties delivered to such Person; *provided* that such Person may deliver or disclose Confidential Information to: (i) such Person's directors, trustees, officers, employees, agents, attorneys and affiliates who agree to hold confidential the Confidential Information substantially in accordance with the terms of the Indenture and to the extent such disclosure is reasonably required for the administration of the Indenture, the matters contemplated hereby or the investment represented by the Notes; (ii) such Person's legal advisors, financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with the terms of the Indenture and to the extent such disclosure is reasonably required for the administration of the Indenture, the matters contemplated hereby or the investment represented by the Notes; (iii) any other holder, or any of the other parties to the Indenture, the Collateral

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[1] Such website is expressly not incorporated, in any way, as a part of this Offering Circular.

Management Agreement or the Collateral Administration Agreement; (iv) except for Specified Obligor Information, any Person of the type that would be, to such Person's knowledge, permitted to acquire Notes in accordance with the requirements of the Indenture and as set forth under "*Transfer Restrictions*" to which such Person sells or offers to sell any such Note or any part thereof; (v) except for Specified Obligor Information, any other Person from which such former Person offers to purchase any security of the Issuer; (vi) any federal or state or other regulatory, governmental or judicial authority having jurisdiction over such Person; (vii) the National Association of Insurance Commissioners or any similar organization, or any nationally recognized rating agency that requires access to information about the investment portfolio of such Person, reinsurers and liquidity and credit providers that agree to hold confidential the Confidential Information substantially in accordance with the Indenture; (viii) Moody's or S&P; (ix) any other Person with the consent of the Issuer and the Collateral Manager; or (x) any other Person to which such delivery or disclosure may be necessary or appropriate (A) to effect compliance with any law, rule, regulation or order applicable to such Person, (B) in response to any subpoena or other legal process (unless prohibited by applicable law, rule, order or decree or other requirement having the force of law), (C) in connection with any litigation to which such Person is a party (unless prohibited by applicable law, rule, order or decree or other requirement having the force of law), (D) if an Event of Default has occurred and is continuing, to the extent such Person may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under the Notes or the Indenture or (E) in the Trustee's or Collateral Administrator's performance of its obligations under the Indenture, the Collateral Administration Agreement or other transaction document related thereto; and *provided* that delivery to the holders or to the accountants by the Trustee or the Collateral Administrator of any report of information required by the terms of the Indenture to be provided to holders or the accountants shall not be a violation of the Indenture. Each holder of Notes will be deemed to have agreed, except as set forth in clauses (vi), (vii) and (x) above, that it shall use the Confidential Information for the sole purpose of making an investment in the Notes or administering its investment in the Notes; and that the Trustee and the Collateral Administrator shall neither be required nor authorized to disclose to holders any Confidential Information in violation of the Indenture. In the event of any required disclosure of the Confidential Information by such holder, such holder will be deemed to have agreed to use reasonable efforts to protect the confidentiality of the Confidential Information. Each holder of a Note, by its acceptance of a Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of the Indenture provisions regarding Confidential Information (subject to customary exceptions for disclosing the U.S. tax treatment and tax structure of the transactions contemplated by the Indenture).

Notwithstanding the foregoing, the Trustee and the Collateral Administrator may disclose Confidential Information to the extent disclosure thereof may be required by law or by any regulatory or governmental authority and the Trustee and the Collateral Administrator may disclose on a confidential basis any Confidential Information to its agents, attorneys and auditors in connection with the performance of its responsibilities hereunder.

Form, Denomination and Registration of the Notes

The Notes will be sold only to (i) in the case of the Offered Notes, non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act that are (a) Qualified Purchasers or (b) any 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 or (ii) Persons that are (x) Qualified Institutional Buyers or (y) Institutional Accredited Investors and, that in the case of each of clause (i) and (ii) are (a) Qualified Purchasers or (b) any 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. Each Note sold to a Person that, at the time of the acquisition, purported acquisition or proposed acquisition of any such 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 Notes**"). The Notes sold to a Person that, at the time of the acquisition, purported acquisition or proposed acquisition of any such Note is an Institutional Accredited Investor and 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) shall be issued in the form of one or more definitive, fully registered notes without coupons (each, a "**Certificated Note**"). The Offered Notes sold to a Person that is a non-U.S. Person in an offshore transaction in reliance on Regulation S which Person is 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 "**Regulation S Global Notes**"). The Rule 144A Global Notes and the Regulation S Global Notes are referred to herein collectively as the "**Global Notes**."

Each initial investor and subsequent transferee of a Certificated 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 Note (except, in the case of an initial purchaser, as may be expressly agreed in writing between such initial purchaser and the Issuer) will be deemed to represent, among other matters, as to its status under the Securities Act, the 1940 Act and ERISA.

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

The Global 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 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 Note may be transferred to a Person who takes delivery in the form of an interest in the corresponding Rule 144A Global Note or Certificated 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 and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction (or, solely in the case of a transfer to a Person who takes delivery in the form of a Certificated Note, an Institutional Accredited Investor in a transaction exempt from registration under the Securities Act 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 either (x) a Qualified Institutional Buyer or (y) solely in the case of a Certificated Note, an Institutional Accredited Investor, and (z) 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. Beneficial interests in a Rule 144A Global Note or a Certificated Note may be transferred to a Person who takes delivery in the form of an interest in the corresponding Regulation S Global Note (in the case of an Offered Note) or a Certificated 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 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 and is 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 (ii) in the case of a transfer to a Person who takes delivery in the form of an interest in a Certificated Note, a written certification from the transferee in the form required by the Indenture to the effect, among other things, that such transferee is an Institutional Accredited Investor and 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. Any beneficial interest in one of the Global Notes that is transferred to a Person who takes delivery in the form of an interest in another Global Note will, upon transfer, cease to be an interest in such Global Note, and become an interest in such other Global Note, and accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Notes for as long as it remains such an interest.

No service charge will be made for any registration of transfer or exchange of Notes but 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 Note will be the only Person entitled to receive payments in respect of the Global Note represented thereby, and the Issuer will be discharged by payment to, or to the order of, the registered owner of such Global Note in respect of each amount so paid. No Person other than the registered owner of the relevant Global Note will have any claim against the Issuer in respect of any payment due on that Global Note. Account holders or participants in Euroclear and Clearstream shall have no rights under the Indenture with respect to Global Notes held on their behalf by the Trustee as custodian for DTC, and DTC may be treated by the

Issuer, the Trustee and any agent of the Issuer or the Trustee as the holder of Global Notes for all purposes whatsoever.

Except in the limited circumstances described herein or in the Indenture, owners of beneficial interests in the Global 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 Issuer that it is unwilling or unable to continue as depositary for Global Notes or ceases to be a "clearing agency" registered under the Exchange Act and a successor depositary or custodian is not appointed by the Issuer within 90 days after receiving such notice, 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 Notes to the beneficial owners of such Global Notes, in the manner set forth in the Indenture. In addition, the owner of a beneficial interest in a Global 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. If definitive physical certificates are not so issued by the Issuer to such beneficial owners of interests in Global Notes, the Issuer expressly acknowledges that such beneficial owners shall be entitled to pursue any remedy that the holders of a Global 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 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. If definitive physical Notes are issued in exchange for Global Notes as described above, the applicable Global Note, will be surrendered to the Trustee by DTC and the Issuer will execute and the Trustee will authenticate and deliver an equal Aggregate Outstanding Amount of definitive physical Notes.

Certificated Notes and interests in Global Notes will be subject to certain restrictions on transfer set forth therein and in the Indenture and the Notes will bear the restrictive legend set forth under "*Transfer Restrictions*."

The Notes will be issued in Minimum Denominations of U.S.$250,000 and integral multiples of U.S.$1.00 in excess thereof.

The Certificates

The Certificates will be issued pursuant to the Trust Agreement, but will not be secured obligations thereunder. All of the Certificates will be issued and sold on the Closing Date to the Retention Provider and are subject to transfer restrictions in accordance with the applicable provisions of the Trust Agreement to ensure that such transfer would not cause the Certificates to be beneficially owned by more than one person for U.S. federal tax purposes. On the Closing Date, the sole beneficial owner of the Certificates intends to claim the benefits of the Treaty, based on the belief that it will meet the requirements of the Limitation on Benefits provision in Article 23 of the Treaty. However, because meeting such requirements depends on certain circumstances related to the tax status of holders of the Offered Notes, each purchaser or transferee of an Offered Note will be required to make certain representations as to its tax status as described under the "*Transfer Restrictions*".

Status and Ranking. The Certificates will be unsecured, subordinated, non-recourse obligations issued by the Issuer under the Trust Agreement. The Certificates will be fully subordinated to the Notes and to the payment of all other amounts payable in accordance with the Priority of Payments. The Certificates will not be secured by the Assets or any pledge of the Assets but, under the terms of the Indenture, the Trustee at the direction of the Issuer will pay to the holders of the Certificates 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 Certificates or distributions thereon, no other funds will be available to make such payments.

Distributions on the Certificates. On the Stated Maturity of the Notes or at such later date as the Principal Trustee determines (or the "beneficial owner" directs the Principal Trustee to distribute or orders the dissolution of the Issuer following the Stated Maturity), it is expected that the Trustee (or, if the Indenture is discharged prior thereto, the Principal 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), Aggregate Collateral Management Fees and interest and principal on the Notes) to the holders of the Certificates at the direction of the Issuer in final payment of such Certificates. To the extent funds are available for such purpose under the Indenture as described above, payments will be made to the holders of the Certificates on each Payment Date, or in connection with any optional or mandatory redemption of the

Notes to the extent of proceeds available in accordance with the Priority of Payments. Payments on the Certificates will be made to the "beneficial owner" identified in the register pursuant to the Trust Agreement.

Voting. Holders of the Certificates will have no voting rights except as set forth in the Indenture, the Collateral Management Agreement or the other Transaction Documents, as described herein. A Majority of the Certificates will be able to (i) direct an Optional Redemption or Tax Redemption of the Notes under certain circumstances pursuant to the Indenture as described herein, (ii) direct a Clean-Up Call Redemption of the Notes under certain circumstances pursuant to the Indenture as described herein, (iii) at any time, approve an amendment of the Indenture to effect a Refinancing as described herein, and (iv) remove the Collateral Manager for cause and participate in the selection of a successor Collateral Manager under certain circumstances pursuant to the Collateral Management Agreement as described herein. A Majority of the Certificates will be able to, at any time during the Reinvestment Period, approve an amendment of the Indenture to effect the issuance of additional Notes (other than in the case of an amendment of the Indenture to effect an additional issuance of Notes, which requires in addition the consent of a Majority of the Controlling Class). See "*—Optional Redemption*," "*—The Indenture—Modification of Indenture*," "*—The Indenture—Additional Issuance*" and "*The Collateral Management Agreement—Removal, Resignation and Replacement of the Collateral Manager*."

Liquidation of Assets. In the event that the Trustee liquidates the Assets as specified in the Indenture and the net proceeds from such liquidation and all available cash has been used for the payment of (or establishment of a reserve for) all Administrative Expenses (in the same manner and order of priority in the definition thereof), Aggregate Collateral Management Fees and interest and principal on the Notes so that the Notes have been redeemed and paid in full, the Certificates will become the Controlling Class and the holders of the Certificates will have all rights of the holders of the Controlling Class under the Indenture (see "*Risk Factors—Relating to the Notes—The Controlling Class will control many rights under the Indenture and therefore, holders of the subordinated Classes will have limited rights in connection with an Event of Default, Enforcement Event or distributions thereunder*"). Accordingly, if the Initial Certificate Holder were to remain the holder of the Certificates until such time, it would have the ability, through the Collateral Manager, to cause the assignment of any remaining Collateral Obligations to an Affiliate of the Collateral Manager for a purchase price other than Market Value or otherwise dispose of the Collateral Obligations at its discretion. To the extent the cash purchase price paid by such Affiliate is less than the Market Value of such Collateral Obligations, the difference shall be deemed a capital contribution from the applicable holder of Certificates to such Affiliate. See "*Risk Factors—Relating to Certain Conflicts of Interest—Certain Conflicts of Interest Relating to the Collateral Manager and its Affiliates*." In addition, the holders of the Certificates, as the holders of the Controlling Class, would be able to cause the satisfaction and discharge of the Indenture in accordance with its terms. See "*—The Indenture—Satisfaction and Discharge of the Indenture*."

In addition to potential distributions on the Certificates on the Stated Maturity as described under "*—The Certificates—Distributions on the Certificates*," to the extent the Trustee liquidates the Assets as specified in the Indenture and the net proceeds from such liquidation and all available cash has been used for the payment of (or establishment of a reserve for) all Administrative Expenses (in the same manner and order of priority in the definition thereof), Aggregate Collateral Management Fees and interest and principal on the Notes so that the Notes have been redeemed and paid in full, any excess amounts shall be subject to distribution pursuant to the "*Overview of Terms—Priority of Payments*" at the direction of the Issuer.

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 the Issuer will not 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 and the Trustee agree and each holder and beneficial owner of the Offered Notes, by accepting a Note, agrees, to treat the Offered Notes as debt instruments of the sole equity owner of the Issuer 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 take no action inconsistent with such treatment unless otherwise required by a relevant taxing authority.

RATINGS OF THE NOTES

The Notes

It is a condition of the issuance of the Notes that the Class A Notes receive from Moody's and each Class of Notes receive from S&P 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, or a certain Class of Notes, may provide an unsolicited rating that differs from (and may be lower than) those ratings provided by a Rating Agency. See "*Risk Factors—Relating to the Notes—Requirements imposed on Rating Agencies could result in withdrawal of ratings if certain actions are not taken by the Arranger*." 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.

The ratings of the Notes of each Class by S&P and of the Class A Notes by Moody's address the likelihood of full and ultimate payment to holders of such Classes of Notes, as applicable, of all distributions of stated interest and the ultimate payment in full of the principal amount of each such Class not later than its respective Stated Maturity date. The ratings assigned to the Notes of each Class by S&P and to the Class A Notes by Moody's are based upon their assessment of the probability that the Collateral Obligations will provide sufficient funds to pay the Notes of such Class (and in the case of Moody's, the Class A Notes only) (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 Notes (or in the case of Moody's , the Class A Notes only) (which is achieved through the subordination of the Certificates as described herein), and the Concentration Limitations and the Collateral Quality Tests, 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.

SECURITY FOR THE NOTES

The Issuer expects to qualify for the "loan securitization exemption," under the Volcker Rule which applies to an asset-backed security issuer the assets of which, in general, consist only of loans, assets or rights (including certain types of securities) designed to assure the servicing or timely distribution of proceeds to holders or that are related or incidental to purchasing or otherwise acquiring and holding the loans.

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 and all payments thereon or with respect thereto;

(b) the Issuer's interest in (i) the Payment Account, (ii) the Collection Account, (iii) the Ramp-Up Account, (iv) the Revolver Funding Account, (v) the Expense Reserve Account, (vi) the Custodial Account and (vii) the Supplemental 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 Collateral Management Agreement, the Collateral Administration Agreement, the Securities Account Control Agreement, the Master Participation Agreement and the Master Loan Sale Agreement;

(d) all cash or money owned by the Issuer;

(e) any Equity Securities received by the Issuer; it being understood that Equity Securities may not be purchased by the Issuer but it is possible that the Issuer may receive an Equity Security in connection with an insolvency, bankruptcy, reorganization, debt restructuring or workout in such case that would be considered "received in lieu of debts previously contracted with respect to the Collateral Obligation" under the Volcker Rule;

(f) all accounts, chattel paper, deposit accounts, financial assets, general intangibles, payment intangibles, instruments, investment property, letter-of-credit rights, securities, money, documents, goods, commercial tort claims and securities entitlements, and other supporting obligations (as such terms are defined in the Uniform Commercial Code as in effect in the State of New York);

(g) any other property of the Issuer (whether or not constituting Collateral Obligations, Equity Securities or Eligible Investments); and

(h) all proceeds (as defined in the Uniform Commercial Code as in effect in the State of New York) and products with respect to the foregoing.

Collateral Obligations

It is anticipated that the Issuer will have completed the purchase (or commitment to purchase) of, or will have identified for transfer, 100% (by principal amount) of the initial portfolio of Collateral Obligations on the Closing Date, including Collateral Obligations which the Issuer has acquired pursuant to the Master Loan Sale Agreement, which will be conveyed as Closing Date Participations settled directly into the Issuer for administrative convenience pursuant to the Master Participation Agreement. It is expected (but there can be no assurance) that the Concentration Limitations, the Collateral Quality Tests 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 under "*Overview of Terms—Collateral Obligations*" that is pledged by the Issuer to the Trustee will constitute a Collateral Obligation.

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 the

Reinvestment Period, the acquisition of additional Collateral Obligations, restructuring of Collateral Obligations, sales of Assets, repurchases and substitutions of Collateral Obligations by the Transferor as permitted or required under the Master Loan Sale Agreement and reinvestment of Sale Proceeds and other Principal Proceeds. In circumstances in which any portion of the redemption proceeds with respect to the repayment of a Collateral Obligation are rolled as consideration for a new obligation (including by way of a "cashless roll"), such applicable portion shall be treated as the acquisition by the Issuer of a new Collateral Obligation and not as the acquisition of a restructured obligation.

An Obligor may issue Equity Securities in connection with the restructuring of any Collateral Obligation. If any restructuring of a Collateral Obligation takes the form of an exchange of the Collateral Obligation for new debt and Equity Securities or for all Equity Securities, the Issuer will receive its share of such Equity Securities as part of the Assets. The Collateral Manager may direct the Trustee to sell any Equity Security or any asset received by the Issuer in a workout, restructuring or similar transaction at any time without restriction and shall use its commercially reasonable efforts to effect the sale of any Equity Security, regardless of price (i) 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; and (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.

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. Measurement of the degree of compliance with the Concentration Limitations will be required on every Measurement Date on and after the Effective Date and during the Reinvestment Period. 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 Measurement Date 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 Tests 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 Tests 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 Tests.

Minimum Floating Spread Test

The "**Minimum Floating Spread Test**" will be satisfied on any Measurement Date 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; *by*

(b) an amount equal to the aggregate outstanding principal balance of all Floating Rate Obligations as of such Measurement Date.

The "**Minimum Floating Spread**" means the number set forth in the column entitled "Minimum Weighted Average Spread" in the Asset Quality Matrix based upon the applicable "row/column combination" chosen by the Collateral Manager (or interpolating between two adjacent rows and/or two adjacent columns, as applicable) in accordance with the Indenture.

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

(a) in the case of each Floating Rate Obligation (other than a Defaulted Obligation or Deferrable Obligation (other than a Permitted Deferrable Obligation)) that bears interest at a spread over a London interbank offered rate based index (including, for any Permitted Deferrable Obligation, only the excess of the required current cash pay interest required by the Underlying Instruments thereon over the applicable index and excluding the unfunded portion of any Delayed Drawdown Collateral Obligation and Revolving Collateral Obligation), (i) the stated interest rate spread on such Collateral Obligation above such index as of the immediately preceding Interest Determination Date *multiplied by* (ii) the outstanding principal balance of such Collateral Obligation; *provided* that, with respect to any LIBOR Floor Obligation, the stated interest rate spread on such Collateral Obligation over the applicable index shall be deemed to be equal to the sum of (x) the stated interest rate spread over the applicable index and (y) the excess, if any, of the specified "floor" rate relating to such Collateral Obligation over LIBOR as in effect for the current Interest Accrual Period (or portion thereof, in the case of the first Interest Accrual Period); *provided* that the interest rate spread with respect to any Step-Up Obligation will be the then-current interest rate spread; and

(b) in the case of each Floating Rate Obligation (other than a Defaulted Obligation or Deferrable Obligation (other than a Permitted Deferrable Obligation)) (including, for any Permitted Deferrable Obligation, only the required current cash pay interest required by the Underlying Instruments thereon and excluding the unfunded portion of any Delayed Drawdown Collateral Obligation and Revolving Collateral 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 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 outstanding principal balance of each such Collateral Obligation; *provided* that the interest rate spread with respect to any Step-Up Obligation will be the then-current interest rate spread.

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 rate 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 "**Excess Weighted Average Floating Spread**" means a percentage equal as of any Measurement Date 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 outstanding principal balance of all Floating Rate Obligations *by* the aggregate outstanding principal balance of all Fixed Rate Obligations.

Minimum Weighted Average Coupon Test

The "**Minimum Weighted Average Coupon Test**" will be satisfied on any Measurement Date as of which the Collateral Obligations include any Fixed Rate Obligations 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, (i) if any of the Collateral Obligations are Fixed Rate Obligations, 7.50% and (ii) otherwise, zero.

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

(a) the amount equal to the Aggregate Coupon; *by*

(b) an amount equal to the aggregate outstanding principal balance of all Fixed Rate Obligations as of such Measurement Date.

The "**Aggregate Coupon**" is, as of any Measurement Date, the sum of the products obtained by *multiplying*, in the case of each Fixed Rate Obligation (other than a Defaulted Obligation or Deferrable Obligation (other than a Permitted Deferrable Obligation)) (including, for any Permitted Deferrable Obligation, only the required current cash interest required by the Underlying Instruments thereon), (i) the stated coupon on such Collateral Obligation

expressed as a percentage and (ii) the outstanding principal balance of such Collateral Obligation; *provided* that the stated coupon of a Step-Up Obligation will be the then-current coupon.

The "**Excess Weighted Average Coupon**" means a percentage equal as of any Measurement Date 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 outstanding principal balance of all Fixed Rate Obligations *by* the aggregate outstanding principal balance of all Floating Rate Obligations.

Maximum Moody's Rating Factor Test

The "**Maximum Moody's Rating Factor Test**" will be satisfied on any Measurement Date if the Adjusted Weighted Average Moody's Rating Factor of the Collateral Obligations is less than or equal to the sum of (A) the number set forth in the Asset Quality Matrix at the intersection of the applicable "row/column combination" chosen by the Collateral Manager (or interpolating between two adjacent rows and/or two adjacent columns, as applicable) in accordance with the Indenture plus (B) 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 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 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 of 1.

The "**Moody's Weighted Average Recovery Adjustment**" means, as of any Measurement Date, the greater of (a) zero and (b) the product of (i)(A) the Weighted Average Moody's Recovery Rate as of such Measurement Date *multiplied by* 100 *minus* (B) 44 and (ii) with respect to the adjustment of the Maximum Moody's Rating Factor Test, 125 ; *provided* that 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% unless the Moody's Rating Condition is satisfied.

Moody's Diversity Test

The "**Moody's Diversity Test**" will be satisfied on any Measurement Date 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 Asset Quality Matrix based upon the applicable "row/column combination" chosen by the Collateral 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

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
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
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 Measurement Date on or after the Effective Date (and, during any S&P CDO Monitor Election Period, following receipt by the Collateral Manager of the Class Break-even Default Rates for each S&P CDO Monitor input file (in accordance with the definition of "Class Break-even Default Rate")) if, after giving effect to the sale of a Collateral Obligation or the purchase of a Collateral Obligation, the Class Default Differential of the Proposed Portfolio with respect to the most senior Class of Notes outstanding then rated by S&P is positive. The S&P CDO Monitor Test will be considered to be improved if the Class Default Differential of the Proposed Portfolio with respect to the most senior Class of Notes outstanding then rated by S&P is greater than the corresponding Class Default Differential of the Current Portfolio.

Compliance with the S&P CDO Monitor Test will be measured only during the Reinvestment Period and will be measured by the Collateral Manager on each Measurement Date; *provided*, *however*, that on each Measurement Date after the Effective Date occurring during any S&P CDO Monitor Election Period, after receipt by the Issuer of the S&P CDO Monitor, the Collateral Manager will be required to provide to the Collateral Administrator a report on the portfolio of Collateral Obligations containing such information as shall be reasonably necessary to permit the Collateral Administrator to calculate the Class Default Differential with respect to the most senior Class of Notes outstanding then rated by S&P on such Measurement Date. In the event that the Collateral Manager's measurement of compliance and the Collateral Administrator's measurement of compliance show different results, the Collateral Manager and the Collateral Administrator shall be required to cooperate promptly in order to reconcile such discrepancy.

There can be no assurance that actual defaults of the Collateral Obligations will not exceed those assumed in the application of the Class Break-even Default Rate or that recovery rates with respect thereto will not differ from those assumed in the Class Break-even Default Rate. None of the Collateral Manager, the Initial Purchaser, the Issuer, 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 Measurement Date if the Weighted Average Moody's Recovery Rate equals or exceeds 44%.

The "**Weighted Average Moody's Recovery Rate**" is, as of any Measurement Date, 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 Measurement Date, 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, except with respect to DIP Collateral Obligations, the rate determined pursuant to the table below based on the number of rating subcategories difference between the Collateral Obligation'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	Senior Secured Loans**	Second Lien Loans*	Unsecured Loans
+2 or more	60.0%	55.0%	45.0%
+1	50.0%	45.0%	35.0%
0	45.0%	35.0%	30.0%
-1	40.0%	25.0%	25.0%
-2	30.0%	15.0%	15.0%
-3 or less	20.0%	5.0%	5.0%

or

(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%.

* If such Collateral Obligation does not have both a CFR and an Assigned Moody's Rating (as such terms are defined in Annex B), such Collateral Obligation will be deemed to be an Unsecured Loan, for purposes of this table.

** Any Collateral Obligation that is a First-Lien Last-Out Loan or which is subordinate to a Senior Working Capital Facility will be deemed to be a Second Lien Loan for purposes of this table.

Minimum Weighted Average S&P Recovery Rate Test

The Collateral Manager may, at any time after the Closing Date upon at least 5 Business Days' prior written notice to S&P, the Trustee and the Collateral Administrator, elect to utilize the S&P CDO Monitor in determining compliance with the S&P CDO Monitor Test (the effective date specified by the Collateral Manager for such election, the "**S&P CDO Monitor Election Date**").

The "**Minimum Weighted Average S&P Recovery Rate Test**" will be satisfied on any Measurement Date during any S&P CDO Monitor Election Period if the Weighted Average S&P Recovery Rate for the most senior Class of Notes outstanding then rated by S&P equals or exceeds the Weighted Average S&P Recovery Rate for such Class selected by the Collateral Manager in connection with the S&P CDO Monitor.

"**Weighted Average S&P Recovery Rate**" means, as of any Measurement Date, the number, expressed as a percentage and determined separately for each Class of Notes, obtained by *summing* the products obtained by *multiplying* the 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.

On or prior to the later of (x) the S&P CDO Monitor Election Date and (y) the Effective Date, the Collateral Manager will elect the Weighted Average S&P Recovery Rate that will apply on and after such date to the Collateral Obligations for purposes of determining compliance with the Minimum Weighted Average S&P Recovery Rate Test, and the Collateral Manager will so notify the Trustee and the Collateral Administrator. Thereafter, at any time during any S&P CDO Monitor Election Period on written notice to the Trustee, the Collateral Administrator and S&P, the Collateral Manager may elect a different Weighted Average S&P Recovery Rate to apply to the Collateral Obligations; *provided*, that if (i) the Collateral Obligations are currently in compliance with the Weighted Average S&P Recovery Rate case then applicable to the Collateral Obligations but the Collateral Obligations would not be in compliance with the Weighted Average S&P Recovery Rate case to which the Collateral Manager desires to change, then such changed case shall not apply or (ii) the Collateral Obligations are not currently in compliance with the Weighted Average S&P Recovery Rate case then applicable to the Collateral Obligations and would not be in compliance with any other Weighted Average S&P Recovery Rate case, the Weighted Average S&P Recovery Rate to apply to the Collateral Obligations shall be the lowest Weighted Average S&P Recovery Rate in Section 2 of Annex C. If the Collateral Manager does not notify the Trustee and the Collateral Administrator that it will alter the Weighted Average S&P Recovery Rate in the manner set forth in the Indenture, the Weighted Average S&P Recovery Rate chosen as of the S&P CDO Monitor Election Date or the Effective Date, as applicable, shall continue to apply.

Weighted Average Life Test

The "**Weighted Average Life Test**" will be satisfied on any Measurement Date if the Weighted Average Life of the Collateral Obligations as of such date is less than or equal to the value in the column entitled "Weighted Average Life Value" in the table below corresponding to the immediately preceding Payment Date (or, prior to the first Payment Date, the Closing Date):

	Weighted Average Life Value
Closing Date	8.00
7/18/2017	7.6
10/18/2017	7.35
1/18/2018	7.1
4/18/2018	6.85
7/18/2018	6.6
10/18/2018	6.35
1/18/2019	6.1
4/18/2019	5.85
7/18/2019	5.6
10/18/2019	5.35
1/18/2020	5.1
4/18/2020	4.85
7/18/2020	4.6
10/18/2020	4.35
1/18/2021	4.1
4/18/2021	3.85
7/18/2021	3.6
10/18/2021	3.35
1/18/2022	3.1
4/18/2022	2.85
7/18/2022	2.6
10/18/2022	2.35
1/18/2023	2.1
4/18/2023	1.85

Weighted Average Life Value	
7/18/2023	1.6
10/18/2023	1.35
1/18/2024	1.1
4/18/2024	0.85
7/18/2024	0.6
10/18/2024	0.35
1/18/2025	0.1
4/18/2025	0

The "**Weighted Average Life**" is, as of any Measurement Date 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) (i) the Average Life at such time of each such Collateral Obligation *by* (ii) the outstanding principal balance of such Collateral Obligation

and *dividing* such sum *by*:

(b) the aggregate outstanding principal balance at such time of all Collateral Obligations other than Defaulted Obligations.

The "**Average Life**" is, on any Measurement Date 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 Measurement Date 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 Tests and the Coverage Tests.

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 the Defaulted Obligation Balance. Except where expressly referenced herein for inclusion in such calculations, Defaulted Obligations will not be included in the calculation of the Collateral Quality Tests.

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 unless or until such payments are actually made.

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.

Except as expressly set forth herein, the "principal balance" and the "outstanding 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 Distribution on any Asset (including Current Pay Obligations and DIP Collateral Obligations, but excluding Defaulted Obligations, which, except as otherwise provided herein, shall be assumed to have Scheduled Distributions of zero, except to the extent any payments have actually been received) 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 paid 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 a Collateral Obligation 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 Collateral 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 as of the date of such sale or other disposition 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 clause (x) of the proviso to the definition of "Defaulted Obligation," then the Current Pay Obligations with the lowest Market Value (expressed as a percentage of the outstanding principal balance of such Current Pay Obligations 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 Tests, DIP Collateral Obligations will be treated as having an S&P Recovery Rate equal to the S&P Recovery Rate for Senior Secured Loans.

Notwithstanding any other provisions of the Indenture to the contrary, all monetary calculations under the Indenture will be in U.S. dollars.

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 the actual number of days in the applicable Interest Accrual Period *divided by* 360 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 Collateral 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, 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 to determine whether and when such acquisition or disposition has occurred.

For all purposes where expressly used herein, the "outstanding principal balance" and "principal balance" shall exclude capitalized interest, if any.

The Coverage Tests

See "*—Collateral Assumptions*" for a description of the assumptions applicable to the determination of satisfaction of the Coverage Tests.

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

Measurement of the degree of compliance with the Coverage Tests will be required as of each Determination 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 occurring immediately prior to the second Payment Date.

Sales of Collateral Obligations; Additional Collateral Obligations and Investment Criteria

Subject to the other requirements set forth in the Indenture and compliance with the Portfolio Acquisition and Disposition Requirements, the Collateral Manager on behalf of the Issuer may (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 Collateral Manager any Collateral Obligation or Equity Security, as certified by the Collateral Manager, if such sale meets any one of the following requirements (subject in each case to any applicable requirement of disposition under clause (g) below and *provided* that if an Event of Default has occurred and is continuing, the Collateral Manager may not direct the Trustee to sell any Collateral Obligation or Equity Security pursuant to clauses (e) or (f)), 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 Collateral Manager may direct the Trustee to sell any Credit Risk Obligation at any time without restriction;

(b) The Collateral Manager may direct the Trustee to sell any Credit Improved Obligation at any time without restriction;

(c) The Collateral Manager may direct the Trustee to sell any Defaulted Obligation at any time without restriction;

(d) The Collateral Manager may direct the Trustee to sell any Equity Security or asset received by the Issuer in a workout, restructuring or similar transaction at any time without restriction and shall use its commercially reasonable efforts to effect the sale of any Equity Security, regardless of price:

(i) 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; and

(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;

(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 Certificates has directed (by a written direction delivered to the Trustee) a Tax Redemption and all requirements for an Optional Redemption or Tax Redemption set forth in the Indenture are met, if necessary to effect such Optional Redemption or Tax Redemption, the Collateral Manager shall direct the Trustee to sell (which sale may be through participation or other arrangement) all or a portion of the Collateral Obligations. 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 Collateral Manager may direct the Trustee to sell any Collateral Obligation at any time other than during a Restricted Trading Period if, commencing with the first calendar year after the Closing Date, total sales pursuant to this clause (f) (measured by the par amount of all Collateral Obligations disposed of) during the preceding 12-month period do not exceed (i) during the first calendar year following the Closing Date, 40% of the Collateral Principal Amount and (ii) thereafter, 30% of the Collateral Principal Amount (in each case, measured as of the first day of such 12-month period), it being understood that the foregoing limitation shall not apply to any optional substitutions or repurchases effected by the Transferor pursuant to the Master Loan Sale Agreement and the Indenture; *provided* that for purposes of determining the percentage of Collateral Obligations sold pursuant to this clause (f) during any such period, the amount of Collateral Obligations so sold shall be reduced to the extent of any purchases of (or irrevocable commitments to purchase) Collateral Obligations of the same obligor (which are *pari passu* or senior to such sold Collateral Obligations) occurring within 45 Business Days of such sale, so long as any such sale pursuant to this clause (f) of a Collateral Obligation was entered into with the intention of purchasing such Collateral Obligations of the same obligor;

(g) The Collateral 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 (ix) 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 (viii) of the definition of "Collateral Obligation" within 45 days after the failure of such Collateral Obligation to meet either such criteria;

(h) After the Reinvestment Period (without regard to whether an Event of Default has occurred), at the direction of the Collateral Manager, the Trustee will conduct an auction of Unsaleable Assets in accordance with the procedures below;

(i) The Collateral Manager may direct the Trustee at any time without restriction to sell any Collateral Obligation that (i) has a Material Covenant Default or (ii) becomes subject to a proposed Maturity Amendment that fails to satisfy the criteria required hereunder to allow the Issuer (or the Collateral Manager on the Issuer's behalf) to vote in favor of such Maturity Amendment; or

(j) After the Collateral Manager has notified the Issuer and the Trustee of a Clean-Up Call Redemption in accordance with "*Description of the Securities—Clean-Up Call Redemption*," the portfolio of Collateral Obligations may be sold in accordance with the provisions of "*Description of the Securities—Clean-Up Call Redemption*" without regard to the limitations in this section by directing the Trustee to effect such sale; *provided* that the Sale Proceeds therefrom are used for the purposes specified in "*Description of the Securities—Clean-Up Call Redemption*" (and applied pursuant to the Priority of Payments);

provided, that in the event that the Collateral Manager and the Issuer receive an opinion of counsel of national reputation experienced in such matters that the Issuer's ownership of any specific "Asset" would cause the Issuer to be unable to comply with the loan securitization exemption from the definition of "covered fund" under the Volcker Rule, then the Collateral Manager, on behalf of the Issuer, will be required to take commercially reasonable efforts to sell such "Asset" and will not purchase or otherwise receive any additional "Asset" of the type identified in such opinion.

Promptly after receipt of written notice from the Collateral Manager of an auction of Unsaleable Assets, the Trustee will forward a notice in the Issuer's name (prepared by the Collateral Manager) to the holders and each Rating Agency, setting forth in reasonable detail a description of each Unsaleable Asset and the following auction procedures:

(A) Any holder may submit a written bid to purchase one or more Unsaleable Assets no later than the date specified in the auction notice (which shall be at least 15 Business Days after the date of such notice).

(B) Each bid must include an offer to purchase for a specified amount of cash on a proposed settlement date no later than 20 Business Days after the date of the auction notice.

(C) If no holder submits such a bid, unless delivery in kind is not legally or commercially practicable and subject to any transfer restrictions (including minimum denominations), the Trustee will provide notice thereof to each holder and offer to deliver (at no cost to the Trustee or holder) a *pro rata* portion of each unsold Unsaleable Asset to the holders of the Class with the highest priority that provide delivery instructions to the Trustee on or before the date specified in such notice. To the extent that minimum denominations do not permit a *pro rata* distribution, the Trustee will distribute the Unsaleable Assets on a *pro rata* basis to the extent possible and the Issuer or the Collateral Manager will select by lottery the holder to whom the remaining amount will be delivered. The Trustee will use commercially reasonable efforts to effect delivery of such interests.

(D) If no such holder provides delivery instructions to the Trustee, the Trustee will promptly notify the Collateral Manager and offer to deliver (at no cost to the Trustee) the Unsaleable Asset to the Collateral Manager. If the Collateral Manager declines such offer, the Collateral Manager (on behalf of the Issuer) will direct action to dispose of the Unsaleable Asset, which may be by donation to a charity, abandonment or other means, and the Trustee (at no expense to the Trustee) will take such action as so directed.

(E) The Trustee shall have no duty, obligation or responsibility with respect to the sale of any Unsaleable Asset other than based upon the written instruction of the Collateral Manager.

Notwithstanding the other requirements set forth in the Indenture and described above or described under "*Description of the Securities—The Indenture—Events of Default*," but subject to the Portfolio Acquisition and Disposition Requirements, the Issuer shall have the right to effect any sale of any Asset or purchase of any Collateral Obligation and the Transferor shall have the right to exercise any optional purchase or substitution rights (1) with the consent of holders evidencing at least (i) with respect to purchases or optional repurchases or substitutions during the Reinvestment Period and sales during or after the Reinvestment Period, 75% of the Aggregate Outstanding Amount of each Class of Notes and (ii) with respect to purchases or optional repurchases or substitutions after the Reinvestment Period, 100% of the Aggregate Outstanding Amount of each Class of Notes and (2) of which each Rating Agency and the Trustee has been notified.

Notwithstanding the other requirements set forth in the Indenture and described above or described under "*Description of the Securities—The Indenture—Events of Default*," upon the occurrence and during the continuance of an Enforcement Event, the Issuer shall not have the right to effect any sale of any Asset or purchase of any Collateral Obligation and the Transferor shall not exercise any optional repurchase or substitution rights, in each case, without the consent of a Majority of the Controlling Class.

Notwithstanding any other provisions in the Indenture, any acquisition, sale or substitution of any Collateral Obligation shall satisfy the Portfolio Acquisition and Disposition Requirements.

Additional Collateral Obligations and Investment Criteria. On any date during the Reinvestment Period, the Collateral Manager on behalf of the Issuer may, subject to the other requirements in the Indenture and compliance with the Portfolio Acquisition and Disposition Requirements, direct the Trustee to invest Principal Proceeds, proceeds of additional Notes issued in accordance with the Indenture, amounts on deposit in the Ramp-Up Account and the Supplemental Reserve Account and Principal Financed Accrued Interest, and the Trustee shall invest such Principal Proceeds and other amounts in accordance with such direction. After the Reinvestment Period, the Collateral Manager shall not direct the Trustee to invest any amounts on behalf of the Issuer; *provided* that (i) cash on deposit in any Account (other than the Payment Account) may be invested in Eligible Investments following the Reinvestment Period and (ii) the Collateral Manager may, in the case of assets that are the subject of binding commitments entered into prior to the end of the Reinvestment Period, continue to apply Principal Proceeds for the purchase of such Collateral Obligations).

During the Reinvestment Period, such Principal Proceeds and other amounts may be used to purchase additional obligations subject to the Portfolio Acquisition and Disposition Requirements and to the requirement that each of the following criteria (such criteria collectively, the "**Investment Criteria**") is satisfied as of the date the Collateral Manager commits on behalf of the Issuer to make such purchase, in each case as determined by the Collateral

Manager after giving effect to such purchase and all other sales or purchases previously or simultaneously committed to; *provided* that the criteria set forth in clauses (c) and (d) below need only be satisfied with respect to purchases of Collateral Obligations occurring on or after the Effective Date:

(a) (i) (1) such obligation is a Collateral Obligation and (2) to the knowledge of the Issuer, such obligation will not prevent the Issuer from qualifying for the "loan securitization" exemption from the definition of "covered fund" provided for in the Final Volcker Regulations and (ii) (A) the Retention Test is satisfied prior to and after giving effect to such investment or (B) if the Retention Test is not satisfied immediately prior to giving effect to such investment, such obligation is originated, directly or indirectly through affiliates (including the Issuer), by the Retention Provider and (unless originated by the Issuer) acquired by the Issuer from the Retention Provider pursuant to the Master Loan Sale Agreement;

(b) 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), each Coverage Test will be satisfied, or if not satisfied, such Coverage Test will be maintained or improved;

(c) (A) in the case of an additional Collateral Obligation purchased with the proceeds from the sale of a Credit Risk Obligation or a Defaulted Obligation, either (1) the aggregate outstanding 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 outstanding principal balance of the Collateral Obligations will be maintained or increased (when compared to the aggregate outstanding principal balance of the Collateral Obligations immediately prior to such sale) or (3) the Collateral Principal Amount (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) will be at least equal to 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 outstanding principal balance of the Collateral Obligations will be maintained or increased (when compared to the aggregate outstanding principal balance of the Collateral Obligations immediately prior to such sale) or (2) the Collateral Principal Amount (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) will be at least equal to the Reinvestment Target Par Balance;

(d) either (A) each requirement or test, as the case may be, of the Concentration Limitations and the Collateral Quality Tests (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;

(e) the date on which the Issuer (or the Collateral Manager on its behalf) commits to purchase such Collateral Obligation occurs during the Reinvestment Period; and

(f) with respect to the use of Sale Proceeds of Credit Improved Obligations, any of the following conditions is satisfied: (1) the aggregate outstanding principal balance of all Collateral Obligations purchased with such Sale Proceeds will be greater than or equal to the Investment Criteria Adjusted Balance of the disposed Collateral Obligations, (2) after giving effect to such purchase, the Adjusted Collateral Principal Amount will be maintained or increased (when compared to the Adjusted Collateral Principal Amount immediately prior to such sale) or (3) after giving effect to such reinvestment of such Sale Proceeds, the aggregate outstanding principal balance of all Collateral Obligations (excluding the Collateral Obligation being sold but including, without duplication, the anticipated cash proceeds of such sale) plus, without duplication, the amounts on deposit in the Collection Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds, will be greater than (or equal to) the Reinvestment Target Par Balance.

During the Reinvestment Period and for purposes of calculating compliance with the Investment Criteria, at the election of the Collateral Manager in its sole discretion, any proposed investment (whether a single Collateral

Obligation or a group of Collateral Obligations) identified by the Collateral 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 the ten 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, on two occasions, 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. The Collateral Manager shall provide (prior in the case of clause (i)(A)) written notice to (i) each Rating Agency of (A) any Trading Plan, which notice shall specify the proposed investments identified by the Collateral Manager for acquisition as part of such Trading Plan and (B) the occurrence of the event described in clause (z) above and (ii) S&P 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 Collateral Manager will provide notice to the Trustee promptly after a Trading Plan is executed, and the Trustee will post such notice on the Trustee's website, and the Trustee will report the details of any such Trading Plan provided by the Collateral Manager on a dedicated page of the Monthly Report pursuant to the Indenture.

Notwithstanding anything in the Indenture or the Collateral Management Agreement to the contrary, the Collateral Manager may enter into commitments to acquire Collateral Obligations on the basis of Principal Proceeds which have not yet been received, but (x) which 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 or (y) with respect to which the Collateral Manager reasonably expects to receive such Principal Proceeds or has received written notice from the Obligor, administrative agent or other similar Person in writing that such Principal Proceeds are scheduled to be paid (including, without limitation, by the dissemination or posting to an internet site of a report stating or indicating that such payment is scheduled to be paid).

Conditions Applicable to All Sale and Purchase Transactions. Any transaction effected under Article XII of the Indenture or in connection with the acquisition, disposition or substitution of any Asset shall be conducted on an arm's length basis and, if effected with a Person Affiliated with the Collateral Manager (or with an account or portfolio for which the Collateral Manager or any of its Affiliates serves as investment adviser), shall be effected on terms no less favorable to the Issuer than would be the case if such Person were not so Affiliated, *provided* that in the case of any Collateral Obligation sold or otherwise transferred to a Person so Affiliated, the value thereof shall be the mid-point between the "bid" and "ask" prices provided by a nationally recognized independent pricing service or, if unavailable or determined by the Collateral Manager to be unreliable, the fair market value of such Collateral Obligation as reasonably determined by the Collateral Manager (so long as the Collateral Manager is a Registered Investment Adviser) consistent with the Collateral Manager Standard, and such Affiliate shall acquire such Collateral Obligation for a price equal to the value so determined; *provided further* that an aggregate amount of Collateral Obligations not exceeding 15% of the Net Purchased Loan Balance may be sold or otherwise transferred to the Retention Provider pursuant to the Indenture at a price greater than the value determined pursuant to the immediately preceding proviso, but no greater than the Transfer Deposit Amount of any such Collateral Obligation (and to the extent such price exceeds the fair market value of any such Collateral Obligation, such excess shall be deemed to be a capital contribution from the Retention Provider to the Issuer); *provided further* that the Trustee shall have no responsibility to oversee compliance with this paragraph by the other parties. Notwithstanding anything contained in Article XII of the Indenture to the contrary, after the Closing Date, the Issuer shall not acquire any Collateral Obligation from an Affiliate of the Collateral Manager unless (i) such transfer is from the Retention Provider pursuant to the Master Loan Sale Agreement or (ii) such transfer is from an Affiliate of the Collateral Manager that is a bankruptcy-remote special purpose vehicle. The Master Loan Sale Agreement will contain customary limitations on the repurchases of loans by the Transferor and the Retention Provider.

Optional Repurchase or Substitution

Subject to the limitations set forth below, the Transferor will have the right but not the obligation to repurchase, or substitute (in each case with the consent of the Collateral Manager so long as MidCap Capital Management is the Collateral Manager) another Collateral Obligation for, any:

(a) Collateral Obligation that becomes a Defaulted Obligation;

(b) Collateral Obligation that has a Material Covenant Default;

(c) Collateral Obligation that becomes subject to a proposed Specified Amendment; or

(d) Collateral Obligation that becomes a Credit Risk Obligation (each of the above, a "**Substitution Event**").

At all times, (i) the aggregate principal balance of all substituted Collateral Obligations (each, a "**Substitute Collateral Obligation**") owned by the Issuer at any time since the Closing Date *plus* (ii) the aggregate principal balance related to all Collateral Obligations that have been repurchased by the Transferor pursuant to its right of optional repurchase or substitution since the Closing Date and not subsequently applied to purchase a Substitute Collateral Obligation may not exceed an amount equal to (x) 20% of the Net Purchased Loan Balance in the aggregate and (y) 10% of the Net Purchased Loan Balance in the case of Defaulted Obligations or Credit Risk Obligations repurchased following a determination by the Collateral Manager that such Collateral Obligation would with the passage of time become a Defaulted Obligation; *provided* that clause (ii) above shall not include (A) the principal balance related to any Collateral Obligation that is repurchased by the Transferor in connection with a proposed Specified Amendment to such Collateral Obligation so long as (x) the Transferor certifies in writing to the Collateral Manager and the Trustee that such purchase is, in the commercially reasonable business judgment of the Transferor, necessary or advisable in connection with the restructuring of such Collateral Obligation and such restructuring is expected to result in a Specified Amendment to such Collateral Obligation, and (y) the Collateral Manager certifies in writing to the Trustee that the Collateral Manager either would not be permitted to or would not elect to enter into such Specified Amendment pursuant to the Collateral Manager Standard or any provision of the Indenture or the Collateral Management Agreement or (B) the purchase price of any Collateral Obligations or, for the avoidance of doubt, any Equity Securities sold by the Issuer to the Transferor as described in the section entitled "*Security for the Notes—Sales of Collateral Obligations; Additional Collateral Obligations and Investment Criteria*". The foregoing provisions in this paragraph are the "**Repurchase and Substitution Limit**."

The substitution of any Substitute Collateral Obligation will be subject to the satisfaction of the "**Substitute Collateral Obligations Qualification Conditions**" as of the related Cut-Off Date for each such Collateral Obligation (after giving effect to such substitution), which conditions are:

(a) each Coverage Test, Collateral Quality Test and Concentration Limitation remains satisfied or, if not in compliance at the time of substitution, any such Coverage Test, Collateral Quality Test or Concentration Limitation is maintained or improved;

(b) the principal balance of such Substitute Collateral Obligation (or, if more than one Substitute Collateral Obligation will be added in replacement of a Collateral Obligation or Collateral Obligations, the aggregate principal balance of such Substitute Collateral Obligations) equals or exceeds the principal balance of the Collateral Obligation being substituted for and the Net Exposure Amount, if any, with respect thereto shall have been deposited in the Revolver Funding Account;

(c) the Market Value of such Substitute Collateral Obligation (or, if more than one Substitute Collateral Obligation will be added in replacement of a Collateral Obligation or Collateral Obligations, the aggregate Market Value of such Substitute Collateral Obligations) equals or exceeds the Market Value of the Collateral Obligation being substituted;

(d) (i) if any of the Collateral Obligations being substituted for are Second Lien Loans, the aggregate principal balance of all Substitute Collateral Obligations that are Second Lien Loans equals or is less than the principal balance of the Collateral Obligations being substituted that are Second Lien Loans and (ii) if none of the Collateral Obligations being substituted are Second Lien Loans, no Substitute Collateral Obligation is a Second Lien Loan;

(e) (i) the Moody's Rating of each Substitute Collateral Obligation is equal to or higher than the Moody's Rating of the Collateral Obligation being substituted for and (ii) the S&P Rating of each Substitute Collateral Obligation is equal to or higher than the S&P Rating of the Collateral Obligation being substituted for; and

(f) solely after the Reinvestment Period, the stated maturity date of each Substitute Collateral Obligation is the same or earlier than the stated maturity date of the Collateral Obligation being substituted for.

Any substitution of a Collateral Obligation will be initiated by delivery of written notice by the Transferor to the Trustee, the Retention Provider, the Issuer and the Collateral Manager that the Transferor intends to substitute a Collateral Obligation pursuant to the Indenture and shall be completed prior to the earliest of (x) the expiration of 90 days after the delivery of such notice, (y) delivery of written notice to the Trustee from the Transferor stating that the Transferor does not intend to convey any additional Substitute Collateral Obligations through the Retention Provider to the Issuer in exchange for any remaining amounts deposited in the Principal Collection Subaccount, or (z) in the case of a Collateral Obligation which has become subject to a Specified Amendment, the effective date set forth in such Specified Amendment (such period described in clause (x), (y) or (z), as applicable, being the "**Substitution Period**"). Each notice of Substitution shall specify the Collateral Obligation to be substituted, the reasons for such substitution and the Transfer Deposit Amount with respect to the Collateral Obligation. On the last day of any Substitution Period, any amounts previously deposited in accordance with clause (y) above which relate to such Substitution Period that have not been applied to purchase one or more Substitute Collateral Obligations (or to fund the Revolver Funding Account if necessary) shall be deemed to constitute Principal Proceeds; provided that prior to the expiration of the related Substitution Period any such amounts shall not be deemed to be Principal Proceeds and shall remain in the Principal Collection Subaccount until applied to acquire Substitute Collateral Obligations (or to fund the Revolver Funding Account if necessary). To the extent any cash or other property received by the Issuer from the Retention Provider and by the Retention Provider from the Transferor in connection with a Substitution Event as described herein exceeds the fair market value of the replaced Collateral Obligation, such excess shall be deemed a capital contribution from the Retention Provider to the Issuer and from the Transferor to the Retention Provider, as applicable.

For each Substitute Collateral Obligation, the Transferor will make, as of the related Cut-Off Date, the representations and warranties described under "*The Master Loan Sale Agreement*". Prior to any substitution of a Collateral Obligation to the Issuer, the Collateral Manager must provide written notice thereof to each Rating Agency. The Collateral Manager on behalf of the Issuer will present each Substitute Collateral Obligation proposed to be included in the Assets to Moody's within 10 Business Days of the acquisition thereof so that Moody's may provide a rating and a recovery rate with respect to such Collateral Obligation; *provided* that (a) such Collateral Obligation may become a part of the Assets prior to the Collateral Manager's presentment of the Collateral Obligation to Moody's as described herein, (b) the Collateral Manager's failure to present a Collateral Obligation to Moody's as described herein shall not constitute an independent breach of, or default under, any Transaction Document, and (c) the Collateral Manager shall have no obligation to present a Substitute Collateral Obligation to Moody's if (1) a Moody's Rating for such Collateral Obligation has been determined by reference to Moody's RiskCalc (as set forth in Annex D hereto), (2) such Collateral Obligation has a public rating from Moody's, or (3) such Collateral Obligation has a Moody's credit estimate.

In addition to the right to substitute for any Collateral Obligations that become subject to a Substitution Event, the Transferor shall have the right, but not the obligation, to repurchase from the Retention Provider and cause the Retention Provider to repurchase from the Issuer and convey to the Transferor any such Collateral Obligation subject to the Repurchase and Substitution Limit. In the event of such a repurchase, the Transferor shall deposit in the Collection Account an amount equal to the Transfer Deposit Amount for such Collateral Obligation (or applicable portion thereof) as of the date of such repurchase (with the amount of the Transfer Deposit Amount representing the outstanding principal balance of the repurchased Collateral Obligation being deposited into the Principal Collection Subaccount and the amount of the Transfer Deposit Amount representing accrued interest being deposited into the Interest Collection Subaccount, regardless of whether such amounts are deemed to be capital contributions). The Issuer and, at the written direction of the Issuer, the Trustee, shall execute and deliver such instruments, consents or other documents and perform all acts reasonably requested by the Transferor or the Collateral Manager in order to effect the transfer and release of any of the Issuer's interests in the Collateral Obligations (together with the Assets related thereto) that are being repurchased and the release thereof from the lien of the Indenture.

The Portfolio Acquisition and Disposition Requirements

The Portfolio Acquisition and Disposition Requirements will apply to any acquisition (whether by purchase or substitution) or disposition of a Collateral Obligation by the Issuer, and consist of the following conditions: (a) such

Collateral Obligation, if being acquired by the Issuer, is an Eligible Asset; (b) such Collateral Obligation is being acquired or disposed of in accordance with the terms and conditions set forth in the Indenture; (c) the acquisition or disposition of such Collateral Obligation does not result in a reduction or withdrawal of the then-current rating issued by any Rating Agency on any Class of Notes then Outstanding; and (d) such Collateral Obligation is not being acquired or disposed of for the primary purpose of recognizing gains or decreasing losses resulting from market value changes; and (e) so long as any Notes remain Outstanding, the Issuer will not purchase any Collateral Obligation that is not an Affiliate Originated Collateral Obligation if after giving effect to such acquisition the Retention Test would not be satisfied. See "*Risk Factors—Non-compliance with restrictions on ownership of the Notes and the 1940 Act could adversely affect the Issuer*."

Maturity Amendments

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

The Collection Account and Payment Account

All distributions on the Collateral Obligations and any proceeds received from the disposition of any Collateral Obligations and any Refinancing Proceeds will be remitted to one of two segregated trust subaccounts, 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 Payment Account will be deposited in the Interest Collection Subaccount. All other amounts received by the Trustee or transferred from the Expense Reserve Account or Revolver Funding 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 Collateral 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 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 or the Issuer (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 the Trustee.

The Collateral 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 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 Collateral 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 Collateral 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*."

In connection with a Refinancing in part by Class of one or more Classes of Notes, the Collateral Manager on behalf of the Issuer may direct the Trustee to apply Partial Refinancing Interest Proceeds from the Interest Collection Subaccount on the date of a Refinancing of one or more Classes of Notes to the payment of the Redemption Price(s) of the Class or Classes of Notes subject to Refinancing without regard to the Priority of Payments.

On the Business Day immediately preceding each Payment Date and on any Redemption Date and, in the case of proceeds received in connection with a Refinancing of the Notes in whole, on the date of receipt thereof, 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 (x) amounts to be applied in connection with a Refinancing in part by Class of one or more Classes of Notes, which amounts may be retained in the Collection Account for application to the redemption of such Notes and (y) 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 Notes and distributions on the Certificates and payments of fees and expenses in accordance with the priorities described under "*Overview of Terms—Priority of Payments*." The Issuer shall not have any legal, equitable or beneficial interest in the Payment Account other than in accordance with the Indenture (including the Priority of Payments) and the Securities Account Control Agreement. The Payment Account will be established at the Trustee. 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 and payment of other amounts described under "*Use of Proceeds*" 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**"). On behalf of the Issuer, the Collateral 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 Effective Date or upon the occurrence of an Event of Default (and excluding any proceeds that will be used to settle binding commitments entered into prior to that date), the Trustee will deposit any remaining amounts in the Ramp-Up Account 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 the Trustee.

The Custodial Account

The Issuer will, on or prior to the Closing Date, cause the Trustee to 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 "**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 Issuer 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 the Trustee.

The Revolver Funding Account

Upon the purchase or acquisition of any Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation identified by written notice to the Trustee, 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 trust account established in the name of the Trustee for the benefit of the Secured Parties (the "**Revolver Funding Account**"). Upon initial purchase or acquisition of any such

obligations, funds deposited in the Revolver Funding Account in respect of any Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation will be treated as part of the purchase price therefor. Amounts on deposit 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 the Trustee.

The Issuer shall, at all times, maintain sufficient funds on deposit in the Revolver Funding Account such that the sum of the amount of funds on deposit in the Revolver Funding Account shall be equal to or greater than the sum of the unfunded funding obligations under all such Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations then included in the Assets. Funds shall 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 Collateral Manager on behalf of the Issuer. In the event of any shortfall in the Revolver Funding Account, the Collateral Manager (on behalf of the Issuer) may direct the Trustee to, and the Trustee thereafter shall, transfer funds in an amount equal to such shortfall from the Principal Collection Subaccount to the Revolver Funding Account.

Any funds in the Revolver Funding Account (other than earnings from Eligible Investments therein) will be treated as Principal Proceeds and 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 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 Collateral Manager on behalf of the Issuer) from time to time as Principal Proceeds to the Principal Collection Subaccount.

The Expense Reserve Account

The Issuer will, prior to the Closing Date, cause the Trustee to 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**." A portion of the of the proceeds from the issuance of the Securities 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 Collateral Manager, to pay expenses of the Issuer incurred in connection with the establishment of the Issuer, the structuring and consummation of the Offering and the issuance of the Notes or to the Collection Account as Principal Proceeds. 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 Principal Proceeds and the Expense Reserve Account will be closed. 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 received. The Expense Reserve Account will be established at the Trustee.

Supplemental Reserve Account

The Issuer will, prior to the Closing Date, cause the Trustee to 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 "**Supplemental Reserve Account**." Contributions of cash or Eligible Investments made as described under "*Description of the Securities—The Indenture—Contributions*," and amounts designated for deposit into the Supplemental Reserve Account pursuant to clause (L) of "*Overview of Terms—Priority of Payments—Application of Interest Proceeds*" will be deposited into the Supplemental Reserve Account and transferred to the Collection Account at the written direction of the Collateral Manager to the Trustee for a Permitted Use designated by the applicable Contributor or the Collateral Manager, as applicable, in such written direction. For the avoidance of doubt, the Issuer will not be permitted to conduct purchases of the Notes.

Account Requirements

Each account established under the Indenture shall be established and maintained with (a) a federal or state-chartered depository institution rated (x) at least "A" and "A-1" by S&P (or at least "A+" by S&P if such institution has no short-term rating) and (y) at least "P-1" and "A1" by Moody's or (b) in segregated trust accounts with the corporate trust department of a federal or state-chartered deposit institution rated at least "BBB+" by S&P and with a counterparty risk assessment of at least "P-1(cr)" or "A1(cr)" by Moody's and subject to regulations regarding fiduciary funds on deposit similar to Title 12 of the Code of Federal Regulation Section 9.10(b). 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. If any institution described above falls below the requirements specified above, the assets held in such Account shall be moved by the Issuer within 30 calendar days to another institution that has ratings that satisfy such requirements.

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 and other fees and expenses expected to be paid on the Closing Date (but before acquisition of any Collateral Obligations), are expected to be approximately U.S.$501,950,000. Approximately U.S.$1,700,000 will be deposited into the Expense Reserve Account and U.S.$250,000 will be deposited into the Supplemental Reserve Account on the Closing Date for use as described herein. Such net proceeds will be further reduced as described in the following paragraphs.

Approximately 100% of the initial Collateral Obligations will have been acquired by the Issuer from the Retention Provider on the Closing Date. On the Closing Date, a portion of the proceeds from the issuance of the Notes is expected to be used to pay certain obligations to the lenders under certain Credit Facilities, including the Loan and Servicing Agreement. See "*Risk Factors—Relating to the Collateral Obligations—Warehouse arrangements.*" The initial Collateral Obligations will include Collateral Obligations which the Issuer has acquired pursuant to the Master Loan Sale Agreement, which will be settled directly into the Issuer for administrative convenience pursuant to the Master Participation Agreement as the Closing Date Participations from the Closing Date Seller. The Closing Date Seller may have acquired one or more of such assets from other bankruptcy-remote affiliates. See "*Risk Factors—Structural Risks—Recharacterization of the transfer of the Assets as other than a true sale in the event of a bankruptcy of the Transferor or an Affiliate of the Transferor could result in the delay, reduction or elimination of payments to the Holders of the Notes.*"

On the Closing Date, net proceeds of the issuance of the Notes will be used: (i) to acquire the Closing Date Assets from the Retention Provider (and the Retention Provider or its affiliates will use such proceeds to pay certain obligations to the lenders under the applicable Credit Facilities), as described under "*Risk Factors—Relating to the Collateral Obligations—Warehouse arrangements*," which amount is expected as of the date hereof to be approximately U.S.$500,000,000, or to pay other applicable fees and expenses and (ii) to make a deposit 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. No amounts will be deposited into the Revolver Funding Account on the Closing Date. Of the foregoing, only amounts deposited into the Ramp-Up Account (as described in clause (ii)) may be used by the Issuer to purchase additional Collateral Obligations or further fund existing Collateral Obligations. With respect to clause (i), to the extent any payment is due to and/or from the applicable entity, such payment may (in the sole discretion of such entity) be made on a net basis including, directly or indirectly by, to or through one or more intermediate Related Entities or Affiliates.

Effective Date

The Issuer will use commercially reasonable efforts to purchase, on or before September 18, 2017 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 Tests and the Coverage Tests. The Collateral Manager may elect (in its discretion) not to certify that the Target Initial Par Condition has been satisfied immediately following the satisfaction of such condition. Notwithstanding such delay, the Effective Date shall occur no later than September 18, 2017.

During the period from the Closing Date to and including the Effective Date, the Issuer will use the following funds to purchase additional Collateral Obligations in the following order: (i) to pay for the principal portion of any Collateral Obligation, *first*, any amounts on deposit in the Ramp-Up Account, and *second*, any Principal Proceeds on deposit in the Collection Account and (ii) to pay for accrued interest on any such Collateral Obligation, first, any amounts on deposit in the Ramp-Up Account and second, any Principal Proceeds on deposit in the Collection Account. In addition, the Issuer will use commercially reasonable efforts to acquire such Collateral Obligations that will satisfy, on the Effective Date, the Concentration Limitations, the Collateral Quality Tests and each Overcollateralization Ratio Test.

Within 30 calendar days after the Effective Date (but in any event, prior to the Determination Date relating to the second Payment Date), the Issuer shall provide, or (at the Issuer's expense) cause the Collateral Manager to provide, the following documents:

(i) to each Rating Agency (in the case of delivery to S&P, via email to CDOEffectiveDatePortfolios@spglobal.com, and in the case of delivery to Moody's, via email to cdmonitoring@moodys.com), a report identifying Collateral Obligations and a Microsoft Excel file ("**Excel Default Model Input File**") that provides all of the inputs required to determine whether the S&P CDO Monitor Test has been satisfied and the Collateral Manager shall provide a Microsoft Excel file including, at a minimum, the following data with respect to each Collateral Obligation: LoanX identification number, CUSIP number (if any), name of Obligor, coupon, spread (if applicable), LIBOR floor (if any), legal final maturity date, average life, outstanding principal balance, Principal Balance, identification as a Cov-Lite Loan or otherwise, identification as a First-Lien Last-Out Loan or otherwise, settlement date, the purchase price with respect to any Collateral Obligation the purchase of which has not settled, S&P Industry Classification and S&P Recovery Rate, and requesting that S&P reaffirm its Initial Ratings of the Secured Notes;

(ii) to the Trustee and each Rating Agency (in the case of delivery to S&P, via email to CDOEffectiveDatePortfolios@spglobal.com, and in the case of delivery to Moody's, via email to cdmonitoring@moodys.com), a report, prepared by the Collateral Administrator (the "**Effective Date Report**"), (A) setting forth the issuer, principal balance, coupon/spread, Stated Maturity, S&P Rating, Moody's Default Probability Rating, Moody's Rating and country of Domicile with respect to each Collateral Obligation as of the Effective Date, (B) calculating as of the Effective Date the level of compliance with, or satisfaction or non-satisfaction of (1) each Overcollateralization Ratio Test, (2) the Collateral Quality Tests (excluding the S&P CDO Monitor Test), (3) the Concentration Limitations and (4) the Target Initial Par Condition, in each case, as of the Effective Date and (C) any Closing Date Participations that have not yet been elevated;

(iii) to the Trustee and the Collateral Manager, (A) an Accountants' Report comparing, as of the Effective Date, the issuer, Principal Balance, coupon/spread, stated maturity, S&P Rating, Moody's Default Probability Rating, Moody's Rating and country of Domicile with respect to each Collateral Obligation by reference to such sources as shall be specified therein (such report, the "**Accountants' Effective Date Comparison AUP Report**") and (B) an Accountants' Report performing agreed upon procedures as of the Effective Date including recalculating and comparing the following items in the Effective Date Report: (1) each Overcollateralization Ratio Test, the Collateral Quality Tests (excluding the S&P CDO Monitor Test) and the Concentration Limitations, and (2) whether the Target Initial Par Condition is satisfied (such report, the "**Accountants' Effective Date Recalculation AUP Report**" and together with the Accountants' Effective Date Comparison AUP Report, the "**Accountants' Effective Date AUP Reports**"), with both Accountants' Effective Date AUP Reports containing a statement specifying the procedures undertaken by them to review data and computations relating to such Accountants' Effective Date AUP Reports; and

(iv) to the Trustee and each Rating Agency (in the case of delivery to S&P, via email to CDOEffectiveDatePortfolios@spglobal.com, and in the case of delivery to Moody's, via email to cdmonitoring@moodys.com) an Officer's certificate of the Issuer (the "**Effective Date Certificate**") certifying as to the level of compliance with, or satisfaction or non-satisfaction of, (1) each Overcollateralization Ratio Test, (2) the Collateral Quality Tests (excluding the S&P CDO Monitor Test), (3) the Concentration Limitations, and (4) the Target Initial Par Condition, in each case, as of the Effective Date.

For the avoidance of doubt, the Effective Date Certificate and the Effective Date Report shall not include or refer to the Accountants' Effective Date AUP Reports. In accordance with SEC Release No. 34-72936, Form 15-E, only in its complete and unedited form which includes the Accountants' Effective Date Comparison AUP Report as an attachment, will be provided by the Independent accountants to the Issuer who will post such Form 15-E on the 17g-5 website.

If, by the Determination Date relating to the second Payment Date, either (x)(1) there has occurred no Moody's Effective Date Deemed Rating Confirmation or (2) the Moody's Rating Condition is not satisfied (such occurrence a "**Moody's Ramp-Up Failure**") or (y) (1) S&P has not provided written confirmation of its initial rating of each Class of Notes or (2) there has occurred no S&P Deemed Rating Confirmation as described below (an "**S&P Rating Confirmation Failure**"), then the Collateral Manager, on behalf of the Issuer, shall instruct the Trustee in writing to transfer amounts from the Interest Collection Subaccount to the Principal Collection Subaccount (and with such

funds the Issuer shall purchase additional Collateral Obligations) in an amount sufficient to enable the Issuer to (i) satisfy the Moody's Rating Condition and (ii) obtain from S&P a confirmation of its initial rating of each Class of Notes (*provided* that the amount of such transfer would not result in default in the payment of interest with respect to the Class A Notes or the Class B Notes); *provided* that, in the alternative, the Collateral Manager on behalf of the Issuer may take such other 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 (i) satisfy the Moody's Rating Condition and (ii) obtain from S&P a confirmation of its initial rating of each Class of Notes.

If S&P has not provided written confirmation of its initial ratings of the Notes within 30 calendar days after the Effective Date and (w) the Issuer causes the Collateral Manager to provide to S&P the Effective Date Report and the Effective Date Report confirms satisfaction of the S&P CDO Monitor Test as of the Effective Date, (x) the Collateral Manager certifies to S&P (which confirmation may be in the form of an email) that as of the Effective Date the S&P CDO Monitor Test is satisfied (testing as though an S&P CDO Formula Election Period were in effect and taking into account the S&P CDO Monitor Non-Model Adjustments described below), (y) the Collateral Manager certifies that the Closing Date Participation Condition is satisfied as of such date and (z) the Collateral Manager provides to S&P an electronic copy of the Current Portfolio used to generate the passing test result, then a written confirmation from S&P of its initial ratings of the Notes will be deemed to have been provided (an "**S&P Deemed Rating Confirmation**"); *provided that*, for purposes of determining compliance with the S&P CDO Monitor Test in connection with such Effective Date Report, the Aggregate Funded Spread will be calculated without giving effect to the proviso to clause (a) of the definition of "Aggregate Funded Spread" and by assuming that any Collateral Obligation subject to a LIBOR floor bears interest at a rate equal to the stated interest rate spread over the LIBOR-based index for such Collateral Obligation (the "**S&P CDO Monitor Non-Model Adjustments**").

It is expected, but there can be no assurance, that (i) the Overcollateralization Ratio Test applicable to each Class of Notes, the Concentration Limitations and the Collateral Quality Tests described herein will be satisfied not later than the Effective Date and (ii) the Interest Coverage Test applicable to each Class of Notes described herein will be satisfied as of any date of determination on or after the Determination Date immediately preceding the second Payment Date. See "*Risk Factors—Relating to the Collateral Obligations—The failure to elevate the Closing Date Participations could prevent the Issuer from investing in additional Collateral Obligations or require the Issuer to undertake a Special Redemption*."

THE COLLATERAL MANAGER, THE TRANSFEROR AND THE RETENTION PROVIDER

The information appearing in this section has been prepared by the Collateral Manager or the Retention Provider, as applicable, and has not been independently verified by the Issuer or the Initial Purchaser. Accordingly, notwithstanding anything to the contrary herein, the Issuer and the Initial Purchaser do not assume any responsibility for the accuracy, completeness or applicability of such information.

General

MidCap Financial Services Capital Management, LLC is a Delaware limited liability company and was formed on October 3, 2016. The Collateral Manager has no prior operating history or track record. The Collateral Manager is a wholly-owned subsidiary of MidCap Financial Services, LLC and is a Registered Investment Adviser. MidCap Financial Services, LLC will make available to the Collateral Manager certain personnel, facilities and systems to permit the Collateral Manager to conduct its business. In addition, prior to, or following the Closing Date, MidCap Financial Services (Ireland) Limited will make available to the Collateral Manager at least one employee to perform portfolio selection and asset management functions.

Woodmont Intermediate 2017-1 Trust, a statutory trust formed under the laws of the State of Delaware, in its capacity as the Retention Provider, is a wholly owned bankruptcy-remote subsidiary of the MidCap Financial Trust. MidCap Financial Trust is an indirect wholly owned subsidiary of FinCo. MidCap Group is a middle market-focused specialty finance firm that provides senior debt solutions to companies across a wide range of industries. Since its inception in 2008, MidCap has focused on the direct origination of asset-backed loans, leveraged loans, real estate loans, rediscount loans and venture loans. As of December 31, 2016, MidCap Group had $6.9 billion of funded assets and $11.7 billion of commitments under management on a standalone basis. MidCap Financial Services, LLC has a team of over 155 employees in 9 offices across the U.S. with meaningful scale and significant in-house loan sourcing, underwriting and portfolio management expertise. The current team of 35 loan sourcing professionals has on average over 15 years of middle market lending experience. The loan sourcing effort is supported by 35 underwriters with extensive experience underwriting complex middle market credits. The remaining employees consist of portfolio managers and various support functions that provide the fully scalable loan servicing, asset management and back office infrastructure, systems and processes capable of full lender services (e.g., funding, wires, collections, collateral monitoring, etc.).

Woodmont Intermediate 2017-1 Trust, in its capacity as Retention Provider is expected to purchase and retain certain Notes and Certificates itself and will be, directly or indirectly through affiliates, involved in the original agreement which created certain Collateral Obligations that will be sold to the Issuer as described in this Offering Circular. As a bankruptcy-remote entity, the Retention Provider's operations will be restricted so that it does not engage in business or incur liabilities other than as permitted by its organizational documents. The restrictions in its organizational documents are intended to prevent the Retention Provider from engaging in business with other entities that may bring bankruptcy proceedings against the Retention Provider. The restrictions are also intended to reduce the risk that the Retention Provider will be consolidated into the bankruptcy proceedings of any other entity.

The Retention Provider will initially be managed by MidCap Financial Trust, as its principal trustee, together with one independent trustee. Ricardo Beausoleil will be the independent trustee of the Retention Provider and is an employee of CT Corporation, which regularly provides independent directors, independent managers and other services to issuers in connection with securitization transactions. The address of the independent trustee is c/o CT Corporation, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801. The Retention Provider's address is The Corporation Trust Company, Corporation Trust Center, 1209 Orange St., Wilmington, Delaware 19801. The name of the initial registered agent for the Retention Provider is The Corporation Trust Company.

Key Personnel of the Collateral Manager

Adam Day –Director – Portfolio Management

Adam Day is responsible for oversight of Portfolio at MFS. Prior to joining MidCap Capital Management, Mr. Day served as Vice President/Senior Loan officer at Pacific Western Bank (formerly Capital Source Bank) where he

was responsible for managing a loan. Prior to joining Pacific Western Bank, Mr. Day served as Vice President at Wells Fargo Bank responsible for sourcing, pricing, underwriting, and managing a portfolio of loans. While at Wells Fargo, Mr. Day also worked within the commercial real estate loan workout group. Mr. Day has over 18 years of commercial finance experience and holds a B.S. in Finance from Lehigh University.

Key Personnel of MidCap Financial Services, LLC

Steve Curwin – Chief Executive Officer

Steve Curwin is a co-founder of MidCap and its Chief Executive Officer. From 2008 through 2014, Mr. Curwin served as MidCap's Chief Credit and Risk Officer. Prior to MidCap, Mr. Curwin served as the Chief Credit Officer for Merrill Lynch Capital Healthcare Finance. Mr. Curwin has held various senior executive positions with GE Capital Healthcare Commercial Finance and its predecessor entities, Heller Healthcare Finance and Healthcare Financial Partners. Prior to entering healthcare finance, Mr. Curwin practiced corporate and real estate law for 10 years, primarily with Dewey Ballantine. Mr. Curwin holds a J.D. from Boston University School of Law and a B.A. from Franklin and Marshall College and was licensed as a CPA in New York prior to entering law school.

David Moore – Chief Financial Officer

David Moore is a co-founder of MidCap and its Chief Financial Officer and Chief Administrative Officer. Prior to MidCap, Mr. Moore was a Managing Director at Merrill Lynch Capital Healthcare Finance, where he created and ran the asset based lending practice. Prior to joining Merrill Lynch, Mr. Moore was Senior Vice President at GE Capital Healthcare Commercial Finance, where he was responsible for managing national asset based lending activities. Prior to this assignment, Mr. Moore held various senior executive positions with Heller Healthcare Finance and Healthcare Financial Partners. Before entering the healthcare lending industry in 1999, Mr. Moore spent 11 years in commercial banking with Crestar Bank, Citibank, and First Bank of New Orleans, where he was President and CEO for three years. Mr. Moore holds an M.B.A. with Honors from Loyola University and a B.S. in Management from Tulane University.

Clare Bailhé – President, Leveraged Finance & Financial Sponsors

Clare Bailhé is a co-founder of MidCap and its President of Financial Sponsors & Leveraged Finance. Prior to joining MidCap, Ms. Bailhé founded and ran the leveraged lending platform for Merrill Lynch Capital Healthcare Finance. Prior to Merrill Lynch, she was a Managing Director at Bank of America in the healthcare group, and a Managing Director and Head of Healthcare, Western Division for Banque Paribas. She began her career at National Westminster Bank and later Barclays. Ms. Bailhé has over 25 years' experience in corporate and investment banking. Ms. Bailhé holds a B.A. in Economics from UCLA.

William Gould – President, Specialty Lending

William Gould is a co-founder of MidCap and President of Asset Based and Life Sciences Lending. Prior to joining MidCap, Mr. Gould created and ran the life sciences venture finance practice for Merrill Lynch Capital Healthcare Finance. Mr. Gould also served as a Team Leader responsible for underwriting asset based and specialty real estate loans at Merrill Lynch Capital. From 2001 to 2003, Mr. Gould was a Vice President at GE Capital's Healthcare Commercial Finance business unit where he led the asset based underwriting group. Mr. Gould also spent four years in the corporate and securities group of the law firm of Hogan and Hartson. Mr. Gould holds a B.A. in Philosophy from Haverford College and a J.D. from the University of Virginia School of Law.

Kevin McMeen – President, Real Estate

Kevin McMeen is a co-founder of MidCap and President of Real Estate Lending. Prior to joining MidCap, Mr. McMeen created and ran the real estate lending practice for Merrill Lynch Capital Healthcare Finance. Prior to joining Merrill Lynch Capital, Mr. McMeen led the healthcare real estate segment of GE Healthcare Commercial Finance and its predecessor, Heller Healthcare Finance. Mr. McMeen serves as the Chair on the board of the National Investment Centers for the Seniors Housing and Care Industries, he served on the advisory board of the Erickson Executive Education program at University of Maryland Baltimore County, and is an active member of the American Seniors Housing Association. Mr. McMeen holds a M.S. in Urban and Regional Planning from Georgia Tech and a B.S. in Economics from the University of Wisconsin.

THE COLLATERAL MANAGEMENT AGREEMENT

General

The Collateral Manager will be required to perform certain investment management functions, including, without limitation, supervising and directing the investment and reinvestment of the Collateral Obligations and Eligible Investments, and perform certain administrative and advisory functions on behalf of the Issuer in accordance with the applicable provisions of the Collateral Management Agreement, the Collateral Administration Agreement and the Indenture. Under the Collateral Management Agreement, the Collateral Manager agrees, and will be authorized, to, among other things, in accordance with the Collateral Management Agreement and the applicable provisions of the Indenture, (i) select the Collateral Obligations and Eligible Investments to be acquired, sold, terminated or otherwise disposed of by the Issuer, (ii) invest and reinvest the Assets; *provided* that, investments and reinvestments in Collateral Obligations are subject to certain conditions (see "*Security for the Notes—Sales of Collateral Obligations; Additional Collateral Obligations and Investment Criteria*"), (iii) instruct the Trustee with respect to any acquisition, disposition or tender of a Collateral Obligation, Equity Security, Eligible Investment or other assets received in respect thereof in the open market or otherwise by the Issuer, (iv) advise the Issuer with respect to entering into and administering hedge agreements, including whether and when the Issuer should exercise any rights available thereunder, (v) engage in any Permitted Use in accordance with the Indenture and (vi) perform all other tasks that the Indenture, the Collateral Administration Agreement or the Collateral Management Agreement specify be taken by the Collateral Manager and may, in the discretion of the Collateral Manager, take any other action not inconsistent with an action that such agreements specify be taken by the Collateral Manager. Neither Wells Fargo Securities nor any affiliates of Wells Fargo Securities 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 Wells Fargo Securities and its Affiliates*").

Liability of the Collateral Manager

The Collateral Manager will perform its obligations under the Collateral Management Agreement and under the Indenture with reasonable care and in good faith, using a degree of skill and attention no less than that which the Collateral Manager exercises with respect to comparable assets that it may manage for itself and its other clients and in accordance with its existing practices and procedures with respect to investing in assets of the nature and character of the Assets. To the extent not inconsistent with the foregoing, the Collateral Manager will follow its customary standards, policies and procedures in performing its duties under the Collateral Management Agreement and the Indenture.

The Collateral Manager shall not be responsible for any action or inaction of the Issuer or the Trustee in following or declining to follow any advice, recommendation or direction of the Collateral Manager. The Collateral Manager, its affiliates, its Owners and their respective Related Persons shall not be liable to the Issuer, the Trustee, any holder, any beneficial owner of Notes, the Initial Purchaser, any of their respective Affiliates, Owners or Related Persons or any other Persons for any act, omission, error of judgment, mistake of law, or for any claim, loss, liability, damage, judgments, assessments, settlement, cost, or other expense (including attorneys' fees and expenses and court costs) arising out of any investment, or for any other act or omission in the performance of the Collateral Manager's obligations under or in connection with the Collateral Management Agreement or the terms of any other Transaction Document applicable to the Collateral Manager, incurred as a result of actions taken or recommended or for any omissions of the Collateral Manager, or for any decrease in the value of the Assets, except for liability to which the Collateral Manager would be subject (i) by reason of acts or omissions constituting bad faith, willful misconduct or gross negligence in the performance of its duties under the Collateral Management Agreement and under the terms of the Indenture or (ii) with respect to the information concerning the Collateral Manager included herein under the headings "*Risk Factors—Relating to Certain Conflicts of Interest—Certain Conflicts of Interest Relating to the Collateral Manager and its Affiliates*," "*Risk Factors—Risks Relating to the Collateral Manager—The Collateral Manager has limited operating history; past performance of the Collateral Manager and its affiliates not indicative*," "*Risk Factors—Risks Relating to the Collateral Manager—The Issuer will depend on the managerial expertise available to the Collateral Manager and its key personnel*," "*Risk Factors—Relating to Certain Conflicts of Interest—No ethical screens or information barriers*," "*Risk Factors—Relating to Certain Conflicts of Interest—Other potential conflicts of interest*" and "*The Collateral Manager, the Transferor and the Retention Provider*," including, in each case, any amendment or supplement to such information approved by the

Collateral Manager that is contained in any amendment or supplement to the final offering circular (including any offering circular approved in writing by the Collateral Manager for additional notes issued pursuant to the provisions of the Indenture described under "*Description of the Securities—The Indenture—Additional Issuance*" or for replacement securities issued in connection with a Refinancing in part by Class of one or more Classes of Notes) (such information, the "**Collateral Manager Information**"), (as of its date) containing any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading (the preceding clauses (i) and (ii) collectively referred to as "**Collateral Manager Breaches**"). The Collateral Manager shall not be liable for any consequential, punitive, exemplary or treble damages or lost profits under the Collateral Management Agreement or under the Indenture. The Collateral Manager will be entitled to indemnification by the Issuer under the circumstances described in the second succeeding paragraph and in the Collateral Management Agreement.

Pursuant to the terms of the Collateral Management Agreement, the Collateral Manager shall monitor the Assets on behalf of the Issuer on an ongoing basis and shall provide or cause to be provided to the Issuer all reports, schedules, and other data reasonably available to the Collateral Manager that the Issuer is required to prepare and deliver or cause to be prepared and delivered under the Indenture, in such forms and containing such information required thereby, in reasonably sufficient time for such required reports, schedules and data to be reviewed and delivered by or on behalf of the Issuer to the parties entitled thereto under the Indenture. Pursuant to the terms of the Collateral Administration Agreement, the Collateral Administrator shall provide certain reports, schedules and calculations to the Collateral Manager regarding the Collateral Obligations. The obligation of the Collateral Manager to furnish such information is subject to the Collateral Manager's timely receipt of necessary reports and the appropriate information from the Person responsible for the delivery of or preparation of such reports and such information (including without limitation, the Obligors of the Collateral Obligations, the Rating Agencies, the Trustee and the Collateral Administrator) and to any confidentiality restrictions with respect thereto.

The Issuer shall indemnify and hold harmless the Collateral Manager, its Affiliates and Owners and their respective Related Persons (each, an "**Indemnified Party**") from and against any and all losses, claims, damages, judgments, assessments, costs or other liabilities (collectively, the "**Losses**") and will promptly reimburse such Indemnified Party for all reasonable fees and expenses incurred by an Indemnified Party with respect thereto (including reasonable fees and expenses of counsel) (collectively, the "**Expenses**") arising out of or in connection with the issuance of the Securities (including, without limitation, any untrue statement of material fact contained in this Offering Circular or omission or alleged omission to state herein a material fact necessary in order to make the statements herein, in the light of the circumstances under which they were made, not misleading), the transactions contemplated by this Offering Circular, the Indenture or the Collateral Management Agreement and any acts or omissions of any such Indemnified Party; *provided* that, such Indemnified Party shall not be indemnified for any Losses or Expenses incurred as a result of any Collateral Manager Breach. Notwithstanding anything contained herein to the contrary, the obligations of the Issuer to indemnify any Indemnified Party for any Losses or Expenses are non-recourse obligations of the Issuer payable solely out of the Assets in accordance with the Priority of Payments set forth in the Indenture. Notwithstanding anything to the contrary, no provision of the Collateral Management Agreement shall be construed so as to provide for the indemnification or exculpation of any party (including, the Collateral Manager or its affiliates) for any liability (including liability under U.S. federal securities laws which, under certain circumstances, impose liability even on persons that act in good faith), to the extent (but only to the extent) that such indemnification or exculpation would be in violation of applicable law, but shall instead be construed so as to effectuate such provision to the fullest extent permitted by law.

It is understood that certain provisions of the Collateral Management Agreement may serve to limit the potential liability of the Collateral Manager. The Issuer has had the opportunity to consult with the Collateral Manager as well as, if desired, its professional advisors and legal counsel as to the effect of these provisions. It is further understood that certain applicable laws including, but not limited to, the Investment Advisers Act may impose liability or allow for legal remedies even where the Collateral Manager has acted in good faith and that the rights under those laws may be non-waivable. Nothing in the Collateral Management Agreement shall, in any way, constitute a waiver or limitation of any rights which may not be so limited or waived in accordance with applicable law.

Assignment

Except as provided below, the Collateral Manager may not assign or delegate, its rights or responsibilities under the Collateral Management Agreement without (i) providing prior written notice to each Rating Agency and (ii) obtaining the consent of the Issuer and the consent of (voting separately) a Majority of the Controlling Class and a Majority of the Certificates. The Collateral Manager shall not be required to obtain such consents or satisfy such condition with respect to a change of control transaction that is deemed to be an assignment within the meaning of Section 202(a)(1) of the Investment Advisers Act, so long as, after giving effect to such change of control transaction, the Collateral Manager continues to utilize substantially the same personnel performing the duties required under the Collateral Management Agreement prior to such transaction; *provided* that, if the Collateral Manager is a Registered Investment Adviser under the Investment Advisers Act, the Collateral Manager shall obtain the consent of the Issuer, in a manner consistent with SEC staff interpretations of Section 205(a)(2) of the Investment Advisers Act, to any such transaction.

The Collateral Manager may, without obtaining the consent of any holder or beneficial owner of any Security and, so long as such assignment or delegation does not constitute an "assignment" for purposes of Section 205(a)(2) of the Investment Advisers Act during such time as the Collateral Manager is a Registered Investment Adviser under the Investment Advisers Act, without obtaining the prior consent of the Issuer, (1) assign any of its rights or obligations under the Collateral Management Agreement to an Affiliate of the Collateral Manager; *provided* that, such Affiliate (i) has demonstrated ability, whether as an entity or by its personnel, to professionally and competently perform duties similar to those imposed upon the Collateral Manager pursuant to the Collateral Management Agreement, (ii) has the legal right and capacity to act as Collateral Manager under the Collateral Management Agreement, and (iii) shall not cause the Issuer or the pool of Assets to become required to register under the provisions of the 1940 Act or (2) enter into (or have its parent enter into) any consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all of its assets to, another entity if (A) at the time of such consolidation, merger, amalgamation or transfer the resulting, surviving or transferee entity assumes all the obligations of the Collateral Manager under the Collateral Management Agreement generally (whether by operation of law or by contract) and the other entity is solely a continuation of the Collateral Manager in another corporate or similar form and has substantially the same personnel and (B) such action does not cause the Issuer to be subject to tax in any jurisdiction; *provided further* that, the Collateral Manager shall deliver prior notice to the Rating Agencies of any assignment, delegation or combination made pursuant to this sentence.

In addition, in providing services under the Collateral Management Agreement, the Collateral Manager may rely in good faith upon and will incur no liability for relying upon advice of nationally recognized counsel, accountants or other advisers as the Collateral Manager determines, in its sole discretion, is reasonably appropriate in connection with the services provided by the Collateral Manager under the Collateral Management Agreement. The Collateral Manager may, without the consent of any party, employ third parties, including, without limitation, its Affiliates and Owners, to render advice (including investment advice), to provide services to arrange for trade execution and otherwise provide assistance to the Issuer and to perform any of its duties under the Collateral Management Agreement; *provided* that, the Collateral Manager shall not be relieved of any of its duties under the Collateral Management Agreement regardless of the performance of any services by third parties, including Affiliates.

No amendment to the Collateral Management Agreement may, without the prior written consent of a Majority of the Controlling Class and notice to the Rating Agencies, (i) modify the definition of the term "Cause," (ii) modify the Collateral Management Fee, including the method for calculation of any component of the Collateral Management Fee or any definition in the Collateral Management Agreement directly related to the Collateral Management Fee, (iii) modify the Class or Classes or the percentage of the Aggregate Outstanding Amount (in the case of the Notes) or the outstanding amount (in the case of the Certificates) of any Class that has the right to remove the Collateral Manager, consent to any assignment of the Collateral Management Agreement or nominate or approve any successor Collateral Manager or (iv) amend, modify or otherwise change provisions of the Collateral Management Agreement so that the Notes constituting the Controlling Class are not considered to constitute "ownership interests" under the Volcker Rule. The Collateral Management Agreement may be amended for any other purpose upon notice to the Rating Agencies and 10 days' prior written notice to the Controlling Class and the Certificates without the consent of the holders of any Securities. The Issuer shall provide the holders with notice of any amendment to the Collateral Management Agreement.

Removal, Resignation and Replacement of the Collateral Manager

The Collateral Manager may be removed for Cause upon 30 Business Days' prior written notice by the Issuer ("**Termination Notice**") at the direction of a Supermajority of the Controlling Class or a Majority of the Certificates. Simultaneous with its direction to the Issuer to remove the Collateral Manager for Cause, the Controlling Class shall provide to the Issuer a written statement setting forth the reason for such removal ("**Statement of Cause**"). The Issuer shall deliver to the Trustee (who shall deliver a copy of such notice to the holders) a copy of the Termination Notice and the Statement of Cause within one Business Day of receipt. No such removal shall be effective (A) until the date as of which a successor Collateral Manager shall have been appointed in accordance with the Collateral Management Agreement and delivered an instrument of acceptance to the Issuer and the removed Collateral Manager and the successor Collateral Manager has effectively assumed all of the Collateral Manager's duties and obligations and (B) unless the Statement of Cause has been delivered to the Issuer as set forth in the Collateral Management Agreement. Cause means any of the following (each, "**Cause**"):

(a) the Collateral Manager shall willfully and intentionally violate, or take any action that it actually knows breaches any material provision of the Collateral Management Agreement or the Indenture applicable to it (not including a willful and intentional breach that results from a good faith dispute regarding reasonable alternative courses of action or reasonable interpretation of instructions);

(b) the Collateral Manager shall breach any provision of the Collateral Management Agreement or any terms of the Indenture applicable to it (it being understood that failure to meet any Concentration Limitation, Collateral Quality Tests or Coverage Test is not a breach for purposes of this clause (b)), which breach would reasonably be expected to have a material adverse effect on the Issuer and shall not cure such breach (if capable of being cured) within 30 days of a Responsible Officer of the Collateral Manager receiving notice of such breach, unless, if such breach is remediable, the Collateral Manager has taken action that the Collateral Manager believes in good faith will remedy such failure, and such action does remedy such failure, within 60 days after a Responsible Officer receives notice thereof;

(c) the failure of any representation, warranty, certification or statement made or delivered by the Collateral Manager in or pursuant to the Collateral Management Agreement or the Indenture to be correct in any material respect when made which failure (i) would reasonably be expected to have a material adverse effect on the Issuer and (ii) is not corrected by the Collateral Manager within 30 days of a Responsible Officer of the Collateral Manager receiving notice of such failure, unless if such failure is remediable, the Collateral Manager has taken action commencing the cure thereof within such 30 day period that the Collateral Manager believes in good faith will remedy such failure within 60 days after the earlier to occur of a Responsible Officer receiving notice thereof or having actual knowledge thereof;

(d) certain events of bankruptcy or insolvency in respect of the Collateral Manager specified in the Collateral Management Agreement;

(e) the occurrence and continuation of an Event of Default specified under clause (a), (b) or (c) of the definition of such term that results primarily from any material breach by the Collateral Manager of its duties under the Collateral Management Agreement or under the Indenture which breach or default is not cured within any applicable cure period; or

(f) (i) the occurrence of an act by the Collateral Manager that constitutes fraud or criminal activity in the performance of its obligations under the Collateral Management Agreement (as determined pursuant to a final adjudication by a court of competent jurisdiction) or the indictment of the Collateral Manager for a criminal offense materially related to its business of providing asset management services; or (ii) any Responsible Officer of the Collateral Manager primarily responsible for the performance by the Collateral Manager of its obligations under the Collateral Management Agreement, is indicted for a criminal offense materially related to the business of the Collateral Manager providing asset management services, and such Responsible Officer continues to have responsibility for the performance by the Collateral Manager under the Collateral Management Agreement for a period of 20 days after such indictment.

If any of the events specified in the definition of Cause shall occur, the Collateral Manager shall give prompt written notice thereof to the Issuer, the Controlling Class, the Certificates, the Trustee, and the Rating Agencies

(*provided* that in the case of Moody's, only for so long as any Class A Notes remain Outstanding); *provided* that, if certain events of bankruptcy or insolvency in respect of the Collateral Manager specified in the Collateral Management Agreement shall occur, the Collateral Manager shall give written notice thereof to the Issuer, the Trustee, and the Rating Agencies (*provided* that in the case of Moody's, only for so long as any Class A Notes remain Outstanding) immediately upon the Collateral Manager's becoming aware of the occurrence of such event. A Majority of each Class of Securities (voting separately by Class), disregarding Collateral Manager Securities, may waive any event described in clause (a), (b), (c), (e) or (f) of the preceding paragraph as a basis for termination of the Collateral Management Agreement and removal of the Collateral Manager. In no event will the Trustee be required to determine whether or not Cause exists to remove the Collateral Manager.

The Collateral Manager may resign, upon 90 days' prior written notice to the Issuer (or such shorter notice as is acceptable to the Issuer) and the Trustee; *provided* that, the Collateral Manager shall have the right to resign immediately upon the effectiveness of any material change in applicable law or regulations which renders the performance by the Collateral Manager of its duties under the Collateral Management Agreement or under the Indenture to be a violation of such law or regulation.

No such resignation or removal of the Collateral Manager or termination of the Collateral Management Agreement shall be effective until the date as of which a successor Collateral Manager shall have been appointed and approved and has accepted all of the Collateral Manager's duties and obligations pursuant to the Collateral Management Agreement in writing and has assumed such duties and obligations.

If the Collateral Manager is removed for Cause, until the appointment of a successor manager becomes effective, the Collateral Manager will not be permitted under the Collateral Management Agreement to direct the Trustee to effectuate the purchase of any Collateral Obligation or the sale or disposition of any Collateral Obligation other than a Credit Risk Obligation, Defaulted Obligation, or Equity Security without the prior written consent of a Majority of the Controlling Class.

Promptly after notice of any resignation or removal of the Collateral Manager, the Issuer shall transmit copies of notice of such resignation or removal to the Trustee (which shall forward a copy of such notice to the holders) and each Rating Agency (*provided* that in the case of Moody's, only for so long as any Class A Notes remain Outstanding) and shall appoint an institution as Collateral Manager, at the direction of a Majority of the Certificates which institution (i) has demonstrated an ability to professionally and competently perform duties similar to those imposed upon the Collateral Manager under the Collateral Management Agreement, (ii) is legally qualified and has the capacity to assume all of the responsibilities, duties and obligations of the Collateral Manager under the Collateral Management Agreement and under the applicable terms of the Indenture, (iii) does not cause the Issuer to become, or require the pool of Assets to be registered as, an investment company under the 1940 Act, (iv) does not cause the Issuer to become subject to U.S. federal income tax on a net basis, (v) has been identified in a prior written notice provided to each Rating Agency and (vi) has been approved by a Majority of the Controlling Class.

If (i) a Majority of the Certificates fails to nominate a successor collateral manager within 30 days of initial notice of the resignation or removal of the Collateral Manager or (ii) a Majority of the Controlling Class does not approve the proposed successor collateral manager nominated by the holders of the Certificates within 10 days of the date of the notice of such nomination, then a Majority of the Controlling Class shall, within 30 days of the failure described in clause (i) or (ii) of this sentence, as the case may be, nominate a successor Collateral Manager that meets the criteria set forth in the Collateral Management Agreement. If a Majority of the Certificates approves such Controlling Class nominee, such nominee shall become the Collateral Manager. If no successor Collateral Manager is appointed within 90 days (or, in the event of a change in applicable law or regulation which renders the performance by the Collateral Manager of its duties under the Collateral Management Agreement or the Indenture to be a violation of such law or regulation, within 30 days) following the termination or resignation of the Collateral Manager, any of the resigning or removed Collateral Manager, a Majority of the Certificates (disregarding Collateral Manager Securities, unless 100% of the Certificates are Collateral Manager Securities) and a Majority of the Controlling Class (disregarding Collateral Manager Securities) shall have the right to petition a court of competent jurisdiction to appoint a successor Collateral Manager, in either such case whose appointment shall become effective after such successor has accepted its appointment and without the consent of any holder or beneficial owner of any Security.

The successor Collateral Manager shall be entitled to the Collateral Management Fee and no compensation payable to such successor Collateral Manager shall be greater than the Collateral Management Fee without the prior written consent of 100% of the holders of each Class of Securities voting separately by Class, including Collateral Manager Securities. Upon the later of the expiration of the applicable notice periods with respect to termination specified under the Collateral Management Agreement and the acceptance of its appointment under the Collateral Management Agreement by the successor Collateral Manager, all authority and power of the Collateral Manager under the Collateral Management Agreement, whether with respect to the Assets or otherwise, shall automatically and without action by any Person pass to and be vested in the successor Collateral Manager. The Issuer, the Trustee and the successor Collateral Manager shall take such action (or the Issuer shall cause the outgoing Collateral Manager to take such action) consistent with the Collateral Management Agreement and as shall be necessary to effect any such succession.

In connection with any vote under the Collateral Management Agreement, in determining whether the holders of the requisite Aggregate Outstanding Amount (in the case of the Notes) or outstanding amount (in the case of the Certificates) have given any request, demand, authorization, direction, notice, consent or waiver or made any proposal, if Collateral Manager Securities are disregarded and deemed not to be Outstanding in connection with such vote and a Class of Notes entitled to vote is comprised entirely of Collateral Manager Securities, then the most senior Class of Securities that is not comprised entirely of Collateral Manager Securities shall be entitled to exercise the specified voting rights, disregarding any Collateral Manager Securities, in lieu of such other Class of Securities.

Conflicts of Interest

It is understood that the Collateral 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 Collateral 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 Obligors or issuers of the Collateral Obligations or the Eligible Investments. The Collateral Manager will 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 Collateral Management Agreement shall prevent the Collateral 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 Obligor or issuer, as those directed by the Collateral Manager to be purchased or sold on behalf of the Issuer. It is understood that, to the extent permitted by applicable law, the Collateral Manager, its Owners, their Affiliates or their respective Related Persons or any member of their families or a Person advised by the Collateral 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 Collateral Manager may direct under the Collateral Management Agreement. In the event that, in light of market conditions and investment objectives, the Collateral Manager determines that it would be advisable to purchase the same Collateral Obligation both for the Issuer, and either the proprietary account of the Collateral Manager or any Affiliate of the Collateral Manager or another client of the Collateral Manager, the Collateral Manager will employ allocation procedures consistent with such procedures as may be in place from time to time. The Issuer will agree that, in the course of managing the Collateral Obligations held by the Issuer, the Collateral Manager may consider its relationships with other clients (including Obligors and issuers) and its Affiliates. The Collateral Manager may decline to make a particular investment for the Issuer in view of such relationships. See "*Risk Factors—Relating to Certain Conflicts of Interest—Certain Conflicts of Interest relating to the Collateral Manager and its Affiliates*." Additionally, the Issuer acknowledges that the Collateral Manager and its Affiliates may enter into, for their own accounts or for the accounts of others, credit default swaps relating to Obligors and issuers with respect to the Collateral Obligations included in the Assets.

The Collateral Manager may, subject to compliance with applicable laws and regulations and subject to the Collateral Management Agreement and the Indenture, direct the Trustee to acquire a Collateral Obligation from, or sell a Collateral Obligation, Equity Security, Eligible Investment to, the Collateral Manager, any of its Affiliates or any account or portfolio for which the Collateral Manager or any of its Affiliates serve as investment advisor for fair market value (or as may be otherwise expressly required in the Transaction Documents (but in no event for less than fair market value) in connection with the repurchase or substitution of a Collateral Obligation by the Transferor

under the Master Loan Sale Agreement); *provided* that, the Collateral Manager shall obtain the Issuer's written consent through the Independent Review Party as provided in the Collateral Management Agreement if any such transaction requires the consent of the Issuer under Section 206(3) of the Investment Advisers Act (an "**Affiliate Transaction**"). For the avoidance of doubt, for purposes of compliance with the Investment Advisers Act rules, if the Collateral Manager acts as principal for its own account, the Collateral Manager shall not buy any security from or sell any security to its client unless it discloses to the client the capacity in which it is acting and such disclosure is made in writing prior to the settlement of such transaction, and the client has given his written consent to such transaction. This disclosure shall be given and client consent obtained on a transaction-by-transaction basis. At the written request of the Collateral Manager, the Issuer shall establish a conflicts review board or appoint an independent third party to act on behalf of the Issuer (such board or party, an "**Independent Review Party**") with respect to Affiliate Transactions. Decisions of any Independent Review Party shall be binding on the Collateral Manager, the Issuer and the holders and beneficial owners of the Securities. Any Independent Review Party (i) shall either (A) be the Issuer's Independent Trustee, (B) be an established financial institution or other financial company with experience in assessing the merits of transactions similar to the Affiliate Transactions or (C) be a review board comprised of one or more individuals selected by the Issuer (or at the request of the Issuer, selected by the Collateral Manager), (ii) shall be required to assess the merits of the Affiliate Transaction and either grant or withhold consent to such transaction in its sole judgment and (iii) shall not be (A) affiliated with the Collateral Manager (other than as a holder or beneficial owner of the Securities or as a passive investor in the Issuer or an Affiliate of the Issuer) or (B) (other than the Issuer's Independent Trustee) involved in the daily management and control of the Issuer. The Issuer (i) shall be responsible for any fees relating to the services provided by any Independent Review Party and shall reimburse members of any Independent Review Party for their out-of-pocket expenses and (ii) may indemnify members of such Independent Review Party to the maximum extent permitted by law, subject to terms and conditions satisfactory to the Collateral Manager. The initial Independent Review Party will be Estera Trust (Cayman) Limited.

Compensation of the Collateral Manager

As compensation for the performance of its obligations as Collateral Manager, the Collateral Manager will be entitled to receive a fee on each Payment Date (in accordance with the Priority of Payments), which will accrue quarterly in arrears on each Payment Date (prorated for the related Interest Accrual Period), in an amount equal to 0.25% per annum (calculated on the basis of the actual number of days in the applicable Collection Period *divided by* 360) of the Fee Basis Amount at the beginning of the Collection Period relating to such Payment Date (the "**Collateral Management Fee**"); *provided* that, the Collateral Management Fee payable on any Payment Date shall not include any such fee (or any portion thereof) that has been waived or deferred by the Collateral Manager no later than the Determination Date immediately prior to such Payment Date pursuant to the Collateral Management Agreement.

The Collateral Management Fee is payable on each Payment Date only to the extent that sufficient Interest Proceeds and Principal Proceeds are available. To the extent the Collateral Management Fee is not paid on any Payment Date when due and such fee was not voluntarily deferred or waived (the "**Collateral Management Fee Shortfall Amount**"), or the Collateral Manager elects to defer all or a portion thereof and later rescinds such deferral election, the Collateral Management Fee will be deferred and will be payable on subsequent Payment Dates in accordance with the Priority of Payments. Interest on Collateral Management Fee Shortfall Amounts shall accrue at the Prime Rate for the period beginning on the first Payment Date on which the related Collateral Management Fee was due (and not paid) through the Payment Date on which such Collateral Management Fee Shortfall Amount (including accrued interest) is paid.

At the option of the Collateral Manager, by written notice to the Trustee and the Collateral Administrator, no later than the Determination Date immediately prior to such Payment Date, on each Payment Date, (i) all or a portion of the Collateral Management Fees or the Collateral Management Fee Shortfall Amount (including accrued interest) due and owing on such Payment Date may be deferred for payment on a subsequent Payment Date, without interest (the "**Current Deferred Management Fee**") and (ii) all or a portion of the previously deferred Collateral Management Fees or Collateral Management Fee Shortfall Amounts (collectively, the "**Cumulative Deferred Management Fee**") may be declared due and payable (to the extent there are sufficient Interest Proceeds and Principal Proceeds therefor). At such time as the Notes are redeemed in connection with an Optional Redemption, a Tax Redemption or a Clean-Up Call Redemption, without duplication, all accrued and unpaid Collateral Management Fees, Current Deferred Management Fees, Collateral Management Fee Shortfall Amounts (including

accrued interest) and Cumulative Deferred Management Fees (the "**Aggregate Collateral Management Fee**") shall be due and payable to the Collateral Manager.

The Collateral Manager may, in its sole discretion (but shall not be obligated to), elect to defer or irrevocably waive all or a portion of the Collateral Management Fee, payable to the Collateral Manager on any Payment Date. Any such election shall be made by the Collateral Manager delivering written notice thereof to the Issuer, the Collateral Administrator and the Trustee no later than the Determination Date immediately prior to such Payment Date (or such later time and date as may be consented to by the Trustee). Any election to defer or irrevocably waive the Collateral Management Fee may also take the form of written standing instructions to the Issuer, the Collateral Administrator and the Trustee; *provided* that, such standing instructions may be rescinded by written notice delivered to the Issuer, the Collateral Administrator and the Trustee by the Collateral Manager at any time except during the period between a Determination Date and Payment Date (except as may be consented to by the Trustee).

If the Collateral Management Agreement is terminated for any reason, or if the Collateral Manager resigns or is removed, (i) Collateral Management Fees shall be prorated for any partial period elapsing from the last Payment Date on which such Collateral Manager received the Collateral Management Fee to the effective date of such termination, resignation or removal and (ii) any unpaid Cumulative Deferred Management Fees and Collateral Management Fee Shortfall Amounts (including related interest) shall be determined as of the effective date of such termination, resignation or removal and, in each case, shall be due and payable on each Payment Date following the effective date of such termination, resignation or removal in accordance with the Priority of Payments until paid in full. Otherwise, such resigning or removed Collateral Manager shall not be entitled to any further compensation for further services under the Collateral Management Agreement but shall be entitled to receive any expense reimbursement accrued to the effective date of termination, resignation or removal and any indemnity amounts owing (or that may become owing) as set forth under "*—Liability of the Collateral Manager*." The Issuer will be entitled to perform any tax withholding or reporting that may be required by law in respect of payments to the Collateral Manager under the Collateral Management Agreement. Any Aggregate Collateral Management Fee, expense reimbursement and indemnities owed to such Collateral Manager or owed to any successor Collateral Manager on any Payment Date shall be paid *pro rata* based on the amount thereof then owing to each such Person, subject to the Priority of Payments.

Except as otherwise agreed to by the Issuer and the Collateral Manager, the costs and expenses (including the fees and disbursements of counsel and accountants but excluding all overhead costs and employees' salaries) of the Collateral Manager and of the Issuer incurred in connection with the negotiation and preparation of and the execution of the Collateral Management Agreement and any amendment thereto, and all matters incidental thereto, shall be borne by the Issuer. The Issuer will reimburse the Collateral Manager for expenses including fees, costs and expenses reasonably incurred by the Collateral Manager in connection with services provided under the Collateral Management Agreement (regardless of whether the Person providing or performing the service or output giving rise to such fees, costs and expenses is the Collateral Manager, an Affiliate of the Collateral Manager or a third party, and including allocated portions of fees, costs and expenses, including overhead, incurred in connection with services performed by personnel or employees of the Collateral Manager or its Affiliates; *provided* that, if such service or output is provided or performed by the Collateral Manager or an Affiliate of the Collateral Manager and not a third party, then, unless approved by the Independent Review Party, the applicable fees, costs and expenses shall not be greater than those that would be payable to a third party under arm's length terms for the provision or performance of similar services or outputs) including, without limitation, (a) legal advisers, consultants, rating agencies, accountants, brokers and other professionals retained or employed by the Issuer or the Collateral Manager (or an Affiliate of the Collateral Manager (in each case, 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 Assets, (c) all taxes, regulatory and governmental charges (not based on the income of the Collateral 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 thereof, including attorneys' fees and disbursements, (e) preparing reports to holders of the Notes, (f) reasonable travel expenses (including without limitation airfare, meals, lodging and other transportation) undertaken in connection with the performance by the Collateral Manager of its duties pursuant the Collateral Management Agreement or the Indenture, (g) expenses and costs in connection with any investor conferences, (h) any broker or brokers in consideration of brokerage services provided to the Collateral Manager in connection with the sale or purchase of any Collateral Obligation, Equity Security, Eligible Investment or other assets received in respect

thereof, (i) bookkeeping, accounting or recordkeeping services obtained or maintained with respect to the Issuer (including those services rendered at the behest of the Collateral Manager), (j) software programs licensed from a third party and used by the Collateral Manager in connection with servicing the Assets, (k) fees and expenses incurred in obtaining the Market Value of Collateral Obligations (including without limitation fees payable to any nationally recognized pricing service), (l) audits incurred in connection with any consolidation review, and (m) as otherwise agreed upon by the parties. The fees and expenses payable to the Collateral Manager on any Payment Date are payable only as described under "*Description of the Securities—Priority of Payments*."

CREDIT RISK RETENTION

The information appearing in this section is being provided by the Issuer for the sole purpose of satisfying the sponsor's pre-sale disclosure obligations with respect to an "eligible horizontal residual interest" under the U.S. Risk Retention Rules. For purposes of this transaction, the Collateral Manager would be considered to be a "sponsor" for purposes of the U.S. Risk Retention Rules. See "*Risk Factors—Legislative and regulatory actions in the United States may have a material and adverse effect on the Issuer, the Securities and/or the Collateral Manager*". Pursuant to the U.S. Risk Retention Rules, the sponsor is required to provide or cause to be provided to investors a reasonable period of time prior to the sale of any asset-backed securities in a securitization transaction and a reasonable time after the closing of the securitization transaction the fair value disclosures described in this section. Such fair value disclosures must include a description of all key inputs and assumptions that either could have a material impact on the fair value calculation or would be material to a prospective investor's ability to evaluate such fair value calculations as well as a summary description of the reference data or other historical information used to develop such key inputs and assumptions. In adopting the U.S. Risk Retention Rules, the relevant Governmental Authorities indicated that the purpose of these fair value disclosures was to allow investors to adequately analyze the amount of the sponsor's economic interest ("skin in the game") in a given securitization transaction. As such, the information set forth in this section should not be relied upon or used for any other purpose, including, without limitation, as the basis for making an investment decision with respect to any of the Securities.

Each Person receiving this Offering Circular is advised that none of the Initial Purchaser, the Trustee or the Collateral Administrator (i) has participated in the determinations or calculations of fair value described below, (ii) has independently verified any of the statements in this section, (iii) is responsible for making any representation concerning (a) the accuracy or completeness of the fair value determination, (b) the fair value of the U.S. Retention Interest that the U.S. Retention Holder expects to hold or (c) any assumptions, discount factors or other variables used to determine any such fair value, or (iv) assumes responsibility for the contents of the fair value disclosures or any of the information in this section.

For important information about the U.S. Risk Retention Rules, see information under the headings "*Risk Factors—Legislative and regulatory actions in the United States may have a material and adverse effect on the Issuer, the Securities and/or the Collateral Manager*".

Each Person receiving this Offering Circular is advised that certain information in this section contains forward-looking statements. There can be no assurance that the predictions contained in such forward-looking statements will materialize or that actual results will not differ materially from those presented in this section. See disclaimer regarding "*Forward-Looking Statements*" appearing on page vi of this Offering Circular.

Except to the limited extent set forth under "—*Post-Closing Update*," no Person has undertaken, or is under any obligation, to update, revise, reaffirm or withdraw the information in this section.

Fair Value of U.S. Retention Interest

The fair value of the U.S. Retention Interest will be determined by the sponsor (on a preliminary basis on the date hereof and on a final basis on the Closing Date) in accordance with the fair value assessment described in Accounting Standards Codification 820, "Fair Value Measurements and Disclosures" ("**ASC 820**"). ASC 820 defines "fair value" as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market at the measurement date. ASC 820 also establishes a three-tier fair value hierarchy, which prioritizes the inputs used in determining fair value. These tiers include: "Level 1" inputs, which reflect unadjusted quoted prices for identical assets or liabilities in an active market; "Level 2" inputs, which are inputs other than Level 1 inputs that are observed directly or indirectly; and "Level 3" inputs, which are calculated using the Closing Date prices of the Offered Notes. For the Notes, as of the date hereof, the fair value was calculated using observable inputs categorized within Level 2 of the fair value hierarchy assessment of ASC 820, reflecting the use of inputs derived from prices for similar instruments. The determination of the fair value of the Securities as of the Closing Date will be calculated using observable inputs categorized within Level 1 of the fair value hierarchy of ASC 820, reflecting quoted prices for identical assets or liabilities in active markets. For the Certificates, the fair value was calculated both as of the date hereof and as of the Closing Date, primarily using Level 3 inputs, which include data not observable in the market and which reflect subjective determinations

regarding inputs and assumptions market participants would use in pricing the Certificates in a hypothetical sale. Each Person receiving this Offering Circular should note that the fair value disclosures set forth herein were derived in part from, or based in part on, certain publicly available market data and/or information provided by third party sources, which in each case was assumed, without independent verification, to be accurate and complete in all respects.

For important additional information about the fair value determination, see information under the heading "*Risk Factors—Determining the fair value of the Securities involves significant elements of subjective judgment and analysis, and, as a result, such fair values are inherently uncertain*."

As of the date hereof, it is expected that the U.S. Retention Holder will acquire $29,500,000 of the Certificates as the U.S. Retention Interest, which is expected to comprise between 5.14 – 5.30% of the aggregate fair value of the Securities issued on the Closing Date and have a fair value of $25,448,765 - $26,400,966. Although the U.S. Retention Holder will acquire 100% of the Certificates, subject to the other restrictions contained in the Transaction Documents, the U.S. Retention Holder may transfer any portion of the Certificates that is not part of the U.S. Retention Interest to a third party. The fair value of the Securities is summarized below.

Notes	**Par Balance ($)**	**Fair Value Low ($)**	**Fair Value High ($)**	**Fair Value Low (% of par)**	**Fair Value High (% of par)**
Class A Notes	284,300,000	284,300,000	284,300,000	100.00	100.00
Class B Notes	48,600,000	48,600,000	48,600,000	100.00	100.00
Class C Notes	37,900,000	37,900,000	37,900,000	100.00	100.00
Class D Notes	30,700,000	29,685,488	30,049,621	96.70	97.88
Class E Notes	33,200,000	33,200,000	33,200,000	100.00	100.00
Certificates	71,500,000	61,680,905	63,988,782	86.27	89.49
Total	506,200,000	495,366,393	498,038,403		

A description of the material terms of the Certificates comprising the U.S. Retention Interest is set forth herein under "*Description of the Securities—the Certificates*."

Valuation Methodology

To calculate the fair value of the U.S. Retention Interest, a discounted cash flow methodology was used, which derives an estimate of value based on projected future cash flows on the Securities. In generating such projected future cash flows, a third party cash flow modeling engine was used to project future interest and principal payments on the Collateral Obligations, the interest and principal payments on each Class of Securities, and the fees and expenses of the transaction parties. The resulting net cash flows to the U.S. Retention Interest were then discounted to present value using a discount rate intended to reflect a hypothetical market yield.

A third party valuation firm was engaged by the sponsor to assist in connection with certain of the calculations set forth in this section. Such third party valuation firm performed certain financial analyses and relied on certain information provided to it by third parties or available from public sources as being accurate and complete in all respects and which such third party valuation firm did not independently verify. The results of the financial analyses performed by such third party valuation firm were among the factors taken into consideration in connection with certain of the calculations set forth in this section but were not determinative of the estimated fair values of the Securities (including the U.S. Retention Interest). The third party valuation firm is not responsible for the calculation of the range of estimated fair values of the Securities (including the U.S. Retention Interest) or the valuation methodology used to calculate such ranges.

Key Inputs and Assumptions

For modeling purposes, the following key inputs and assumptions were used:

- Purchase Price: The purchase price of the Offered Notes, the Class E Notes and Certificates (in each case as a percentage of par) will be equal to the amount set forth in the above under the column Fair Value Low (% of par) and Fair Value High (% of par);

- Range of Assumed Rates and Discount Margins: (i) The final interest spread and discount margins of the Offered Notes and the Class E Notes will be as set forth in the corresponding row in the Key Inputs and Assumptions Table below (the "**Key Inputs and Assumptions Table**") and (ii) the projected cash flows to the Certificates will be discounted at a rate of 14-15%;

- Priority of Payments: (i) No taxes or governmental fees are owed the Issuer; (ii) Administrative Expenses are assumed to be the sum of (i) 0.0250% per annum (prorated for the related Interest Accrual Period on the basis of a 360-day year and actual number of days elapsed during the applicable Interest Accrual Period) of the Aggregate Collateral Balance on the prior Payment Date (or in the case of the first Payment Date, as of the Closing Date) and (ii) $200,000.00 per annum (prorated for the related Interest Accrual Period on the basis of a 360-day year and twelve 30-day months), without regard to the Administrative Expense Cap; (iii) the Moody's Rating Condition is satisfied and an S&P Deemed Rating Confirmation occurs prior to the first Payment Date; (iv) no Special Redemption, Clean-Up Call Redemption, Refinancing, Additional Issuance, Event of Default, Tax Event or Enforcement Event occurs with respect to any Payment Date; (v) any amounts deposited in the Supplemental Reserve Account are not deposited as Interest Proceeds or Principal Proceeds and with respect to any Payment Date the Collateral Manager does not elect to deposit any proceeds with respect to any subsequent Payment Date and (vi) for the purpose of recalculating the Overcollateralization Coverage Tests: there are no Discount Obligations, Long-Dated Obligations, Deferring Obligations, Excess CCC/Caa Adjustment Amount or Principal Financed Accrued Interest;

- Initial Collateral Obligations: Collateral Obligations acquired by the Issuer on the Closing Date will have an aggregate outstanding principal balance (referred to as "par" in the Key Inputs and Assumptions Table) and bear interest (either fixed rate or floating) and will have the other characteristics set forth under the corresponding row in the table set forth in the Key Inputs and Assumptions Table;

- Reinvestment Collateral Obligations: Collateral Obligations acquired by the Issuer through reinvestment after the Closing Date will (i) have an aggregate outstanding principal balance (referred to as "par" in the Key Inputs and Assumptions Table) and bear interest (either fixed rate or floating) in each case as set forth under the corresponding row in the table set forth on the Key Inputs and Assumptions Table and (ii) have a initial term to maturity (referred to as "**Tenor**" in the Key Inputs and Assumptions Table) as set forth in the row entitled "Tenor of Reinvestment Collateral Obligations" under the heading "Secured Notes Specific Assumptions" in the Key Inputs and Assumptions Table (in the case of the Offered Notes and the Class E Notes) or the heading "Certificates Specific Assumptions" in the Key Inputs and Assumptions Table (in the case of the Certificates);

- Prepayment Rate: Prepayments on Collateral Obligations will occur at the rate set forth in the Key Inputs and Assumptions Table;

- Annual Default Rate: Collateral Obligations are assumed to default at a rate as set forth in the corresponding row in the Key Inputs and Assumption Table;

- Recovery Rate and Recovery Lag: Recoveries on Defaulted Obligations are assumed to be at the recovery rate set forth in the "Recovery Rate" row set forth in the Key Inputs and Assumptions table, and are assumed to occur as set forth in the row entitled Recovery Lag under the heading "Secured Notes Specific Assumptions" in the Key Inputs and Assumptions Table (in the case of the Offered Notes and the Class E Notes) or the heading "Certificates Specific Assumptions" in the Key Inputs and Assumptions Table (in the case of the Certificates);

- Reinvestment Post-Reinvestment Period: No Principal Proceeds are reinvested in Collateral Obligations following the end of the Reinvestment Period;

- Interest Proceeds and Principal Proceeds that are not used to acquire additional Collateral Obligations are reinvested in short-term investments earning no interest;

- Interest collections during the first Collection Period are reduced by 25%;

- Optional Redemption: None assumed for the Notes. For purposes of the Certificates, as set forth in the Key Inputs and Assumptions Table in the "Call Date" row with the Collateral Obligations being sold at the percentage of par set forth in the "Collateral Liquidation Price" row; and

- Forward Rates: Applicable LIBOR is assumed to reset consistent with the description of LIBOR as set forth in this Offering Circular.

Key Inputs and Assumptions Table

General Assumptions

Input		Value / Range
Initial Collateral Obligations	Par	$500,000,000
	% Floating	100.00%
	Avg. Float Spread	5.14%
	% of Floating with Floors	96.93%
	Average Floor	1.01%
	% Fixed	0.00%
	Avg. Fixed	N/A%
	Avg. Purchase Price	100.00%
	Weighted Average Life	3.65 years
Reinvestment Collateral Obligations	% Floating	100%
	Avg. Float Spread	5.00%
	% of Floating with Floors	100%
	Average Floor	1.00%
	% Fixed	0.00%
	Avg. Fixed	N/A%
	Avg. Purchase Price	99.00%
Prepayment Rate		20% per annum
Annual Default Rate		2% per annum
Recovery Rate		30% (expected loss) (recovery rate of 70%)
Forward Interest Rate		Forward curve for 3-month LIBOR
Interest Reserve Account		N/A

Secured Note Specific Assumptions

Input	Value / Range		
Recovery Lag	Immediate		
Range of Assumed Rates and Discount Margins	Class	Spread	DM
	A	200-210	200-210
	B	270-280	270-280
	C	370-380	370-380
	D	505	540-560
	E	850-860	850-860
Tenor of Reinvestment Collateral Obligations	66 Months		
Call Date	None		

Certificates Specific Assumptions

Input	Value / Range
Recovery Lag	6 Months
Tenor of Reinvestment Collateral Obligations	72 Months
Weighted average spread on liabilities	299
Call Date	24 Months after end of Reinvestment Period
Liquidation Price	99%

These key inputs and assumptions were based on certain publicly available market data and/or information provided by third party sources (including, the third party valuation firm engaged by the sponsor) as well as considering the following factors:

- The assumed prepayment rate, annual default rate, the recovery rate and recovery lag were estimated considering the repayment rate, default rate and recovery rate generally observed in the CLO market and certain observed historical data (including trading prices) for loans similar to the Collateral Obligations and standard assumptions and approximations by CLO market participants which are related to these inputs;
- The assumed average floating spread of the initial Collateral Obligations was based and the current characteristics of the expected Closing Date portfolio. In the case of Reinvestment Collateral Obligations the assumed average floating spread was estimated considering the price and spread and certain observed historical data for new issue and secondary loans for similar to the Collateral Obligations and standard assumptions and approximations by CLO market participants which are related to these inputs;
- The assumed optional redemption date was estimated considering that in most circumstances Holders of Certificates will elect to call the CLO early if the return expected to be generated thereby is greater than the return expected to be generated from holding the Certificates to the Stated Maturity;
- The assumed interest rate and discount margin ranges for the Notes were generally informed by recent new-issue spreads of similarly rated CLO note classes, with similar assumed pool and asset quality, payment priority and weighted average lives to the related Class of Notes as of the date of this Offering Circular and the expected sales prices of the Offered Notes; and
- The discount yield of the Certificates was generally informed by the discount yields observed on secondary markets trades of similar CLO notes, with similar assumed pool and asset quality, payment priority and weighted average lives, which have historically priced wider than new-issue CLOs.

Post-Closing Update

After the Closing Date, the Holders of the Securities will receive a disclosure that will include the following additional information: (i) the fair value (expressed as a percentage of the fair value of all Securities and a dollar amount) of the Certificates retained by the U.S. Retention Holder on the Closing Date (based on actual sale prices and Class sizes to the extent that Securities were sold (and not retained on the Closing Date by the Collateral Manager, the U.S. Retention Holder or any of their respective subsidiaries)); (ii) the fair value (expressed as a percentage of the fair value of all Securities and a dollar amount) of the Certificates that the U.S. Retention Holder was required to retain pursuant to the U.S. Risk Retention Rules (based on actual sale prices and Class sizes to the extent that Securities were sold (and not acquired on the Closing Date by the Collateral Manager, the U.S. Retention Holder or any of their respective subsidiaries)); and (iii) to the extent that the valuation methodology or any of the key inputs and assumptions on the Closing Date is materially different than those disclosed in this section, such materially different valuation methodology or key inputs or assumptions. Such disclosure will be delivered by the Issuer within thirty days of the Closing Date (and may be included in the first Monthly Report at the direction of the Issuer) for the sole purpose of satisfying the sponsor's post-closing disclosure obligations under the U.S. Risk Retention Rules.

THE ISSUER

General

Woodmont 2017-1 Trust, which is the Issuer, was formed pursuant to a certificate of trust dated October 5, 2016, changed its name from Woodmont 2016-1 Trust to Woodmont 2017-1 Trust on January 27, 2017, and is registered as a statutory trust under the laws of the state of Delaware, with the registration number 6173749. The principal trustee of the Issuer will be MidCap Financial Trust. The Independent Trustee of the Issuer will be Ricardo Beausoleil and the Delaware Trustee will be the Corporation Trust Company. The Issuer is a special purpose entity established for the sole purpose of issuing the Notes and engaging in certain related transactions. The address of the office of the Delaware Trustee in Delaware will be Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801, Attention: Jennifer A. Schwartz. The Issuer will be governed by an amended and restated trust agreement (the "**Trust Agreement**"), between Woodmont Intermediate 2017-1 Trust, as the beneficial owner (the "**Beneficial Owner**), MidCap Financial Trust, as the principal trustee (the "**Principal Trustee**"), the Independent Trustee and the Delaware trustee.

The Notes and Certificates are not obligations of the Trustee, the Collateral Manager, the Initial Purchaser, the Collateral Administrator, the Retention Provider or any of their respective affiliates, or any directors, managers or officers of the Issuer.

The Principal Trustee

The Principal Trustee is a wholly owned subsidiary of MidCap Financial Holdings Trust, which is a wholly owned subsidiary of MidCap FinCo Designated Activity Company, which is a wholly owned subsidiary of MidCap FinCo Holdings Limited. The Principal Trustee will conduct all of the activities of the Issuer, including executing and delivering all agreements and other documents on behalf of the Issuer, in the Issuer's name, all in accordance with the provisions of the Trust Agreement. Distributions to the Beneficial Owner shall be made, to the extent permitted under the Trust Agreement, at such times and in such amounts as the Principal Trustee shall determine.

The Principal Trustee will be indemnified from and against any and all losses, damages, liabilities, claims, actions, suits, costs, expenses, disbursements (including the reasonable fees and expenses of counsel), taxes and penalties of any kind and nature whatsoever, to the extent that any such expenses arise out of or are imposed upon or asserted at any time against the Principal Trustee with respect to the performance of the Trust Agreement, the creation, operation or termination of the Issuer or the transactions contemplated by the Trust Agreement. The Principal Trustee will not be indemnified for (i) expenses that are the result (in whole or in part) of the gross negligence, willful misconduct or bad faith of the Principal Trustee or (ii) any expenses that constitute an obligation under the transactions contemplated by the Trust Agreement or constitute lost profits of the Principal Trustee or indirect, special, consequential, exemplary, punitive or incidental expenses, to the extent such lost profits or indirect, special, consequential, exemplary, punitive or incidental expenses are not being claimed by a third party against the Principal Trustee.

The Principal Trustee may resign by giving written notice thereof to the other parties to the Trust Agreement at least 30 days prior to the date set forth in such notice of resignation. The Principal Trustee may also be removed with or without cause at any time by written notice thereof by the Beneficial Owner. The resignation or removal of the Principal Trustee will become effective only when a successor principal trustee has been appointed and has accepted such appointment, except that in the case of the resignation of the Principal Trustee, the Beneficial Owner may apply to any court of competent jurisdiction to appoint a successor principal trustee to act until such time, if any, that a successor principal trustee has been appointed and accepted such appointment.

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 Certificates (before deducting expenses of the offering) is set forth below:

	Amount
Class A Notes	$284,300,000
Class B Notes.....	$48,600,000

Class C Notes	$37,900,000
Class D Notes	$30,700,000
Class E Notes	$33,200,000
Total Debt	$434,700,000
Certificates	$71,500,000
Total Equity	$71,500,000
Total Capitalization	$506,200,000

Business of the Issuer

The Issuer's Trust Agreement describes the objectives of the Issuer, which include the activities to be carried out by the Issuer in connection with the Notes. The Issuer has not issued securities, other than beneficial ownership interests, 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 the sale, issuance, redemption and payment of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Certificates and any additional notes issued pursuant to the Indenture, the acquisition, holding, selling, exchanging, redeeming and pledging of Collateral Obligations and Eligible Investments, solely for its own account, and other incidental activities thereto, including entering into the Transaction Documents to which it is a party. The Issuer will have no subsidiaries. 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 Collateral Manager) to satisfy the Coverage Tests, the Concentration Limitations and the Collateral Quality Tests 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 Notes—Sales of Collateral Obligations; Additional Collateral Obligations and Investment Criteria*."

In addition, pursuant to the terms of the Collateral Administration Agreement, the Issuer will retain the Collateral Administrator to, among other things, compile certain reports with respect to the Collateral Obligations. The compensation paid by the Issuer for such services will be in addition to the fees paid to the Collateral Manager and will be treated as an expense of the Issuer and will be subject to the Priority of Payments.

RETENTION REQUIREMENTS

On the Closing Date, Woodmont Intermediate 2017-1 Trust (in such capacity, the "**E.U. Retention Provider**"), the Trustee and the Issuer will enter into a letter agreement (the "**Risk Retention Letter**") pursuant to which the E.U. Retention Provider will agree, and will irrevocably and unconditionally undertake, among other things that, on an ongoing basis, so long as any Notes remain Outstanding:

(a) it will directly retain a material net economic interest in the securitized exposures (as such term is used in Article 405(1)(d) of the CRR, Article 51(1)(d) of the AIFMD Level 2 Regulation and Article 254(2)(d) of the Solvency II Level 2 Regulation) of not less than 5% in the form specified in paragraph (d) of Article 405(1) of the CRR, Article 51(1)(d) of the AIFMD Level 2 Regulation and Article 254(2)(d) of the Solvency II Level 2 Regulation, in each case as in force on the Closing Date (such requirement, the "**Retention Requirement**"), by way of holding, subject to the provisions of the Risk Retention Letter, the minimum principal amount of Certificates required by the EU Retention Requirement Laws, being an amount equal to 5% of the nominal value of the Collateral Obligations (the "**Retained Interest**");

(b) it will not sell, short, hedge or otherwise mitigate its credit risk under or associated with the Retained Interest, except to the extent permitted in accordance with the EU Retention Requirement Laws;

(c) it will take such further action, provide such information and enter into such other agreements as may reasonably be required by the Issuer to satisfy the EU Retention Requirement Laws (i) as of the Closing Date and (ii) following the Closing Date, solely as regards the provision of information in the possession or under the control of the E.U. Retention Provider to the extent the same is not subject to a duty of confidentiality;

(d) it will confirm its continuing compliance with the Retention Requirement to the Issuer and the Trustee (for the benefit of the Holders) (x) on a monthly basis and (y) upon the written request by or on behalf of the Issuer or by the Trustee on behalf of one or more Holders as a result of any material change in the performance of the Notes or the risk characteristics of the Notes or the Collateral Obligations from time to time;

(e) it will, promptly following a request by the Issuer or by the Trustee on behalf of one or more Holders, provide a refreshed letter in respect of the Retention Requirement in substantially the form of the Risk Retention Letter in connection with (i) a material amendment of any Transaction Document or (ii) any additional issuance of any Notes;

(f) it will promptly notify the Issuer and the Trustee (for the benefit of the Holders) in writing if an officer of the E.U. Retention Provider obtains actual knowledge that, for any reason: (i) the E.U. Retention Provider has ceased to hold the Retained Interest in accordance with paragraph (a) above; (ii) the E.U. Retention Provider has failed to comply with the covenants set out in paragraphs (b) and (c) above in any material way; or (iii) any of the representations of the E.U. Retention Provider contained in the Risk Retention Letter fail to be true on any date;

(g) it will represent that, (i) in relation to each Collateral Obligation that the E.U. Retention Provider sells, contributes or otherwise transfers to the Issuer, the E.U. Retention Provider either (A) has purchased or will purchase such Collateral Obligation for its own account prior to selling such obligation to the Issuer pursuant to the Master Loan Sale Agreement or (B) itself or through related entities, directly or indirectly, was involved in the original agreement which created such Collateral Obligation, including arranging, negotiating and entering into such original agreements with the related borrowers and (ii) it has, directly or through related entities, originated over fifty percent (50%) of the Collateral Obligations owned by the Issuer as at the Closing Date; and

(h) it will, so long as any of the Notes are outstanding, ensure that either (i) immediately following the purchase of any Collateral Obligation, it shall have originated, directly or through related entities (including the Issuer), over fifty percent (50%) of the Collateral Obligations or (ii) if, immediately prior to the purchase of any new Collateral Obligation, it shall not have originated, directly or through related entities, over fifty percent (50%) of the Collateral Obligations, then any such new Collateral Obligation shall have been originated by the E.U. Retention Provider, directly or through related entities (including the Issuer).

Compliance with the Retention Requirement will be measured upon each acquisition of a Collateral Obligation by the Issuer.

Each prospective investor in the Notes which is subject to the EU Retention Requirement Laws or Similar Retention Requirements or any other applicable legal, regulatory or other requirements should consult with its own legal, accounting and other advisors and/or its national regulator in determining the extent to which the information set out in this Offering Circular is sufficient for the purpose of complying with the EU Retention Requirement Laws or Similar Retention Requirements, or any other applicable legal, regulatory or other requirements. Any such prospective investor is required to independently assess and determine the sufficiency of such information.

None of the Issuer, Wells Fargo Securities, the Collateral Manager, the Retention Provider nor any other party to the transactions contemplated by this Offering Circular (i) makes any representation, warranty or guarantee that the information described above or elsewhere in this Offering Circular is sufficient for the purpose of allowing an investor to comply with the requirements of the EU Retention Requirement Laws or Similar Retention Requirements, or any other applicable legal, regulatory or other requirements; (ii) shall have any liability to any prospective investor or any other person with respect to the insufficiency of such information or any failure of the transactions contemplated hereby to comply with or otherwise satisfy the requirements of the EU Retention Requirement Laws, or Similar Retention Requirements, or any other applicable legal, regulatory or other requirements; or (iii) shall have any obligation, other than the specific obligations undertaken by the E.U. Retention Provider under the Risk Retention Letter, to enable compliance with the EU Retention Requirement Laws or Similar Retention Requirements. See "*Risk Factors—General Commercial Risks—European legal investment considerations and retention requirements will affect certain potential investors*."

THE MASTER LOAN SALE AGREEMENT

General

Pursuant to the Master Loan Sale Agreement among the Transferor, the Retention Provider and the Issuer (the "**Master Loan Sale Agreement**"), and in accordance with the applicable provisions thereof, the Transferor will sell and/or contribute to the Retention Provider, without recourse, all of the right, title and interest of the Transferor in and to the Closing Date Assets, certain additional Collateral Obligations and certain substitute Collateral Obligations (if any), together in each such case with the proceeds thereof, and the Retention Provider will sell and/or contribute to the Issuer, without recourse, all of the right, title and interest of the Retention Provider in and to such Closing Date Assets and such other Collateral Obligations, together in each case with the proceeds thereof, in each case as provided therein. Solely for administrative convenience, Collateral Obligations sold under the Master Loan Sale Agreement from the Transferor to the Retention Provider and from the Retention Provider to the Issuer may be directly transferred into the Issuer as described below.

Pursuant to the Master Loan Sale Agreement sales of the Closing Date Assets under the Master Loan Sale Agreement may be settled by the Closing Date Seller by entering into a master participation agreement with respect to the Closing Date Assets with the Issuer on the settlement date (the "**Master Participation Agreement**"), pursuant to which the Closing Date Seller sold or transferred directly to the Issuer the Closing Date Participations subject to such Master Participation Agreement and agreed to cause the elevation of each such Closing Date Participation to an assignment as soon as practicable. To the extent that all Closing Date Assets have been assigned to the Issuer on the Closing Date, no Closing Date Assets will be settled for administrative convenience pursuant to the Master Participation Agreement and all references in the Transaction Documents to the Master Participation Agreement, the Closing Date Participations and the Closing Date Participation Condition shall be of no force and effect and the Issuer and the Closing Date Seller will not execute the Master Participation Agreement.

Notwithstanding any provisions in the Master Loan Sale Agreement, the Issuer, so long as the applicable conditions set forth in the Indenture are met (including, without limitation, the Retention Test), may also purchase Collateral Obligations that are not Affiliate Originated Collateral Obligations directly from the seller thereof in the secondary market.

The purchase price for any Collateral Obligation purchased pursuant to the Master Loan Sale Agreement will be an amount equal to the fair market value thereof, which will be as reasonably determined, on the date the Issuer agrees to acquire such Collateral Obligation, by the Collateral Manager consistent with the Collateral Manager Standard and the Collateral Management Agreement without any third-party valuation on the applicable Cut-Off Date and set forth in Schedule 1 to the Master Loan Sale Agreement.

For administrative convenience, but without limiting the Issuer's ability to purchase Collateral Obligations directly from third parties as provided in the Master Loan Sale Agreement, any document or assignment agreement (or, in the case of any underlying note, any chain of endorsement) required to be executed and delivered in connection with (a) the acquisition of a Collateral Obligation as a lender at the closing thereof may be executed and delivered directly by the Issuer at the direction of the Transferor or the Retention Provider or (b) the transfer of a Collateral Obligation in accordance with the terms of the related Underlying Instrument may reflect that the Transferor or the Retention Provider (or any affiliate thereof (including the Closing Date Seller) or any third party from whom the Transferor or the Retention Provider, as applicable, may purchase a Collateral Obligation) is assigning such Collateral Obligation directly to the Issuer. Nothing in any such document or assignment agreement (or chain of endorsement) will be deemed to impair the transfers of the Collateral Obligations by the Transferor to the Retention Provider and by the Retention Provider to the Issuer in accordance with the terms of the Master Loan Sale Agreement.

In the Master Loan Sale Agreement, the Transferor will agree to identify to the Issuer and the Retention Provider each of the Affiliate Originated Collateral Obligations.

In the Master Loan Sale Agreement, the Transferor will represent and warrant to the Retention Provider, to the Issuer and to the Trustee for the benefit of the Secured Parties, that (i) each Collateral Obligation conveyed by the Transferor under the Master Loan Sale Agreement, as of the related settlement date, satisfies the definition of

"Collateral Obligation" and (ii) the information set forth on Schedule 1 to the Master Loan Sale Agreement or Schedule I to any subsequent transfer agreement delivered thereunder, as applicable, and, to the extent such information is set forth therein, in the schedule listing the Collateral Obligations attached to the Indenture is true and correct in all material respects as of the related Cut-Off Date.

U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain material U.S. federal income tax consequences of the acquisition, ownership and disposition of the Offered Notes by a U.S. Holder or Non-U.S. Holder (each as defined below). This summary deals only with purchasers that acquire the Offered Notes in the initial offering, that purchased the Offered Notes at their "issue price" (as defined below), and will hold the Offered Notes as capital assets within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the "**Code**"). The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Notes by particular investors, and does not address state, local, foreign or other tax laws. This summary also does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, investors liable for the alternative minimum tax, individual retirement accounts and other tax-deferred accounts, REITs, regulated investment companies, tax-exempt organizations, dealers in securities or currencies, investors that will hold the Offered Notes as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes or U.S. Holders whose functional currency is not the U.S. Dollar). This summary is based on the Code, its legislative history, existing and proposed regulations thereunder, and published rulings and court decisions, all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

For purposes of this summary, the term "**U.S. Holder**" means a beneficial owner of the Offered Notes that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organized under the laws of the United States, any State thereof, or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax regardless of its source, or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has made a valid election to be treated as a domestic trust for U.S. federal income tax purposes. A "**Non U.S. Holder**" is any beneficial owner of an Offered Note that is not a U.S. Holder or person treated as a partnership for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in a partnership that holds Notes will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are partnerships should consult their tax advisers concerning the U.S. federal income tax consequences to their partners of the acquisition, ownership and disposition of the Offered Notes by the partnership.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATIONAL PURPOSES ONLY. THIS SUMMARY AND THE OPINIONS DESCRIBED HEREIN WERE NOT WRITTEN TO BE USED TO AVOID PENALTIES THAT MAY BE IMPOSED UNDER THE CODE. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING THE OFFERED NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

U.S. Federal Income Tax Treatment of the Issuer

As of the Closing Date, the Issuer will receive an opinion from Dechert LLP to the effect that, for U.S. federal income tax purposes, it is and will be disregarded as an entity separate from the sole beneficial owner of the Certificates. The opinion of Dechert LLP will assume compliance with the Transaction Documents and will be based upon certain assumptions, covenants and representations. As a disregarded entity, the assets and liabilities of the Issuer will be deemed to be those of the sole beneficial owner of the Certificates.

To prevent the Issuer from being treated as an entity other than an entity disregarded as separate from its sole equity owner for U.S. federal income tax purposes, the Certificates and the Class E Notes will be subject to certain transfer restrictions. Since the Issuer does not expect to be treated as a partnership or corporation, the Issuer has not adopted transfer restrictions designed to prevent (i) the Certificates and the Class E Notes from being publicly traded or transferred to persons other than United States persons or (ii) the Issuer from being engaged in a U.S. trade or business for U.S. federal income tax purposes. The remainder of this summary assumes that the Issuer will be treated as a disregarded entity for federal income tax purposes.

U.S. Federal Income Tax Treatment of the Offered Notes

The Issuer has agreed and, by its acceptance of an Offered Note, each holder and beneficial owner will be deemed to have agreed, to treat the Offered Notes as indebtedness of the sole owner of equity in the Issuer for U.S. federal income tax purposes. Upon the issuance of the Offered Notes, Dechert LLP will deliver an opinion generally to the effect that, under current law, although there is no specific authority with respect to the characterization for U.S. federal income tax purposes of securities having the same terms as the Offered Notes, the Offered Notes will be characterized as indebtedness for U.S. federal income tax purposes. The determination of whether an Offered Note will be characterized as indebtedness for U.S. federal income tax purposes is based on the facts and circumstances existing at the time the Note is issued. The opinion of Dechert LLP will assume compliance with the Indenture (and certain other documents) and be based upon certain factual assumptions, covenants and representations. Prospective investors should be aware that opinions of counsel are not binding on the IRS, and there can be no assurance that the IRS will not seek to characterize any particular Class of Notes as something other than indebtedness. In addition, the Issuer may, for certain specified purposes, enter into supplemental indentures, some of which may be entered into without the consent of any holders. The opinion of Dechert LLP will be based on the documents as of the Closing Date, and accordingly, will not address any potential U.S. federal income tax consequences of any supplemental indenture. The balance of this discussion assumes that the Offered Notes will be characterized as indebtedness of the sole owner of equity interests in the Issuer for U.S. federal income tax purposes.

In the event that the Certificates are transferred such that the Issuer is characterized as a partnership for U.S. federal income tax purposes or becomes disregarded as separate from a beneficial owner of the Certificates that is different than the person treated as the beneficial owner on the Closing Date, the Issuer intends to take the position that the Offered Notes are not deemed to be reissued for U.S. federal income tax purposes. However, in the event that the Offered Notes are treated as reissued (i.e., the "old" Notes deemed exchanged for the "new" Notes) for U.S. federal income tax purposes, gain or loss may need to be recognized upon such deemed transfer of the "old" Notes for the "new" Notes and such "new" Notes issued may have characteristics different than those that existed on original issuance, which could result in material adverse tax consequences to the Issuer or holders of Offered Notes.

U.S. Holders of the Offered Notes

Payments of Interest

Subject to the discussion on original issue discount ("**OID**") below, interest on an Offered Note will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on the U.S. Holder's method of accounting for tax purposes. Stated interest on the Offered Notes and OID, if any, accrued with respect to the Notes (as described below under "*—Original Issue Discount*") may or may not constitute income from U.S. sources depending on whether the Issuer has income effectively connected with a U.S. trade or business.

Original Issue Discount

General. A U.S. Holder of an Offered Note issued with OID must include the OID in income as it accrues regardless of the U.S. Holder's method of accounting. The Class A Notes or the Class B Notes will have been issued with OID if their stated redemption price exceeds their issue price by an amount that is 0.25% or more of their stated redemption price *multiplied by* their weighted average maturity. For this purpose, the weighted average maturity of the Offered Note is computed as the sum of the amounts determined by multiplying the number of full years (i.e., rounding down partial years) from the issue date until each distribution in reduction of stated redemption price at maturity is scheduled to be made by a fraction, the numerator of which is the amount of each distribution included in the stated redemption price at maturity of the Offered Note and the denominator of which is the stated redemption price at maturity of the Offered Note. If the amount of discount exceeds this threshold, the amount of an Offered Note's OID is the excess of the Offered Note's stated redemption price at maturity over its issue price. Generally, the issue price of a Note will be the first price at which a substantial amount of the Offered Notes included in the issue of which the Offered Note is a part are sold to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers. The stated redemption price at maturity of an Offered Note is the total of all payments provided by the Offered Note that are not payments of "qualified stated interest." Subject to certain other requirements, a qualified stated interest payment includes any one of a series of stated interest payments on an Offered Note that are unconditionally payable at least annually. In general, an Offered Note will be converted into an "equivalent" fixed rate debt instrument for purposes of determining the amount of OID on the Offered Note. Because stated interest payments on the Deferrable Notes

may be deferred in certain events, they might not be treated as unconditionally payable at least annually, and therefore the Issuer does not intend to treat any stated interest on the Deferrable Notes as qualified stated interest.

U.S. Holders of the Offered Notes must include OID in income calculated on a constant-yield method before the receipt of cash attributable to the income. The amount of OID includible in income by a U.S. Holder of an Offered Note is the sum of the daily portions of OID with respect to the Offered Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Offered Note ("**accrued OID**"). The daily portion is determined by allocating to each day in any "accrual period" a *pro rata* portion of the OID allocable to that accrual period. Accrual periods with respect to an Offered Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Offered Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Offered Note occurs on either the final or first day of an accrual period.

The Offered Notes are debt instruments described in Section 1272(a)(6) of the Code (debt instruments that may be accelerated by reason of the prepayment of other debt obligations securing such debt instruments). Special tax rules principally relating to the amount of OID allocable to an accrual period, market discount, and bond premium apply to debt instruments described in Section 1272(a)(6) of the Code. Accordingly, accruals of OID on the Offered Notes will be calculated using a prepayment assumption. Adjustments will be made to the amount of discount accruing in each taxable year in which the actual prepayment rate differs from the prepayment assumption. Prospective investors should consult with their own tax advisors regarding the effects of Section 1272(a)(6) of the Code.

Election to Treat All Interest as Original Issue Discount. A U.S. Holder may elect to include in gross income all interest that accrues on an Offered Note using the constant-yield method described above under "*—Original Issue Discount—General*", with certain modifications. For purposes of this election, interest includes interest, OID, *de minimis* OID, market discount and *de minimis* market discount, as adjusted by any amortizable bond premium or acquisition premium. This election generally applies only to the Offered Note with respect to which it is made and may not be revoked without the consent of the IRS. If the election to apply the constant-yield method to all interest on an Offered Note is made with respect to an Offered Note with market discount, the electing U.S. Holder will be treated as having made the election discussed below under "Market Discount" to include market discount in income currently over the life of all debt instruments having market discount that are acquired on or after the first day of the first taxable year to which the election applies. U.S. Holders should consult their tax advisers concerning the propriety and consequences of this election.

Market Discount

An Offered Note generally will be treated as purchased at a market discount (a "**Market Discount Note**") if the Offered Note's stated redemption price at maturity or, in the case of an Offered Note issued with OID, the Offered Note's "revised issue price", exceeds the amount for which the U.S. Holder purchased the Offered Note by at least 0.25 percent of the Offered Note's stated redemption price at maturity or revised issue price, respectively, *multiplied by* the Offered Note's weighted average maturity. For this purpose, the "revised issue price" of an Offered Note generally equals its issue price, increased by the amount of any OID that has accrued on the Offered Note and decreased by the amount of any payments previously made on the Offered Note that were not qualified stated interest payments. Any gain recognized on the maturity or disposition of a Market Discount Note (including any payment on a Market Discount Note that is not qualified stated interest) will be treated as ordinary income to the extent that the gain does not exceed the accrued market discount on the Market Discount Note. Alternatively, a U.S. Holder of a Market Discount Note may elect to include market discount in income currently over the life of the Market Discount Note. This election will apply to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies and may not be revoked without the consent of the IRS. A U.S. Holder of a Market Discount Note that does not elect to include market discount in income currently will generally be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Note that is in excess of the interest and OID on the Market Discount Note includible in the U.S. Holder's income, to the extent that this excess interest expense does not exceed the portion of the market discount allocable to the days on which the Market Discount Note was held by the U.S. Holder.

Offered Notes Purchased at a Premium

Amortizable Bond Premium. A U.S. Holder that purchases an Offered Note for an amount in excess of its principal amount, or for an Offered Note issued with OID, its stated redemption price at maturity, may elect to treat the excess as "amortizable bond premium," in which case the amount required to be included in the U.S. Holder's income each year with respect to interest on the Offered Note will be reduced by the amount of amortizable bond premium allocable (based on the Offered Note's yield to maturity) to that year. Any election to amortize bond premium will apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. See also "*Original Issue Discount—Election to Treat All Interest as Original Issue Discount*."

Acquisition Premium. A U.S. Holder that purchases an Offered Note issued with OID for an amount less than or equal to the sum of all amounts payable on the Offered Note after the purchase date, other than payments of qualified stated interest, but in excess of its adjusted issue price (any such excess being "**acquisition premium**") and that does not make the election described above under "*Original Issue Discount—Election to Treat All Interest as Original Issue Discount*", is permitted to reduce the daily portions of OID by a fraction, the numerator of which is the excess of the U.S. Holder's adjusted basis in the Offered Note immediately after its purchase over the Offered Note's adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on the Offered Note after the purchase date, other than payments of qualified stated interest, over the Offered Note's adjusted issue price.

Sale, Exchange or other Disposition of the Offered Notes

In general, a U.S. Holder of an Offered Note will have a tax basis in that Offered Note equal to the cost of that Note, increased by any OID and any market discount and the amount, if any, of income attributable to *de minimis* OID and *de minimis* market discount included in the U.S. Holder's income with respect to the Offered Note and reduced by the amount of any payments that are not qualified stated interest payments and any amortized premium. Upon a sale, exchange or other disposition (including a deemed exchange) of an Offered Note, a U.S. Holder will generally recognize gain or loss from U.S. sources equal to the difference between the amount realized on the sale, exchange or other disposition (less any accrued and unpaid qualified stated interest, which would be taxable as such) and the U.S. Holder's tax basis in such Offered Note. Except to the extent described above under "*—Market Discount*," gain or loss recognized on the sale, exchange or disposition of an Offered Note will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder held the Offered Note for more than one year at the time of disposition. In certain circumstances, U.S. Holders that are individuals may be entitled to preferential treatment for net long-term capital gains; however, the ability of U.S. Holders to offset capital losses against ordinary income is limited.

Tax-Exempt U.S. Holders of the Offered Notes

In general, a tax-exempt U.S. Holder of the Offered Notes will not be subject to tax on unrelated business taxable income ("**UBTI**") with respect to the income from the Offered Notes, except to the extent that the Offered Notes are considered debt-financed property (as defined in the Code) of that entity.

Non-U.S. Holders

Subject to the discussion of FATCA and backup withholding below, interest (and OID, if any) and any proceeds of a sale or other disposition on the Offered Notes generally will be exempt from U.S. federal income tax, including withholding taxes, if paid to a Non-U.S. Holder unless the interest (or OID) is effectively connected with the conduct of a trade or business within the United States. This exemption is not available to (i) a controlled foreign corporation related to the Issuer, (ii) any holder (directly or by attribution) of at least 10 percent of an interest (including a capital or profits interest) in the Issuer or an Affiliate, (iii) a bank that receives interest on a loan made in the ordinary course of its lending business or (iv) any Person residing in a jurisdiction designated by the Treasury as a jurisdiction that cannot avail itself of the portfolio interest exemption because it does not contain an adequate exchange of information with the United States to prevent an evasion of tax.

In addition, subject to the discussion of backup withholding below, a Non-U.S. Holder will not be subject to U.S. federal income tax on any gain realized on the sale or exchange of an Offered Note, *provided* that such gain is

not effectively connected with the conduct by the holder of a trade or business within the United States and, in the case of a Non-U.S. Holder who is an individual, the holder is not present in the United States for a total of 183 days or more during the taxable year in which the gain is realized and certain other conditions are met.

Backup Withholding and Information Reporting

Payments of principal, interest and accruals of OID on, and the proceeds of sale or other disposition of the Offered Notes by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments, including payments of accrued OID, if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its U.S. federal income tax returns. Certain U.S. Holders are not subject to backup withholding.

A Non-U.S. Holder that provides the applicable IRS Form W-8 (or applicable successor form), together with all appropriate attachments, signed under penalties of perjury, identifying the Non-U.S. Holder and stating that the Non-U.S. Holder is not a United States person, will not be subject to backup withholding and generally will not be subject to IRS reporting requirements.

Any backup withholding from a payment will be allowed as a credit against a holder's U.S. federal income tax liability and may entitle such holder to a refund, provided the required information is furnished to the IRS.

FATCA

FATCA generally imposes a withholding tax of 30% on certain payments to certain foreign entities (including financial intermediaries), unless several U.S. information reporting, diligence and certain other requirements have been satisfied. FATCA withholding generally applies to payments of U.S. source interest, and, after December 31, 2018, will apply to payments of gross proceeds (including principal payments) from the sale or other disposition of any property that can produce U.S. source interest. If withholding is required, the Issuer will not be required to pay any additional amounts with respect to amounts withheld.

CERTAIN ERISA AND RELATED CONSIDERATIONS

ERISA imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) which are subject to the fiduciary responsibility provisions of 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 should it purchase them.

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 person" 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.

The Plan Asset Regulation describes 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 provisions of Title I of ERISA 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 1940 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 the value of each class of equity in the entity, determined in accordance with the Plan Asset Regulation.

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 1940 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, the Initial Purchaser, the Trustee, the Collateral 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), PTCE 96-23 (relating to transactions effected by in-house asset managers), and Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code, regarding certain

transactions with non-fiduciary service providers for "adequate consideration." 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 Section 406 of ERISA or Section 4975 of the Code, may nevertheless be subject to state, local, federal, non-U.S. or other laws or regulations that are substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code (any such law or regulation, "**Other Plan 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. Generally, a profits interest in a partnership, an undivided ownership interest in property and a beneficial ownership interest in a trust are deemed to be "equity interests" under the Plan Asset Regulation. 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 Benefit Plan Investors hold 25% or more of the value of any class of equity interest in the entity, as calculated under the Plan Asset Regulation (the "**25% Limitation**"). For purposes of making the 25% determination, (i) 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 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 (each, a "**Controlling Person**"), is disregarded and (ii) the investment by a Plan Asset Entity shall be treated as plan assets for purposes of calculating the 25% threshold under the significant participation test in accordance with the Plan Asset Regulation only to the extent of the percentage of its equity interests held by Benefit Plan Investors. 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, the Class C Notes, the Class D Notes and the Class E Notes upon the occurrence of the Class E Transferability Date 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. This determination is based upon the traditional debt features of the notes, including the reasonable expectation of purchasers that the notes will be repaid when due, traditional default remedies, as well as the absence of conversion rights, warrants and other typical equity features. The treatment of the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes subsequent to their issuance, or the Class E Notes subsequent to the occurrence of the Class E Transferability Date, could change if the issuing entity incurs losses. The risk of recharacterization is enhanced for notes that are subordinated to other classes of securities. The Class E Notes prior to the Class E Transferability Date and the Certificates 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 Class E Notes and the Certificates 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, Class C Notes, Class D Notes or the Class E Notes upon the occurrence of the Class E Transferability Date, or an interest therein, you will be required or deemed 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 Section 406 of ERISA or Section 4975 of the Code, and (2) if you are, or are acting on behalf of, a

governmental, church, non-U.S. or other plan which is subject to any Other Plan Law, your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any such Other Plan Law.

If you are a Benefit Plan Investor, your ability to acquire Class E Notes, prior to the occurrence of the Class E Transferability Date, and Certificates, or any interest therein, will be restricted, as provided in the Indenture.

No acquisition or transfer of an interest in Class E Notes or the Certificates will be permitted or recognized if it would cause the 25% Limitation described above to be exceeded with respect to the Class E Notes or the Certificates.

If any Person shall become the beneficial owner of a Note or Certificate who has made or is deemed to have made a prohibited transaction, Benefit Plan Investor, Controlling Person, Similar Law or Other Plan 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 or upon notice from the Trustee to the Issuer (who agrees to notify the Issuer of such discovery if a Trust Officer of the Trustee obtains actual knowledge thereof), 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 10 days after the date of such notice. If such Non-Permitted ERISA Holder fails to so transfer its interest in such Notes or Certificates, the Issuer shall have the right, without further notice to the Non-Permitted ERISA Holder, to sell the Non-Permitted ERISA Holder's interest in such Notes or Certificate 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 or Certificates, as applicable, and selling such Notes or Certificates, as applicable, to the highest such bidder. However, the Issuer may select a purchaser by any other means determined by the Issuer in its sole discretion. The holder of each Note or Certificate, 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 or Certificates 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 none of the Issuer, the Trustee or the Collateral Manager shall be liable to any Person having an interest in the Notes or Certificates 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 the Class E Notes prior to the occurrence of the Class E Transferability Date and the Certificates to less than 25%, Benefit Plan Investors will not in actuality own 25% or more of the outstanding Class E Notes prior to the occurrence of the Class E Transferability Date or Certificates.

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 Collateral 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.

None of the Issuer, the Initial Purchaser, the Trustee, the Collateral Administrator or the Collateral Manager nor any of their respective affiliates, agents or employees will render any advice (impartial or otherwise) to, or act as a fiduciary of, any Benefit Plan Investor or any other plan or arrangement subject to Other Plan Law with respect to the decision whether any Plan, Plan Asset Entity or plan subject to Other Plan Law should acquire any Notes or Certificates. Any Plan fiduciary or other Person who proposes to use assets of any Plan to acquire any Notes or Certificates 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 or Certificates to a Plan, or to a Person using assets of any Plan to effect its acquisition of any Notes or Certificates, is in no respect a representation by the Issuer, the Initial Purchaser, the Trustee, the Collateral Administrator or the Collateral 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 AND ANY SIMILAR LAWS 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 Certificates or 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 Certificates or 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 Collateral Manager, the Initial Purchaser, 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 Collateral Manager, the Initial Purchaser, 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.

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 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 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 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 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 Trustee, the Collateral Administrator, the Collateral Manager or the Initial Purchaser 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.

PLAN OF DISTRIBUTION

The Offered Notes are offered by and through the Initial Purchaser as set forth herein, subject, in each case, to prior sale when, as and if issued. The Initial Purchaser reserves the right to withdraw, cancel or modify such offer and to reject orders in whole or in part. The Notes purchased by the Initial Purchaser will be resold to prospective purchasers from time to time in negotiated transactions at varying prices to be determined in each case at the time of sale. It is expected that the Notes will be delivered to investors on or about the Closing Date against payment therefor in immediately available funds.

Each prospective investor should note that its account representative at the Initial Purchaser will receive compensation in connection with the sale of a Note to such investor. In addition, certain Persons (including brokers, dealers, solicitors, and agents) may introduce and act as continuing liaison with certain investors of the Issuer. In such instances, the Initial Purchaser generally will pay a portion of the compensation it receives from the Issuer to the Persons providing the introduction and liaison services.

The Notes are being offered (a) to U.S. Persons within the United States that are (x) Qualified Institutional Buyers or (y) solely in the case of Offered Notes issued as Certificated Offered Notes, Institutional Accredited Investors and (b) solely in the case of the Offered Notes, outside the United States to non-U.S. Persons in offshore transactions in reliance on Regulation S that are also, in each case, Qualified Purchasers or entities owned exclusively by Qualified Purchasers.

The Purchase Agreement provides that the obligations of the Initial Purchaser to purchase the Offered Notes are subject to approval of legal matters by counsel, various representation and warranties of the Issuer and other pre-conditions.

Each original purchaser of a certificated Class A Note, Class B Note, Class C Note or Class D Note will be required to execute and deliver an investor certificate in form and substance satisfactory to the Initial Purchaser and the Issuer.

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 the Issuer is not registered as an investment company under the 1940 Act, and that the Issuer is exempt from registration as such by virtue of Section 3(c)(7) and Rule 3a-7 of the 1940 Act. Section 3(c)(7) excepts from the provisions of the 1940 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 or the Collateral Manager. 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.

Each purchaser, beneficial owner and subsequent transferee of a Note will be deemed by its purchase to acknowledge and agree as follows: (i)(a) the express terms of the Indenture govern the rights of the Noteholders to direct the commencement of a Proceeding against any person, (b) the Indenture contains limitations on the rights of the Noteholders to direct the commencement of any such Proceeding, and (c) each Noteholder shall comply with such express terms if it seeks to direct the commencement of any such Proceeding; (ii) there are no implied rights under the Indenture to direct the commencement of any such Proceeding; and (iii) notwithstanding any provision of the Indenture, or any provision of the Notes, or of the Collateral Administration Agreement or of any other agreement, the Issuer shall be under no duty or obligation of any kind to the Noteholders, or any of them, to institute any legal or other proceedings of any kind, against any person or entity, including, without limitation, the Trustee, the Collateral Manager, the Collateral Administrator or the Calculation Agent.

Global Notes

If you are either an initial purchaser or a transferee of Notes represented by an interest in a Global Note you will be deemed to have represented and agreed as follows (except as may be expressly agreed in writing between you and the Issuer, if you are an initial purchaser):

(i) In connection with the purchase of such Notes: (A) none of the Issuer, the Collateral Manager, the Initial Purchaser, the Trustee, the Collateral Administrator, the Retention Provider or any of their respective affiliates is acting as a fiduciary or financial or investment adviser 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 Issuer, the Collateral Manager, the Trustee, the Collateral Administrator, the Initial Purchaser, the Retention Provider or any of their respective affiliates other than any statements in the final Offering Circular for such Notes, and such beneficial owner has read and understands such final 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 Issuer, the Collateral Manager, the Trustee, the Collateral Administrator, the Initial Purchaser, the Retention Provider or any of their respective affiliates; (D) such beneficial owner is (in the case of a beneficial owner of an interest in a Regulation S Global Note) (a) (1) 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 or (2) a

"qualified institutional buyer" as defined in Rule 144A and (b) and a "qualified purchaser" for purposes of Section 3(c)(7) of the 1940 Act or an entity (other than a trust) owned exclusively by "qualified purchasers"; (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) 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; and (J) such beneficial owner will provide notice of the relevant transfer restrictions to subsequent transferees.

(ii) With respect to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes upon the occurrence of the Class E Transferability Date, (a) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Notes does not and will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and (b) if it is a governmental, church, non-U.S. or other plan which is subject to any Other Plan Law, its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any such Other Plan Law.

With respect to Class E Notes prior to the occurrence of the Class E Transferability Date, investors will be required or deemed to provide certain representations with respect to their status as a Benefit Plan Investor or a Controlling Person and certain other ERISA-related representations, as provided in the Indenture.

(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 the Issuer has not been registered under the 1940 Act, and that the Issuer is excepted from the definition of an "investment company" by virtue of Section 3(c)(7) of the 1940 Act and Rule 3a-7 under the 1940 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 Notes 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 Offered Notes of the transfer restrictions and representations set forth in the Indenture.

Certificated Notes

If you are a purchaser or transferee of a Certificated Note (including by way of a transfer of an interest in a Global Note to you as a transferee acquiring a Certificated Note), no such purchase or transfer will be recorded or otherwise recognized unless you have provided the Trustee with a certificate substantially in the form of Annex A hereto.

Additional Restrictions

Each holder of an Offered Note (and any interest therein) will be deemed to have represented and agreed to treat such Offered Notes as indebtedness for U.S. federal, state and local income and franchise tax purposes.

Each holder of an Offered Note (and any interest therein) will be deemed to agree and understand that the failure to provide the Issuer and the Trustee (and any of their agents) with the properly completed and signed tax

certifications (generally, in the case of U.S. federal income tax, an IRS Form W-9 (or applicable successor form) in the case of a person that is a United States person or the appropriate IRS Form W-8 (or applicable successor form) in the case of a person that is not a United States person) may result in withholding from payments in respect of such Offered Note, including U.S. federal withholding or back-up withholding.

Each holder of an Offered Note (and any interest therein) that is not a United States person will make, or by acquiring an Offered Note or an interest in an Offered Note will be deemed to have made, a representation to the effect that either (A) it is not (i) a bank (or an entity affiliated with 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), (ii) a controlled foreign corporation related to the Issuer, and (iii) a holder (directly or by attribution) of at least 10 percent of an interest (including a capital or profits interest) in the Issuer, or (B) it has provided an IRS Form W-8BEN (or applicable successor form) or an IRS Form W-8BEN-E (or applicable successor form), as applicable, representing that 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, or (C) it has provided an IRS Form W-8ECI (or applicable successor form) representing that all payments received or to be received by it on the Offered Notes are effectively connected with the conduct of a trade or business in the United States.

Each purchaser or transferee of an Offered Note (and any interest therein) agrees, or by acquiring an Offered Note or an interest in an Offered Note will be deemed to have agreed, to deliver the Trustee or its agents within 10 Business Days of such purchase or transfer, and thereafter if reasonably requested by the Trustee (at the direction of the Collateral Manager) or its agents, a representation letter in the form required by the Indenture representing whether it is, within the meaning of the Treaty, (A) a resident or citizen of the United States; (B) fiscally transparent for U.S. tax purposes, *provided* that all income, profit and gain derived by such fiscally transparent Person is treated for U.S. tax purposes as income, profit or gain of persons described in clause (A); (C) a resident of Ireland that is a qualified person; (D) fiscally transparent for both U.S. and Irish tax purposes, *provided* that all income, profit and gain derived by such fiscally transparent Person is treated for both U.S. and Irish tax purposes as income, profit or gain of Persons described in clause (A), (B) or (C); or (E) a bank, *provided* that if such bank is not a resident of either the United States or Ireland (within the meaning of the Treaty), all payments on the Notes made to such bank are (for purposes of the Treaty) attributable to a permanent establishment of such bank that is located in the United States or Ireland (each of the Persons listed on items (A) through (E), a "**Qualified Holder**").

To the extent required by the Issuer, as determined by the Issuer or the Collateral 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 USA PATRIOT Act and other similar laws or regulations.

Legends

The Offered 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 TO A "QUALIFIED PURCHASER" (AS DEFINED FOR PURPOSES OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "1940 ACT")) OR AN ENTITY (OTHER THAN A TRUST) OWNED EXCLUSIVELY BY "QUALIFIED PURCHASERS" THAT IS (A) EITHER (1) 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)(D) OR (A)(1)(E) OF RULE 144A OR A TRUST FUND REFERRED TO IN PARAGRAPH (A)(1)(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 (2) SOLELY IN THE CASE OF NOTES ISSUED AS CERTIFICATED NOTES, AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) (AN "IAI") OR (B) A PERSON THAT IS NOT A "U.S. PERSON" (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) IN AN "OFFSHORE TRANSACTION" (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) IN RELIANCE ON THE EXEMPTION FROM SECURITIES ACT REGISTRATION PROVIDED BY REGULATION S, IN EACH CASE 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 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) EITHER (1) A QUALIFIED INSTITUTIONAL BUYER OR AN IAI OR (2) A PERSON THAT IS NOT A "U.S. PERSON" (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) THAT HAS ACQUIRED ITS INTEREST IN SUCH NOTE IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT, TO SELL ITS INTEREST IN THE NOTE, OR TO 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 SECTION 406 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"), AND (B) IF IT IS, OR IS ACTING ON BEHALF OF, 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 SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (ANY SUCH LAW OR REGULATION, AN "OTHER PLAN LAW"), ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY SUCH OTHER PLAN LAW. "BENEFIT PLAN INVESTOR" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA AND 29 C.F.R. SECTION 2510.3-101, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF ERISA, (B) A PLAN 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.

[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 ISSUER OR ITS 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.).

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.][5]

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 AND THE TRUSTEE (AND ANY OF THEIR AGENTS) WITH THE PROPERLY COMPLETED AND SIGNED TAX CERTIFICATIONS (GENERALLY, IN THE CASE OF U.S. FEDERAL INCOME TAX, AN IRS 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 IRS 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) MAY RESULT IN WITHHOLDING FROM PAYMENTS IN RESPECT OF SUCH NOTE, INCLUDING U.S. FEDERAL WITHHOLDING OR BACK-UP WITHHOLDING.

EACH HOLDER OF THIS NOTE (AND ANY INTEREST THEREIN) 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 EITHER (I) IT IS NOT (A) A BANK (OR AN ENTITY AFFILIATED WITH 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), (B) A CONTROLLED FOREIGN CORPORATION RELATED TO THE ISSUER AND (C) IT IS NOT A HOLDER (DIRECTLY OR BY ATTRIBUTION) OF AT LEAST 10 PERCENT OF AN INTEREST (INCLUDING A CAPITAL OR PROFITS INTEREST) IN THE ISSUER OR (II) IT HAS PROVIDED AN IRS FORM W-8BEN (OR APPLICABLE SUCCESSOR FORM) OR AN IRS FORM W-8BEN-E (OR APPLICABLE SUCCESSOR FORM), AS APPLICABLE, REPRESENTING THAT 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 OR (III) IT HAS PROVIDED AN IRS FORM W-8ECI (OR APPLICABLE SUCCESSOR FORM) REPRESENTING THAT ALL PAYMENTS RECEIVED OR TO BE RECEIVED BY IT ON THE NOTES ARE EFFECTIVELY CONNECTED WITH THE CONDUCT OF A TRADE OR BUSINESS IN THE UNITED STATES.

EACH HOLDER OF THIS NOTE (AND ANY INTEREST THEREIN) WILL BE DEEMED TO HAVE REPRESENTED AND AGREED TO TREAT SUCH NOTE AS INDEBTEDNESS FOR U.S. FEDERAL, STATE AND LOCAL INCOME AND FRANCHISE TAX PURPOSES.

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[5] Insert in the case of Global Notes only.

THE ISSUER (OR AN AGENT ACTING ON ITS BEHALF) MAY, IN ITS SOLE DISCRETION, COMPEL ANY HOLDER OR BENEFICIAL OWNER OF AN INTEREST IN THIS NOTE THAT FAILS TO COMPLY WITH THE FOREGOING REQUIREMENTS TO SELL ITS INTEREST IN SUCH NOTE, OR TO SELL SUCH INTEREST ON BEHALF OF SUCH OWNER. EACH HOLDER OF A NOTE (OR ANY INTEREST THEREIN) WILL INDEMNIFY THE ISSUER, THE TRUSTEE AND THEIR RESPECTIVE AGENTS AND EACH OF THE HOLDERS OF THE NOTES FROM ANY AND ALL DAMAGES, COSTS AND EXPENSES (INCLUDING ANY AMOUNTS OF TAXES, FEES, INTEREST, ADDITIONS TO TAX, OR PENALTIES) RESULTING FROM THE FAILURE BY SUCH HOLDER TO COMPLY WITH ITS OBLIGATIONS UNDER THIS NOTE. THIS INDEMNIFICATION WILL CONTINUE WITH RESPECT TO ANY PERIOD DURING WHICH THE HOLDER HELD A NOTE (OR AN INTEREST THEREIN), NOTWITHSTANDING THE HOLDER CEASING TO BE A HOLDER OF THE NOTE.

EACH PURCHASER OR TRANSFEREE OF THIS NOTE OR ANY INTEREST IN THIS NOTE WILL BE REQUIRED, OR, BY ACQUIRING THIS NOTE OR AN INTEREST IN THIS NOTE, WILL BE DEEMED, TO REPRESENT AND WARRANT THAT: (A) IT HAS SUCH KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS TO BE CAPABLE OF MAKING ITS OWN INDEPENDENT EVALUATION OF THE REASONABLENESS AND ACCURACY OF THE INFORMATION CONTAINED UNDER THE "CREDIT RISK RETENTION" SECTION HEADING IN THE OFFERING CIRCULAR; (B) IT UNDERSTANDS THE INHERENT LIMITATIONS OF THE INFORMATION CONTAINED UNDER THE "CREDIT RISK RETENTION" SECTION HEADING IN THE OFFERING CIRCULAR AND HAS BEEN AFFORDED AN OPPORTUNITY TO REQUEST AND TO REVIEW, AND HAS RECEIVED, ALL ADDITIONAL INFORMATION CONSIDERED BY IT TO BE NECESSARY TO VERIFY THE ACCURACY OF, OR TO SUPPLEMENT THE INFORMATION UNDER, THE "CREDIT RISK RETENTION" SECTION HEADING IN THE OFFERING CIRCULAR; (C) IT APPROVES THE USE OF THE METHODOLOGY, INPUTS AND ASSUMPTIONS DESCRIBED UNDER THE "CREDIT RISK RETENTION" SECTION HEADING IN THE OFFERING CIRCULAR; (D) IT HAS MADE ITS OWN INDEPENDENT DECISION REGARDING AN INVESTMENT IN THE NOTES WITHOUT RELIANCE UPON, OR USE OF, IN ANY MANNER WHATSOEVER THE INFORMATION CONTAINED UNDER THE "CREDIT RISK RETENTION" SECTION HEADING IN THE OFFERING CIRCULAR; AND (E) IT UNDERSTANDS THAT THE ISSUER AND COLLATERAL MANAGER ARE RELYING ON THE FOREGOING AS A MATERIAL INDUCEMENT TO ENTER THIS TRANSACTION AND OTHERWISE WOULD NOT ENGAGE IN THIS TRANSACTION.

Additionally, the Class C Notes and the 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 THE ISSUER.

Non-Permitted Holder/Non-Permitted ERISA Holder

If any (x) U.S. person that is not a Qualified Institutional Buyer and a Qualified Purchaser (other than a U.S. person that is an Institutional Accredited Investor and is also 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)), (y) any non-U.S. person that is not purchasing such beneficial interest in an offshore transaction pursuant to Regulation S or that is not a Qualified Purchaser shall become the holder or beneficial owner of an interest in any Note or (z) any non-U.S. person (within the meaning of Regulation S) that is not both a Qualified Institutional Buyer and a Qualified Purchaser becomes the owner of a Class E Note (any such Person a "**Non-Permitted Holder**"), the acquisition of Notes by such holder shall be null and void *ab initio*. The Issuer shall, promptly after discovery that such Person is a Non-Permitted Holder or upon notice from the Trustee to

the Issuer (who agrees to notify the Issuer of such discovery if a Trust Officer of the Trustee obtains actual knowledge thereof), 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 Collateral 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 Collateral 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 Collateral Manager, its Affiliates and accounts, funds, clients or portfolios established and controlled by the Collateral Manager shall be entitled to bid in any such sale. However, the Issuer or the Collateral 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 none of the Issuer, the Trustee or the Collateral Manager shall 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 or Certificate who has made or is deemed to have made a prohibited transaction, Benefit Plan Investor, Controlling Person, Similar Law or Other Plan Law representation that is subsequently shown to be false or misleading or whose beneficial ownership otherwise causes a violation of the 25% Limitation, the Issuer shall, promptly after discovery that such Person is a Non-Permitted ERISA Holder or upon notice from the Trustee to the Issuer (who agrees to notify the Issuer of such discovery if a Trust Officer of the Trustee obtains actual knowledge thereof), 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 10 days after the date of such notice. If such Non-Permitted ERISA Holder fails to so transfer its interest in such Notes or Certificates, 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 or Certificates 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 or Certificates, as applicable, and sell such Notes or Certificates, as applicable, to the highest such bidder. However, the Issuer may select a purchaser by any other means determined by the Issuer in its sole discretion. The holder of each Note or Certificate, 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 or Certificates, 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 none of the Issuer, the Trustee or the Collateral Manager shall be liable to any Person having an interest in the Notes or Certificates sold as a result of any such sale or the exercise of such discretion.

LISTING AND GENERAL INFORMATION

1. Application has been made to the Irish Stock Exchange for the Offered Notes to be admitted to the Official List and to trading on the Regulated Market of the Irish Stock Exchange. There can be no assurance that such listing will be maintained.

2. For the term of the Notes, copies of the Certificate of Trust of the Issuer and the Trust Agreement of the Issuer, the Indenture, the Collateral 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 Wells Fargo Bank, National Association, Corporate Trust Services Division, 9062 Old Annapolis Road, Columbia, Maryland 21045, and copies thereof may be obtained upon request.

3. Since formation, and as of the date hereof, the Issuer has not commenced trading, established any accounts or declared any dividends, except for the transactions described herein. The Issuer does not have 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 described herein.

4. The Issuer is not, and has not since its formation been, involved in any litigation, governmental proceedings or arbitration proceedings relating to claims in amounts which may have or had a significant effect on the Issuer's financial position or profitability, nor so far as the Issuer is aware, is any such litigation, governmental proceeding or arbitration involving it pending or threatened.

5. The issuance by the Issuer of the Notes was authorized by Resolutions of the applicable governing body of the indirect parent of the Principal Trustee to be executed prior to or on the Closing Date.

6. The Issuer is not required by State of Delaware law, and the 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 Issuer does 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. The Notes sold in offshore transactions in reliance on Regulation S under the Securities Act and represented by the Regulation S Global Notes 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 Notes have been accepted for clearance through DTC. The CUSIP Numbers, International Securities Identification Numbers (ISIN) and Common Codes for the Notes represented by Regulation S Global Notes, Rule 144A Global Notes and Certificated Offered Notes, as applicable, are as follows:

Rule 144A

	CUSIP	ISIN	Common Code
Class A Notes.....	97988PAA4	US97988PAA49	153265640
Class B Notes.....	97988PAC0	US97988PAC05	153265704
Class C Notes.....	97988PAE6	US97988PAE60	153265666
Class D Notes.....	97988PAG1	US97988PAG19	153265585
Class E Notes.....	97988PAJ5	US97988PAJ57	153265526

Regulation S

	CUSIP	ISIN	Common Code
Class A Notes.....	U97375AA4	USU97375AA46	153265631
Class B Notes.....	U97375AB2	USU97375AB29	153265623
Class C Notes.....	U97375AC0	USU97375AC02	153265615
Class D Notes.....	U97375AD8	USU97375AD84	153265488
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Institutional Accredited Investor/Accredited Investor

	CUSIP	ISIN
Class A Notes.....	97988PAB2	US97988PAB22
Class B Notes.....	97988PAD8	US97988PAD87
Class C Notes.....	97988PAF3	US97988PAF36
Class D Notes.....	97988PAH9	US97988PAH91
Class E Notes.....	97988PAK2	US97988PAK21

LEGAL MATTERS

Certain legal matters with respect to the Notes will be passed upon for the Issuer, the Retention Provider, and the Collateral Manager by Dechert LLP. Certain legal matters with respect to the Initial Purchaser will be passed upon by Cadwalader, Wickersham & Taft LLP. Certain legal matters relating to Delaware law will be passed upon for the Issuer by Richards, Layton & Finger, P.A.

"**1940 Act**" means the United States Investment Company Act of 1940, as amended.

"**Accounts**" means (i) the Payment Account, (ii) the Collection Account, (iii) the Ramp-Up Account, (iv) the Revolver Funding Account, (v) the Expense Reserve Account, (vi) the Custodial Account and (vii) the Supplemental Reserve Account.

"**Accredited Investor**" has the meaning set forth in Rule 501(a) under the Securities Act.

"**Adjusted Class Break-even Default Rate**" means the rate equal to (a)(i) the Class Break-even Default Rate *multiplied by* (ii)(x) the Target Initial Par Amount *divided by* (y) the Collateral Principal Amount *plus* the S&P Collateral Value of all Defaulted Obligations *plus* (b)(i)(x) the Collateral Principal Amount *plus* the S&P Collateral Value of all Defaulted Obligations *minus* (y) the Target Initial Par Amount, *divided by* (ii)(x) the Collateral Principal Amount *plus* the S&P Collateral Value of all Defaulted Obligations *multiplied by* (y) 1 *minus* the Weighted Average S&P Recovery Rate.

"**Adjusted Collateral Principal Amount**" means, as of any date of determination:

(a) the aggregate principal balance of the Collateral Obligations (other than Defaulted Obligations, Deferring Obligations (except Permitted Deferrable Obligations), Long-Dated Obligations and Discount Obligations); *plus*

(b) without duplication, the amounts on deposit in any Account (including Eligible Investments therein but excluding the Revolver Funding Account) representing Principal Proceeds; *plus*

(c) the lesser of the (i) S&P Collateral Value of all Defaulted Obligations and Deferring Obligations (except Permitted Deferrable Obligations) and (ii) Moody's Collateral Value of all Defaulted Obligations and Deferring Obligations (except Permitted Deferrable Obligations); *provided* that the Adjusted Collateral Principal Amount will be zero for any Defaulted Obligation which the Issuer has owned for more than three years during which such Collateral Obligation was at all times a Defaulted Obligation; *plus*

(d) the aggregate, for each Discount Obligation, of the purchase price, excluding accrued interest, expressed as a percentage of par and *multiplied by* the outstanding principal balance thereof, for such Discount Obligation; *plus*

(e) the aggregate principal balance of Long-Dated Obligations *multiplied by* 70%; *minus*

(f) 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, Deferring Obligation, Long-Dated Obligation, Discount Obligation 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 Measurement Date, a number equal to the Weighted Average Moody's Rating Factor determined in the following manner: 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 and the actual number of days elapsed) of the Fee Basis Amount at the beginning of the Collection Period relating to such Payment Date and (b) U.S.$200,000 *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—Priority of Payments—Application of Interest Proceeds*," clause (A) under "*Overview of Terms—Priority of Payments—Application of Principal Proceeds*" and clause (A) of the Special Priority of Payments described under "*Overview of Terms—Priority of Payments—Special 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 in accordance with the Priority of Payments) and payable in the following order by the Issuer: *first,* to the Trustee pursuant to the Indenture, *second*, to the Collateral Administrator pursuant to the Collateral Administration Agreement and the Bank in any of its other capacities under the Transaction Documents, *third*, on a *pro rata* basis, the following amounts (excluding indemnities) to the following parties:

(i) the Independent accountants, agents (other than the Collateral Manager) and counsel of the Issuer;

(ii) the Rating Agencies for fees and expenses (including any annual fee, amendment fees and surveillance fees) in connection with any rating of the Notes or in connection with the rating of (or provision of credit estimates in respect of) any Collateral Obligations;

(iii) the Collateral Manager under the Indenture and the Collateral Management Agreement, including without limitation reasonable expenses of the Collateral 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 any other amounts payable pursuant to the Collateral Management Agreement but excluding the Aggregate Collateral Management Fee;

(iv) the Independent Trustee for any fees or expenses due under the management agreement between the Issuer and Independent Trustee; 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 without limitation the payment of 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, 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) amounts due in respect of actions taken on or before the Closing Date shall not be payable as Administrative Expenses but shall be payable only from the Expense Reserve Account pursuant to the Indenture and (y) 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.

"**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) above. 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.

"**Affiliate Originated Collateral Obligation**" means any Collateral Obligation with respect to which either the Retention Provider or a related entity thereof (including, without duplication, any affiliate of the Retention Provider or, so long as the Transferor owns the Retention Provider, of the Transferor), directly or indirectly, was involved in the original agreement that created such Collateral Obligation.

"**Aggregate Outstanding Amount**" means with respect to any of the Notes as of any date, the aggregate unpaid principal amount of such Notes Outstanding on such date.

"**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.

"**Asset Quality 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	24	26	28	30	32	34	36	38	40	42
3.30%	2755	2830	2895	2955	3010	3060	3105	3145	3190	3235
3.40%	2780	2860	2925	2985	3040	3090	3135	3175	3220	3265
3.50%	2805	2890	2955	3015	3070	3120	3165	3205	3250	3295
3.60%	2835	2920	2985	3045	3100	3150	3195	3235	3280	3325
3.70%	2865	2945	3015	3075	3130	3180	3225	3265	3310	3355
3.80%	2895	2970	3045	3105	3160	3210	3255	3295	3340	3385
3.90%	2925	3000	3070	3135	3190	3240	3285	3325	3370	3415
4.00%	2955	3030	3095	3160	3215	3270	3315	3360	3405	3450
4.10%	2985	3055	3125	3185	3245	3300	3345	3390	3435	3480
4.20%	3015	3085	3150	3210	3275	3330	3375	3420	3465	3510
4.30%	3040	3115	3180	3240	3305	3360	3405	3455	3500	3545
4.40%	3065	3140	3205	3270	3335	3390	3435	3485	3530	3575
4.50%	3090	3170	3235	3300	3365	3420	3465	3515	3560	3605
4.60%	3120	3200	3265	3330	3395	3450	3495	3545	3590	3635
4.70%	3145	3225	3295	3360	3425	3480	3525	3575	3620	3665
4.80%	3170	3250	3330	3390	3455	3510	3555	3605	3650	3695
4.90%	3195	3280	3360	3420	3485	3540	3585	3635	3680	3725
5.00%	3225	3310	3390	3450	3515	3570	3615	3660	3705	3750
5.10%	3255	3340	3420	3480	3545	3600	3645	3690	3735	3780
5.20%	3285	3370	3450	3510	3575	3630	3675	3720	3765	3810
5.30%	3315	3400	3475	3540	3605	3660	3705	3745	3790	3835
5.40%	3345	3430	3505	3570	3630	3690	3735	3775	3820	3865
5.50%	3375	3460	3530	3600	3660	3715	3765	3805	3850	3895
5.60%	3405	3490	3560	3630	3690	3740	3790	3835	3880	3925
5.70%	3435	3520	3590	3660	3715	3765	3815	3860	3905	3950
5.80%	3465	3550	3625	3690	3740	3795	3840	3885	3930	3975
5.90%	3495	3575	3655	3720	3770	3825	3870	3910	3955	4000
6.00%	3525	3605	3685	3750	3795	3850	3900	3935	3980	4025
6.10%	3555	3635	3715	3780	3825	3880	3930	3965	4010	4055

Minimum Weighted Average Spread	24	26	28	30	32	34	36	38	40	42
6.20%	3585	3665	3745	3810	3855	3910	3960	3995	4040	4085
6.30%	3615	3695	3775	3840	3885	3940	3990	4025	4070	4115
6.40%	3645	3725	3805	3870	3915	3970	4020	4055	4100	4145
6.50%	3675	3755	3835	3900	3945	4000	4050	4085	4130	4175

"**Bank**" means Wells Fargo Bank, National Association in its individual capacity and not as Trustee, or any successor thereto.

"**Bankruptcy Code**" means the federal Bankruptcy Code, Title 11 of the United States Code, as amended from time to time.

"**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).

"**Broadly Syndicated Loan**" means any Loan (a) that is part of a credit facility with a Facility Size on the date of origination thereof at least equal to U.S.$250,000,000 and (b) as to which, on the date of origination thereof, (i) Moody's has either (x) assigned a corporate family rating on an Obligor thereon or (y) assigned to such credit facility a monitored publicly available rating or (ii) S&P has either (i) assigned an issuer credit rating to the issuer thereof or (ii) assigned to such credit facility a monitored publicly available rating.

"**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 Obligation) with a Moody's Rating of "Caa1" or lower.

"**Calculation Agent**" means the calculation agent appointed by the Issuer, initially the Collateral Administrator, for purposes of determining LIBOR for each Interest Accrual Period.

"**CCC/Caa Collateral Obligations**" means the CCC Collateral Obligations and/or the Caa Collateral Obligations, as the context requires.

"**CCC Collateral Obligation**" means a Collateral Obligation (other than a Defaulted Obligation or a Deferring Obligation) with an S&P Rating of "CCC+" or lower.

"**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 17.5% of the Collateral Principal Amount as of the applicable Determination Date; and

(ii) the excess of the principal balance of all Caa Collateral Obligations over an amount equal to 17.5% of the Collateral Principal Amount as of the applicable 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 (expressed as a percentage of the outstanding principal balance of such Collateral Obligations as of such Determination Date) shall be deemed to constitute such CCC/Caa Excess.

"**Class**" means, in the case of (x) the Notes, all of the Notes, having the same Interest Rate, Stated Maturity and class designation and (y) the Certificates, all of the Certificates.

"**Class A/B Coverage Tests**" means the Overcollateralization Ratio Test and the Interest Coverage Test, each as applied with respect to the Class A Notes and the Class B Notes.

"**Class A Notes**" means the Class A Senior Secured Floating Rate Notes issued pursuant to the Indenture.

"**Class B Notes**" means the Class B Senior Secured Floating Rate Notes issued pursuant to the Indenture.

"**Class Break-even Default Rate**" means, with respect to the most senior Class of Notes Outstanding then rated by S&P:

(i) during any S&P CDO Formula Election Period, the rate equal to (a) 0.117650 *plus* (b) the product of (x) 2.613711 and (y) the Weighted Average Floating Spread *plus* (c) the product of (x) 1.264774 and (y) the Weighted Average S&P Recovery Rate; or

(ii) during any S&P CDO Monitor Election Period, 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 S&P CDO Monitor, 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 any S&P CDO Monitor Election Date, S&P will provide the Collateral Manager with the Class Break-even Default Rates for each S&P CDO Monitor input file based upon the Weighted Average Floating Spread and the Weighted Average S&P Recovery Rate to be associated with such S&P CDO Monitor input file as selected by the Collateral Manager from Section 2 of Annex C or any other Weighted Average Floating Spread and Weighted Average S&P Recovery Rate selected by the Collateral 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 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 Secured Deferrable Floating Rate Notes issued pursuant to the Indenture.

"**Class Default Differential**" means, with respect to the most senior Class of Notes outstanding then rated by S&P, the rate calculated by subtracting the Class Scenario Default Rate at such time for such Class of Notes from (x) during any S&P CDO Formula Election Period, the Adjusted Class Break-even Default Rate or (y) during any S&P CDO Monitor Election Period, the Class Break-even Default Rate, in each case, for such Class of Notes at such time.

"**Class E Coverage Test**" means the Overcollateralization Ratio Test as applied with respect to the Class E Notes.

"**Class E Notes**" means the Class E Secured Deferrable Floating Rate Notes issued pursuant to the Indenture.

"**Class Scenario Default Rate**" means, with respect to the most senior Class of Notes outstanding then rated by S&P:

(i) during any S&P CDO Formula Election Period, the rate at such time equal to (a) 0.329915 *plus* (b) the product of (x) 1.210322 and (y) the Expected Portfolio Default Rate *minus* (c) the product of (x) 0.586627 and (y) the Default Rate Dispersion *plus* (d)(x) 2.538684 *divided by* (y) the Obligor Diversity Measure *plus* (e)(x) 0.216729 *divided by* (y) the Industry Diversity Measure *plus* (f)(x) 0.0575539 *divided by* (y) the Regional Diversity Measure *minus* (g) the product of (x) 0.0136662 and (y) the S&P Weighted Average Life; or

(ii) during any S&P CDO Monitor Election Period, 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 such Class of Notes, determined by the Collateral Manager (which determination shall be made solely by application of the S&P CDO Monitor at such time).

"**Closing Date**" means on or about February 23, 2017.

"**Closing Date Participations**" means the Participation Interests conveyed to the Issuer pursuant to the Master Participation Agreement; *provided* that, for purposes of the Indenture, such Participation Interest shall be deemed to be a Closing Date Participation until the 90th day following the Closing Date, unless such Participation Interest has been elevated by such day. The failure to elevate the Closing Date Participations shall not result or be deemed to result in a default or Event of Default under the Indenture or any other Transaction Document.

"**Closing Date Participation Condition**" means a condition satisfied as of any date of determination if all Closing Date Participations have been elevated to assignments on or prior to such date.

"**Closing Date Seller**" means MidCap Funding IX Trust, a bankruptcy remote affiliate of the Transferor.

"**Code**" means United States Internal Revenue Code of 1986, as amended.

"**Collateral Administration Agreement**" means an agreement dated as of the Closing Date, among the Issuer, the Collateral Manager and the Collateral Administrator, as amended from time to time in accordance with the terms thereof.

"**Collateral Administrator**" means Wells Fargo Bank, National Association, 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 Obligations, but including Interest Proceeds actually received from Defaulted Obligations and Deferring Obligations), 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 Management Agreement**" means an agreement dated as of the Closing Date, between the Issuer and the Collateral Manager relating to the management of the Collateral Obligations and the other Assets by the Collateral Manager on behalf of the Issuer, as amended from time to time in accordance with the terms thereof.

"**Collateral Manager**" means MidCap Capital Management, until a successor Person shall have become the Collateral Manager pursuant to the provisions of the Collateral Management Agreement, and thereafter "Collateral Manager" shall mean such successor Person.

"**Collateral Manager Securities**" means any Securities owned by the Collateral Manager, an Affiliate thereof, or any account, fund, client or portfolio established and controlled by the Collateral Manager or an Affiliate thereof

or for which the Collateral Manager or an Affiliate thereof acts as the investment adviser or with respect to which the Collateral Manager or an Affiliate thereof exercises discretionary control.

"**Collateral Manager Standard**" means the standard of care applicable to the Collateral Manager set forth in the Collateral Management Agreement.

"**Collateral Principal Amount**" means, as of any date of determination, the sum of (a) the aggregate outstanding principal balance of the Collateral Obligations (other than Defaulted Obligations, except as otherwise expressly set forth herein) and (b) without duplication, the amounts on deposit in any Account (including Eligible Investments therein but excluding the Revolver Funding Account) representing Principal Proceeds, *provided* that for purposes of calculating the Concentration Limitations, Defaulted Obligations shall be included in the Collateral Principal Amount with a principal balance equal to the Defaulted Obligation Balance thereof.

"**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 tenth 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 of such Stated Maturity, (b) in the case of the final Collection Period preceding an Optional Redemption, Tax Redemption or Clean-Up Call Redemption in whole of the Notes, on the Redemption Date and (c) in any other case, at the close of business on the tenth Business Day prior to the Payment Date.

"**Commercial Real Estate Loan**" means any Loan for which the underlying collateral consists primarily of real property owned by the obligor and is evidenced by a note or other evidence of indebtedness.

"**Commodity Exchange Act**" means the United States Commodity Exchange Act of 1936, as amended.

"**Confidential Information**" means information delivered to the Trustee, the Collateral Administrator or any holder of Notes by or on behalf of the Issuer in connection with and relating to the transactions contemplated by or otherwise pursuant to the Indenture (including, without limitation, information relating to Obligors); *provided* that such term does not include information that: (i) was publicly known or otherwise known to the Trustee, the Collateral Administrator or such holder prior to the time of such disclosure; (ii) subsequently becomes publicly known through no act or omission by the Trustee, the Collateral Administrator, any holder or any Person acting on behalf of the Trustee, the Collateral Administrator or any holder; (iii) otherwise is known or becomes known to the Trustee, the Collateral Administrator or any holder other than (x) through disclosure by the Issuer or (y) to the knowledge of the Trustee, the Collateral Administrator or a holder, as the case may be, in each case after reasonable inquiry, as a result of the breach of a fiduciary duty to the Issuer or a contractual duty to the Issuer; or (iv) is allowed to be treated as non-confidential by consent of the Issuer.

"**Controlling Class**" means the Class A Notes so long as any Class A 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; then the Class E Notes so long as any Class E Notes are Outstanding; and then the Certificates.

"**Cov-Lite Loan**" means a Collateral Obligation the Underlying Instruments for which do not (i) contain any financial covenants or (ii) require the borrower thereunder to comply with any Maintenance Covenant (regardless of whether compliance with one or more Incurrence Covenants is otherwise required by such Underlying Instruments); *provided* that for all purposes other than the determination of the S&P Recovery Rate for such Collateral Obligation, a Collateral Obligation described in clause (i) or (ii) above which either contains a cross-default or cross-acceleration provision to, or is *pari passu* with, another loan of the underlying obligor which contains both an Incurrence Covenant and a Maintenance Covenant will be deemed not to be a Cov-Lite Loan.

"**Credit Improved Obligation**" means,

(a) so long as a Restricted Trading Period is not in effect, any Collateral Obligation that in the Collateral Manager's commercially reasonable business judgment has significantly improved in credit quality from the condition of its credit at the time of purchase which judgment may (but need not) be based on one or more of the following facts:

(i) it has a market price that is greater than the price that is warranted by its terms and credit characteristics, or improved in credit quality since its acquisition by the Issuer;

(ii) the issuer of such Collateral Obligation has shown improved financial results since the published financial reports first produced after it was purchased by the Issuer;

(iii) the obligor of such Collateral Obligation since the date on which such Collateral Obligation was purchased by the Issuer has raised significant equity capital or has raised other capital that has improved the liquidity or credit standing of such obligor; or

(iv) with respect to which one or more of the following criteria applies:

(A) such Collateral Obligation has been upgraded or put on a watch list for possible upgrade by either of the Rating Agencies since the date on which such Collateral Obligation was acquired by the Issuer;

(B) if such Collateral Obligation is a loan, the Sale Proceeds (excluding Sale Proceeds that constitute Interest Proceeds) of such loan would be at least 101% of its purchase price;

(C) if such Collateral Obligation is a loan, the price of such loan has changed during the period from the date on which it was acquired by the Issuer to the proposed sale date by a percentage either at least 0.25% more positive, or 0.25% less negative, as the case may be, than the percentage change in the average price of the applicable Eligible Loan Index over the same period;

(D) if such Collateral Obligation is a floating rate note, the price of such note changed during the period from the date on which it was acquired by the Issuer to the date of determination by a percentage either at least 0.50% more positive, or at least 0.50% less negative, as the case may be, than the percentage change in the average price of the applicable Eligible Loan Index over the same period;

(E) if such Collateral Obligation is a loan, the spread over the applicable reference rate for such Collateral Obligation has been decreased in accordance with the underlying Collateral Obligation since the date of acquisition by (1) 0.25% or more (in the case of a loan with a spread (prior to such decrease) less than or equal to 2.00%), (2) 0.375% or more (in the case of a loan with a spread (prior to such decrease) greater than 2.00% but less than or equal to 4.00%) or (3) 0.50% or more (in the case of a loan with a spread (prior to such decrease) greater than 4.00%) due, in each case, to an improvement in the related borrower's financial ratios or financial results;

(F) with respect to fixed rate Collateral Obligations, there has been a decrease in the difference between its yield compared to the yield on the relevant United States Treasury security of more than 7.5% since the date of purchase; or

(G) it has a projected cash flow interest coverage ratio (earnings before interest and taxes *divided by* cash interest expense as estimated by the Collateral Manager) of the underlying borrower or other obligor of such Collateral Obligation that is expected to be more than 1.15 *times* the current year's projected cash flow interest coverage ratio; or

(b) if a Restricted Trading Period is in effect, any Collateral Obligation:

(i) that in the Collateral Manager's commercially reasonable business judgment has significantly improved in credit quality from the condition of its credit at the time of purchase and with respect to which one or more of the criteria referred to in clause (a)(iv) above applies, or

(ii) with respect to which a Majority of the Controlling Class vote to treat such Collateral Obligation as a Credit Improved Obligation.

"**Credit Risk Obligation**" means (x) so long as a Restricted Trading Period is not in effect, any Collateral Obligation that in the Collateral Manager's commercially reasonable business judgment has a significant risk of declining in credit quality or market value, or (y) if a Restricted Trading Period is in effect:

(a) any Collateral Obligation as to which one or more of the following criteria applies:

(i) such Collateral Obligation has been downgraded or put on a watch list for possible downgrade by either of the Rating Agencies since the date on which such Collateral Obligation was acquired by the Issuer;

(ii) if such Collateral Obligation is a loan, the price of such loan has changed during the period from the date on which it was acquired by the Issuer to the proposed sale date by a percentage either at least 0.25% more negative, or at least 0.25% less positive, as the case may be, than the percentage change in the average price of an Eligible Loan Index;

(iii) if such Collateral Obligation is a loan, the Market Value of such Collateral Obligation has decreased by at least 1.00% of the price paid by the Issuer for such Collateral Obligation;

(iv) if such Collateral Obligation is a loan or floating rate note, the spread over the applicable reference rate for such Collateral Obligation has been increased in accordance with the underlying Collateral Obligation since the date of acquisition by (1) 0.25% or more (in the case of a loan with a spread (prior to such increase) less than or equal to 2.00%), (2) 0.375% or more (in the case of a loan with a spread (prior to such increase) greater than 2.00% but less than or equal to 4.00%) or (3) 0.50% or more (in the case of a loan with a spread (prior to such increase) greater than 4.00%) due, in each case, to a deterioration in the related borrower's financial ratios or financial results;

(v) such Collateral Obligation has a projected cash flow interest coverage ratio (earnings before interest and taxes *divided by* cash interest expense as estimated by the Collateral Manager) of the underlying borrower or other obligor of such Collateral Obligation of less than 1.00 or that is expected to be less than 0.85 *times* the current year's projected cash flow interest coverage ratio; or

(vi) with respect to fixed rate Collateral Obligations, an increase since the date of purchase of more than 7.5% in the difference between the yield on such Collateral Obligation and the yield on the relevant United States Treasury security; or

(b) with respect to which a Majority of the Controlling Class consents 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 and with respect to which the Collateral 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 Obligor or issuer of such Collateral Obligation (a) will continue to make scheduled payments of interest thereon and will pay the principal thereof and all other amounts due and payable thereunder by maturity or as otherwise contractually due, (b) if the Obligor or issuer is subject to a bankruptcy proceeding, it has been the subject of an order of a bankruptcy court that permits it to make the scheduled payments on such Collateral Obligation, which would include for the avoidance of doubt any bankruptcy court order for adequate protection payments, and all interest payments, principal payments and other amounts due and payable thereunder have been paid in cash when due, (c) the Collateral Obligation has a Market Value of at least 80% of its par value, (d) if the 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") and (e) such Collateral Obligation satisfies the S&P Additional Current Pay Criteria.

"**Current Portfolio**" means, at any time, the portfolio of Collateral Obligations, cash and Eligible Investments, representing Principal Proceeds (determined in accordance with certain assumptions included in the Indenture), then held by the Issuer.

"**Cut-Off Date**" means each date on or after the Closing Date on which a Collateral Obligation is transferred to the Issuer.

"**Default Rate Dispersion**" means, as of any Measurement Date, the number obtained by (a) *summing* the products for each Collateral Obligation (other than Defaulted Obligations) of (i) the absolute value of (x) the S&P Default Rate of such Collateral Obligation *minus* (y) the Expected Portfolio Default Rate *multiplied by* (ii) the outstanding principal balance at such time of such Collateral Obligation and (b) dividing such sum by the aggregate outstanding principal balance on such date of all Collateral Obligations (other than Defaulted Obligations).

"**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 thereof, after the passage (in the case of a default that in the Collateral Manager's judgment, as certified to the Trustee and the Collateral Administrator 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 Collateral Manager as to the payment of principal and/or interest has occurred and is continuing on another debt obligation of the same Obligor or issuer which is senior or *pari passu* in right of payment to such Collateral Obligation (in the case of a default that in the Collateral Manager's judgment, as certified to the Trustee and the Collateral Administrator in writing, is not due to credit-related causes) after the passage of five Business Days or seven calendar days, whichever is greater, but in no case beyond the passage of any grace period applicable thereto; *provided* that both the Collateral Obligation and such other debt obligation are full recourse obligations of the applicable Obligor or issuer or secured by the same collateral;

(c) the Obligor, issuer or others have instituted proceedings to have the Obligor or issuer adjudicated as bankrupt or insolvent or placed into receivership and such proceedings have not been stayed or dismissed or such Obligor or issuer has filed for protection under Chapter 11 of the Bankruptcy Code;

(d) such Collateral Obligation has an S&P Rating of "SD" or "CC" or lower or had such rating before such rating was withdrawn or the obligor or issuer 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* or subordinate in right of payment as to the payment of principal and/or interest to another debt obligation of the same obligor or issuer which has an S&P Rating of "SD" or "CC" or lower or had such rating before such rating was withdrawn or the obligor or issuer 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 Obligor or issuer or secured by the same collateral;

(f) the Collateral Manager has received notice or a Responsible Officer thereof has actual 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 Instruments;

(g) the Collateral Manager has in its reasonable commercial judgment otherwise declared such debt obligation to be a "Defaulted Obligation" or a "Distressed Exchange";

(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;

(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 "SD" or "CC" or lower or had such rating before such rating was withdrawn; or

(j) such Collateral Obligation has, since the date it was acquired by the Issuer, become subject to an amendment, waiver or modification that had the effect of reducing the principal amount of such Collateral Obligation;

provided that (w) a Collateral Obligation shall not constitute a Defaulted Obligation pursuant to clauses (b) through (e) above if such Collateral Obligation (or, in the case of a Participation Interest, the underlying Loan) is a Current Pay Obligation (*provided* that the aggregate principal balance of Current Pay Obligations exceeding 5.0% of the Collateral Principal Amount will be treated as Defaulted Obligations); (x) a Collateral Obligation shall not constitute a Defaulted Obligation pursuant to any of clauses (b), (c), (d), (e) and (i) above if such Collateral Obligation (or, in the case of a Participation Interest, the underlying Loan) is a DIP Collateral Obligation (other than a DIP Collateral Obligation that has an S&P Rating of "SD" or "CC" or lower), (y) for the avoidance of doubt, for purposes of the determination of the "probability of default" rating assigned by Moody's, if (i) the issuer or Obligor of any Collateral Obligation was a debtor under Chapter 11, during which time such issuer, Obligor or Selling Institution, as applicable, had a "probability of default" rating of "D" or "LD" from Moody's and (ii) such issuer, Obligor or Selling Institution, as applicable, is no longer a debtor under Chapter 11, then, for so long as Moody's has not assigned a new "probability of default" rating, such issuer or Obligor shall be deemed to have no "probability of default" rating assigned by Moody's and (z) a Collateral Obligation shall not constitute a Defaulted Obligation pursuant to clause (j) above if, since the effective date of such amendment, waiver or modification, such Collateral Obligation has received a new rating or credit estimate (or a confirmation of a prior rating or credit estimate) assigned by each Rating Agency then rating the Notes, which rating or credit estimate must be at least "Caa2" or "CCC", as applicable.

Notwithstanding anything in the Indenture to the contrary, the Collateral Manager shall give the Trustee and the Collateral Administrator prompt written notice should any Collateral Obligation become a Defaulted Obligation. Until so notified or until a Responsible Officer of the Trustee obtains actual knowledge that a Collateral Obligation has become a Defaulted Obligation, the Trustee shall not be deemed to have any notice or knowledge that a Collateral Obligation has become a Defaulted Obligation.

"**Defaulted Obligation Balance**" means, for any Defaulted Obligation, the lesser of the (i) S&P Collateral Value of such Defaulted Obligation and (ii) Moody's Collateral Value of such Defaulted Obligation; *provided* that the Defaulted Obligation Balance will be zero if the Issuer has owned such Defaulted Obligation for more than three years after its default date.

"**Deferrable Notes**" means the Class C Notes, the Class D Notes and the Class E Notes.

"**Deferrable Obligation**" means a Collateral Obligation that by its terms permits the deferral or capitalization of payment of accrued, unpaid interest.

"**Deferred Interest**" means, with respect to the Class C Notes, the Class D Notes and the Class E Notes, so long as any more senior Classes of Notes are Outstanding, any payment of interest due on the Class C Notes, Class D Notes or Class E Notes, as applicable, which is not available to be paid in accordance with the Priority of Payments on any Payment Date.

"**Deferring Obligation**" means a Deferrable Obligation that is deferring the payment of the cash interest due thereon and has been so deferring the payment of cash 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.

"**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.

"**Designated Maturity**" means three months; *provided* that, with respect to the period from the Closing Date to the First Interest Determination End Date, LIBOR will be determined by interpolating linearly between the rate for the next shorter period of time for which rates are available and the rate for the next longer period of time for which rates are available.

"**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 Bankruptcy Code having the priority allowed by either Section 364(c) or 364(d) of the Bankruptcy Code and fully secured by senior liens.

"**Discount Obligation**" means any Collateral Obligation forming part of the Assets which was purchased (as determined without averaging prices of purchases on different dates) for less than (a) 85% of its outstanding principal balance, if such Collateral Obligation has a Moody's Rating lower than "B3," or (b) 80% of its outstanding 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 90% on each such day;

(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 a 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% of its outstanding principal balance 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 (A) result in 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 outstanding principal balance thereof) or (B) result in the outstanding principal balance of all Collateral Obligations acquired by the Issuer after the Closing Date to which such clause (y) has been applied to exceed 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 Collateral Manager, pursuant to which the Obligor or issuer of such Collateral Obligation has issued to the holders of such Collateral Obligation a new obligation or security or package of obligations or securities that, in the sole judgment of the Collateral Manager, amounts to a diminished financial obligation or has the purpose of helping the Obligor or issuer of such Collateral Obligation avoid imminent default; *provided* that no Distressed Exchange shall be deemed to have occurred if the obligations or securities received by the Issuer in connection with such exchange or restructuring satisfy the definition of "Collateral Obligation" (*provided* that the aggregate principal balance of all obligations and securities to which this proviso applies or has applied, measured cumulatively from the Closing Date onward, may not exceed 15% of the Reinvestment Target Par Balance).

"**Domicile**" or "**Domiciled**" means, with respect to any Obligor with respect to, or issuer of, 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 Collateral Manager's good faith estimate, a substantial portion of its operations are located or from which a substantial portion of its revenue or value is derived,

in each case directly or through subsidiaries (which shall be any jurisdiction and country known at the time of designation by the Collateral Manager to be the source of the majority of revenues, if any, of such Obligor or issuer).

"**DTC**" means The Depository Trust Company, its nominees and their respective successors.

"**Effective Date**" means the earlier to occur of (i) September 18, 2017 and (ii) the first date on which the Collateral Manager certifies to the Trustee and the Collateral Administrator that the Target Initial Par Condition has been satisfied.

"**Eligible Asset**" means financial assets, either fixed or revolving, that by their terms convert into cash within a finite time period plus any rights or other assets designed to assure the servicing or timely distribution of proceeds to securityholders.

"**Eligible Investment Required Ratings**" means (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 higher (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 at least equal to or higher than the current Moody's long-term ratings of the U.S. government and (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 long-term debt rating of at least "A+" by S&P or a long-term debt rating of at least "A" by S&P and a short-term debt rating of at least "A-1" by S&P.

"**Eligible Investments**" means either (a) cash, or (b) any Dollar investment that is a "cash equivalent" for purposes of the loan securitization exemption under the Volcker Rule and at the time it is delivered to the Trustee (directly or through an intermediary or bailee), is one or more of the following obligations or securities:

(i) 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 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 and which obligations of such agency or instrumentality satisfy the Eligible Investment Required Ratings;

(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 the Bank) 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 at the time of such investment or contractual commitment providing for such investment have the Eligible Investment Required Ratings;

(iii) 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; and

(iv) Registered money market funds domiciled outside of the United States that have, at all times, credit ratings of "Aaa-mf" or equivalent ratings at that time by Moody's or "AAAm" or equivalent ratings at that time by S&P, respectively (*provided* that such equivalent ratings shall comply with each of Moody's and S&P's then current criteria);

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, other than those referred to in clause (iv) above, as mature (or are putable at par to the issuer thereof) no later than the earlier of 60 days from the date of purchase and 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 shall constitute Eligible Investments if (a) such obligation has an "f," "r," "p," "pi," "q," "t" or "sf" subscript assigned to the rating 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 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) such obligation is secured by real property, (e) such obligation is purchased at a price greater than 100% of the principal or face amount thereof, (f) such obligation is subject of a tender offer, voluntary redemption, exchange offer, conversion or other similar action, (g) in the Collateral Manager's judgment, such obligation is subject to material non-credit related risks, (h) such obligation is a Structured Finance Obligation or (i) such obligation is represented by a certificate of interest in a grantor trust. Eligible Investments may include, without limitation, those investments issued by or made with the Bank or for which the Bank or the Trustee or an Affiliate of the Bank or the Trustee is the obligor or depository institution, or provides services and receives compensation.

"**Eligible Loan Index**" means, with respect to each Collateral Obligation that is a Senior Secured Loan or a Second Lien Loan, one of the following indices as selected by the Collateral Manager in writing delivered to the Trustee and to the Collateral Administrator upon acquisition of such Collateral Obligation: CS Leveraged Loan Index (formerly CSFB Leveraged Loan Index), the Deutsche Bank Leveraged Loan Index, the Goldman Sachs/Loan Pricing Corporation Liquid Leveraged Loan Index, the Banc of America Securities Leveraged Loan Index, the S&P/LSTA Leveraged Loan Indices or any other loan index for which the Global Rating Agency Condition has been obtained.

"**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; it being understood that Equity Securities may not be purchased by the Issuer but it is possible that the Issuer may receive an Equity Security in connection with an insolvency, bankruptcy, reorganization, debt restructuring or workout that would be considered "received in lieu of debts previously contracted with respect to the Collateral Obligation" under the Volcker Rule.

"**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.

"**Exchange Act**" means the United States Securities Exchange Act of 1934, as amended.

"**Expected Portfolio Default Rate**" means, as of any Measurement Date, the number obtained by (a) *summing* the products for each Collateral Obligation (other than Defaulted Obligations) of (i) the outstanding principal balance on such date of such Collateral Obligation by (ii) the S&P Default Rate of such Collateral Obligation and (b) dividing such sum by the aggregate outstanding principal balance on such date of all Collateral Obligations (other than Defaulted Obligations).

"**Facility Size**" means, with respect to any credit facility on any date of determination, the maximum aggregate principal amount of indebtedness for borrowed money that is or, in accordance with commitments to extend additional credit, may become outstanding under the term loan agreement, revolving loan agreement or other similar credit agreement that governs such credit facility; *provided* that, for this purpose, such aggregate principal amount shall include deposits and reimbursement obligations arising from drawings pursuant to letters of credit and other similar instruments.

"**Failed Optional Redemption**" means any announced Optional Redemption (i) with respect to which notice of redemption has been given as described under "*Description of the Securities—Optional Redemption—Redemption Procedures*," (ii) such notice is no longer capable of being withdrawn as described under "*Description of the Securities—Optional Redemption—Redemption Procedures*," and (iii) the Issuer has insufficient funds to pay the Redemption Prices due and payable on the Notes in respect of such announced Optional Redemption on the related Redemption Date in accordance with the Priority of Payments.

"**FATCA**" means Sections 1471 through 1474 of the Code and the Treasury Regulations (and any notices, guidance or official pronouncements) promulgated thereunder, any agreement entered into thereto, any law or regulations implementing an intergovernmental agreement or approach thereto.

"**Fee Basis Amount**" means, as of any date of determination, the sum of (a) the Collateral Principal Amount, (b) the aggregate outstanding principal balance of all Defaulted Obligations and (c) the aggregate amount of all Principal Financed Accrued Interest.

"**First-Lien Last-Out Loan**" means a Collateral Obligation that is a Senior Secured Loan that, prior to an event of default under the applicable Underlying Instruments, is entitled to receive payments *pari passu* with other senior secured loans of the same Obligor, but following an event of default under the applicable Underlying Instruments, such Collateral Obligation becomes fully subordinated to other senior secured loans of the same Obligor and is not entitled to any payments until such other senior secured loans are paid in full.

"**Fixed-Income Securities**" means any securities that entitle the holder to receive (i) a stated principal amount; (ii) interest on a principal amount (which may be a notional principal amount) calculated by reference to a fixed rate or to a standard or formula which does not reference any change in the market value or value of Eligible Assets; (iii) interest on a principal amount (which may be a notional principal amount) calculated by reference to auctions among holders and prospective holders or through remarketing of the security, (iv) an amount equal to a specified fixed or variable portions of the interest received on the assets held by the issuer or (v) any combination of amounts described above; *provided* that substantially all of those payments to which the holders of such securities are entitled consist of the foregoing amounts.

"**First Interest Determination End Date**" means April 18, 2017.

"**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.

"**Global Rating Agency Condition**" means, with respect to any action taken or to be taken by or on behalf of the Issuer, satisfaction of both the Moody's Rating Condition and the S&P Rating Condition.

"**Governmental Authority**" means, whether U.S. or non U.S., (i) any national, state, county, municipal or regional government or quasi-governmental authority or political subdivision thereof; (ii) any agency, regulator, arbitrator, board, body, branch, bureau, commission, corporation, department, master, mediator, panel, referee, system or instrumentality of any such government, political subdivision or other government or quasi-government entity; and (iii) any court.

"**Group I Country**" means The Netherlands, Australia, Japan, Singapore, New Zealand and the United Kingdom.

"**Group II Country**" means Germany, Sweden and Switzerland.

"**Group III Country**" means Austria, Belgium, Denmark, Finland, France, Luxembourg and Norway.

"**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 the Closing Date between the 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, manager, 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. For purposes of this definition, no manager or director of any Person will fail to be Independent solely because such Person acts as an independent manager or independent director thereof or of any such Person's affiliates.

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 Collateral Manager and their Affiliates.

"**Independent Trustee**" means a natural person who, (A) for the five-year period prior to his or her appointment as Independent Trustee, has not been, and during the continuation of his or her service as Independent Trustee is not: (i) an employee, director, stockholder, member, manager, partner, trustee or officer or direct or indirect legal or beneficial owner (or a person who controls, whether directly, indirectly, or otherwise any of the foregoing) of the Issuer, the Principal Trustee or any of their respective Affiliates (other than his or her service as a special member, independent manager, independent trustee or such other similar function of the Issuer or other Affiliates that are structured to be "bankruptcy remote"); (ii) a customer, consultant, creditor, contractor or supplier (or a person who controls, whether directly, indirectly, or otherwise any of the foregoing) of the Issuer, the Principal Trustee or any of their respective Affiliates (other than his or her service as a special member, independent manager, independent trustee or such other similar function of the Issuer); (iii) affiliated with a tax-exempt entity that receives significant contributions from the Principal Trustee or any of its Affiliates; or (iv) any member of the immediate family of a person described in clause (i), (ii) or (iii) above (other than with respect to clause (i), (ii) or (iii) relating to his or her service as (y) an Independent Trustee of the Issuer or (z) an independent trustee of any Affiliate of the Issuer which is a bankruptcy remote limited purpose entity), and (B) has, (i) prior experience as an Independent Trustee for a corporation or limited liability company whose charter documents required the unanimous consent of all Independent Trustees thereof before such entity could consent to the institution of bankruptcy or insolvency proceedings against it or could file a petition seeking relief under any applicable federal or state law relating to bankruptcy and (ii) at least three years of employment experience with one or more entities that provide, in the ordinary course of their respective businesses, advisory, management or placement services to issuers of securitization or structured finance instruments, agreements or securities.

"**Industry Diversity Measure**" means, as of any Measurement Date, the number obtained by dividing (a) 1 by (b) the sum of the squares of the quotients, for each S&P industry classification, obtained by dividing (i) the aggregate outstanding principal balance at such time of all Collateral Obligations (other than Defaulted Obligations) issued by Obligors that belong to such S&P industry classification by (ii) the aggregate outstanding principal balance at such time of all Collateral Obligations (other than Defaulted Obligations).

"**Initial Certificate Holder**" means MidCap Financial Trust, together with its respective successors and assigns.

"**Institutional Accredited Investor**" means an Accredited Investor identified in Rule 501(a)(1), (2), (3) or (7) under the Securities Act.

"**Interest Accrual Period**" means (i) with respect to the initial Payment Date (or, in the case of a Class that is subject to Refinancing, the first Payment Date following the date of the Refinancing), the period from and including the Closing Date (or, in the case of a Refinancing, the date of issuance of the replacement notes or debt obligations) 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, in the case of a Class that is being redeemed on a Partial Redemption Date, to but excluding such Partial Redemption Date) until the principal of the Notes is paid or made available for payment.

"**Interest Coverage Ratio**" means, for any designated Class or Classes of 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 Notes of such Class or Classes and each Class of Notes that rank senior to or *pari passu* with such Class or Classes (excluding Deferred Interest but including any interest on Deferred Interest with respect to the Class C Notes and the Class D Notes) on such Payment Date.

"**Interest Determination Date**" means (a) with respect to the first Interest Accrual Period (x) from the period from the Closing Date to but excluding the First Interest Determination End Date, the second London Banking Day preceding the Closing Date and (y) for the remainder of the first Interest Accrual Period, the second London Banking Day preceding the First Interest Determination End Date, and (b) with respect to each Interest Accrual Period thereafter, the second London Banking Day preceding the first day of each Interest Accrual Period.

"**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) except with respect to call premiums or prepayment fees, the reduction of the par amount of the related Collateral Obligation, in each case, as determined by the Collateral 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 Expense Reserve Account as Interest Proceeds as described in "*Security for the Notes—The Expense Reserve Account*;"

(vi) any Contributions designated as Interest Proceeds as described in "*Description of the Securities—The Indenture—Contributions*;" and

(vii) any Trading Gains realized (and not previously distributed) in respect of any Collateral Obligations to the extent that the deposit of such amounts into the Principal Collection Subaccount as Principal Proceeds would, after giving effect to any election by the Collateral Manager under the Priority of Payments to make payments on the Notes to cure or avoid a Retention Deficiency on the related Payment Date in accordance with the Priority of Payments or the acquisition of additional Certificates by the Retention Provider, in the sole determination of the Collateral Manager, cause (or would be likely to cause) a Retention Deficiency (it being understood that the amount of Trading Gains which are not deposited into the Interest Collection Subaccount as Interest Proceeds pursuant to this clause (viii) will constitute Principal Proceeds); *provided* that Trading Gains shall not, at any time, be classified as Interest Proceeds unless, after giving effect to such designation, the Overcollateralization Ratio for the Class D Notes is equal to or greater than the Overcollateralization Ratio for the Class D Notes as of the Effective Date;

provided that 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; *provided further* that capitalized interest shall not constitute Interest Proceeds. The Collateral Manager may in its sole discretion (to be exercised on or before the related Determination Date) designate Interest Proceeds as Principal Proceeds so long as such designation does not in and of itself result in interest deferral on any Class of Notes.

"**Interpolated Screen Rate**" means the rate which results from interpolating on a linear basis between (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available or can be obtained) which is less than the Designated Maturity and (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available or can be obtained) which exceeds the Designated Maturity.

"**Investment Advisers Act**" means the Investment Advisers Act of 1940, as amended.

"**Investment Criteria Adjusted Balance**" means, with respect to each Collateral Obligation, the principal balance of such Collateral Obligation; *provided* that, for all purposes the Investment Criteria Adjusted Balance of any:

(i) Deferring Obligation will be the lesser of the (x) S&P Collateral Value of such Deferring Obligation and (y) Moody's Collateral Value of such Deferring Obligation;

(ii) Discount Obligation will be the product of the (x) purchase price (expressed as a percentage of par) and (y) the principal balance of such Discount Obligation; and

(iii) CCC/Caa Collateral Obligation included in the CCC/Caa Excess will be the Market Value of such Collateral Obligation;

provided further that, the Investment Criteria Adjusted Balance for any Collateral Obligation that satisfies more than one of the definitions of Deferring Obligation, Discount Obligation or is included in the CCC/Caa Excess will be the lowest amount determined pursuant to clauses (i), (ii) and (iii).

"**Junior Class**" means, 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*."

"**Libor**" means the London interbank offered rate.

"**LIBOR**" means with respect to the Notes for any Interest Accrual Period, the greater of (i) 0.0% and (ii) (a) the rate appearing on the Reuters Screen (the "**Screen Rate**") for deposits with a term of the Designated Maturity, (b) if the rate referred to in clause (a) is temporarily or permanently unavailable or cannot be obtained from the Reuters Screen for such Designated Maturity, the Interpolated Screen Rate or (c) if such rate cannot be determined under clauses (a) or (b), 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 Collateral 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 aggregate outstanding principal amount of the 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 Collateral 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 aggregate outstanding principal amount of the 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.

"**LIBOR Floor Obligation**" means, as of any date of determination, a Floating Rate Obligation (a) the interest in respect of which is paid based on a London interbank offered rate and (b) that provides that such London interbank offered rate is (in effect) calculated as the greater of (i) a specified "floor" rate *per annum* and (ii) the London interbank offered rate for the applicable interest period for such Collateral Obligation.

"**Lien**" means any grant of a security interest in, mortgage, deed of trust, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), preference, priority or other security agreement or

preferential arrangement of any kind or nature whatsoever, including, without limitation, any conditional sale or other title retention agreement, and any financing lease having substantially the same economic effect as any of the foregoing (including any UCC financing statement or any similar instrument filed against a Person's assets or properties).

"**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.

"**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.

"**Long-Dated Obligation**" means any Collateral Obligation with a maturity later than the earliest Stated Maturity of the Notes; *provided* that no Collateral Obligation may be amended or modified to extend the stated maturity beyond two years following the Stated Maturity.

"**Lower-Ranking Class**" means, with respect to any Class, each Class that is junior in right of payment to such Class under the Note Payment Sequence.

"**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 Securities, the holders of more than 50% of (i) the Aggregate Outstanding Amount of the Notes of such Class or Classes, as applicable or (ii) the outstanding amount of the Certificates.

"**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 Collateral Manager) equal to the product of the principal balance thereof and the price (expressed as a percentage of par) determined in the following manner:

(i) the bid price determined by the Loan Pricing Corporation, Bloomberg L.P., LoanX Inc. or Markit Group Limited or any other nationally recognized loan pricing service selected by the Collateral Manager with notice to Moody's and S&P; or

(ii) if the 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 (without giving effect to the last sentence in the definition thereof) from each other and the Issuer and the Collateral 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, such bid; or

(iii) if a value cannot be obtained by the Collateral Manager exercising reasonable efforts pursuant to the means contemplated by clauses (i) or (ii), the value determined as the bid side market value of such Collateral Obligation as reasonably determined by the Collateral Manager (so long as the Collateral Manager is a Registered Investment Adviser, or has applied to be a Registered Investment Adviser) consistent with the Collateral Manager Standard and certified by the Collateral Manager to the Trustee; *provided*, that solely with respect to the calculation of the CCC/Caa Excess and the Excess CCC/Caa Adjustment Amount, the Market Value of each CCC/Caa Collateral Obligation shall be the lower of (x) the amount calculated in accordance with this clause (iii) and (y) 70%; *provided further*, that if such Collateral Obligation has a public rating from Moody's or S&P, the Market Value of such Collateral Obligation for a period of 30 days after such date of determination shall be the lower of:

(A) the bid side market value thereof as reasonably determined by the Collateral Manager consistent with the Collateral Manager Standard and certified by the Collateral Manager to the Trustee; and

(B) the higher of (x) 70% *multiplied by* the principal balance of such Collateral Obligation and (y) the applicable S&P Recovery Rate *multiplied by* the principal balance of such Collateral Obligation,

and, following such 30 day period, the Market Value of such Collateral Obligation shall be zero; 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), (ii) or (iii) above.

"**Master Loan Sale Agreement**" means the Master Loan Sale Agreement, dated as of the Closing Date, between the Issuer, the Transferor and the Retention Provider, relating to the sale of Collateral Obligations from the Retention Provider to the Issuer from time to time

"**Material Covenant Default**" means a default by an Obligor with respect to any Collateral Obligation, and subject to any grace periods contained in the related Underlying Instruments, that gives rise to the right of the lender(s) thereunder to accelerate the principal of such Collateral Obligation.

"**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, an amendment that would extend the stated maturity date of any tranche 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 written notice, any Business Day requested by either Rating Agency and (v) the Effective Date.

"**Middle Market Loan**" means any Loan other than a Broadly Syndicated Loan.

"**Minimum Denominations**" means in terms of the Notes, U.S.$250,000 and integral multiples of U.S.$1.00 in excess thereof and, in terms of the Certificates, U.S.$100,000 and integral multiples of U.S.$1.00 in excess thereof.

"**Moody's**" means Moody's Investors Service, Inc. and any successor thereto, until such time as Moody's is no longer rating any Class of Notes at the request of the Issuer at which time references in any Transaction Document to it shall be inapplicable and have no effect.

"**Moody's Collateral Value**" means, on any Measurement Date, with respect to any Defaulted Obligation or Deferring Obligation, the lesser of (i) the Moody's Recovery Amount of such Defaulted Obligation or Deferring Obligation as of such date and (ii) the Market Value of such Defaulted Obligation or Deferring Obligation as of such date.

"**Moody's Counterparty Criteria**" means, with respect to any Participation Interest 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 with Selling Institutions 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 with any single Selling Institution 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 (at or below)	Aggregate Percentage Limit	Individual Percentage Limit
Aaa	20.0%	20.0%
Aa1	20.0%	10.0%

Moody's credit rating of Selling Institution (at or below)	Aggregate Percentage Limit	Individual Percentage Limit
Aa2	20.0%	10.0%
Aa3	15.0%	10.0%
A1	10.0%	5.0%
A2 and P-1 (both)	5.0%	5.0%
A3 or below	0.0%	0.0%

"**Moody's Effective Date Deemed Rating Confirmation**" means, in lieu of a written confirmation by Moody's of its initial ratings of the Class A Notes, a confirmation by Moody's of the initial ratings of such Notes which is deemed to occur upon the furnishing to Moody's of (x) a report of the Collateral Administrator confirming that as of the Effective Date (i) the Overcollateralization Ratio Tests were met, (ii) the Collateral Quality Tests (excluding the S&P CDO Monitor Test) was met, (iii) the Concentration Limitations were satisfied and (iv) the Target Initial Par Condition was satisfied, (y) the Closing Date Participation Condition is satisfied on the date of the Effective Date Certificate, and (z) a certificate of the Issuer certifying to the satisfaction of the items set forth in clauses (x) and (y) above.

"**Moody's Rating Condition**" means, a condition that is satisfied if:

(a) with respect to the Effective Date rating confirmation procedure described in "*Use of Proceeds—Effective Date*," either the Moody's Effective Date Deemed Rating Confirmation has been satisfied or 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 Notes; or

(b) with respect to any other action taken or to be taken by or on behalf of the Issuer, a condition that is satisfied if Moody's has confirmed in writing (including by means of electronic message, facsimile transmission, press release, posting to its internet website, or other means then considered industry standard) to the Issuer, the Trustee, the Collateral Administrator and the Collateral Manager (unless in the form of a press release or posted to its internet website or such other industry standard that does not require the Issuer and the Trustee to be identified as addressees) that no immediate withdrawal or reduction with respect to its then-current rating by Moody's of any Class of Notes will occur as a result of such action;

provided that the Moody's Rating Condition shall not be applicable if no Class of Notes then Outstanding is rated by Moody's; *provided further* that such rating condition shall be deemed inapplicable with respect to such event or circumstance if (i) Moody's has given notice to the effect that it will no longer review events or circumstances of the type requiring satisfaction of the Moody's Rating Condition for purposes of evaluating whether to confirm the then-current ratings (or initial ratings) of obligations rated by Moody's; (ii) Moody's has communicated to the Issuer, the Collateral 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 ratings (or initial ratings) of the Notes then rated by Moody's; or (iii) with respect to amendments requiring unanimous consent of all Holders of the Notes, such Holders have been advised prior to consenting that the current ratings of the Notes may be reduced or withdrawn as a result of such amendment.

"**Moody's Recovery Amount**" means, with respect to any Collateral Obligation that is a Defaulted Obligation or a Deferring Obligation, an amount equal to:

(a) the applicable Moody's Recovery Rate; *multiplied by*

(b) the principal balance of such Collateral Obligation.

"**Moody's RiskCalc**" means Moody's KMV RiskCalc®, as set forth in Annex D hereto.

"**Net Exposure Amount**" means, as of the applicable Cut-Off Date, with respect to any Collateral Obligation which is a Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation, the lesser of (i) the aggregate amount of the then unfunded funding obligations thereunder and (ii) the amount necessary to cause, on the applicable Cut-Off Date with respect to such Collateral Obligation, the amount of funds on deposit in the

Revolver Funding Account to be at least equal to the sum of the unfunded funding obligations under all Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations then included in the Assets.

"**Net Purchased Loan Balance**" means, as of any date of determination, an amount equal to (a) the sum of (i) the aggregate principal balance of all Collateral Obligations conveyed by the Retention Provider to the Issuer prior to such date, calculated as of the respective Cut-Off Dates of such Collateral Obligations, and (ii) the aggregate principal balance of all Collateral Obligations acquired by the Issuer other than from the Retention Provider prior to such date *minus* (b) the aggregate principal balance of all Collateral Obligations repurchased or substituted by the Transferor prior to such date.

"**Non-Emerging Market Obligor**" means an Obligor that is Domiciled in (a) the United States of America or (b) any country that has a foreign currency government bond rating of at least "Aa2" by Moody's and a foreign currency issuer credit rating of at least "AA" by S&P.

"**Non-Qualified Holder**" means any Person other than a Qualified Holder.

"**Non-Refinanced Notes**" means any Class of Notes that is not subject to a Refinancing but is a Lower-Ranking Class to any Class of Notes that is subject to such Refinancing**.**

"**Note Interest Amount**" means, with respect to any Class of Notes and any Payment Date, the amount of interest for the related Interest Accrual Period payable in respect of each U.S.$100,000 of outstanding principal amount of such Class of Notes.

"**Noteholder**" means, with respect to any Note, the Person whose name appears on the Register as the registered holder of such Note.

"**Notes**" means the Offered Notes and the Class E Notes.

"**Obligor**" means, with respect to any Collateral Obligation, any Person or Persons obligated to make payments pursuant to or with respect to such Collateral Obligation, including any guarantor thereof, but excluding, in each case, any such Person that is an obligor or guarantor that is in addition to the primary obligors or guarantors with respect to the assets, cash flows or credit on which the related Collateral Obligation is principally underwritten.

"**Obligor Diversity Measure**" means, as of any date of determination, the number obtained by dividing (a) 1 by (b) the sum of the squares of the quotients, for each Obligor, obtained by dividing (i) the aggregate outstanding principal balance at such time of all Collateral Obligations (other than Defaulted Obligations) issued by such Obligor by (ii) the aggregate outstanding principal balance at such time of all Collateral Obligations (other than Defaulted Obligations).

"**Offer**" means a tender offer, voluntary redemption, exchange offer, conversion or other similar action.

"**Offered Notes**" means the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes.

"**Offering**" means the offering of the Notes by the Issuer on the Closing Date pursuant to the Indenture and the other Transaction Documents.

"**Outstanding**" means with respect to the Notes or the Notes of any specified Class, as of any date of determination, all of the Notes or all of the Notes of such Class, as the case may be, theretofore authenticated and delivered under the Indenture, except: (i) Notes theretofore canceled by the registrar or delivered to the registrar for cancellation in accordance with the terms of the Indenture; (ii) Notes or portions thereof for whose payment or redemption funds in the necessary amount have been theretofore irrevocably deposited with the Trustee or any Paying Agent in trust for the holders of such Notes pursuant to the Indenture; *provided* that if such Notes or portions thereof are to be redeemed, notice of such redemption has been duly given pursuant to the Indenture or provision therefor satisfactory to the Trustee has been made; (iii) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to the Indenture, unless proof satisfactory to the Trustee is presented that any such Notes are held by a "protected purchaser" (within the meaning of Section 8-303 of the UCC); and (iv) Notes alleged to have been mutilated, destroyed, lost or stolen for which replacement Notes have been issued as provided in the Indenture; *provided* that in determining whether the holders of the requisite Aggregate Outstanding

Amount have given any request, demand, authorization, direction, notice, consent or waiver hereunder, (a) Notes owned by the Issuer or (only in the case of a vote on (i) the removal of the Collateral Manager for "cause" and (ii) the waiver of any event constituting "cause," in each case, unless all Notes are Collateral Manager Securities) Collateral Manager Securities shall be disregarded and deemed not to be Outstanding, except that, (x) 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, based solely on transfer certificates received pursuant to the Indenture, to be so owned shall be so disregarded and (y) if all Notes are Collateral Manager Securities, Collateral Manager Securities shall not be so disregarded and (b) Notes so owned that have been pledged in good faith shall be regarded as Outstanding if the pledgee establishes to the reasonable 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.

"**Overcollateralization Ratio**" means, with respect to any specified Class or Classes of Notes as of any date of determination, the percentage derived from: (i) the Adjusted Collateral Principal Amount on such date *divided by* (ii) the Aggregate Outstanding Amount on such date of the Notes of such Class or Classes (including, in the case of the Class C Notes, the Class D Notes and the Class E Notes, as applicable, any accrued Deferred Interest that remains unpaid with respect to such Class or Classes, as applicable), each Priority Class of Notes and each Pari Passu Class of Notes.

"**Owner**" means, with respect to any Person, any direct or indirect shareholder, member, partner or other equity or beneficial owner thereof.

"**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*."

"**Partial Redemption Date**" means any date on which a Refinancing of one or more but not all Classes of Notes occurs.

"**Partial Refinancing Interest Proceeds**" means, in connection with a Refinancing in part by Class of one or more Classes of Notes, with respect to each such Class, Interest Proceeds up to the amount of accrued and unpaid interest on such Class, but only to the extent that such Interest Proceeds would be available under the Priority of Payments to pay accrued and unpaid interest on such Class on the date of a Refinancing of such Class (or, in the case of a Refinancing occurring on a date other than a Payment Date, only to the extent that such Interest Proceeds would be available under the Priority of Payments to pay accrued and unpaid interest on such Class on the next Payment Date, taking into account Scheduled Distributions on the Assets that are expected to be received prior to the next Determination Date).

"**Participation Interest**" means an undivided 100% participation interest in a loan that, at the time of acquisition, or the Issuer's commitment to acquire the same, satisfies each of the following criteria: (i) such participation would constitute a Collateral Obligation were it acquired directly, (ii) the seller of the participation is the lender on the loan, (iii) the aggregate participation in the loan does not exceed the principal amount or commitment of such loan, (iv) such participation does not grant, in the aggregate, to the participant in such participation a greater interest than the seller holds in the loan or commitment that is the subject of the participation, (v) the entire purchase price for such participation is paid in full at the time of its acquisition (or, in the case of a participation in a Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation, at the time of the funding of such loan), (vi) the participation provides the participant all of the economic benefit and risk of the whole or part of the loan or commitment that is the subject of the loan participation, and (vii) such participation is documented under a Loan Syndications and Trading Association, Loan Market Association or similar agreement standard for loan participation transactions among institutional market participants. For the avoidance of doubt, a Participation Interest shall not include a sub-participation interest in any loan.

"**Paying Agent**" means any paying agent appointed under the Indenture.

"**Permitted Deferrable Obligation**" means any Deferrable Obligation that (or the Underlying Instruments of which) carries a current cash pay interest rate of not less than (a) in the case of a Floating Rate Obligation, LIBOR *plus* 1.00% *per annum* or (b) in the case of a Fixed Rate Obligation, the zero-coupon swap rate in a fixed/floating interest rate swap with a term equal to five years.

"**Permitted Offer**" means an Offer (i) pursuant to the terms of which the offeror offers to acquire a debt obligation (including a Collateral Obligation) in exchange for consideration consisting solely of (x) cash in an amount equal to or greater than the full face amount of such debt obligation *plus* any accrued and unpaid interest or (y) other debt obligations ranking *pari passu* or senior to the debt obligation being exchanged which have a face amount equal to or greater than the full face amount of the debt obligation being exchanged *plus* any accrued and unpaid interest in cash and are eligible to be Collateral Obligations and (ii) as to which the Collateral Manager has determined in its reasonable commercial judgment that the offeror has sufficient access to financing to consummate the Offer.

"**Person**" means an individual, corporation (including a business trust), partnership, limited liability company, joint venture, association, joint stock company, statutory trust, trust (including any beneficiary thereof), unincorporated association or government or any agency or political subdivision thereof.

"**Portfolio Acquisition and Disposition Requirements**" means, with respect to any acquisition (whether by purchase or substitution) or disposition of a Collateral Obligation, each of the following conditions: (a) such Collateral Obligation, if being acquired by the Issuer, is an Eligible Asset; (b) such Collateral Obligation is being acquired or disposed of in accordance with the terms and conditions set forth in the Indenture; (c) the acquisition or disposition of such Collateral Obligation does not result in a reduction or withdrawal of the then-current rating issued by any Rating Agency on any Class of Notes then Outstanding; (d) such Collateral Obligation is not being acquired or disposed of for the primary purpose of recognizing gains or decreasing losses resulting from market value changes and (e) so long as any Notes remain Outstanding, the Issuer will not purchase any Collateral Obligation that is not an Affiliate Originated Collateral Obligation if after giving effect to such acquisition the Retention Test would not be satisfied.

"**Portfolio Company**" means any company that is controlled by the Collateral Manager, an Affiliate thereof, or an account, fund, client or portfolio established and controlled by the Collateral Manager or an Affiliate thereof.

"**Prime Rate**" means the rate announced by Wells Fargo Bank, National Association from time to time as its prime rate in the United States, such rate to change as and when such designated rate changes. The Prime Rate is not intended to be the lowest rate of interest charged by Wells Fargo Bank, National Association or any other specified financial institution in connection with extensions of credit to debtors.

"**Principal Financed Accrued Interest**" means the amount of Principal Proceeds, if any, applied towards the purchase of accrued interest on a 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 other 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.*"

"**Priority of Payments**" means the priority of payments set forth under "*Overview of Terms—Priority of Payments—Application of Interest Proceeds*" or "*Overview of Terms—Priority of Payments—Application of Principal Proceeds*" or the Special Priority of Payments, as applicable.

"**Proceeding**" means any suit in equity, action at law or other judicial or administrative proceeding.

"**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 by and between the Issuer and Wells Fargo Securities, LLC, as initial purchaser of and placement agent for the Offered Notes, as amended from time to time in accordance with the terms thereof.

"**Qualified Broker/Dealer**" means any of Bank of America/Merrill Lynch; The Bank of Montreal; The Bank of New York Mellon; Barclays Bank plc; BNP Paribas; Broadpoint Securities; Calyon; Citibank, N.A.; Credit Agricole S.A.; Canadian Imperial Bank of Commerce; Credit Suisse; Deutsche Bank AG; Dresdner Bank AG; GE Capital; Goldman Sachs & Co.; Guggenheim; HSBC Bank; Imperial Capital LLC; Jefferies & Company, Inc.; JPMorgan Chase Bank, N.A.; Key Bank National Association; Lloyds TSB Bank; Madison Capital; Merrill Lynch, Pierce, Fenner & Smith Incorporated; Morgan Stanley & Co.; Natixis; NewStar Financial, Inc.; Northern Trust Company; Royal Bank of Canada; The Royal Bank of Scotland plc; Société Générale; SunTrust Bank, Inc.; The Toronto-Dominion Bank; UBS AG; U.S. Bank, National Association; and Wells Fargo Bank, National Association, and any successor or successors to each of the foregoing.

"**Qualified Institutional Buyer**" has the meaning set forth in Rule 144A.

"**Qualified Purchaser**" has the meaning specified in Section 2(a)(51) of the 1940 Act and Rule 2a51-1, 2a51-2 or 2a51-3 under the 1940 Act.

"**Rating Agency**" means each of Moody's and S&P, or, with respect to Assets generally, if at any time Moody's or S&P ceases to provide rating services with respect to debt obligations, any other nationally recognized investment rating agency selected by the Issuer (or the Collateral Manager on behalf of the Issuer). If at any time Moody's ceases to be a Rating Agency, references to rating categories of Moody's in the Indenture shall be deemed instead to be references to the equivalent categories (as determined by the Collateral Manager) of such other rating agency as of the most recent date on which such other rating agency and Moody's published ratings for the type of obligation in respect of which such alternative rating agency is used; *provided* that, if any S&P Rating is determined by reference to a rating by Moody's, such change shall be subject to satisfaction of the S&P Rating Condition. If at any time S&P ceases to be a Rating Agency, references to rating categories of S&P in the Indenture shall be deemed instead to be references to the equivalent categories (as determined by the Collateral Manager) of such other rating agency as of the most recent date on which such other rating agency and S&P published ratings for the type of obligation in respect of which such alternative rating agency is used.

"**Record Date**" means, with respect to any applicable Payment Date or Redemption Date, (i) with respect to the Global Notes, the date one day prior to such Payment Date or Redemption Date, as applicable, and (ii) with respect to the Certificated Notes, the last day of the month immediately preceding such Payment Date or Redemption Date, as applicable (whether or not a Business Day).

"**Redemption Date**" means any Business Day specified for a redemption of Notes pursuant to the Indenture.

"**Redemption Make-Whole End Date**" means February 22, 2019.

"**Redemption Premium**" means solely with respect to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes issued on the Closing Date, in the case of a Tax Redemption pursuant to clause (iii) of the definition of Tax Event, but not in the case of any other Tax Redemption or any Optional Redemption, Mandatory Redemption or Special Redemption, an amount equal to the product of:

(a) the Aggregate Outstanding Amount of the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes as applicable, as of the applicable Redemption Date;

(b) the spread over LIBOR payable to the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes, as applicable; and

(c) the number of days from (and including) the applicable Redemption Date to (but excluding) the Redemption Make-Whole End Date divided by 360;

"**Redemption Price**" means, for each Note to be redeemed (x) 100% of the Aggregate Outstanding Amount of such Offered Note, *plus* (y) accrued and unpaid interest thereon (including any defaulted interest and any accrued

and unpaid interest thereon and any Deferred Interest and any accrued and unpaid interest thereon) to the Redemption Date *plus* (z) in the case of a Tax Redemption pursuant to clause (iii) of the definition of Tax Event that occurs prior to the Redemption Make Whole-End Date, solely in the case of the Offered Notes, the Redemption Premium; *provided* that, in connection with any Tax Redemption, Optional Redemption or Clean-Up Call Redemption of the Notes in whole, holders of 100% of the Aggregate Outstanding Amount of any Class of Notes may elect to receive less than 100% of the Redemption Price that would otherwise be payable to the holders of such Class of Notes, and such lesser amount shall be the "Redemption Price".

"**Refinancing Proceeds**" means the cash proceeds from a Refinancing.

"**Regional Diversity Measure**" means, as of any date of determination, the number obtained by dividing (a) 1 by (b) the sum of the squares of the quotients, for each S&P region classification, obtained by dividing (i) the aggregate outstanding principal balance at such time of all Collateral Obligations (other than Defaulted Obligations) issued by Obligors that belong to such S&P region classification by (ii) the aggregate outstanding principal balance at such time of all Collateral Obligations (other than Defaulted Obligations).

"**Registered**" means in registered form for U.S. federal income tax purposes (or in registered or bearer form if not a "registration-required obligation" as defined in Section 163(f)(2)(A) of the Code).

"**Registered Investment Adviser**" means a Person duly registered as an investment adviser in accordance with and pursuant to Section 203 of the Investment Advisers Act.

"**Regulation S**" has the meaning set forth in Regulation S, as amended, under the Securities Act.

"**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 Amount of the Notes through the payment of Principal Proceeds *plus* (ii) the Aggregate Outstanding Amount of any additional Notes issued under and in accordance with the Indenture, or, if greater, the aggregate amount of Principal Proceeds that result from the issuance of such additional Notes.

"**Related Person**" means, with respect to any Person, the owners of the equity interests therein, directors, officers, employees, managers, agents and professional advisors thereof.

"**Resolution**" means with respect to the Issuer, a resolution of Principal Trustee.

"**Responsible Officer**" means, with respect to any Person (or of a principal trustee, managing member or other similar managing body of such Person), any duly authorized director, officer or manager with direct responsibility for the administration of the applicable agreement and also, with respect to a particular matter, any other duly authorized director, officer or manager of such Person to whom such matter is referred because of such director's, officer's or manager's knowledge of and familiarity with the particular subject. Each party may receive and accept a certification of the authority of any other party as conclusive evidence of the authority of any Person to act, and such certification may be considered as in full force and effect until receipt by such other party of written notice to the contrary.

"**Restricted Trading Period**" means each day during which, both: (i) the Moody's rating of the Class A Notes is one or more subcategories below its initial rating thereof or has been withdrawn (unless it has been reinstated) and (ii) after giving effect to the applicable sale and reinvestment in Collateral Obligations, the aggregate principal amount of all Collateral Obligations (excluding the Collateral Obligations being sold) and all Eligible Investments constituting Principal Proceeds (including, without duplication, the net proceeds of any such sale) is less than the Reinvestment Target Par Balance; *provided however* that a Majority of the Controlling Class may elect to waive the Restricted Trading Period, which waiver will remain in effect until the earlier of (A) revocation of such waiver by a Majority of the Controlling Class and (B) further downgrade or withdrawal of the rating of the Class A Notes.

"**Retention Deficiency**" means the failure of the E.U. Retention Provider to hold the Retained Interest at such time.

"**Retention Test**" means a test that is satisfied if more than 50% (or, upon receipt of written advice from Dechert LLP or Cadwalader, Wickersham & Taft LLP, such lesser percentage permitted by the EU Retention Requirement Laws) of the aggregate outstanding principal amount of all Collateral Obligations owned by the Issuer on any date of determination were originated, either directly or indirectly through affiliates, by the E.U. Retention Provider.

"**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 (other than letter of credit facilities that require the Issuer to collateralize its commitment or deposit the amount of its commitment in trust), 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 S&P Global Ratings, a Standard & Poor's Financial Services LLC business, and any successor or successors thereto.

"**S&P Additional Current Pay Criteria**" means criteria satisfied with respect to any Collateral Obligation (other than a DIP Collateral Obligation) if either (i) the issuer of such Collateral Obligation has made an S&P Distressed Exchange Offer and the Collateral Obligation is already held by the Issuer and is subject to the S&P Distressed Exchange Offer and ranks equal to or higher in priority than the obligation subject to the S&P Distressed Exchange Offer, or (ii) such Collateral Obligation has a Market Value of at least 80% of its par value.

"**S&P CDO Formula Election Date**" means the date designated by the Collateral Manager upon at least five Business Days' prior written notice to S&P, the Trustee and the Collateral Administrator as the date on which the Issuer will cease to utilize the S&P CDO Monitor in determining compliance with the S&P CDO Monitor Test.

"**S&P CDO Formula Election Period**" means (i) the period from the Effective Date until the occurrence of an S&P CDO Monitor Election Date and (ii) thereafter, any date on and after an S&P CDO Formula Election Date.

"**S&P CDO Monitor**" means the 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 Trustee, the Collateral Manager and the Collateral Administrator. The model is available at https://www.sp.sfproducttools.com/sfdist/login.ex. Each S&P CDO Monitor will be chosen by the Collateral 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 Measurement Date the Weighted Average S&P Recovery Rate for the most senior Class of Notes Outstanding then rated by S&P equals or exceeds the Weighted Average S&P Recovery Rate for such Class chosen by the Collateral Manager and the Weighted Average Floating Spread equals or exceeds the Weighted Average Floating Spread chosen by the Collateral Manager.

"**S&P CDO Monitor Election Period**" means any date on and after an S&P CDO Monitor Election Date so long as no S&P CDO Formula Election Date has occurred since such S&P CDO Monitor Election Date.

"**S&P Collateral Value**" means, with respect to any Defaulted Obligation or Deferring Obligation, the lesser of (i) the S&P Recovery Amount of such Defaulted Obligation or Deferring Obligation as of the relevant Measurement

Date and (ii) the Market Value of such Defaulted Obligation or Deferring Obligation as of the relevant Measurement Date.

"**S&P Default Rate**" means, with respect to a Collateral Obligation, the default rate as determined in accordance with Section 3 of Annex C hereto. If the number of years to maturity is not an integer, the default rate is determined using linear interpolation.

"**S&P Distressed Exchange Offer**" means an offer by the issuer of a Collateral Obligation to exchange one or more of its outstanding debt obligations for a different debt obligation or to repurchase one or more of its outstanding debt obligations for cash, or any combination thereof; *provided that*, an offer by such issuer to exchange unregistered debt obligations for registered debt obligations shall not be considered an S&P Distressed Exchange Offer.

"**S&P Rating Condition**" means, with respect to any action taken or to be taken by or on behalf of the Issuer, a condition that is satisfied if S&P has confirmed in writing (including by means of electronic message, facsimile transmission, press release or posting to its internet website) to the Issuer, the Trustee, the Collateral Administrator and the Collateral Manager (unless in the form of a press release or posted to its internet website that does not require the Issuer and the Trustee to be identified as addressees) that no immediate withdrawal or reduction with respect to its then-current rating by S&P of any Class of Notes will occur as a result of such action; *provided* that the S&P Rating Condition will be deemed to be satisfied if no Class of Notes then Outstanding is rated by S&P; *provided further* that such rating condition shall be deemed inapplicable with respect to such event or circumstance if (i) S&P has given notice to the effect that it will no longer review events or circumstances of the type requiring satisfaction of the S&P Rating Condition for purposes of evaluating whether to confirm the then-current ratings (or initial ratings) of obligations rated by S&P; or (ii) S&P has communicated to the Issuer, the Collateral 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 ratings (or initial ratings) of the Notes then rated by S&P.

"**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 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 tables set forth in Annex C hereto.

"**S&P Weighted Average Life**" means, 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 *dividing* (a) the sum of the products of (i) the number of years (rounded to the nearest one-hundredth thereof) from such date of determination to the stated maturity of each such Collateral Obligation *multiplied by* (ii) the outstanding principal balance of such Collateral Obligation by (b) the aggregate remaining principal balance at such time of all Collateral Obligations other than Defaulted Obligations.

"**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 Notes—Sales of Collateral Obligations; Additional Collateral Obligations and Investment Criteria*," less any reasonable expenses incurred by the Collateral Manager, the Collateral Administrator or the Trustee (other than amounts payable as Administrative Expenses) in connection with such sales. Sale Proceeds will include Principal Financed Accrued Interest received in respect of such sale.

"**Scheduled Distribution**" means, with respect to any Collateral Obligation, each payment of principal and/or interest scheduled to be made by the related Obligor under the terms of such Collateral Obligation after (a) in the case of the initial Collateral Obligations, the Closing Date or (b) in the case of Collateral Obligations added or

substituted after the Closing Date, the related Cut–Off Date, as adjusted pursuant to the terms of the related Underlying Instruments.

"**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 Collateral 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.

"**Section 13 Banking Entity**" means an entity that (i) is defined as a "banking entity" under the Volcker Rule regulations (Section __.2(c)), (ii) provides written certification that it is a "banking entity" under the Volcker Rule regulations (Section __.2(c)) thereof to the Issuer and the Trustee (which, in connection with a supplemental indenture pursuant to the Indenture, shall be provided within 15 days of notice of such supplemental indenture), and (iii) identifies the Class or Classes of Notes held by such entity and the outstanding principal amount thereof. Any holder that does not provide such certification in connection with a supplemental indenture will be deemed for purposes of such supplemental indenture not to be a Section 13 Banking Entity.

"**Secured Parties**" means, collectively, the holders of the Notes, the Collateral Manager, the Collateral Administrator and the Trustee.

"**Securities**" means the Notes and the Certificates.

"**Securities Act**" means The United States Securities Act of 1933, as amended.

"**Securities Account Control Agreement**" means the Securities Account Control Agreement dated as of the Closing Date between the Issuer, the Trustee and Wells Fargo Bank, National Association, as securities intermediary.

"**Selling Institution**" means the entity obligated to make payments to the Issuer under the terms of a Participation Interest.

"**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 (other than with respect to liquidation, trade claims, capitalized leases or similar obligations or any Senior Working Capital Facility, if any); (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 which may be subject to customary liens, including liens securing a Senior Working Capital Facility, if any; (c) the value of the collateral securing the Loan at the time of purchase 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 Collateral 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); *provided*, *further*, that any Loan which satisfies this definition of "Senior Secured Loan" due to the immediately preceding proviso shall have an S&P Recovery Rate of an Unsecured Loan determined pursuant to clause (b) in Section 1 of Annex C.

"**Senior Working Capital Facility**" means, with respect to a Loan, a senior secured working capital facility incurred by the obligor of such Loan that is prior in right of payment to such Loan; *provided* that the outstanding principal balance and unfunded commitments of such working capital facility does not exceed 20% of the sum of (x) the outstanding principal balance and unfunded commitments of such working capital facility, *plus* (y) the

outstanding principal balance of the Loan, *plus* (z) the outstanding principal balance of any other debt for borrowed money incurred by such obligor that is *pari passu* with such Loan.

"**Similar Law**" means any federal, state, local, non-U.S. or other law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or any interest therein) or the Certificates by virtue of its interest and thereby subject the Issuer or the Collateral Manager (or other Persons responsible for the investment and operation of the Issuer's assets) to Other Plan Law.

"**Specified Amendment**" means, with respect to any Collateral Obligation, any amendment, waiver or modification which would:

(a) modify the amortization schedule with respect to such Collateral Obligation in a manner that (i) reduces the dollar amount of any Scheduled Distribution by more than the greater of (x) 25% and (y) U.S.$250,000, (ii) postpones any Scheduled Distribution by more than two payment periods or (iii) causes the Weighted Average Life of the applicable Collateral Obligation to increase by more than 25%;

(b) reduce or increase the cash interest rate payable by the Obligor thereunder by more than 100 basis points (excluding any increase in an interest rate arising by operation of a default or penalty interest clause under a Collateral Obligation or as a result of an increase in the interest rate index for any reason other than such amendment, waiver or modification);

(c) extend the stated maturity date of such Collateral Obligation by more than 24 months or beyond the Stated Maturity;

(d) contractually or structurally subordinate such Collateral Obligation by operation of a priority of payments, turnover provisions, the transfer of assets in order to limit recourse to the related Obligor or the granting of Liens (other than permitted Liens) on any of the underlying collateral securing such Collateral Obligation;

(e) release any party from its obligations under such Collateral Obligation, if such release would have a material adverse effect on the Collateral Obligation; or

(f) reduce the principal amount of the applicable Collateral Obligation.

"**Specified Obligor Information**" means Confidential Information relating to Obligors that is not otherwise included in the Monthly Reports or Distribution Reports.

"**Stated Maturity**" means, with respect to the Notes of any Class, the Payment Date in April 2029.

"**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 an obligation (a) issued by a special purpose vehicle, (b) 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, and (c) the owner of such obligation has no recourse to any material guarantor, collateral (other than collateral owned by such special purpose vehicle) or other credit support; *provided*, for the avoidance of doubt, that the presence of any monoline guaranty or other third party credit enhancement provider will not be considered "recourse" under this clause (c).

"**Supermajority**" means, with respect to any Class of Securities, the holders of at least 66-2/3% of (i) the Aggregate Outstanding Amount of the Notes of such Class or (ii) the outstanding amount of the Certificates.

"**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.$500,000,000.

"**Target Initial Par Condition**" means a condition satisfied as of the Effective Date if the sum of (a) the aggregate principal balance of Collateral Obligations and any Principal Financed Accrued Interest with respect to Collateral Obligations (i) that are held by the Issuer and (ii) of which the Issuer has committed to purchase on such date, (b) the amount of any proceeds of sales, prepayments, maturities or redemptions of Collateral Obligations purchased by the Issuer prior to such date (other than any such proceeds that have been reinvested, or committed to be reinvested, in Collateral Obligations by the Issuer on the Effective Date) and (c) any amounts remaining on deposit in the Ramp-Up Account, 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, assessment, deduction, withholding, or fee of any nature (including interest, penalties and additions thereto) imposed by any governmental taxing authority.

"**Tax Event**" means an event that occurs if either (i) (A) one or more Collateral Obligations that were not subject to withholding tax when the Issuer committed to purchase them have become subject to withholding tax or the rate of withholding has increased on one or more Collateral Obligations that were subject to withholding tax when the Issuer committed to purchase them and (B) in any Collection Period, the aggregate of the payments subject to withholding tax on new withholding tax obligations and the increase in payments subject to withholding tax on increased rate withholding tax obligations, in each case to the extent not "grossed-up" (on an after-tax basis) by the related obligor, represent 5% or more of the aggregate amount of Interest Proceeds that have been received or that is expected to be received for such Collection Period; (ii) taxes, fees, assessments, or other similar charges are imposed on the Issuer in an aggregate amount in any twelve-month period in excess of U.S.$2,000,000, other than any deduction or withholding for or on account of any tax with respect to any payment owing in respect of any obligation that at the time of acquisition, conversion, or exchange does not satisfy the requirements of a Collateral Obligation or (iii) the Retention Provider determines that it (or its direct or indirect owners) could be materially adversely affected as a result of the tax status of the holders of the outstanding Offered Notes.

"**Tax Jurisdiction**" means the Bahamas, Bermuda, the British Virgin Islands, the Cayman Islands, the Channel Islands, The Netherlands or Antilles and any other tax advantaged jurisdiction as may be notified by Moody's to the Collateral Manager from time to time.

"**Third Party Credit Exposure**" means, as of any date of determination, the sum (without duplication) of the outstanding 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%
A- or below	0%	0%

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%.

"**Trading Gains**" means in respect of any Collateral Obligation which is repaid, prepaid, redeemed or sold, any excess of (a) the Principal Proceeds and the Sale Proceeds received in respect thereof over (b) the greater of (1) the principal balance thereof and (2) an amount equal to the purchase price thereof (expressed as a percentage of par) *multiplied by* the principal balance, in each case net of (i) any expenses incurred in connection with any repayment, prepayment, redemption or sale thereof, and (ii) in the case of a sale of such Collateral Obligation, any interest accrued but not paid thereon which has not been capitalized as principal and included in the sale price thereof.

"**Transaction Documents**" means the Indenture, the Collateral Management Agreement, the Collateral Administration Agreement, the Securities Account Control Agreement, the Trust Agreement, the Purchase Agreement and the Master Loan Sale 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.

"**Transfer Deposit Amount**" means, on any date of determination with respect to any Collateral Obligation, an amount equal to the sum of the outstanding principal balance of such Collateral Obligation, together with accrued interest thereon through such date of determination, and in connection with any Collateral Obligation which is a Revolving Collateral Obligation or a Delayed Drawdown Collateral Obligation, an amount equal to the Net Exposure Amount thereof as of the applicable Cut-Off Date.

"**Trustee**" means Wells Fargo Bank, National Association, together with its successors and assigns.

"**UCC**" means the Uniform Commercial Code as in effect in the State of New York or, if different, the political subdivision of the United States that governs the perfection of the relevant security interest, as amended from time to time.

"**Underlying Instruments**" means the loan agreement, credit agreement or other customary agreement pursuant to which an Asset has been created or issued 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.

"**United States person**" has the meaning specified in Section 7701(a)(30) of the Code.

"**Unsaleable Asset**" means (a) any Defaulted Obligation (during the continuation of an Event of Default only), Equity Security, obligation received in connection with a tender offer, voluntary redemption, exchange offer, conversion, restructuring or plan of reorganization with respect to the Obligor, or other exchange or any other security or debt obligation that is part of the Assets, in respect of which the Issuer has not received a payment in cash during the preceding 12 months or (b) any asset, claim or other property identified in a certificate of the Collateral Manager as having a Market Value of less than U.S.$1,000, in each case with respect to which the Collateral Manager certifies to the Trustee that (x) it has made commercially reasonable efforts to dispose of such Collateral Obligation for at least 90 days and (y) in its commercially reasonable judgment such Collateral Obligation is not expected to be saleable for the foreseeable future.

"**Unsecured Loan**" means a senior unsecured Loan obligation of any Person 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.

"**U.S. Retention Holder**" means, on the Closing Date, Woodmont Intermediate 2017-1 Trust, as "majority-owned affiliate" of the sponsor of this transaction, and thereafter any successor, assignee or transferee thereof permitted under the U.S. Risk Retention Rules.

"**U.S. Risk Retention Rules**" means the federal interagency credit risk retention rules, codified at 17 C.F.R. Part 246.

"**Volcker Rule**" means Section 13 of the U.S. Bank Holding Company Act of 1956, as amended, and the applicable rules and regulations thereof.

"**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

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Annex A

FORM OF PURCHASER REPRESENTATION LETTER FOR CERTIFICATED NOTES

[DATE]

Wells Fargo Bank, National Association, as Trustee
Corporate Trust Services Division
Wells Fargo Center
Sixth Street and Marquette Avenue
Minneapolis, Minnesota 55749
Attention: Corporate Trust Services—Woodmont 2017-1 Trust

with a copy to:

Wells Fargo Bank, National Association, as Trustee
Corporate Trust Services Division
9062 Old Annapolis Road
Columbia, Maryland 21045
Attention: CDO Trust Services—Woodmont 2017-1 Trust

Re: Woodmont 2017-1 Trust (the "**Issuer**"); [Class [A] [B] [C] [D]][6] Notes

Reference is hereby made to the Indenture, dated as of February 23, 2017 among the Issuer and Wells Fargo Bank, National Association, 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 Amount of [Class [A][B][C][D]][7] 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 it is:

(a) an institutional "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act who is also a Qualified Purchaser; and

(b) acquiring the Notes for its 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.$1.00 in excess thereof.

The Transferee further represents, warrants and agrees 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 a "qualified purchaser" (as defined in the Investment Company Act of

---

[6] Insert into the Class A Notes, Class B Notes, Class C Notes and Class D Notes.

[7] Insert into the Class A Notes, Class B Notes, Class C Notes and Class D Notes.

1940, as amended (the "**1940 Act**")) 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" that in each case is (a) either (i) 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 (ii) solely in the case of Notes that are issued in the form of Certificated Notes, an institutional "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) 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 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.

2. In connection with its purchase of the Notes: (i) none of the Issuer, the Initial Purchaser, the Collateral 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 Issuer, the Initial Purchaser, the Collateral 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 Issuer, the Initial Purchaser, the Collateral 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 an institutional "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act and also (x) a "qualified purchaser" for purposes of Section 3(c)(7) of the 1940 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 1940 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 represents, warrants and agrees that (a) if it is, or is acting on behalf of, a Benefit Plan Investor, as defined in Section 3(42) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") and 29 C.F.R. Section 2510.3-101, its 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 Internal Revenue Code of 1986, as amended (the "**Code**"), and (b) if it is, or is acting on behalf of, a governmental, church, non-U.S. or other plan, its acquisition, holding and disposition of such Notes do not and will not constitute or give rise to a non-exempt violation of any law or regulation that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code.

5. It will treat its Notes as indebtedness for United States federal, state and local income and franchise tax purposes.

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 IRS 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 IRS Form W-8 (or applicable successor form) is attached hereto. It understands and acknowledges that failure to provide the Issuer and the Trustee (and any of their agents) with the applicable tax certifications may result in withholding or back-up withholding from payments to it in respect of the Notes.

7. If it is not a "United States person" within the meaning of Section 7701(a)(30) of the Code, it hereby represents that either (A) it is not (i) a bank (or an entity affiliated with 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), (ii) a controlled foreign corporation related to the Issuer, and (iii) a holder (directly or by attribution) of at least 10 percent of an interest (including a capital or profits interest) in the Issuer, or (B) it has provided an IRS Form W-8BEN (or applicable successor form) or an IRS Form W-8BEN-E (or applicable successor form), as applicable, representing that 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 or (C) it has provided an IRS Form W-8ECI (or applicable successor form) representing that all payments received or to be received by it on the Notes are effectively connected with the conduct of a trade or business in the United States.

8. It agrees not to seek to commence in respect of the Issuer, or cause the Issuer to commence, a bankruptcy proceeding before a year and a day has elapsed since the payment in full to the holders of the Notes issued pursuant to the Indenture or, if longer, the applicable preference period (*plus* one day) then in effect.

9. It acknowledges that, to the extent required by the Issuer, as determined by the Issuer or the Collateral 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.

10. It represents and warrants that _____ (check if applicable) upon acquisition by it of the Notes, the Notes will constitute Collateral Manager Securities; or _____ (check if applicable) upon acquisition by it of the Notes, the Notes will not constitute Collateral Manager Securities.

11. It is, within the meaning of the Treaty, _____ (check if applicable) (A) (i) a resident or citizen of the United States; (ii) fiscally transparent for U.S. tax purposes, provided that all income, profit and gain derived by such fiscally transparent Person is treated for U.S. tax purposes as income, profit or gain of persons described in clause (i); (iii) a resident of Ireland that is a qualified person; (iv) fiscally transparent for both U.S. and Irish tax purposes, *provided* that all income, profit and gain derived by such fiscally transparent Person is treated for both U.S. and Irish tax purposes as income, profit or gain of Persons described in clause (i), (ii) or (iii); (v) a bank, *provided* that if such bank is not a resident of either the United States or Ireland (within the meaning of the Treaty), all payments on the Notes made to such bank are (for purposes of the Treaty) attributable to a permanent establishment of such bank that is located in the United States or Ireland; or _____ (check if applicable) (B) Non-Qualified Holder.

12. It represents and warrants that: (A) it has such knowledge and experience in financial and business matters to be capable of making its own independent evaluation of the reasonableness and accuracy of the information contained under the "Credit Risk Retention" section heading in the Offering Circular; (B) it understands the inherent limitations of the information contained under the "Credit Risk Retention" section heading in the Offering Circular and has been afforded an opportunity to request and to review, and has received, all additional information considered by it to be necessary to verify the accuracy of, or to supplement the information under, the "Credit Risk Retention" section heading in the Offering Circular; (C) it approves the use of the methodology, inputs and assumptions described under the "Credit Risk Retention" section heading in the Offering Circular; (D) it has made its own independent decision regarding an investment in the Notes without reliance upon, or use of, in any manner whatsoever the information contained under the "Credit Risk Retention" section heading in the Offering Circular; and (E) it understands that the Issuer and the Collateral Manager are relying on the foregoing as a material inducement to enter this transaction and otherwise would not engage in this transaction.

13. It understands that the Issuer, the Trustee and the Initial Purchaser 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 [_____] 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: Woodmont 2017-1 Trust
c/o MidCap FinCo Designated Activity Company
Harcourt Centre, Block 4
Harcourt Road, Dublin D02 HW77
Attention: Hilary Moore
Email: legalnotices@midcapfinancial.com

Annex B

MOODY'S RATING DEFINITIONS

For purposes of this Annex B and the Indenture, the terms "Assigned Moody's Rating" and "CFR" mean:

"**Assigned Moody's Rating**" means the publicly available rating, unpublished monitored rating or the estimated rating expressly assigned to a debt obligation (or facility) by Moody's (including, without limitation, any such estimated rating based on Moody's RiskCalc; *provided* that such Collateral Obligation is eligible for a rating based on Moody's RiskCalc in accordance with terms thereof) that addresses the full amount of the principal and interest promised; *provided that*, so long as the Issuer (or the Collateral Manager on its behalf) applies for a new estimated rating, or renewal of an estimated rating, in a timely manner and provides the information required to obtain such estimate or renewal, as applicable, then pending receipt of such estimate or renewal, as applicable, (A) in the case of a request for a new estimated rating, (i) for a period of 90 days, such debt obligation will have a Moody's Rating of "B3" for purposes of this definition if the Collateral Manager certifies to the Trustee that the Collateral Manager believes that such estimated rating will be at least "B3" and (ii) thereafter, such debt obligation will have a Moody's Rating of "Caa3," or (B) in the case of a request for a renewal of an estimated rating following a material deterioration in the creditworthiness of the Obligor or a specified amendment, the Issuer will continue using the previous estimated rating assigned by Moody's until such time as (x) Moody's renews such estimated rating or assigns a new estimated rating for such debt obligation and (y) the criteria specified in clause (A) in connection with an annual request for a renewal of an estimated rating becomes applicable in respect of such debt obligation.

"**CFR**" means, with respect to an obligor of a Collateral Obligation, if such obligor has a corporate family rating by Moody's, then such corporate family rating; *provided*, if such obligor does not have a corporate family rating by Moody's but any entity in the obligor's corporate family does have a corporate family rating, then the CFR is such corporate family rating.

For purposes of the Indenture, the terms Moody's Default Probability Rating, Moody's Rating and Moody's Derived Rating, have the meanings under the respective headings below.

"**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, if the obligor of such Collateral Obligation has a CFR, then such CFR;

(ii) With respect to a Collateral Obligation if not determined pursuant to clause (i) above, if the obligor of such Collateral Obligation has one or more senior unsecured obligations with an Assigned Moody's Rating, then the Assigned Moody's Rating on any such obligation as selected by the Collateral Manager in its sole discretion;

(iii) With respect to a Collateral Obligation if not determined pursuant to clauses (i) or (ii) above, if the obligor of such Collateral Obligation has one or more senior secured obligations with an Assigned Moody's Rating, then the Moody's rating that is one subcategory lower than the Assigned Moody's Rating on any such senior secured obligation as selected by the Collateral Manager in its sole discretion;

(iv) With respect to a Collateral Obligation if not determined pursuant to clauses (i), (ii) or (iii) above, if a rating estimate has been assigned to such Collateral Obligation by Moody's upon the request of the Issuer, the Collateral Manager or an Affiliate of the Collateral Manager, then the Moody's Default Probability Rating is such rating estimate (subject to any applicable rating estimate adjustment) as long as such rating estimate or a renewal for such rating estimate has been issued or provided by Moody's in each case within the 15 month period preceding the date on which the Moody's Default Probability Rating is being determined; *provided* that if such rating estimate has been issued or provided by Moody's for a period (x) longer than 13 months but not beyond 15 months, the Moody's Default Probability Rating will be one subcategory lower than such rating estimate and (y) beyond 15 months, the Moody's Default Probability Rating will be deemed to be "Caa3;"

(v) With respect to any DIP Collateral Obligation, the Moody's Default Probability Rating of such Collateral Obligation shall be the rating which is one subcategory below the Assigned Moody's Rating of such DIP Collateral Obligation;

(vi) With respect to a Collateral Obligation if not determined pursuant to any of clauses (i) through (v) above and at the election of the Collateral Manager, the Moody's Derived Rating; and

(vii) With respect to a Collateral Obligation if not determined pursuant to any of clauses (i) through (vi) above, the Collateral Obligation will be deemed to have a Moody's Default Probability Rating of "Caa3."

"**Moody's Derived Rating**" means, with respect to a Collateral Obligation whose Moody's Rating or Moody's Default Probability Rating cannot otherwise be determined pursuant to the definitions thereof, such Moody's Rating or Moody's Default Probability Rating shall be determined as set forth below:

(i) By using one of the methods provided below:

(A) if such Collateral Obligation is rated by S&P, then the Moody's Rating and Moody's Default Probability Rating (as applicable) of such Collateral Obligation will be determined, at the election of the Collateral Manager, in accordance with the methodology set forth in the following 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

(B) 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 Collateral Manager be determined in accordance with the table set forth in subclause (i)(A) above, and the Moody's Derived Rating for purposes of the definitions 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 the following table (for such purposes treating the parallel security as if it were rated by Moody's at the rating determined pursuant to this subclause (i)(B)):

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

or

(C) 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;

provided that the aggregate outstanding principal balance of the Collateral Obligations that may have a Moody's Rating derived from an S&P Rating as set forth in sub-clauses (A) or (B) of this clause (i) may not exceed 10% of the Collateral Principal Amount.

(ii) If not determined pursuant to clause (i) above and 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 Collateral 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 of such Collateral Obligation for purposes of the definitions of Moody's Rating or Moody's Default Probability Rating shall be (A) "B3" if the Collateral Manager certifies to the Trustee and the Collateral Administrator that the Collateral Manager believes that such estimate shall be at least "B3" and if the aggregate outstanding principal balance of Collateral Obligations determined pursuant to this clause (ii)(A) and clause (i) above does not exceed 5% of the Collateral Principal Amount or (B) otherwise, "Caa3."

"**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 is a Senior Secured Loan:

(A) if such Collateral Obligation has an Assigned Moody's Rating, such Assigned Moody's Rating;

(B) if such Collateral Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Obligation has a CFR, then the Moody's rating that is one subcategory higher than such CFR;

(C) if neither clause (A) nor (B) above apply, if such Collateral Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Obligation has one or more senior unsecured obligations with an Assigned Moody's Rating, then the Moody's rating that is two subcategories higher than the Assigned Moody's Rating on any such obligation as selected by the Collateral Manager in its sole discretion;

(D) if none of clauses (A) through (C) above apply, at the election of the Collateral Manager, the Moody's Derived Rating; and

(E) if none of clauses (A) through (D) above apply, the Collateral Obligation will be deemed to have a Moody's Rating of "Caa3;" and

(ii) With respect to a Collateral Obligation other than a Senior Secured Loan:

(A) if such Collateral Obligation has an Assigned Moody's Rating, such Assigned Moody's Rating;

(B) if such Collateral Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Obligation has one or more senior unsecured obligations with an Assigned Moody's Rating, then the Assigned Moody's Rating on any such obligation as selected by the Collateral Manager in its sole discretion;

(C) if neither clause (A) nor (B) above apply, if such Collateral Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Obligation has a CFR, then the Moody's rating that is one subcategory lower than such CFR;

(D) if none of clauses (A), (B) or (C) above apply, if such Collateral Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Obligation has one or more subordinated debt obligations with an Assigned Moody's Rating, then the Moody's rating that is one subcategory higher than the Assigned Moody's Rating on any such obligation as selected by the Collateral Manager in its sole discretion;

(E) if none of clauses (A) through (D) above apply, at the election of the Collateral Manager, the Moody's Derived Rating; and

(F) if none of clauses (A) through (E) above apply, the Collateral Obligation will be deemed to have a Moody's Rating of "Caa3;"

(iii) with respect to any Collateral Obligation that is a DIP Collateral Obligation, if such Moody's Rating has been withdrawn and a new Moody's Rating has not been issued, the Moody's Rating of such Collateral Obligation shall be the Moody's Rating applicable to such Collateral Obligation prior to such withdrawal;

provided that, with respect to Collateral Obligations the Moody's Rating of which is determined through application of Moody's RiskCalc, (i) such Collateral Obligations, at all times prior to the end of the Reinvestment Period, shall not represent more than 20% of the Collateral Principal Amount and (ii) such Collateral Obligations shall not represent, after the end of the Reinvestment Period, the greater of (x) 20% of the Collateral Principal Amount and (y) the aggregate principal balance of Collateral Obligations included in the Assets which have a Moody's Rating previously determined through application of Moody's RiskCalc; *provided further* that the Collateral Manager shall redetermine and report to Moody's the Moody's Rating for each Collateral Obligation determined through application of Moody's RiskCalc within 30 days after receipt of the annual audited financial statements from the related Obligor.

The definition of "Moody's RiskCalc" is set forth in Annex D.

Annex C

S&P RATING DEFINITION AND RECOVERY RATE TABLES

"**Information**" means S&P's "Credit Estimate Information Requirements" dated April 2011 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 (excluding Current Pay Obligations whose issuer has made an S&P Distressed Exchange Offer), 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; *provided* that (x) such rating was assigned within 12 months of the applicable date of issue and (y) the Collateral Manager (on behalf of the Issuer) will notify S&P if the Collateral Manager has actual knowledge of the occurrence of any material amendment or event with respect to such Collateral Obligation that would, in the reasonable business judgment of the Collateral Manager, have a material adverse impact on the credit quality of such Collateral Obligation, including any amortization modifications, extensions of maturity, reductions of principal amount owed, or non-payment of timely interest or principal due;

(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 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; *provided* that the aggregate principal balance of the Collateral Obligations that may have an S&P Rating derived from a Moody's Rating as set forth in this clause (a) may not exceed 10% of the Collateral Principal Amount;

(b) the S&P Rating may be based on a credit estimate provided by S&P, and in connection therewith, the Issuer, the Collateral Manager on behalf of the Issuer or the issuer of such Collateral Obligation will, 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 will be its S&P Rating; *provided* that until the receipt from S&P of such estimate, such Collateral Obligation will have an S&P Rating as determined by the Collateral Manager in its sole discretion if the Collateral Manager certifies to the Trustee that it believes that such S&P Rating determined by the Collateral 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 will have (1) the S&P Rating as determined by the

Collateral 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 Collateral Manager has requested the extension of such period and S&P, in its sole discretion, has granted such request; *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 (or such other period as provided in S&P's then-current criteria) have elapsed after the withdrawal or suspension of the public rating; *provided further* that with respect to any Collateral Obligation for which S&P has provided a credit estimate, the Collateral Manager (on behalf of the Issuer) will request that S&P confirm or update such estimate annually (and pending receipt of such confirmation or new estimate, the Collateral Obligation will have the prior estimate); *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 (and concurrently submits all available Information in respect of such renewal), 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; *provided further* that the Issuer will submit all available Information in respect of such Collateral Obligation to S&P notwithstanding that the Issuer is not applying to S&P for a confirmed or updated credit estimate; *provided further* that the Issuer will promptly notify S&P of any material events affecting any such Collateral Obligation if the Collateral Manager reasonably determines that such notice is required in accordance with S&P's published criteria for credit estimates titled "*What Are Credit Estimates And How Do They Differ From Ratings?*" dated April 2011 (as the same may be amended or updated from time to time); or

(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 Collateral 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 Collateral Manager reasonably expects them to remain current; *provided* that the Issuer will submit all available Information in respect of such Collateral Obligation to S&P as if the Issuer were applying to S&P for a credit estimate; *provided further* that the Issuer will promptly notify S&P of any material events affecting any such Collateral Obligation if the Collateral Manager reasonably determines that such notice is required in accordance with S&P's published criteria for credit estimates titled "*What Are Credit Estimates And How Do They Differ From Ratings?*" dated April 2011 (as the same may be amended or updated from time to time); 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 Collateral Manager), "CCC-" or the S&P Rating determined pursuant to clause (iii)(b) above; *provided* that the Collateral Manager may not determine such S&P Rating pursuant to clause (iii)(b)(1) 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; *provided further* that, for purposes of the determination of the S&P Rating, if (x) the issuer or Obligor of any Collateral Obligation (or, in the case of clause (i) in the definition of "Defaulted Obligation," any Selling Institution) was a debtor under Chapter 11, during which time such issuer, Obligor or Selling Institution, as applicable, or any of

its obligations (including any Collateral Obligation) either had an S&P rating of "SD" or "CC" or lower from S&P or had an S&P rating that was withdrawn by S&P and (y) such issuer, Obligor or Selling Institution, as applicable, is no longer a debtor under Chapter 11, then, notwithstanding the fact that such issuer, Obligor or Selling Institution, as applicable, or any of its obligations (including any Collateral Obligation) continues to have an S&P rating of "SD" or "CC" or lower from S&P (or, in the case of any withdrawal, continues to have no S&P rating), the S&P Rating for any such obligation (including any Collateral Obligation), issuer, Obligor or Selling Institution, as applicable, shall be deemed to be "CCC-", so long as S&P has not taken any rating action with respect thereto since the date on which the issuer, Obligor or Selling Institution, as applicable, ceased to be a debtor under Chapter 11; provided further that, (i) if any issuer, Obligor or Selling Institution, as applicable, has not exited the applicable bankruptcy proceeding and (ii) the applicable rating assigned by S&P to such issuer, Obligor or Selling Institution, as applicable, or any of its obligations (including any Collateral Obligation) has been withdrawn, then the S&P Rating for such issuer, Obligor or Selling Institution, as applicable, or any of its obligations (including any Collateral Obligation) shall be deemed to be such withdrawn S&P rating, so long as S&P has not taken any rating action with respect thereto since the date on which such S&P rating was withdrawn.

The S&P Rating of any Collateral Obligation that is a Current Pay Obligation whose issuer has made an S&P Distressed Exchange Offer will be determined as follows:

(i) subject to clause (iv) below, if applicable, if the Collateral Obligation is and will remain senior to the debt obligations on which the related S&P Distressed Exchange Offer has been made and the issuer is not subject to a bankruptcy proceeding, the issuer credit rating of the issuer published by S&P of the Collateral Obligation is below "CCC-" as a result of the S&P Distressed Exchange Offer and S&P has not published revised ratings following the completion or withdrawal of the S&P Distressed Exchange Offer and:

  (a) there is an issue credit rating published by S&P for the Collateral Obligation;

  (b) the Collateral Obligation has an S&P Recovery Rating of 1+, then the S&P Rating of such Collateral Obligation will be the higher of (x) three subcategories below such issue credit rating and (y) "CCC-";

  (c) the Collateral Obligation has an S&P Recovery Rating of 1, then the S&P Rating of such Collateral Obligation will be the higher of (x) two subcategories below such issue credit rating and (y) "CCC-";

  (d) the Collateral Obligation has an S&P Recovery Rating of 2, then the S&P Rating of such Collateral Obligation will be the higher of (x) one subcategory below such issue credit rating and (y) "CCC-";

  (e) the Collateral Obligation has an S&P Recovery Rating of 3 or 4, then the S&P Rating of such Collateral Obligation will be the higher of (x) such issue credit rating and (y) "CCC-";

  (f) the Collateral Obligation has an S&P Recovery Rating of 5, then the S&P Rating of such Collateral Obligation will be the higher of (x) one subcategory above such issue credit rating and (y) "CCC-";

  (g) the Collateral Obligation has an S&P Recovery Rating of 6, then the S&P Rating of such Collateral Obligation will be the higher of (x) two subcategories above such issue credit rating and (y) "CCC-"; or

  (h) there is either no issue credit rating or no S&P Recovery Rating for the Collateral Obligation, then the S&P Rating of such Collateral Obligations will be "CCC-".

(ii) subject to clause (iv) below, if applicable, if the Collateral Obligation is the debt obligation on which the related S&P Distressed Exchange Offer has been made, until S&P publishes revised ratings following the completion or withdrawal of the offer, the S&P Rating of such Collateral Obligation will be "CCC";

(iii) subject to clause (iv) below, if applicable, if the Collateral Obligation is subordinate to the debt obligation on which the related S&P Distressed Exchange Offer has been made, until S&P publishes revised ratings following the completion or withdrawal of the offer the S&P Rating of such Collateral Obligation will be "CCC-"

(iv) if multiple Collateral Obligations have the same issuer and such issuer made an S&P Distressed Exchange Offer, the S&P Rating for each such Collateral Obligation will be determined as follows:

(a) *first*, an S&P Rating for each such Collateral Obligation will be determined in accordance with clauses (i), (ii) and (iii) immediately above;

(b) *second*, the S&P Rating for each such Collateral Obligation determined in accordance with sub-clause (iv)(a) above will be converted into "Rating Points" equivalent pursuant to the table set forth below:

S&P Rating	"Rating Points"	"Weighted Average Rating Points"
AAA	1	1
AA+	2	2
AA	3	3
AA-	4	4
A+	5	5
A	6	6
A-	7	7
BBB+	8	8
BBB	9	9
BBB-	10	10
BB+	11	11
BB	12	12
BB-	13	13
B+	14	14
B	15	15
B-	16	16
CCC+	17	17
CCC	18	18
CCC-	19	19

(c) *third*, "Weighted Average Rating Points" for each such Collateral Obligation will be calculated by dividing "X" by "Y" where:

"X" will equal the sum of each of the products obtained by multiplying the Rating Points of each such Collateral Obligation by the aggregate principal balance of such Collateral Obligation, and

"Y" will equal the aggregate principal balance of all the Collateral Obligations subject to the same S&P Distressed Exchange Offer.

(d) fourth, the "Weighted Average Rating Points" determined in accordance with sub-clause (iv)(c) above will be rounded to the nearest whole number and converted into an S&P Rating by matching the "Weighted Average Rating Points" of such Collateral Obligation with the S&P Rating set forth in the table in sub-clause (iv)(b) above. The S&P Rating that matches the "Weighted Average Rating Points" for such Collateral Obligations will be the S&P Rating for each Collateral Obligation for which an S&P Rating is required to be determined pursuant to this clause (iv).

Section 1.

(a) (i) If a Collateral Obligation has an S&P Recovery Rating, the S&P Recovery Rate for such Collateral Obligation shall be determined as follows (taking into account, for any Collateral Obligation with an S&P Recovery Rating of '2' through '5', the recovery range indicated in the S&P published report therefor):

S&P Recovery Rating of a Collateral Obligation	Recovery Range from S&P published reports*	Identifier	Initial Liability Rating					
			"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	100	1+	75%	85%	88%	90%	92%	95%
1	90-99	1	65%	75%	80%	85%	90%	95%
2	80-89	2H	60%	70%	75%	81%	86%	89%
2	70-79	2L	50%	60%	66%	73%	79%	79%
2	N/A	2	50%	60%	66%	73%	79%	79%
3	60-69	3H	40%	50%	56%	63%	67%	69%
3	50-59	3L	30%	40%	46%	53%	59%	59%
3	N/A	3	30%	40%	46%	53%	59%	59%
4	40-49	4H	27%	35%	42%	46%	48%	49%
4	30-39	4L	20%	26%	33%	39%	39%	39%
4	N/A	4	20%	26%	33%	39%	39%	39%
5	20-29	5H	15%	20%	24%	26%	28%	29%
5	10-19	5L	5%	10%	15%	19%	19%	19%
5	N/A	5	5%	10%	15%	19%	19%	19%
6	0-9	6	2%	4%	6%	8%	9%	9%
					Recovery rate***			

* If a recovery range is not available from S&P's published reports for a given loan with an S&P Recovery Rating of "2" through "5", the lower range for the applicable recovery rating will be assumed.

*** If a Collateral Obligation, or another obligation of the same obligor that is *pari passu* with such Collateral Obligation and is secured by the same collateral as such Collateral Obligation, is upgraded to investment-grade and as a result of such upgrade, S&P withdraws the S&P Recovery Rating that had been assigned to such obligation prior to such upgrade, the Collateral Manager will be able to determine the S&P Recovery Rating for such obligation using the withdrawn S&P Recovery Rating pursuant to this table.

(ii) If (x) a Collateral Obligation does not have an S&P Recovery Rating and such Collateral Obligation is a senior unsecured loan or second lien loan 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 (other than a First-Lien Last-Out Loan) (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%

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Liability Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
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+	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

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+	10%	12%	14%	16%	18%	20%
1	10%	12%	14%	16%	18%	20%
2	10%	12%	14%	16%	18%	20%
3	5%	7%	9%	10%	11%	12%
4	2%	2%	2%	2%	2%	2%
5	-%	-%	-%	-%	-%	-%
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 and B

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					

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+	5%	5%	5%	5%	5%	5%
1	5%	5%	5%	5%	5%	5%
2	5%	5%	5%	5%	5%	5%
3	2%	2%	2%	2%	2%	2%
4	-%	-%	-%	-%	-%	-%
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 or C:

Priority Category	Initial Liability Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and "CCC"
Senior Secured Loans (other than First-Lien Last-Out Loans)						
Group A	50%	55%	59%	63%	75%	79%
Group B	39%	42%	46%	49%	60%	63%
Group C	17%	19%	27%	29%	31%	34%
Senior Secured Loans (Cov-Lite Loans)						
Group A	41%	46%	49%	53%	63%	67%
Group B	32%	35%	39%	41%	50%	53%
Group C	17%	19%	27%	29%	31%	34%

Priority Category	Initial Liability Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and "CCC"
Second Lien Loans, First-Lien Last-Out Loans, Unsecured Loans[8]						
Group A	18%	20%	23%	26%	29%	31%
Group B	13%	16%	18%	21%	23%	25%
Group C	10%	12%	14%	16%	18%	20%
Subordinated loans						
Group A	8%	8%	8%	8%	8%	8%
Group B	8%	8%	8%	8%	8%	8%
Group C	5%	5%	5%	5%	5%	5%
	Recovery rate					

Group A: Australia, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Japan, Luxembourg, Netherlands, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, U.K. and United States

Group B: Brazil, Dubai International Finance Center, Italy, Mexico, South Africa, Turkey and United Arab Emirates

Group C: Kazakhstan, Russian Federation, Ukraine and others not included in Group A or Group B

Notwithstanding the foregoing, for purposes of determining the S&P Recovery Rate of a Collateral Obligation that is a Senior Secured Loan solely by operation of the proviso to clause (d) of the definition of the term "Senior Secured Loan," such Collateral Obligation shall be deemed to be an Unsecured Loan.

[8] Solely for the purpose of determining the S&P Recovery Rate for such loan, the aggregate principal balance of all First-Lien Last-Out Loans, Unsecured Loans and Second Lien Loans that, in the aggregate, represent up to 15% of the Collateral Principal Amount shall have the S&P Recovery Rate specified for First-Lien Last-Out Loans, Unsecured Loans and Second Lien Loans in the table above and the aggregate outstanding principal balance of all First-Lien Last-Out Loans, Unsecured Loans and Second Lien Loans in excess of 15% of the Collateral Principal Amount shall have the S&P Recovery Rate specified for subordinated loans in the table above.

Section 2. S&P CDO Monitor

Liability Rating	"AAA"	"AA"	"A"	"BBB-"	"BB"
Weighted Average S&P Recovery Rate	35.5	45.6	50.65	55.7	60.75
	35.6	45.7	50.75	55.8	60.85
	35.7	45.8	50.85	55.9	60.95
	35.8	45.9	50.95	56	61.05
	35.9	46	51.05	56.1	61.15
	36	46.1	51.15	56.2	61.25
	36.1	46.2	51.25	56.3	61.35
	36.2	46.3	51.35	56.4	61.45
	36.3	46.4	51.45	56.5	61.55
	36.4	46.5	51.55	56.6	61.65
	36.5	46.6	51.65	56.7	61.75
	36.6	46.7	51.75	56.8	61.85
	36.7	46.8	51.85	56.9	61.95
	36.8	46.9	51.95	57	62.05
	36.9	47	52.05	57.1	62.15
	37	47.1	52.15	57.2	62.25
	37.1	47.2	52.25	57.3	62.35
	37.2	47.3	52.35	57.4	62.45
	37.3	47.4	52.45	57.5	62.55
	37.4	47.5	52.55	57.6	62.65
	37.5	47.6	52.65	57.7	62.75
	37.6	47.7	52.75	57.8	62.85
	37.7	47.8	52.85	57.9	62.95
	37.8	47.9	52.95	58	63.05
	37.9	48	53.05	58.1	63.15
	38	48.1	53.15	58.2	63.25
	38.1	48.2	53.25	58.3	63.35
	38.2	48.3	53.35	58.4	63.45
	38.3	48.4	53.45	58.5	63.55
	38.4	48.5	53.55	58.6	63.65
	38.5	48.6	53.65	58.7	63.75
	38.6	48.7	53.75	58.8	63.85
	38.7	48.8	53.85	58.9	63.95
	38.8	48.9	53.95	59	64.05
	38.9	49	54.05	59.1	64.15
	39	49.1	54.15	59.2	64.25
	39.1	49.2	54.25	59.3	64.35
	39.2	49.3	54.35	59.4	64.45
	39.3	49.4	54.45	59.5	64.55
	39.4	49.5	54.55	59.6	64.65
	39.5	49.6	54.65	59.7	64.75
	39.6	49.7	54.75	59.8	64.85
	39.7	49.8	54.85	59.9	64.95
	39.8	49.9	54.95	60	65.05
	39.9	50	55.05	60.1	65.15
	40	50.1	55.15	60.2	65.25
	40.1	50.2	55.25	60.3	65.35
	40.2	50.3	55.35	60.4	65.45
	40.3	50.4	55.45	60.5	65.55
	40.4	50.5	55.55	60.6	65.65

Liability Rating	"AAA"	"AA"	"A"	"BBB-"	"BB"
	40.5	50.6	55.65	60.7	65.75
	40.6	50.7	55.75	60.8	65.85
	40.7	50.8	55.85	60.9	65.95
	40.8	50.9	55.95	61	66.05
	40.9	51	56.05	61.1	66.15
	41	51.1	56.15	61.2	66.25
	41.1	51.2	56.25	61.3	66.35
	41.2	51.3	56.35	61.4	66.45
	41.3	51.4	56.45	61.5	66.55
	41.4	51.5	56.55	61.6	66.65
	41.5	51.6	56.65	61.7	66.75
	41.6	51.7	56.75	61.8	66.85
	41.7	51.8	56.85	61.9	66.95
	41.8	51.9	56.95	62	67.05
	41.9	52	57.05	62.1	67.15
	42	52.1	57.15	62.2	67.25
	42.1	52.2	57.25	62.3	67.35
	42.2	52.3	57.35	62.4	67.45
	42.3	52.4	57.45	62.5	67.55
	42.4	52.5	57.55	62.6	67.65
	42.5	52.6	57.65	62.7	67.75
	42.6	52.7	57.75	62.8	67.85
	42.7	52.8	57.85	62.9	67.95
	42.8	52.9	57.95	63	68.05
	42.9	53	58.05	63.1	68.15
	43	53.1	58.15	63.2	68.25
	43.1	53.2	58.25	63.3	68.35
	43.2	53.3	58.35	63.4	68.45
	43.3	53.4	58.45	63.5	68.55
	43.4	53.5	58.55	63.6	68.65
	43.5	53.6	58.65	63.7	68.75
	43.6	53.7	58.75	63.8	68.85
	43.7	53.8	58.85	63.9	68.95
	43.8	53.9	58.95	64	69.05
	43.9	54	59.05	64.1	69.15
	44	54.1	59.15	64.2	69.25
	44.1	54.2	59.25	64.3	69.35
	44.2	54.3	59.35	64.4	69.45
	44.3	54.4	59.45	64.5	69.55
	44.4	54.5	59.55	64.6	69.65
	44.5	54.6	59.65	64.7	69.75
	44.6	54.7	59.75	64.8	69.85
	44.7	54.8	59.85	64.9	69.95
	44.8	54.9	59.95	65	70.05
	44.9	55	60.05	65.1	70.15
	45	55.1	60.15	65.2	70.25
	45.1	55.2	60.25	65.3	70.35
	45.2	55.3	60.35	65.4	70.45
	45.3	55.4	60.45	65.5	70.55
	45.4	55.5	60.55	65.6	70.65
	45.5	55.6	60.65	65.7	70.75
	45.6	55.7	60.75	65.8	70.85
	45.7	55.8	60.85	65.9	70.95

Liability Rating	"AAA"	"AA"	"A"	"BBB-"	"BB"
	45.8	55.9	60.95	66	71.05
	45.9	56	61.05	66.1	71.15
	46	56.1	61.15	66.2	71.25
	46.1	56.2	61.25	66.3	71.35
	46.2	56.3	61.35	66.4	71.45
	46.3	56.4	61.45	66.5	71.55
	46.4	56.5	61.55	66.6	71.65
	46.5	56.6	61.65	66.7	71.75
	46.6	56.7	61.75	66.8	71.85
	46.7	56.8	61.85	66.9	71.95
	46.8	56.9	61.95	67	72.05
	46.9	57	62.05	67.1	72.15
	47	57.1	62.15	67.2	72.25
	47.1	57.2	62.25	67.3	72.35
	47.2	57.3	62.35	67.4	72.45
	47.3	57.4	62.45	67.5	72.55
	47.4	57.5	62.55	67.6	72.65
	47.5	57.6	62.65	67.7	72.75
	47.6	57.7	62.75	67.8	72.85
	47.7	57.8	62.85	67.9	72.95
	47.8	57.9	62.95	68	73.05
	47.9	58	63.05	68.1	73.15
	48	58.1	63.15	68.2	73.25
	48.1	58.2	63.25	68.3	73.35
	48.2	58.3	63.35	68.4	73.45
	48.3	58.4	63.45	68.5	73.55
	48.4	58.5	63.55	68.6	73.65
	48.5	58.6	63.65	68.7	73.75
	46.9	45.6	50.65	55.7	60.75
	47	45.7	50.75	55.8	60.85
	47.1	45.8	50.85	55.9	60.95
	47.2	45.9	50.95	56	61.05
	47.3	46	51.05	56.1	61.15
	47.4	46.1	51.15	56.2	61.25
	47.5	46.2	51.25	56.3	61.35
	47.6	46.3	51.35	56.4	61.45
	47.7	46.4	51.45	56.5	61.55
	47.8	46.5	51.55	56.6	61.65
	47.9	46.6	51.65	56.7	61.75
	48	46.7	51.75	56.8	61.85
	48.1	46.8	51.85	56.9	61.95
	48.2	46.9	51.95	57	62.05
	48.3	47	52.05	57.1	62.15
	48.4	47.1	52.15	57.2	62.25
	48.5	47.2	52.25	57.3	62.35

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

The applicable weighted average spread will be the spread between 1.50% and 7.00% (in increments of .01%) without exceeding the Weighted Average Floating Spread (determined for purposes of this definition as if all

Discount Obligations instead constituted Collateral Obligations that are not Discount Obligations) as of such Measurement Date.

Section 3 S&P Default Rate.

Maturity (years)	S&P Rating									
	"AAA"	"AA+"	"AA"	"AA-"	"A+"	"A"	"A-"	"BBB+"	"BBB"	"BBB-"
0	0.00000000000000	0.00000000000000	0.00000000000000	0.00000000000000	0.00000000000000	0.00000000000000	0.00000000000000	0.00000000000000	0.00000000000000	0.00000000000000
1	0.00003249168014	0.00008324133473	0.00017658665685	0.00049442537636	0.00100435283385	0.00198335724928	0.00305284013092	0.00403669389141	0.00461619431140	0.00524293676951
2	0.00015699160323	0.00036996201042	0.00073622429264	0.00139938458667	0.00257399573659	0.00452472002175	0.00667328704185	0.00892888699405	0.01091718533602	0.01445988981952
3	0.00041483816094	0.00091325396687	0.00172278071294	0.00276840924859	0.00474538444138	0.00770505273372	0.01100045166236	0.01484174712870	0.01895695617364	0.02702053897092
4	0.00084783735367	0.00176280787635	0.00317752719845	0.00464897370222	0.00755268739144	0.01158808027690	0.01613532092160	0.02186031844418	0.02867799361424	0.04229668376188
5	0.00149745582951	0.00296441043902	0.00513748509964	0.00708173062555	0.01102407117753	0.01621845931443	0.02213969353901	0.03000396020915	0.03994693333519	0.05969442574039
6	0.00240402335808	0.00455938301677	0.00763414909529	0.01009969303017	0.01517930050335	0.02162162838004	0.02903924108898	0.03924150737171	0.05258484100533	0.07867653829083
7	0.00360598844688	0.00658408410672	0.01069265583311	0.01372767418503	0.02002861319041	0.02780489164645	0.03682872062425	0.04950544130466	0.06639096774184	0.09877441995809
8	0.00513925203265	0.00906952567554	0.01433135028927	0.01798206028262	0.02557255249779	0.03475933634592	0.04547803679069	0.06070419602795	0.08116014268566	0.11959163544802
9	0.00703659581067	0.01204112355275	0.01856168027847	0.02287090497830	0.03180245322497	0.04246223104848	0.05493831311597	0.07273225514177	0.09669462876962	0.14080159863536
10	0.00932721558018	0.01551858575581	0.02338835025976	0.02839429962031	0.03870134053607	0.05087961844696	0.06514747149521	0.08547803540196	0.11281151957447	0.16214168796922
11	0.01203636450979	0.01951593238045	0.02880967203295	0.03454495951708	0.04624506060805	0.05996888869754	0.07603506151831	0.09882975172219	0.12934675905433	0.18340556287277
12	0.01518510638111	0.02404163416342	0.03481805774334	0.04130896444852	0.05440351149008	0.06968118682835	0.08752624592744	0.11267955488484	0.14615674128289	0.20443491679272
13	0.01879017477837	0.02909885294571	0.04140060854110	0.04866659574161	0.06314188127197	0.07996356467179	0.09954495300396	0.12692626165773	0.16311827279155	0.22511145500583
14	0.02286393094556	0.03468576536752	0.04853975984763	0.05659321964303	0.07242183059306	0.09076083242049	0.11201626713245	0.14147698429601	0.18012750134259	0.24534954734253
15	0.02741441064319	0.04079595071314	0.05621395127849	0.06506017556120	0.08220257939344	0.10201709768991	0.12486815855274	0.15624793193058	0.19709825519910	0.26508976972438
16	0.03244544875941	0.04741882448743	0.06439829575802	0.07403563681456	0.09244187501892	0.11367700243875	0.13803266284923	0.17116461299395	0.21396010509223	0.28429339437018
17	0.03795686957738	0.05454010071015	0.07306522817054	0.08348542006155	0.10309683146543	0.12568668220692	0.15144661780260	0.18616162353298	0.23065635817821	0.30293779563441
18	0.04394473036551	0.06214226778788	0.08218511899319	0.09337372717552	0.11412463860794	0.13799447984096	0.16505205534227	0.20118216540699	0.24714211642608	0.32101268824753
19	0.05040160622073	0.07020506494637	0.09172684273858	0.10366380975952	0.12548314646638	0.15055144894628	0.17879633320753	0.21617740303414	0.26338247665982	0.33851709269878
20	0.05731690474411	0.07870594841153	0.10165829471868	0.11431855172602	0.13713133355595	0.16331168219788	0.19263207693491	0.23110573813940	0.27935091127019	0.35545691796023
21	0.06467720005315	0.08762053868981	0.11194685266377	0.12530096944489	0.14902967068053	0.17623249751025	0.20651698936614	0.24593205864939	0.29502784323211	0.37184305725693
22	0.07246657674287	0.09692304233146	0.12255978214336	0.13657463200185	0.16114039259518	0.18927451178181	0.22041357278348	0.26062699982603	0.31039941302623	0.38768990320407
23	0.08066697561510	0.10658664340514	0.13346458660563	0.14810400624971	0.17342769013874	0.20240162811085	0.23428879835930	0.27516624211807	0.32545642561659	0.40301420123877
24	0.08925853423660	0.11658386153875	0.14462930424521	0.15985473272686	0.18585783500387	0.21558095845599	0.24811374891951	0.28952986021038	0.34019346068715	0.41783417301371
25	0.09821991660962	0.12688687477491	0.15602275489727	0.17179383930879	0.19839924848505	0.22878269995493	0.26186325396763	0.30370173060440	0.35460812735415	0.43216885327770
26	0.10752862740247	0.13746780665156	0.16761474080616	0.18388989978303	0.21102252449299	0.24197997968242	0.27551553032431	0.31766900011297	0.36870044445001	0.44603759426533
27	0.11716130726647	0.14829897785967	0.17937620549285	0.19611314451375	0.22370041596552	0.25514867959937	0.28905183739534	0.33142161435353	0.38247232845686	0.45945970060372
28	0.12709400674022	0.15935312356895	0.19127935510379	0.20843553008938	0.23640779262780	0.26826725084491	0.30245615277997	0.34495190323981	0.39592717273876	0.47245416525357
29	0.13730243710320	0.17060357806895	0.20329774661513	0.22083077440588	0.24912157691632	0.28131652434167	0.31571487147424	0.35825421926124	0.40906950354635	0.48503948316705
30	0.14776219728465	0.18202442877234	0.21540634713369	0.23327436309552	0.26182066381869	0.29427952288898	0.32881653013776	0.37132462374109	0.42190470013462	0.49723352433811
	Default Rate									

Maturity (years)	S&P Rating								
	"BB+"	"BB"	"BB-"	"B+"	"B"	"B-"	"CCC+"	"CCC"	"CCC-"
0	0.00000000000000	0.00000000000000	0.00000000000000	0.00000000000000	0.00000000000000	0.00000000000000	0.00000000000000	0.00000000000000	0.00000000000000
1	0.01051626951540	0.02109451063219	0.02600238218261	0.03221175349449	0.07848052027128	0.10882127346154	0.15688600485092	0.20494983870945	0.25301274610780
2	0.02499656454519	0.04644347602378	0.05872070298984	0.07597534275765	0.14781993688588	0.20010197918490	0.28039819269931	0.34622676009875	0.40104827389528
3	0.04296728984267	0.07475880167357	0.09536299437344	0.12379110105596	0.20934989256384	0.27616831728107	0.37429808873546	0.44486182623555	0.49823180926143
4	0.06375706489973	0.10488372919304	0.13369966912307	0.17163869422120	0.26396576049049	0.33956728434721	0.44585490662468	0.51602827454518	0.56644893859712
5	0.08664543568793	0.13586821436722	0.17214556293531	0.21748448101304	0.31246336178428	0.39272129824310	0.50135334884654	0.56922984826034	0.61661406997870
6	0.11095356236080	0.16697806761620	0.20966482949668	0.26041061250789	0.35559617193298	0.43770644618830	0.54540770782673	0.61035699119403	0.65491579211460
7	0.13609032486632	0.19767400297576	0.24563596164635	0.30011114045302	0.39406428304708	0.47619999931623	0.58122985959186	0.64312999141532	0.68512299997909
8	0.16156889823197	0.22757944125466	0.27972842394960	0.33660307587399	0.42849804714584	0.50951512801740	0.61102368657078	0.66995611089592	0.70963159373549
9	0.18700580837749	0.25644677999303	0.31180555451716	0.37006268488077	0.45945037340867	0.53866495002890	0.63630625959677	0.69243071475508	0.73001158997065
10	0.21211084035732	0.28412675027236	0.34185383793706	0.40073439438302	0.48739741129612	0.56442783804416	0.65813447581021	0.71163564980709	0.74731800853184
11	0.23667314094497	0.31054264263660	0.36993387616211	0.42888152616124	0.51274446097825	0.58740339226248	0.67725700377843	0.72832114376329	0.76227639665042
12	0.26054665876636	0.33566967587371	0.39614763984459	0.45476089725285	0.53583430552170	0.60805677528899	0.69421439889161	0.74301912258474	0.77539705473005
13	0.28363659558653	0.35951905665999	0.42061729215497	0.47861083876451	0.55695611742152	0.62675242871282	0.70940493338196	0.75611514630921	0.78704696564217
14	0.30588762208959	0.38212599668453	0.44347194216901	0.50064658739768	0.57635391124606	0.64377917518522	0.72312812694716	0.76789484926254	0.79749592477526
15	0.32727407180692	0.40354090885716	0.46483968141201	0.52105958011379	0.59423406584219	0.65936872217181	0.73561381419564	0.77857439457102	0.80694660997118
16	0.34779203545341	0.42382307208110	0.48484305663441	0.54001868607450	0.61077176721927	0.67370926400653	0.74704179108008	0.78832075169049	0.81555448782805
17	0.36745314020415	0.44303616519638	0.50359672594052	0.55767228363735	0.62611639818625	0.68695550071172	0.75755527500643	0.79726540401237	0.82344119393145
18	0.38627975067186	0.46124518847755	0.52120646691784	0.57415059395658	0.64039598203907	0.69923605651349	0.76727026109433	0.80551375832039	0.83070366542031
19	0.40430132963573	0.47851439829326	0.53776899540229	0.58956796989869	0.65372081561665	0.71065901445795	0.77628212466144	0.81315170523112	0.83742047206234
20	0.42155172182601	0.49490597076921	0.55337224854383	0.60402499985314	0.66618642723567	0.72131608316220	0.78467035300329	0.82025026616334	0.84365627512204
21	0.43806715861018	0.51047918266808	0.56809591468229	0.61761037378072	0.67787598227180	0.73128576554444	0.79250198989996	0.82686893791883	0.84946501826992
22	0.45388481719360	0.52528995390171	0.58201207638061	0.63040250473015	0.68886224172514	0.74063579446157	0.79983418248194	0.83305813869936	0.85489224805959
23	0.46904180090904	0.53939063874386	0.59518588675300	0.64247092133036	0.69920916125231	0.74942502551257	0.80671609361297	0.83886102557309	0.85997682859142
24	0.48357443564838	0.55282998463208	0.60767623324921	0.65387745604166	0.70897320184886	0.75770492428590	0.81319035960797	0.84431486609666	0.86475222861870
25	0.49751780111272	0.56565320087529	0.61953636423910	0.66467725632041	0.71820440936178	0.76552074772016	0.81929421763250	0.84945208922783	0.86924750263494
26	0.51090543460914	0.57790209665155	0.63081446667744	0.67491964477911	0.72694730840340	0.77291249247078	0.82506038981922	0.85430110229233	0.87348804983309
27	0.52376916018026	0.58961526000669	0.64155419082782	0.68464885182201	0.73524164682987	0.77991566402222	0.83051778577124	0.85888693491442	0.87749620956371
28	0.53613900757325	0.60082825839927	0.65179512243902	0.69390464113840	0.74312301943161	0.78656190650205	0.83569206768834	0.86323175320733	0.88129173477942
29	0.54804319456997	0.61157384762435	0.66157320515020	0.70272284536398	0.75062339353433	0.79287952316911	0.84060611023618	0.86735527538576	0.88489217319288
30	0.55950815306984	0.62188218039284	0.67092111705074	0.71113582641990	0.75777155452562	0.79889391025997	0.84528037876516	0.87127511150820	0.88831317771650
	Default Rate								

Annex D

MOODY'S RISKCALC CALCULATION

1. Defined Terms. The following terms shall be used in this Annex D with the meanings provided below.

"*.EDF*" means, with respect to any Collateral Obligation, the lowest of (A) the lowest of the 5-year expected default frequencies for the current year and previous 4 years for such Collateral Obligation as determined by running the current version of Moody's RiskCalc in the Credit Cycle Adjusted ("*CCA*") mode and (B) the 5-year expected default frequency for such Collateral Obligation as determined by running the current version of Moody's RiskCalc in the Financial Statement Only ("*FSO*") mode.

"*Model Inputs*" means the financial inputs used in the most recent Moody's RiskCalc private-firm model, taken directly from signed, unqualified US GAAP full-year audit data in accordance with "Moody's Global Approach to Rating Collateralized Loan Obligations" dated May 2013.

"*Moody's Industries*" means any one of the Moody's industrial classification groups as published by Moody's from time to time.

"*Pre-Qualifying Conditions*" means, with respect to any Collateral Obligation, conditions that will be satisfied if the obligor with respect to the applicable Collateral Obligation satisfies the following criteria:

1. an unqualified, signed, US GAAP audit opinion for the most recent annual statement is the source for Model Inputs. Such unqualified, signed, US GAAP audit opinion includes no explanatory paragraph addressing the obligor as a going concern or indicating any significant financial concerns. For LBOs, a full one-year audit of the firm after the acquisition has been completed is available;

2. the obligor's EBITDA is equal to or greater than U.S.$5,000,000;

3. the obligor's annual sales are equal to or greater than U.S.$10,000,000;

4. the obligor's book assets are equal to or greater than U.S.$10,000,000;

5. the obligor represents not more than 3.0% of the Collateral Principal Amount;

6. the obligor is a private company with no public rating from Moody's;

7. for the current and prior fiscal year, such obligor's:

(a) EBIT/interest expense ratio is greater than 1.0:1.0 and 1.25:1.00 with respect to retail (adjusted for rent expense); and

(b) debt/EBITDA ratio is less than 6.0:1.0;

8. no greater than 25% of the obligor's revenue is generated from any one customer of the obligor;

9. no financial covenants in the Underlying Instruments have been modified or waived within the immediately preceding three month period;

10. none of the original terms of the Underlying Instruments have been modified or waived within the immediately preceding three month period; and

11. the obligor is a for-profit operating company in any one of the Moody's Industries with the exception of (i) Banking, Finance, Insurance and Real Estate and (ii) Sovereign and Public Finance.

2. The Collateral Manager shall calculate the .EDF for each of the Collateral Obligations to be rated pursuant to this Annex D and shall also provide Moody's with the .EDF and the information necessary to calculate such .EDF. Moody's shall have the right (in its sole discretion) to (i) amend or modify any of the information utilized to

calculate the .EDF and recalculate the .EDF based upon such revised information, in which case such .EDF shall be determined using the table in paragraph 3 below in order to determine the applicable Moody's Rating, or (ii) have a Moody's credit analyst provide a rating estimate for any Collateral Obligation rated pursuant to this Annex D, in which case such rating estimate provided by such credit analyst shall be the applicable Moody's Rating.

3. The Moody's Rating for each Collateral Obligation that satisfies the Pre-Qualifying Conditions shall be the lower of (i) the Collateral Manager's internal rating or (ii) the rating based on the .EDF for such Collateral Obligation, as determined in accordance with the table below:

Lowest .EDF	**Moody's Rating**
less than or equal to .baa	Ba3
.ba1, .ba2, .ba3 or .b1	B2
.b2 or .b3	B3
.caa	Caa1

4. The Moody's Recovery Rate for each Collateral Obligation that meets the Pre-Qualifying Conditions shall be the lower of (i) the Collateral Manager's internal recovery rate or (ii) the recovery rate as determined in accordance with the table below:

Type of Collateral Obligation	**Moody's Recovery Rate**
senior secured, first priority, first lien and first out	50%
all other Collateral Obligations	25%

provided that Moody's shall have the right (in its sole discretion) to issue a recovery rate assigned by one of its credit analysts, in which case such recovery rate provided by such credit analyst shall be the applicable Moody's Recovery Rate.

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WOODMONT 2017-1 TRUST

U.S.$284,300,000 Class A Senior Secured Floating Rate Notes due 2029
U.S.$48,600,000 Class B Senior Secured Floating Rate Notes due 2029
U.S.$37,900,000 Class C Senior Secured Deferrable Floating Rate Notes due 2029
U.S.$30,700,000 Class D Senior Secured Deferrable Floating Rate Notes due 2029

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Wells Fargo Securities

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