

SECURITY FOR THE NOTES

The "Collateral" securing the Notes will consist of all of the Issuer's right, title and interest in, to and under, in each case, whether owned or existing on the Closing Date or thereafter acquired or arising, all of the following: (i) Collateral Obligations and Eligible Investments acquired with the net proceeds from the issuance of the Securities and from time to time thereafter with other amounts received by the Issuer in respect of the Collateral, (ii) funds on deposit in certain accounts established under the Indenture, (iii) the rights of the Issuer under the Indenture, the Collateral Management Agreement and the Collateral Administration Agreement and (iv) certain payments or distributions received in respect of the Collateral Obligations and Eligible Investments; *provided* that the Collateral will not include the Excluded Property. The composition of the Collateral Obligations will be determined by the Collateral Manager, subject to the limitations of the Indenture and the Collateral Management Agreement.

Collateral Obligations

An obligation will be eligible for purchase by the Issuer and pledge to the Trustee as a Collateral Obligation if it is, as of the date of its purchase by the Issuer (or entry into a commitment to purchase by the Issuer), (i) a Term Loan or a participation in a Term Loan, (ii) a Revolving Loan or a participation in a Revolving Loan, (iii) a Structured Finance Obligation, (iv) a Bond or (v) a Synthetic Security (provided that, in the case of (i), (ii), (iii) or (iv), such obligation, and in the case of (v), the relevant underlying obligation and, where indicated, the Synthetic Security itself) also satisfies the following criteria (the "Collateral Obligation Eligibility Criteria") as of such date:

1. The obligation is denominated and payable only in U.S. Dollars.
2. The terms of the obligation do not provide for such obligation to be converted or exchanged at any time into any Equity Security or any other security or asset that is characterized as equity for U.S. federal income tax purposes.
3. The obligation (a) has a Moody's Rating (including any estimated or confidential rating which is in respect of the full obligation of the Obligor and which is monitored) and (b) has an S&P Rating (including any confidential rating which is in respect of the full obligation of the Obligor and which is monitored and in relation to which consent to disclosure has been provided to S&P by the related Obligor), which S&P Rating does not have a "p", "pi", "q", "r", or "t" subscript.
4. The obligation is not a Defaulted Obligation, Equity Security or Credit Risk Obligation.
5. The related Obligor is the borrower, issuer or guarantor in respect of such obligation.
6. The obligation (other than a Bond or Structured Finance Obligation) is not subordinated by its terms to other indebtedness for borrowed money of the applicable Obligor; *provided* that, for the avoidance of doubt, this clause will not prohibit the purchase of Subordinated Lien Loans or unsecured Loans.
7. The obligation (a) bears simple interest payable in cash no less frequently than annually at a fixed or floating rate that is paid on a periodic basis on an unleveraged basis and, in the case of a floating rate, computed on a benchmark interest rate plus or minus a spread, if any (which may vary under the terms of the obligation) and (b) does not by its terms permit the deferral of the payment of interest in cash thereon, including, without limitation, by providing for the payment of interest through the issuance of additional debt securities identical to such debt security or through additions to the principal amount thereof for a specified period in the future or for the remainder of its life or by capitalizing interest due on such debt security as principal (except in the case of a PIK Obligation). With respect to an obligation that provides for the payment of interest at a floating rate, such floating rate is determined by reference to the U.S. Dollar prime rate or other base rate, London interbank offered rate or similar interbank offered rate, commercial deposit rate or any other index for which Rating Confirmation has been received.
8. The obligation is not subject to an outstanding offer to be acquired, exchanged or tendered.