IMPORTANT NOTICE

Attached is an electronic copy of the Confidential Offering Circular (the "Offering Circular"), dated April 28, 2006, relating to the offering by Hout Bay 2006-1 Ltd. (the "Issuer") and Hout Bay 2006-1 Corp. (the "Co-Issuer" and, together with the Issuer, the "Issuers") of the Notes described therein.

No registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities are being offered pursuant to an exemption from the registration requirements of the United States Securities Act of 1933, as amended. This Offering Circular is confidential and will not constitute an offer to sell or the solicitation of an offer to buy, nor will there be any sale of these securities in any jurisdiction where such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any jurisdiction.

No purchase of these securities may be made except pursuant to this Offering Circular. This Offering Circular may be transmitted electronically, but each investor in the securities should receive a printed version thereof prior to purchase. If you do not receive a printed version of this Offering Circular, please contact your Initial Purchaser representative at the address provided herein.

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

CONFIDENTIAL

HOUT BAY 2006-1 LTD.
HOUT BAY 2006-1 CORP.

U.S. $4,000,000 Class S Floating Rate Notes Due 2014
U.S.$1,275,000,000 Class A-1 Floating Rate Notes Due 2041
U.S.$127,000,000 Class A-2 Floating Rate Notes Due 2041
U.S.$50,000,000 Class B Floating Rate Notes Due 2041
U.S.$21,000,000 Class C Deferrable Floating Rate Notes Due 2041
U.S.$17,000,000 Class D Floating Rate Notes Due 2041
U.S.$4,000,000 Class E Floating Rate Notes Due 2041
U.S.$6,000,000 Subordinated Notes Due 2041

Secured (with respect to the Secured Notes) Primarily by a Portfolio of Residential Mortgage-Backed Securities, Commercial Mortgage-Backed Securities, CDO Securities, Asset-Backed Securities and Synthetic Securities

The Secured Notes (as defined herein), other than the Class A-1 Notes (as defined herein), and the Subordinated Notes (as defined herein) (collectively, the "Offered Notes") are being offered hereby by Goldman, Sachs & Co. in the United States to qualified institutional buyers (as defined in Rule 144A under the United States Securities Act of 1933, as amended (the "Securities Act")), in reliance on Rule 144A under the Securities Act, and, solely in the case of the Subordinated Notes, to accredited investors (as defined in Rule 501(a) under the Securities Act) who have a net worth of not less than U.S.$10 million in transactions exempt from registration under the Securities Act. The Offered Notes are being offered hereby in the United States only to persons that are also "qualified purchasers" for purposes of Section 3(c)(7) under the United States Investment Company Act of 1940, as amended (the "Investment Company Act"). In addition, the Offered Notes are being offered hereby by Goldman, Sachs & Co., selling through its agents, and, solely in the case of the Subordinated Notes, Investec Bank (UK) Ltd., outside the United States to non U.S. Persons in offshore transactions in reliance on Regulation S ("Regulation S") under the Securities Act. See "Underwriting."

See "Risk Factors" for a discussion of certain factors to be considered in connection with an investment in the Notes.

It is a condition of the issuance of the Notes that the Class S Notes, the Class A-1 Notes and the Class A-2 Notes be issued with a rating of "Aaa" by Moody's Investors Service, Inc. ("Moody's") and "AAA" by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("S&P" and, together with Moody's, the "Rating Agencies"), that the Class B Notes be issued with a rating of at least "Aa2" by Moody's and at least "AA" by S&P, that the Class C Notes be issued with a rating of at least "A2" by Moody's and at least "A" by S&P, that the Class D Notes be issued with a rating of at least "Baa2" by Moody's and at least "BBB" by S&P, that the Class E Notes be issued with an initial rating on the Closing Date of at least "Ba1" by Moody's and at least "BB+" by S&P and that the Subordinated Notes be issued with a rating of at least "Ba3" by Moody's (which rating addresses the ultimate payment of the Subordinated Note Rated Amount only). A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating agency. See "Ratings of the Notes."

Application has been made to the Irish Stock Exchange for the Notes to be admitted to the official list of the Irish Stock Exchange and to trading on its regulated market. There can be no assurance that any such listing will be obtained. No application will be made to list the Notes to any other exchange.

See "Underwriting" for a discussion of the terms and conditions of the purchase of the Offered Notes by the Initial Purchasers.

THE ASSETS OF THE ISSUER (AS DEFINED HEREIN) ARE THE SOLE SOURCE OF PAYMENTS ON THE NOTES. THE NOTES DO NOT REPRESENT AN INTEREST IN OR OBLIGATIONS OF, AND ARE NOT INSURED OR GUARANTEED BY, THE HOLDERS OF THE NOTES, THE LIQUIDATION AGENT (AS DEFINED HEREIN), THE ADMINISTRATIVE AGENT (AS DEFINED HEREIN), THE HEDGE COUNTERPARTY (AS DEFINED HEREIN), GOLDMAN, SACHS & CO., INVESTEC BANK (UK) LTD. (EACH, AS INITIAL PURCHASER (AS DEFINED HEREIN)), THE ADMINISTRATOR (AS DEFINED HEREIN), THE AGENTS (AS DEFINED HEREIN), THE TRUSTEE, THE SHARE TRUSTEE (AS DEFINED HEREIN) OR ANY OF THEIR RESPECTIVE AFFILIATES.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, AND NEITHER OF THE ISSUERS (AS DEFINED HEREIN) WILL BE REGISTERED UNDER THE INVESTMENT COMPANY ACT. THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS SUCH TERMS ARE DEFINED UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. ACCORDINGLY, THE OFFERED NOTES ARE BEING OFFERED HEREBY ONLY TO (A) (1) QUALIFIED INSTITUTIONAL BUYERS (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) AND, SOLELY IN THE CASE OF THE SUBORDINATED NOTES, ACCREDITED INVESTORS (AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT) THAT HAVE A NET WORTH OF NOT LESS THAN U.S.$10 MILLION AND, WHO ARE (2) QUALIFIED PURCHASERS FOR PURPOSES OF SECTION 3(c)(7) UNDER THE INVESTMENT COMPANY ACT AND (B) CERTAIN NON-U.S. PERSONS OUTSIDE THE UNITED STATES IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT. PURCHASERS AND SUBSEQUENT TRANSFEREES OF CLASS E NOTES (OTHER THAN THE REGULATION S CLASS E NOTES) AND SUBORDINATED NOTES (OTHER THAN THE REGULATIONS S SUBORDINATED NOTES) WILL BE REQUIRED TO EXECUTE AND DELIVER A LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS, AND PURCHASERS AND SUBSEQUENT TRANSFEREES OF CLASS S NOTES, CLASS A NOTES, CLASS B NOTES, CLASS C NOTES, CLASS D NOTES, REGULATION S CLASS E NOTES AND REGULATION S SUBORDINATED NOTES WILL BE DEEMED TO HAVE MADE SUCH REPRESENTATIONS AND AGREEMENTS, AS SET FORTH UNDER "NOTICE TO INVESTORS." THE NOTES ARE NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED UNDER "NOTICE TO INVESTORS."

The Offered Notes are being offered by Goldman, Sachs & Co. (in the case of the Notes offered outside the United States, selling through its selling agent) and, solely in the case of the Subordinated Notes outside the United States in offshore transactions in reliance on Regulation S, by Investec Bank (UK) Ltd. (individually, an "Initial Purchaser" and, collectively, the "Initial Purchasers"), in each case, as specified herein, subject to each Initial Purchaser's right to reject any order in whole or in part, in one or more negotiated transactions or otherwise at varying prices to be determined at the time of sale *plus* accrued interest, if any, from the Closing Date (as defined herein). It is expected that the Class S Notes, Class A Notes, Class B Notes, Class C Notes, Class D Notes, Regulation S Class E Notes and the Regulation S Subordinated Notes will be ready for delivery in book entry form only in New York, New York, on or about May 2, 2006 (the "Closing Date"), through the facilities of DTC and in the case of the Notes sold outside the United States, for the accounts of Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream"), against payment therefor in immediately available funds. It is expected that the Class E Notes (other than the Regulation S Class E Notes) and the Subordinated Notes (other than the Regulation S Subordinated Notes) will be ready for delivery in definitive form in New York, New York on the Closing Date, against payment therefor in immediately available funds. The Notes sold in reliance on Rule 144A, and, solely in the case of the Subordinated Notes to Accredited Investors, will be issued in minimum denominations of U.S.$250,000 and integral multiples of U.S.$1 in excess thereof. The Notes sold in reliance on Regulation S will be issued in minimum denominations of U.S.$100,000 and integral multiples of U.S.$1 in excess thereof.

Goldman, Sachs & Co. **Investec Bank (UK) Ltd.**

Offering Circular dated April 28, 2006.

Hout Bay 2006-1 Ltd., an exempted company incorporated with limited liability under the laws of the Cayman Islands (the "Issuer"), and Hout Bay 2006-1 Corp., a Delaware corporation (the "Co-Issuer" and, together with the Issuer, the "Issuers"), will issue U.S. $4,000,000 principal amount of Class S Floating Rate Notes Due 2014 (the "Class S Notes"), U.S.$1,275,000,000 principal amount of Class A-1 Floating Rate Notes Due 2041 (the "Class A-1 Notes"), U.S.$127,000,000 principal amount of Class A-2 Floating Rate Notes Due 2041 (the "Class A-2 Notes" and, together with the Class A-1 Notes, the "Class A Notes"), U.S.$ 50,000,000 principal amount of Class B Floating Rate Notes Due 2041 (the "Class B Notes"), U.S.$21,000,000 principal amount of Class C Deferrable Floating Rate Notes Due 2041 (the "Class C Notes"), U.S.$17,000,000 principal amount of Class D Floating Rate Notes Due 2041 (the "Class D Notes" and, together with the Class S Notes, Class A Notes, the Class B Notes and the Class C Notes, the "Co-Issued Notes") and the Issuer will issue U.S.$4,000,000 principal amount of Class E Floating Rate Notes Due 2041 (the "Class E Notes" and, together with the Co-Issued Notes, the "Secured Notes") pursuant to an Indenture (the "Indenture") dated on or about May 2, 2006 among the Issuers and LaSalle Bank National Association, as trustee and securities intermediary (in such capacity, the "Trustee" and the "Securities Intermediary," respectively).

In addition, the Issuer will issue U.S.$6,000,000 principal amount of Subordinated Notes Due 2041 (the "Subordinated Notes" and, together with the Secured Notes, the "Notes") pursuant to a Fiscal Agency Agreement dated on or about May 2, 2006 (the "Fiscal Agency Agreement") between the Issuer and LaSalle Bank National Association, as fiscal agent (in such capacity, the "Fiscal Agent").

The net proceeds received from the offering of the Notes will be applied by the Issuer to purchase a portfolio of Residential Mortgage-Backed Securities, Commercial Mortgage-Backed Securities, CDO Securities, Asset-Backed Securities and Synthetic Securities as described herein, and certain Eligible Investments (as defined herein). Certain summary information about the Collateral Assets (as defined herein) (other than those Collateral Assets which have not yet been issued) is set forth in Appendix B to this Offering Circular. In addition, certain of the offering documents, term sheets, trustee reports and remittance reports relating to the Collateral Assets are included on the CD-ROM attached to this Offering Circular. On the Closing Date, the Issuer will enter into one or more Hedge Agreements (as defined herein). The Collateral Assets, the Eligible Investments and certain other assets of the Issuer will be pledged under the Indenture to the Trustee, for the benefit of the Secured Parties (as defined herein), as security for, among other obligations, the Issuers' obligations under the Secured Notes (but not the Subordinated Notes) and to certain service providers.

Interest will be payable on the Class S Notes, Class A Notes and the Class B Notes in arrears on the 5th day of each calendar month, or if any such date is not a Business Day (as defined herein), the immediately following Business Day (each date, a "Payment Date") commencing July 5, 2006 and interest will be payable on the Class C Notes, the Class D Notes and the Class E Notes in arrears on the 5th day of each January, April, July and October of each year, or if any such date is not a Business Day, the immediately following Business Day (each such date, a "Quarterly Payment Date") commencing on July 5, 2006. The Class S Notes will bear interest at a per annum rate equal to LIBOR (as defined herein) *plus* 0.25% for each Interest Accrual Period (as defined herein). The Class A-1 Notes will bear interest at a per annum rate equal to LIBOR *plus* 0.25% for each Interest Accrual Period. The Class A-2 Notes will bear interest at a per annum rate equal to LIBOR *plus* 0.45% for each Interest Accrual Period. The Class B Notes will bear interest at a per annum rate equal to LIBOR *plus* 0.58% for each Interest Accrual Period. The Class C Notes will bear interest at a per annum rate equal to LIBOR *plus* 1.40% for each Interest Accrual Period. The Class D Notes will bear interest at a per annum rate equal to LIBOR *plus* 3.25% for each Interest Accrual Period. The Class E Notes will bear interest at a per annum rate equal to LIBOR *plus* 6.00% for each Interest Accrual Period. Payments will be made on the Subordinated Notes on Quarterly Payment Dates to the extent described herein.

All payments on the Notes will be made from Proceeds available in accordance with the Priority of Payments. On each Payment Date, except as otherwise provided in the Priority of Payments, payments on the Class S Notes will be senior to payments on the Class A Notes and Class B Notes; and payments on the Class A Notes will be senior to payments on the Class B Notes. On each Quarterly Payment Date, except as otherwise provided in the Priority of Payments, payments on the Class S Notes will be senior to payments on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Notes; payments on the Class A Notes will be senior to payments on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Notes; payments on the Class B Notes will be senior to payments on the Class C Notes,

the Class D Notes, the Class E Notes and the Subordinated Notes; payments on the Class C Notes will be senior to payments on the Class D Notes, the Class E Notes and the Subordinated Notes; payments on the Class D Notes will be senior to payments on the Class E Notes and the Subordinated Notes; and payments on the Class E Notes will be senior to payments on the Subordinated Notes, in accordance with the Priority of Payments as described herein. Certain of the Secured Notes (other than the Class S Notes and the Class E Notes) are subject to mandatory redemption, if a Coverage Test is not satisfied on any date of determination which may result in variations to the seniorities of distributions described above and as more fully described in the Priority of Payments. The Class E Notes are subject to mandatory prepayments out of certain Principal Proceeds or if the Class E Interest Diversion Test is not satisfied on any date of determination which may result in variations to the seniorities of distributions described above and as more fully described in the Priority of Payments.

The Notes are subject to redemption, in whole and not in part, (i) at any time as a result of a Tax Redemption (as defined herein), (ii) on an Auction Payment Date (as defined herein) as a result of a successful Auction (as defined herein) or (iii) as a result of an Optional Redemption (as defined herein) on or after the July 2009 Payment Date. The stated maturity of the Notes (other than the Class S Notes) is the Payment Date in July 2041. The actual final distribution on the Notes (other than the Class S Notes) is expected to occur substantially earlier. The stated maturity of the Class S Notes is the Payment Date in July 2014. See "Risk Factors—Notes—Average Lives, Duration and Prepayment Considerations."

Notes (other than the Class E Notes and the Subordinated Notes) sold in reliance on Rule 144A under the Securities Act ("Rule 144A") will be evidenced by one or more global notes (the "Rule 144A Global Notes") in fully registered form without coupons, deposited with a custodian for, and registered in the name of, a nominee of The Depository Trust Company ("DTC"). Beneficial interests in the Rule 144A Global Notes will trade in DTC's Same Day Funds Settlement System, and secondary market trading activity in such interests will therefore settle in immediately available funds. Except as described herein, beneficial interests in the Rule 144A Global Notes will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its direct and indirect participants. The Class E Notes and the Subordinated Notes sold in reliance on Rule 144A under the Securities Act and, solely in the case of the Subordinated Notes, to Accredited Investors who have a net worth of not less than U.S. $10 million, will be evidenced by one or more Definitive Notes in fully registered form.

The Notes that are being offered hereby in reliance on the exemption from registration under Regulation S (collectively, the "Regulation S Notes"; in the case of the Class E Notes, the "Regulation S Class E Notes"; and in the case of the Subordinated Notes, the "Regulation S Subordinated Notes") have not been and will not be registered under the Securities Act and neither of the Issuers will be registered under the Investment Company Act. The Regulation S Notes may not be offered or sold within the United States or to U.S. Persons (as defined in Regulation S) unless the purchaser certifies or is deemed to have certified that it is a qualified institutional buyer as defined in Rule 144A (a "Qualified Institutional Buyer") and a "qualified purchaser" for the purposes of Section 3(c)(7) of the Investment Company Act (a "Qualified Purchaser"), and takes delivery in the form of an interest in a Rule 144A Global Note, a definitive Class E Note, or a definitive Subordinated Note, in an amount equal to at least U.S.$250,000. See "Description of the Notes" and "Underwriting."

This Offering Circular (the "Offering Circular") is confidential and is being furnished by the Issuers in connection with an offering exempt from registration under the Securities Act, solely for the purpose of enabling a prospective investor to consider the purchase of the Offered Notes described herein. The information contained in this Offering Circular has been provided by the Issuers and other sources identified herein. Except in respect of the information contained under the heading (i) "The Liquidation Agency Agreement The Liquidation Agent," for which the Liquidation Agent accepts sole responsibility, to the extent described in such section, and (ii) "The Administrative Agency Agreement—The Administrative Agent", for which the Administrative Agent accepts sole responsibility, to the extent described in such section, no representation or warranty, express or implied, is made by either Initial Purchaser, the Liquidation Agent, the Administrative Agent, the Hedge Counterparty (or any guarantor thereof), the Trustee, the Note Agents, the Fiscal Agent, or the Subordinated Note Transfer Agent (the Note Agents, the Fiscal Agent and the Subordinated Note Transfer Agent, together, the "Agents") as to the accuracy or completeness of such information, and nothing contained in this Offering Circular is, or shall be relied upon as, a promise or representation by either Initial Purchaser, the Trustee, the Liquidation Agent, the Administrative Agent, the Hedge Counterparty (or any guarantor thereof), or the Agents. Any reproduction or distribution of this Offering Circular, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose

other than considering an investment in the Offered Notes is prohibited. Each offeree of the Offered Notes, by accepting delivery of this Offering Circular, agrees to the foregoing.

THE NOTES OFFERED HEREBY HAVE NOT BEEN RECOMMENDED BY ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The distribution of this Offering Circular and the offering and sale of the Offered Notes in certain jurisdictions may be restricted by law. The Issuers and the Initial Purchasers require persons into whose possession this Offering Circular comes to inform themselves about and to observe any such restrictions. For a further description of certain restrictions on offering and sales of the Offered Notes, see "Underwriting." This Offering Circular does not constitute an offer of, or an invitation to purchase, any of the Offered Notes in any jurisdiction in which such offer or invitation would be unlawful.

NOTICE TO NEW HAMPSHIRE RESIDENTS

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

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

NOTICE TO RESIDENTS OF THE REPUBLIC OF IRELAND

THIS OFFERING CIRCULAR IS NOT A PROSPECTUS AND DOES NOT CONSTITUTE AN INVITATION TO THE PUBLIC TO PURCHASE OR SUBSCRIBE FOR ANY SECURITIES AND NEITHER IT NOR ANY FORM OF APPLICATION WILL BE ISSUED, CIRCULATED OR DISTRIBUTED TO THE PUBLIC.

THIS OFFERING CIRCULAR AND THE INFORMATION CONTAINED HEREIN IS CONFIDENTIAL AND IS FOR THE USE SOLELY OF THE PERSON TO WHOM IT IS ADDRESSED. ACCORDINGLY, IT MAY NOT BE REPRODUCED IN WHOLE OR IN PART, NOR MAY ITS CONTENTS BE DISTRIBUTED IN WRITING OR ORALLY TO ANY THIRD PARTY AND IT MAY BE READ SOLELY BY THE PERSON TO WHOM IT IS ADDRESSED AND HIS/HER PROFESSIONAL ADVISERS.

In this Offering Circular, references to "U.S. Dollars," "$" and "U.S.$" are to United States dollars.

The Issuers (and, with respect to the information contained in this Offering Circular under the heading (i) "The Liquidation Agency Agreement—The Liquidation Agent", the Liquidation Agent to the extent described in such section and (ii) "The Administrative Agency Agreement—The Administrative Agent", the Administrative Agent, to the extent described in such section), having made all reasonable inquiries, confirm that the information contained in this Offering Circular is true and correct in all material respects and is not misleading, that the opinions and intentions expressed in this Offering Circular are honestly held and that there are no other facts the omission of which would make any such information or the expression of any such opinions or intentions misleading. The Issuers (and, with respect to the information in this Offering Circular under the heading (i) "The Liquidation Agency Agreement—The Liquidation Agent", the Liquidation Agent, to the extent described in such section and (ii) "The Administrative Agency Agreement—The Administrative Agent", the Administrative Agent, to the extent described in such section) take responsibility accordingly.

No person has been authorized to give any information or to make any representation other than those contained in this Offering Circular, and, if given or made, such information or representation must not be relied upon as having been authorized. This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities to which it relates, or an offer to sell or the solicitation of an offer to buy such securities by any person in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this Offering Circular nor any sale hereunder shall, under any circumstances, create any implication that the information contained herein is correct as of any time subsequent to the date of this Offering Circular.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, A PROSPECTIVE INVESTOR (AND EACH EMPLOYEE, REPRESENTATIVE, OR OTHER AGENT OF A PROSPECTIVE INVESTOR) MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE TAX TREATMENT AND TAX STRUCTURE OF THE TRANSACTIONS DESCRIBED IN THIS OFFERING CIRCULAR AND ALL MATERIALS OF ANY KIND THAT ARE PROVIDED TO THE PROSPECTIVE INVESTOR RELATING TO SUCH TAX TREATMENT AND TAX STRUCTURE (AS SUCH TERMS ARE DEFINED IN TREASURY REGULATION SECTION 1.6011-4). THIS AUTHORIZATION OF TAX DISCLOSURE IS RETROACTIVELY EFFECTIVE TO THE COMMENCEMENT OF DISCUSSIONS WITH PROSPECTIVE INVESTORS REGARDING THE TRANSACTIONS CONTEMPLATED HEREIN.

PROSPECTIVE INVESTORS SHOULD READ THIS OFFERING CIRCULAR CAREFULLY BEFORE DECIDING WHETHER TO INVEST IN THE SECURITIES AND SHOULD PAY PARTICULAR ATTENTION TO THE INFORMATION SET FORTH UNDER THE HEADING "RISK FACTORS." INVESTMENT IN THE SECURITIES IS SPECULATIVE AND INVOLVES SIGNIFICANT RISK. INVESTORS SHOULD UNDERSTAND SUCH RISKS AND HAVE THE FINANCIAL ABILITY AND WILLINGNESS TO ACCEPT THEM FOR AN EXTENDED PERIOD OF TIME.

NOTICE TO INVESTORS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Notes.

Each purchaser who has purchased Class S Notes, Class A Notes, Class B Notes, Class C Notes, Class D Notes, Regulation S Class E Notes and Regulation S Subordinated Notes, will be deemed to have represented and agreed, and each purchaser of Class E Notes (other than the Regulation S Class E Notes) and Subordinated Notes (other than the Regulation S Subordinated Notes) will be required to represent and agree, in each case with respect to such Notes, as follows (terms used herein that are defined in Rule 144A or Regulation S are used herein as defined therein):

1. (a) In the case of Secured Notes sold in reliance on Rule 144A (the "Rule 144A Notes"), the purchaser of such Rule 144A Notes (i) is a qualified institutional buyer (as defined in Rule 144A) (a "Qualified Institutional Buyer"), (ii) is aware that the sale of Secured Notes to it is being made in reliance on Rule 144A, (iii) is acquiring the Rule 144A Notes for its own account or for the account of a Qualified Institutional Buyer as to which the purchaser exercises sole investment discretion, and in a principal amount of not less than U.S.$250,000 and (iv) will provide notice of the transfer restrictions described in this "Notice to Investors" to any subsequent transferees.

(b) In the case of the Subordinated Notes (other than the Regulation S Subordinated Notes), the purchaser of such Subordinated Notes (i) is a Qualified Institutional Buyer, (ii) is aware that the sale of the Subordinated Notes to it is being made in reliance on Rule 144A, (iii) is acquiring the Subordinated Notes for its own account or for the account of a Qualified Institutional Buyer as to which the purchaser exercises sole investment discretion, and, unless otherwise permitted by the Fiscal Agency Agreement, is purchasing a principal amount of not less than $250,000 for the purchaser and for each such account and (iv) will provide notice of the transfer restrictions described in this "Notice to Investors" to any subsequent transferees; or, if the purchaser is not a Qualified Institutional Buyer, such purchaser (w) is a person who is an "accredited investor" (as defined in Rule 501(a) under the Securities Act) (an "Accredited Investor") who has a net worth of not less than U.S.$10 million that is purchasing the Subordinated Notes for its own account, (x) is not acquiring the Subordinated Notes with a view to any resale or distribution thereof, other than in accordance with the restrictions set forth below, (y) is purchasing a principal amount of not less than $250,000 (unless otherwise permitted by the Fiscal Agency Agreement) and (z) will provide notice of the transfer restrictions described in this "Notice to Investors" to any subsequent transferees.

2. The purchaser understands that the Notes have not been and will not be registered or qualified under the Securities Act or any applicable state securities laws or the securities laws of any other jurisdiction, are being offered only in a transaction not involving any public offering, and may be reoffered, resold or pledged or otherwise transferred only (A)(i) to a person whom the purchaser reasonably believes is a Qualified Institutional Buyer and is purchasing for its own account or for the account of a Qualified Institutional Buyer as to which the purchaser exercises sole investment discretion in a transaction meeting the requirements of Rule 144A, (ii) to a non-U.S. Person in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S or (iii) solely in the case of the Subordinated Notes, to an Accredited Investor who has a net worth of not less than U.S.$10 million, and who shall have satisfied, and shall have represented, warranted, covenanted and agreed in the case of Subordinated Notes (other than the Regulation S Subordinated Notes) and Class E Notes (other than the Regulation S Class E Notes), or shall be deemed to have satisfied, and shall otherwise be deemed to have represented, warranted, covenanted and agreed that it will continue to comply with, all requirements for transfer of the Notes specified in this Offering Circular, in the case of the Secured Notes, the Indenture, and, in the case of the Subordinated Notes, the Fiscal Agency Agreement, and all other requirements for it to qualify for an exemption from registration under the Securities Act and (B) in accordance with all applicable securities laws of the states of the United States. Before any interest in a Rule 144A Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Regulation S Global Note, the transferor will be required to provide the Note Transfer Agent with a written certification (in the form provided in the Indenture) as to compliance with the transfer restrictions described herein. Before any interest in a Subordinated Note (other than a Regulation S Subordinated E Note) or a Class E Note (other than a Regulation S Class E Note) may be offered, sold, pledged or otherwise transferred, the transferee will be required to provide the Issuer, the Note Transfer Agent and the Subordinated Notes Transfer Agent, as applicable, with a letter substantially in the form attached to this Offering Circular as Annex A-1 (the "Subordinated Note Purchase and Transfer Letter") or Annex A-2 (the "Class E Notes Purchase and

Transfer Letter"). The purchaser understands and agrees that any purported transfer of Notes to a purchaser that does not comply with the requirements of this paragraph (2) will, in the case of the Class S Notes, Class A Notes, Class B Notes, Class C Notes, Class D Notes, Regulation S Class E Notes and Regulation S Subordinated Notes, be null and void *ab initio*, in the case of the Class E Notes (other than the Regulation S Class E Notes), not be permitted or registered by the Note Transfer Agent and, in the case of the Subordinated Notes (other than the Regulation S Subordinated Notes), not be permitted or registered by the Subordinated Notes Transfer Agent. The purchaser further understands that the Issuers have the right to compel any beneficial owner of Notes that is a U.S. Person and is not a Qualified Institutional Buyer or, in the case of the Subordinated Notes, an Accredited Investor to sell its interest in such Notes, or the Issuers may sell such Notes on behalf of such owner.

3. The purchaser of such Notes also understands that neither of the Issuers has been registered under the Investment Company Act. In the case of the Rule 144A Notes and the Subordinated Notes (other than the Regulation S Subordinated Notes) described in paragraph (1) above, the purchaser and each account for which the purchaser is acquiring such Notes is a qualified purchaser for the purposes of Section 3(c)(7) of the Investment Company Act (a "Qualified Purchaser"). The purchaser is acquiring Notes in a principal amount, in the case of Rule 144A Notes and, in the case of Subordinated Notes sold to Accredited Investors, of not less than U.S.$250,000, or, in the case of Notes sold in reliance on Regulation S ("Regulation S Notes"), of not less than U.S.$100,000, in each case for the purchaser and for each such account. The purchaser (or if the purchaser is acquiring Notes for any account, each such account) is acquiring the Notes as principal for its own account for investment and not for sale in connection with any distribution thereof. The purchaser and each such account: (a) was not formed for the specific purpose of investing in the Notes (except when each beneficial owner of the purchaser and each such account is a Qualified Purchaser), (b) to the extent the purchaser is a private investment company formed before April 30, 1996, the purchaser has received the necessary consent from its beneficial owners, (c) is not a pension, profit sharing or other retirement trust fund or plan in which the partners, beneficiaries or participants, as applicable, may designate the particular investments to be made and (d) is not a broker dealer that owns and invests on a discretionary basis less than U.S.$25,000,000 in securities of unaffiliated issuers. Further, the purchaser agrees with respect to itself and each such account: (i) that it shall not hold such Notes for the benefit of any other person and shall be the sole beneficial owner thereof for all purposes and (ii) 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. The purchaser understands and agrees that any purported transfer of Notes to a purchaser that does not comply with the requirements of this paragraph (3) will, in the case of the Class S Notes, Class A Notes, Class B Notes, Class C Notes, Class D Notes, Regulation S Class E Notes and Regulation S Subordinated Notes, be null and void *ab initio*, in the case of the Class E Notes (other than the Regulation S Class E Notes), not be permitted or registered by the Note Transfer Agent and, in the case of the Subordinated Notes (other than the Regulation S Subordinated Notes), not be permitted or registered by the Subordinated Notes Transfer Agent. The purchaser further understands that the Issuers have the right to compel any beneficial owner of Notes that is a U.S. Person and is not a Qualified Purchaser to sell its interest in such Notes, or the Issuers may sell such Notes on behalf of such owner.

4. (a) With respect to the Class S Notes, Class A Notes, Class B Notes, Class C Notes and Class D Notes, each purchaser will be deemed, by its purchase, to have represented and warranted that either (i) the purchaser is not and will not be an ERISA Plan (as defined herein), a plan that is subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended (the "Code"), or any entity whose underlying assets include "plan assets" by reason of an ERISA Plan's or other plan's investment in the entity, or another employee benefit plan which is subject to any federal, state, local or foreign law that is substantially similar to the provisions of Section 406 of the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or Section 4975 of the Code or (ii) the purchaser's purchase and holding of a Note does not and will not constitute or result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of such another plan, any substantially similar federal, state, local or foreign law) for which an exemption is not available. The purchaser understands and agrees that any purported transfer of a Note to a purchaser that does not comply with the requirements of this paragraph (4)(a) shall be null and void *ab initio*.

(b) With respect to both the Class E Notes (other than the Regulation S Class E Notes) and the Subordinated Notes (other than the Regulation S Subordinated Notes) purchased or transferred on or after the Closing Date, the purchaser or transferee must disclose in writing in advance to the Note Transfer Agent or the Subordinated Notes Transfer Agent, as applicable, (i) whether or not it is (A) an "employee benefit plan" (as defined

in Section 3(3) of ERISA), whether or not subject to Title I of ERISA, (B) a "plan" described in Section 4975 of the Code, whether or not subject to Section 4975 of the Code, or (C) an entity whose underlying assets include "plan assets" within the meaning of ERISA by reason of an employee benefit or other plan's investment in the entity (all such persons and entities described in clauses (A) through (C) being referred to herein as "Benefit Plan Investors"); (ii) if the purchaser is a Benefit Plan Investor, either (x) the purchase and holding of Subordinated Notes and/or Class E Notes do not and will not constitute or result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of an employee benefit plan not subject to ERISA or Section 4975 of the Code, any federal, state, local or foreign law that is substantially similar to Section 406 of ERISA or Section 4975 of the Code) for which an exemption is not available or (y) the purchase and holding of Subordinated Notes and/or Class E Notes is exempt under an identified Prohibited Transaction Class Exemption or individual exemption, based on the assumption that less than 25% of both the outstanding Subordinated Notes and the outstanding Class E Notes are owned by Benefit Plan Investors; and (iii) whether or not it is the Issuer or any other person (other than a Benefit Plan Investor) that has discretionary authority or control with respect to the assets of the Issuer, a person who provides investment advice for a fee (direct or indirect) with respect to the assets of the Issuer, or any "affiliate" (within the meaning of 29 C.F.R. Section 2510.3-101(f)(3)) of any such person (a "Controlling Person"). If a purchaser is an insurance company acting on behalf of its general account, it may be required to so indicate, and to identify a maximum percentage of the assets in its general account that may be or become plan assets, in which case the insurance company will be required to make certain further agreements that would apply in the event that such maximum percentage would thereafter be exceeded. The purchaser agrees that, before any interest in a Subordinated Note (other than a Regulation S Subordinated Note) or a Class E Note (other than the Regulation S Class E Notes) may be offered, sold, pledged or otherwise transferred, the transferee will be required to provide the Subordinated Notes Transfer Agent or a Note Transfer Agent with a Subordinated Notes Purchase and Transfer Letter or a Class E Note Purchase and Transfer Letter, as applicable, stating, among other things, whether the transferee is a Benefit Plan Investor. The purchaser acknowledges and agrees that no purchase or transfer will be permitted, and the Subordinated Notes Transfer Agent or the Note Transfer Agent, as applicable, will not register any such transfer, to the extent that the purchase or transfer would result in Benefit Plan Investors owning 25% or more of the outstanding Subordinated Notes or Class E Notes immediately after such purchase or transfer (determined in accordance with the Indenture and Fiscal Agency Agreement). The foregoing procedures are intended to enable Subordinated Notes (other than the Regulation S Subordinated Notes) and Class E Notes (other than the Regulation S Class E Notes) to be purchased by or transferred to Benefit Plan Investors at any time, although no assurance can be given that there will not be circumstances in which purchases or transfers of Subordinated Notes and Class E Notes will be required to be restricted in order to comply with the aforementioned 25% limitation. See "ERISA Considerations."

(c) With respect to the Regulation S Class E Notes and the Regulation S Subordinated Notes, each purchaser will be deemed, by its purchase, to have represented and warranted that it is not a Benefit Plan Investor or a Controlling Person. The purchaser understands and agrees that any purported transfer of a Note to a purchaser that does not comply with the requirements of this paragraph 4(c) shall be null and void *ab initio*.

5. The purchaser is not purchasing the Notes with a view toward the resale, distribution or other disposition thereof in violation of the Securities Act. The purchaser understands that an investment in the Notes involves certain risks, including the risk of loss of its entire investment in the Notes under certain circumstances. The purchaser has had access to such financial and other information concerning the Issuers and the Notes as it deemed necessary or appropriate in order to make an informed investment decision with respect to its purchase of the Notes, including an opportunity to ask questions of, and request information from, the Issuer.

6. In connection with the purchase of the Notes: (i) none of the Issuers, the Initial Purchasers, the Liquidation Agent, the Administrative Agent, the Trustee, the Agents, the Hedge Counterparty (or any guarantor thereof), the Administrator or the Share Trustee (as defined herein) is acting as a fiduciary or financial or investment adviser for the purchaser; (ii) the purchaser is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuers, either Initial Purchaser, the Liquidation Agent, the Administrative Agent, the Trustee, the Agents, the Hedge Counterparty (or any guarantor thereof), the Administrator or the Share Trustee other than in this Offering Circular for such Notes and any representations expressly set forth in a written agreement with such party; (iii) none of the Issuers, either Initial Purchaser, the Liquidation Agent, the Administrative Agent, the Trustee, the Agents, the Hedge Counterparty (or any guarantor thereof), the Administrator or the Share Trustee has given to the purchaser (directly or indirectly

through any other person) any assurance, guarantee or representation whatsoever as to the expected or projected success, profitability, return, performance, results, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) as to an investment in the Notes; (iv) the purchaser has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary, and it has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Indenture and Fiscal Agency Agreement) based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by Issuers, either Initial Purchaser, the Liquidation Agent, the Administrative Agent, the Trustee, the Agents, the Hedge Counterparty (or any guarantor thereof), the Administrator or the Share Trustee; (v) the purchaser has evaluated the rates, prices or amounts and other terms and conditions of the purchase and sale of the Notes with a full understanding of all of the risks thereof (economic and otherwise), and is capable of assuming and willing to assume (financially and otherwise) those risks; and (vi) the purchaser is a sophisticated investor.

7. Pursuant to the terms of the Indenture, unless otherwise determined by the Issuers in accordance with the Indenture, the Class S Notes, Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will bear a legend to the following effect:

> THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE ISSUERS HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUERS THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT IS NOT A BROKER DEALER WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN $25 MILLION IN SECURITIES OF ISSUERS THAT ARE NOT AFFILIATED PERSONS OF EITHER INITIAL PURCHASER AND IS NOT A PLAN REFERRED TO IN PARAGRAPH (a)(1)(i)(D) OR (a)(1)(i)(E) OF RULE 144A OR A TRUST FUND REFERRED TO IN PARAGRAPH (a)(1)(i)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH A PLAN, IF INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE BY THE BENEFICIARIES OF THE PLAN, PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT OR (2) TO A NON U.S. PERSON IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN $250,000 OR IN THE CASE OF CLAUSE (2), IN A PRINCIPAL AMOUNT OF NOT LESS THAN $100,000, FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, TO A PURCHASER THAT, OTHER THAN IN THE CASE OF CLAUSE (2), (V) IS A QUALIFIED PURCHASER FOR PURPOSES OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN $25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. EACH HOLDER HEREOF SHALL BE DEEMED TO MAKE THE REPRESENTATIONS AND AGREEMENTS SET FORTH IN THE INDENTURE (AS DEFINED HEREIN). ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE NULL AND VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE,

NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUERS, THE NOTE TRANSFER AGENT OR ANY INTERMEDIARY. EACH TRANSFEROR OF THIS NOTE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE INDENTURE TO ITS TRANSFEREE. IN ADDITION TO THE FOREGOING, THE ISSUERS HAVE THE RIGHT, UNDER THE INDENTURE (AS DEFINED HEREIN), TO COMPEL ANY BENEFICIAL OWNER OF AN INTEREST IN A RULE 144A GLOBAL NOTE (AS DEFINED IN THE INDENTURE) THAT IS A U.S. PERSON AND IS NOT BOTH A QUALIFIED PURCHASER AND A QUALIFIED INSTITUTIONAL BUYER TO SELL ITS INTEREST IN THE NOTES, OR MAY SELL SUCH INTERESTS ON BEHALF OF SUCH OWNER.

THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUERS THAT EITHER (I) THE HOLDER IS NOT AND WILL NOT BE AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA")), THAT IS SUBJECT TO TITLE I OF ERISA, A PLAN SUBJECT TO SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), OR ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT OR OTHER PLAN'S INVESTMENT IN THE ENTITY, OR ANOTHER EMPLOYEE BENEFIT PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR FOREIGN LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR (II) THE HOLDER'S PURCHASE AND HOLDING OF A NOTE DO NOT AND WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF SUCH ANOTHER PLAN, ANY SUBSTANTIALLY SIMILAR FEDERAL, STATE, LOCAL OR FOREIGN LAW) FOR WHICH AN EXEMPTION IS NOT AVAILABLE. ANY PURPORTED TRANSFER OF A NOTE TO A HOLDER THAT DOES NOT COMPLY WITH THE REQUIREMENTS SET FORTH ABOVE SHALL BE NULL AND VOID *AB INITIO*.

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 ISSUERS OR THEIR AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR OF SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO.).

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 AND TRANSFERS OF PORTIONS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE.

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 NOTE PAYING AGENT.

8. Pursuant to the terms of the Indenture, unless otherwise determined by the Issuers in accordance with the Indenture, the Class E Notes (other than the Regulation S Class E Notes) will bear a legend to the following effect:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE ISSUERS HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF

1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUERS THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT IS NOT A BROKER DEALER WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN $25 MILLION IN SECURITIES OF ISSUERS THAT ARE NOT AFFILIATED PERSONS OF EITHER INITIAL PURCHASER AND IS NOT A PLAN REFERRED TO IN PARAGRAPH (a)(1)(i)(D) OR (a)(1)(i)(E) OF RULE 144A OR A TRUST FUND REFERRED TO IN PARAGRAPH (a)(1)(i)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH A PLAN, IF INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE BY THE BENEFICIARIES OF THE PLAN, PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT OR (2) TO A NON U.S. PERSON IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN $250,000 OR IN THE CASE OF CLAUSE (2), IN A PRINCIPAL AMOUNT OF NOT LESS THAN $100,000, FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, TO A PURCHASER THAT, OTHER THAN IN THE CASE OF CLAUSE (2), (V) IS A QUALIFIED PURCHASER FOR PURPOSES OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN $25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY PURPORTED TRANSFER IN VIOLATION OF THE FOREGOING WILL NOT BE PERMITTED OR REGISTERED BY THE NOTE TRANSFER AGENT. EACH TRANSFEROR OF THIS NOTE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE INDENTURE TO ITS TRANSFEREE. EACH TRANSFEROR OF THE CLASS E NOTES WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE INDENTURE TO ITS TRANSFEREE. IN ADDITION TO THE FOREGOING, THE ISSUER HAS THE RIGHT TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE THAT IS A U.S. PERSON AND IS NOT BOTH A QUALIFIED PURCHASER AND A QUALIFIED INSTITUTIONAL BUYER TO SELL SUCH CLASS E NOTES, OR MAY SELL SUCH CLASS E NOTES ON BEHALF OF SUCH OWNER.

IF THE TRANSFER OF CLASS E NOTES IS TO BE MADE PURSUANT TO CLAUSE (A)(1) OF THE PRECEDING PARAGRAPH, THE TRANSFEREE OF THE CLASS E NOTES WILL BE REQUIRED TO EXECUTE AND DELIVER TO THE ISSUER AND THE NOTE TRANSFER AGENT A CLASS E NOTES PURCHASE AND TRANSFER LETTER, SUBSTANTIALLY IN THE FORM ATTACHED TO THE INDENTURE, STATING THAT AMONG OTHER THINGS, THE TRANSFEREE IS (1) A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER AND (2) A QUALIFIED PURCHASER FOR THE PURPOSES OF THE INVESTMENT COMPANY ACT.

THE PURCHASER OR TRANSFEREE OF THIS NOTE MUST DISCLOSE IN WRITING IN ADVANCE TO THE NOTE TRANSFER AGENT (i) WHETHER OR NOT IT IS (A) AN "EMPLOYEE BENEFIT PLAN" (AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE

RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA")), WHETHER OR NOT SUBJECT TO THE PROVISIONS OF TITLE I OF ERISA, (B) A "PLAN" DESCRIBED IN SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), WHETHER OR NOT SUBJECT TO SECTION 4975 OF THE CODE, OR (C) AN ENTITY WHOSE ASSETS INCLUDE "PLAN ASSETS" WITHIN THE MEANING OF ERISA BY REASON OF AN EMPLOYEE BENEFIT OR OTHER PLAN'S INVESTMENT IN THE ENTITY (ALL SUCH PERSONS AND ENTITIES DESCRIBED IN CLAUSES (A) THROUGH (C) BEING REFERRED TO HEREIN AS "BENEFIT PLAN INVESTORS"); (ii) IF THE PURCHASER OR TRANSFEREE IS A BENEFIT PLAN INVESTOR, THAT THE PURCHASE AND HOLDING OR TRANSFER AND HOLDING OF CLASS E NOTES DO NOT AND WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR UNDER ANY FEDERAL, STATE, LOCAL OR FOREIGN LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE) FOR WHICH AN EXEMPTION IS NOT AVAILABLE; AND (iii) WHETHER OR NOT IT IS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR A PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO THE ASSETS OF THE ISSUER, OR ANY "AFFILIATE" (WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101(f)(3)) OF ANY SUCH PERSON. IF A PURCHASER IS AN INSURANCE COMPANY ACTING ON BEHALF OF ITS GENERAL ACCOUNT, IT WILL BE PERMITTED TO SO INDICATE, AND REQUIRED TO IDENTIFY A MAXIMUM PERCENTAGE OF THE ASSETS IN ITS GENERAL ACCOUNT THAT MAY BE OR BECOME PLAN ASSETS, IN WHICH CASE THE INSURANCE COMPANY WILL BE REQUIRED TO MAKE CERTAIN FURTHER AGREEMENTS THAT WOULD APPLY IN THE EVENT THAT SUCH MAXIMUM PERCENTAGE WOULD THEREAFTER BE EXCEEDED. THE PURCHASER AGREES THAT, BEFORE ANY INTEREST IN A CLASS E NOTE MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, THE TRANSFEREE WILL BE REQUIRED TO PROVIDE THE NOTE TRANSFER AGENT WITH A CLASS E NOTES PURCHASE AND TRANSFER LETTER (SUBSTANTIALLY IN THE FORM ATTACHED TO THE INDENTURE) STATING, AMONG OTHER THINGS, WHETHER THE TRANSFEREE IS A BENEFIT PLAN INVESTOR. THE TRUSTEE WILL NOT PERMIT OR REGISTER ANY PURCHASE OR TRANSFER OF CLASS E NOTES TO THE EXTENT THAT THE PURCHASE OR TRANSFER WOULD RESULT IN BENEFIT PLAN INVESTORS OWNING 25% OR MORE OF THE OUTSTANDING CLASS E NOTES (OTHER THAN THE CLASS E NOTES OWNED BY THE LIQUIDATION AGENT, THE ADMINISTRATIVE AGENT, THE TRUSTEE AND THEIR AFFILIATES) IMMEDIATELY AFTER SUCH PURCHASE OR TRANSFER (DETERMINED IN ACCORDANCE WITH THE PLAN ASSET REGULATION (AS DEFINED HEREIN) AND IN THE INDENTURE).

TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE.

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 NOTE PAYING AGENT.

9. Pursuant to the terms of the Indenture, unless otherwise determined by the Issuers in accordance with the Indenture, the Regulation S Class E Notes will bear a legend to the following effect:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE ISSUERS HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUERS THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE

144A UNDER THE SECURITIES ACT THAT IS NOT A BROKER DEALER WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN $25 MILLION IN SECURITIES OF ISSUERS THAT ARE NOT AFFILIATED PERSONS OF EITHER INITIAL PURCHASER AND IS NOT A PLAN REFERRED TO IN PARAGRAPH (a)(1)(i)(D) OR (a)(1)(i)(E) OF RULE 144A OR A TRUST FUND REFERRED TO IN PARAGRAPH (a)(1)(i)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH A PLAN, IF INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE BY THE BENEFICIARIES OF THE PLAN, PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT OR (2) TO A NON U.S. PERSON IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN $250,000 OR IN THE CASE OF CLAUSE (2), IN A PRINCIPAL AMOUNT OF NOT LESS THAN $100,000, FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, TO A PURCHASER THAT, OTHER THAN IN THE CASE OF CLAUSE (2), (V) IS A QUALIFIED PURCHASER FOR PURPOSES OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN $25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY PURPORTED TRANSFER IN VIOLATION OF THE FOREGOING WILL NOT BE PERMITTED OR REGISTERED BY THE NOTE TRANSFER AGENT. EACH TRANSFEROR OF THIS NOTE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE INDENTURE TO ITS TRANSFEREE. IN ADDITION TO THE FOREGOING, THE ISSUER HAS THE RIGHT TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE THAT IS A U.S. PERSON AND IS NOT BOTH A QUALIFIED PURCHASER AND A QUALIFIED INSTITUTIONAL BUYER TO SELL SUCH CLASS E NOTES, OR MAY SELL SUCH CLASS E NOTES ON BEHALF OF SUCH OWNER.

IF THE TRANSFER OF CLASS E NOTES IS TO BE MADE PURSUANT TO CLAUSE (A)(1) OF THE PRECEDING PARAGRAPH, THE TRANSFEREE OF THE CLASS E NOTES WILL BE REQUIRED TO EXECUTE AND DELIVER TO THE ISSUER AND THE NOTE TRANSFER AGENT A CLASS E NOTES PURCHASE AND TRANSFER LETTER, SUBSTANTIALLY IN THE FORM ATTACHED TO THE INDENTURE, STATING THAT AMONG OTHER THINGS, THE TRANSFEREE IS (1) A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER AND (2) A QUALIFIED PURCHASER FOR THE PURPOSES OF THE INVESTMENT COMPANY ACT.

WITH RESPECT TO THE CLASS E NOTES PURCHASED OR TRANSFERRED AFTER THE CLOSING DATE, THE PURCHASER OR TRANSFEREE IS DEEMED TO REPRESENT AND WARRANT, THAT (i) IT IS NOT (A) AN "EMPLOYEE BENEFIT PLAN" (AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA")), WHETHER OR NOT SUBJECT TO THE PROVISIONS OF TITLE I OF ERISA, (B) A "PLAN" DESCRIBED IN SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), WHETHER OR NOT SUBJECT TO SECTION 4975 OF THE CODE, OR (C) AN ENTITY WHOSE ASSETS INCLUDE "PLAN ASSETS" WITHIN THE MEANING OF ERISA BY REASON OF AN EMPLOYEE BENEFIT OR OTHER PLAN'S INVESTMENT IN THE ENTITY (ALL SUCH PERSONS AND ENTITIES DESCRIBED IN

CLAUSES (A) THROUGH (C) BEING REFERRED TO HEREIN AS "BENEFIT PLAN INVESTORS"); AND (ii) IT IS NOT A PERSON WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR A PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO THE ASSETS OF THE ISSUER, OR ANY "AFFILIATE" (WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101(f)(3)) OF ANY SUCH PERSON. ANY PURPORTED TRANSFER OF A CLASS E NOTE THAT DOES NOT COMPLY WITH THE REQUIREMENTS SET FORTH ABOVE SHALL BE NULL AND VOID *AB INITIO*.

TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE.

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 NOTE PAYING AGENT.

10. The purchaser acknowledges that it is its intent and that it understands it is the intent of the Issuer that, for purposes of U.S. federal income, state and local income and franchise tax and any other income taxes, the Issuer will be treated as a corporation, the Secured Notes will be treated as indebtedness of the Issuer and the Subordinated Notes will be treated as equity in the Issuer; the purchaser agrees to such treatment and agrees to take no action inconsistent with such treatment.

11. The purchaser understands that the Issuers, the Trustee, the Initial Purchasers, the Liquidation Agent, the Administrative Agent, and their counsel will rely upon the accuracy and truth of the foregoing representations, and the purchaser hereby consents to such reliance.

12. Pursuant to the terms of the Fiscal Agency Agreement, unless otherwise determined by the Issuer in accordance with the Fiscal Agency Agreement, the Subordinated Notes sold to non-U.S. Persons in offshore transactions (the "Regulation S Subordinated Notes") will bear a legend to the following effect:

THE SUBORDINATED NOTES ARE THE SUBJECT OF, AND ARE ISSUED SUBJECT TO THE CONDITIONS OF, THE FISCAL AGENCY AGREEMENT, DATED ON OR ABOUT MAY 2, 2006 (THE "FISCAL AGENCY AGREEMENT") BY AND BETWEEN THE ISSUER OF THE SUBORDINATED NOTES AND LASALLE BANK NATIONAL ASSOCIATION, AS FISCAL AGENT. COPIES OF THE FISCAL AGENCY AGREEMENT MAY BE OBTAINED FROM THE FISCAL AGENT.

THE SUBORDINATED NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THE HOLDER HEREOF, BY PURCHASING THE SUBORDINATED NOTES REPRESENTED HEREBY, AGREES FOR THE BENEFIT OF THE ISSUER THAT SUCH SUBORDINATED NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT AND IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, (2) TO AN ACCREDITED INVESTOR (AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT) WHO HAS A NET WORTH OF NOT LESS THAN U.S.$10 MILLION) IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT, OR (3) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, AND, IN THE CASE OF CLAUSE (1) AND (2) IN A PRINCIPAL AMOUNT OF NOT LESS THAN $250,000 OR IN THE CASE OF CLAUSE (3) IN A PRINCIPAL AMOUNT OF NOT LESS THAN $100,000. FURTHERMORE THE PURCHASER AND EACH

ACCOUNT FOR WHICH IT IS ACTING AS A PURCHASER, OTHER THAN IN THE CASE OF CLAUSE (A)(3) ABOVE, REPRESENTS FOR THE BENEFIT OF THE ISSUER THAT IT (V) IS A QUALIFIED PURCHASER FOR THE PURPOSES OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY PURPORTED TRANSFER IN VIOLATION OF THE FOREGOING WILL NOT BE PERMITTED OR REGISTERED BY THE SUBORDINATED NOTES TRANSFER AGENT. EACH TRANSFEROR OF THE SUBORDINATED NOTES WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE FISCAL AGENCY AGREEMENT TO ITS TRANSFEREE. IN ADDITION TO THE FOREGOING, THE ISSUER HAS THE RIGHT TO COMPEL ANY BENEFICIAL OWNER OF A SUBORDINATED NOTE THAT IS A U.S. PERSON AND IS NOT (A) A QUALIFIED PURCHASER AND (B) EITHER A QUALIFIED INSTITUTIONAL BUYER OR AN ACCREDITED INVESTOR WHO HAS A NET WORTH OF NOT LESS THAN U.S.$10 MILLION TO SELL SUCH SUBORDINATED NOTES, OR MAY SELL SUCH SUBORDINATED NOTES ON BEHALF OF SUCH OWNER.

IF THE TRANSFER OF SUBORDINATED NOTES IS TO BE MADE PURSUANT TO CLAUSE (A)(1) OR (A)(2) OF THE PRECEDING PARAGRAPH, THE TRANSFEREE OF THE SUBORDINATED NOTES WILL BE REQUIRED TO EXECUTE AND DELIVER TO THE ISSUER AND THE FISCAL AGENT A SUBORDINATED NOTES PURCHASE AND TRANSFER LETTER, SUBSTANTIALLY IN THE FORM ATTACHED TO THE FISCAL AGENCY AGREEMENT, STATING THAT AMONG OTHER THINGS, THE TRANSFEREE IS (X) A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, OR (Y) AN ACCREDITED INVESTOR (AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT) WHO HAS A NET WORTH OF NOT LESS THAN U.S.$10 MILLION AND (Z) A QUALIFIED PURCHASER FOR THE PURPOSES OF THE INVESTMENT COMPANY ACT.

IF THE TRANSFER OF SUBORDINATED NOTES IS TO BE MADE PURSUANT TO CLAUSE (A)(3) OF THE SECOND PRECEDING PARAGRAPH, THE TRANSFEREE OF THE SUBORDINATED NOTES WILL BE REQUIRED TO DELIVER TO THE ISSUER AND THE FISCAL AGENT A SUBORDINATED NOTES PURCHASE AND TRANSFER LETTER, SUBSTANTIALLY IN THE FORM ATTACHED TO THE FISCAL AGENCY AGREEMENT, STATING THAT AMONG OTHER THINGS, THE TRANSFEREE IS NOT A U.S. PERSON (AS DEFINED IN REGULATION S).

WITH RESPECT TO THE SUBORDINATED NOTES PURCHASED OR TRANSFERRED AFTER THE CLOSING DATE, THE PURCHASER OR TRANSFEREE IS DEEMED TO REPRESENT AND WARRANT), THAT (i) IT IS NOT (A) AN "EMPLOYEE BENEFIT PLAN" (AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA")), WHETHER OR NOT SUBJECT TO THE PROVISIONS OF TITLE I OF ERISA, (B) A "PLAN" DESCRIBED IN SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), WHETHER OR NOT SUBJECT TO SECTION 4975 OF THE CODE, OR (C) AN ENTITY WHOSE ASSETS INCLUDE "PLAN ASSETS" WITHIN THE MEANING OF ERISA BY REASON OF AN EMPLOYEE BENEFIT OR OTHER PLAN'S INVESTMENT IN THE ENTITY (ALL SUCH PERSONS AND ENTITIES DESCRIBED IN CLAUSES (A) THROUGH (C) BEING REFERRED TO HEREIN AS "BENEFIT PLAN INVESTORS");

AND (ii) IT IS NOT A PERSON WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR A PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO THE ASSETS OF THE ISSUER, OR ANY "AFFILIATE" (WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101(f)(3)) OF ANY SUCH PERSON. ANY PURPORTED TRANSFER OF A SUBORDINATED NOTE THAT DOES NOT COMPLY WITH THE REQUIREMENTS SET FORTH ABOVE SHALL BE NULL AND VOID *AB INITIO*.

PAYMENTS TO THE HOLDERS OF THE SUBORDINATED NOTES ARE SUBORDINATE TO THE PAYMENT ON EACH QUARTERLY PAYMENT DATE OF PRINCIPAL OF AND INTEREST ON THE SECURED NOTES OF THE ISSUER OR CO-ISSUER, AS APPLICABLE, AND THE PAYMENT OF CERTAIN OTHER AMOUNTS, TO THE EXTENT AND AS DESCRIBED IN THE INDENTURE.

13. Pursuant to the terms of the Fiscal Agency Agreement, unless otherwise determined by the Issuer in accordance with the Fiscal Agency Agreement, the Subordinated Notes (other than the Regulation S Subordinated Notes) will bear a legend to the following effect:

THE SUBORDINATED NOTES ARE THE SUBJECT OF, AND ARE ISSUED SUBJECT TO THE CONDITIONS OF, THE FISCAL AGENCY AGREEMENT, DATED ON OR ABOUT MAY 2, 2006 (THE "FISCAL AGENCY AGREEMENT") BY AND BETWEEN THE ISSUER OF THE SUBORDINATED NOTES AND LASALLE BANK NATIONAL ASSOCIATION, AS FISCAL AGENT. COPIES OF THE FISCAL AGENCY AGREEMENT MAY BE OBTAINED FROM THE FISCAL AGENT.

THE SUBORDINATED NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THE HOLDER HEREOF, BY PURCHASING THE SUBORDINATED NOTES REPRESENTED HEREBY, AGREES FOR THE BENEFIT OF THE ISSUER THAT SUCH SUBORDINATED NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT AND IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, (2) TO AN ACCREDITED INVESTOR (AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT) WHO HAS A NET WORTH OF NOT LESS THAN U.S.$10 MILLION) IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT, OR (3) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, AND, IN THE CASE OF CLAUSE (1) AND (2) IN A PRINCIPAL AMOUNT OF NOT LESS THAN $250,000 OR IN THE CASE OF CLAUSE (3) IN A PRINCIPAL AMOUNT OF NOT LESS THAN $100,000. FURTHERMORE THE PURCHASER AND EACH ACCOUNT FOR WHICH IT IS ACTING AS A PURCHASER, OTHER THAN IN THE CASE OF CLAUSE (A)(3) ABOVE, REPRESENTS FOR THE BENEFIT OF THE ISSUER THAT IT (V) IS A QUALIFIED PURCHASER FOR THE PURPOSES OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION AND (B) IN ACCORDANCE WITH ALL

APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY PURPORTED TRANSFER IN VIOLATION OF THE FOREGOING WILL NOT BE PERMITTED OR REGISTERED BY THE SUBORDINATED NOTES TRANSFER AGENT. EACH TRANSFEROR OF THE SUBORDINATED NOTES WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE FISCAL AGENCY AGREEMENT TO ITS TRANSFEREE. IN ADDITION TO THE FOREGOING, THE ISSUER HAS THE RIGHT TO COMPEL ANY BENEFICIAL OWNER OF A SUBORDINATED NOTE THAT IS A U.S. PERSON AND IS NOT (A) A QUALIFIED PURCHASER AND (B) EITHER A QUALIFIED INSTITUTIONAL BUYER OR AN ACCREDITED INVESTOR WHO HAS A NET WORTH OF NOT LESS THAN U.S.$10 MILLION TO SELL SUCH SUBORDINATED NOTES, OR MAY SELL SUCH SUBORDINATED NOTES ON BEHALF OF SUCH OWNER.

IF THE TRANSFER OF SUBORDINATED NOTES IS TO BE MADE PURSUANT TO CLAUSE (A)(1) OR (A)(2) OF THE PRECEDING PARAGRAPH, THE TRANSFEREE OF THE SUBORDINATED NOTES WILL BE REQUIRED TO EXECUTE AND DELIVER TO THE ISSUER AND THE SUBORDINATED NOTES TRANSFER AGENT A SUBORDINATED NOTES PURCHASE AND TRANSFER LETTER, SUBSTANTIALLY IN THE FORM ATTACHED TO THE FISCAL AGENCY AGREEMENT, STATING THAT AMONG OTHER THINGS, THE TRANSFEREE IS (X) A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, OR (Y) AN ACCREDITED INVESTOR (AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT) WHO HAS A NET WORTH OF NOT LESS THAN U.S.$10 MILLION AND (Z) A QUALIFIED PURCHASER FOR THE PURPOSES OF THE INVESTMENT COMPANY ACT.

IF THE TRANSFER OF SUBORDINATED NOTES IS TO BE MADE PURSUANT TO CLAUSE (A)(3) OF THE SECOND PRECEDING PARAGRAPH, THE TRANSFEREE OF THE SUBORDINATED NOTES WILL BE REQUIRED TO DELIVER TO THE ISSUER AND THE SUBORDINATED NOTES TRANSFER AGENT A SUBORDINATED NOTES PURCHASE AND TRANSFER LETTER, SUBSTANTIALLY IN THE FORM ATTACHED TO THE FISCAL AGENCY AGREEMENT, STATING THAT AMONG OTHER THINGS, THE TRANSFEREE IS NOT A U.S. PERSON (AS DEFINED IN REGULATION S).

WITH RESPECT TO THE SUBORDINATED NOTES PURCHASED OR TRANSFERRED ON OR AFTER THE CLOSING DATE, THE PURCHASER OR TRANSFEREE MUST DISCLOSE IN WRITING IN ADVANCE TO THE FISCAL AGENT (i) WHETHER OR NOT IT IS (A) AN "EMPLOYEE BENEFIT PLAN" (AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA")), WHETHER OR NOT SUBJECT TO THE PROVISIONS OF TITLE I OF ERISA, (B) A "PLAN" DESCRIBED IN SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), WHETHER OR NOT SUBJECT TO SECTION 4975 OF THE CODE, OR (C) AN ENTITY WHOSE ASSETS INCLUDE "PLAN ASSETS" WITHIN THE MEANING OF ERISA BY REASON OF AN EMPLOYEE BENEFIT OR OTHER PLAN'S INVESTMENT IN THE ENTITY (ALL SUCH PERSONS AND ENTITIES DESCRIBED IN CLAUSES (A) THROUGH (C) BEING REFERRED TO HEREIN AS "BENEFIT PLAN INVESTORS"); (ii) IF THE PURCHASER OR TRANSFEREE IS A BENEFIT PLAN INVESTOR, THAT THE PURCHASE AND HOLDING OR TRANSFER AND HOLDING OF SUBORDINATED NOTES DO NOT AND WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR UNDER ANY FEDERAL, STATE, LOCAL OR FOREIGN LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE) FOR WHICH AN EXEMPTION IS NOT AVAILABLE; AND (iii) WHETHER OR NOT IT IS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR A PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO THE ASSETS OF THE ISSUER, OR ANY "AFFILIATE" (WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101(f)(3)) OF ANY SUCH PERSON. IF A PURCHASER IS AN INSURANCE

COMPANY ACTING ON BEHALF OF ITS GENERAL ACCOUNT, IT WILL BE PERMITTED TO SO INDICATE, AND REQUIRED TO IDENTIFY A MAXIMUM PERCENTAGE OF THE ASSETS IN ITS GENERAL ACCOUNT THAT MAY BE OR BECOME PLAN ASSETS, IN WHICH CASE THE INSURANCE COMPANY WILL BE REQUIRED TO MAKE CERTAIN FURTHER AGREEMENTS THAT WOULD APPLY IN THE EVENT THAT SUCH MAXIMUM PERCENTAGE WOULD THEREAFTER BE EXCEEDED. THE PURCHASER AGREES THAT, BEFORE ANY INTEREST IN A SUBORDINATED NOTE MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, THE TRANSFEREE WILL BE REQUIRED TO PROVIDE THE SUBORDINATED NOTES TRANSFER AGENT WITH A SUBORDINATED NOTE PURCHASE AND TRANSFER LETTER (SUBSTANTIALLY IN THE FORM ATTACHED TO THE FISCAL AGENCY AGREEMENT) STATING, AMONG OTHER THINGS, WHETHER THE TRANSFEREE IS A BENEFIT PLAN INVESTOR. THE TRUSTEE OR SUBORDINATED NOTES TRANSFER AGENT WILL NOT PERMIT OR REGISTER ANY PURCHASE OR TRANSFER OF SUBORDINATED NOTES TO THE EXTENT THAT THE PURCHASE OR TRANSFER WOULD RESULT IN BENEFIT PLAN INVESTORS OWNING 25% OR MORE OF THE OUTSTANDING SUBORDINATED NOTES (OTHER THAN THE SUBORDINATED NOTES OWNED BY THE LIQUIDATION AGENT, THE ADMINISTRATIVE AGENT, THE TRUSTEE AND THEIR AFFILIATES) IMMEDIATELY AFTER SUCH PURCHASE OR TRANSFER (DETERMINED IN ACCORDANCE WITH THE PLAN ASSET REGULATION (AS DEFINED HEREIN) AND IN THE FISCAL AGENCY AGREEMENT).

PAYMENTS TO THE HOLDERS OF THE SUBORDINATED NOTES ARE SUBORDINATE TO THE PAYMENT ON EACH QUARTERLY PAYMENT DATE OF PRINCIPAL OF AND INTEREST ON THE SECURED NOTES OF THE ISSUER OR CO-ISSUER, AS APPLICABLE, AND THE PAYMENT OF CERTAIN OTHER AMOUNTS, TO THE EXTENT AND AS DESCRIBED IN THE INDENTURE.

14. The purchaser is not purchasing the Notes in order to reduce any United States federal income tax liability or pursuant to a tax avoidance plan with respect to United States federal income taxes within the meaning of U.S. Treasury Regulation Section 1.881-3(a)(4).

15. The purchaser agrees, in the case of the Secured Notes, to treat the Notes as debt for United States federal, state and local income taxes and, in the case of the Subordinated Notes, to treat such Subordinated Notes as equity for United States federal, state and local income tax purposes.

16. The purchaser acknowledges that due to money laundering requirements operating in the Cayman Islands, the Issuer and the Note Transfer Agent or the Subordinated Notes Transfer Agent, as applicable, may require further identification of the purchaser before the purchase application can proceed. The Issuer and the Note Transfer Agent or the Subordinated Notes Transfer Agent shall be held harmless and indemnified by the purchaser against any loss arising from the failure to process the application if such information as has been required from the purchaser has not been provided by the purchaser.

The Notes that are being offered hereby in reliance on the exemption from registration under Regulation S (such Notes, respectively, the "Regulation S Co-Issued Notes"; the "Regulation S Class E Notes", the "Regulation S Subordinated Notes"; and, collectively, the "Regulation S Notes") have not been and will not be registered under the Securities Act and neither of the Issuers will be registered under the Investment Company Act. The Regulation S Notes may not be offered or sold within the United States or to U.S. Persons (as defined in Regulation S) unless the purchaser certifies or is deemed to have certified that it is a qualified institutional buyer as defined in Rule 144A (a "Qualified Institutional Buyer") and a "qualified purchaser" for the purposes of Section 3(c)(7) of the Investment Company Act (a "Qualified Purchaser") or, solely in the case of the Subordinated Notes, that it is an "accredited investor" as defined in Rule 501(a) under the Securities Act (an "Accredited Investor") who has a net worth of not less than $10 million and a Qualified Purchaser, and takes delivery in the form of (i) an interest in a Rule 144A Global Note or a definitive Class E Note in an amount at least equal to the minimum denomination applicable to the Rule 144A Notes or (ii) a Subordinated Note in a principal amount at least equal to $250,000. See "Description of the Notes" and "Underwriting."

The requirements set forth under "Notice to Investors" above apply only to Notes offered in the United States, except for the requirements set forth in Paragraphs (4), (5), (6), (10), (11), (14) and (15) and except that the Regulation S Notes will bear the legends set forth in Paragraphs (7), (9) and (12) under "Notice to Investors" above.

THE ISSUERS ACCEPT RESPONSIBILITY FOR THE INFORMATION CONTAINED IN THIS OFFERING CIRCULAR OTHER THAN INFORMATION PROVIDED IN THE SECTIONS ENTITLED (1) "THE LIQUIDATION AGENCY AGREEMENT—THE LIQUIDATION AGENT" AND (2) "THE ADMINISTRATIVE AGENCY AGREEMENT—THE ADMINISTRATIVE AGENT." THE LIQUIDATION AGENT ACCEPTS RESPONSIBILITY FOR THE INFORMATION PROVIDED IN "THE LIQUIDATION AGENCY AGREEMENT—THE LIQUIDATION AGENT" SECTION. THE ADMINISTRATIVE AGENT ACCEPTS RESPONSIBILITY FOR THE INFORMATION PROVIDED IN "THE ADMINISTRATIVE AGENCY AGREEMENT—THE ADMINISTRATIVE AGENT" SECTION. TO THE BEST OF THE KNOWLEDGE AND THE BELIEF OF THE ISSUERS, THE INFORMATION CONTAINED IN THIS OFFERING CIRCULAR IS IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION.

EACH PURCHASER OF THE NOTES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN EACH JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS SUCH NOTES OR POSSESSES OR DISTRIBUTES THIS OFFERING CIRCULAR AND MUST OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED FOR THE PURCHASE, OFFER OR SALE BY IT OF SUCH NOTES UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTIONS TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS OR SALES, AND NONE OF THE ISSUERS, THE INITIAL PURCHASERS, THE LIQUIDATION AGENT, THE ADMINISTRATIVE AGENT, THE HEDGE COUNTERPARTY (OR ITS GUARANTOR) OR THEIR AGENTS SPECIFIED HEREIN SHALL HAVE ANY RESPONSIBILITY THEREFOR.

AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with the resale of the Notes, the Issuers will be required under the Indenture and the Fiscal Agency Agreement, to furnish upon request to a Holder or beneficial owner of a Note and to a prospective investor who is a Qualified Institutional Buyer designated by such Holder or beneficial owner, the information required to be delivered under Rule 144A(d)(4) if, at the time of the request neither the Issuer nor the Co-Issuer, as applicable, is a reporting company under Section 13 or Section 15(d) of the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act.

To the extent the Trustee delivers any annual or other periodic report to the Holders of the Secured Notes, the Trustee will include in such report a reminder that (1) each Holder (other than those Holders who are not U.S. Persons and have purchased their Notes outside the United States pursuant to Regulation S) is required to be (i) a Qualified Institutional Buyer and (ii) a Qualified Purchaser, in each case that can make all of the representations in the Indenture applicable to a Holder that is a U.S. Person; (2) the Notes can only be transferred (i) to a transferee that is (a) a Qualified Institutional Buyer and (b) a Qualified Purchaser that can make all of the representations in the Indenture applicable to a Holder who is a U.S. Person or (ii) to a non-U.S. Person in an offshore transaction complying with Rule 903 or 904 under Regulation S; and (3) the Issuers have the right to compel any Holder who does not meet the transfer restrictions set forth in the Indenture to transfer its interest in the Notes to a person designated by the Issuers or sell such interests on behalf of the Holder.

To the extent the Issuer or the Fiscal Agent delivers any annual or periodic reports to the Holders of the Subordinated Notes, the Issuer or the Fiscal Agent, as applicable, will include in such report a reminder that (1) each Holder (other than those Holders who are not U.S. Persons and have purchased their Subordinated Notes outside the United States pursuant to Regulation S) is required to be (a) a Qualified Institutional Buyer or an Accredited Investor who has a net worth of not less than U.S.$10 million and (b) a Qualified Purchaser that can make all of the representations in the Subordinated Notes Purchase and Transfer Letter applicable to a Holder who is a U.S. Person; (2) the Subordinated Notes can only be transferred to a transferee that is (i)(a) a Qualified Institutional Buyer or an Accredited Investor who has a net worth not less than U.S.$10 million and (b) a Qualified Purchaser or (ii) a non-U.S. Person in an offshore transaction complying with Rule 903 or Rule 904 under Regulation S; and (3) the Issuer has the right to compel any Holder who does not meet the transfer restrictions set forth in the Fiscal Agency Agreement to transfer its Subordinated Notes to a person designated by the Issuer or sell such Subordinated Notes on behalf of the Holder.

In addition, notwithstanding the foregoing, any prospective purchaser (and each employee, representative, or other agent of a prospective purchaser) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions described in this Offering Circular and all materials of any kind (including opinions or other tax analyses) that are provided to the prospective purchaser relating to such tax treatment and tax structure. This authorization of tax disclosure is retroactively effective to the commencement of discussions with the prospective purchaser regarding the transactions contemplated herein.

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SUMMARY

The following summary is qualified in its entirety by the detailed information appearing elsewhere in this Offering Circular. For definitions of certain terms used in this Offering Circular see "Appendix A — Certain Definitions" and for the location of the definitions of those and other terms, see "Index of Defined Terms." For a discussion of certain factors to be considered in connection with an investment in the Notes, see "Risk Factors."

The Issuers	Hout Bay 2006-1 Ltd. (the "Issuer") is an exempted company incorporated under the laws of the Cayman Islands for the sole purpose of (i) acquiring the Collateral Assets and the Eligible Investments, (ii) entering into Hedge Agreements, the Liquidation Agency Agreement and the Administrative Agency Agreement, (iii) co-issuing the Secured Notes (other than the Class E Notes), (iv) issuing the Class E Notes and the Subordinated Notes and (v) engaging in certain related transactions. The Issuer will not have any assets other than the portfolio consisting primarily of Residential Mortgage-Backed Securities, Commercial Mortgage-Backed Securities, CDO Securities, Asset-Backed Securities and Synthetic Securities as described herein (collectively, "Collateral Assets"), Eligible Investments, an interest rate swap agreement and a cashflow swap agreement (the "Rate Swap Agreement" or the "Hedge Agreement"), the Liquidation Agency Agreement, the Administrative Agency Agreement and certain other assets. The Collateral Assets, the Eligible Investments and certain other assets of the Issuer will be pledged by the Issuer to the Trustee under the Indenture, for the benefit of the Secured Parties, as security for, among other obligations, the Issuers' obligations under the Secured Notes. Hout Bay 2006-1 Corp. (the "Co-Issuer" and, together with the Issuer, the "Issuers") is a corporation formed under the laws of the State of Delaware for the sole purpose of co-issuing the Secured Notes (other than the Class E Notes). The Co-Issuer will not have any assets (other than U.S.$10 of equity capital) and will not pledge any assets to secure the Secured Notes. The Co-Issuer will have no claim against the Issuer in respect of the Collateral Assets or otherwise. The authorized share capital of the Issuer consists of 250 ordinary shares, par value U.S.$1.00 per share ("Issuer Ordinary Shares"), which have been issued. The Issuer Ordinary Shares and all of the outstanding common equity of the Co-Issuer will be held by Maples Finance Limited, a licensed trust company incorporated in the Cayman Islands (the "Administrator") as the trustee pursuant to the terms of a declaration of trust for the benefit of charitable and similar purposes (the "Share Trustee").
The Liquidation Agent	Goldman, Sachs & Co. ("GS&Co.") as Liquidation Agent (in such capacity, the "Liquidation Agent") under the Liquidation Agency Agreement dated as of the Closing Date (the "Liquidation Agency Agreement"), between GS&Co. and the Issuer will, on behalf of the Issuer, (i) liquidate Collateral Assets (a) determined by the Trustee to be Credit Risk Obligations and equity securities or (b) that are Directed Sale Securities, (ii) liquidate the Collateral Assets and Eligible Investments of the Issuer in connection with (a) a redemption of the Notes as a result of an Optional Redemption, a Tax Redemption, an Auction or as otherwise required under the Indenture as described therein and (b) an acceleration of

	Notes as a result of an Event of Default as required under the Indenture as described therein and (iii) perform certain related functions, as described herein. The Liquidation Agent will have 12 months to sell Collateral Assets that are (a) determined by the Trustee to be Credit Risk Obligations and equity securities and (b) Directed Sale Securities in accordance with the terms of the Liquidation Agency Agreement. The Liquidation Agent will not have the right, or the obligation, to exercise any discretion with respect to the method or the price of any sale of a Collateral Asset or equity security; the sole obligation of the Liquidation Agent will be to execute the sale of such Collateral Asset or equity security in accordance with the terms of the Liquidation Agency Agreement. Notwithstanding the appointment of the Liquidation Agent, the Liquidation Agent shall have no responsibility for, or liability relating to, the performance of the Issuer or any Collateral Asset or Eligible Investment. See "The Liquidation Agency Agreement."
The Administrative Agent.....	Investec Bank (UK) Limited ("IBUK"), as Administrative Agent (in such capacity, the "Administrative Agent") under the Administrative Agency Agreement dated as of the Closing Date (the "Administrative Agency Agreement"), between IBUK and the Issuer, will review certain aspects of the performance of the Issuer. Notwithstanding the appointment of the Administrative Agent, the Administrative Agent shall have no responsibility for, or liability relating to, (a) the performance of the Issuer or any Collateral Asset or Eligible Investment and (b) the liquidation of any Collateral Asset or Eligible Investment. The Administrative Agent, its affiliates and/or employees thereof (collectively, the "IBUK Persons") are expected to purchase Subordinated Notes with an initial principal amount of $3,000,000 on the Closing Date. IBUK may at any time sell all or a portion of such Subordinated Notes. See "The Administrative Agency Agreement."
Notes	On the Closing Date, the Issuer and the Co-Issuer will co-issue U.S.$4,000,000 principal amount of Class S Floating Rate Notes Due 2014 (the "Class S Notes"), U.S.$1,275,000,000 principal amount of Class A-1 Floating Rate Notes Due 2041 (the "Class A-1 Notes"), U.S.$127,000,000 principal amount of Class A-2 Floating Rate Notes Due 2041 (the "Class A-2 Notes" and, together with the Class A-1 Notes, the "Class A Notes"), U.S.$50,000,000 principal amount of Class B Floating Rate Notes Due 2041 (the "Class B Notes"), U.S.$21,000,000 principal amount of Class C Deferrable Floating Rate Notes Due 2041 (the "Class C Notes") and U.S.$17,000,000 principal amount of Class D Floating Rate Notes Due 2041 (the "Class D Notes" and, together with the Class S Notes, Class A Notes, the Class B Notes and the Class C Notes, the "Co-Issued Notes") and the Issuer will issue U.S.$4,000,000 principal amount of Class E Floating Rate Notes Due 2041 (the "Class E Notes" and, together with the Co-Issued Notes, the "Secured Notes") pursuant to an Indenture (the "Indenture") dated on or about May 2, 2006 among the Issuers and LaSalle Bank National Association, as trustee and as securities intermediary (in such capacity, the "Trustee" and the "Securities Intermediary," respectively). Under the Indenture, LaSalle Bank National Association will also act as principal paying agent for the Notes (the "Principal Note Paying Agent"), as registrar (the "Note Registrar"), as calculation agent (the "Note Calculation Agent"), as transfer agent (the "Note Transfer

	Agent") and as paying agent for the Notes (the "Note Paying Agent" and, together with the Principal Note Paying Agent, the Note Registrar, the Note Calculation Agent, the Note Transfer Agent and the Irish Paying Agent, the "Note Agents"). On the Closing Date, the Issuer will also issue U.S. $6,000,000 principal amount of Subordinated Notes Due 2041 (the "Subordinated Notes" and, together with the Secured Notes, the "Notes") pursuant to a Fiscal Agency Agreement (the "Fiscal Agency Agreement") dated on or about the Closing Date between the Issuer and LaSalle Bank National Association, as fiscal agent (in such capacity, the "Fiscal Agent"). The Fiscal Agent will initially be appointed as the subordinated notes transfer agent (in such capacity, the "Subordinated Notes Transfer Agent" and, together with the Fiscal Agent and the Note Agents, the "Agents") under the Fiscal Agency Agreement. The Note Paying Agent, the Principal Note Paying Agent and any other Note paying agents appointed from time to time under the Indenture are collectively referred to as the "Note Paying Agents." The Note Paying Agents and the Fiscal Paying Agent are collectively referred to as the "Paying Agents." The Note Transfer Agent and the Subordinated Notes Transfer Agent are collectively referred to as the "Transfer Agents." The Indenture, the Liquidation Agency Agreement, the Administrative Agency Agreement, the Hedge Agreements, the Collateral Administration Agreement, the Administration Agreement and the Fiscal Agency Agreement are collectively referred to as the "Transaction Documents." Only the Secured Notes (other than the Class A-1 Notes) and the Subordinated Notes (collectively, the "Offered Notes") are offered hereby.
Closing Date	The Issuer will issue the Class E Notes and the Subordinated Notes and the Issuers will issue the Co-Issued Notes on or about May 2, 2006 (the "Closing Date").
Status of the Notes	The Co-Issued Notes will be limited recourse obligations of the Issuers and the Class E Notes will be limited recourse obligations of the Issuer. The Subordinated Notes will be limited recourse obligations of the Issuer, will not be secured obligations of the Issuer and will only be entitled to receive amounts available for payment on any Quarterly Payment Date after payment of all amounts payable prior thereto under the Priority of Payments. Interest on the Class A-1 Notes will be *pro rata* with interest on the Class A-2 Notes. Principal on the Class A-1 Notes and the Class A-2 Notes will be paid either *pro rata* or first to the Class A-1 Notes and second to the Class A-2 Notes depending on the circumstances as more fully described in the Priority of Payments. The Class S Notes will be senior in right of payment on each Payment Date to the Class A Notes and the Class B Notes; the Class S Notes will be senior in right of payment on each Quarterly Payment Date to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Notes; the Class A Notes will be senior in right of payment on each Payment Date to the Class B Notes; the Class A Notes will be senior in right of payment on each Quarterly Payment Date to the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Notes; the Class B Notes will be senior in right of payment on each Quarterly Payment Date to the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Notes; the Class C Notes will be senior in right of payment on each Quarterly Payment Date to the Class D Notes, the Class E Notes and the Subordinated Notes; the Class D Notes

	will be senior in right of payment on each Quarterly Payment Date to the Class E Notes and the Subordinated Notes; and the Class E Notes will be senior in right of payment on each Quarterly Payment Date to the Subordinated Notes, each to the extent provided in the Priority of Payments. Payments on the Subordinated Notes will be paid solely from and to the extent of the available proceeds from distributions on the Collateral Assets after payment of all of the liabilities of the Issuer that rank ahead of the Subordinated Notes pursuant to the Indenture or applicable law. To the extent the funds derived from the Collateral Assets are insufficient to make payments on or to pay the Subordinated Note Rated Amount for the Subordinated Notes on redemption, the Issuer will have no obligation to pay any further amounts in respect of the Subordinated Notes. See "Description of the Notes—Status and Security" and "—Priority of Payments."
Use of Proceeds	The net proceeds associated with the offering of the Notes issued on the Closing Date, after the payment of applicable fees and expenses, are expected to equal approximately U.S.$1,492,600,000. The net proceeds will be used by the Issuer to purchase on the Closing Date or thereafter pursuant to agreements to purchase entered into on or prior to the Closing Date, the portfolio of Collateral Assets described herein having an aggregate Principal Balance of approximately U.S.$1,500,000,000. See "Security for the Secured Notes—Disposition of Collateral Assets" and "Use of Proceeds."
The Collateral Assets.....	The Collateral Assets initially will be comprised of: • 128 issues of Residential Mortgage-Backed Securities across 4 categories, constituting approximately 79.3% of the Collateral Assets (by principal balance or, in the case of Synthetic Securities, the Reference Obligations of which are Residential Mortgage-Backed Securities, by notional balance), • 12 issues of Commercial Mortgage-Backed Securities in across 3 categories, constituting approximately 12.0% of the Collateral Assets (by principal balance), • 10 issues of CDO Securities in two categories, constituting approximately 7.9% of the Collateral Assets (by principal balance), and • 1 issue of Asset-Backed Securities in one category, constituting approximately 0.8% of the Collateral Assets (by principal balance). 6.7% of the Collateral Assets are Synthetic Securities and 100% of the Reference Obligations of such Synthetic Securities are RMBS. See "Security for the Secured Notes—The Collateral Assets." Certain summary information about the Collateral Assets (other than those Collateral Assets which have not yet been issued) is set forth in Appendix B to this Offering Circular. In addition, certain of the offering documents, term sheets, trustee reports and remittance reports relating to each of the Collateral Assets are set forth on the CD-ROM attached to this Offering Circular.

Interest and Other Payments on the Notes	The Notes will accrue interest from the Closing Date and such interest will be payable, in the case of the Class S Notes, Class A Notes and the Class B Notes, on the 5th day of each calendar month, or if any such date is not a Business Day, the immediately following Business Day (each such date, a "Payment Date") commencing on July 5, 2006 and, in the case of the Class C Notes, the Class D Notes and the Class E Notes, on January, April, July and October of each year, or if any such date is not a Business Day, the immediately following Business Day (each such date, a "Quarterly Payment Date") commencing on July 5, 2006. Payments on the Subordinated Notes will be payable in arrears on each Quarterly Payment Date, commencing July 5, 2006, out of Excess Amounts (as defined below). All payments on the Notes will be made from Proceeds in accordance with the Priority of Payments. The Class S Notes will bear interest during each Interest Accrual Period at a per annum rate (the "Class S Note Interest Rate") equal to LIBOR for such Interest Accrual Period *plus* 0.25%. The Class A-1 Notes will bear interest during each Interest Accrual Period at a per annum rate (the "Class A-1 Note Interest Rate") equal to LIBOR for such Interest Accrual Period *plus* 0.25%. The Class A-2 Notes will bear interest during each Interest Accrual Period at a per annum rate (the "Class A-2 Note Interest Rate") equal to LIBOR for such Interest Accrual Period *plus* 0.45%. The Class B Notes will bear interest during each Interest Accrual Period at a per annum rate (the "Class B Note Interest Rate") equal to LIBOR for such Interest Accrual Period *plus* 0.58%. The Class C Notes will bear interest during each Interest Accrual Period at a per annum rate (the "Class C Note Interest Rate") equal to LIBOR for such Interest Accrual Period *plus* 1.40%. The Class D Notes will bear interest during each Interest Accrual Period at a per annum rate (the "Class D Note Interest Rate") equal to LIBOR for such Interest Accrual Period *plus* 3.25%. The Class E Notes will bear interest during each Interest Accrual Period at a per annum rate (the "Class E Note Interest Rate") equal to LIBOR for such Interest Accrual Period *plus* 6.00%. The Class S Note Interest Rate, the Class A-1 Note Interest Rate, the Class A-2 Note Interest Rate, the Class B Note Interest Rate, the Class C Note Interest Rate, the Class D Note Interest Rate and the Class E Note Interest Rate are collectively referred to herein as the "Note Interest Rates." To the extent interest that is due is not paid on the Class C Notes on any Quarterly Payment Date ("Class C Deferred Interest"), such unpaid amounts will be added to the principal amount of the Class C Notes, and shall accrue interest at the Class C Note Interest Rate to the extent lawful and enforceable. So long as any Class S Notes, Class A Notes or Class B Notes are outstanding, the failure to pay any interest on the Class C Notes

on any Quarterly Payment Date will not be an Event of Default under the Indenture. To the extent interest that is due is not paid on the Class D Notes on any Quarterly Payment Date ("Class D Deferred Interest"), such unpaid amounts will be added to the principal amount of the Class D Notes, and shall accrue interest at the Class D Note Interest Rate to the extent lawful and enforceable. So long as any Class S Notes, Class A Notes, Class B Notes or Class C Notes are outstanding, the failure to pay any interest on the Class D Notes on any Quarterly Payment Date will not be an Event of Default under the Indenture. To the extent interest that is due is not paid on the Class E Notes on any Quarterly Payment Date ("Class E Deferred Interest"), such unpaid amounts will be added to the principal amount of the Class E Notes, and shall accrue interest at the Class E Note Interest Rate to the extent lawful and enforceable. So long as any Class S Notes, Class A Notes, Class B Notes, Class C Notes or Class D Notes are outstanding, the failure to pay any interest on the Class E Notes on any Quarterly Payment Date will not be an Event of Default under the Indenture.

See "Description of the Notes — Interest on the Secured Notes" and "— Priority of Paymcnts."

LIBOR for the first Interest Accrual Period with respect to each Class of Notes (other than the Subordinated Notes) will be determined as of the second Business Day preceding the Closing Date. Calculations of interest on each Class of the Notes (other than the Subordinated Notes) will be made on the basis of a 360-day year and the actual number of days in each Interest Accrual Period.

The "Interest Accrual Period" with respect to the Class S Notes, Class A-1 Notes, the Class A-2 Notes, and the Class B Notes and any Payment Date, is the period commencing on and including the immediately preceding Payment Date (or the Closing Date in the case of the first Interest Accrual Period) and ending on and including the day immediately preceding such Payment Date and with respect to the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Notes and any Quarterly Payment Date, the period commencing on and including the immediately preceding Quarterly Payment Date (or the Closing Date in the case of the first Interest Accrual Period) and ending on and including the day immediately preceding such Quarterly Payment Date.

The Subordinated Notes will provide for the payment of periodic interest (the "Subordinated Note Interest Amount") on a noncumulative basis on each Quarterly Payment Date (subject to, and to the extent that funds are available therefor, in accordance with the Priority of Payments) at the fixed rate of 5% per annum (calculated on the basis of a 360 day year consisting of twelve 30-day months). The Fiscal Agent will make payments to the Holders of the Subordinated Notes out of the Proceeds, if any available pursuant to clause (xxii) (or pursuant to clause (viii) in the case of the Final Payment Date) under "Description of the Notes—Priority of Payments." Such payments will be made on the Subordinated Notes only after all interest and other payments due on the Secured Notes have been made and all expenses of the Issuers have been paid (with such remaining Proceeds referred to as "Excess Amounts"). Payments to the Holders of the Subordinated Notes will be applied (a) first, to the payment of the Subordinated Note Interest Amount, (b) second, to the payment of the Aggregate Outstanding Amount of the Subordinated Notes and (c) third, to

	the payments of any remaining amounts to the Holders of the Subordinated Notes as additional interest (with any such remaining amounts referred to as "Additional Interest"). See "Risk Factors—Notes—Initial Aggregate Outstanding Amount of the Notes May Exceed the Initial Aggregate Principal Amount of the Collateral Assets" and "—Subordination of the Subordinated Notes; Unsecured Obligations." Non-payment of interest in respect of any Subordinated Notes as a result of the non-availability of Proceeds will not constitute an Event of Default in any circumstance. To the extent that, on any Quarterly Payment Date, there is any shortfall in the payment of interest or any other payment to the Holders of the Subordinated Notes, such Holders will receive only such funds (if any) as may be available for payment to such Holders on such Quarterly Payment Date in accordance with the Priority of Payments, and will not be entitled to any payments in respect of any such shortfall on any future date. The rating of the Subordinated Notes by Moody's only addresses the ultimate payment of the Subordinated Note Rated Amount from all sources, whether applied as interest or in reduction of the Aggregate Outstanding Amount as described above (which may be less than the then current Aggregate Outstanding Amount of the Subordinated Notes). See "Ratings of the Notes."
Principal Payments.....	The Notes (other than the Class S Notes) will mature on the Payment Date in July 2041 (each such date the "Stated Maturity" with respect to such Notes), and the Class S Notes will mature on the Payment Date in July 2014 (the "Stated Maturity" with respect to the Class S Notes), unless redeemed or retired prior thereto. The average life of the Notes (other than the Class S Notes) is expected to be substantially shorter than the number of years from issuance until Stated Maturity for each Class of Notes. See "Description of the Notes—Principal" and "Risk Factors—Notes—Average Lives, Duration and Prepayment Considerations." Principal will be payable on the Class S Notes in accordance with the Priority of Payments on each Payment Date commencing on the Payment Date occurring in July 2006 in an amount equal to the Class S Notes Amortizing Principal Amount with respect to such Payment Date and, if an Event of Default or Tax Event has occurred and is continuing or an Optional Redemption or Auction has occurred and the Collateral Assets are being liquidated pursuant to the terms of the Indenture, the Class S Notes will be paid in full prior to any distributions to any other Notes. Shifting principal will be payable (pursuant to clause (xii) of the Priority of Payments) on the Secured Notes (other than the Class E Notes) in accordance with the Priority of Payments on each Payment Date or Quarterly Payment Date commencing on the Quarterly Payment Date occurring in July 2006 as described in the Priority of Payments. As a result of the Priority of Payments, notwithstanding the subordination of the Notes described under "Status of the Notes" above, the Class A Notes may be entitled to receive certain payments of principal while the Class S Notes are outstanding, the Class B Notes may be entitled to receive certain payments of principal while the Class S Notes and the Class A Notes are outstanding, the Class C Notes may be entitled to receive certain payments of principal while the Class S Notes, the Class A Notes and the Class B Notes are outstanding, the Class D Notes may be entitled to

	receive certain payments of principal while the Class S Notes, the Class A Notes, the Class B Notes and the Class C Notes are outstanding and the Class E Notes may be entitled to receive certain payments of principal while the Class S Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes are outstanding. In addition, the Subordinated Notes may be entitled to receive certain payments while the Secured Notes are outstanding. See "Description of the Notes—Priority of Payments." In addition, to the extent funds are available therefor in accordance with the Priority of Payments, certain of the Secured Notes (other than the Class S Notes and the Class E Notes) will be subject to mandatory redemption on any Payment Date or Quarterly Payment Date if the Coverage Tests are not satisfied as described herein. The Class E Notes are subject to mandatory redemption on any Quarterly Payment Date out of certain Principal Proceeds or if the Class E Interest Diversion Test is not satisfied as described herein. See "Description of the Notes—Principal", "—Mandatory Redemption" and "—Priority of Payments."
Tax Redemption.....	Subject to certain conditions described herein, the Secured Notes will be redeemed from Liquidation Proceeds, in whole but not in part, on the 90th day (which 90-day period may be extended an additional 90 days, as described under "Description of the Notes—Tax Redemption") following the Issuers becoming aware of the occurrence of a Tax Event, at the written direction of, or with the written consent of, Holders of at least 66-2/3% of the Subordinated Notes or Holders of at least a Majority of any Class of Secured Notes which, as a result of the occurrence of such Tax Event, have not received 100% of the aggregate amount of principal and interest or other amounts due and payable to such Holders (such redemption, a "Tax Redemption"). No such Tax Redemption will occur unless the expected Liquidation Proceeds equal or exceed the Total Redemption Amount (which includes the Subordinated Note Rated Amount or such lesser amount as is agreed to by Holders of 100% of the Aggregate Outstanding Amount of the Subordinated Notes). Upon the occurrence of a Tax Redemption, the Subordinated Notes will be simultaneously redeemed. With respect to a Tax Redemption as described above, the Secured Notes will be redeemed at their Secured Note Redemption Prices, respectively, as described herein. The amount distributable as the final payment on the Subordinated Notes following any Tax Redemption will equal the amount of the Liquidation Proceeds remaining after the redemption of the Secured Notes in full together with the payment of all other amounts required to be paid in accordance with the Priority of Payments. See "Description of the Notes—Tax Redemption."
Auction	Sixty (60) days prior to the Payment Date occurring in July of each year (the "Auction Date"), commencing on the July 2014 Payment Date, the Liquidation Agent shall take steps to conduct an auction (the "Auction") of the Collateral Assets in accordance with the procedures specified in the Indenture. If the Liquidation Agent receives one or more bids from Eligible Bidders not later than ten (10) Business Days prior to the Auction Date equal to or greater than the Minimum Bid Amount (which includes the Subordinated Note Rated Amount or such lesser amount as is agreed to by Holders of 100% of the Aggregate Outstanding Amount of the

	Subordinated Notes), it will sell the Collateral Assets for settlement on or before the fifth Business Day prior to such Auction Date and the Secured Notes will be redeemed in whole on such Auction Date (any such date, the "Auction Payment Date"). If a successful Auction occurs, the Subordinated Notes will also be redeemed in full. If any single bid, or the aggregate amount of multiple bids, does not equal or exceed the Minimum Bid Amount or if there is a failure at settlement, the Collateral Assets will not be sold and no redemption of Secured Notes or Subordinated Notes on the related Auction Date will be made.
Optional Redemption	The Secured Notes may be redeemed by the Issuers from Liquidation Proceeds, in whole but not in part, on any Payment Date on or after the Payment Date occurring in July 2009 (the "Optional Redemption Date"), at the written direction of, or with the written consent of the Holders of at least a Majority of the Subordinated Notes (an "Optional Redemption"). If the Holders of the Subordinated Notes so elect to cause an Optional Redemption of the Secured Notes, the Subordinated Notes will also be redeemed. In the event of an Optional Redemption, the Secured Notes will be redeemed at their Secured Note Redemption Prices as described herein. No Secured Notes shall be redeemed pursuant to an Optional Redemption and a final payment to the Subordinated Notes shall not be made unless the Liquidation Agent furnishes certain assurances that the Total Redemption Amount (which includes the Subordinated Note Rated Amount or such lesser amount as is agreed to by Holders of 100% of the Aggregate Outstanding Amount of the Subordinated Notes) will be available for payment on the related Optional Redemption Date. In the event of any redemption of the Secured Notes, the Fiscal Agent will receive for payment to the Holders of the Subordinated Notes the remaining balance, if any, of funds in the Payment Account (net of all expenses of the Issuers after payment of the Secured Note Redemption Prices of the Secured Notes and the payment of all other amounts payable prior to payments to the Fiscal Agent) for payment to the Holders of the Subordinated Notes pursuant to the Priority of Payments (the "Subordinated Note Redemption Price"). The Subordinated Note Redemption Price is required to be at least equal to the then current Subordinated Note Rated Amount (or such lesser amount as is agreed to by Holders of 100% of the Aggregate Outstanding Amount of the Subordinated Notes), but which may be less than the then current Aggregate Outstanding Amount of the Subordinated Notes. See "Description of the Notes–Optional Redemption."
Mandatory Redemption	On any Payment Date on which any Overcollateralization Test is not satisfied as of the preceding Determination Date and on any Quarterly Payment Date on which any Interest Coverage Test is not satisfied as of the preceding Determination Date, certain of the Secured Notes (other than the Class S Notes and the Class E Notes) will be subject to mandatory redemption in accordance with the Priority of Payments, until the applicable Secured Notes have been paid in full (a "Mandatory Redemption"). The Class A Notes and the Class B Notes are also subject to mandatory redemption in accordance with the Priority of Payments on

	any Payment Date if the Class D Overcollateralization Ratio is less than 75% on the related Determination Date and the Class A Notes, the Class B Notes and the Class C Notes are subject to mandatory redemption in accordance with the Priority of Payments on Payment Dates, or, in the case of the Class C Notes, Quarterly Payment Dates, if the Class D Overcollateralization Ratio is less than 95%. The Class S Notes, Class E Notes and the Subordinated Notes are not subject to mandatory redemption as a result of the failure of any Coverage Test. The Class E Notes are subject to mandatory redemption on any Quarterly Payment Date out of certain Principal Proceeds or if the Class E Interest Diversion Test is not satisfied as described herein. See "Description of the Notes—Principal", "—Mandatory Redemption" and "—Priority of Payments."
Security for the Secured Notes	Under the terms of the Indenture, the Issuer will grant to the Trustee, for the benefit and security of the Trustee on behalf of the Holders of the Secured Notes, the Fiscal Agent, the Liquidation Agent, the Administrative Agent, the Hedge Counterparty and the Synthetic Security Counterparty (but only to the extent of the Default Swap Collateral) (together the "Secured Parties"), to secure the Issuer's obligations under the Secured Notes, the Indenture, the Hedge Agreements, the Liquidation Agency Agreement, the Administrative Agency Agreement and the Synthetic Securities (the "Secured Obligations"), a first priority security interest in the Collateral. The Subordinated Notes will not be secured.
Reports	A report will be made available to the Holders of the Notes and will provide information on the Collateral Assets and payments to be made in accordance with the Priority of Payments (each, a "Note Valuation Report") beginning in July, 2006. See "Security for the Secured Notes—Reports."
Coverage Tests and Class E Interest Diversion Test	The following table identifies the Coverage Tests and the value at which such tests will be satisfied. See "Security for the Secured Notes—The Coverage Tests."

Coverage Test	Ratio at Which Test is Satisfied
Class A/B Overcollateralization Test	equal to or greater than 101.65%
Class A/B Interest Coverage Test	equal to or greater than 105.0%
Class C Overcollateralization Test	equal to or greater than 100.2%
Class C Interest Coverage Test	equal to or greater than 101.5%
Class D Overcollateralization Test	equal to or greater than 100.1%
Class D Interest Coverage Test	equal to or greater than 101.0%

The Class E Interest Diversion Test will be satisfied on any Determination Date while the Class E Notes remain outstanding if the Class E Overcollateralization Ratio on such Determination Date is equal to or greater than 100.1%. On the Closing Date, the Class A/B Overcollateralization Ratio is expected to be 103.3%, the Class A/B Interest Coverage Ratio is expected to be 107.3%, the Class C Overcollateralization Ratio is expected to be 101.8%, the Class C Interest Coverage Ratio is expected to be 105.5%, the Class D

	Overcollateralization Ratio is expected to be 100.7%, the Class D Interest Coverage Ratio is expected to be 103.6% and the Class E Overcollateralization Ratio is expected to be 100.4%.
The Offering.....	The Offered Notes are being offered to non-U.S. Persons in offshore transactions in reliance on Regulation S, and in the United States to persons who are Qualified Institutional Buyers purchasing in reliance on the exemption from registration under Rule 144A or, with respect to Subordinated Notes only, Accredited Investors purchasing in transactions exempt from registration under the Securities Act. Each purchaser who is a U.S. Person must also be a Qualified Purchaser. Each Accredited Investor must have a net worth of at least U.S.$10 million. See "Description of the Notes—Form of the Notes," "Underwriting" and "Notice to Investors."
Minimum Denominations	The Notes will be issued in minimum denominations of U.S.$250,000 (in the case of the Rule 144A Notes and the Subordinated Notes sold to Accredited Investors) and U.S.$100,000 (in the case of the Regulation S Notes) and integral multiples of U.S.$1 in excess thereof for each Class of Notes.
Form of the Notes	Each Class of Notes sold in offshore transactions in reliance on Regulation S will initially be represented by one or more temporary global notes (each, a "Temporary Regulation S Global Note"). Each Temporary Regulation S Global Note will be deposited on the Closing Date with LaSalle Bank National Association as custodian for, and registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), for the respective accounts of Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear"), and Clearstream Banking, société anonyme ("Clearstream"). Beneficial interests in a Temporary Regulation S Global Note may be held only through Euroclear or Clearstream and may not be held at any time by a U.S. Person ("U.S. Person") (as such term is defined in Regulation S under the Securities Act). Each Class of Rule 144A Notes (other than the Class E Notes and the Subordinated Notes) will be issued in the form of one or more global notes in fully registered form (the "Rule 144A Global Notes" and, together with the Temporary Regulation S Global Notes and the Regulation S Global Notes, the "Global Notes"), deposited with LaSalle Bank National Association as custodian for, and registered in the name of Cede & Co. as nominee of, DTC, which will credit the account of each of its participants with the principal amount of Notes being purchased by or through such participant. Beneficial interests in the Rule 144A Global Notes will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its direct and indirect participants. The Class E Notes (other than the Regulation S Class E Notes) and the Subordinated Notes (other than the Regulation S Subordinated Notes) will be evidenced by one or more notes in definitive, fully registered form, registered in the name of the owner thereof (each, a "Definitive Note"). Beneficial interests in the Global Notes and the Definitive Notes may not be transferred except in compliance with the transfer restrictions described herein. See "Description of the Notes—Form of the Notes" and "Notice to Investors."

Governing Law	The Indenture, the Notes, the Hedge Agreements, the Liquidation Agency Agreement, the Administrative Agency Agreement and the Fiscal Agency Agreement will be governed by the laws of the State of New York.
Listing and Trading	There is currently no market for the Notes and there can be no assurance that such a market will develop. See "Risk Factors—Notes—Limited Liquidity and Restrictions on Transfer." Application has been made to the Irish Stock Exchange for the Notes to be admitted to the official list of the Irish Stock Exchange and to trading on its regulated market.
Irish Listing Agent; Irish Paying Agent	Maples and Calder Listing Services Limited will be the Irish Listing Agent for the Notes (the "Irish Listing Agent"). Maples Finance Dublin will be the Irish Paying Agent for the Notes (the "Irish Paying Agent").
Ratings	It is a condition of the issuance of the Notes that the Class S Notes, the Class A-1 Notes, and the Class A-2 Notes be rated "Aaa" by Moody's and "AAA" by S&P, that the Class B Notes be rated at least "Aa2" by Moody's and at least "AA" by S&P, that the Class C Notes be rated at least "A2" by Moody's and at least "A" by S&P, that the Class D Notes be rated at least "Baa2" by Moody's and at least "BBB" by S&P, that the Class E Notes be rated at least "Ba1" by Moody's and at least "BB+" by S&P and that the Subordinated Notes be issued with a rating of at least "Ba3" by Moody's (which rating addresses the ultimate payment of the Subordinated Note Rated Amount only). A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating agency. See "Ratings of the Notes."
Tax Status	See "Income Tax Considerations."
ERISA Considerations	See "ERISA Considerations."

Notes Offered		The Offering						
Class Designation	**S**	**A-1**	**A-2**	**B**	**C**	**D**	**E**	**Subordinated Notes**
Original Principal Amount	$4,000,000	$1,275,000,000	$127,000,000	$50,000,000	$21,000,000	$17,000,000	$4,000,000	$6,000,000
Stated Maturity	July 5, 2014	July 5, 2041						
Minimum Denomination (Integral Multiples):								
Rule 144A	$250,000 ($1)	$250,000 ($1)	$250,000 ($1)	$250,000 ($1)	$250,000 ($1)	$250,000 ($1)	$250,000 ($1)	$250,000 ($1)
Reg S	$100,000 ($1)	$100,000 ($1)	$100,000 ($1)	$100,000 ($1)	$100,000 ($1)	$100,000 ($1)	$100,000 ($1)	$100,000 ($1)
Reg D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$250,000 ($1)
Applicable Investment Company Act of 1940 Exemption		3(c)(7)						
Initial Ratings:								
Moody's	Aaa	Aaa	Aaa	Aa2	A2	Baa2	Ba1	Ba3(2)
S&P	AAA	AAA	AAA	AA	A	BBB	BB+	N/A
Deferred Interest	No	No	No	No	Yes	Yes	Yes	N/A
Pricing Date		March 30, 2006						
Closing Date		May 2, 2006						
Interest Rate	1 Month LIBOR + 0.25%	1 Month LIBOR + 0.25%	1 Month LIBOR + 0.45%	1 Month LIBOR + 0.58%	3 Month LIBOR + 1.40%	3 Month LIBOR + 3.25%	3 Month LIBOR + 6.00%	5%
Fixed or Floating Rate	Floating	Floating	Floating	Floating	Floating	Floating	Floating	Fixed
Interest Accrual Period[1]	Floating Period	Floating Period	Floating Period	Floating Period	Floating Period	Floating Period	Floating Period	Fixed Period
Dates of Payment	(i) the 5th day of each month (or if such day is not a Business Day, the next succeeding Business Day) and at Stated Maturity (each, a "Scheduled Payment Date") and (ii) any Redemption Date				(i) the 5th day of each January, April, July and October (or if such day is not a Business Day, the next succeeding Business Day) and at Stated Maturity (each, a "Scheduled Payment Date") and (ii) any Redemption Date.			
First Payment Date	July 5, 2006	July 5, 2006	July 5,2006	July 5, 2006	July 5, 2006	July 5, 2006	July 5, 2006	July 5, 2006
Record Date		Business Day prior to the applicable Payment Date (or the 10th Business Day prior to the applicable Payment Date for Notes issued in definitive form)						
Frequency of Payments	Monthly	Monthly	Monthly	Monthly	Quarterly	Quarterly	Quarterly	Quarterly
Day Count	Actual/360	Actual/360	Actual/360	Actual/360	Actual/360	Actual/360	Actual/360	30/360
Form of Notes:								
Global	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Certificated	No	No	No	No	No	No	Yes	Yes
CUSIPS Rule 144A	442451AG5	442451AA8	442451AB6	442451AC4	442451AD2	442451AE0	442451AF7	442449AA2
CUSIPS Reg S	G46224AG9	G46224AA2	G46224AB0	G46224AC8	G46224AD6	G46224AE4	G46224AF1	G46222AA6
ISIN Reg S	USG46224AG98	USG46224AA29	USG46224AB02	USG46224AC84	USG46224AD67	USG46224AE41	USG46224AF16	USG4622AA62
CUSIPS REG D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	442449AB0
Euroclear Common Codes	025197810	025192150	025192176	025192192	025192257	025192290	025192320	025192346
Clearing Method:								
Rule 144A	DTC	DTC	DTC	DTC	DTC	DTC	Physical	Physical
Reg S	EuroClear	EuroClear	EuroClear	EuroClear	EuroClear	EuroClear	EuroClear	Euroclear

1. **"Floating Period"** means, with respect to the Class S Notes, Class A-1 Notes, the Class A-2 Notes, the Class B Notes and any Payment Date, the period commencing on and including the immediately preceding Payment Date (or the Closing Date in the case of the first Interest Accrual Period) and ending on and including the day immediately preceding such Payment Date and with respect to the Class C Notes, the Class D Notes and the Class E Notes and any Quarterly Payment Date, the period commencing on and including the immediately preceding Quarterly Payment Date (or the Closing Date in the case of the first Interest Accrual Period) and ending on and including the day immediately preceding such Quarterly Payment Date. **"Fixed Period"** means, with respect to the Subordinated Notes and any Quarterly Payment Date, a 90-day period consisting of three 30-day months.

2. The Subordinated Notes are rated with respect to the ultimate payment of the Subordinated Note Rated Amount only.

RISK FACTORS

Prior to making an investment decision, prospective investors should carefully consider, in addition to the matters set forth elsewhere in this Offering Circular, the following factors:

Notes

Limited Liquidity and Restrictions on Transfer. There is currently no market for the Notes. Although GS&Co. has advised the Issuers that it intends to make a market in the Offered Notes, GS&Co. is not obligated to do so, and any such market making with respect to the Offered Notes may be discontinued at any time without notice. There can be no assurance that any secondary market for any of the Notes will develop or, if a secondary market does develop, that it will provide the Holders of the Notes with liquidity of investment or that it will continue for the life of such Notes and consequently a purchaser must be prepared to hold the Notes until maturity. Consequently, a purchaser must be prepared to hold the Notes for an indefinite period of time or until the Stated Maturity.

In addition, no sale, assignment, participation, pledge or transfer of the Notes may be effected if, among other things, it would require any of the Issuer, the Co-Issuer or any of their officers or directors to register under, or otherwise be subject to the provisions of, the Investment Company Act or any other similar legislation or regulatory action. Furthermore, the Notes will not be registered under the Securities Act or any state securities laws or the laws of any other jurisdiction, and the Issuer has no plans, and is under no obligation, to register the Notes under the Securities Act or any state securities laws or under the laws of any other jurisdiction. The Notes are subject to certain transfer restrictions and can be transferred only to certain transferees as described herein under "Description of the Notes—Form of the Notes" and "Notice to Investors." Such restrictions on the transfer of the Notes may further limit their liquidity. See "Description of the Notes—Form of the Notes." Application has been made to admit the Notes on the Irish Stock Exchange. There can be no assurance that such admission will be granted.

Limited Recourse Obligations. The Class E Notes will be limited recourse obligations of the Issuer and the Class A Notes, Class B Notes, Class C Notes and Class D Notes will be limited recourse obligations of the Issuers payable solely from the Collateral pledged by the Issuer to secure the Secured Notes. The Subordinated Notes are limited recourse obligations of the Issuer and are not secured by the Collateral Assets or the other collateral securing the Secured Notes. None of the Liquidation Agent, the Administrative Agent, the Holders of the Notes, the Initial Purchasers, the Trustee, the Administrator, the Share Trustee, the Agents, the Hedge Counterparties or any affiliates of any of the foregoing or the Issuers' affiliates or any other person or entity will be obligated to make payments on the Secured Notes or the Subordinated Notes. Consequently, Holders of the Secured Notes must rely solely on distributions on the Collateral pledged to secure the Secured Notes for the payment of principal, interest and premium, if any, thereon. If distributions on the Collateral are insufficient to make payments on the Secured Notes, no other assets (and, in particular, no assets of the Liquidation Agent, the Administrative Agent, the Holders of the Secured Notes, the Holders of the Subordinated Notes, the Initial Purchasers, the Trustee, the Administrator, the Share Trustee, the Agents, the Hedge Counterparties or any affiliates of any of the foregoing) will be available for payment of the deficiency, and following realization of the Collateral pledged to secure the Secured Notes, the obligations of the Issuers to pay such deficiency shall be extinguished.

Subordination of the Notes. Payments of principal on the Class S Notes will be senior to payments of principal on the Class A Notes, Class B Notes, Class C Notes, Class D Notes and Class E Notes and to the distribution of Proceeds to the Holders of the Subordinated Notes on each Payment Date or Quarterly Payment Date, as applicable. Payments of principal on the Class A-1 Notes and the Class A-2 Notes will be paid either *pro rata* or first to the Class A-1 Notes and second to the Class A-2 Notes depending on the circumstances as more fully described in the Priority of Payments and will be senior to payments of principal of the Class B Notes, Class C Notes, Class D Notes and Class E Notes and to the distribution of Proceeds to the Holders of the Subordinated Notes on each Payment Date or Quarterly Payment Date, as applicable. Payments of principal on the Class B Notes due on any Quarterly Payment Date will be senior to payments of principal on the Class C Notes, the Class D Notes and the Class E Notes and senior to the distributions of Proceeds to the Holders of the Subordinated Notes on such Quarterly Payment Date. Payments of principal on the Class C Notes due on any Quarterly Payment Date will be senior to payments of principal on the Class D Notes and the Class E Notes and senior to the distributions of Proceeds to the Holders of the Subordinated Notes on such Quarterly Payment Date. Payments of principal on the

Class D Notes due on any Quarterly Payment Date will be senior to payments of principal due on the Class E Notes and senior to the distributions of Proceeds to the Holders of the Subordinated Notes on such Quarterly Payment Date. Payments of principal due on the Class E Notes will be senior to the distributions of Proceeds to the Holders of the Subordinated Notes on such Quarterly Payment Date. As a result of the Priority of Payments, notwithstanding the subordination of the Notes described under "Description of the Notes—Status and Security," the Class B Notes will be entitled to receive certain payments of principal while the Class S Notes and the Class A Notes are outstanding, the Class C Notes will be entitled to receive certain payments of principal while the Class S Notes, the Class A Notes and the Class B Notes are outstanding, the Class D Notes will be entitled to receive certain payments of principal while the Class S Notes, Class A Notes, the Class B Notes and the Class C Notes are outstanding and the Class E Notes will be entitled to receive certain payments of principal while the Class S Notes, Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes are outstanding. In addition, the Subordinated Notes will be entitled to receive certain payments while the Secured Notes are outstanding. See "Description of the Notes—Priority of Payments." To the extent that any losses are incurred by the Issuer in respect of any Collateral, such losses will be borne first by Holders of the Subordinated Notes; then, by Holders of the Class E Notes; then, by Holders of the Class D Notes; then, by Holders of the Class C Notes; then, by Holders of the Class B Notes; then, by Holders of the Class A-2 Notes; and then, by Holders of the Class A-1 Notes; and finally, by Holders of the Class S Notes.

Payments of interest on the Class A-1 Notes and the Class A-2 Notes due on any Payment Date will generally be paid *pro rata* and will be senior to payments of interest on the Class B Notes on such Payment Date. Payments of interest on the Class S Notes, Class A-1 Notes and the Class A-2 Notes due on any Quarterly Payment Date will be paid *pro rata* and will be senior to payments of interest on the Class B Notes, Class C Notes, Class D Notes and Class E Notes and senior to the distributions of Proceeds to the Holders of the Subordinated Notes on such Quarterly Payment Date. Payments of interest on the Class B Notes due on any Quarterly Payment Date will be senior to payments of interest on the Class C Notes, the Class D Notes and the Class E Notes and senior to the distributions of Proceeds to the Holders of the Subordinated Notes on such Quarterly Payment Date. Payments of interest on the Class C Notes due on any Quarterly Payment Date will be senior to payments of interest on the Class D Notes and the Class E Notes and senior to the distributions of Proceeds to the Holders of the Subordinated Notes on such Quarterly Payment Date. Payments of interest on the Class D Notes due on any Quarterly Payment Date will be senior to payments of interest on the Class E Notes and senior to the distributions of Proceeds to the Holders of the Subordinated Notes on such Quarterly Payment Date. Payments of interest on the Class E Notes due on any Quarterly Payment Date will be senior to the distributions of Proceeds to the Holders of the Subordinated Notes on such Quarterly Payment Date. See "Description of the Notes."

On any Quarterly Payment Date on which certain conditions are satisfied and funds are available therefor, the "shifting principal" method in clause (xii) of the Priority of Payments may permit Holders of the Class B Notes, Class C Notes and Class D Notes to receive payments of principal in accordance with the Priority of Payments while more senior Classes of Notes remain outstanding and may permit distributions of Principal Proceeds to the Holders of the Class E Notes and the Subordinated Notes, to the extent funds are available in accordance with the Priority of Payments, while the more senior Notes are outstanding. Amounts properly paid pursuant to the Priority of Payments to a junior Class of Notes will not be recoverable in the event of a subsequent shortfall in the amount required to pay a more senior Class of Secured Notes.

Holders of the Controlling Class may not be able to effect a liquidation of the Collateral in an Event of Default; Holders of other Classes of Notes may be Adversely Affected by Actions of the Controlling Class. If an Event of Default occurs and is continuing, a Majority of the Controlling Class will be entitled to determine the remedies to be exercised under the Indenture; however, the Majority of the Controlling Class will not be able to direct a sale or liquidation of the Collateral unless, among other things, the Trustee determines that the anticipated proceeds of such sale or liquidation (after deducting the reasonable expenses of such sale or liquidation) would be sufficient to pay in full the sum of (A) the principal (including any Class C Deferred Interest, Class D Deferred Interest and Class E Deferred Interest) and accrued interest (including all Defaulted Interest, and interest thereon) and any other amounts due with respect to all the outstanding Notes, (B) unpaid Administrative Expenses, (C) all amounts payable by the Issuer to any Hedge Counterparty (including any applicable termination payments other than Defaulted Hedge Termination Payments), net of all amounts payable to the Issuer by any Hedge Counterparty, and (D) all other items in the Priority of Payments ranking prior to payments on the Notes. There can be no assurance that proceeds of a sale and liquidation, together with all other available funds, will be sufficient to pay in

full such amount. In addition, even if the anticipated proceeds of such sale or liquidation would not be sufficient to pay in full such amount, the Holders of a Super Majority of the Controlling Class and any Hedge Counterparty (unless any such Hedge Counterparty will be paid in full the amounts due to it other than any Defaulted Hedge Termination Payments at the time of distribution of the proceeds of any sale or liquidation of the Collateral) may direct the sale and liquidation of the Collateral.

Remedies pursued by the Holders of the Class S Notes and Class A Notes could be adverse to the interests of the Holders of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Notes. After the Class S Notes and the Class A Notes are no longer outstanding, the Holders of the Class B Notes will be entitled to determine the remedies to be exercised under the Indenture (except as noted above) if an Event of Default occurs. After the Class S Notes, Class A Notes, and the Class B Notes are no longer outstanding, the Holders of the Class C Notes will be entitled to determine the remedies to be exercised under the Indenture (except as noted above) if an Event of Default occurs. After the Class S Notes, Class A Notes, the Class B Notes and the Class C Notes are no longer outstanding, the Holders of the Class D Notes will be entitled to determine the remedies to be exercised under the Indenture (except as noted above) if an Event of Default occurs. After the Class S Notes, Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes are no longer outstanding, the Holders of the Class E Notes will be entitled to determine the remedies to be exercised under the Indenture (except as noted above) if an Event of Default occurs. See "Description of the Notes—The Indenture—Events of Default."

Subordination of the Subordinated Notes; Unsecured Obligations. The Subordinated Notes are limited recourse obligations of the Issuer and are not secured by the Collateral Assets or the other Collateral securing the Secured Notes. As such, the Holders of the Subordinated Notes will rank behind all of the secured creditors and *pari passu* with all unsecured creditors, whether known or unknown, of the Issuer. The Issuer, pursuant to the Indenture, has pledged substantially all of its assets to secure the Secured Notes and certain other obligations of the Issuer. The proceeds of such assets will only be available to make payments in respect of the Subordinated Notes as and when such proceeds are released from the lien of the Indenture in accordance with the Priority of Payments. There can be no assurance that, after payment of principal and interest on the Secured Notes and other fees and expenses of the Issuer in accordance with the Priority of Payments, the Issuer will have funds remaining to make payments in respect of the Subordinated Notes. Failure to pay the full principal amount of the Subordinated Notes will in no event constitute an Event of Default. No person or entity other than the Issuer will be required to make any payments on the Subordinated Notes. Except with respect to the obligations of the Issuer to make payments pursuant to the Priority of Payments, the Issuer does not expect to have any creditors. The funds available to be paid to the Fiscal Agent will depend in part on the weighted average of the Note Interest Rates.

Any amounts that are released from the lien of the Indenture for payment to the Holders of the Subordinated Notes in accordance with the Priority of Payments on any Payment Date or Quarterly Payment Date will not be available to make payments in respect of the Secured Notes on any subsequent Payment Date or Quarterly Payment Date.

Initial Aggregate Outstanding Amount of the Notes May Exceed the Initial Aggregate Principal Amount of the Collateral Assets. A portion of the initial proceeds of the sale of the Notes will be applied to pay expenses incurred by the Issuer in arranging the offering of the Offered Notes rather than to make investments in the Collateral Assets. As a result, the initial Aggregate Outstanding Amount of the Notes may exceed the initial Aggregate Principal Amount of the Collateral Assets. Consequently, after payments on the Secured Notes and the other expenses of the Issuer payable prior to payments to the Fiscal Agent for payments in respect of the Subordinated Notes, it is possible that there will be no Proceeds available to pay to the Fiscal Agent for payments to the Holders of the Subordinated Notes and, even if there are Proceeds available for payment on the Subordinated Notes, it is highly likely that such Proceeds will be insufficient to pay the initial principal amount of the Subordinated Notes. Consequently, purchasers of the Subordinated Notes bear a high risk of losing all or part of their investment.

Leveraged Investment. The Subordinated Notes and, to a lesser extent, the Class E Notes, represent a leveraged investment in the underlying Collateral Assets. The use of leverage generally magnifies an investor's opportunities for gain and risk of loss. Therefore, changes in the market value of the Subordinated Notes and the Class E Notes can be expected to be greater than changes in the market value of the underlying assets included in the Collateral Assets, which are also subject to credit, liquidity and interest rate risk.

Supplemental Indentures May Modify the Indenture, and Some Supplemental Indentures Do Not Require Consent of Holders of Notes. The Indenture provides that the Issuers and the Trustee may enter into supplemental indentures to modify various provisions of the Indenture. The execution of supplemental indentures is subject to various conditions precedent. In certain cases, the consent of the Holders of the Notes is required, but in certain cases, such consent is not required. Furthermore, if no Holder of a Note of a Class responds to notice of a proposed amendment within the prescribed time period, all Notes of such Class may be deemed not to be adversely or materially adversely affected by the proposed supplemental indenture. See "Description of the Notes—The Indenture—Modification of the Indenture."

Optional Redemption and Tax Redemption of Notes. Subject to the satisfaction of certain conditions, the Secured Notes may be optionally redeemed in whole and not in part (i) on any Payment Date on or after the July 2009 Payment Date at the written direction of, or with the written consent of, Holders of at least a Majority of the Subordinated Notes or (ii) on the date that is 90 days from the date on which the Issuers first become aware of the occurrence of a Tax Event (*provided* that such 90-day period shall be extended by another 90 days if, during the initial 90-day period, the Issuers have notified the Holders of the Notes that the related Issuer expects that it shall have changed its place of residence by the end of the later 90-day period), at the written direction of, or with the written consent of, Holders of at least 66-2/3% of the Subordinated Notes or the Holders of at least a Majority of any Class of Notes, if as a result of an occurrence of a Tax Event, such Class of Notes has not received 100% of the aggregate amount of principal and interest due and payable on such Class of Notes. If an Optional Redemption or Tax Redemption of the Secured Notes occurs, the Subordinated Notes will be redeemed simultaneously.

There can be no assurance that after payment of the redemption prices for the Secured Notes and all other amounts payable in accordance with the Priority of Payments, any Proceeds in excess of the Subordinated Note Rated Amount (or such lesser amount as is agreed to by Holders of 100% of the Aggregate Outstanding Amount of the Subordinated Notes) will remain to distribute to the Holders of the Subordinated Notes upon redemption. See "Description of the Notes—Optional Redemption" and "—Tax Redemption." An Optional Redemption or Tax Redemption of the Notes could require the Liquidation Agent to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the realized value of the Collateral Assets sold. In addition, the redemption procedures in the Indenture may require the Liquidation Agent to aggregate securities to be sold together in one block transaction, thereby possibly resulting in a lower aggregate realized value for the Collateral Assets sold. In any event, there can be no assurance that the market value of the Collateral Assets will be sufficient for the Holders of the Subordinated Notes to direct an Optional Redemption or, in the case of a Tax Redemption, for the Holders of the affected Class of Secured Notes or Subordinated Notes to direct a Tax Redemption. A decrease in the market value of the Collateral Assets would adversely affect the proceeds that could be obtained upon a sale of the Collateral Assets; consequently, the conditions precedent to the exercise of an Optional Redemption or a Tax Redemption may not be met. The interests of the Holders of the Subordinated Notes in determining whether to elect to effect an Optional Redemption and the interests of the Holders of the affected Class of Secured Notes and the Subordinated Notes with respect to a Tax Redemption may be different from the interests of the Holders of the other Classes of Notes in such respect. The Holders of the Notes also may not be able to invest the proceeds of the redemption of the Notes in one or more investments providing a return equal to or greater than the Holders of the Notes expected to obtain from their investment in the Notes. An Optional Redemption or a Tax Redemption will shorten the average lives of the Notes and the duration of the Notes and may reduce the yield to maturity of the Notes.

Auction. There can be no assurance that an Auction of the Collateral Assets on any Auction Date will be successful. The failure of an Auction may lengthen the expected average lives of the Notes and may reduce the yield to maturity of the Notes. A successful Auction of the Collateral Assets is not required to result in any proceeds in the excess of the Subordinated Note Rated Amount (or such lesser amount as is agreed to by Holders of 100% of the Aggregate Outstanding Amount of the Subordinated Notes) for payment to the Holders of the Subordinated Notes. Accordingly, in the event of an Auction, Holders of Subordinated Notes may have their Subordinated Notes redeemed without receiving any payments on such Subordinated Notes in excess of the Subordinated Note Rated Amount (or such lesser amount as is agreed to by Holders of 100% of the Aggregate Outstanding Amount of the Subordinated Notes). In addition, the success of an Auction will shorten the average lives of the Notes and may reduce the yield to maturity of the Notes.

Mandatory Redemption of Notes. If the Class A/B Overcollateralization Test is not met on the Determination Date immediately preceding a Payment Date or the Class A/B Interest Coverage Test is not met on the Determination Date immediately preceding a Quarterly Payment Date, or if the Class D Overcollateralization Ratio is not at least 75% on the Determination Date immediately preceding a Payment Date, Proceeds that otherwise might have been distributed to the Holders of the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Notes will be used to redeem the Class A Notes and the Class B Notes in full in the order described in the Priority of Payments. If the Class C Overcollateralization Test is not met on the Determination Date immediately preceding a Payment Date, the Class C Interest Coverage Test is not met on the Determination Date immediately preceding a Quarterly Payment Date or the Class D Overcollateralization Ratio is not at least 95% on the Determination Date immediately preceding a Payment Date, Proceeds that otherwise might have been distributed to the Holders of the Class D Notes, the Class E Notes and/or the Holders of the Subordinated Notes will be used to redeem the Class A Notes, the Class B Notes and the Class C Notes in full in the order described in the Priority of Payments. If the Class D Overcollateralization Test is not met on the Determination Date immediately preceding a Payment Date or the Class D Interest Coverage Test is not met on the Determination Date immediately preceding a Quarterly Payment Date, Proceeds that otherwise might have been distributed to the Holders of the Class E Notes and/or the Holders of the Subordinated Notes will be used to redeem the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes in full in the order described in the Priority of Payments. The foregoing redemptions could result in an elimination, deferral or reduction in the amounts available to make payments to the Holders of the Class C Notes, the Class D Notes, the Class E Notes and payments to Holders of the Subordinated Notes. See "Security for the Secured Notes—The Coverage Tests." Any such redemptions will shorten the average life of the redeemed Notes, may lower the yield to maturity of the Notes. If a Class C Coverage Test or a Class D Coverage Test is not satisfied or if the Class D Overcollateralization Ratio is less than 95% on any Determination Date related to a Payment Date other than a Quarterly Payment Date, no amounts will be distributed to the Holders of the Class C Notes or the Class D Notes and certain amounts based on the principal balance of such Notes will instead be deposited to the Collection Account for distribution in accordance with the Priority of Payments on the next Payment Date.

Collateral Accumulation. In anticipation of the issuance of the Notes, an affiliate of Goldman, Sachs & Co. has agreed to "warehouse" up to U.S.$1,500,000,000 aggregate principal amount (or, in the case of Synthetic Securities, notional amount) of Collateral Assets. for resale to the Issuer pursuant to the terms of a forward purchase agreement. No collateral manager or other person acting on behalf of the Issuer has reviewed the prices established pursuant to such forward agreement (nor has there been any third party verification of such prices). Of such amount, it is expected that a portion will be purchased from affiliates of Goldman, Sachs & Co. and a portion will be purchased from third parties (which may include IBUK). It is also expected that a portion of such amount will be represented by one or more Synthetic Securities entered into between the Issuer and Goldman, Sachs & Co. or an affiliate thereof wherein the Issuer will be selling credit protection. Pursuant to the terms of the forward purchase agreement, the Issuer will be obligated to purchase the "warehoused" assets *provided* such Collateral Assets satisfy certain eligibility criteria on the Closing Date for a formula purchase price designed to reflect the yields or spreads (or premiums in the case of Synthetic Securities) at which the Collateral Assets were purchased (using the prepayment speed and other assumptions used to set the initial price of each individual asset), as adjusted for any hedging gain or loss and any loss or gain on any Collateral Assets sold to a party other than the Issuer during the warehousing period. Consequently, the market values of "warehoused" Collateral Assets at the Closing Date may be less than or greater than the formula purchase price paid by the Issuer. In addition, if a Collateral Asset becomes ineligible during the warehousing period and is not purchased by the Issuer on the Closing Date, or if a Collateral Asset is otherwise sold at the direction of Goldman, Sachs & Co. (which sale may only occur with the consent of Goldman, Sachs & Co.'s affiliate), the Issuer will bear the loss or receive the gain on the sale of such Collateral Asset to a third party.

Disposition of Collateral Assets by the Liquidation Agent Under Certain Circumstances. Under the Indenture, the Liquidation Agent will be required to sell, on behalf of the Issuer, all Collateral Assets that are Directed Sale Securities and all Collateral Assets that are determined by the Trustee to meet the definition of Credit Risk Obligations or to be equity securities subject to satisfaction of the conditions described herein. The Liquidation Agent will have 12 months to sell such Directed Sale Securities, Credit Risk Obligations and equity securities. The Liquidation Agent will not have the right, or the obligation, to exercise any discretion with respect to the method or the price of any sale of a Collateral Asset that is a Directed Sale Security or that is determined by the Trustee to be a Credit Risk Obligation or an equity security; the sole obligation of the Liquidation Agent will be to execute the sale

of such Directed Sale Security, Credit Risk Obligation or equity security in accordance with the terms of the Liquidation Agency Agreement. There can be no assurance that the Liquidation Agent will be able to sell any such Directed Sale Security, Credit Risk Obligation or equity security. Any such sales of Directed Sale Securities, Credit Risk Obligations and equity securities may result in losses by the Issuer, which losses may result in the reduction or withdrawal of the rating of any or all of the Notes by any of the Rating Agencies. See "—No Collateral Manager."

Average Lives, Duration and Prepayment Considerations. The average lives of the Notes (other than the Class S Notes) are expected to be shorter than the number of years until their Stated Maturity. See "Weighted Average Life and Yield Considerations."

The average lives of the Notes will be affected by the financial condition of the obligors on or issuers of the Collateral Assets and the characteristics of the Collateral Assets, including the existence and frequency of exercise of any prepayment, optional redemption or sinking fund features, the prepayment speed, the occurrence of any early amortization events, the prevailing level of interest rates, the redemption price, the actual default rate and the actual level of recoveries in respect of any Defaulted Obligations, the frequency of tender or exchange offers for the Collateral Assets and the tenor of any sales of Collateral Assets.

Some or all of the loans underlying the RMBS or CMBS may be prepaid at any time (although certain of such mortgage loans may have "lockout" periods, defeasance provisions, prepayment penalties or other disincentives to prepayment). Defaults on and liquidations of the loans and other collateral underlying the RMBS, CMBS, Asset-Backed Securities or CDO Securities may also lead to early repayment thereof. Prepayments on loans are affected by a number of factors. If prevailing rates for similar loans fall below the interest rates on such loans, prepayment rates would generally be expected to increase. Conversely, if prevailing rates for similar loans rise above the interest rates on such loans, prepayment rates would generally be expected to decrease. The existence and frequency of such prepayments, optional redemptions, defaults and liquidations will affect the average lives of, and credit support for, the Notes. See "—Collateral Assets," "Weighted Average Life and Yield Considerations" and "Security for the Secured Notes."

Projections, Forecasts and Estimates. Estimates of the weighted average lives of, and returns on, the Notes included herein, together with any other projections, forecasts and estimates provided to prospective purchasers of the Notes, are forward looking statements. Such statements are necessarily speculative in nature, as they are based on certain assumptions. It can be expected that some or all of the assumptions underlying such statements will not reflect actual conditions. Accordingly, there can be no assurance that any estimated projections, forecasts or estimates will be realized or that the forward looking statements will materialize, and actual results may vary from the projections, and the 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, market, financial or legal uncertainties, the timing of acquisitions of the Collateral Assets, differences in the actual allocation of the Collateral Assets among asset categories from those assumed, mismatches between the timing of accrual and receipt of Proceeds from the Collateral Assets and the effectiveness of the Hedge Agreements, among others.

None of the Issuer, the Co-Issuer, the Liquidation Agent, the Administrative Agent, either Initial Purchaser or any of their respective affiliates has any obligation to update or otherwise revise any projections, including any revisions to reflect changes in economic conditions or other circumstances arising after the date hereof or to reflect the occurrence of unanticipated events, even if the underlying assumptions do not come to fruition.

Static Transaction. The Hout Bay 2006-1 Ltd. transaction is a static collateralized debt obligation transaction. As a result, the Collateral Assets held by the Issuer on the Closing Date will be retained by the Issuer even if it would be in the best interests of the Issuer and the Holders of the Notes to dispose of certain Collateral Assets unless (i) those Collateral Assets are designated as Credit Risk Obligations or (ii) those Collateral Assets are designated as Directed Sale Securities and are required to be sold by the Liquidation Agent pursuant to the terms of the Indenture and the Liquidation Agency Agreement. See "Security for the Secured Notes—Designation of Directed Sale Securities." In addition, circumstances may exist under which it is in the best interests of the Issuer or the Holders of the Notes to dispose of a Collateral Asset, but (a) the Trustee does not determine that such Collateral Asset is a Credit Risk Obligation or an equity security or (b) the Liquidation Agent is not able to sell, on behalf of

the Issuer, such Credit Risk Obligation or equity security in accordance with the terms of the Liquidation Agency Agreement. Similarly, the Liquidation Agent may not be able to sell a Directed Sale Security.

Substitution of Default Swap Collateral. From time to time following the Closing Date, any Holder of any Note may submit to the Trustee or the Fiscal Agent, as applicable, a request to substitute one or more BIE Collateral Securities for one or more existing items of Default Swap Collateral, in whole or in part. Such substitution will be subject to the affirmative approval of the Holders of a Majority of each Class of Notes and each Hedge Counterparty. Any such substitution could (i) adversely affect the Issuer and the Issuer's ability to make payments on the Notes, (ii) affect the weighted average lives of the Notes, (iii) adversely affect the returns on the Notes and (iv) increase the frequency of defaults on the Default Swap Collateral or reduce the proceeds following the liquidation of any Default Swap Collateral. On the other hand, it is also possible that a Holder of a Note could propose a substitution which would be beneficial to the Issuer and the Holders of the Notes but such substitution is not permitted because such proposal is not affirmatively approved by each Hedge Counterparty and the Holders of a Majority of each Class of Notes.

Designation of Directed Sale Securities. From time to time following the Closing Date, any Holder of any Note may submit to the Trustee or the Fiscal Agent, as applicable, a request that one or more Collateral Assets be sold, in whole or in part. The Liquidation Agent will sell any such Collateral Asset, subject to the affirmative approval of the Holders of a Majority of each Class of Notes and each Hedge Counterparty and the satisfaction of certain other conditions. See "Security for the Secured Notes—Designation of Directed Sale Securities." Any such sale could (i) result in such Collateral Asset being sold at a loss, (ii) adversely affect the Issuer and the Issuer's ability to make payments on the Notes, (iii) affect the weighted average lives of the Notes and (iv) adversely affect the returns on the Notes. On the other hand, it is also possible that a Holder of a Note could propose a sale which would be beneficial to the Issuer and the Holders of the Notes but such sale is not permitted because such proposal is not affirmatively approved by each Hedge Counterparty and the Holders of a Majority of each Class of Notes.

No Collateral Manager. The Issuer has not engaged and will not engage, a collateral manager to select the Collateral Assets (or to verify their prices), to monitor the Collateral Assets on a regular basis or to consult with the Issuer with respect to the Collateral Assets, including the advisability, timing or terms of any disposition thereof. None of the Liquidation Agent, the Administrative Agent or any of their affiliates will provide investment advisory services to or act as an advisor to or an agent for the Issuer or the Holders of the Notes, and they will not have any fiduciary duties to, nor be obligated to consider the interests of the Issuer or the Holders of the Notes. As a result, the Issuer and the Holders of the Notes will not have the benefit of the provisions of the Investment Advisers Act of 1940 which afford certain protections to clients of investment advisors. Furthermore, because there is no collateral manager in the Hout Bay 2006-1 Ltd. transaction, the Indenture eliminates the ability of the Issuer to exercise discretion in contexts where a collateral manager in a managed, or static, collateralized debt obligation transaction customarily has discretion to act on behalf of the Issuer. For example, the Indenture provides, among other things, that (i) where the Issuer, as the beneficial owner of a Collateral Asset, or the Trustee, as the registered owner of a Collateral Asset, has the right to exercise a vote or consent to (or otherwise approve of) (a) any action, or inaction, pursuant to the terms of such Collateral Asset and its related underlying documentation or (b) an offer by the issuer of such Collateral Asset or by any other person to purchase or otherwise acquire such Collateral Asset or to convert or exchange such Collateral Asset for cash or any other consideration, the Trustee, acting in its capacity as registered owner of such Collateral Asset, shall direct the Issuer's vote be cast in the following manner: (x) if other holders of the class of which such Collateral Asset is a part respond to such solicitation for vote or consent, in the same manner as the votes of a plurality of the other voting holders of such class (based on the Principal Balance of such Collateral Asset), (y) if no other holders of such class exercise a vote or if there are no other holders of such class, but holders of different classes issued under the same governing instrument respond, in the same manner as the votes of a plurality of the voting holders of all classes issued under the governing instrument pursuant to which such Collateral Asset was issued (based on the Principal Balance of all such classes and treated as a single class) or (z) if no holders of any class issued under the same governing instrument respond or if there are no other holders, the Issuer's vote shall be exercised against such action or inaction, (ii) the Issuer will have no discretion with respect to the temporary investment of funds held pending application thereof in accordance with the terms of the Indenture, and (iii) the Issuer will have no discretion under the Hedge Agreements that it enters into. The inability of the Issuer to exercise discretion in these contexts could adversely affect the Issuer and the Holders of the Notes, and it is impossible to quantify the potential magnitude of this impact. Potential investors in the Notes are urged to (a) review carefully this Offering Circular and the related terms of the Indenture, the Fiscal Agency Agreement and other operative

documents and (b) take the inability of the Issuer to exercise discretion into account before investing in any of the Notes.

Collateral Assets

General. The following description of the Collateral Assets and the underlying documents and the risks related thereto is general in nature, and prospective purchasers of the Notes should review the descriptions and risk factors relating to each of the Collateral Assets set forth in the related Disclosure Documents on the CD-ROM attached to this Offering Circular and the summaries set forth in Appendix B to this Offering Circular. The Disclosure Documents were completed as of the date of the original offering of each of the Collateral Assets and the information contained in such Disclosure Documents may now be outdated and less relevant to the Collateral Assets. None of the Issuers, the Liquidation Agent, the Administrative Agent, the Trustee, the Collateral Administrator, the Hedge Counterparty (or any guarantor thereof), the Synthetic Security Counterparty or either Initial Purchaser has independently verified any of the information contained in the Disclosure Documents or is making any representation or warranty regarding, or assumes any responsibility for the accuracy, completeness or applicability of, the information contained therein.

Nature of Collateral. The Collateral is subject to credit, liquidity, prepayment and interest rate risks. The amount and nature of collateral securing the Secured Notes has been established to withstand certain assumed deficiencies in payment occasioned by defaults in respect of the Collateral Assets. See "Ratings of the Notes." If any deficiencies exceed such assumed levels, however, payment of the Notes could be adversely affected. To the extent that any Collateral Asset securing the Secured Notes is (i) determined by the Trustee to be a Credit Risk Obligation or equity security or (ii) a Directed Sale Security and the Liquidation Agent, on behalf of the Issuer, sells or otherwise disposes of such Collateral Asset, it is not likely that the proceeds of such sale or other disposition will be equal to the amount of principal and interest owing to the Issuer in respect of such Collateral Asset.

The market value of the Collateral Assets generally will fluctuate with, among other things, the financial condition of the obligors on or issuers of the Collateral Assets, the credit quality of the underlying pool of assets in any Collateral Asset, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. None of the Issuer, the Co-Issuer, either Initial Purchaser, the Liquidation Agent, the Administrative Agent, the Collateral Administrator, the Hedge Counterparty (or any guarantor thereof), the Synthetic Security Counterparty or the Trustee has any liability or obligation to the Holders of Notes as to the amount or value of, or decrease in the value of, the Collateral Assets from time to time, or makes any representation or warranty as to the performance of the Collateral Assets.

If a Collateral Asset is (i) determined by the Trustee to be a Credit Risk Obligation or equity security or (ii) a Directed Sale Security, the Liquidation Agent is required, subject to the terms of the Liquidation Agency Agreement, to sell on behalf of the Issuer the affected Collateral Asset or equity security. There can be no assurance as to the timing of the Issuer's sale of the affected Collateral Asset or equity security, or as to the rates of recovery on such affected Collateral Asset or equity security. The inability to realize immediate recoveries at the recovery levels assumed herein may result in lower cash flow and a lower yield to maturity of the Notes.

Commercial Mortgage-Backed Securities. Approximately 12.0% of the Collateral Assets (by principal balance) will consist of Commercial Mortgage-Backed Securities ("CMBS") as of the Closing Date. The types of Commercial Mortgage Backed Securities that the Issuer will acquire on the Closing Date are expected to consist of CMBS Large Loan Securities, CMBS Conduit Securities and CMBS Repackaging Securities.

Holders of CMBS bear various risks, including credit, market, interest rate, structural and legal risks. CMBS are securities backed by obligations (including certificates of participation in obligations) that are principally secured by mortgages on real property or interests therein having a multifamily or commercial use, such as regional malls, other retail space, office buildings, industrial or warehouse properties, hotels, nursing homes and senior living centers. CMBS have been issued in public and private transactions by a variety of public and private issuers using a variety of structures, including senior and subordinated classes. Risks affecting real estate investments include general economic conditions, the condition of financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. The cyclicality and leverage associated with real estate-related investments have historically resulted in periods, including significant periods, of adverse performance,

including performance that may be materially more adverse than the performance associated with other investments. In addition, commercial mortgage loans generally lack standardized terms, tend to have shorter maturities than residential mortgage loans and may provide for the payment of all or substantially all of the principal only at maturity. Additional risks may be presented by the type and use of a particular commercial property. For instance, commercial properties that operate as hospitals and nursing homes may present special risks to lenders due to the significant governmental regulation of the ownership, operation, maintenance and financing of health care institutions. Hotel and motel properties are often operated pursuant to franchise, management or operating agreements which may be terminable by the franchisor or operator; and the transferability of a hotel's operating, liquor and other licenses upon a transfer of the hotel, whether through purchase or foreclosure, is subject to local law requirements. All of these factors increase the risks involved with commercial real estate lending. Commercial properties tend to be unique and are more difficult to value than single-family residential properties. Commercial lending is generally viewed as exposing a lender to a greater risk of loss than residential one-to-four family lending since it typically involves larger loans to a single borrower than residential one-to-four family lending.

Commercial mortgage lenders typically look to the debt service coverage ratio of a loan secured by income-producing property as an important measure of the risk of default on such a loan. Commercial property values and net operating income are subject to volatility, and net operating income may be sufficient or insufficient to cover debt service on the related mortgage loan at any given time. The repayment of loans secured by income-producing properties is typically dependent upon the successful operation of the related real estate project rather than upon the liquidation value of the underlying real estate. Furthermore, the net operating income from and value of any commercial property may be adversely affected by risks generally incident to interests in real property, including events which the borrower or manager of the property, or the issuer or servicer of the related issuance of commercial mortgage-backed securities, may be unable to predict or control, such as changes in general or local economic conditions and/or specific industry segments; declines in real estate values; declines in rental or occupancy rates; increases in interest rates, real estate tax rates and other operating expenses; changes in governmental rules, regulations and fiscal policies; acts of God; and social unrest and civil disturbances. The value of commercial real estate is also subject to a number of laws, such as laws regarding environmental clean-up and limitations on remedies imposed by bankruptcy laws and state laws regarding foreclosures and rights of redemption. Any decrease in income or value of the commercial real estate underlying an issue of CMBS could result in cash flow delays and losses on the related issue of CMBS.

A commercial property may not readily be converted to an alternative use in the event that the operation of such commercial property for its original purpose becomes unprofitable. In such cases, the conversion of the commercial property to an alternative use would generally require substantial capital expenditures. Thus, if the borrower becomes unable to meet its obligations under the related commercial mortgage loan, the liquidation value of any such commercial property may be substantially less, relative to the amount outstanding on the related commercial mortgage loan, than would be the case if such commercial property were readily adaptable to other uses. The exercise of remedies and successful realization of liquidation proceeds may be highly dependent on the performance of CMBS servicers or special servicers, of which there may be a limited number and which may have conflicts of interest in any given situation. The failure of the performance of such CMBS servicers or special servicers could result in cash flow delays and losses on the related issue of CMBS.

Fixed rate CMBS, like all fixed-income securities, generally decline in value as interest rates rise. Moreover, although generally the value of fixed-income securities increases during periods of falling interest rates, this inverse relationship may not be as marked in the case of CMBS due to the increased likelihood of prepayments during periods of falling interest rates. This effect is mitigated to some degree for mortgage loans providing for a period during which no prepayments may be made. However, prepayments on the underlying commercial mortgage loans may still result in a reduction of the yield on the related issue of CMBS.

Mortgage loans underlying a CMBS issue may provide for no amortization of principal or may provide for amortization based on a schedule substantially longer than the maturity of the mortgage loan, resulting in a "balloon" payment due at maturity. If the underlying mortgage borrower experiences business problems, or other factors limit refinancing alternatives, such balloon payment mortgages are likely to experience payment delays or even default. As a result, the related issue of CMBS could experience delays in cash flow and losses.

In addition, structural and legal risks include the possibility that, in a bankruptcy or similar proceeding involving the originator or the servicer (often the same entity or affiliates), the assets of the issuer could be treated as never having been truly sold by the originator to the issuer or could be substantively consolidated with those of the originator or the servicer, or the transfer of such assets to the issuer could be voided as a fraudulent transfer. Challenges based on such doctrines could result also in cash flow delays and losses on the related issue of CMBS.

None of the CMBS included in the Collateral Assets will be guaranteed or insured by any governmental agency or instrumentality or by any other person. Distributions on CMBS will depend solely upon the amount and timing of payments and other collections on the related underlying mortgage loans.

Realized losses and trust expenses generally will be allocated to the most subordinated class of securities of the related series. Accordingly, to the extent any CMBS becomes the most subordinated class of securities of the related series, any delinquency or default on any underlying mortgage loan may result in shortfalls, realized loss allocations or extensions of its weighted average life and will have a more immediate and disproportionate effect on the related CMBS than on the related more senior securities. Certain of the Underlying CMBS Series have experienced delinquencies, defaults and losses on the underlying commercial mortgage loans. See "Appendix B—Collateral Asset Descriptions and Transaction Summaries"

In addition, in the case of certain CMBS, no distributions of principal will generally be made until the aggregate principal balance of the corresponding more senior securities has been reduced to zero and, in other cases, all or a disproportionate amount of principal distributions will be made to the holders of the more senior securities for a specified period of time. The holders of classes of securities that are subordinate to the classes of CMBS owned by the Issuer will generally control the exercise of remedies in connection with such CMBS. Such exercise of remedies by a holder of subordinate classes may be in conflict with the interests of the more senior securities. See "—Other Considerations—Certain Conflicts of Interest."

As of the Closing Date, none of the CMBS will be the "controlling class" with respect to any Underlying CMBS Series. The inability of the Issuer to exercise such discretion with respect to a CMBS may adversely affect the realization on such CMBS.

Residential Mortgage Backed Securities. Approximately 79.3% of the Collateral Assets (by principal balance or, in the case of Synthetic Securities, the Reference Obligations of which are Residential Mortgage-Backed Securities, by notional balance) will consist of Residential Mortgage Backed Securities ("RMBS") as of the Closing Date. The types of Residential Mortgage Backed Securities that the Issuer will acquire on the Closing Date are expected to consist of RMBS Prime Mortgage Securities, RMBS Midprime Mortgage Securities and RMBS Subprime Mortgage Securities.

Holders of RMBS bear various risks, including credit, market, interest rate, structural and legal risks. RMBS represent interests in pools of residential mortgage loans secured by one- to four-family residential mortgage loans. Such loans may be prepaid at any time. Residential mortgage loans are obligations of the borrowers thereunder only and are not typically insured or guaranteed by any other person or entity, although such loans may be securitized by agencies and the securities issued are guaranteed. The rate of defaults and losses on residential mortgage loans will be affected by a number of factors, including general economic conditions and those in the area where the related mortgaged property is located, the borrower's equity in the mortgaged property and the financial circumstances of the borrower. If a residential mortgage loan is in default, foreclosure of such residential mortgage loan may be a lengthy and difficult process, and may involve significant expenses. Furthermore, the market for defaulted residential mortgage loans or foreclosed properties may be very limited.

At any one time, a portfolio of RMBS may be backed by residential mortgage loans with disproportionately large aggregate principal amounts secured by properties in only a few states or regions. As a result, the residential mortgage loans may be more susceptible to geographic risks relating to such areas, such as adverse economic conditions, adverse events affecting industries located in such areas and natural hazards affecting such areas, than would be the case for a pool of mortgage loans having more diverse property locations. In addition, the residential mortgage loans may include so-called "jumbo" mortgage loans, having original principal balances that are higher than is generally the case for residential mortgage loans. As a result, such portfolio of RMBS may experience increased losses.

Each underlying residential mortgage loan in an issue of RMBS may have a balloon payment due on its maturity date. Balloon residential mortgage loans involve a greater risk to a lender than self-amortizing loans, because the ability of a borrower to pay such amount will normally depend on its ability to obtain refinancing of the related mortgage loan or sell the related mortgaged property at a price sufficient to permit the borrower to make the balloon payment, which will depend on a number of factors prevailing at the time such refinancing or sale is required, including, without limitation, the strength of the residential real estate markets, tax laws, the financial situation and operating history of the underlying property, interest rates and general economic conditions. If the borrower is unable to make such balloon payment, the related issue of RMBS may experience losses.

Prepayments on the underlying residential mortgage loans in an issue of RMBS will be influenced by the prepayment provisions of the related mortgage notes and may also be affected by a variety of economic, geographic and other factors, including the difference between the interest rates on the underlying residential mortgage loans (giving consideration to the cost of refinancing) and prevailing mortgage rates and the availability of refinancing. In general, if prevailing interest rates fall significantly below the interest rates on the related residential mortgage loans, the rate of prepayment on the underlying residential mortgage loans would be expected to increase. Conversely, if prevailing interest rates rise to a level significantly above the interest rates on the related mortgages, the rate of prepayment would be expected to decrease. Prepayments could reduce the yield received on the related issue of RMBS.

Structural and Legal Risks of RMBS. Residential mortgage loans in an issue of RMBS may be subject to various federal and state laws, public policies and principles of equity that protect consumers, which among other things may regulate interest rates and other charges, require certain disclosures, require licensing of originators, prohibit discriminatory lending practices, regulate the use of consumer credit information and regulate debt collection practices. Violation of certain provisions of these laws, public policies and principles may limit the servicer's ability to collect all or part of the principal of or interest on a residential mortgage loan, entitle the borrower to a refund of amounts previously paid by it, or subject the servicer to damages and sanctions. Any such violation could result also in cash flow delays and losses on the related issue of RMBS.

RMBS may have structural characteristics that distinguish them from other asset-backed securities. The rate of interest payable on RMBS may be set or effectively capped at the weighted average net coupon of the underlying mortgage loans themselves. As a result of this cap, the return to investors is dependent on the relative timing and rate of delinquencies and prepayments of mortgage loans bearing a higher rate of interest. In general, early prepayments will have a greater impact on the yield to investors. Federal and state law may also affect the return to investors by capping the interest rates payable by certain mortgagors. The Servicemembers' Civil Relief Act of 2003 (the "Relief Act") provides relief for certain soldiers and members of the reserve called to active duty by capping the interest rates on their mortgage loans at 6% per annum. In addition, pursuant to the laws of various states, under certain circumstances, payments on the underlying mortgage loans by residents in such states who are called into active duty with the National Guard or the reserves will be deferred. These state laws may also limit the ability of the servicer to foreclose on the related mortgaged property. This could result in delays or reductions in payment and increased losses on the underlying mortgage loans which impact the return to investors. Certain RMBS may provide for the payment of only interest for a stated period of time.

In addition, structural and legal risks of RMBS include the possibility that, in a bankruptcy or similar proceeding involving the originator or the servicer (often the same entity or affiliates), the assets of the issuer could be treated as never having been truly sold by the originator to the issuer or could be substantively consolidated with those of the originator or the servicer, or the transfer of such assets to the issuer could be voided as a fraudulent transfer. Challenges based on such doctrines could result also in cash flow delays and losses on the related issue of RMBS.

It is not expected that the RMBS will be guaranteed or insured by any governmental agency or instrumentality or by any other person. Distributions on RMBS will depend solely upon the amount and timing of payments and other collections on the related underlying mortgage loans.

CDO Securities. Approximately 7.9% of the Collateral Assets (by principal balance) will consist of CDO Securities as of the Closing Date. CDO Securities generally are limited recourse obligations of the issuer thereof payable solely from the underlying assets of the issuer ("CDO Collateral") or proceeds thereof. Consequently,

holders of CDO Securities must rely solely on distributions on the underlying CDO Collateral or proceeds thereof for payment in respect thereof. If distributions on the underlying CDO Collateral are insufficient to make payments on the CDO Securities, no other assets will be available for payment of the deficiency and following realization of the underlying assets, the obligations of the issuer to pay such deficiency shall be extinguished. Many subordinate classes of CDO Securities provide that a deferral of interest thereon or a write-down does not constitute an event of default and the holders of such securities will not have available to them any associated default remedies. During such periods of non payment or partial non-payment, such non paid interest will generally be capitalized and added to the outstanding principal balance of the related security. Any such deferral will reduce the amount of current payments made on such CDO Securities.

CDO Securities are subject to credit, liquidity and interest rate risks. The assets backing CDO Securities may consist of high yield debt securities, loans, trust preferred securities, structured finance securities and other debt instruments. High yield debt securities are generally unsecured (and loans may be unsecured) and may be subordinated to certain other obligations of the issuer thereof. An increase in the default rates of high yield corporate debt securities or loans could increase the likelihood that payments may not be made to holders of CDO Securities which are secured by high yield corporate debt securities and loans.

Issuers of CDO Securities may acquire interests in loans and other debt obligations by way of assignment or participation. The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a lender under the credit agreement with respect to the debt obligation; however, its rights can be more restricted than those of the assigning institution.

In purchasing participations, an issuer of CDO Securities will usually have a contractual relationship only with the selling institution, and not the borrower. The issuer generally will have no right directly to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of set-off against the borrower, nor have the right to object to certain changes to the loan agreement agreed to by the selling institution. The issuer may not directly benefit from the collateral supporting the related loan and may be subject to any rights of set-off the borrower has against the selling institution. In addition, in the event of the insolvency of the selling institution, under the laws of the United States of America and the states thereof, the issuer may be treated as a general creditor of such selling institution, and may not have any exclusive or senior claim with respect to the selling institution's interest in, or the collateral with respect to, the loan. Consequently, the issuer may be subject to the credit risk of the selling institution as well as of the borrower.

CDO Securities are subject to interest rate risk and day count basis risk. The CDO Collateral of an issuer of CDO Securities may bear interest at a fixed (floating) rate while the CDO Securities issued by such issuer may bear interest at a floating (fixed) rate. As a result, there could be a floating/fixed rate or basis mismatch between such CDO Securities and CDO Collateral which bears interest at a fixed rate and there may be a timing mismatch between the CDO Securities and assets that bear interest at a floating rate as the interest rate on such assets bearing interest at a floating rate may adjust more frequently or less frequently, on different dates and based on different indices than the interest rates on the CDO Securities. As a result of such mismatches, an increase or decrease in the level of the floating rate indices could adversely impact the ability to make payments on the CDO Securities. In addition, hedges may have been acquired to manage the interest rate risk of such CDO Securities, making such CDO Securities also subject to the credit risk of the applicable hedge counterparty.

Asset-Backed Securities. Approximately 0.8% of the Collateral Assets (by principal balance) will consist of Asset-Backed Securities as of the Closing Date. The Asset-Backed Securities acquired on the Closing Date are expected to be insured securities which entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such Asset-Backed Securities) on the cash flow from balances outstanding under certain receivables.

The structure of an Asset-Backed Security and the terms of the investors' interest in the collateral can vary widely depending on the type of collateral, the desires of investors and the use of credit enhancements. Individual transactions can differ markedly in both structure and execution. Important determinants of the risk associated with issuing or holding Asset-Backed Securities include the relative seniority or subordination of the class of Asset-Backed Securities held by an investor, the relative allocation of principal and interest payments in the priorities by which such payments are made under the governing documents, how credit losses affect the issuing vehicle and the

return to investors, whether collateral represents a fixed set of specific assets or accounts, whether the underlying collateral assets are revolving or closed end, under what terms (including maturity of the asset backed instrument) any remaining balance in the accounts may revert to the issuing company and the extent to which the company that is the actual source of the collateral assets is obligated to provide support to the issuing vehicle or to the investors. With respect to some types of Asset-Backed Securities, the risk is more closely correlated with the default risk on corporate bonds of similar terms and maturities than with the performance of a pool of receivables. In addition, certain Asset-Backed Securities (particularly subordinated Asset-Backed Securities) provide that the non payment of interest in cash on such securities will not constitute an event of default in certain circumstances and the holders of such securities will not have available to them any associated default remedies. Interest not paid in cash will generally be capitalized and added to the outstanding principal balance of the related security. Any such deferral will reduce the yield on such Asset-Backed Securities.

Holders of Asset-Backed Securities bear various risks, including credit risks, liquidity risks, interest rate risks, market risks, operations risks, structural risks and legal risks. Credit risk arises from losses due to defaults by the borrowers in the underlying collateral and the issuer's or servicer's failure to perform. These two elements may be related, as, for example, in the case of a servicer which does not provide adequate credit review scrutiny to the serviced portfolio, leading to higher incidence of defaults. Market risk arises from the cash flow characteristics of the security, which for most Asset-Backed Securities tend to be predictable. The greatest variability in cash flows comes from credit performance, including the presence of wind down or acceleration features designed to protect the investor in the event that credit losses in the portfolio rise well above expected levels. Interest rate risk arises for the issuer from the relationship between the pricing terms on the underlying collateral and the terms of the rate paid to holders of securities and from the need to mark to market the excess servicing or spread account proceeds carried on the balance sheet. For the holder of the security, interest rate risk depends on the expected life of the Asset-Backed Securities which may depend on prepayments on the underlying assets or the occurrence of wind down or termination events.

If the servicer becomes subject to financial difficulty or otherwise ceases to be able to carry out its functions, it may be difficult to find other acceptable substitute servicers and cash flow disruptions or losses may occur, particularly with non standard receivables or receivables originated by private retailers who collect many of the payments at their stores. Structural and legal risks include the possibility that, in a bankruptcy or similar proceeding involving the originator or the servicer (often the same entity or affiliates), the assets of the issuer could be treated as never having been truly sold by the originator to the issuer or could be substantively consolidated with those of the originator or the servicer, or the transfer of such assets to the issuer could be voided as a fraudulent transfer. Challenges based on such doctrines could result also in cash flow delays and reductions. Other similar risks relate to the degree to which cash flows on the assets of the issuer may be commingled with those on the originator's or the servicer's other assets.

Subordination of Collateral Assets. All of the Collateral Assets to be acquired by the Issuer are investment grade as of the Closing Date. Some of the Collateral Assets owned by the Issuer will be subordinated to one or more other classes of securities of the same series for purposes of, among other things, offsetting losses and other shortfalls with respect to the related underlying mortgage loans. The subordinate classes are more sensitive to risk of loss and writedowns than senior classes of such securities.

Synthetic Securities. As of the Closing Date, approximately 6.7% of the Collateral Assets (by principal or notional balance) are expected to consist of Synthetic Securities, all of the Reference Obligations of which are expected to consist of RMBS.

The economic return on a Synthetic Security depends substantially upon the performance of the related Reference Obligation and partially upon the performance of the collateral posted by the Issuer to secure its obligations to the Synthetic Security Counterparty on deposit in the Default Swap Collateral Account. Synthetic Securities generally have probability of default, recovery upon default and expected loss characteristics, which are closely correlated to the corresponding Reference Obligation, but may have different maturity dates, coupons, payment dates or other non credit characteristics than the corresponding Reference Obligation. In addition to the credit risks associated with holding the Reference Obligation, with respect to Synthetic Securities, the Issuer will usually have a contractual relationship only with the related Synthetic Security Counterparty, and not with the Reference Obligor of the Reference Obligation. Due to the fact that a Synthetic Security may be illiquid or may not

be terminable on demand (or terminable on demand only upon payment of a substantial fee by the Issuer), the Issuer's ability to dispose of a Synthetic Security, if circumstances arise permitting such disposal, may be limited. Any settlement payments and termination payments payable by the Issuer (net of any termination payments owing by the Synthetic Security Counterparty) to the Synthetic Security Counterparty will reduce the amount available to pay the Holders of the Subordinated Notes and the Secured Notes in inverse order of seniority. The Issuer generally will have no right to directly enforce compliance by the Reference Obligor with the terms of the Reference Obligation nor any rights of set off against the Reference Obligor, nor have any voting rights with respect to the Reference Obligation. The Issuer will not directly benefit from the collateral supporting the Reference Obligation and will not have the benefit of the remedies that would normally be available to a holder of such Reference Obligation.

Because neither the Synthetic Security Counterparty nor the Issuer is required to hold any Reference Obligation, the Issuer will not have any right to obtain from either the Synthetic Security Counterparty or the Reference Obligor information on the Reference Obligations or information regarding any Reference Obligor. The Synthetic Security Counterparty will have no obligation to keep the Issuer, the Trustee, the Liquidation Agent, the Administrative Agent, the Holders of the Secured Notes or the Holders of the Subordinated Notes informed as to matters arising in relation to any Reference Obligation including whether or not circumstances exist under which there is a possibility of the occurrence of a credit event.

In addition, in the event of the insolvency of the Synthetic Security Counterparty, the Issuer will be treated as a general creditor of such Synthetic Security Counterparty, and will not have any claim with respect to the Reference Obligor or the Reference Obligation. Consequently, the Issuer will be subject to the credit risk of the Synthetic Security Counterparty as well as that of the Reference Obligor and the Reference Obligation. As a result, concentrations of Synthetic Securities in any one Synthetic Security Counterparty subject the Notes to an additional degree of risk with respect to defaults by such Synthetic Security Counterparty. It is expected that Goldman Sachs International, an affiliate of Goldman, Sachs & Co., will act as the sole Synthetic Security Counterparty with respect to the Synthetic Securities, which creates concentration risk and may create certain conflicts of interest. In addition, neither the Synthetic Security Counterparty nor its affiliates will be (or will be deemed to be acting as) the agent or trustee of the Issuer, the Holders of the Secured Notes or the Holders of the Subordinated Notes in connection with the exercise of, or the failure to exercise, any of the rights or powers of the Synthetic Security Counterparty and/or its affiliates arising under or in connection with their respective holding of any Reference Obligation. The Synthetic Security Counterparty and its affiliates (i) may deal in any Reference Obligation, (ii) may generally engage in any kind of commercial or investment banking or other business transactions with any issuer of a Reference Obligation, and (iii) may act with respect to transactions described in the preceding clauses (i) and (ii) in the same manner as if the Synthetic Securities and the Notes did not exist and without regard to whether any such action might have an adverse affect on such Reference Obligation, the Issuer, the Holders of the Secured Notes or the Holders of the Subordinated Notes.

All of the Synthetic Securities are expected to be structured as "pay-as-you-go" credit default swaps. The obligation of the Issuer to make payments to a Synthetic Security Counterparty under a Synthetic Security creates credit exposure to the related Reference Obligations (as well as to the default risk of the related Synthetic Security Counterparty). Following the occurrence of a "credit event", the Issuer may be required to pay to the Synthetic Security Counterparty a "physical settlement payment" or a "cash settlement payment." The payment of any such credit protection payments will be funded by the Issuer liquidating Default Swap Collateral chosen by the Synthetic Security Counterparty. In addition, each Synthetic Security may require the Issuer, in its capacity as protection seller, to pay certain "floating amounts" to the Synthetic Security Counterparty equal to certain principal shortfall amounts, writedown payments and interest shortfalls under the Reference Obligation upon the occurrence thereof. Although the Synthetic Security Counterparty, in its capacity as protection buyer, will be obligated to reimburse all or part of such payments to the Issuer if the writedown payments of the related shortfalls are ultimately paid to Holders of the Reference Obligations or if the related Reference Obligations are written up, the amounts available to the Issuer to make payments in respect of the Secured Notes and Subordinated Notes may be reduced after payment by the Issuer of the relevant payment to the Synthetic Security Counterparty until the Issuer receives such reimbursement, if any, from the Synthetic Security Counterparty. Any "floating payments" or credit protection payments payable by the Issuer, may result in a reduction of the notional amount of the Synthetic Securities, and therefore reduce the amounts payable by the Synthetic Security Counterparty and the amount of interest collections available to pay interest on the Notes. In addition, any "floating payment", "physical settlement payment" or "cash

settlement payment" would reduce the amount on deposit in the Default Swap Collateral Account that is available to pay the principal of the Notes.

Determination of the floating amounts and additional fixed amounts (as described in the Confirmation) will depend on the relevant servicer reports being available and on such reports containing adequate information to enable the required calculations to be made. Current private industry investigations of the market practices show that such reports can vary and that not all reports contain adequate information. In addition, access to servicer reports may be limited if such reports are confidential and neither counterparty holds the related Reference Obligation.

The Issuer will be required to purchase Default Swap Collateral and pledge to the Synthetic Security Counterparty a first priority security interest in such Default Swap Collateral. In the event a "credit event" occurs under a Synthetic Security, the item of Default Swap Collateral chosen by the Synthetic Security Counterparty after the application of any cash on deposit in the Default Swap Collateral Account will be sold by the Trustee at the direction of the Liquidation Agent and any loss or write down amount owed to the Synthetic Security Counterparty will be paid by the Issuer from the liquidation proceeds of such Default Swap Collateral. In the event such liquidation proceeds are less than par, the Synthetic Security Counterparty will accept the liquidation proceeds applicable to the face amount of Synthetic Security Collateral sold which is equal to the loss or write down amount. In addition, under certain circumstances upon the occurrence of a "credit event", the Default Swap Collateral chosen by the Synthetic Security Counterparty will instead be delivered to the Synthetic Security Counterparty in exchange for a deliverable obligation. Any deliverable obligation delivered to the Issuer will be sold by the Trustee at the direction of the Liquidation Agent without regard to whether such sale would be permitted as a sale of a Credit Risk Obligation. In the event that no "credit event" under a Synthetic Security occurs prior to the termination or scheduled maturity of such Synthetic Security, the related Default Swap Collateral will be released from the lien of the Synthetic Security Counterparty and will be treated as an Eligible Investment (if such security satisfies such definition as determined by the Administrative Agent) and will otherwise be considered a Collateral Asset which may only be sold in accordance with the Indenture. If a Synthetic Security is terminated or partially terminated prior to its scheduled maturity, the Synthetic Security Counterparty will choose the Default Swap Collateral to be liquidated to make any termination payments due to the Synthetic Security Counterparty after the application of cash available in the Default Swap Collateral Account and the Trustee will cause such portion of the Default Swap Collateral to be sold at the direction of the Liquidation Agent and the liquidation proceeds equaling any such termination payment will be paid to the Synthetic Security Counterparty. The remaining portion of Default Swap Collateral not required to be pledged to such Synthetic Security Counterparty will be delivered to the Trustee free of such lien. The Default Swap Collateral may be sold or replaced prior to the termination or maturity of the related Synthetic Security at the direction of the Synthetic Security Counterparty. The Issuer may realize a loss upon the sale of any Default Swap Collateral, however, under the terms of the Synthetic Securities, the Synthetic Security Counterparty will bear any market risk on the liquidation of the Default Swap Collateral.

"Pay-as-you-go" credit default swaps are a new type of credit default swap developed to incorporate the unique structures of asset-backed securities. In June 2005, the International Swaps and Derivatives Association, Inc. ("ISDA") published its first form confirmation for "pay-as-you-go" credit default swaps referencing RMBS. The form confirmation expected to be used to document the Synthetic Securities is expected to be similar, to the RMBS "pay-as-you-go" form but may differ in significant ways. While ISDA has published its form confirmation and has published and supplemented the Credit Derivatives Definitions in order to facilitate transactions and promote uniformity in the credit default swap market, the credit default swap market is expected to change and the "pay-as-you-go" credit default swap forms and the Credit Derivatives Definitions and terms applied to credit derivatives are subject to interpretation and further evolution. ISDA is currently preparing forms for other types of asset-backed securities. There can be no assurance that such forms will be substantially similar to the form confirmation expected to be used for the Synthetic Security. Past events have shown that the views of market participants may differ as to how the Credit Derivatives Definitions operate or should operate. As a result of the continued evolution of the ISDA "pay-as-you-go" credit default swap forms, the confirmations used to document the Synthetic Securities may differ from the future market standard. Such a result may have a negative impact on the liquidity and market value of the Synthetic Securities.

There can be no assurances that changes to the Credit Derivatives Definitions and other terms applicable to credit derivatives generally will be favorable to the Issuer. Amendments or supplements to the "pay-as-you-go" credit default swap forms and amendments and supplements to the Credit Derivatives Definitions that are published

by ISDA will only apply to the Synthetic Securities executed prior to such amendment or supplement if the Issuer and the Synthetic Security Counterparty agree to amend the Synthetic Securities to incorporate such amendments or supplements and the Rating Agency Condition has been satisfied. Markets in different jurisdictions have also already adopted and may continue to adopt different practices with respect to the Credit Derivatives Definitions. Furthermore, the Credit Derivatives Definitions may contain ambiguous provisions that are subject to interpretation and may result in consequences that are adverse to the Issuer. In addition to the credit risk of the Reference Obligations and the credit risk of the Synthetic Security Counterparty, the Issuer is also subject to the risk that the Credit Derivatives Definitions could be interpreted in a manner that would be adverse to the Issuer or that the credit derivatives market generally may evolve in a manner that would be adverse to the Issuer.

PROSPECTIVE PURCHASERS OF THE SECURED NOTES AND THE SUBORDINATED NOTES SHOULD CONSIDER AND ASSESS FOR THEMSELVES THE LIKELY LEVEL OF DEFAULTS ON THE COLLATERAL ASSETS, AS WELL AS THE LIKELY LEVEL AND TIMING OF RECOVERIES ON THE COLLATERAL ASSETS.

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

In general, if payments on a Collateral Asset are avoidable, whether as fraudulent conveyances or preferences, such payments can be recaptured. To the extent that any such payments are recaptured, the resulting loss will be borne first by the Holders of the Subordinated Notes, then by the Holders of the Class E Notes, then by the Holders of the Class D Notes, then by the Holders of the Class C Notes, then by the Holders of the Class B Notes, then by the Holders of the Class A-2 Notes, then by the Holders of the Class A-1 Notes, and finally, by the Holders of the Class S Notes.

Illiquidity of Collateral Assets; Certain Restrictions on Transfer. There may be a limited trading market for many of the Collateral Assets purchased by the Issuer, and in certain instances there may be effectively no trading market therefor.

In addition, it is expected that substantially all of the Collateral Assets will generally not have been registered or qualified under the Securities Act, or the securities laws of any other jurisdiction, and no person or entity will be obligated to register or qualify any such Collateral Assets under the Securities Act or any other securities law. Consequently, the Issuer's transfer of such Collateral Assets will be subject to satisfaction of legal requirements applicable to transfers that do not require registration or qualification under the Securities Act or any applicable state securities laws and upon satisfaction of certain other provisions of the respective agreements pursuant to which the Collateral Assets were issued. It is expected that such transfers will also be subject to

satisfaction of certain other restrictions regarding the transfer thereof to, for the benefit of or with assets of, a Plan, as well as certain other transfer restrictions. The existence of such transfer restrictions will negatively affect the liquidity of, and consequently the price that may be realized upon a sale of, such securities.

The Issuer's investment in illiquid Collateral Assets may affect the Issuer's right to sell such investments if they become Credit Risk Obligations or Directed Sale Securities and the timing and price thereof. The value of illiquid Collateral Assets may be less than comparable, more liquid investments. The illiquidity of Collateral Assets and the restrictions on transfer of Collateral Assets, in each case as described above, may also affect the ability of the Issuer to conduct a successful Auction, to exercise redemptions and may also affect the amount and timing of receipt of proceeds from the sale of Collateral Assets in connection with the exercise of remedies following an Event of Default.

Volatility of Market Value of Collateral Assets. The market value of the Collateral Assets will generally fluctuate with, among other things, changes in prevailing interest rates, general economic conditions, the condition of certain financial markets, developments or trends in any particular industry and the financial condition of the issuers of the Collateral Assets. A decrease in the market value of the Collateral Assets would adversely affect the proceeds that could be obtained upon the sale of the Collateral Assets and could ultimately affect the ability of the Issuer to effect an Auction, an Optional Redemption or a Tax Redemption, or to pay the principal of the Notes upon a liquidation of the Collateral Assets following the occurrence of an Event of Default.

Interest Rate Risk; Hedge Agreements. There will be a floating/fixed rate or basis mismatch between the Notes and those underlying Collateral Assets that bear interest at a fixed rate and there will be a basis and timing mismatch between such Notes and the Collateral Assets which bear interest at a floating rate, since the interest rates on such Collateral Assets bearing interest at a floating rate may adjust more frequently or less frequently, on different dates and based on different indices, than the interest rate on the Notes. The fixed rates and the margins over LIBOR or other floating rates borne by Collateral Assets may be lower than those on sold or amortized Collateral Assets which could cause a significant decline in interest coverage for the Notes. An increase in LIBOR, and therefore in the interest rate borne by the Notes, could adversely impact the interest coverage for the Notes, and a decrease in LIBOR, although also a decrease in the interest rate borne by the Notes, could also adversely impact the interest coverage for the Notes because under the Rate Swap Agreement the Issuer will generally be paying a fixed rate to the Interest Rate Swap Counterparty determined at closing and the fixed rates and spreads of the Collateral Assets may be lower.

On the Closing Date, the Issuer will enter into a Rate Swap Agreement to reduce the impact of the interest rate mismatch, and a Cashflow Swap Agreement to reduce the impact of the timing mismatches between the payments on the Notes and the receipt of payments on the Collateral Assets. Despite the Issuer having the benefit of Hedge Agreements, there can be no assurance that the Collateral Assets and the Eligible Investments will in all circumstances generate sufficient Proceeds to make timely payments of stated interest on the Notes or amounts subordinated thereto. There is no assurance that any interest rate hedge will provide the necessary interest rate protection to the Notes or that the Cashflow Swap Agreement will solve all timing mismatches. After the Closing Date, the Issuer will not enter into any additional Rate Swap Agreements or Cashflow Swap Agreements in order to reduce the impact of any interest rate mismatch or timing mismatch. In addition, each Hedge Agreement may be terminated, whether or not the Notes have been paid in full on or prior to such termination, upon, among other things, (i) certain events of bankruptcy, insolvency, conservatorship, receivership or reorganization of the Issuer or the related Hedge Counterparty, (ii) failure on the part of the Issuer or the related Hedge Counterparty to make any payment under the Hedge Agreement within the applicable grace period, (iii) certain withholding or other taxes being imposed on payments to be made under the Hedge Agreement as set forth in Sections 5(b)(ii) and (iii) of the ISDA Master Agreement incorporated in the Hedge Agreement, (iv) a change in law making it illegal for either the Issuer or the related Hedge Counterparty to be a party to, or perform an obligation under, the Hedge Agreement, (v) the delivery of a notice of liquidation of the Collateral following an Event of Default under the Indenture *provided* that such notice has not been rescinded or annulled or (vi) the Net Outstanding Portfolio Collateral Balance is less than $70,000,000. Notwithstanding the foregoing, the Issuer will not optionally terminate any Hedge Agreement unless (a) directed to do so by a Majority of the Subordinated Notes and (b) the Rating Agency Condition is satisfied in connection with such termination.

The notional amounts in the Rate Swap Agreement will be based on amortization schedules derived from the anticipated amortization of those Collateral Assets that bear interest at a fixed rate that the Issuer expects to own as of the Closing Date. The amortization schedules will be designed such that on the Closing Date and thereafter on each Determination Date, the aggregate notional amount under such Rate Swap Agreement will be approximately equal to (i) the outstanding scheduled principal amount of the Notes scheduled to be outstanding on the related trade date less (ii) the outstanding principal amount of Collateral Assets that pay interest pursuant to a floating rate on such date. There can be no assurance that the actual amortization of the Collateral Assets will correspond to the anticipated amortization on which the Rate Swap Agreement will be based. The Collateral Assets are subject to prepayment and extension risk which may result in a further mismatch between the cash flow anticipated on the Collateral Assets and any Hedge Agreements. Such an imbalance could require the Issuer to make payments to the Interest Rate Swap Counterparties that exceed the amounts earned from the Collateral Assets. The Issuer will not optionally terminate any Hedge Agreement in whole or in part in order to reduce any such imbalance unless (a) directed to do so by a Majority of the Holders of the Subordinated Notes and (b) the Rating Agency Condition is satisfied in connection with such termination.

The Issuer's ability to meet its obligations on the Notes will largely depend on the ability of the Hedge Counterparties to meet their respective obligations under the Hedge Agreements. In the event a Hedge Counterparty defaults or a Hedge Agreement is terminated, there can be no assurance that the amounts received from the Collateral Assets will be sufficient to provide for full payments due and payable on the Notes, or that amounts otherwise distributable to the Holders of the Subordinated Notes will not be reduced.

In the event of the insolvency of a Hedge Counterparty, the Issuer will be treated as a general creditor of such Hedge Counterparty. Consequently, the Issuer will be subject to the credit risk of each Hedge Counterparty. As a result, concentrations of Hedge Agreements in any one Hedge Counterparty subject the Notes to an additional degree of risk with respect to defaults by such Hedge Counterparty.

Societe Generale, New York Branch will be the initial Interest Rate Swap Counterparty and the initial Cashflow Swap Counterparty.

PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSIDER AND ASSESS FOR THEMSELVES THE LIKELIHOOD OF A DEFAULT BY A HEDGE COUNTERPARTY OR A GUARANTOR OF ITS OBLIGATIONS, AS WELL AS THE OBLIGATIONS OF THE ISSUER UNDER THE HEDGE AGREEMENTS, INCLUDING THE OBLIGATION TO MAKE TERMINATION PAYMENTS TO ANY HEDGE COUNTERPARTY, AND THE INABILITY OF THE ISSUER TO (1) TERMINATE ANY HEDGE AGREEMENTS (OTHER THAN (A) AT THE DIRECTION OF A MAJORITY OF THE HOLDERS OF THE SUBORDINATED NOTES AND (B) IF THE RATING AGENCY CONDITION IS SATISFIED) OR (2) REDUCE ANY HEDGE AGREEMENT OR ENTER INTO ADDITIONAL HEDGE AGREEMENTS.

Concentration Risk. The Issuer will invest in the portfolio of Collateral Assets described in Appendix B hereto. Payments on the Notes could be adversely affected by the concentration in the portfolio of any one issuer or any one servicer if such issuer or servicer were to default.

No single issuer will represent as of the Closing Date more than approximately 3.0% of the Collateral Assets by outstanding principal balance. For this purpose, trust issuers for CMBS with common or affiliated depositors are treated as different issuers. See "Security for the Secured Notes—The Collateral Assets."

Other Considerations

Changes in Tax Law; No Gross-Up. Payments on the Collateral Assets generally are exempt under current United States tax law from the imposition of United States withholding tax. See "Income Tax Considerations — U.S. Federal Income Tax Consequences to the Issuer." However, there can be no assurance that, as a result of any change in any applicable law, treaty, rule or regulation or interpretation thereof, the payments on the Collateral Assets would not in the future become subject to withholding taxes imposed by the United States of America or another jurisdiction. In that event, if the obligors of such Collateral Assets 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, or distributions to, the Holders of the Notes would accordingly be reduced. No "gross-up" payments are required

with respect to CMBS. There can be no assurance that remaining payments on the Collateral would be sufficient to make timely payments of interest on and payment of principal at the Stated Maturity of each Class of the Notes.

In the event that any withholding tax is imposed on payments on the Notes, the Holders of such Notes will not be entitled to receive "grossed-up" amounts to compensate for such withholding tax. In addition, 90 days following the Issuers becoming aware of the occurrence of a Tax Event (which 90-day period may be extended by 90 days), the Issuer will redeem in whole but not in part, at applicable Secured Note Redemption Prices or the Subordinated Note Redemption Price, as applicable, specified herein, the Notes in accordance with the procedures described under "Description of the Notes—Tax Redemption," "—Optional Redemption—Optional Redemption/Tax Redemption Procedures" herein.

Lack of Operating History. Each of the Issuers is a newly organized entity and has no prior operating history. Accordingly, neither of the Issuers has a performance history for a prospective investor to consider.

Investment Company Act. Neither of the Issuers has registered with the United States Securities and Exchange Commission (the "SEC") as an investment company pursuant to the Investment Company Act. The Issuer has not so registered in reliance on an exception for investment companies organized under the laws of a jurisdiction other than the United States whose investors resident in the United States are solely Qualified Purchasers and which do not make a public offering of their securities in the United States. Counsel for the Issuers will opine, in connection with the sale of the Notes by the Initial Purchasers, that neither the Issuer nor the Co-Issuer is on the Closing Date an investment company required to be registered under the Investment Company Act (assuming, for the purposes of such opinion, that the Notes are sold by the Initial Purchasers in accordance with the terms of the Purchase Agreement). No opinion or no-action position has been requested of the SEC.

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

The Notes are only permitted to be transferred to Qualified Institutional Buyers in transactions meeting the requirements of Rule 144A and, solely in the case of the Subordinated Notes, to Accredited Investors having a net worth of not less than U.S.$10 million in transactions exempt from registration under the Securities Act, or in an offshore transaction, to a non-U.S. Person, complying with Rule 903 or Rule 904 of Regulation S. The Notes being offered in the United States are being offered only to persons that are also Qualified Purchasers. Any non-permitted transfer will be voided and the Issuers can require the transferee to sell its Notes to a permitted transferee, with such sale to be effected within 30 days after notice of such sale requirement is given. If such sale is not effected within such 30 day period, upon written direction from the Issuer, the Trustee will be authorized to conduct a commercially reasonable sale of such Notes to a permitted transferee and pending such transfer, no further payments will be made in respect of such Notes or any beneficial interest therein. See "Description of the Notes—Form of the Notes" and "Notice to Investors."

Credit Ratings. Credit ratings of debt securities represent the rating agencies' opinions regarding their credit quality and are not a guarantee of quality. Rating agencies attempt to evaluate the safety of principal and interest payments and do not evaluate the risks of fluctuations in market value, therefore, they 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 issuer's current financial condition may be better or worse than a rating indicates.

Document Repository. Pursuant to the Indenture, the Issuer will consent to the posting of this Offering Circular, the Indenture and certain periodic reports required to be delivered pursuant to the Transaction Documents, together with any amendments or modifications thereto, to the internet-based password protected electronic

repository of transaction documents relating to privately offered and sold collateralized debt obligation securities located at "www.cdolibrary.com."

Emerging Requirements of the European Community. As part of the harmonization of securities markets in Europe, the European Commission has adopted directives known as the Prospectus Directive and the Transparency Obligations Directive that, among other things, will regulate issuers of securities that are offered to the public or admitted to trading on a European Union regulated market. The European Commission also is expected to consider other directives, including a directive known as the Market Abuse Directive, which would affect issuers of securities listed on a European Union stock exchange. The listing of Notes on any European Union 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 apply for, list or maintain a listing for any Class of Notes on a European Union stock exchange if compliance with these directives (or other requirements adopted by the European Commission or a relevant member state) becomes burdensome. Should the Notes be delisted from any exchange, the ability of the Holders of such Notes to sell such Notes in the secondary market may be negatively impacted.

Certain Conflicts of Interest. Various potential and actual conflicts of interest may arise from the overall underwriting, investment and other activities of the Liquidation Agent, the Administrative Agent, their respective affiliates and their respective clients and employees and from the overall investment activity of the Initial Purchasers, including in other transactions with the Issuer, including, without limitation, acting as counterparty with respect to any Hedge Agreements. The following briefly summarizes some of these conflicts, but is not intended to be an exhaustive list of all such conflicts.

The Liquidation Agent. Although the Liquidation Agent will exercise no discretion with respect to the Collateral and the Liquidation Agent is not providing investment advisory servicers to, or acting as an advisor to, the Issuer or the Holders of the Notes, various potential and actual conflicts of interest may arise from the overall underwriting, investment and other activities of the Liquidation Agent, its affiliates and its clients. The Liquidation Agent is also one of the Initial Purchasers. The following briefly summarizes some of these conflicts, but is not intended to be an exhaustive list of all such conflicts.

The Liquidation Agent and/or its affiliates have ongoing relationships with, render service to, finance and engage in transactions with, and may own debt or equity securities issued by issuers of certain of the Collateral Assets. The Liquidation Agent, its affiliates and/or its clients may invest in securities that are senior or subordinated to, or have interests different from or adverse to, the Collateral Assets. The interests of such parties may be different than or adverse to the interest of the holders of the Notes. In addition, such persons may possess information relating to the Collateral Assets which is not known to the individuals at the Liquidation Agent responsible for performing its obligations under the Liquidation Agency Agreement. Such persons will not be required (and may not be permitted) to share such information or pass it along to the Issuer, the Liquidation Agent or any holder of any Notes. Neither the Liquidation Agent nor any of such person will have liability to the Issuer or any holder of any Notes for failure to disclose such information or for taking, or failing to take, any action based upon such information.

In addition, the Liquidation Agent and/or any of its affiliates may engage in any other business and furnish investment banking and other services to others which may include, without limitation, investing in, lending to, being affiliated with or have other ongoing relationships with, other entities organized to issue collateralized debt obligations secured by assets similar to the Collateral Assets, and other trusts and pooled investments vehicles that acquire interests in, provide financing to, or otherwise deal with securities issued by issuers that would be suitable investments for the Issuer. In providing services to other clients, the Liquidation Agent and its affiliates may engage in activities that would compete with or otherwise adversely affect the Issuer. In addition, the Liquidation Agent will be free, in its sole discretion, to effect transactions on behalf of itself or for others, that may be the same as or different from those effected on behalf of the Issuer, and the Liquidation Agent and/or its affiliates may furnish investment banking or other services to others who may have investment policies similar to those followed by the Issuer and who may own securities of the same class, or which are the same type as, the Collateral Assets on behalf of the Issuer. In addition, under certain circumstances the Liquidation Agent will be required to sell certain Collateral Assets in accordance with the procedures set forth in the Liquidation Agency Agreement. Such sales of Collateral Assets may result in losses by the Issuer, which losses may result in the reduction or withdrawal of the

rating of any or all of the Notes by any of the Rating Agencies. In making any such sale, the Liquidation Agent need not take into account the interests of the Issuers, the Holders of the Notes or any other party. The Liquidation Agent and/or its affiliates may at certain times be simultaneously seeking to purchase or dispose of investments for their respective accounts or for another entity at the same time as it is disposing of investments for the Issuer. Accordingly, conflicts may arise regarding the allocation of sale opportunities.

Approximately 15.1% of the Collateral Assets (by principal amount) were issued by affiliates of the Liquidation Agent and approximately 26.1% of the Collateral Assets (by principal amount) were issuances for which the Liquidation Agent or an affiliate thereof was an underwriter or placement agent.

No provision in the Liquidation Agency Agreement prevents the Liquidation Agent or any of its affiliates from rendering services of any kind to the issuer of any Collateral Assets and its affiliates, the Trustee, the holders of the Notes, the Hedge Counterparty or any other entity. Without prejudice to the generality of the foregoing, the Liquidation Agent and its affiliates, directors, officers, employees and agents may, among other things: (a) serve as directors, partners, officers, employees, agents, nominees or signatories for an issuer of any Collateral Assets; (b) receive fees for services rendered to the issuer of any Collateral Assets or any affiliate thereof; (c) be a secured or unsecured creditor of, or hold an equity interest in, any issuer of any Collateral Assets; (d) serve as a member of any "creditors' board" or "creditors' committee" with respect to any Collateral Assets which has become or may become a Defaulted Obligation or with respect to any commercial mortgage loan securing any Collateral Assets or the respective borrower for any such commercial mortgage loan; and (e) own or make loans to any borrower or affiliate of any borrower on any of the commercial mortgage loans securing the Collateral Assets.

The Liquidation Agent or any of its affiliates or subsidiaries will be permitted to exercise all voting rights with respect to any Notes which they may acquire (other than with respect to a vote regarding the removal of the Liquidation Agent or the termination or assignment of the Liquidation Agency Agreement).

The Administrative Agent. Various potential and actual conflicts of interest may arise from the overall advisory, investment and other activities of the Administrative Agent, its affiliates and its clients. The following briefly summarizes some of these conflicts, but is not intended to be an exhaustive list of all such conflicts.

The Administrative Agent and/or its affiliates have ongoing relationships with, render service to, finance and engage in transactions with, and may own debt or equity securities issued by issuers of certain of the Collateral Assets. The Administrative Agent, its affiliates and/or its clients may invest in securities that are senior or subordinated to, or have interests different from or adverse to, the Collateral Assets. The interests of such parties may be different than or adverse to the interest of the holders of the Notes. In addition, such persons may possess information relating to the Collateral Assets which is not known to the individuals at the Administrative Agent responsible for performing its obligations under the Administrative Agency Agreement. Such persons will not be required (and may not be permitted) to share such information or pass it along to the Issuer, the Administrative Agent or any holder of any Note. Neither the Administrative Agent nor any of such person will have liability to the Issuer or any holder of any Note for failure to disclose such information or for taking, or failing to take, any action based upon such information.

In addition, the Administrative Agent and/or any of its affiliates may engage in any other business and furnish investment management and advisory services to others which may include, without limitation, serving as consultant or servicer for, investing in, lending to, being affiliated with or have other ongoing relationships with, other entities organized to issue collateralized debt obligations secured by assets similar to the Collateral Assets, and other trusts and pooled investments vehicles that acquire interests in, provide financing to, or otherwise deal with securities issued by issuers that would be suitable investments for the Issuer. In the course of monitoring the Collateral Assets held by the Issuer, the Administrative Agent may consider its relationships with other clients (including entities whose securities (or those of its affiliates) are pledged to secure the Secured Notes) and its affiliates. In providing services to other clients, the Administrative Agent and its affiliates may recommend activities that would compete with or otherwise adversely affect the Issuer.

No provision in the Administrative Agency Agreement prevents the Administrative Agent or any of its affiliates from rendering services of any kind to the issuer of any Collateral Assets and its affiliates, the Trustee, the holders of the Notes, the Hedge Counterparty or any other entity. Without prejudice to the generality of the

foregoing, the Administrative Agent and its affiliates, directors, officers, employees and agents may, among other things: (a) serve as directors, partners, officers, employees, agents, nominees or signatories for an issuer of any Collateral Assets; (b) receive fees for services rendered to the issuer of any Collateral Assets or any affiliate thereof; (c) be a secured or unsecured creditor of, or hold an equity interest in, any issuer of any Collateral Assets; (d) serve as a member of any "creditors' board" or "creditors' committee" with respect to any Collateral Assets which has become or may become a Defaulted Obligation or with respect to any commercial mortgage loan securing any Collateral Assets or the respective borrower for any such commercial mortgage loan; and (e) own or make loans to any borrower or affiliate of any borrower on any of the commercial mortgage loans securing the Collateral Assets.

On the Closing Date it is expected that the Administrative Agent or one or more affiliates or clients of the Administrative Agent will purchase up to 50% of the Subordinated Notes and may purchase additional Notes on or after the Closing Date. The Administrative Agent or such affiliates or clients may at times also own other Notes. There is no assurance that the Administrative Agent or any of such affiliates will continue to hold any or all of the Notes (including the Subordinated Notes purchased on the Closing Date) or that they will continue to hold interests in any securities related to the Collateral Assets. The Administrative Agent or any of its affiliates or clients will be permitted to exercise all voting rights with respect to any Notes which they may acquire.

The Collateral Assets selected by GS&Co. and warehoused by an affiliate of GS&Co. for resale to the Issuer on the Closing Date were screened by the Administrative Agent in connection with the acquisition thereof. See "Risk Factors—Notes—Collateral Accumulation" and "—The Initial Purchasers."

The Initial Purchasers. Various potential and actual conflicts of interest may arise from the conduct by the Initial Purchasers and their respective affiliates in other transactions with the Issuer, including, without limitation, acting as counterparty with respect to any Hedge Agreements and Synthetic Securities. GS&Co. will initially act as the Liquidation Agent under the Liquidation Agreement. In addition, the Initial Purchasers and/or their respective affiliates may act as a Synthetic Security Counterparty. The following briefly summarizes some of these conflicts, but is not intended to be an exhaustive list of all such conflicts.

It is expected that the Initial Purchasers and/or their respective affiliates and selling agent will have placed or underwritten certain of the Collateral Assets at original issuance, will own equity or other securities of issuers of or obligors on Collateral Assets and will have provided investment banking services, advisory, banking and other services to issuers of Collateral Assets. The Issuer may invest in the securities of companies affiliated with the Initial Purchasers and/or any of its affiliates and/or any of their respective affiliates or in which the Initial Purchasers and/or any of their respective affiliates have an equity or participation interest. The purchase, holding and sale of such investments by the Issuer may enhance the profitability of the Initial Purchasers' and/or any of their affiliates' own investments in such companies. In addition, it is expected that one or more affiliates of the Initial Purchasers may also act as counterparty with respect to one or more Synthetic Securities. The Issuer may invest in money market funds that are managed by the Initial Purchasers or their respective affiliates; provided that such money market funds otherwise qualify as Eligible Investments. GS&Co. and/or a consolidated entity controlled by GS&Co. or an affiliate thereof is providing "warehouse" financing to the Issuer prior to the Closing Date and GS&Co. selected the warehoused Collateral Assets which will be sold to the Issuer on the Closing Date pursuant to the terms of a forward agreement. No collateral manager or other person acting on behalf of the Issuer has reviewed the prices established pursuant to such forward agreement (nor has there been any third party verification of such prices). See "—Notes—Collateral Accumulation."

There is no limitation or restriction on the Initial Purchasers or any of their respective affiliates with regard to acting as investment advisor, initial purchaser or placement agent (or in a similar role) to other parties or persons. This and other future activities of the Initial Purchasers and/or their respective affiliates may give rise to additional conflicts of interest.

Anti Money Laundering Provisions. 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, imposes anti money laundering obligations on different types of financial institutions, including banks, broker dealers and investment companies. The USA PATRIOT Act requires the Secretary of the United States Department of the Treasury (the "Treasury") to prescribe regulations to define the types of investment companies subject to the USA PATRIOT Act and the related anti money laundering obligations.

It is not clear whether Treasury will require entities such as the Issuer to enact anti money laundering policies. It is possible that Treasury will promulgate regulations requiring the Issuers or the Initial Purchasers or other service providers to the Issuers, in connection with the establishment of anti money laundering procedures, to share information with governmental authorities with respect to investors in the Notes and/or the Subordinated Notes. Such legislation and/or regulations could require the Issuers to implement additional restrictions on the transfer of the Notes and/or the Subordinated Notes. As may be required, the Issuer reserves the right to request such information and take such actions as are necessary to enable it to comply with the USA PATRIOT Act.

The Issuer. The Issuer is a recently incorporated Cayman Islands exempted company and has no substantial prior operating history. The Issuer will have no significant assets other than the Collateral Assets, Eligible Investments, rights under the Hedge Agreements, and certain other accounts and agreements entered into as described herein, and proceeds thereof, all of which have been pledged to the Trustee to secure the Issuer's obligations to the Holders of the Secured Notes, and the Hedge Counterparties. The Issuer will not engage in any business activity other than the issuance and sale of the Secured Notes, and the Subordinated Notes as described herein, the issuance of the Ordinary Shares, the acquisition and disposition of the Collateral Assets and Eligible Investments as described herein, the entering into of, and the performance of its obligations under, the Indenture, the Hedge Agreements, the Account Control Agreement, the Liquidation Agency Agreement, the Administrative Agency Agreement, the Collateral Administration Agreement, any other applicable Transaction Document, the pledge of the Collateral as security for its obligations in respect of the Secured Notes and otherwise for the benefit of the Secured Parties, certain activities conducted in connection with the payment of amounts in respect of the Secured Notes and the Subordinated Notes and the management of the Collateral and other activities incidental to the foregoing. Income derived from the Collateral Assets and other Collateral will be the Issuer's only source of cash.

The Co-Issuer. The Co-Issuer is a newly incorporated Delaware corporation and has no prior operating history. The Co-Issuer does not have and will not have any significant assets. The Co-Issuer will not engage in any business activity other than the co-issuance of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes.

Tax. See "Income Tax Considerations."

ERISA. See "ERISA Considerations."

Listing. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the official list of the Irish Stock Exchange and to trading on its regulated market. There can be no assurance that any such listing will be obtained or that, if it is obtained, that it will be maintained by the Issuer. If any Class or Classes of Notes are admitted to the official list of the Irish Stock Exchange, the Issuer may at any time terminate the listing of such Notes. If the Issuer terminates the listing, it may, but is under no obligation to, seek a replacement listing on another stock exchange.

DESCRIPTION OF THE NOTES

The Class E Notes will be issued by the Issuer and the other Secured Notes will be issued by the Issuers pursuant to the Indenture. The Subordinated Notes will be issued by the Issuer pursuant to the Fiscal Agency Agreement. The following summary describes certain provisions of the Notes, the Indenture and the Fiscal Agency Agreement. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Notes, the Indenture and the Fiscal Agency Agreement. Copies of the Indenture may be obtained by prospective purchasers of the Secured Notes upon request in writing to the Trustee at LaSalle Bank National Association, 181 W. Madison Street, 32nd Floor, Chicago, IL 60602, Attention: CDO Trust Services Group, Hout Bay 2006-1 Ltd. (telephone number (312) 904-7815). Copies of the Fiscal Agency Agreement may be obtained by prospective purchasers of Subordinated Notes upon request in writing to the Fiscal Agent at LaSalle Bank National Association, 181 W. Madison Street, 32nd Floor, Chicago, Illinois 60602, Attention: CDO Trust Services Group—Hout Bay 2006-1 (telephone number (312) 904-7815).

Status and Security

The Secured Notes (other than the Class E Notes) will be limited recourse obligations of the Issuers and the Class E Notes will be limited recourse obligations of the Issuer, secured as described below. The Subordinated Notes will be limited recourse obligations of the Issuer, will not be secured obligations of the Issuer and will only be entitled to receive amounts available for payment to the Holders of the Subordinated Notes after payment of all amounts payable prior thereto under the Priority of Payments. The Class S Notes will be senior in right of payment on each Payment Date to the Class A Notes and the Class B Notes to the extent provided in the Priority of Payments. The Class S Notes will be senior in right of payment on each Quarterly Payment Date to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Notes to the extent provided in the Priority of Payments. The Class A Notes will be senior in right of payment on each Payment Date to the Class B Notes and will be senior in right of payment on each Quarterly Payment Date to the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Notes. Interest on the Class A-1 Notes will be *pro rata* with interest on the Class A-2 Notes. Principal on the Class A-1 Notes and the Class A-2 Notes will be paid either *pro rata* or first to the Class A-1 Notes and second to the Class A-2 Notes depending on the circumstances as more fully described in the Priority of Payments. The Class B Notes will be senior in right of payment on each Quarterly Payment Date to the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Notes. The Class C Notes will be senior in right of payment on each Quarterly Payment Date to the Class D Notes, the Class E Notes and the Subordinated Notes. The Class D Notes will be senior in right of payment on each Quarterly Payment Date to the Class E Notes and the Subordinated Notes. The Class E Notes will be senior in right of payment on each Quarterly Payment Date to the Subordinated Notes. See "—Priority of Payments."

Under the terms of the Indenture, the Issuer will grant to the Trustee, for the benefit and security of the Trustee on behalf of the Secured Notes, the Fiscal Agent, the Liquidation Agent, the Administrative Agent, the Hedge Counterparty and the Synthetic Security Counterparty (but only to the extent of the Default Swap Collateral) (collectively, the "Secured Parties"), a first priority security interest in (i) the Collateral Assets; (ii) the Collection Account; (iii) the Payment Account; (iv) the Hedge Termination Receipts Account, and the Hedge Collateral Account (subject, in each case, to the rights of the Hedge Counterparty); (v) the Expense Reserve Account; (vi) the Collateral Account; (vii) the Synthetic Security Collateral Account and the Default Swap Collateral Account (subject, in each case, to the rights of the Synthetic Security Counterparty) (items (ii) through (vii), the "Accounts"); (viii) Eligible Investments; (ix) the Issuer's rights under the Hedge Agreements; (x) the Issuer's rights under the Liquidation Agency Agreement; (xi) the Issuer's rights under the Administrative Agency Agreement and (xii) certain other property (collectively, the "Collateral").

Payments of interest on and principal of the Secured Notes, and payments to the Holders of the Subordinated Notes, will be made solely from the proceeds of the Collateral in accordance with the Priority of Payments.

The aggregate amount that will be available for payments required or permitted to be made on the Notes and of certain expenses of the Issuers, the Trustee and the Agents on any Payment Date will be the total amount of payments and collections in respect of the Collateral (including the proceeds of the sale of any Collateral) received during the period (a "Due Period") ending on (and including) the third Business Day prior to such Payment Date (or, in the case of a Due Period that is applicable to the Payment Date relating to the Stated Maturity of any Note, ending on (and including) the day preceding such Payment Date) and commencing immediately following the third Business Day prior to the preceding Payment Date (or, in the case of the Due Period relating to the first Payment Date, on the Closing Date) and any such amounts received in prior Due Periods that were not disbursed on a previous Payment Date.

Interest on the Secured Notes

The Class S Notes will bear interest during each Interest Accrual Period at the Class S Note Interest Rate for such Interest Accrual Period. The Class A-1 Notes will bear interest during each Interest Accrual Period at the Class A-1 Note Interest Rate for such Interest Accrual Period. The Class A-2 Notes will bear interest during each Interest Accrual Period at the Class A-2 Note Interest Rate for such Interest Accrual Period. The Class B Notes will bear interest during each Interest Accrual Period at the Class B Note Interest Rate for such Interest Accrual Period. The Class C Notes will bear interest during each Interest Accrual Period at the Class C Note Interest Rate for such

interest Accrual Period. The Class D Notes will bear interest during each Interest Accrual Period at the Class D Note Interest Rate for such Interest Accrual Period. The Class E Notes will bear interest during each Interest Accrual Period at the Class E Note Interest Rate for such Interest Accrual Period. Interest with respect to the Class S Notes, Class A Notes and the Class B Notes will be payable monthly in arrears on each Payment Date commencing on the July 2006 Payment Date and interest on the Class C Notes, the Class D Notes and the Class E Notes will be payable quarterly in arrears on each Quarterly Payment Date, commencing on the July 2006 Payment Date. LIBOR for the first Interest Accrual Period with respect to the Notes will be determined as of the second Business Day preceding the Closing Date. Calculations of interest on the Secured Notes will be made based on a 360-day year and the actual number of days in each Interest Accrual Period. The Holders of the Subordinated Notes will receive on each Quarterly Payment Date any amount of Proceeds that are available for distribution thereon in accordance with the Priority of Payments on such Quarterly Payment Date. The "Interest Accrual Period," is with respect to the Class S Notes, Class A-1 Notes, the Class A-2 Notes and the Class B Notes and any Payment Date, the period commencing on and including the immediately preceding Payment Date (or the Closing Date in the case of the first Interest Accrual Period and ending on and including the day immediately preceding such Payment Date and with respect to the Class C Notes, the Class D Notes and the Class E Notes and any Quarterly Payment Date, the period commencing on and including the immediately preceding Quarterly Payment Date (or the Closing Date in the case of the first Interest Accrual Period) and ending on and including the day immediately preceding such Quarterly Payment Date.

If funds are not available on any Quarterly Payment Date to pay the full amount of interest on the Class C Notes, or to the extent interest that is due on such Notes is not paid in order to satisfy certain Coverage Tests, the interest not paid (the "Class C Deferred Interest"), will not be due and payable on such Quarterly Payment Date, but will be added to the principal amount of the Class C Notes and, to the extent lawful and enforceable, thereafter shall accrue interest at the Class C Note Interest Rate. If funds are not available on any Quarterly Payment Date to pay the full amount of interest on the Class D Notes, or to the extent interest that is due on such Notes is not paid in order to satisfy certain Coverage Tests, the interest not paid (the "Class D Deferred Interest"), will not be due and payable on such Quarterly Payment Date, but will be added to the principal amount of the Class D Notes and, to the extent lawful and enforceable, thereafter shall accrue interest at the Class D Note Interest Rate. If funds are not available on any Quarterly Payment Date to pay the full amount of interest on the Class E Notes, or to the extent interest that is due on such Notes is not paid in order to satisfy certain Coverage Tests, the interest not paid (the "Class E Deferred Interest"), will not be due and payable on such Quarterly Payment Date, but will be added to the principal amount of the Class E Notes and, to the extent lawful and enforceable, thereafter shall accrue interest at the Class E Note Interest Rate. So long as any Class S Notes, Class A Notes or Class B Notes are outstanding, the failure to pay interest to the Holders of the Class C Notes will not be an Event of Default under the Indenture, so long as any Class S Notes, Class A Notes, Class B Notes or Class C Notes are outstanding, the failure to pay interest to the Holders of the Class D Notes will not be an Event of Default under the Indenture and so long as any Class S Notes, Class A Notes, Class B Notes, Class C Notes or Class D Notes are outstanding, the failure to pay interest to the Holders of the Class E Notes will not be an Event of Default under the Indenture. See "—Priority of Payments" and "—The Indenture—Events of Default."

Interest will cease to accrue on each Secured Note from the date of repayment in full or Stated Maturity, or in the case of partial repayment, on such part, unless payment of principal is improperly withheld or unless default is otherwise made with respect to such payments of principal. See "—Principal." To the extent lawful and enforceable, interest on any Defaulted Interest on each Class of Secured Notes entitled thereto will accrue at the interest rate applicable to such Class of Notes, until paid as provided herein. "Defaulted Interest" means any interest due and payable in respect of any Class S Note, Class A Note or Class B Note or if there are no Class S Notes, Class A Notes or Class B Notes outstanding, any Class C Note or if there are no Class S Notes, Class A Notes, Class B Notes or Class C Notes outstanding, any Class D Note or if there are no Class S Notes, Class A Notes, Class B Notes, Class C Notes or Class D Notes outstanding, any Class E Note which, in any such case, is not punctually paid or duly provided for on the applicable Payment Date, Quarterly Payment Date or at Stated Maturity, as the case may be.

Determination of LIBOR

For purposes of calculating each of the Note Interest Rates, the Issuers will appoint as agent LaSalle Bank National Association (in such capacity, the "Note Calculation Agent"). LIBOR shall be determined by the Note Calculation Agent in accordance with the following provisions:

(i) On the second Business Day prior to the commencement of an Interest Accrual Period (each such day, a "LIBOR Determination Date"), LIBOR ("LIBOR") shall equal the rate, as obtained by the Note Calculation Agent, for Eurodollar deposits for, with respect to the Class S Notes, Class A-1 Notes, the Class A-2 Notes and the Class B Notes, a one-month period (or, in the case of a designated initial payment period of less than 25 days or, in the case of the first Interest Accrual Period, the linear interpolation thereof, calculated in accordance with generally acceptable methodology, and, for the Class C Notes, the Class D Notes and the Class E Notes, a three-month period (or, in the case of the first Interest Accrual Period, the linear interpolation thereof, calculated in accordance with generally acceptable methodology), which appears on Bridge Telerate Page 3750 (as Telerate is defined in the International Swaps and Derivatives Association, Inc. Annex to the 2000 ISDA Definitions (June 2000 version)), or such page as may replace Bridge Telerate Page 3750, as of 11:00 a.m. (London time) on such LIBOR Determination Date.

(ii) If, on any LIBOR Determination Date, such rate does not appear on Bridge Telerate Page 3750, or such page as may replace Bridge Telerate Page 3750, the Note Calculation Agent shall determine the arithmetic mean of the offered quotations of the Reference Banks to leading banks in the London interbank market for Eurodollar deposits for, with respect to the Class S Notes, Class A-1 Notes, the Class A-2 Notes, and the Class B Notes, a one month period (or, in the case of a designated initial payment period of less than 25 days or, in the case of the first Interest Accrual Period, the linear interpolation thereof, calculated in accordance with generally acceptable methodology, and, for the Class C Notes, the Class D Notes and the Class E Notes, a three-month period (or, in the case of the first Interest Accrual Period, the linear interpolation thereof, calculated in accordance with generally acceptable methodology) in an amount determined by the Note Calculation Agent by reference to requests for quotations as of approximately 11:00 a.m. (London time) on the LIBOR Determination Date made by the Note Calculation Agent to the Reference Banks. If, on any LIBOR Determination Date, at least two of the Reference Banks provide such quotations, LIBOR shall equal such arithmetic mean of such quotations. If, on any LIBOR Determination Date, only one or none of the Reference Banks provide such quotations, LIBOR shall be deemed to be the arithmetic mean of the offered quotations that leading banks in the City of New York selected by the Note Calculation Agent (after consultation with the Issuer or the Administrative Agent on behalf of the Issuer) are quoting on the relevant LIBOR Determination Date for Eurodollar deposits for the applicable period in an amount determined by the Note Calculation Agent (after consultation with the Issuer or the Administrative Agent on behalf of the Issuer) by reference to the principal London offices of leading banks in the London interbank market; *provided, however*, that if the Note Calculation Agent is required but is unable to determine a rate in accordance with at least one of the procedures provided above, LIBOR shall be LIBOR as determined on the most recent date LIBOR was available. As used herein, "Reference Banks" means four major banks in the London interbank market selected by the Note Calculation Agent (after consultation with the Issuer or the Administrative Agent on behalf of the Issuer).

As soon as possible after 11:00 a.m. (New York time) on each LIBOR Determination Date, but in no event later than 11:00 a.m. (New York time) on the Business Day immediately following each LIBOR Determination Date, the Note Calculation Agent will cause notice of each of the Note Interest Rates for the next Interest Accrual Period and the amount of interest for such Interest Accrual Period payable in respect of each U.S.$1,000 principal amount of the Class S Notes (the "Class S Note Interest Amount"), of the Class A-1 Notes (the "Class A-1 Note Interest Amount"), of the Class A-2 Notes (the "Class A-2 Note Interest Amount"), of the Class B Notes (the "Class B Note Interest Amount"), of the Class C Notes (the "Class C Note Interest Amount"), of the Class D Notes (the "Class D Note Interest Amount") and of the Class E Notes (the "Class E Note Interest Amount") (collectively, the "Note Interest Amounts") (each rounded to the nearest cent, with half a cent being rounded upward) on the related Payment Date or Quarterly Payment Date, as applicable, to be communicated to the Issuers, DTC, Euroclear, Clearstream, the Note Paying Agents, the Trustee, the Liquidation Agent, the Administrative Agent, the Securities Intermediary and the Irish Paying Agent for further delivery to the Irish Stock Exchange (so long as any Class of Notes is listed on such exchange). In the last case, the Note Calculation Agent will furnish such information as soon as possible after its determination to the Irish Paying Agent as long as any Notes are listed on the Irish Stock

Exchange. The Note Calculation Agent will also specify to the Issuers and the Administrative Agent the quotations upon which each of the Note Interest Rates are based. The Note Calculation Agent shall notify the Issuers and the Administrative Agent before 12:00 p.m. (New York time) on any LIBOR Determination Date if it has not determined and is not in the process of determining the applicable Note Interest Rates and Note Interest Amounts (collectively, the "Interest Calculations"), together with its reasons therefor. With respect to the Notes, "Business Day" means any day other than (x) Saturday or Sunday or (y) a day on which commercial banking institutions are authorized or obligated by law, regulation or executive order to close in New York, New York or Chicago, Illinois; *provided, however*, that for the sole purpose of determining LIBOR, "Business Day" shall be defined as any day on which dealings in deposits in U.S. Dollars are transacted in the London interbank market and *provided further*, that to the extent action is required of the Irish Paying Agent, the location of the Irish Paying Agent shall be considered in determining the "Business Day" for purposes of determining when such Irish Paying Agent action is required.

The Note Calculation Agent may not be removed by the Issuers unless the entity that is serving as Trustee is removed as Trustee. If the Note Calculation Agent is unable or unwilling to act as such or, in accordance with the preceding sentence, is removed by the Issuers, or if the Note Calculation Agent fails to determine the applicable Interest Calculations for any Interest Accrual Period, the Issuers will promptly appoint as a replacement Note Calculation Agent a leading bank which is engaged in transactions in Eurodollar deposits in the international Eurodollar market and which does not control or is not controlled by or under common control with the Issuers or their affiliates. The Note Calculation Agent may not resign its duties without a successor having been duly appointed. In addition, for so long as any Notes are listed on the Irish Stock Exchange and the rules of such exchange so require, notice of the appointment of any Note Calculation Agent will be furnished to such stock exchange. For so long as any of the Notes remain outstanding, there will at all times be a Note Calculation Agent for the purpose of calculating the applicable Interest Calculations. The determination of the applicable Interest Calculations by the Note Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

Payments on the Subordinated Notes

The Subordinated Notes will provide for the payment of periodic interest (the "Subordinated Note Interest Amount") on a noncumulative basis on each Quarterly Payment Date (subject to, and to the extent that funds are available therefor, in accordance with the Priority of Payments) at the fixed rate of 5% per annum (calculated on the basis of a 360 day year consisting of twelve 30-day months).

The Fiscal Agent will receive (and make payments to the Holders of the Subordinated Notes) Proceeds to the extent provided in the Indenture, if any available pursuant to clause (xxii) (or pursuant to clause (viii) in the case of the Final Payment Date) under "Description of the Notes—Priority of Payments." Such payments will be made on the Subordinated Notes only after all interest and other payments due on the Secured Notes have been made and all expenses of the Issuers have been paid (with such remaining Proceeds referred to as "Excess Amounts"). Payments to the Holders of the Subordinated Notes will be applied (a) first, to the payment of the Subordinated Note Interest Amount, (b) second, to the payment of the Aggregate Outstanding Amount of the Subordinated Notes and (c) third, to the payments of any remaining amounts to the Holders of the Subordinated Notes as additional interest (with any such remaining amounts referred to as "Additional Interest"). See "Risk Factors—Notes— Initial Aggregate Outstanding Amount of the Notes May Exceed the Initial Aggregate Principal Amount of the Collateral Assets" and "—Subordination of the Subordinated Notes; Unsecured Obligations."

Non-payment of interest in respect of any Subordinated Notes as a result of the non-availability of Proceeds will not constitute an Event of Default in any circumstance. To the extent that, on any Quarterly Payment Date, there is any shortfall in the payment of interest or any other payment to the Holders of the Subordinated Notes, such Holders will receive only such funds (if any) as may be available for payment to such Holders on such Quarterly Payment Date in accordance with the Priority of Payments, and will not be entitled to any payments in respect of any such shortfall on any future date.

The rating of the Subordinated Notes by Moody's only addresses the ultimate payment of the Subordinated Note Rated Amount. Such rating does not address the payment on any Quarterly Payment Date of the Subordinated Note Interest Amount to the Holders of the Subordinated Notes (or the payment of any other amount to the Holders

of the Subordinated Notes, including, without limitation, the payment of the Aggregate Outstanding Amount of, or any Additional Interest on, the Subordinated Notes). See "Ratings of the Notes."

Except as permitted pursuant to clause (xxii) of the Priority of Payments, no principal payments will be made on the Subordinated Notes until principal of, and accrued and unpaid interest on, the Secured Notes, and all other payments, certain fees and expenses, have been paid in full in accordance with the Priority of Payments.

Principal

The Notes (other than the Class S Notes) will mature on the Payment Date in July 2041 (the "Stated Maturity" with respect to such Notes) and the Class S Notes will mature on the Payment Date in July 2014 (the "Stated Maturity" with respect to the Class S Notes). The average life of each Class of Notes (other than the Class S Notes) is expected to be substantially shorter than the number of years from issuance until the Stated Maturity for such Class of Notes. See "Risk Factors—Notes—Average Lives, Duration and Prepayment Considerations."

Principal will be payable on the Class S Notes in accordance with the Priority of Payments on each Payment Date commencing on the Payment Date occurring in July 2006 in an amount equal to the Class S Notes Amortizing Principal Amount with respect to such Payment Date and, if an Event of Default or Tax Event has occurred and is continuing or an Optional Redemption or Auction has occurred and the Collateral Assets are being liquidated pursuant to the terms of the Indenture, the Class S Notes will be paid in full prior to any distributions to any other Notes. Principal will be payable on certain of the Notes on each Payment Date and Quarterly Payment Date, as applicable, in accordance with the Priority of Payments. On any Payment Date or Quarterly Payment Date, as applicable, on which certain conditions are satisfied, principal will be paid to the Holders of the Class A Notes, *pro rata*, only in an amount required to increase (or maintain) the Class A Adjusted Overcollateralization Ratio to a specified target of 107.7%. After achieving and maintaining such target and minimum, the payment of remaining principal will shift to the Holders of the Class B Notes until such Holders have been paid an amount required to increase (or maintain) the Class B Adjusted Overcollateralization Ratio to the specified target of 103.6%. After achieving and maintaining such target level, the payment of remaining principal shifts to the Holders of the Class C Notes which will receive principal only in an amount required to increase (or maintain) the Class C Adjusted Overcollateralization Ratio to a specified target of 102.0%. After achieving and maintaining such target level, the payment of remaining principal shifts to the Holders of the Class D Notes which will receive principal only in an amount required to increase (or maintain) the Class D Adjusted Overcollateralization Ratio to a specified target of 101.3%. However, if the Net Outstanding Portfolio Collateral Balance is less than U.S.$450,000,000, then only the amount described above to be paid to the Class A Notes will be paid, such amount to be allocated, first, *pro rata*, (1) to the payment of principal of all outstanding Class A-1 Notes, and (2) to the payment of principal of all outstanding Class A-2 Notes, second, to the payment of principal of all outstanding Class B Notes, third, on Quarterly Payment Dates only, to the payment of principal of all outstanding Class C Notes, and fourth, on Quarterly Payment Dates only, to the payment of all outstanding Class D Notes. The foregoing "shifting principal" method permits Holders of the Class B Notes, the Class C Notes and the Class D Notes to receive payments of principal in accordance with the Priority of Payments while more senior Classes of Notes remain outstanding and permits distributions of Principal Proceeds to the Holders of the Class E Notes and the Subordinated Notes, to the extent funds are available in accordance with the Priority of Payments, while more senior Notes are outstanding. Amounts properly paid pursuant to the Priority of Payments to a junior Class of Secured Notes or to the Subordinated Notes will not be recoverable in the event of a subsequent shortfall in the amount required to pay a more senior Class of Secured Notes.

Subject to the availability of funds therefor in accordance with the Priority of Payments, if any of the Coverage Tests are not satisfied on any applicable Determination Date, the Secured Notes (other than the Class S Notes and the Class E Notes) will be subject to mandatory redemption on the related Payment Date or, in the case of the Class C Notes and the Class D Notes, on the related Quarterly Payment Date, until paid in full. The Class E Notes are subject to mandatory redemption on any Quarterly Payment Date out of certain Principal Proceeds or if the Class E Interest Diversion Test is not satisfied. See "—Mandatory Redemption" and the "—Priority of Payments" for a description of the order in which such Notes are paid in connection with the failure of a Coverage Test or the Class E Interest Diversion Test.

Scheduled Redemption of Subordinated Notes

On or prior to the date that is one (1) Business Day prior to the end of the Due Period applicable to the Maturity Date, the Liquidation Agent will sell all remaining Collateral Assets. The settlement dates for any such sales shall be no later than one (1) Business Day prior to the end of such Due Period. The proceeds of such sales will be paid to the Fiscal Agent after the payment of amounts senior to the Holders of the Subordinated Notes in the Priority of Payments for deposit into the account maintained therefore by the Fiscal Agent (the "Subordinated Note Payment Account") and payment to the Holders of the Subordinated Notes as the redemption price for the Subordinated Notes upon such payment. Upon such payment, the Issuer shall redeem the Subordinated Notes.

Auction

Sixty (60) days prior to the Payment Date occurring in July of each year (each, an "Auction Date") commencing on the July 2014 Payment Date, the Liquidation Agent will take steps to conduct an auction (the "Auction") of the Collateral Assets in accordance with procedures specified in the Indenture. If the Liquidation Agent receives one or more bids from Eligible Bidders not later than ten (10) Business Days prior to the Auction Date equal to or greater than the Minimum Bid Amount (which includes the Subordinated Note Rated Amount or such lesser amount as is agreed to by Holders of 100% of the Aggregate Outstanding Amount of the Subordinated Notes), the Issuer will sell the Collateral Assets for settlement on or before the fifth Business Day prior to such Auction Date and the Notes and the Subordinated Notes will be redeemed in whole on such Auction Date (any such date, an "Auction Payment Date"). The Liquidation Agent and its affiliates shall be considered Eligible Bidders. If any single bid, or the aggregate amount of multiple bids, does not equal or exceed the Minimum Bid Amount or if there is a failure at settlement, then the redemption of Secured Notes and the Subordinated Notes on the related Auction Date will not occur.

The Secured Notes will be redeemed following a successful Auction in accordance with the Priority of Payments at the applicable Secured Note Redemption Price. The amount distributable as the final payment on the Subordinated Notes following any such redemption will equal the Subordinated Note Redemption Price (which shall not be less than the then current Subordinated Note Rated Amount (or such lesser amount as is agreed to by Holders of 100% of the Aggregate Outstanding Amount of the Subordinated Notes), but which may be less than the then current Aggregate Outstanding Amount of the Subordinated Notes), the payment of any amounts due in connection with the termination of the Hedge Agreements, and the payment of all expenses in accordance with the Priority of Payments.

Tax Redemption

Subject to certain conditions described herein, the Secured Notes may be redeemed by the Issuers at any time, in whole but not in part, 90 days following the Issuers becoming aware of the occurrence of a Tax Event (*provided* that such 90-day period shall be extended by another 90 days if, during the initial 90-day period, the Issuers have notified the Holders of the Notes that the related Issuer expects that it shall have changed its place of residence by the end of the later 90-day period) at their Secured Note Redemption Prices or the Subordinated Note Redemption Price, as applicable, at the written direction of, or with the written consent of, (i) the Holders of at least 66-2/3% of the Subordinated Notes or (ii) the Holders of a Majority of any Class of Secured Notes which, as a result of the occurrence of a Tax Event, has not received 100% of the aggregate amount of principal and interest or other amounts then due and payable on such Notes on any Payment Date (such redemption, a "Tax Redemption"); *provided* that no such redemption shall be effected unless the expected Liquidation Proceeds equal or exceed the sum of (a) all amounts due as of the Redemption Date pursuant to clauses (i), (ii), (iii), (iv), (v), (xx) and (xxi) of the Priority of Payments, (b) the Secured Note Redemption Prices and (c) the Subordinated Note Rated Amount (or such lesser amount as is agreed to by Holders of 100% of the Aggregate Outstanding Amount of the Subordinated Notes) (the "Total Redemption Amount"). If a Tax Redemption occurs, the Subordinated Notes will be redeemed simultaneously.

In connection with a Tax Redemption, the Issuers (in the case of the Secured Notes other than the Class E Notes, and the Issuer (in the case of the Class E Notes and the Subordinated Notes) shall notify the Trustee and the Fiscal Agent, of such Tax Redemption and the Payment Date which is the date for redemption (the "Tax Redemption Date") and direct the Trustee, in writing, to sell, in the manner determined by the Liquidation Agent,

and in accordance with the Indenture, any Collateral Asset and upon any such sale the Trustee shall release the lien upon such Collateral Assets pursuant to the Indenture; *provided*, *however*, that the Issuer may not direct the Trustee to sell (and the Trustee shall not be obligated to release the lien upon) any Collateral Asset except in accordance with the procedures set forth in the Indenture including, without limitation, the requirement that the Liquidation Agent shall have forwarded to the Trustee binding agreements or certificates evidencing that the Liquidation Proceeds anticipated from the disposition of the Collateral Assets and other assets of the Issuer will equal or exceed the Total Redemption Amount.

The amount payable to the Holders of the Secured Notes in connection with any Tax Redemption of the Secured Notes will equal the Secured Note Redemption Prices thereof. The amount distributable as a final redemption payment on the Subordinated Notes following any redemption of the Secured Notes will equal the Subordinated Note Redemption Price (which shall not be less than the then current Subordinate Note Rated Amount (or such lesser amount as is agreed to by the Holders of 100% of the Aggregate Outstanding Amount of the Subordinated Notes), but which may be less than the then current Aggregate Outstanding Amount of the Subordinated Notes).

Optional Redemption

Subject to certain conditions described herein, the Secured Notes (other than the Class E Notes) may be redeemed by the Issuers and the Class E Notes and the Subordinated Notes may be redeemed by the Issuer, in whole but not in part at their Secured Note Redemption Prices or the Subordinated Note Redemption Price, as applicable, on any Payment Date on or after the July 2009 Payment Date, at the written direction of, or with the written consent of, the Holders of at least a Majority of the Subordinated Notes (including Subordinated Notes held by the Liquidation Agent, the Administrative Agent or any affiliate thereof) (such redemption, an "Optional Redemption"); *provided* that no Optional Redemption shall be effected unless the expected Liquidation Proceeds will equal or exceed the Total Redemption Amount (which includes the Subordinated Note Rated Amount (or such lesser amount as is agreed to by the Holders of 100% of the Aggregate Outstanding Amount of the Subordinated Notes), but which may be less than the then current Aggregate Outstanding Amount of the Subordinated Notes). If the Holders of the Subordinated Notes so elect to cause an Optional Redemption, the Subordinated Notes will be redeemed simultaneously.

In connection with an Optional Redemption, the Issuers (in the case of the Secured Notes other than the Class E Notes) and the Issuer (in the case of the Class E Notes and the Subordinated Notes) shall notify the Trustee and the Fiscal Agent, as applicable, of such Optional Redemption and the Optional Redemption Date and direct the Trustee, in writing, to sell, in the manner determined by the Liquidation Agent, and in accordance with the Indenture, any Collateral Asset and upon any such sale the Trustee shall release the lien upon such Collateral Assets pursuant to the Indenture; *provided*, *however*, that the Issuer may not direct the Trustee to sell (and the Trustee shall not be obligated to release the lien upon) any Collateral Asset except in accordance with the procedures set forth in the Indenture including, without limitation, the requirement that the Liquidation Agent shall have forwarded to the Trustee binding agreements or certificates evidencing that the Liquidation Proceeds anticipated from the disposition of the Collateral Assets and other assets of the Issuer will equal or exceed the Total Redemption Amount.

The amount payable to the Holders of the Secured Notes in connection with any Optional Redemption of the Secured Notes will equal the Secured Note Redemption Prices thereof. The amount distributable as a final redemption payment on the Subordinated Notes following any redemption of the Secured Notes will equal the Subordinated Note Redemption Price (which shall not be less than the then current Subordinated Note Rated Amount (or such lesser amount as is agreed to by Holders of 100% of the Aggregate Outstanding Amount of the Subordinated Notes), but which may be less than the then current Aggregate Outstanding Amount of the Subordinated Notes).

Optional Redemption/Tax Redemption Procedures. To conduct an Optional Redemption or a Tax Redemption, the procedures set forth in the Indenture must be followed and any conditions precedent thereto must be satisfied.

If in the case of a Tax Redemption or an Optional Redemption of the Secured Notes and the Subordinated Notes, any Holder of a Subordinated Note or, in the case of a Tax Redemption, any Holder of a Secured Note

affected by a Tax Event, desires to direct the Issuers with respect to the Secured Notes (other than the Class E Notes) and the Issuer with respect to the Class E Notes and the Subordinated Notes to redeem the Secured Notes and the Subordinated Notes, such person shall notify the Principal Note Paying Agent, in the case of a Holder of Secured Notes or the Fiscal Agent, in the case of a Holder of Subordinated Notes, which in each case will in turn notify the Trustee (with a copy to the Issuer, the Liquidation Agent, the Administrative Agent and each Hedge Counterparty,) of such desire in writing no less than thirty (30) Business Days prior to such Payment Date. Such notice shall be irrevocable.

The Trustee will provide notice of any Optional Redemption or Tax Redemption by first-class mail, postage prepaid, mailed not less than ten (10) Business Days prior to the scheduled Tax Redemption Date or Optional Redemption Date, as applicable, to the Principal Note Paying Agent, to the Fiscal Agent, to each Hedge Counterparty and to each Holder of a Secured Note at such Holder's address in the register maintained by the Note Registrar under the Indenture. The Fiscal Agent will provide the same notice to each Holder of a Subordinated Note at such Holder's address in the Subordinated Notes Register maintained by the Subordinated Notes Transfer Agent pursuant to the Fiscal Agency Agreement. In addition, the Trustee or the Fiscal Agent will, if and for so long as any Class of Secured Notes or the Subordinated Notes to be redeemed is listed on the Irish Stock Exchange, direct the Irish Paying Agent to (i) cause notice of such Optional Redemption or Tax Redemption to be delivered to the Company Announcements Office of the Irish Stock Exchange not less than ten (10) Business Days prior to the Redemption Date and (ii) promptly notify the Irish Stock Exchange of such Optional Redemption or Tax Redemption.

The initial paying agents for the Notes are LaSalle Bank National Association, as Principal Note Paying Agent, and, so long as any Notes are listed on the Irish Stock Exchange, the Irish Paying Agent.

Secured Notes or Subordinated Notes called for redemption (other than in the case of an Auction) must be surrendered at the office of any paying agent appointed under the Indenture or the Fiscal Agency Agreement, respectively, in order to receive any final payments on the Notes. The initial paying agent for the Secured Notes and Subordinated Notes is LaSalle Bank National Association and for so long as the any Notes are listed on the Irish Stock Exchange, the Irish Paying Agent.

Any such notice of redemption will be deemed to be withdrawn in its entirety by the Issuers (with respect to the Secured Notes other than the Class E Notes) and the Issuer (with respect to the Class E Notes and the Subordinated Notes) on the seventh Business Day prior to the scheduled redemption date if the Liquidation Agent shall not have delivered the sale agreement or agreements or certifications, required by the Indenture, in form satisfactory to the Trustee by such date. In such event, the Trustee shall notify the Fiscal Agent that the notice of redemption has been withdrawn by overnight courier guaranteeing next day delivery sent not later than the sixth Business Day prior to such scheduled redemption date with a copy by facsimile transmission. The Hedge Agreements will not terminate upon notice to the respective counterparties of redemption until the time for withdrawal of notice has expired. The Liquidation Agent shall be liable only for the failure to effect an Optional Redemption or Tax Redemption due to the Liquidation Agent's gross negligence or willful misconduct. Notice of any such withdrawal shall be given at the Issuer's expense by the Trustee or the Fiscal Agent, as applicable, to each Holder of a Note at the address appearing in the applicable register maintained by the Note Transfer Agent under the Indenture or the Subordinated Notes Transfer Agent under the Fiscal Agency Agreement, as applicable, by overnight courier guaranteeing next day delivery sent not later than the third Business Day prior to the scheduled redemption date, with a copy by facsimile transmission to each Hedge Counterparty, the Liquidation Agent, the Administrative Agent and the Rating Agencies (so long as any of the Notes are rated). The Trustee or the Fiscal Agent will also give notice to the Irish Paying Agent if any Notes are then listed on the Irish Stock Exchange.

Mandatory Redemption

On any Payment Date on which the Class A/B Overcollateralization Test was not satisfied on the last Business Day of the immediately preceding Due Period (such Business Day, the "Determination Date"), and on any Quarterly Payment Date on which the Class A/B Interest Coverage Test was not satisfied on the related Determination Date, the Class A Notes and the Class B Notes will be redeemed at par *plus* accrued interest as follows:

If the Class A/B Overcollateralization Test is not satisfied on any Determination Date related to a Payment Date, the Class A/B Interest Coverage Test (together with the Class A/B Overcollateralization Test, the "Class A/B Coverage Tests") is not satisfied on any Determination Date related to a Quarterly Payment Date or the Class D Overcollateralization Ratio is less than 75% on any Determination Date related to a Payment Date, Proceeds net of amounts payable under clauses (i) through (vi) of the Priority of Payments will be used, (i) if the Class A/B Overcollateralization Ratio is greater than or equal to 100% on such Determination Date, to redeem the Class A-1 Notes and the Class A-2 Notes, *pro rata*, until the Class A Notes have been paid in full, and then to redeem the Class B Notes until the Class B Notes have been paid in full and (ii) if the Class A/B Overcollateralization Ratio is less than 100% on such Determination Date, to redeem, the Class A-1 Notes until the Class A-1 Notes have been paid in full, then to redeem the Class A-2 Notes until the Class A-2 Notes have been paid in full, and then to redeem the Class B Notes until the Class B Notes have been paid in full. The Class S Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Notes will not be subject to mandatory redemption as a result of the failure of any Class A/B Coverage Test.

If the Class C Overcollateralization Test is not satisfied on any Determination Date related to a Payment Date, the Class C Interest Coverage Test (together with the Class C Overcollateralization Test, the "Class C Coverage Tests") is not satisfied on any Determination Date related to a Quarterly Payment Date or the Class D Overcollateralization Ratio is less than 95% on any Determination Date related to a Payment Date, Proceeds net of amounts payable under clauses (i) through (viii) of the Priority of Payments will be used to (a) redeem, *pro rata*, from Principal Proceeds only, the Class A-1 Notes, the Class A-2 Notes and the Class B Notes and, on Quarterly Payment Dates, to redeem the Class C Notes and, on Payment Dates (other than Quarterly Payment Dates) to deposit to the Collection Account an amount equal to the outstanding principal amount of the Class C Notes and (b) on Quarterly Payment Dates, redeem from any remaining Proceeds the Class C Notes and, on Payment Dates (other than Quarterly Payment Dates), deposit to the Collection Account from any remaining Proceeds an amount equal to the outstanding principal amount of all Class C Notes taking into account amounts paid to the Collection Account in accordance with clause (a) hereof. The Class S Notes, Class D Notes, the Class E Notes and the Subordinated Notes will not be subject to mandatory redemption as a result of the failure of any Class C Coverage Test.

If the Class D Overcollateralization Test is not satisfied on any Determination Date related to a Payment Date or the Class D Interest Coverage Test (together with the Class D Overcollateralization Test, the "Class D Coverage Tests" and, together with the Class A/B Coverage Tests and the Class C Coverage Tests, the "Coverage Tests") is not satisfied on any Determination Date related to a Quarterly Payment Date, Proceeds net of amounts payable under clauses (i) through (x) of the Priority of Payments will be used to (a) redeem, *pro rata*, from Principal Proceeds only, the Class A-1 Notes, the Class A-2 Notes and the Class B Notes and, on Quarterly Payment Dates, to redeem the Class C Notes and the Class D Notes and, on Payment Dates (other than Quarterly Payment Dates) to deposit to the Collection Account an amount equal to the outstanding principal amount of the Class C Notes and the Class D Notes and (b) on Quarterly Payment Dates, redeem from any remaining Proceeds the Class D Notes and, on Payment Dates (other than Quarterly Payment Dates), deposit to the Collection Account from any remaining Proceeds an amount equal to the outstanding principal amount of all Class D Notes taking into account amounts paid to the Collection Account in accordance with clause (a) hereof. The Class S Notes, Class E Notes and the Subordinated Notes will not be subject to mandatory redemption as a result of the failure of any Class D Coverage Test.

If a Class C Coverage Test or a Class D Coverage test is not satisfied or the Class D Overcollateralization Ratio is less than 95% on any Determination Date related to a Payment Date other than a Quarterly Payment Date, no amounts will be distributed to the Holders of the Class C Notes or the Class D Notes and certain amounts based on the principal balance of such Notes will instead be deposited to the Collection Account for distribution in accordance with the Priority of Payments on the next Payment Date.

If the Class E Interest Diversion Test is not satisfied on any Determination Date, Proceeds net of amounts payable under clauses (i) through (xv) of the Priority of Payments will be used to redeem the Class E Notes.

Cancellation

All Notes that are redeemed or paid and surrendered for cancellation as described herein will forthwith be canceled and may not be reissued or resold.

Payments

Payments on any Payment Date in respect of principal of and interest on the Notes issued as Global Notes will be made to the person in whose name the relevant Global Note is registered at the close of business on the Business Day prior to such Payment Date. For the Notes issued in definitive form, payments on any Payment Date in respect of principal, interest and other distributions will be made to the person in whose name the relevant Security is registered as of the close of business 10 Business Days prior to such Payment Date. Payments on the Global Notes will be payable by wire transfer in immediately available funds to a U.S. Dollar account maintained by DTC or its nominee (in the case of the Global Notes) or each Holder (in the case of individual Definitive Notes) to the extent practicable or otherwise by U.S. Dollar check drawn on a bank in the United States sent by mail either to DTC or its nominee (in the case of the Global Notes), or to each Holder at its address appearing in the applicable register. Final payments in respect of principal on the Notes will be made only against surrender of the Notes at the office of any paying agent. None of the Issuers, the Securities Intermediary, the Trustee, the Liquidation Agent, the Administrative Agent or any Hedge Counterparty or any paying agent will have any responsibility or liability for any aspects of the records maintained by DTC or its nominee or any of its participants relating to, or for payments made thereby on account of beneficial interests in, a Global Note.

The Issuers expect that DTC or its nominee, upon receipt of any payment of principal or interest in respect of a Global Note held by DTC or its nominee, will immediately credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in such Global Notes as shown on the records of DTC or its nominee. The Issuers also expect that payments by participants to owners of beneficial interests in such Global Notes held through such 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 such customers. Such payments will be the responsibility of such participants.

If any payment on a Note is due on a day that is not a Business Day, then payment will not be made until the next succeeding Business Day.

For so long as the Notes are listed on the Irish Stock Exchange and the rules of such exchange so require, the Issuers will have a paying agent and a transfer agent in accordance with the requirements of the rules of such exchange for such Notes and payments on and transfers or exchanges of interest in such Notes may be effected through the Irish Paying Agent. In the event that the Irish Paying Agent is replaced at any time during such period, notice of the appointment of any replacement will be given to the Irish Stock Exchange as long as any Notes are listed thereon.

Priority of Payments

With respect to any Payment Date (other than a Final Payment Date), all Proceeds received on the Collateral during the related Due Period will be applied by the Trustee in the priority set forth below (the "Priority of Payments"). For purposes of the Priority of Payments, amounts paid as interest, fees or distributions on the Notes on a "*pro rata*" basis shall be *pro rata* based on the amount of interest due on such Class or subclass of Notes or fees, amounts paid as principal shall be paid *pro rata* based on the amount of principal then outstanding on such Class or subclass of Notes and unless stated otherwise, Proceeds not constituting Principal Proceeds will be assumed to be applied prior to any Principal Proceeds.

On the Business Day prior to each Payment Date (other than a Final Payment Date), the Trustee will transfer all funds then on deposit in the Collection Account (other than amounts received after the end of the related Due Period) into the Payment Account. On each Payment Date (other than a Final Payment Date), amounts in the Payment Account will be applied by the Trustee in the manner and order of priority set forth below:

i. to the payment of taxes and filing and annual return fees (including, without limitation, return fees) owed by the Issuers, if any;

ii. to the payment of accrued and unpaid fees of the Trustee up to a maximum amount on any Payment Date equal to the greater of U.S.$2,083 and 0.0004583% of the Monthly Asset Amount

for the related Due Period (or, in the case of the first Due Period, as such amounts are adjusted based on the number of days in such Due Period);

iii. first, (a) to the payment of any remaining accrued and unpaid Administrative Expenses of the Issuers, excluding any indemnities (and legal expenses related thereto) payable by the Issuers first, to the Trustee, the Collateral Administrator, the Fiscal Agent and the Subordinated Notes Transfer Agent and second, *pro rata*, to any other parties entitled thereto; second, (b) to the payment of any indemnities (and legal expenses related thereto) payable by the Issuers first, to the Trustee, the Collateral Administrator, the Fiscal Agent and the Subordinated Notes Transfer Agent and second, *pro rata*, to any other parties entitled thereto; and third, (c) to the Expense Reserve Account the lesser of U.S.$25,000 and the amount necessary to bring the balance of such account to U.S.$275,000; *provided, however*, that the aggregate payments pursuant to subclauses (a) through (c) of this clause (iii) on any Payment Date shall not exceed U.S.$300,000 and the aggregate payments pursuant to subclauses (a) and (b) of this clause (iii) and the prior 11 Payment Dates shall not exceed U.S.$400,000;

iv. to the payment of, first, *pro rata* (based on amounts due) and *pari passu* (i) scheduled amounts, if any, to be paid to the Hedge Counterparties pursuant to the Hedge Agreements (other than termination and partial termination payments), (ii) accrued and unpaid interest on the Class S Notes (including Defaulted Interest and interest thereon), (iii) beginning with the Payment Date occurring in July 2006, principal of the Class S Notes in an amount equal to the Class S Notes Amortizing Principal Amount until the Class S Notes are paid in full, and (iv) any termination and partial termination payments (other than Defaulted Hedge Termination Payments payable under clause (xx) below) and second, if an Event of Default or Tax Event shall have occurred and is continuing or an Optional Redemption or Auction has occurred and the Collateral Assets are being liquidated pursuant to the terms of this Indenture, to the payment of principal to the Class S Notes until the Class S Notes are paid in full prior to any distributions to any other Notes;

v. to the payment *pro rata* (based on amounts due) and *pari passu* (i) to the Liquidation Agent of the accrued and unpaid Liquidation Agent Fee, *plus* interest due on any portion of such Liquidation Agent Fee not paid on a prior Payment Date at a rate equal to LIBOR and (ii) to the Administrative Agent of the accrued and unpaid "Administrative Agent Fee", plus interest due on any portion of such Administrative Agent Fee not paid on a prior Payment Date at a rate equal to LIBOR;

vi. to the payment of first, *pro rata* (based on the amounts due), (i) accrued and unpaid interest on the Class A-1 Notes (including any Defaulted Interest and interest thereon) and (ii) accrued and unpaid interest on the Class A-2 Notes (including any Defaulted Interest and interest thereon), and second, accrued and unpaid interest on the Class B Notes (including any Defaulted Interest and any interest thereon);

vii. if the Class A/B Overcollateralization Test is not satisfied on the Determination Date with respect to the related Payment Date after giving effect to all payments of principal on such Payment Date (without giving effect to any payments pursuant to this clause (vii)), if the Class A/B Interest Coverage Test is not satisfied on the Determination Date with respect to the related Quarterly Payment Date or if the Class D Overcollateralization Ratio is less than 75% on the Determination Date with respect to the related Payment Date after giving effect to all payments of principal on such date (without giving effect to any payments pursuant to this clause (vii)),then (A) if the Class A/B Overcollateralization Ratio is greater than or equal to 100% on the Determination Date with respect to the related Payment Date, first, *pro rata*, (i) to the payment of principal of all outstanding Class A-1 Notes, (ii) to the payment of principal of all outstanding Class A-2 Notes, until the Class A-1 Notes, and the Class A-2 Notes are paid in full, and second, to the payment of principal of all outstanding Class B Notes until the Class B Notes are paid in full and (B) if the Class A/B Overcollateralization Ratio is less than 100% on the Determination Date with respect to the related Payment Date, first, to the payment of principal of all outstanding Class A-1 Notes, until the Class A-1 Notes are paid in full, second, to the payment of principal of all outstanding

Class A-2 Notes until the Class A-2 Notes are paid in full, and third, to the payment of principal of all outstanding Class B Notes until the Class B Notes are paid in full;

viii. on Quarterly Payment Dates only, to the payment of accrued and unpaid interest on the Class C Notes (including Defaulted Interest and any interest thereon but not including Class C Deferred Interest);

ix. if the Class C Overcollateralization Test is not satisfied on the Determination Date with respect to the related Payment Date after giving effect to all payments of principal on such Payment Date (without giving effect to any payments pursuant to this clause (ix)), if the Class C Interest Coverage Test is not satisfied on the Determination Date with respect to the related Quarterly Payment Date or if the Class D Overcollateralization Ratio is less than 95% on the Determination Date with respect to the related Payment Date after giving effect to all payments of principal on such date (without giving effect to any payments pursuant to this clause (ix)), then, (a) *pro rata*, Principal Proceeds only (i) to the payment of principal of all outstanding Class A-1 Notes, (ii) to the payment of principal of all outstanding Class A-2 Notes, (iii) to the payment of principal of all outstanding Class B Notes and (iv) on Quarterly Payment Dates, to the payment of principal of all outstanding Class C Notes and, on Payment Dates (other than Quarterly Payment Dates) to the Collection Account in an amount equal to the outstanding principal amount of the Class C Notes, until the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, and the Class C Notes are paid (or, in the case of the Class C Notes and Payment Dates other than Quarterly Payment Dates amounts equal thereto are paid to the Collection Account), in full and (b) on Quarterly Payment Dates, any remaining Proceeds to the payment of principal of all outstanding Class C Notes and, on Payment Dates (other than Quarterly Payment Dates) any remaining Proceeds to the Collection Account in an amount equal to the outstanding principal amount of all Class C Notes taking into account amounts paid to the Collection Account in accordance with clause (a) hereof;

x. on Quarterly Payment Dates only, to the payment of accrued and unpaid interest on the Class D Notes (including Defaulted Interest and any interest thereon but not including Class D Deferred Interest);

xi. if the Class D Overcollateralization Test is not satisfied on the Determination Date with respect to the related Payment Date after giving effect to all payments of principal on such Payment Date (without giving effect to any payments pursuant to this clause (xi)) or if the Class D Interest Coverage Test is not satisfied on the Determination Date with respect to the related Quarterly Payment Date, then, (a) *pro rata*, from Principal Proceeds only (i) to the payment of principal of all outstanding Class A-1 Notes, (ii) to the payment of principal of all outstanding Class A-2 Notes, (iii) to the payment of principal of all outstanding Class B Notes, (iv) on Quarterly Payment Dates, to the payment of principal of all outstanding Class C Notes and, on Payment Dates (other than Quarterly Payment Dates) to the Collection Account in an amount equal to the outstanding principal amount of the Class C Notes and (v) on Quarterly Payment Dates, to the payment of principal of all outstanding Class D Notes and, on Payment Dates (other than Quarterly Payment Dates) to the Collection Account in an amount equal to the outstanding principal amount of the Class D Notes, until the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes and the Class D Notes (or, in the case of the Class C Notes and the Class D Notes and Payment Dates other than Quarterly Payment Dates amounts equal thereto are paid to the Collection Account) are paid in full and, (b) on Quarterly Payment Dates, any remaining Proceeds to the payment of principal of all outstanding Class D Notes and, on Payment Dates (other than Quarterly Payment Dates) any remaining Proceeds to the Collection Account in an amount equal to the outstanding principal amount of all Class D Notes taking into account amounts paid to the Collection Account in accordance with clause (a) hereof;

xii. to the payment of principal of first, the Class A-1 Notes, and the Class A-2 Notes. *pro rata* based on their respective principal amounts, up to the amount specified in clause (b)(1) below, second, the Class B Notes up to the amount specified in clause (b)(2) below, third, on Quarterly Payment Dates only, the Class C Notes up to the amount specified in clause (b)(3) below, and fourth, on

Quarterly Payment Dates only, the Class D Notes up to the amount specified in clause (b)(4) below in an aggregate amount equal to the lesser of (a) Principal Proceeds received or held during the related Due Period, and (b) the sum of (1) the amount necessary to increase the Class A Adjusted Overcollateralization Ratio to or maintain it at 107.7%, *plus* (2) the amount necessary to increase the Class B Adjusted Overcollateralization Ratio to or maintain it at 103.6%, *plus* (3) on Quarterly Payment Dates only, the amount necessary to increase the Class C Adjusted Overcollateralization Ratio to or maintain it at 102.0%, *plus* (4) on Quarterly Payment Dates only, the amount necessary to increase the Class D Adjusted Overcollateralization Ratio to or maintain it at 101.3%; *provided, however*, that if the Net Outstanding Portfolio Collateral Balance is less than U.S.$450,000,000, then only the amount described in sub-clause (a) of this clause (xii) will be paid, such amount to be allocated, first, *pro rata*, (1) to the payment of principal of all outstanding Class A-1 Notes, and (2) to the payment of principal of all outstanding Class A-2 Notes, second, to the payment of principal of all outstanding Class B Notes, third, on Quarterly Payment Dates only, to the payment of principal of all outstanding Class C Notes, and fourth, on Quarterly Payment Dates only, to the payment of all outstanding Class D Notes;

xiii. on Quarterly Payment Dates only, first, to the payment of principal of the Class C Notes in an amount equal to that portion of the principal of the Class C Notes comprised of Class C Deferred Interest unpaid after giving effect to payments under clauses (ix), (xi) and (xii) above (amounts will be considered unpaid for this purpose if the principal balance of the Class C Notes after giving effect to clauses (ix), (xi) and (xii) above exceeds any previous lowest amount outstanding) and second, to the payment of principal of the Class D Notes in an amount equal to that portion of the principal of the Class D Notes comprised of Class D Deferred Interest unpaid after giving effect to payments under clauses (xi) and (xii) above (amounts will be considered unpaid for this purpose if the principal balance of the Class D Notes after giving effect to clauses (xi) and (xii) above exceeds any previous lowest amount outstanding);

xiv. on Quarterly Payment Dates only, to the payment of accrued and unpaid interest on the Class E Notes (including Defaulted Interest and any interest thereon but not including Class E Deferred Interest;

xv. on Quarterly Payment Dates only, to the payment of principal on the Class E Notes, in an aggregate amount equal to the lesser of (a) all remaining Principal Proceeds and (b) the amount necessary to pay the Class E Notes in full;

xvi. on Quarterly Payment Dates only, if the Class E Interest Diversion Test is not satisfied on the Determination Date with respect to the related Quarterly Payment Date after giving effect to all payments of principal on such Quarterly Payment Date, then to the payment of principal of all outstanding Class E Notes until paid in full;

xvii. on Quarterly Payment Dates only, first to the payment of principal to the Class D Notes in an amount equal to the Class D Notes Amortizing Principal Amount and second, to the payment of principal of the Class E Notes in an amount equal to the Class E Notes Amortizing Principal Amount;

xviii on Quarterly Payment Dates after the Quarterly Payment Date occurring in July 2014, first, to the payment of principal of all outstanding Class C Notes until the Class C Notes are paid in full, second, to the payment of principal of all outstanding Class D Notes until the Class D Notes are paid in full and, third, to the payment of principal of all outstanding Class E Notes until the Class E Notes are paid in full;

xix on Quarterly Payment Dates only, to the payment of principal of the Class E Notes in an amount equal to that portion of the principal of the Class E Notes comprised of Class E Deferred Interest unpaid after giving effect to payments under clauses (xv) and (xvi) above (amounts will be considered unpaid for this purpose if the principal balance of the Class E Notes after giving effect to clauses (xv) and (xvi) above exceeds any previous lowest amount outstanding);

xx. on Quarterly Payment Dates only, to the payment of any Defaulted Hedge Termination Payments, with respect to the Hedge Agreements, *pro rata*, based on the amount owed;

xxi. on Quarterly Payment Dates only, first (a) to the payment of any remaining accrued and unpaid Administrative Expenses of the Issuers not paid pursuant to clauses (ii) and (iii) above (as the result of the limitations on amounts set forth therein) in the same order of priority set forth above in clause (iii) excluding any indemnities (and legal expenses related thereto) payable by the Issuers; second, (b) to the payment, *pro rata*, of any indemnities (and legal expenses related thereto) payable by the Issuers not paid pursuant to clause (iii) above (as the result of the limitation on amounts set forth therein) in the same order of priority set forth above in clause (iii); and third, (c) to the Expense Reserve Account until the balance of such account reaches U.S.$275,000 (after giving effect to any deposits made therein on such Quarterly Payment Date under clause (iii) above); *provided, however*, that the aggregate payments pursuant to subclause (c) of this clause (xxi) and subclause (c) of clause (iii) on any Payment Date shall not exceed U.S.$ 25,000;

xxii. on Quarterly Payment Dates only, any remaining amount to the payment to the Fiscal Agent for deposit into the Subordinated Note Payment Account for payment to the Holders of the Subordinated Notes as follows: first (a) to the payment of the Subordinated Note Interest Amount; second (b) to the payment of the Aggregate Outstanding Amount of the Subordinated Notes; and third (c) to the payment of any remaining amounts to the Holders of the Subordinated Notes as additional interest (with any such remaining amounts referred to herein as "Additional Interest"); and

xxiii. on each Payment Date, any remaining amount to be deposited to the Collection Account for distribution on the next Payment Date.

On the Business Day prior to the Final Payment Date, the Trustee will transfer all funds then on deposit in the Collection Account into the Payment Account. On the Final Payment Date, amounts in the Payment Account will be applied by the Trustee in the manner and order of priority set forth below:

i. to the payment of the amounts referred to in clauses (i) through (vi) of the Priority of Payments for Payment Dates which are not Final Payment Dates, in that order (without regard to the limitations in clause (iii)); *provided* that no deposit shall be made to the Expense Reserve Account pursuant to subclause (iii);

ii. first, to the payment to the Class A-1 Notes and second, to the payment to the Class A-2 Notes, in each case, the amount necessary to pay the outstanding principal amounts of such Notes, in full;

iii. to the payment to the Class B Notes, the amount necessary to pay the outstanding principal amount of such Notes in full;

iv. to the payment to the Class C Notes, the amount necessary to pay accrued and unpaid interest on and the outstanding principal amount of such Notes (including any Deferred Interest and Defaulted Interest and any interest thereon) in full;

v. to the payment to the Class D Notes, the amount necessary to pay accrued and unpaid interest on and the outstanding principal amount of such Notes (including any Deferred Interest and Defaulted Interest and any interest thereon) in full;

vi. to the payment to the Class E Notes, the amount necessary to pay accrued and unpaid interest on and the outstanding principal amount of such Notes (including any Deferred Interest and Defaulted Interest and any interest thereon) in full;

vii. to the payment of the amounts referred to in clause (xx) of the Priority of Payments for Payment Dates that are not Final Payment Dates; and

viii. to the payment of the amounts referred to in clause (xxii) of the Priority of Payments for Payment Dates which are not Final Payment Dates.

Upon payment in full of the last outstanding Secured Note, the Issuer (or the Liquidation Agent acting pursuant to the Liquidation Agency Agreement on behalf of the Issuer) will liquidate any remaining Collateral Assets, Eligible Investments, the Hedge Agreements and any other items comprising the Collateral and deposit the proceeds thereof in the Collection Account. The net proceeds of such liquidation and all available cash (other than the U.S.$250 of capital contributed by the owners of the Issuer Ordinary Shares in accordance with the Issuer's Memorandum and Articles of Association and U.S.$250 representing a transaction fee to the Issuer and any interest income earned on such amounts) will be distributed in accordance with the Priority of Payments for Final Payment Dates and all amounts remaining thereafter will be distributed to the Holders of the Subordinated Notes as a redemption payment whereupon all of the Notes and the Subordinated Notes will be canceled.

Subordinated Notes

The final payment on the Subordinated Notes will be made by the Issuer on the Maturity Date, unless redeemed or retired prior thereto in accordance with the Priority of Payments.

The Indenture

The following summary describes certain provisions of the Indenture. 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. An "Event of Default" under the Indenture includes:

i. a default in the payment, when due and payable, of any interest on any Class S Note, Class A Note or Class B Note or, if there are no Class S Notes, Class A Notes or Class B Notes outstanding, any Class C Note or, if there are no Class S Notes, Class A Notes, Class B Notes or Class C Notes outstanding, any Class D Note or, if there are no Class S Notes, Class A Notes, Class B Notes, Class C Notes or Class D Notes outstanding, any Class E Note and a continuation of such default, in each case, for a period of 7 days (or, in the case of a default in payment resulting solely from an administrative error or omission by the Trustee, any Note Paying Agent or the Note Registrar, such default continues for a period of 7 days after the Trustee is made aware of such administrative error or omission);

ii. a default in the payment of principal due on any Secured Note at its Stated Maturity or on any Redemption Date (or, in the case of a default in payment resulting solely from an administrative error or omission by the Trustee, any Note Paying Agent or the Note Registrar, such default continues for a period of 7 days after the Trustee is made aware of such administrative error or omission);

iii. the failure on any Payment Date to disburse amounts (other than in payment of interest on any Secured Note or principal of any Secured Note at its Stated Maturity or any date set for redemption as described in (i) and (ii) above) available in the Payment Account in excess of $500 in accordance with the Priority of Payments and a continuation of such failure for a period of 7 days after such failure has been recognized;

iv. a circumstance in which either of the Issuers or the Collateral or any portion thereof becomes an investment company required to be registered under the Investment Company Act;

v. a default, which has a material adverse effect on the Holders of the Secured Notes (as determined by at least a Majority of the Controlling Class), in the performance, or breach, of any covenant,

representation, warranty or other agreement of the Issuers in the Indenture (it being understood that a failure to satisfy a Coverage Test is not a default or breach) or in any certificate or writing delivered pursuant to the Indenture, or if any representation or warranty of the Issuers made in the Indenture or in any certificate or writing delivered pursuant thereto proves to be incorrect in any material respect when made, and the continuation of such default or breach for a period of 30 days after notice thereof shall have been given to the Issuers, the Administrative Agent and the Liquidation Agent by the Trustee or to the Issuers, the Administrative Agent, the Liquidation Agent and the Trustee by the Holders of at least a Majority of the Controlling Class; and

vi. certain events of bankruptcy, insolvency, receivership or reorganization of either of the Issuers.

If an Event of Default should occur and be continuing, the Trustee may and will at the direction of the Holders of at least a Majority of the Controlling Class declare the principal of and accrued and unpaid interest on all Secured Notes to be immediately due and payable (except that in the case of an Event of Default described in clause (vi) above, such an acceleration will occur automatically and shall not require any action by the Trustee or any Secured Noteholder).

If an Event of Default should occur and be continuing, the Trustee is required to retain the Collateral intact and collect all payments in respect of the Collateral and continue making payments in the manner described under Priority of Payments unless (a) the Trustee determines (which determination will be based upon a certificate from the Liquidation Agent) that the anticipated proceeds of a sale or liquidation of the Collateral based on an estimate obtained from a nationally recognized investment banking firm (which estimate takes into account the time elapsed between such estimate and the anticipated sale of the Collateral) would equal the amount necessary to pay in full (after deducting the reasonable expenses of such sale or liquidation) the sum of (i) the principal (including any Class C Deferred Interest, Class D Deferred Interest and Class E Deferred Interest) and accrued interest (including all Defaulted Interest, and interest thereon) and any other amounts due with respect to all the outstanding Secured Notes; (ii) the Subordinated Note Rated Amount; (iii) all Administrative Expenses; (iv) all amounts payable by the Issuer to the Hedge Counterparty net of all amounts payable to the Issuer by any Hedge Counterparty; and (v) all other items in the Priority of Payments ranking prior to payments on the Secured Notes, and, in any case, the Holders of a Majority of the Controlling Class agree with such determination or (b) the Holders of a Super Majority of the Controlling Class and each Hedge Counterparty (other than any Hedge Counterparty which will be paid in full the amounts due to it, including in any applicable termination payments other than Defaulted Hedge Termination Payments at the time of distribution of the proceeds of any sale or liquidation of the Collateral) direct, subject to the provisions of the Indenture, the sale and liquidation of the Collateral.

The Holders of a Majority of the Controlling Class will have the right to direct the Trustee in writing in the conduct of any proceedings or in the sale of any or all of the Collateral, but only if (i) such direction will not conflict with any rule of law or the Indenture (including the limitations described in the paragraph above), (ii) the Trustee determines that such action will not involve it in liability (unless the Trustee has received an indemnity which is reasonably acceptable to the Trustee against any such liability) and (iii) any direction to the Trustee to undertake a sale of the Collateral shall be by at least a Super Majority of the Controlling Class.

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an Event of Default with respect to the Secured Notes occurs and is continuing, the Trustee is under no obligation to exercise any of the rights or powers under the Indenture at the request of any Holders of Secured Notes, unless such Holders have offered to the Trustee reasonable security or an indemnity which is reasonably acceptable to the Trustee. The Holders of a Majority of the Controlling Class may waive any default with respect to the Secured Notes, except (a) a default in the payment of principal or interest on any Secured Note; (b) failure on any Payment Date to disburse amounts available in the Payment Account in accordance with the Priority of Payments and continuation of such failure for a period of 5 days; (c) certain events of bankruptcy or insolvency with respect to the Issuers; or (d) a default in respect of a provision of the Indenture that cannot be modified or amended without the waiver or consent of the Holder of each outstanding Note adversely affected thereby.

Furthermore, any declaration of acceleration of maturity of the Secured Notes may be revoked and annulled by the Holders of a Majority of the Controlling Class before a judgment or decree for the payment of money has been obtained by the Trustee or the Collateral has been sold or foreclosed in whole or in part, by notice to the

Issuers, the Trustee and any Hedge Counterparty, if (a) the Issuer has paid or deposited with the Trustee a sum sufficient to pay, in accordance with the Priority of Payments, the principal and accrued interest (including all Defaulted Interest and the interest thereon), discount or other unpaid amounts with respect to the outstanding Secured Notes and any other administrative expenses, fees or other amounts that, under the Transaction Documents and pursuant to the Priority of Payments, are payable prior to the payment of the principal of and interest on the outstanding Secured Notes, and (b) the Trustee has determined that all Events of Default, other than the non-payment of the interest on or principal of the outstanding Secured Notes that have become due solely by such acceleration, have been cured and the Holders of a Majority of the Controlling Class by notice to the Trustee have agreed with such determination (which agreement shall not be unreasonably withheld) or waived such Event of Default in accordance with the provisions set forth in the Indenture.

Only the Trustee may pursue the remedies available under the Indenture, the Secured Notes and no Holder of a Secured Note will have the right to institute any proceeding with respect to the Indenture, its Note, or otherwise unless (i) such Holder previously has given to the Trustee written notice of a continuing Event of Default; (ii) except in the case of a default in the payment of principal or interest, the Holders of at least 25%, by Aggregate Outstanding Amount, of the Controlling Class have made a written request upon the Trustee to institute such proceedings in its own name as Trustee and such Holders have offered the Trustee an indemnity which is reasonably acceptable to the Trustee; (iii) the Trustee has for 30 days 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 the Holders of a Majority of the Controlling Class.

In determining whether the Holders of the requisite percentage of Secured Notes have given any direction, notice or consent, Secured Notes owned by the Issuer, the Co-Issuer or any affiliate thereof shall be disregarded and deemed not to be outstanding. In addition, Holders of Subordinated Notes will not be considered to be affiliates of the Issuer or Co-Issuer by virtue of such ownership of Subordinated Notes.

Notices. Notices to the Holders of the Secured Notes shall be given by first-class mail, postage prepaid, to each Noteholder at the address appearing in the applicable note register. In addition, for so long as any of the Secured Notes are listed on the Irish Stock Exchange and so long as the rules of such exchange so require, notices to the Holders of such Secured Notes shall also be published by the Irish Listing Agent in the official list thereof or as otherwise required by the rules of such exchange.

Modification of the Indenture. Without obtaining the consent of Holders of the Notes the Issuers and the Trustee may enter into one or more supplemental indentures for any of the following purposes:

(i) to evidence the succession of any person to either the Issuer or Co-Issuer and the assumption by any such successor of the covenants of the Issuer or Co-Issuer in the Notes, the Fiscal Agency Agreement and under the Indenture;

(ii) to add to the covenants of the Issuers or the Trustee for the benefit of the Holders of the Notes or to surrender any right or power conferred upon the Issuers;

(iii) to convey, transfer, assign, mortgage or pledge any property to 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 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;

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

(vi) to cure any ambiguity or manifest error or correct or supplement any provisions contained in the Indenture which may be defective or inconsistent with any provision contained in the Indenture or make any modification that is of a formal, minor or technical nature or which is made to correct a manifest error;

(vii) to take any action necessary or advisable to prevent the Issuer, the Trustee, any Note Paying Agents or the Fiscal Agent from becoming subject to withholding or other taxes, fees or assessments or to prevent the Issuer from being treated as engaged in a United States trade or business or otherwise being subject to United States federal, state or local income tax on a net income basis;

(viii) to conform the Indenture to the descriptions contained in this Offering Circular;

(ix) to comply with any reasonable requests made by the Irish Stock Exchange in order to list or maintain the listing of any Notes on such stock exchange; or

(x) to make any other change for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, the Indenture or any other Transaction Document; provided however that such changes would have no material adverse effect on any of the Notes (which may be evidenced by an Opinion of Counsel or a Noteholder Poll (as hereinafter defined))

With the written consent of the Holders of at least a Majority, by Aggregate Outstanding Amount, of the Secured Notes materially adversely affected thereby (voting together as a single class) and at least a Majority of the Subordinated Notes materially adversely affected thereby, the Trustee and the Issuers may execute a supplemental indenture 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.

Notwithstanding anything in the Indenture to the contrary, without the written consent of each Noteholder of each Class adversely affected thereby and each adversely affected Hedge Counterparty no supplemental indenture may:

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

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

(iii) impair or adversely affect the Collateral except as otherwise permitted by the Indenture;

(iv) permit the creation of any security interest ranking prior to or on a parity with the security interest created by the Indenture with respect to any part of the Collateral (it being understood that the addition of the Hedge Counterparties having the benefit of the Indenture pursuant to the terms of the Indenture does not require consent under this clause (iv)) or terminate such security interest on any property at any time subject thereto or deprive the Holder of any Note, the Trustee or any other Secured Party of the security afforded by the lien of the Indenture;

(v) reduce the percentage of Holders of the Notes of each Class whose consent is required to request the Trustee to preserve the Collateral or rescind the Trustee's election to preserve the Collateral or to sell or liquidate the Collateral pursuant to the Indenture;

(vi) modify any of the provisions of the Indenture with respect to supplemental indentures, except to increase the percentage of Outstanding Notes whose Holders' consent is required for any such action or to provide that other provisions of the Indenture cannot be modified or waived without the consent of the Holder of each outstanding Note adversely affected thereby;

(vii) modify the definition of the term "Outstanding," or the Priority of Payments set forth in the Indenture;

(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 on or principal of any Secured Note or modify any amount distributable to the Fiscal Agent for payment to the Holders of the Subordinated Notes on any Quarterly Payment Date or to affect the right of the Holders of the Notes or the Trustee to the benefit of any provisions for the redemption of such Notes contained therein;

(ix) amend any provision of the Indenture or any other agreement entered into by the Issuer with respect to the transactions contemplated by the Indenture relating to the institution of proceedings for the Issuer or the Co-Issuer to be adjudicated as bankrupt or insolvent, or the consent of the Issuer or the Co-Issuer to the institution of bankruptcy or insolvency proceedings against it, or the filing with respect to the Issuer or the Co-Issuer of a petition or answer or consent seeking reorganization, arrangement, moratorium or liquidation proceedings, or other proceedings under the United States Bankruptcy Code or any similar laws, or the consent of the Issuer or the Co-Issuer to the filing of any such petition or the appointment of a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of the Issuer or the Co-Issuer or any substantial part of its property, respectively;

(x) increase the amount of the (a) Liquidation Agent Fees payable to the Liquidation Agent beyond the amount provided for in the original Liquidation Agency Agreement and (b) Administrative Agent Fees payable to the Administrative Agent beyond the amount provided for in the original Administrative Agency Agreement;

(xi) amend any provision of the Indenture or any other agreement entered into by the Issuer with respect to the transactions contemplated thereby that provides that the obligations of the Issuers or the Issuer, as the case may be, are limited recourse obligations of the Issuers or the Issuer, respectively, payable solely from the Collateral in accordance with the terms of the Indenture;

(xii) at the time of execution of such supplemental indenture, cause payments made by or to the Issuer, any Hedge Counterparty, the Liquidation Agent, the Administrative Agent or any Paying Agents to become subject to withholding or other taxes, fees or assessments or cause the Issuer to be treated as engaged in a United States trade or business or otherwise be subject to United States federal, state or local income tax on a net income basis; or

(xiii) at the time of the execution of such supplemental indenture, result in a deemed sale or exchange of any of the Notes under Section 1001 of the Code (items (i) through (xiii) above collectively, the "Reserved Matters").

Under the Indenture, in making the determination of whether a proposed amendment has or would have no material adverse effect on any of the Notes, which Notes are materially adversely affected by a proposed amendment or which Classes of Notes are adversely affected by any Reserved Matter (each such determination, an "Amendment Determination"), the Trustee may rely on an opinion of counsel. If no opinion of counsel is provided with respect to a proposed amendment and the Trustee determines (in its sole discretion) that it does not have the information necessary to be able to make an Amendment Determination with respect to such proposed amendment, the Trustee shall be entitled to conclusively rely on a Noteholder Poll in order to make such Amendment

Determination. The results of such Noteholder Poll shall be conclusive and binding on the Issuer and all present and future Noteholders.

"Noteholder Poll" with respect to a proposed supplemental indenture means the following:

The Trustee will (at the expense of the Issuer) give written notice of such proposed supplemental indenture to the Holders of the Secured Notes and to the Fiscal Agent for notification by the Fiscal Agent to the Holders of the Subordinated Notes. If any Holder of a Note of a Class delivers a written objection to any portion of such supplemental indenture to the Trustee, in the case of the Secured Notes, and the Fiscal Agent, in the case of the Subordinated Notes, within 20 Business Days after the date on which such notice was given by the Trustee or the Fiscal Agent, as applicable, each Note of such Class will be deemed to be both adversely affected and materially and adversely affected. If no Holder of a Note of a Class delivers a written objection to the Trustee or the Fiscal Agent, as applicable, within such period, all Notes of such Class shall be deemed not to be materially and adversely affected and not to be adversely affected by such supplemental indenture. The Fiscal Agent will promptly communicate to the Trustee the receipt of any such written objection from a Holder of a Subordinated Note or if no such written objection is received within the prescribed time period, that no written objections were received from any Subordinated Noteholder.

Under the Indenture, the Trustee will deliver a copy of any proposed supplemental indenture to the Holders of the Secured Notes, the Fiscal Agent, the Rating Agencies (for so long as any of the Notes are outstanding and rated by the Rating Agencies), each Synthetic Security Counterparty, each Hedge Counterparty, the Liquidation Agent and the Administrative Agent not later than 20 Business Days prior to execution of a proposed supplemental indenture. The Fiscal Agent will deliver a copy of the same to the Holders of the Subordinated Notes. For so long as any of the Notes are outstanding and rated by the Rating Agencies, no supplemental indenture shall be entered into unless the Rating Agency Condition is met; *provided* that the Trustee shall, with the consent of the Holders of 100% of the Aggregate Outstanding Amount of Secured Notes of each Class and the Subordinated Notes, whose consent, in the case of the Subordinated Notes, will be communicated to the Fiscal Agent for notice to the Trustee, the Liquidation Agent, the Administrative Agent, each Synthetic Security Counterparty and each Hedge Counterparty, enter into any such supplemental indenture notwithstanding any potential reduction or withdrawal of the ratings of any outstanding Class of Notes. The Trustee must provide notice of any amendment or modification of the Indenture (whether or not required to be approved by such parties) to the Holders of the Secured Notes, the Fiscal Agent, the Liquidation Agent, the Administrative Agent, each Hedge Counterparty, each Synthetic Security Counterparty and for so long as any Secured Notes are listed on the Irish Stock Exchange, the Irish Paying Agent promptly upon the execution of such supplemental indenture. The Fiscal Agent will provide notice of any such amendment or modification of the Indenture to the Holders of the Subordinated Notes and for so long as any Subordinated Notes are listed on the Irish Stock Exchange, the Irish Paying Agent promptly upon the execution of such supplemental indenture.

In connection with any amendment, the Trustee may require the delivery of an opinion of counsel satisfactory to it (which opinion of counsel may rely on an officer's certificate from either Initial Purchaser or the Liquidation Agent), at the expense of the Issuer, that such amendment is permitted under the terms of the Indenture.

No amendment to the Indenture will be effective until the consent of (i) the Liquidation Agent (which shall not be unreasonably withheld or delayed) has been obtained to the extent required under the Liquidation Agency Agreement, (ii) the Administrative Agent (which shall not be unreasonably withheld or delayed) has been obtained to the extent required under the Administrative Agency Agreement or (iii) each Hedge Counterparty (which shall not be unreasonably withheld or delayed) has been obtained to the extent required under the Hedge Agreements. To the extent required by the terms of any Synthetic Security, the Issuers will not consent to any supplemental indenture that would affect the provisions of such Synthetic Security governing the rights of a Synthetic Security Counterparty and which has a material adverse effect on such Synthetic Security Counterparty without the consent of such Synthetic Security Counterparty (such consent not to be unreasonably withheld or delayed).

In addition, the Issuers and the Trustee may enter into any additional agreements not expressly prohibited by the Indenture or any other Transaction Document.

Jurisdictions of Incorporation and Formation. Under the Indenture, the Issuer and the Co-Issuer will be required to maintain their rights and franchises as a company incorporated under the laws of the Cayman Islands and a corporation formed under laws of the State of Delaware, respectively, to comply with the provisions of their respective organizational documents and to obtain and preserve their qualification to do business as foreign corporations in each jurisdiction in which such qualifications are or shall be necessary to protect the validation and enforceability of the Indenture, the Secured Notes, or any of the Collateral; *provided, however*, that the Issuers shall be entitled to change their jurisdictions of incorporation from the Cayman Islands or Delaware, as applicable, to any other jurisdiction reasonably selected by such Issuer or Co-Issuer, as applicable, and approved by its common shareholders, so long as (i) the Issuer or Co-Issuer, as applicable, does not believe such change is disadvantageous in any material respect to such entity or the Holders of any Class of Secured Notes or any Hedge Counterparty; (ii) written notice of such change shall have been given by the Issuer or Co-Issuer, as applicable to the other of the Issuer or Co-Issuer, as applicable, the Trustee, the Note Paying Agent, the Liquidation Agent, the Administrative Agent, each Hedge Counterparty, the Holders of each Class of Notes and each of the Rating Agencies at least thirty (30) Business Days prior to such change of jurisdiction; and (iii) on or prior to the 25th Business Day following such notice the Trustee shall not have received written notice from Holders of a Majority of the Controlling Class, the Liquidation Agent, the Administrative Agent or any Counterparty or, so long as any Notes are listed thereon, the Irish Stock Exchange objecting to such change.

Petitions for Bankruptcy. The Indenture will provide that neither (i) any Hedge Counterparty, the Paying Agents, the Liquidation Agent, the Administrative Agent, the Note Registrar, or the Trustee, in its own capacity, or on behalf of any Secured Noteholder, nor (ii) the Secured Noteholders may, prior to the date which is one year and one day (or, if longer, the applicable preference period then in effect) after the payment in full of all Notes, institute against, or join any other person in instituting against, the Issuer or Co-Issuer any bankruptcy, reorganization, arrangement, moratorium, liquidation or similar proceedings under the laws of any jurisdiction.

Satisfaction and Discharge of the Indenture. The Indenture will be discharged with respect to the Collateral securing the Secured Notes upon delivery to the Note Paying Agent for cancellation all of the Secured Notes and the payment in full of the Secured Notes, or, within certain limitations (including the obligation to pay principal and interest), upon deposit with the Trustee of funds sufficient for the payment or redemption thereof and the payment by the Issuers of all other amounts due under the Indenture.

Trustee. LaSalle Bank National Association will be the Trustee under the Indenture. The Issuers and their affiliates may maintain other banking relationships in the ordinary course of business with the Trustee. The payment of the fees and expenses of the Trustee relating to the Secured Notes is solely the obligation of the Issuers. 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 and in connection with the Trustee's administration of any securities lending activities of the Issuer.

The Indenture contains provisions for the indemnification of the Trustee 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 Indenture. The Trustee will not be bound to take any action unless indemnified for such action. The Secured Noteholders shall together have the power, exercisable by the Controlling Class, to remove the Trustee as set forth in the Indenture. The removal of the Trustee shall not become effective until the later of the effective date of the appointment of a successor trustee and the acceptance of appointment by a successor trustee. If the Trustee is removed without cause, costs and expenses of the Trustee incurred in connection with the transfer to the successor Trustee shall be paid by the successor Trustee or the Issuer.

Agents. LaSalle Bank National Association will be the Note Paying Agent, the Note Registrar, the Note Calculation Agent and the Note Transfer Agent under the Indenture. The Issuers and their affiliates may maintain other banking relationships in the ordinary course of business with LaSalle Bank National Association. The payment of the fees and expenses of LaSalle Bank National Association relating to the Notes is solely the obligation of the Issuers. The Indenture contains provisions for the indemnification of LaSalle Bank National Association for any loss, liability or expense incurred without gross negligence, willful misconduct, default or bad faith on its part arising out of or in connection with the acceptance or administration of the Indenture.

Irish Paying Agent. For so long as any of the Secured Notes or the Subordinated Notes are listed on the Irish Stock Exchange, and the rules of such exchange shall so require, the Issuers will have an Irish Paying Agent in accordance with the requirements of the rules of such exchange for the Secured Notes. The Issuers and their affiliates may maintain other relationships in the ordinary course of business with the Irish Paying Agent. The payment of the fees and expenses of the Irish Paying Agent relating to the Notes is solely the obligation of the Issuers.

Status of the Subordinated Notes. The Holders of the Subordinated Notes will have certain rights to vote with respect to limited matters arising under the Indenture and the Liquidation Agency Agreement including, without limitation, in connection with certain modifications to the Indenture. However, the Holders of the Subordinated Notes will have no right to vote in connection with the realization of the Collateral or certain other matters under the Indenture.

Fiscal Agency Agreement

The Subordinated Notes will be issued by the Issuer and administered in accordance with a Fiscal Agency Agreement (the "Fiscal Agency Agreement") between LaSalle Bank National Association, as fiscal agent (in such capacity, the "Fiscal Agent"). The following summary describes certain provisions of the Subordinated Notes and the Fiscal Agency Agreement. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Fiscal Agency Agreement. After the closing, copies of the Fiscal Agency Agreement may be obtained by prospective investors upon request in writing to the Fiscal Agent at 181 W. Madison Street, 32nd Floor, Chicago, Illinois 60602, Attention CDO Trust Services Group—Hout Bay 2006-1 (telephone number (312) 904-7815).

Pursuant to the Fiscal Agency Agreement, the Fiscal Agent and the Subordinated Notes Transfer Agent will perform various fiscal services on behalf of the Holders of the Subordinated Notes. The payment of the fees and expenses of the Fiscal Agent and Subordinated Notes Transfer Agent is solely the obligation of the Issuer. The Fiscal Agency Agreement contains provisions for the indemnification of the Fiscal Agent and Subordinated Notes Transfer Agent for any loss, liability or expense incurred without gross negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of the Fiscal Agency Agreement.

Status. The Subordinated Notes are not secured by the Collateral Assets or any other Collateral securing the Secured Notes. There can be no assurance that, after payment of principal and interest on the Secured Notes and other fees and expenses of the Issuers in accordance with the Priority of Payments, the Issuer will have funds remaining to make payments in respect of the Subordinated Notes. As a result, the rights of the Subordinated Note holders to receive payments will rank (i) behind the rights of all secured creditors of the Issuer, whether known or unknown, including the Holders of the Secured Notes, the Liquidation Agent, the Administrative Agent and any Hedge Counterparty and (ii) *pari passu* with all unsecured creditors of the Issuer, whether known or unknown. The Issuer, pursuant to the Indenture, has pledged substantially all of its assets to secure the Secured Notes and certain other obligations of the Issuer. The proceeds of such assets will only be available to make payments in respect of the Subordinated Notes as and when such proceeds are released from the lien of the Indenture in accordance with the Priority of Payments. See "—Priority of Payments."

Payment. On each Quarterly Payment Date, to the extent funds are available therefor, and after the Secured Notes and certain other amounts due and payable on such Quarterly Payment Date that rank senior to payments on the Subordinated Notes have been paid in full, Proceeds will be released from the lien of the Indenture in accordance with the Priority of Payments and paid to the Fiscal Agent on such Quarterly Payment Date for payment to the Holders of the Subordinated Notes. See "—Status and Security", "—Interest on the Secured Notes" and "—Principal."

Payments on any Subordinated Note will be made to the person in whose name such Subordinated Note is registered 10 Business Days' prior to the applicable Payment Date. Payments will be made by wire transfer in immediately available funds to a U.S. Dollar account maintained by the Holder thereof appearing in the Subordinated Notes Register in accordance with wire transfer instructions received from such Holder by the Fiscal Agent on or before the Record Date or, if no wire transfer instructions are received by the Fiscal Agent, by a U.S. Dollar check drawn on a bank in the United States. Final distributions or payments made in the course of a winding

up of the Issuer will be made only against surrender of the certificate representing such Subordinated Notes at the office of the Subordinated Notes Transfer Agent. The Subordinated Notes Transfer Agent will communicate or cause communications of such distributions and payments and the related Payment Date to the Issuer, the Fiscal Agent, Euroclear and Clearstream.

Modification of the Fiscal Agency Agreement. The Fiscal Agency Agreement may be amended by the Issuer and the Fiscal Agent without the consent of any of the Subordinated Noteholders for any of the following purposes: (i) to evidence the succession of any person to either the Issuer or Co-Issuer and the assumption by any such successor of the covenants of the Issuer or Co-Issuer in the Notes, the Fiscal Agency Agreement and the Indenture; (ii) to add to the covenants of the Issuers or the Fiscal Agent for the benefit of the Holders of the Notes or to surrender any right or power conferred upon the Issuers; (iii) to cure any ambiguity or manifest error or correct or supplement any provisions contained herein which may be defective or inconsistent with any provision contained herein or make any modification that is of a formal, minor or technical nature or which is made to correct a manifest error; (iv) to take any action necessary or advisable to prevent the Issuer, the Trustee, any Note Paying Agents or the Fiscal Agent from becoming subject to withholding or other taxes, fees or assessments or to prevent the Issuer from being treated as engaged in a United States trade or business or otherwise being subject to United States federal, state or local income tax on a net income basis; (v) to conform the Fiscal Agency Agreement to the descriptions contained in this Offering Circular; (vi) to comply with any reasonable requests made by the Irish Stock Exchange in order to list or maintain the listing of any Notes on such stock exchange; or (vii) to make any other change for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, the Fiscal Agency Agreement; *provided, however* that such changes would have no material adverse effect on any of the Notes.

The Fiscal Agency Agreement may also be amended from time to time by the Issuer and the Fiscal Agent with the consent of a Majority of Subordinated Noteholders for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Fiscal Agency Agreement, or of modifying in any manner the rights of the Subordinated Noteholders; *provided*, that no such amendment shall (i) reduce in any manner the amount of, or delay the timing of, or change the allocation of, the payments on the Subordinated Notes or (ii) reduce the voting percentage of the Subordinated Noteholders required to consent to any amendment to the Fiscal Agency Agreement, in each case without the consent of the Subordinated Noteholders of all of the Subordinated Notes.

Subordinated Notes Register. The Fiscal Agent will initially be appointed as Subordinated Notes Transfer Agent (in such capacity, the "Subordinated Notes Transfer Agent") for the purpose of registering and administrating the transfer of Subordinated Notes. The Subordinated Notes Transfer Agent shall maintain at its offices, a register (the "Subordinated Notes Register") in which it shall provide for the registration of Subordinated Notes and the registration of transfers of Subordinated Notes in accordance with the Fiscal Agency Agreement.

Notices. Notices to the Subordinated Note holders will be given by first class mail, postage prepaid, to the registered holders of the Subordinated Notes at their addresses appearing in the Subordinated Notes Register. In addition, for so long as any of the Subordinated Notes are listed on the Irish Stock Exchange and so long as the rules of such exchange so require, notices to the Holders of such Subordinated Notes shall also be published by the Irish Listing Agent in the official list thereof as otherwise required by the rules of such exchange.

Governing Law of the Indenture, the Notes, the Fiscal Agency Agreement, the Hedge Agreements, the Liquidation Agency Agreement and the Administrative Agency Agreement

The Indenture, the Fiscal Agency Agreement, the Notes, the Hedge Agreements, the Liquidation Agency Agreement and the Administrative Agency Agreement will be governed by, and construed in accordance with, the laws of the State of New York applicable to agreements made and to be performed therein without regard to the conflict of laws principles thereof. Under the Indenture, the Fiscal Agency Agreement, the Hedge Agreements, the Liquidation Agency Agreement and the Administrative Agency Agreement the Issuers have submitted irrevocably to the non-exclusive jurisdiction of the courts of the State of New York and the courts of the United States of America in the State of New York (in each case sitting in the County of New York) for the purposes of hearing and determining any suit, action or proceedings or settling any disputes arising out of or in connection with the

Indenture, the Notes, the Fiscal Agency Agreement, the Hedge Agreements, the Liquidation Agency Agreement and the Administrative Agency Agreement.

Form of the Notes

The Notes. Each Class of Notes (other than the Class E Notes and Subordinated Notes) sold in reliance on Rule 144A under the Securities Act will be represented by one or more Rule 144A Global Notes and will be deposited with LaSalle Bank National Association as custodian for DTC and registered in the name of Cede & Co., a nominee of DTC. Each of (a) the Rule 144A Notes which are Class E Notes and (b) the Subordinated Notes which are sold either to (1) a qualified institutional buyer as defined in Rule 144A under the Securities Act purchasing for its own account or for the account of a Qualified Institution Buyer or (2) an Accredited Investor who has a net worth of not less than U.S. $10 million will be issued in definitive, fully registered form, registered in the name of the owner thereof ("Definitive Notes"). The Rule 144A Global Notes and the Definitive Notes (and any Notes issued in exchange therefor) will be subject to certain restrictions on transfer as set forth under "Notice to Investors."

Each Class of Notes sold in offshore transactions in reliance on Regulation S will initially be represented by a Temporary Regulation S Global Note deposited on the Closing Date with LaSalle Bank National Association as custodian for DTC and registered in the name of Cede & Co., a nominee of DTC, for the respective accounts of Euroclear and Clearstream. Beneficial interests in a Temporary Regulation S Global Note may be held only through Euroclear or Clearstream. Beneficial interests in a Temporary Regulation S Global Note will be exchanged for beneficial interests in a permanent Regulation S Global Note (the "Regulation S Global Note") for the related Class of Notes in definitive, fully registered form upon the later of (i) the expiration of the Distribution Compliance Period and (ii) the first date on which the requisite certifications (in the form provided in the Indenture) are provided to the Trustee. The Regulation S Global Note will be registered in the name of Cede & Co., a nominee of DTC, and deposited with LaSalle Bank National Association as custodian for DTC for credit to the accounts of Euroclear and Clearstream for the respective accounts of the Holders of such Notes. Beneficial interests in a Regulation S Global Note may be held only through Euroclear or Clearstream.

A beneficial interest in a Regulation S Global Note or a Temporary Regulation S Global Note may be transferred, whether before or after the expiration of the Distribution Compliance Period, to a U.S. person only, with respect to the Class S Notes, the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes, in the form of a beneficial interest in a Rule 144A Global Note, and, with respect to any Regulation S Class E Notes or Regulation S Subordinated Notes, in the form of a definitive Class E Note or Subordinated Note, and only upon receipt by the Note Transfer Agent or Subordinated Notes Transfer Agent, as applicable, of a written certification from the transferor (in the form provided in the Indenture or the Fiscal Agency Agreement, as applicable) to the effect that the transfer is being made to a person the transferor reasonably believes is (a) a Qualified Institutional Buyer or, solely in the case of the Subordinated Notes, an Accredited Investor who has a net worth of not less than U.S. $10 million and (b) a Qualified Purchaser. In addition, transfers of a beneficial interest in a Regulation S Global Note or Temporary Regulation S Global Note to a person who takes delivery in the form of an interest in a Rule 144A Global Note or, a Definitive Note in the case of the Class E Notes and the Subordinated Notes, may occur only in denominations greater than or equal to the minimum denominations applicable to the Rule 144A Global Notes or in a principal amount of not less than $250,000.

A beneficial interest in a Rule 144A Global Note may be transferred to a person who takes delivery in the form of an interest in a Temporary Regulation S Global Note or a Regulation S Global Note, as the case may be, whether during or after the expiration of the Distribution Compliance Period, only upon receipt by the Note Registrar or Subordinated Notes Transfer Agent, as applicable, of a written certification from the transferor (in the form provided in the Indenture) to the effect that such transfer is being made to a non U.S. Person in accordance with Rule 903 or 904 of Regulation S.

Any beneficial interest in one of the Global Notes that is transferred to the 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 the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Note for as long as it remains such interest.

Except in the limited circumstances described below, owners of beneficial interests in any Global Note will not be entitled to receive a Definitive Note. The Notes are not issuable in bearer form.

Each Note will be issued in minimum denominations of U.S.$250,000 (in the case of Rule 144A Notes and in the case of Subordinated Notes sold to Accredited Investors) and U.S.$100,000 (in the case of Regulation S Notes) and integral multiples of U.S.$1 in excess thereof.

Global Notes. Upon the issuance of the Global Notes, DTC or its custodian will credit, on its internal system, the respective aggregate original principal amount of the individual beneficial interests represented by such Global Notes to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the Initial Purchasers. Ownership of beneficial interests in Global Notes will be limited to persons who have accounts with DTC ("participants") or persons who hold interests through participants. Ownership of beneficial interests in a Global Note will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of participants) and the records of participants (with respect to interests of persons other than participants).

So long as DTC, or its nominee, is the registered owner or Holder of the Global Notes, DTC or such nominee, as the case may be, will be considered the sole owner or Holder of each Class of the Notes represented by such Global Notes for all purposes under the Indenture and such Notes. Unless DTC notifies the Issuers that it is unwilling or unable to continue as depositary for a global note or ceases to be a "Clearing Agency" registered under the Exchange Act, owners of the beneficial interests in the Global Notes will not be entitled to have any portion of such Global Notes registered in their names, will not receive or be entitled to receive physical delivery of Notes in certificated form and will not be considered to be the owners or Holders of any Notes under the Indenture. In addition, no beneficial owner of an interest in the Global Notes will be able to transfer that interest except in accordance with DTC's applicable procedures (in addition to those under the Indenture referred to herein and, if applicable, those of Euroclear and Clearstream).

Investors may hold their interests in a Regulation S Global Note or a Temporary Regulation S Global Note directly through Clearstream or Euroclear, if they are participants in these systems, or indirectly through organizations which are participants in these systems. Clearstream and Euroclear will hold interests in the Regulation S Global Notes on behalf of their participants through their respective depositaries, which in turn will hold the interests in the Regulation S Global Notes and Temporary Regulation S Global Notes in customers' securities accounts in the depositories' names on the books of DTC. Investors may hold their interests in a Rule 144A Global Note directly through DTC if they are participants in the system, or indirectly through organizations which are participants in the system.

Payments of the principal of and interest on the Global Notes will be made to DTC or its nominee, as the registered owner thereof. Neither the Issuers, the Trustee nor any paying agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Global Notes or for any notice permitted or required to be given to Holders of Notes or any consent given or actions taken by DTC as Holder of Notes. The Issuers expect that DTC or its nominee, upon receipt of any payment of principal or interest in respect of a Global Note representing any Notes held by it or its nominee, will immediately credit participants' accounts with payments in amounts proportionate to their respective interests in the principal amount of such Global Notes as shown on the records of DTC or its nominee. The Issuers also expect that payments by participants to owners of interests in such Global Notes held through such 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 such customers. Such payments will be the responsibility of such participants.

Transfers between participants will be effected in the ordinary way in accordance with DTC rules and will be settled in same-day funds. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests in Global Notes to these persons may be limited. Because DTC can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of a person having a beneficial interest in Global Notes to pledge its interest to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of its interest, may be affected by the lack of a physical certificate of the interest. Transfers between account holders in

Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the Notes described above, cross-market transfers between DTC participants, on the one hand, and, directly or indirectly through Euroclear or Clearstream account holders, on the other, will be effected in DTC in accordance with DTC rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depositary; however, these cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in the system in accordance with its rules and procedures and within its established deadlines (Brussels time). Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf by delivering or receiving interests in a Temporary Regulation S Global Note or a Regulation S Global Note in DTC, and making or receiving payment in accordance with normal procedures for a same-day funds settlement applicable to DTC. Clearstream and Euroclear account holders may not deliver instructions directly to the depositaries for Clearstream or Euroclear.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a DTC participant will be credited during the securities settlement processing day (which must be a Business Day for Euroclear or Clearstream, as the case may be) immediately following the DTC settlement date and the credit of any transactions in interests in a Global Note settled during the processing day will be reported to the relevant Euroclear or Clearstream participant on that day. Cash received in Euroclear or Clearstream as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream participant to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream cash account only as of the Business Day following settlement in DTC.

DTC has advised the Issuers that it will take any action permitted to be taken by a Holder of the Notes (including the presentation of the applicable Notes for exchange as described below) only at the direction of one or more participants to whose account with DTC interests in a Global Note are credited and only in respect of that portion of the aggregate principal amount of the Notes as to which the participant or participants has or have given direction.

The giving of notices and other communications by DTC to participants, by participants to persons who hold accounts with them and by such persons to Holders of beneficial interests in a Global Note will be governed by arrangements between them, subject to any statutory or regulatory requirements as may exist from time to time.

DTC has advised the Issuers as follows: DTC is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the Uniform Commercial Code and a "Clearing Agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies and clearing corporations and may include certain other organizations. Indirect access to the DTC system is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly ("indirect participants").

Clearstream. Clearstream Banking, société anonyme, was incorporated as a limited liability company under Luxembourg law. Clearstream is owned by Cedel International, société anonyme, and Deutsche Börse AG. The shareholders of these two entities are banks, securities dealers and financial institutions.

Clearstream holds securities for its customers and facilitates the clearance and settlement of securities transactions between Clearstream customers through electronic book-entry changes in accounts of Clearstream customers, thus eliminating the need for physical movement of certificates. Clearstream provides to its customers, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities, securities lending and borrowing and collateral management. Clearstream interfaces with domestic markets in a number of countries. Clearstream has established an electronic bridge with Euroclear Bank S.A./N.V., the operator of the Euroclear System, to facilitate settlement of trades between Clearstream and Euroclear.

As a registered bank in Luxembourg, Clearstream is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector. Clearstream customers are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. In the United States, Clearstream customers are limited to securities brokers and dealers and banks and may include the Initial Purchasers. Other institutions that maintain a custodial relationship with a Clearstream customer may obtain indirect access to Clearstream. Clearstream is an indirect participant in DTC.

Distributions with respect to the Notes held beneficially through Clearstream will be credited to cash accounts of Clearstream customers in accordance with its rules and procedures, to the extent received by Clearstream.

The Euroclear System. The Euroclear System was created in 1968 to hold securities for participants of the Euroclear System and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment, thus eliminating the need for physical movement of certificates and risk from lack of simultaneous transfers of securities and cash. Transactions may now be settled in many currencies, including U.S. Dollars and Japanese Yen. The Euroclear System provides various other services, including securities lending and borrowing and interfaces with domestic markets in several countries generally similar to the arrangements for cross-market transfers with DTC described above.

The Euroclear System is operated by Euroclear Bank S.A./N.V. (the "Euroclear Operator"), under contract with Euroclear Clearance System plc, a U.K. corporation (the "Euroclear Clearance System"). The Euroclear Operator conducts all operations, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Euroclear Clearance System. The Euroclear Clearance System establishes policy for the Euroclear System on behalf of Euroclear participating organizations. Euroclear participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the Initial Purchasers. Indirect access to the Euroclear System is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly. Euroclear is an indirect participant in DTC.

The Euroclear Operator is a Belgian bank. The Belgian Banking Commission regulates and examines the Euroclear Operator.

The Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System and applicable Belgian law govern securities clearance accounts and cash accounts with the Euroclear Operator. Specifically, these terms and conditions govern:

(a) transfers of securities and cash within the Euroclear System;

(b) withdrawal of securities and cash from the Euroclear System; and

(c) receipts of payments with respect to securities in the Euroclear System.

All securities in the Euroclear System are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the terms and conditions only on behalf of Euroclear participants and has no record of or relationship with persons holding securities through Euroclear participants.

Distributions with respect to Notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear participating organizations in accordance with the Euroclear Terms and Conditions, to the extent received by the Euroclear Operator and by Euroclear.

Although DTC, Clearstream and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of interests in the Regulation S Global Notes and in the Rule 144A Global Notes among participants of DTC, Clearstream and Euroclear, they are under no obligation to perform or continue to perform these procedures, and the procedures may be discontinued at any time. Neither the Issuers nor the Trustee will have any responsibility

for the performance by DTC, Clearstream, Euroclear or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Payments; Certifications by Holders of Temporary Regulation S Global Notes. A Holder of a beneficial interest in a Temporary Regulation S Global Note must provide Clearstream or Euroclear, as the case may be, with a certificate in the form required by the Indenture certifying that the beneficial owner of the interest in such Global Note is not a U.S. Person (as defined in Regulation S), and Clearstream or Euroclear, as the case may be, must provide to the Trustee a certificate in the form required by the Indenture prior to (i) the payment of interest or principal with respect to such Holder's beneficial interest in the Temporary Regulation S Global Note and (ii) any exchange of such beneficial interest for a beneficial interest in a Regulation S Global Note.

Individual Definitive Notes. The Class S Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Regulation S Class E Notes and the Regulation S Subordinated Notes will be initially issued in global form. The Class E Notes (other than the Regulation S Class E Notes) and the Subordinated Notes (other than the Regulation S Subordinated Notes) will not be global and will be represented by one or more Definitive Notes. If DTC or any successor to DTC advises the Issuer in writing that it is at any time unwilling or unable to continue as a depositary for the reasons described in "—Global Notes" and a successor depositary is not appointed by the Issuers within 90 days or as a result of any amendment to or change in, the laws or regulations of the Cayman Islands or the State of Delaware, as applicable, or of any authority therein or thereof having power to tax or in the interpretation or administration of such laws or regulations which become effective on or after the Closing Date, the Issuers, the Note Paying Agent or the Fiscal Agent is or will be required to make any deduction or withholding from any payment in respect of the Notes which would not be required if the Notes were in definitive form and the Issuers will issue Definitive Notes in registered form in exchange for the Regulation S Global Notes and the Rule 144A Global Notes, as the case may be. Upon receipt of such notice from DTC, the Issuers will use their best efforts to make arrangements with DTC for the exchange of interests in the Global Notes for individual Definitive Notes and cause the requested individual Definitive Notes to be executed and delivered to the Note Registrar or Subordinated Notes Transfer Agent, as applicable, in sufficient quantities and authenticated by or on behalf of the Note Transfer Agent or Subordinated Notes Transfer Agent, as applicable, for delivery to Holders of the Notes. Persons exchanging interests in a Global Note for individual Definitive Notes will be required to provide to the Note Transfer Agent or the Subordinated Notes Transfer Agent, as applicable, through DTC, Clearstream or Euroclear, (i) written instructions and other information required by the Issuers, the Note Transfer Agent and the Subordinated Notes Transfer Agent to complete, execute and deliver such individual Definitive Notes, (ii) in the case of an exchange of an interest in a Rule 144A Global Note, such certification as to (a) Qualified Institutional Buyer status or, solely in the case of the Subordinated Notes, as to Accredited Investor status and (b) that such Holder is a Qualified Purchaser, as the Issuers shall require and (iii) in the case of an exchange of an interest in a Regulation S Global Note, such certification as the Issuers shall require as to non-U.S. Person status. In all cases, individual Definitive Notes delivered in exchange for any Global Note or beneficial interests therein will be registered in the names, and issued in denominations in compliance with the minimum denominations specified for the applicable Global Notes, requested by DTC.

Individual Definitive Notes will bear, and be subject to, such legend as the Issuers require in order to assure compliance with any applicable law. Individual Definitive Notes will be transferable subject to the minimum denomination applicable to the Rule 144A Global Notes and Regulation S Global Notes, in whole or in part, and exchangeable for individual Definitive Notes of the same Class at the office of the Note Paying Agent, Note Transfer Agent, Subordinated Notes Transfer Agent or the office of any transfer agent, upon compliance with the requirements set forth in the Indenture or the Fiscal Agency Agreement, as applicable. Individual Definitive Notes may be transferred through any transfer agent upon the delivery and duly completed assignment of such Notes. Upon transfer of any individual Definitive Note in part, the Note Transfer Agent or Subordinated Notes Transfer Agent, as applicable, will issue in exchange therefor to the transferee one or more individual Definitive Notes in the amount being so transferred and will issue to the transferor one or more individual Definitive Notes in the remaining amount not being transferred. No service charge will be imposed for any registration of transfer or exchange, but payment of a sum sufficient to cover any tax or other governmental charge may be required. The Holder of a restricted individual Definitive Note may transfer such Note, subject to compliance with the provisions of the legend thereon. Upon the transfer, exchange or replacement of Notes bearing the legend, or upon specific request for removal of the legend on a Note, the Issuer will deliver only Notes that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence, which may

include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act and the Investment Company Act. Payments of principal and interest on individual Definitive Notes shall be payable by the Note Paying Agents or the Fiscal Agent, as applicable, by U.S. Dollar check drawn on a bank in the United States of America and sent by mail to the registered Holder thereof, by wire transfer in immediately available funds. In addition, for so long as any Notes are listed on the Irish Stock Exchange and the rules of such exchange shall so require, in the case of a transfer or exchange of individual Definitive Notes, a Holder thereof may effect such transfer or exchange by presenting such Notes at, and obtaining a new individual Definitive Note from the office of the Irish Paying Agent, in the case of a transfer of only a part of an individual Definitive Note, a new individual Definitive Note in respect of the balance of the principal amount of the individual Definitive Note not transferred will be delivered at the office of the Irish Stock Exchange and in the case of a replacement of any lost, stolen, mutilated or destroyed individual Definitive Notes, a Holder thereof may obtain a new individual Definitive Note from the Irish Paying Agent.

The Class E Notes. The Regulation S Class E Notes will initially be in global form. The Class E Notes (other than Regulation S Class E Notes) will not be global and will be represented by one or more notes in definitive form. All Class E Notes will be subject to certain restrictions on transfer as set forth under "Notice to Investors."

The Class E Notes may be transferred only (i) upon receipt by the Issuer and Note Transfer Agent of a Class E Notes Purchase and Transfer Letter to the effect that the transfer is being made to a Qualified Institutional Buyer that has acquired an interest in the Class E Notes in a transaction meeting the requirements of Rule 144A who is also a Qualified Purchaser or (ii) to a non-U.S. Person in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S. The transferee of a Class E Note (other than a Regulation S Class E Note) must also make certain other representations applicable to such transferee, as set forth in the Class E Notes Purchase and Transfer Letter.

Each Purchaser of a Regulation S Class E Note will be deemed by its purchase to have represented and warranted as set forth under "Notice to Investors."

Payments on the Class E Notes on any Quarterly Payment Date will be made to the person in whose name the relevant Note is registered as of the close of business 10 Business Days prior to such Quarterly Payment Date.

The Subordinated Notes. The Regulation S Subordinated Notes will initially be in global form. The Subordinated Notes (other than Regulation S Subordinated Notes) will not be global and will be represented by one or more Subordinated Note Certificates in definitive form. All Subordinated Notes will be subject to certain restrictions on transfer as set forth under "Notice to Investors."

Subordinated Notes may be transferred only (i) upon receipt by the Issuer and Subordinated Notes Transfer Agent of a Subordinated Notes Purchase and Transfer Letter to the effect that the transfer is being made (a) to a Qualified Institutional Buyer that has acquired an interest in the Subordinated Notes in a transaction meeting the requirements of Rule 144A or (b) to an Accredited Investor having a net worth of not less than U.S.$10 million in a transaction exempt from registration under the Securities Act, who is a Qualified Purchaser or (ii) to a non-U.S. Person in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S. The transferee of a Subordinated Note (other than a Regulation S Subordinated Note) must also make certain other representations applicable to such transferee, as set forth in the Subordinated Notes Purchase and Transfer Letter.

Each Purchaser of a Regulation S Subordinated Note will be deemed by its purchase to have represented and warranted as set forth under "Notice to Investors."

Payments on the Subordinated Notes on any Quarterly Payment Date will be made to the person in whose name the relevant Subordinated Note is registered in the Subordinated Notes Register as of the close of business 10 Business Days prior to such Quarterly Payment Date.

USE OF PROCEEDS

The gross proceeds associated with the offering of the Notes are expected to equal approximately U.S.$1,504,000,000. Approximately U.S.$11,400,000 of such gross proceeds will be applied by the Issuer to pay upfront fees and expenses associated with the offering of the Notes. On the Closing Date or promptly thereafter as is consistent with customary settlement procedures, pursuant to agreements to purchase entered into on or before the Closing Date, the Issuer will apply the net proceeds to purchase the Collateral Assets described herein having an aggregate Principal Balance of approximately U.S.$1,500,000,000 and will have entered into the Hedge Agreements. In addition, on the Closing Date, approximately U.S.$200,000 of the net proceeds from the issuance of the Notes will be deposited into the Expense Reserve Account.

RATINGS OF THE NOTES

It is a condition to the issuance of the Notes that the Class S Notes, Class A-1 Notes, and the Class A-2 Notes be rated "Aaa" by Moody's and "AAA" by S&P, that the Class B Notes be rated at least "Aa2" by Moody's and at least "AA" by S&P, that the Class C Notes be rated at least "A2" by Moody's and at least "A" by S&P, that the Class D Notes be rated at least "Baa2" by Moody's and at least "BBB" by S&P, that the Class E Notes be issued with an initial rating on the Closing Date of at least "Ba1" by Moody's and at least "BB+" by S&P and that the Subordinated Notes be issued with a rating of at least "Ba3" by Moody's (which rating addresses the ultimate payment of the Subordinated Note Rated Amount only). A rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

If and for so long as any Class of Notes is listed on the Irish Stock Exchange, the Trustee will inform the Irish Paying Agent if any rating assigned to any Class of Notes is reduced or withdrawn.

Moody's Ratings

The ratings assigned to the Notes by Moody's are based upon its assessment of the probability that the Collateral Assets will provide sufficient funds to pay such Notes, based largely upon Moody's statistical analysis of historical default rates on debt obligations with various ratings, expected recovery rates on the Collateral Assets, the asset and interest coverage required for such Notes (which is achieved through the subordination of more junior Notes), and the diversification requirements that the Collateral Assets must satisfy.

Moody's rating of (i) the Class S Notes, Class A Notes and the Class B Notes addresses the ultimate cash receipt of all required principal payments and the timely cash receipt of all interest payments as provided in the governing documents, (ii) the Class C Notes, the Class D Notes and the Class E Notes addresses the ultimate cash receipt of all required interest and principal payments as provided in the governing documents and (iii) the Subordinated Notes addresses the ultimate payment of the Subordinated Rated Amount only. Moody's ratings are based on the expected loss posed to the Holders of the Notes relative to the promise of receiving the present value, calculated using a discounted rate equal to the promised interest rate of such payments. Moody's analyzes the likelihood that each debt obligation included in the portfolio will default, based on historical default rates for similar debt obligations, the historical volatility of such default rates (which increases as securities with lower ratings are added to the portfolio) and an additional default assumption to account for future fluctuations in defaults. Moody's then determines the level of credit protection necessary to achieve the expected loss associated with the rating of the structured securities, taking into account the potential recovery value of the Collateral Assets and the expected volatility of the default rate of the portfolio based on the level of diversification by issuer and industry.

In addition to these quantitative tests, Moody's ratings take into account qualitative features of a transaction, including the experience of the Liquidation Agent, the legal structure and the risks associated with such structure, its view as to the quality of the participants in the transaction and other factors that it deems relevant.

The rating assigned by Moody's to the Subordinated Notes addresses only the likelihood of the ultimate recovery of the Subordinated Note Rated Amount with respect thereto. Such rating does not address the payment on any Quarterly Payment Date of the Subordinated Note Interest Amount to the Holders of the Subordinated Notes (or

the payment of any other amount on the Holders of the Subordinated Notes, including, without limitation, the payment of the Aggregate Outstanding Amount of, or any Additional Interest on, the Subordinated Notes).

S&P Ratings

S&P will rate the Notes in a manner similar to the manner in which it rates other structured issues. The ratings assigned to the Class S Notes, Class A Notes and the Class B Notes by S&P address the likelihood of the timely payment of interest and the ultimate payment of principal on such Notes. The ratings assigned to the Class C Notes, the Class D Notes and the Class E Notes by S&P address the likelihood of the ultimate payment of interest and principal on such Notes. This requires an analysis of the following: (i) credit quality of the Collateral Assets securing the Secured Notes; (ii) cash flow used to pay liabilities and the priorities of these payments; and (iii) legal considerations. Based on these analyses, S&P determines the necessary level of credit enhancement needed to achieve a desired rating.

S&P's analysis includes the application of its proprietary default expectation computer model, the Standard & Poor's CDO Monitor (which will be provided to the Issuer), which is used to estimate the default rate the portfolio is likely to experience. The Standard & Poor's CDO Monitor calculates the projected cumulative default rate of a pool of Collateral Assets consistent with a specified benchmark rating level based upon S&P's proprietary corporate debt default studies. The Standard & Poor's CDO Monitor takes into consideration the rating of each issuer or obligor, the number of issuers or obligors, the issuer or obligor industry concentration and the remaining weighted average maturity of each of the Collateral Assets and Eligible Investments included in the portfolio. The risks posed by these variables are accounted for by effectively adjusting the necessary default level needed to achieve a desired rating. The higher the desired rating, the higher the level of defaults the portfolio must withstand.

Credit enhancement to support a particular rating is then provided based, in part, on the results of the Standard & Poor's CDO Monitor, as well as other more qualitative considerations such as legal issues and management capabilities. Credit enhancement is typically provided by a combination of overcollateralization/subordination, cash collateral/reserve account, excess spread/interest and amortization. A transaction-specific cash flow model (the "Transaction-Specific Cash Flow Model") is used to evaluate the portfolio and determine whether it can withstand an estimated level of default while fully repaying the class of debt under consideration.

There can be no assurance that actual loss on the Collateral Assets will not exceed those assumed in the application of the Standard & Poor's CDO Monitor or that recovery rates and the timing of recovery with respect thereto will not differ from those assumed in the Transaction-Specific Cash Flow Model. The Issuers make no representation as to the expected rate of defaults on the portfolio or as to the expected timing of any defaults that may occur.

S&P's rating of the Notes will be established under various assumptions and scenario analyses. There can be no assurance, and no representation is made, that actual defaults on the Collateral Assets will not exceed those in S&P's analysis, or that recovery rates with respect thereto (and, consequently, loss rates) will not differ from those in S&P's analysis.

SECURITY FOR THE SECURED NOTES

Under the terms of the Indenture, the Issuer will grant to the Trustee, for the benefit of the Secured Parties (but not the Holders of the Subordinated Notes), a first priority perfected security interest in the Collateral, including the Collateral Assets, that is free of any adverse claim, to secure the Issuers' obligations under the Indenture, the Secured Notes, the Liquidation Agency Agreement, the Administrative Agency Agreement and the Hedge Agreements.

On the Closing Date, the Issuer expects to acquire approximately U.S.$1,500,000,000 in aggregate principal balance of Collateral Assets. The Collateral Assets will consist of Residential Mortgage-Backed Securities, Commercial Mortgage-Backed Securities, CDO Securities, Asset-Backed Securities and Synthetic Securities. Certain information with respect to the Collateral Assets is included herein (including in Appendix B) on

the CD-ROM attached to this Offering Circular. This information was provided by or derived from information provided by the issuers, underwriters and/or the servicers for each underlying Collateral Asset. In addition, the prospectus supplements, private placement memoranda, offering circulars or similar disclosure documents with respect to the Collateral Assets for which such documents are available, together with the most recently available investor or trustee reports with respect to Collateral Assets issued six months prior to the Closing Date (such documents and reports, the "Disclosure Documents"), are included on the CD-ROM attached hereto. None of the Issuers, either Initial Purchaser, the Liquidation Agent, Administrative Agent, the Hedge Counterparty (or any guarantor thereof), the Trustee or any party on their behalf has made any independent review or verification as to the accuracy and completeness of the information contained below or is making any representation or warranty regarding, or assuming any responsibility for, the accuracy, completeness, or applicability of such information. Accordingly, prospective purchasers must make their own evaluation regarding the extent to which they will rely on such information in making an investment decision. **None of the issuers of the Collateral Assets makes any representation or warranty as to the appropriateness of any Disclosure Document for use in connection with the offering of the Offered Notes or takes any responsibility for such use. None of the Issuers, either Initial Purchaser, the Liquidation Agent, Administrative Agent, the Hedge Counterparty, or any guarantor thereof, the Trustee, any of their affiliates or any party on their behalf takes responsibility for, or makes any representation or warranty as to the accuracy or completeness of any of the Disclosure Documents.**

The Collateral Assets

The Collateral Assets had an aggregate principal balance (an aggregate "Collateral Asset Principal Balance") on or about April 27, 2006 (the "Reference Date") of approximately U.S.$1,500,000,000. The Reference Date balances of the Collateral Assets reflect their principal balances after giving effect to distributions received on or before April 27, 2006 and (without duplication) after application of all payments due on the Collateral Assets before the Reference Date, whether or not received. However, the first distributions on the Collateral Assets available to make payments on the Notes will be those made from May 2, 2006 to the end of the first Due Period. The use of a later Reference Date would result in a lower Reference Date balance for certain Collateral Assets and, consequently, a lower aggregate Collateral Asset Principal Balance. The Collateral Assets consist of:

(i) 12 issues across 3 categories of CMBS constituting approximately 12% of the Collateral Assets (by principal balance),

(ii) 128 issues across 4 categories of RMBS constituting approximately 79.3% of the Collateral Assets (by principal balance),

(iii) 10 issues in 2 categories of CDO Securities constituting approximately 7.9% of the Collateral Assets (by principal balance), and

(iv) 1 issue in 1 category of Asset-Backed Securities consisting of approximately 0.8% of Collateral Assets (by principal balance).

100% of the Synthetic Securities, constituting approximately 6.7% of the Collateral Assets (by principal balance) have Reference Obligations which are RMBS and, for the purposes of the information set forth herein, unless otherwise specified, such Synthetic Securities are treated as RMBS.

CMBS. The Collateral Assets include 12 whole and partial classes of commercial mortgage pass-through certificates. The following is a list of the respective classes and series of CMBS included in the Collateral Assets:

Collateral Asset	CMBS Category	Principal Balance as of Closing Date	Percentage of CMBS	Ratings (Moody's/S&P)	Coupon Types	Weighted Average Life (years)
GCCFC 2005-GG5 C	CMBS Large Loan	$15,000,000	8.3%	Aa3/AA-	Fixed	9.9
GCCFC 2005-GG5 E	CMBS Large Loan	$15,000,000	8.3%	A3/A-	Fixed	9.9
JPMCC 2005-CB12 B	CMBS Large Loan	$500,000	0.3%	Aa2/-	Fixed	9.4
CD 2006-CD2 C	CMBS Large Loan	$7,500,000	4.2%	Aa2/AA	Fixed	10.0
AHR 2004-1A CFX	CMBS Repack	$2,500,000	1.4%	A1/A+	Fixed	7.9
CSFB 2005-C4 D	CMBS Conduit	$7,500,000	4.2%	A2/A	Fixed	9.4
MSC 2005-HQ7 D	CMBS Conduit	$3,775,000	2.1%	Aa3/AA-	Fixed	9.6
WBCMT 2005-C20 D	CMBS Conduit	$15,000,000	8.3%	A2/A	Fixed	9.5
WBCMT 2006-C23 C	CMBS Conduit	$15,000,000	8.3%	Aa2/AA	Fixed	9.9
WBCMT 2006-C23 G	CMBS Conduit	$15,000,000	8.3%	A3/A-	Fixed	9.4
GSMS 2006-CC1 A	CMBS Repack	$40,000,000	22.3%	Aaa/-	Fixed	8.2
ABAC 2006-10A A	CMBS Repack	$43,000,000	23.9%	Aaa/AAA	LIBOR01M	9.7

The CMBS evidence direct and indirect interests in 10 separate segregated pools (each, an "Underlying CMBS Trust Fund") of commercial and multifamily mortgage loans and/or participations and other certificated interests in commercial and multifamily mortgage loans (the "Commercial Mortgage Loans"). The Commercial Mortgage Loans are secured by liens on the respective borrowers' fee and/or leasehold interests in commercial and multifamily mortgaged properties (each, a "Commercial Mortgaged Property"). Each series of certificates of which a CMBS included in the Collateral Assets is a part (each, an "Underlying CMBS Series") collectively represents the entire beneficial ownership interest in, or is secured by, an Underlying CMBS Trust Fund. Each Commercial Mortgage Loan is evidenced by a promissory note, bond or other evidence of indebtedness of the related borrower (as to such loan, the "Commercial Mortgagor") and is secured by one or more mortgages, deeds of trust or similar security instruments (each, a "Commercial Mortgage") that, in each case, creates a lien on a fee simple or leasehold interest of the related Commercial Mortgagor in the related Commercial Mortgaged Property. As described below and in the corresponding Disclosure Documents referred to herein, any particular Commercial Mortgage Loan: (i) may provide for the accrual of interest thereon at an interest rate (a "Commercial Mortgage Rate") that is fixed over its remaining term or that adjusts in relation to an index or in connection with the exercise of an extension option; (ii) may provide for level Monthly Payments to maturity; (iii) may be fully amortizing over its term to maturity or, alternatively, may provide for no amortization prior to maturity or for an amortization schedule that is significantly longer than its remaining term, thereby having a substantial principal amount due and payable on such loan's maturity, unless prepaid prior thereto; or (iv) may prohibit voluntary prepayments of principal for a specified period or may require payment of a prepayment premium or yield maintenance payment (in either case, a "Prepayment Premium") in connection with a voluntary prepayment of principal. In general, the Commercial Mortgage Loans constitute nonrecourse obligations of the related Commercial Mortgagors and, upon any such Commercial Mortgagor's default in the payment of any amount due under the related loan, the Holder thereof may look only to the related Commercial Mortgaged Property or Properties or, with respect to Commercial Mortgage Loans as to which a defeasance has taken place, the U.S. government obligations that have been substituted therefor for satisfaction of the Commercial Mortgagor's obligation. In addition, in those cases where recourse to a Commercial Mortgagor or guarantor is permitted by the loan documents, the Issuer has not undertaken an evaluation of the financial condition of any such person, and prospective investors should thus consider all the Commercial Mortgage Loans to be nonrecourse.

Each Underlying CMBS Series included in the Collateral Assets is serviced by a servicer/special servicer. As of the Closing Date, LNR Partners, Inc. is the servicer/special servicer with respect to approximately 4.5%, by principal balance, of the Collateral Assets and LaSalle Bank National Association is the trustee with respect to approximately 5.7%, by principal balance, of the Collateral Assets.

For further information about the CMBS included in the Collateral Assets, investors should refer to the information in Appendix B to this Offering Circular, and to the Disclosure Documents therefor set forth on the CD-ROM attached to this Offering Circular.

Additional Credit Support of CMBS. While each of the CMBS included in the Collateral Assets is rated at least investment grade as of the date hereof, certain of the CMBS are subordinate to one or more senior classes of the same Underlying CMBS Series, which classes have not been included in the Collateral Assets, for purposes of, among other things, offsetting losses and other shortfalls with respect to the related Underlying CMBS Trust Fund. In addition, all of the CMBS included in the Collateral Assets are senior to one or more junior classes of Certificates of the same Underlying CMBS Series, which more junior classes have not been included in the Collateral Assets, for purposes of, among other things, offsetting losses and other shortfalls with respect to the related Underlying CMBS Trust Fund. None of the Commercial Mortgage Loans or the CMBS is insured or guaranteed by the United States, any governmental agency or instrumentality, or any other person.

RMBS. The Collateral Assets include 128 whole and partial classes of residential mortgage pass-through certificates. The following is a list of the respective classes and series of RMBS included in the Collateral Assets:

Collateral Asset	RMBS Category	Principal Balance as of Closing Date	Percentage of RMBS	Ratings (Moody's/S&P)	Coupon Types	Weighted Average Life (years)
ACCR 2005-2 M1	RMBS Midprime	$10,000,000	0.8%	Aa1/AA+	LIBOR01M	3.9
BSABS 2005-HE3 M1	RMBS Midprime	$10,000,000	0.8%	Aa2/AA	LIBOR01M	3.9
BSABS 2005-HE3 M3	RMBS Midprime	$3,238,000	0.3%	A3/A-	LIBOR01M	3.3
PPSI 2005-WCW3 M6	RMBS Subprime	$3,000,000	0.3%	A3/A	LIBOR01M	4.1
GSAA 2005-9 2A3	RMBS Prime	$42,504,000	3.6%	Aaa/AAA	LIBOR01M	5.1
ACCR 2004-4 M2	RMBS Midprime	$5,000,000	0.4%	A2/A+	LIBOR01M	3.7
SABR 2005-FR3 M2	RMBS Subprime	$5,000,000	0.4%	A2/A+	LIBOR01M	4.5
SARM 2005-1 B2	RMBS Prime	$13,557,941	1.1%	Aa2/AA+	LIBOR01M	5.7
SARM 2005-1 B4	RMBS Prime	$14,985,197	1.3%	-/AA	LIBOR01M	5.7
HVMLT 2005-9 B2	RMBS Midprime	$4,749,630	0.4%	Aa2/AA+	LIBOR01M	5.0
HVMLT 2005-9 B3	RMBS Midprime	$7,099,447	0.6%	Aa3/AA	LIBOR01M	5.0
MSAC 2005-HE4 M1	RMBS Midprime	$3,424,000	0.3%	Aa1/AA+	LIBOR01M	4.8
MLMI 2005-A6 2A3	RMBS Prime	$15,000,000	1.3%	Aaa/AAA	LIBOR01M	5.7
GSAA 2005-10 M2	RMBS Midprime	$5,000,000	0.4%	Aa2/AA+	LIBOR01M	4.2
GSAA 2005-10 M3	RMBS Midprime	$3,876,000	0.3%	Aa3/AA	LIBOR01M	4.1
CWL 2005-8 2A3	RMBS Subprime	$8,204,000	0.7%	Aaa/AAA	LIBOR01M	6.6
OPMAC 2005-4 M4	RMBS Prime	$6,235,000	0.5%	A1/A+	LIBOR01M	5.2
OPMAC 2005-4 M5	RMBS Prime	$5,000,000	0.4%	A2/A	LIBOR01M	5.2
CWALT 2005-44 1A3C	RMBS Prime	$4,033,865	0.3%	Aaa/AAA	LIBOR01M	6.4
CWALT 2005-44 2A3C	RMBS Prime	$3,600,000	0.3%	Aaa/AAA	LIBOR01M	6.0
CWL 2004-14 M4	RMBS Subprime	$18,125,000	1.5%	-/AA	LIBOR01M	2.8
LBMLT 2005-3 M1	RMBS Midprime	$10,000,000	0.8%	Aa1/AA+	LIBOR01M	3.9
CWALT 2005-51 1A2B	RMBS Prime	$19,475,300	1.6%	Aaa/AAA	LIBOR01M	5.8
CWALT 2005-51 2A2B	RMBS Prime	$19,762,721	1.7%	Aaa/AAA	LIBOR01M	5.9
BSABS 2004-HE9 M2	RMBS Subprime	$11,461,000	1.0%	A2/AA	LIBOR01M	2.7
AMIT 2005-1 M6	RMBS Subprime	$8,600,000	0.7%	A3/A+	LIBOR01M	3.0
FFML 2004-FFH4 M5	RMBS Midprime	$2,000,000	0.2%	A1/A	LIBOR01M	3.0
CWHL 2005-HYB6 M	RMBS Prime	$12,149,808	1.0%	Aa2/AA	Fixed	5.1
RAMC 2005-3 AF6	RMBS Midprime	$34,830,000	2.9%	Aaa/AAA	Fixed	6.4
INDX 2004-AR5 B1	RMBS Prime	$12,963,837	1.1%	Aa2/AA	LIBOR01M	5.2
AHM 2005-3 3A4	RMBS Prime	$15,399,000	1.3%	Aaa/AAA	Fixed	6.4
RAST 2005-A13 1A1	RMBS Prime	$28,400,956	2.4%	Aaa/AAA	LIBOR01M	2.8
GSAA 2005-12 AF4	RMBS Midprime	$10,000,000	0.8%	Aaa/AAA	Fixed	4.7

Collateral Asset	RMBS Category	Principal Balance as of Closing Date	Percentage of RMBS	Ratings (Moody's/S&P)	Coupon Types	Weighted Average Life (years)
GSAA 2005-12 AF5	RMBS Midprime	$10,000,000	0.8%	Aaa/AAA	Fixed	7.3
GSAA 2005-12 M1	RMBS Midprime	$7,105,000	0.6%	Aa1/AA+	Fixed	4.8
GSAA 2005-12 M4	RMBS Midprime	$3,694,000	0.3%	A1/AA-	Fixed	4.8
SVHE 2005-OPT3 M3	RMBS Subprime	$17,049,000	1.4%	-/AA-	LIBOR01M	4.4
BALTA 2005-9 1M1	RMBS Prime	$10,000,000	0.8%	Aa2/AA	LIBOR01M	3.5
GSAMP 2005-SEA2 M2	RMBS Midprime	$1,700,000	0.1%	A2/AA-	LIBOR01M	4.7
MABS 2005-AB1 M1	RMBS Midprime	$11,733,000	1.0%	Aa1/AA+	Fixed	5.1
CWALT 2005-J13 2A9	RMBS Prime	$28,550,492	2.4%	Aaa/AAA	LIBOR01M	4.0
LUM 2005-1 M2	RMBS Prime	$2,340,000	0.2%	Aa2/AA+	LIBOR01M	4.2
FHR 3050 KF	RMBS Agency	$10,436,969	0.9%	Aaa/AAA	LIBOR01M	6.8
FNR 2005-79 FA	RMBS Agency	$18,475,058	1.6%	Aaa/AAA	LIBOR01M	7.3
FNR 2005-79 GF	RMBS Agency	$10,588,294	0.9%	Aaa/AAA	LIBOR01M	7.8
FBRSI 2005-2 M3	RMBS Midprime	$5,000,000	0.4%	Aa3/AA-	LIBOR01M	2.6
IMM 2005-8 1M5	RMBS Prime	$9,043,461	0.8%	A2/A	LIBOR01M	2.2
CWL 2005-IM3 M5	RMBS Midprime	$6,000,000	0.5%	A2/A	LIBOR01M	3.5
NHEL 2005-4 M3	RMBS Midprime	$13,800,000	1.2%	Aa3/AA	LIBOR01M	4.1
NHEL 2005-4 M2	RMBS Midprime	$16,200,000	1.4%	Aa2/AA+	LIBOR01M	4.2
CBASS 2005-CB8 M2	RMBS Midprime	$10,280,000	0.9%	Aa2/AA+	LIBOR01M	5.0
CARR 2005-FRE1 M6	RMBS Subprime	$10,000,000	0.8%	A3/A	Synthetic Spread	4.7
NCHET 2005-C M6	RMBS Subprime	$10,000,000	0.8%	A3/A	Synthetic Spread	5.1
POPLR 2005-5 MV3	RMBS Midprime	$10,000,000	0.8%	A3/A-	Synthetic Spread	5.1
RAMP 2005-EFC5 M6	RMBS Midprime	$10,000,000	0.8%	A3/A+	Synthetic Spread	5.1
RASC 2005-EMX4 M6	RMBS Midprime	$10,000,000	0.8%	A3/AA-	Synthetic Spread	5.1
FFML 2005-FFH4 M2	RMBS Midprime	$7,000,000	0.6%	Aa2/AA	LIBOR01M	5.0
ARSI 2005-W5 M2	RMBS Subprime	$20,000,000	1.7%	Aa2/AA+	LIBOR01M	4.9
CWHL 2005-31 4A3	RMBS Prime	$15,000,000	1.3%	Aaa/AAA	Fixed	6.7
RAMC 2005-4 A4	RMBS Midprime	$21,200,000	1.8%	Aaa/AAA	Fixed	2.8
IMSA 2005-2 M1	RMBS Midprime	$30,000,000	2.5%	Aa1/AA+	LIBOR01M	5.2
CWALT 2005-82 M	RMBS Midprime	$8,171,519	0.7%	Aa2/AA	LIBOR01M	7.1
GSAA 2005-15 M6	RMBS Prime	$4,424,000	0.4%	A3/A	LIBOR01M	3.7
BALTA 2005-10 1M2	RMBS Prime	$4,000,000	0.3%	A2/A	LIBOR01M	3.9
CBASS 2006-CB1 M3	no info	$4,000,000	0.3%	Aa3/AA-	LIBOR01M	3.6
ACE 2006-NC1 M3	RMBS Midprime	$6,000,000	0.5%	Aa3/AA	LIBOR01M	4.6
ACE 2006-NC1 M2	RMBS Midprime	$9,000,000	0.8%	Aa2/AA	LIBOR01M	4.7
ACE 2006-NC1 M1	RMBS Midprime	$5,000,000	0.4%	Aa1/AA+	LIBOR01M	4.8
RASC 2006-EMX1 M3	RMBS Midprime	$3,020,000	0.3%	Aa3/AA	LIBOR01M	4.5
GSAA 2006-1 M1	RMBS Prime	$5,358,000	0.5%	Aa1/AA+	LIBOR01M	4.4
GSAA 2006-1 M3	RMBS Prime	$1,500,000	0.1%	Aa3/AA	LIBOR01M	4.4
GSAA 2006-1 M4	RMBS Prime	$2,267,000	0.2%	A1/AA-	LIBOR01M	4.3
GSAA 2006-1 M5	RMBS Prime	$2,287,000	0.2%	A2/A+	LIBOR01M	4.3
ABSHE 2005-HE8 M6	RMBS Subprime	$10,000,000	0.8%	A3/A-	Synthetic Spread	4.2
SAIL 2005-9 M6	RMBS Midprime	$10,000,000	0.8%	A3/A-	Synthetic Spread	4.2
BSABS 2005-HE11 M5	RMBS Midprime	$10,000,000	0.8%	A3/A-	Synthetic Spread	4.1

Collateral Asset	RMBS Category	Principal Balance as of Closing Date	Percentage of RMBS	Ratings (Moody's/S&P)	Coupon Types	Weighted Average Life (years)
FHLT 2005-D M6	RMBS Subprime	$10,000,000	0.8%	A3/A+	Synthetic Spread	4.3
SABR 2005-FR3 M3	RMBS Subprime	$10,000,000	0.8%	A3/A	Synthetic Spread	4.2
CWL 2006-IM1 M1	RMBS Midprime	$4,000,000	0.3%	Aa1/AA+	LIBOR01M	4.4
CWL 2006-IM1 M5	RMBS Midprime	$3,150,000	0.3%	A2/A	LIBOR01M	4.3
CWL 2006-IM1 M6	RMBS Midprime	$1,925,000	0.2%	A3/A-	LIBOR01M	4.3
BSABS 2006-EC1 M2	RMBS Subprime	$3,000,000	0.3%	Aa2/AA	LIBOR01M	4.6
RASC 2006-KS1 M2	RMBS Midprime	$5,000,000	0.4%	Aa2/AA+	LIBOR01M	4.5
RASC 2006-KS1 M6	RMBS Midprime	$2,000,000	0.2%	A3/AA-	LIBOR01M	4.5
RALI 2006-QO1 M2	RMBS Prime	$3,495,538	0.3%	Aa2/AA	LIBOR01M	5.7
RAMP 2006-RS1 M6	RMBS Midprime	$3,300,000	0.3%	A3/A-	LIBOR01M	4.5
RAMP 2006-RS1 M2	RMBS Midprime	$5,700,000	0.5%	Aa2/AA	LIBOR01M	4.5
RAMP 2006-EFC1 M6	RMBS Midprime	$9,760,000	0.8%	A3/A	LIBOR01M	4.3
RAMP 2006-NC1 M6	RMBS Midprime	$2,975,000	0.3%	A3/A	LIBOR01M	4.3
POPLR 2006-A M3	RMBS Subprime	$1,185,000	0.1%	A3/A	LIBOR01M	4.0
MSAC 2006-NC1 M2	RMBS Subprime	$10,000,000	0.8%	Aa2/AA	LIBOR01M	4.4
CWALT 2006-OC1 M6	RMBS Midprime	$4,000,000	0.3%	A3/A	LIBOR01M	5.1
OWNIT 2006-1 M1	RMBS Midprime	$2,924,000	0.2%	Aa1/AA+	LIBOR01M	4.7
OWNIT 2006-1 M2	RMBS Midprime	$4,199,000	0.4%	Aa2/AA+	LIBOR01M	4.5
LBMLT 2006-1 M5	RMBS Midprime	$15,000,000	1.3%	A2/AA-	LIBOR01M	3.5
SASC 2006-GEL1 M1	RMBS Midprime	$5,500,000	0.5%	Aa2/AA	LIBOR01M	4.8
ARSI 2006-W1 M6	RMBS Subprime	$15,000,000	1.3%	A3/A+	LIBOR01M	4.6
LBMLT 2006-WL3 M4	RMBS Midprime	$13,645,000	1.1%	A1/A+	LIBOR01M	4.4
SVHE 2006-1 M5	RMBS Subprime	$6,490,000	0.5%	A3/A+	LIBOR01M	4.5
HEAT 2006-3 M6	RMBS Midprime	$4,800,000	0.4%	A3/A+	LIBOR01M	4.6
RASC 2006-EMX2 M6	RMBS Midprime	$2,000,000	0.2%	A3/A+	LIBOR01M	4.4
AMSI 2006-R1 M6	RMBS Subprime	$12,000,000	1.0%	A3/A-	LIBOR01M	4.6
FHR 3120 FG	RMBS Agency	$44,541,935	3.7%	Aaa/AAA	LIBOR01M	4.8
SABR 2006-WM1 M1	RMBS Midprime	$12,000,000	1.0%	Aa2/AA	LIBOR01M	5.3
FFML 2006-FFH1 M6	RMBS Midprime	$1,500,000	0.1%	A2/A-	LIBOR01M	4.6
RAMP 2006-RZ1 M6	RMBS Midprime	$4,000,000	0.3%	A3/A	LIBOR01M	4.8
BSABS 2006-IM1 M4	RMBS Midprime	$3,000,000	0.3%	A1/A+	LIBOR01M	4.6
BSABS 2006-IM1 M6	RMBS Midprime	$2,300,000	0.2%	A3/A-	LIBOR01M	4.7
RAMP 2006-RS2 M5	RMBS Midprime	$3,500,000	0.3%	A1/A	LIBOR01M	4.7
JPALT 2006-A1 1M2	RMBS Prime	$3,395,000	0.3%	A2/A+	LIBOR01M	4.4
GSAA 2006-4 4A3	RMBS Prime	$45,000,000	3.8%	Aaa/AAA	Fixed	6.8
GSAA 2005-12 AF6	RMBS Midprime	$14,000,000	1.2%	Aaa/AAA	Fixed	5.9
GSAA 2005-7 AF5	RMBS Midprime	$28,000,000	2.4%	Aaa/AAA	Fixed	5.6
LBMLT 2006-2 M4	RMBS Midprime	$7,000,000	0.6%	A1/AA-	LIBOR01M	4.3
LBMLT 2006-WL2 M4	RMBS Midprime	$11,498,000	1.0%	A1/A+	LIBOR01M	4.4
INABS 2006-B M4	RMBS Subprime	$4,000,000	0.3%	A1/A+	LIBOR01M	4.4
NCHET 2005-2 M1	RMBS Subprime	$12,000,000	1.0%	Aa1/AA	LIBOR01M	3.7
LBMLT 2005-WL1 3M1	RMBS Midprime	$4,848,000	0.4%	Aa2/AA+	LIBOR01M	3.9
RASC 2005-AHL2 M2	RMBS Subprime	$2,200,000	0.2%	Aa2/AA	LIBOR01M	6.1
RASC 2005-AHL2 M3	RMBS Subprime	$1,500,000	0.1%	Aa3/AA	LIBOR01M	6.1
CWALT 2006-OC3 M4	RMBS Midprime	$1,575,000	0.1%	A1/AA	LIBOR01M	4.4
CWALT 2006-OC3 M3	RMBS Midprime	$1,912,667	0.2%	Aa3/AA	LIBOR01M	4.4
CWALT 2006-OC3 M2	RMBS Midprime	$4,725,000	0.4%	Aa2/AA+	LIBOR01M	4.4

Collateral Asset	RMBS Category	Principal Balance as of Closing Date	Percentage of RMBS	Ratings (Moody's/S&P)	Coupon Types	Weighted Average Life (years)
NHELI 2006-HE2 M3	RMBS Subprime	$3,000,000	0.3%	Aa3/AA	LIBOR01M	4.0
SASC 2006-OPT1 M2	RMBS Subprime	$909,000	0.1%	Aa3/AA	LIBOR01M	4.8
SAIL 2006-BNC2 M3	RMBS Subprime	$6,000,000	0.5%	A1/A+	LIBOR01M	4.8
SAIL 2006-BNC2 M2	RMBS Subprime	$5,000,000	0.4%	Aa3/AA-	LIBOR01M	4.8
AMIT 2006-1 M3	RMBS Subprime	$4,500,000	0.4%	A1/AA+	LIBOR01M	4.3

The RMBS evidence direct and indirect interests in 99 separate segregated pools (each, an "Underlying RMBS Trust Fund") of residential mortgage loans and/or participations and other certificated interests in residential mortgage loans (the "Residential Mortgage Loans"). The Residential Mortgage Loans are secured by liens on the respective borrowers' fee and/or leasehold interests in residential mortgaged properties (each, a "Residential Mortgaged Property"). Each series of certificates of which a RMBS included in the Collateral Assets is a part (each, an "Underlying RMBS Series") collectively represents the entire beneficial ownership interest in, or is secured by, an Underlying RMBS Trust Fund. Each Residential Mortgage Loan is evidenced by a promissory note, bond or other evidence of indebtedness of the related borrower (as to such loan, the "Residential Mortgagor") and is secured by one or more mortgages, deeds of trust or similar security instruments (each, a "Residential Mortgage") that, in each case, creates a lien on a fee simple or leasehold interest of the related Residential Mortgagor in the related Residential Mortgaged Property. As described below and in the corresponding Disclosure Documents referred to herein, any particular Residential Mortgage Loan: (i) may provide for the accrual of interest thereon at an interest rate that is fixed over its remaining term or that adjusts in relation to an index; (ii) may provide for level Monthly Payments to maturity or (iii) may be fully amortizing over its term to maturity or, alternatively, may provide for an amortization schedule that is longer than its remaining term. The Residential Mortgage Loans generally do not restrict prepayments or require the payment of prepayment penalties. The origination and servicing of the Residential Mortgage Loans may be subject to various federal and state laws and regulations with respect to interests rates and other charges, or may require certain disclosures, required licensing of originators and regulate debt collection practices.

Each Underlying RMBS Series included in the Collateral Assets is serviced by a primary servicer. As of the Closing Date, Countrywide is the primary servicer with respect to approximately 19.4%, by principal balance, of the Collateral Assets and Wells Fargo is the primary servicer with respect to approximately 10%, by principal amount, of the Collateral Assets.

For further information about the RMBS included in the Collateral Assets, investors should refer to the information in Appendix B to this Offering Circular, and to the Disclosure Documents set forth on the CD-ROM attached to this Offering Circular.

Additional Credit Support of RMBS. While each of the RMBS included in the Collateral Assets is rated investment grade as of the date hereof, certain of the RMBS are subordinate to one or more senior classes of the same Underlying RMBS Series, which classes have not been included in the Collateral Assets, for purposes of, among other things, offsetting losses and other shortfalls with respect to the related Underlying RMBS Trust Fund. In addition, all of the RMBS included in the Collateral Assets are senior to one or more junior classes of Certificates of the same Underlying RMBS Series, which classes have not been included in the Collateral Assets, for purposes of, among other things, offsetting losses and other shortfalls with respect to the related Underlying RMBS Trust Fund. None of the Residential Mortgage Loans or the RMBS is insured or guaranteed by the United States, any governmental agency or instrumentality, or any other person.

CDO Securities. The Collateral Assets include 10 whole and partial classes of CDO Securities, representing approximately 7.9% of the principal balance of the Collateral Assets as of the Reference Date. The following is a list of the respective classes and series of CDO Securities included in the Collateral Assets:

Collateral Asset	CDO Category	Principal Balance as of Closing Date	Percentage of CDO Securities	Ratings (Moody's/S&P)	Coupon Types	Weighted Average Life (years)
ALTS 2005-1A B	CDO SPS	$10,000,000	8.5%	Aa2/AA	LIBOR01M	5.2
GSFIN 2005-1A C	CDO SPS	$15,000,000	12.7%	A2/A	LIBOR03M	5.7
HARCH 2005-2A B	CLO	$20,000,000	17.0%	Aa2/AA	LIBOR03M	9.8
BLUEM 2005-1A C	CLO	$15,000,000	12.7%	A2/A	LIBOR03M	10.0
BUCK 2005-2A D	CDO SPS	$15,000,000	12.7%	A2/A	LIBOR01M	4.0
ICM 2006-HG1A A3	CDO SPS	$6,000,000	5.1%	A2/A	LIBOR03M	7.4
PS 3X B	CDO SPS	$8,000,000	6.8%	Aa2/AA	LIBOR03M	7.8
DVSQ 2006-6A C	CDO SPS	$8,000,000	6.8%	A2/A	LIBOR01M	8.2
SORIN 2006-3A CFL	CDO SPS	$5,875,000	5.0%	A2/A	LIBOR01M	8.9
CTIUS 2006-1A B	CDO SPS	$15,000,000	12.7%	Aa2/AA	LIBOR01M	5.2

Each of the CDO Securities are debt securities issued by a special purpose issuer, all of the assets of which are pledged to repay the CDO Securities and other classes of securities issued by such issuer. Certain of the CDO Securities provide for a revolving period during which certain proceeds of the underlying assets are reinvested in additional assets, and for a lockout period during which the CDO Securities will be redeemed or receive principal payments only in limited circumstances. While the classes of CDO Securities included in the Collateral Assets are each rated investment grade as of the date hereof, certain of the CDO Securities are subordinate in right of payment and rank junior to other securities in the same issuance, and all of the CDO Securities are senior to other more subordinate securities of the same issuance. Six (6) of the classes of CDO Securities included in the Collateral Assets provide for the deferral of interest under certain circumstances and the failure to pay current interest on such classes of CDO Securities generally will not be an event of default so long as any more senior classes of securities are outstanding. The deferral of interest payments, if it occurs, would adversely affect the cash flow available to the Issuer. The CMBS and RMBS underlying certain of the CDO Securities have characteristics similar to the characteristics of the CMBS and RMBS described herein.

Asset-Backed Securities. The Collateral Assets include 1 partial class of Asset-Backed Securities, representing approximately 0.8% of the principal balance of the Collateral Assets as of the Reference Date. The following is a list of the respective classes and series of Asset-Backed Securities included in the Collateral Assets.

Collateral Asset	ABS Category	Principal Balance as of Closing Date	Percentage of Asset-Backed Securities	Ratings (Moody's/S&P)	Coupon Types	Weighted Average Life (years)
NCSLT 2005-3 C	ABS Student Loan	12,500,000	100.0%	A3/A	LIBOR01M	12.74

The Asset-Backed Securities are not insured or guaranteed.

Underlying Instruments and Offers Relating to Collateral Assets. Under the Indenture, where the Issuer, as the beneficial owner of a Collateral Asset, or the Trustee, as the registered owner of a Collateral Asset, has the right to exercise a vote or consent to (or otherwise approve of) (i) any action, or inaction, pursuant to the terms of such Collateral Asset and its related underlying documentation or (ii) an offer by the issuer of such Collateral Asset or by any other person to purchase or otherwise acquire such Collateral Asset or to convert or exchange such Collateral Asset for cash or any other consideration, the Trustee, acting in its capacity as registered owner of such Collateral Asset, shall direct the Issuer's vote be cast in the following manner: (x) if other holders of the class of which such Collateral Asset is a part respond to such solicitation for vote or consent, in the same manner as the votes of a plurality of the other voting holders of such class (based on the Principal Balance of such Collateral Asset), (y) if no other holders of such class exercise a vote or if there are no other holders of such class, but holders of different classes issued under the same governing instrument respond, in the same manner as the votes of a plurality of the

voting holders of all classes issued under the governing instrument pursuant to which such Collateral Asset was issued (based on the Principal Balance of all such classes and treated as a single class) or (z) if no holders of any class issued under the same governing instrument respond or if there are no other holders, the Issuer's vote shall be exercised against such action or inaction.

Appendix B. The information included in Appendix B to this Offering Circular and elsewhere herein does not purport to be complete and is subject to and qualified in its entirety by reference to, the provisions of the various agreements pursuant to which each of the Collateral Assets was issued and as to the other documents referred to herein pursuant to which certain classes of the Collateral Assets were originally offered. As set forth herein, the Disclosure Documents relating to certain of the Collateral Assets are set forth on the CD-ROM attached to this Offering Circular. Prospective investors are strongly urged to read them in their entirety to obtain material information concerning the Collateral Assets. Investors should note, however, that, although they are substantially consistent in their overall presentation of information, this Offering Circular and such Disclosure Documents may vary in their use of defined terms, and any particular defined term should be read in the context of the document in which it is contained. Notwithstanding the foregoing, none of the respective issuers of the Collateral Assets has passed on the accuracy or completeness of this Offering Circular or is in any way associated with the offering of the Secured Notes or the Subordinated Notes, nor does any such issuer make any representation or warranty as to the appropriateness of any document for use in connection with the offering of the Secured Notes, or the Subordinated Notes or take any responsibility for such use. None of the Issuers, either Initial Purchaser, the Liquidation Agent, the Administrative Agent or the Trustee takes any responsibility for, or makes any representation or warranty as to the accuracy or completeness of, any of the Disclosure Documents used in connection with the original offerings of the Collateral Assets.

All numerical information provided herein with respect to the Collateral Assets is provided on an approximate basis as of, unless otherwise specified, the Reference Date. All weighted average information provided herein with respect to the Collateral Assets reflects weighting by the related Reference Date Balance.

The information contained herein with respect to the Collateral Assets has been derived from a variety of sources including the disclosure documents, and reports from and communications with the related trustee, servicer, master servicer or special servicer. The Issuers, the Liquidation Agent, the Administrative Agent, the Initial Purchasers and the Trustee are limited in their ability to independently verify the information obtained from the above-referenced sources.

The information set forth in the related Disclosure Documents on the CD-ROM attached to this Offering Circular is furnished on a confidential basis solely for the purpose of evaluating the investment offered hereby and may not be reproduced in whole or in part or used for any other purpose. None of the Issuers, either Initial Purchaser, the Trustee, the Hedge Counterparty (or any guarantor thereof), the Liquidation Agent or the Administrative Agent make any representation or warranty as to the accuracy or completeness of the information contained in such CD-ROM and such summaries and nothing herein shall be deemed to constitute such a representation or warranty. None of the Issuers, either Initial Purchaser, the Trustee, the Hedge Counterparty (or any guarantor thereof), the Liquidation Agent or the Administrative Agent make any representation or warranty that the information contained in the related Disclosure Documents on the attached CD-ROM is current or that current information, if provided, would not be materially different. Each of the Issuers, the Liquidation Agent, the Administrative Agent, the Trustee and the Initial Purchasers expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any statement contained in the Offering Memorandum to reflect any changes in events, conditions or circumstances on which any such statement is based.

Substitution of Default Swap Collateral

From time to time following the Closing Date, any Holder of any Note may submit to the Trustee or the Fiscal Agent, as applicable, a Default Swap Collateral Substitution Request Notice requesting substitution of one or more securities for one or more existing items of Default Swap Collateral, in whole or in part. Following receipt of such request the Trustee will determine the BIE Transaction Cost. Upon such determination by the Trustee, the Trustee or the Fiscal Agent, as applicable, will deliver a Default Swap Collateral Substitution Information Notice to the Originating Noteholder.

Within five Business Days of receiving a Default Swap Collateral Substitution Information Notice, the Originating Noteholder must (i) notify the Trustee or the Fiscal Agent, as applicable, whether it wishes to proceed with the proposed substitution and, if so (ii) agree to pay any BIE Transaction Cost (regardless of whether the Holders of a Majority of the Notes of each Class, each Hedge Counterparty and the related Synthetic Security Counterparty consent to such proposed substitution) (the occurrence of subclauses (i) and (ii), a "Substitution Confirmation"). If a Substitution Confirmation is not received by the Trustee or the Fiscal Agent, as applicable, within the time period specified above, the related request will be deemed to be void and of no further effect. Upon the receipt of a Substitution Confirmation, the Trustee or the Fiscal Agent, as applicable, will deliver a BIE Consent Solicitation Notice to all Holders of Notes, including the Originating Noteholder, each Hedge Counterparty and the related Synthetic Security Counterparty. Upon receipt of such BIE Consent Solicitation Notice, each Holder of a Note and each Hedge Counterparty may, on or prior to the BIE Notification Date, submit written notice to the Trustee or the Fiscal Agent, as applicable, indicating either (1) approval or (2) disapproval of any proposed BIE Consent Solicitation Notice by the BIE Notification Date. If the Trustee determines that the BIE Consent Solicitation Notice failed to receive the affirmative approval of the Holders of a Majority of each Class of Notes by the BIE Notification Date or any Hedge Counterparty does not approve the BIE Consent Solicitation Notice by the BIE Notification Date, the Trustee or the Fiscal Agent will deliver a Default Swap Collateral Substitution Noteholder Refusal Notice to the Originating Noteholder and the related Default Swap Collateral Substitution Request Notice will be deemed void and of no further effect. If the Trustee determines that the BIE Consent Solicitation Notice received the approval of each of (1) Holders of a Majority of each Class of Notes and (2) each Hedge Counterparty, it will deliver a BIE Acceptance Notice to the Originating Noteholder and the Liquidation Agent.

Upon receipt of the BIE Acceptance Notice and confirmation from the Trustee (1) that the Originating Noteholder has paid the BIE Transaction Cost to the Trustee and (2) that the relevant BIE Collateral Securities have been Delivered to the Trustee, and the par amount of such delivered BIE Collateral Securities is at least equal to each of the par amount of the items of Default Swap Collateral to be substituted, the Trustee shall release its lien on the par amount of the relevant existing Default Swap Collateral to be substituted and deliver the par amount of such substituted Default Swap Collateral to such Originating Noteholder.

If (i) any BIE Collateral Security is not delivered to the Issuer or (ii) the Issuer is not paid the BIE Transaction Cost, in each case by the end of the BIE Exercise Period identified in the BIE Acceptance Notice, the BIE Acceptance Notice and the Default Swap Collateral Substitution Request Notice will be deemed void and of no further effect.

Designation of Directed Sale Securities

From time to time following the Closing Date, any Holder of any Note may submit to the Trustee or the Fiscal Agent, as applicable, in writing, a request that one or more Collateral Assets be sold, in whole or in part. Following receipt of such request the Trustee will determine the Directed Sale Transaction Cost after consultation with the Liquidation Agent. Upon such determination by the Trustee, the Trustee or the Fiscal Agent, as applicable, will deliver a Directed Sale Information Notice to the Originating Noteholder.

Within five Business Days of receiving a Directed Sale Information Notice, the Originating Noteholder must (i) notify the Trustee or the Fiscal Agent, as applicable, whether it wishes to proceed with the proposed sale and, if so (ii) agree to pay any Directed Sale Transaction Cost (regardless of whether the Holders of a Majority of the Notes of each Class and each Hedge Counterparty consent to such sale) (the occurrence of subclauses (i) and (ii), a "Directed Sale Confirmation"). If a Directed Sale Confirmation is not received by the Trustee or the Fiscal Agent, as applicable, within the time period specified above, the related request will be deemed to be void and of no further effect. Upon the receipt of a Directed Sale Confirmation, the Trustee or the Fiscal Agent, as applicable, will deliver a Directed Sale Consent Solicitation Notice to all Holders of Notes, including the Originating Noteholder and each Hedge Counterparty. Upon receipt of such Directed Sale Consent Solicitation Notice, each Holder of a Note and each Hedge Counterparty may, on or prior to the Directed Sale Notification Date, submit written notice to the Trustee or the Fiscal Agent, as applicable, indicating either (1) approval or (2) disapproval of any proposed Directed Sale Consent Solicitation Notice by the Directed Sale Notification Date. If the Trustee determines that the Directed Sale Consent Solicitation Notice failed to receive the affirmative approval of the Holders of a Majority of each Class of Notes by the Directed Sale Notification Date or any Hedge Counterparty does not approve the Directed Sale

Consent Solicitation Notice by the Directed Sale Notification Date, the Trustee or the Fiscal Agent will deliver a Directed Sale Noteholder Refusal Notice to the Originating Noteholder and the related Directed Sale Request Notice will be deemed void and of no further effect . If the Trustee determines that the Directed Sale Consent Solicitation Notice received the approval of (1) the Holders of a Majority of each Class of Notes and (2) each Hedge Counterparty, it will deliver a Directed Sale Acceptance Notice to the Originating Noteholder and the Liquidation Agent.

Upon receipt of the Directed Sale Acceptance Notice and confirmation from the Trustee that the Originating Noteholder has paid the Directed Sale Transaction Cost to the Issuer, the Liquidation Agent will sell the related Directed Sale Securities as described under "Security for the Notes—Disposition of Collateral Assets", and the Trustee shall release its lien on the relevant Directed Sale Securities. The proceeds of any such sale the Directed Sale Securities (exclusive of any accrued interest) will be applied as Principal Proceeds on the next succeeding Payment Date

If the Issuer is not paid the Directed Sale Transaction Cost by the end of the Directed Sale Exercise Period identified in the Directed Sale Acceptance Notice, the Directed Sale Acceptance Notice and the Directed Sale Request Notice will be deemed void and of no further effect.

The Coverage Tests

The Coverage Tests will be used primarily to determine whether interest may be paid on the Class C Notes, the Class D Notes and the Class E Notes and whether Proceeds will be distributed to the Holders of the Subordinated Notes, and whether Proceeds must be used to make mandatory redemptions of the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes and the Class D Notes. See "Description of the Notes—Principal" and "—Priority of Payments." The Coverage Tests will consist of the Class A/B Overcollateralization Test, the Class A/B Interest Coverage Test, the Class C Overcollateralization Test, the Class C Interest Coverage Test, the Class D Overcollateralization Test and the Class D Interest Coverage Test. For purposes of the Coverage Tests, (i) unless otherwise specified, a Synthetic Security shall be included as a Collateral Asset having the characteristics of the Reference Obligation and not of the Synthetic Security; *provided*, that if such Synthetic Security Counterparty is in default under the related Synthetic Security, such Synthetic Security shall not be included as a Collateral Asset for purposes of the Coverage Tests or such Synthetic Security will be treated in such a way that will satisfy the Rating Agency Condition, (ii) the calculation of the Class A/B Overcollateralization Ratio, the Class C Overcollateralization Ratio, the Class D Overcollateralization Ratio and the Class E Overcollateralization Ratio on any Determination Date that such Coverage Test is applicable shall be made by giving effect to all payments scheduled or expected to be made pursuant to the Priority of Payments on the Payment Date following such Determination Date, and (iii) the calculation of the Class A/B Interest Coverage Ratio, the Class C Interest Coverage Ratio and the Class D Interest Coverage Ratio on any Determination Date that such Coverage Test is applicable shall be made without giving effect to payments scheduled or expected to be made pursuant to the Priority of Payments on the Payment Date following such Determination Date. For purposes of each of the Class A/B Overcollateralization Test, the Class C Overcollateralization Test, the Class D Overcollateralization Test and the Class E Overcollateralization Test, notwithstanding the definition of Principal Balance contained herein, the Principal Balance of any security that is not currently paying cash interest (excluding any security that is, in accordance with its terms, making payments due thereon "in kind") shall be the accreted value of such security as of the date on which it was purchased by the Issuer; *provided*, that such accreted value shall not exceed the par amount of such security.

The Class A/B Overcollateralization Test

The "Class A/B Overcollateralization Ratio" as of any Determination Date will equal the ratio (expressed as a percentage) obtained by dividing (i) the Net Outstanding Portfolio Collateral Balance on such Determination Date (provided that such amount shall exclude Principal Proceeds held as cash and Eligible Investments) by (ii) the sum of the Aggregate Outstanding Amount of the Class A Notes and the Class B Notes, *minus* Principal Proceeds expected to be available prior to clause (xii) of the Priority of Payments on the related Payment Date assuming that the Coverage Tests are satisfied.

The "Class A/B Overcollateralization Test" will be satisfied on any Determination Date on which any Class A Notes or Class B Notes remain outstanding if the Class A/B Overcollateralization Ratio on such Determination Date is equal to or greater than 101.65%. As of the Closing Date, the Class A/B Overcollateralization Ratio is expected to be equal to 103.3%.

The Class A/B Interest Coverage Test

The "Class A/B Interest Coverage Test" will be satisfied as of any Determination Date if the Class A/B Interest Coverage Ratio is equal to or greater than 105.0%. As of the Closing Date, the Class A/B Interest Coverage Ratio is expected to be equal to 107.3%.

The "Class A/B Interest Coverage Ratio" as of any Determination Date will equal the ratio (expressed as a percentage) obtained by dividing:

(A) the sum of (a) the cash interest payments (or any purchase discount in the case of Eligible Investments or premiums in the case of Synthetic Securities) received in the related Due Period on the Collateral Assets and the Eligible Investments (other than Defaulted Obligations and Deferred Interest PIK Bonds) held in any of the Accounts, *plus* (b) prepayment premiums received, *plus* (c) without duplication, amounts scheduled to be received by the Issuer from any Hedge Counterparty under any Hedge Agreement less any amounts scheduled to be paid to any Hedge Counterparty (in each case, other than termination payments and termination receipts related to such Hedge Agreements), *minus* (d) any amounts scheduled to be paid to the Holders of the Class S Notes as interest or principal under clause (iv) of the Priority of Payments, *minus* (e) the excess of amounts expected to be paid on the related Payment Date under clauses (i), (ii), (iii) and (v) of the Priority of Payments over amounts on deposit in the Expense Reserve Account on the Determination Date; by

(B) an amount not less than U.S.$1.00 equal to the sum of the interest payments due on the Class A Notes and the Class B Notes, on the related Payment Date.

For purposes of calculating the Class A/B Interest Coverage Ratio, amounts scheduled to be received under any Hedge Agreement during the applicable Due Period will be included.

The Class C Overcollateralization Test

The "Class C Overcollateralization Ratio" as of any Determination Date will equal the ratio (expressed as a percentage) obtained by dividing (i) the Net Outstanding Portfolio Collateral Balance on such Determination Date (*provided* that such amount shall exclude Principal Proceeds held as cash and Eligible Investments) by (ii) the sum of the Aggregate Outstanding Amount of the Notes (other than the Class S Notes, the Class D Notes and the Class E Notes and including Class C Deferred Interest), *minus* Principal Proceeds expected to be available prior to clause (xii) of the Priority of Payments on the related Payment Date assuming that the Coverage Tests are satisfied.

The "Class C Overcollateralization Test" will be satisfied on any Determination Date on which any Class C Notes remain outstanding if the Class C Overcollateralization Ratio on such Determination Date is equal to or greater than 100.2%. As of the Closing Date, the Class C Overcollateralization Ratio is expected to be equal to 101.8%.

The Class C Interest Coverage Test

The "Class C Interest Coverage Test" will be satisfied as of any Determination Date if the Class C Interest Coverage Ratio is equal to or greater than 101.5%. As of the Closing Date, the Class C Interest Coverage Ratio is expected to be equal to 105.5%.

The "Class C Interest Coverage Ratio" as of any Determination Date will equal the ratio (expressed as a percentage) obtained by dividing:

(A) the sum of (a) the cash interest payments (or any purchase discount in the case of Eligible Investments) received in the related Due Period on the Collateral Assets and the Eligible Investments (other than Defaulted Obligations and Deferred Interest PIK Bonds) held in any of the Accounts, *plus* (b) prepayment premiums received, *plus* (c) without duplication, amounts scheduled to be received by the Issuer from any Hedge Counterparty under any Hedge Agreement less any amounts scheduled to be paid to any Hedge Counterparty (in each case, other than termination payments and termination receipts related to such Hedge Agreements), *minus* (d) any amounts scheduled to be paid to the Holders of the Class S Notes as interest or principal under clause (iv) of the Priority of Payments, *minus* (e) the excess of amounts expected to be paid on the related Payment Date under clauses (i), (ii), (iii) and (v) of the Priority of Payments over amounts on deposit in the Expense Reserve Account on the Determination Date; by

(B) an amount not less than U.S.$1.00 equal to the sum of interest payments due on the Class A Notes, Class B Notes and Class C Notes on the related Payment Date.

For purposes of calculating the Class C Interest Coverage Ratio, amounts scheduled to be received under any Hedge Agreement during the related Due Period will be included.

The Class D Overcollateralization Test

The "Class D Overcollateralization Ratio" as of any Determination Date will equal the ratio (expressed as a percentage) obtained by dividing (i) the Net Outstanding Portfolio Collateral Balance on such Determination Date (*provided* that such amount shall exclude Principal Proceeds held as cash and Eligible Investments) by (ii) the sum of the Aggregate Outstanding Amount of the Notes (other than the Class S Notes, the Class E Notes and including Class C Deferred Interest and Class D Deferred Interest), *minus* Principal Proceeds expected to be available prior to clause (xii) of the Priority of Payments on the related Payment Date assuming that the Coverage Tests are satisfied.

The "Class D Overcollateralization Test" will be satisfied on any Determination Date on which any Class D Notes remain outstanding if the Class D Overcollateralization Ratio on such Determination Date is equal to or greater than 100.1%. As of the Closing Date, the Class D Overcollateralization Ratio is expected to be equal to 100.7%.

Class D Interest Coverage Test

The "Class D Interest Coverage Test" will be satisfied as of any Determination Date if the Class D Interest Coverage Ratio is equal to or greater than 101.0%. As of the Closing Date, the Class D Interest Coverage Ratio is expected to be equal to 103.6%.

The "Class D Interest Coverage Ratio" as of any Determination Date will equal the ratio (expressed as a percentage) obtained by dividing:

(A) the sum of (a) the cash interest payments (or any purchase discount in the case of Eligible Investments) received in the related Due Period on the Collateral Assets and the Eligible Investments (other than Defaulted Obligations and Deferred Interest PIK Bonds) held in any of the Accounts, *plus* (b) prepayment premiums received, *plus* (c) without duplication, amounts scheduled to be received by the Issuer from any Hedge Counterparty under any Hedge Agreement less any amounts scheduled to be paid to any Hedge Counterparty (in each case, other than termination payments and termination receipts related to such Hedge Agreements), *minus* (d) any amounts scheduled to be paid to the Holders of the Class S Notes or interest or principal paid under clause (iv) of the Priority of Payments, *minus* (e) the excess of amounts expected to be paid on the related Payment Date under clauses (i), (ii), (iii) and (v) of the Priority of Payments over amounts on deposit in the Expense Reserve Account on the Determination Date; by

(B) an amount not less than U.S.$1.00 equal to the sum of interest payments due on the Class A Notes, Class B Notes, Class C Notes and Class D Notes on the related Payment Date.

For purposes of calculating the Class D Interest Coverage Ratio, amounts scheduled to be received under any Hedge Agreement will be included.

Class E Interest Diversion Test

The Class E Interest Diversion Test will be used primarily to determine whether Proceeds must be used to make mandatory redemptions of the Class E Notes. See "Description of the Notes—Principal" and "—Priority of Payments." For purposes of the Class E Interest Diversion Test, (i) unless otherwise specified, a Synthetic Security shall be included as a Collateral Asset having the characteristics of the Reference Obligation and not of the Synthetic Security; *provided*, that if such Synthetic Security Counterparty is in default under the related Synthetic Security, such Synthetic Security shall not be included as a Collateral Asset for purposes of the Coverage Tests or such Synthetic Security will be treated in such a way that will satisfy the Rating Agency Condition and (ii) the calculation of the Class E Overcollateralization Ratio on any Determination Date that such Coverage Test is applicable shall be made by giving effect to all payments scheduled or expected to be made pursuant to the Priority of Payments on the Payment Date following such Determination Date. For purposes of the Class E Overcollateralization Test, notwithstanding the definition of Principal Balance contained herein, the Principal Balance of any security that is not currently paying cash interest (excluding any security that is, in accordance with its terms, making payments due thereon "in kind") shall be the accreted value of such security as of the date on which it was purchased by the Issuer; *provided*, that such accreted value shall not exceed the par amount of such security.

The Class E Interest Diversion Test

The "Class E Overcollateralization Ratio" as of any Determination Date will equal the ratio (expressed as a percentage) obtained by dividing (i) the Net Outstanding Portfolio Collateral Balance on such Determination Date (*provided* that such amount shall exclude Principal Proceeds held as cash and Eligible Investments) by (ii) the sum of the Aggregate Outstanding Amount of the Notes (other than the Class S Notes, including Class C Deferred Interest, Class D Deferred Interest and Class E Deferred Interest), after giving effect to prior principal payments to be made on the succeeding Payment Date in accordance with the Priority of Payments.

The "Class E Interest Diversion Test" will be satisfied on any Determination Date on which any Class E Notes remain outstanding if the Class E Overcollateralization Ratio on such Determination Date is equal to or greater than 100.1%. As of the Closing Date, the Class E Overcollateralization Ratio is expected to be equal to 100.4%.

Disposition of Collateral Assets

The Collateral Assets may be retired prior to their respective final maturities due to, among other things, the existence and frequency of exercise of any optional or mandatory redemption features of such Collateral Assets. The Issuer will not have the authority to sell any Collateral Asset on a discretionary basis. The only Collateral Assets that shall be sold by the Issuer are Collateral Assets that are Directed Sale Securities or that are determined by the Trustee to be Credit Risk Obligations or equity securities. Pursuant to the terms of the Indenture and subject to the restrictions contained therein and in the Liquidation Agency Agreement, the Liquidation Agent shall sell, on behalf of the Issuer, (i) any such Directed Sale Securities within one (1) year from the date on which the Liquidation Agent receives confirmation from the Trustee of the receipt of the applicable Directed Sale Transaction Cost and (ii) any such Credit Risk Obligation or equity security within one (1) year from the date on which the Trustee identifies a Collateral Asset as a Credit Risk Obligation or an equity security, as applicable. The sale price for any such disposition of a Directed Sale Security, Credit Risk Obligation or an equity security will equal the fair market value of such Directed Sale Security, Credit Risk Obligation or equity security. The fair market value of any such Directed Sale Security, Credit Risk Obligation or equity security will be the highest bid received by the Liquidation Agent after attempting to solicit a bid from up to three independent third parties making a market in such Directed Sale Security, Credit Risk Obligation or equity security, at least one of which is not from the Liquidation Agent or an affiliate thereof; *provided* that, if upon commercially reasonable efforts of the Liquidation Agent, bids from three

independent third parties making a market in such Directed Sale Security, Collateral Asset or equity security are not available, the higher of the bids from two such third parties may be used; *provided, further* that, if upon commercially reasonable efforts of the Liquidation Agent, bids from two independent third parties making a market in such Directed Sale Security, Credit Risk Obligation or equity security are not available, one such bid may be used. See "Risk Factors—Notes—Static Transaction" and "—No Collateral Manager." The proceeds from any such sale of a Directed Sale Security, Credit Risk Obligation or equity security (exclusive of any accrued interest) will be applied as Principal Proceeds on the next succeeding Payment Date. A "Credit Risk Obligation" is a Collateral Asset (i) the rating of which has been (a) downgraded to below "BBB-" or "Baa3" by any Rating Agency (but not including any Collateral Assets which are rated "BBB-" or "Baa3" and on credit watch for possible downgrade) or (b) withdrawn or, (ii) that is a Defaulted Obligation, (iii) that is a PIK Bond that has been deferring interest for at least twelve consecutive months or (iv) identified in Appendix B as Collateral Asset FHR 3050 KF, FHR 3120 FG, FNR 2005 79 FA or FNR 2005 79 GF and one-month LIBOR exceeds 6.30% for at least twelve consecutive months. The proceeds from the disposition of a Collateral Asset may not be reinvested in other Collateral Assets.

The Issuer may also (i) in the case of an Auction direct the Trustee to sell, and the Trustee shall sell in the manner directed by the Liquidation Agent in writing, the Collateral Assets and liquidate the remaining Collateral in connection with an Auction; *provided*, that the criteria for an Auction can be demonstrably met prior to any such sale and that the expected Liquidation Proceeds equal or exceed the Minimum Bid Amount; (ii) in the case of a Tax Redemption on any Payment Date, direct the Trustee to sell, and the Trustee shall sell in the manner directed by the Liquidation Agent in writing, the Collateral Assets and liquidate the remaining Collateral in connection with a Tax Redemption; *provided* that the criteria for a Tax Redemption can be demonstrably met prior to any such sale and that the expected Liquidation Proceeds equal or exceed the Total Redemption Amount; and (iii) in the case of an Optional Redemption direct the Trustee to sell, and the Trustee shall sell in the manner directed by the Liquidation Agent in writing, the Collateral Assets and liquidate the remaining Collateral in connection with an Optional Redemption; *provided* that the criteria for an Optional Redemption can be demonstrably met prior to any such sale and that the expected Liquidation Proceeds equal or exceed the Total Redemption Amount. See "Description of the Notes—Auction," "—Tax Redemption" and "–Optional Redemption."

Accounts

Pursuant to the Indenture, the Issuer shall cause there to be opened and at all times maintained the Collection Account, the Payment Account, the Expense Reserve Account, the Collateral Account, the Hedge Termination Receipts Account, the Hedge Collateral Account, the Default Swap Collateral Account and the Synthetic Security Collateral Account (each as hereinafter defined), each of which shall be a segregated account or sub-account established with the Securities Intermediary in the name of the Trustee for the benefit of the Secured Parties as further described in the Indenture. Each Account is required to be maintained by the Trustee or by another financial institution that is an Eligible Depositary.

All distributions on the Collateral Assets and any proceeds received from the disposition of any Collateral Assets, all net proceeds from, and associated with the issuance of the Secured Notes, and the Subordinated Notes not used on the Closing Date to purchase Collateral Assets, to pay for expenses, to enter into Hedge Agreements or to be deposited to the Default Swap Collateral Account, the initial payment pursuant to the Rate Swap Agreement, any Hedge Termination Amount received prior to the Business Day prior to a Payment Date and any other amounts transferred to the Collection Account from other Accounts as provided for in the Indenture will be remitted to an account (the "Collection Account") and will be available, together with reinvestment earnings thereon, for application in accordance with the Priority of Payments.

On the Business Day prior to each Payment Date other than a Final Payment Date (the "Transfer Date"), the Trustee will deposit into a separate account (the "Payment Account") all funds (including any reinvestment income) in the Collection Account (to the extent received prior to the end of the related Due Period) and any Hedge Receipt Amount received on the Transfer Date related to such Payment Date for application in accordance with the Priority of Payments.

Principal Proceeds shall be deposited in the Collection Account and applied in accordance with the Priority of Payments.

On the Closing Date, U.S.$200,000 from the net proceeds of the offering of the Notes will be deposited by the Trustee into a single, segregated account established and maintained by the Trustee under the Indenture (the "Expense Reserve Account"). On each Payment Date, to the extent that funds are available for such purpose in accordance with and subject to the limitations of the Priority of Payments, the Trustee will deposit into the Expense Reserve Account an amount from Proceeds such that the amount on deposit in the Expense Reserve Account (after giving effect to such deposit) will equal U.S.$275,000. Amounts on deposit in the Expense Reserve Account may be withdrawn from time to time to pay accrued and unpaid Administrative Expenses of the Issuers. With respect to the first Payment Date, funds on deposit in the Expense Reserve Account in excess of U.S.$200,000 will be transferred by the Trustee to the Payment Account for application as interest proceeds. All funds on deposit in the Expense Reserve Account at the time when substantially all of the Issuer's assets have been sold or otherwise disposed of will be transferred by the Trustee to the Payment Account for application as Proceeds on the immediately succeeding Payment Date.

The Synthetic Securities will require that the Issuer purchase or post Default Swap Collateral as security for its obligations under such Synthetic Security which either complies with the Default Swap Eligibility Criteria or has been consented to by the Synthetic Security Counterparty. The Default Swap Collateral shall be deposited in a segregated trust account (the "Default Swap Collateral Account"). The Default Swap Collateral Account shall be established in the name of the Trustee.

In the event any Hedge Counterparty fails to maintain the ratings required under the Hedge Agreement, such Hedge Counterparty will be required to (i) post collateral under the terms of the related Hedge Agreement; (ii) transfer its rights and obligations to a replacement Hedge Counterparty having the required ratings in accordance with the related Hedge Agreement subject to satisfaction of the Rating Agency Condition; (iii) obtain a guarantor for such Hedge Counterparty's obligations meeting the ratings requirements set forth in the related Hedge Agreement; or (iv) take such other steps as each Rating Agency may require. The Hedge Collateral pledged by such Hedge Counterparty will be deposited by the Trustee into a segregated account (the "Hedge Collateral Account") established in the name of the Trustee and held therein pursuant to the terms of the related Hedge Agreement. Each item of collateral deposited in the Hedge Collateral Account will be deposited in a separate subaccount relating to the Hedge Agreement for which the related Hedge Counterparty has pledged such collateral.

Under certain conditions described in the Synthetic Securities, the Synthetic Security Counterparty may be required to post collateral ("Synthetic Security Collateral") under the terms of the related Synthetic Security Agreement. The Synthetic Security Collateral pledged by such Synthetic Security Counterparty will be deposited by the Trustee into a segregated account (the "Synthetic Security Collateral Account") established in the name of the Trustee and held therein pursuant to the terms of the related Synthetic Security. A separate sub-account of the Synthetic Security Collateral Account shall be established for each Synthetic Security Counterparty.

Amounts retained in the Accounts during a Due Period will be invested in Eligible Investments.

Synthetic Securities

Approximately 6.7% of the principal balance of the Collateral Assets as of the Reference Date are Synthetic Securities, all of the Reference Obligations of which are RMBS.

The following description of the Synthetic Securities consists of a summary of certain provisions of the Synthetic Securities but does not purport to be complete and prospective investors must refer to the Synthetic Securities for more detailed information regarding the Synthetic Securities. Copies of the Master Agreement and the Confirmations will be available to investors from the Trustee.

Each Synthetic Security is expected to be structured as a "pay-as-you-go" credit default swap and will be made pursuant to a 1992 ISDA Master Agreement (Multicurrency-Cross Border), including the Schedule thereto (the "Master Agreement"), between the Issuer and the Synthetic Security Counterparty, and a separate confirmation of transaction (a "Confirmation") evidencing the Synthetic Securities thereunder. Each Confirmation is expected to evidence several different Synthetic Securities, each of which is separate and distinct from all others documented under such Confirmation and relates to an individual Reference Obligation. The 2003 ISDA Credit Derivatives

Definitions, as supplemented by the May 2003 Supplement to the 2003 ISDA Credit Derivative Definitions (the "Credit Derivative Definitions") will apply to, and be incorporated by reference into, each Synthetic Security.

Each Synthetic Security is expected to have a specified notional amount (the "Notional Amount") which represents the dollar amount of the credit exposure which the Issuer is assuming thereunder with respect to the Reference Obligation related to such Synthetic Security. The "Aggregate Notional Amount" is the sum of the aggregate Notional Amounts of all Synthetic Securities. On the Closing Date, the Issuer expects to enter into Synthetic Securities with the Synthetic Security Counterparty referencing the Reference Obligations described herein having an Aggregate Notional Amount of approximately U.S.$100,000,000.

Each Synthetic Security will terminate by its terms no later than the scheduled legal final maturity of the related Reference Obligation unless a credit event occurs with respect to such Synthetic Security and the cash settlement date is scheduled to occur after such date.

Synthetic Security Counterparty Payments

Pursuant to each Synthetic Security, the Synthetic Security Counterparty will make a fixed rate payment to the Issuer within five Business Days of each scheduled distribution date for the related Reference Obligation. Upon the occurrence of any interest shortfall with respect to any Reference Obligation, the fixed rate amount payable under such Synthetic Security by the Synthetic Security Counterparty to the Issuer will be reduced by an amount equal to such interest shortfall, such amount not to exceed the fixed rate payment. If any amount in satisfaction of any such interest shortfall, is later paid with respect to a Reference Obligation, the Synthetic Security Counterparty will pay such amount, or in certain circumstances a portion of such amount, to the Issuer as a reimbursement of such interest shortfall. Payments from the Synthetic Security Counterparty to the Issuer will be deposited into the Collection Account and distributed in accordance with the Priority of Payments. The Synthetic Security Counterparty will also pay to the Issuer certain interest shortfall reimbursement amounts, writedown reimbursement amounts and principal shortfall reimbursement amounts, if any, in accordance with the terms of each Synthetic Security.

So long as the long-term ratings (or, in the case of clause (ii)(b) only, the short-term rating) of the guarantor of the Synthetic Security Counterparty's obligation under a Synthetic Security are equal to or higher than (i) "A1" by Moody's (and, if rated "A1" by Moody's, is not on watch for possible downgrade) and (ii)(a) "A" by S&P (and, if rated "A" by S&P, is not on watch for possible downgrade) or (b), if Goldman Sachs International is not the Synthetic Security Counterparty, "A-1+" by S&P (and, if rated "A-1+" by S&P, is not on watch for possible downgrade), the fixed payment due by the Synthetic Security Counterparty will be payable in arrears. However, if the long-term ratings (or the short-term rating, as applicable) of the Synthetic Security Counterparty fall below any such levels, the Synthetic Security Counterparty will be required to pay the fixed payment due under the Synthetic Security in advance. The failure of any Synthetic Security Counterparty to make the fixed payment in advance if such rating levels are no longer satisfied will constitute a termination event under the terms of the related Synthetic Security with such Synthetic Security Counterparty as the sole "Affected Party" under such Synthetic Security.

Issuer Synthetic Security Payments

The Issuer will be required to make certain floating payments to the Synthetic Security Counterparty under the Synthetic Securities. Following the occurrence of a credit event (a "Credit Event") with respect to a Reference Obligation, the Issuer may be required to make a credit protection payment to the Synthetic Security Counterparty. In addition, the Issuer will be required to pay floating amounts to the Synthetic Security Counterparty upon the occurrence of a writedown, a principal shortfall or an interest shortfall. The Issuer may also be required to make termination payments to the Synthetic Security Counterparty upon termination of a Synthetic Security.

Upon the occurrence of a Credit Event with respect to a Reference Obligation, the Synthetic Security Counterparty may choose physical delivery in which case it will deliver a deliverable obligation to the Issuer and the Issuer will pay to the Synthetic Security Counterparty a credit protection payment which will generally be equal to the notional amount of the related Reference Obligation. Under certain circumstances, the Synthetic Security Counterparty may elect not to deliver a deliverable obligation and choose cash settlement upon the occurrence of a credit event, in which case, the Issuer will pay to the Synthetic Security Counterparty a credit protection payment.

The Notional Amount of the Synthetic Securities will be reduced by any credit protection payments paid by the Issuer, by any principal shortfall payment paid by the Issuer and by any writedown payment paid by the Issuer. The Notional Amount of each Synthetic Security will be increased by any principal shortfall reimbursement payment or writedown reimbursement payment paid by the Synthetic Security Counterparty to the Issuer.

The Issuer will obtain the funds to make any payments due to the Synthetic Security Counterparty under a Synthetic Security by liquidating Default Swap Collateral as described below under "—Default Swap Collateral." The amount payable by the Issuer to the Synthetic Security Counterparty under the Synthetic Securities shall not exceed the amount the Issuer receives upon liquidation of the Default Swap Collateral.

Credit Events

A Credit Event with respect to any Synthetic Security and any Reference Obligation means the occurrence of any of the events specified in such Synthetic Security as a "Credit Event" on or before the scheduled termination date for such Synthetic Security. The Credit Events with respect to Reference Obligations which are CMBS are expected to be "Failure to Pay Principal", "Writedown", "Distressed Ratings Downgrade" and "Maturity Extension." The Confirmation may alter the standard definitions of such terms and the actual Synthetic Securities should be consulted for the details of the Credit Events applicable thereto. The Issuer (or the Trustee on behalf of the Issuer) may consult with the Administrative Agent regarding any decision to contest or not to contest a protection buyer's assertion of an occurrence of a Credit Event in respect of a Synthetic Security.

Early Credit Default Swap Termination

Each Synthetic Security is subject to early termination by the Issuer in the event of an "Event of Default" or "Termination Event" by the Synthetic Security Counterparty or any guarantor under the Synthetic Security. In addition, each Synthetic Security is subject to early termination by the Synthetic Security Counterparty in the event of an "Event of Default" or "Termination Event" by the Issuer under the Synthetic Security. Investors are urged to review the Synthetic Securities for details on which "Events of Default" and "Termination Events" are applicable.

There can be no assurance that, upon early termination by the Issuer or the Synthetic Security Counterparty, either that the Synthetic Security Counterparty would be required to make any termination payment to the Issuer or that, if it did make such a payment, the amount of the termination payment made by the Synthetic Security Counterparty would be sufficient to pay any amounts due in respect of the Notes.

Default Swap Collateral

As part of the purchase of the Synthetic Securities, the Issuer (at the direction of the Synthetic Security Counterparty) will be required to purchase Default Swap Collateral for the benefit of the Synthetic Security Counterparty which satisfies the criteria described in such definition.

The Default Swap Collateral is expected to be purchased in a face amount equal to the initial notional amount of all the Synthetic Securities. Under the terms of the Indenture, all Default Swap Collateral is required to be deposited in the Default Swap Collateral Account for the benefit of the Synthetic Security Counterparty. The Issuer will also grant to the Trustee for the benefit of the Secured Parties, a security interest in the Default Swap Collateral, subject to the lien of the related Synthetic Security Counterparty, and shall notify the Synthetic Security Counterparty of such security interest. The Issuer must obtain the consent of the Synthetic Security Counterparty with respect to any initial Default Swap Collateral purchased by the Issuer and any Default Swap Collateral purchased thereafter or substituted therefor. The amount payable by the Issuer to the Synthetic Security Counterparty under a Synthetic Security shall not exceed the Default Swap Collateral.

Interest payments, redemption premiums, payment distributions, investment earnings on and any fees paid with respect to any Default Swap Collateral will constitute property of the Issuer and will be paid to the Trustee and deposited into the Collection Account and treated as Proceeds unless such amounts are required to be paid to the related Synthetic Security Counterparty under the terms of the related Synthetic Security. Principal payments on the Default Swap Collateral prior to the termination of the Synthetic Security shall be held in accordance with such

Synthetic Security in the Default Swap Collateral Account and invested in Eligible Investments until reinvested in Default Swap Collateral with the consent of the Synthetic Security Counterparty.

In the event a Synthetic Security is terminated prior to its scheduled maturity without the occurrence of a "credit event," the Trustee shall cause such portion of the related Default Swap Collateral chosen by the Synthetic Security Counterparty as may be required to make any required termination payment owed to the Synthetic Security Counterparty, to be liquidated in a sale arranged by the Liquidation Agent and any such termination payments paid to the Synthetic Security Counterparty. The remaining related Default Swap Collateral to the extent not required to be pledged to the related Synthetic Security Counterparty shall be released from the lien of the Synthetic Security Counterparty and delivered to the Trustee free of such lien. In the event that no "credit event" under a Synthetic Security has occurred prior to the scheduled maturity of the Synthetic Security, upon the scheduled maturity of the Synthetic Security, the Synthetic Security Counterparty's lien on the Default Swap Collateral shall be released and delivered to the Trustee free of such lien. Upon release of the lien of the Synthetic Security Counterparty, the Trustee shall take any specific actions necessary to create in its favor a valid, perfected, first priority security interest in such Default Swap Collateral under applicable law and regulations for the benefit of the Secured Parties. Any Default Swap Collateral released from the lien of the Synthetic Security Counterparty which satisfies the definition of an Eligible Investment as determined by the Administrative Agent shall be treated as an Eligible Investment and shall otherwise be treated as a Collateral Asset and in either case will be retained by the Trustee unless such sale would be otherwise permitted by the Indenture. Any Proceeds net of purchase accrued interest or interest payments received upon the maturity or liquidation of the Default Swap Collateral released from the lien of the Synthetic Security Counterparty shall be deemed to be Principal Proceeds.

Upon the occurrence of a "credit event" under a Synthetic Security, the Default Swap Collateral chosen by the Synthetic Security Counterparty after the application of any cash on deposit in the Default Swap Collateral Account will be sold by the Trustee in a sale arranged by the Liquidation Agent and any loss or writedown owed to the Synthetic Security Counterparty will be paid by the Issuer from the liquidation proceeds of such Default Swap Collateral. In the event such liquidation proceeds are less than par, the Synthetic Security Counterparty will accept the liquidation proceeds applicable to the face amount of Default Swap Collateral sold which is equal to the loss or write-down amount. In addition, under certain circumstances upon the occurrence of a "credit event", the Default Swap Collateral chosen by the Synthetic Security Counterparty will instead be delivered to the Synthetic Security Counterparty in exchange for a deliverable obligation. Any deliverable obligation delivered to the Issuer will be sold by the Trustee in a sale arranged by the Liquidation Agent without regard to whether such sale would be permitted as a sale of a Credit Risk Obligation. In the event such liquidation proceeds are less than par, the Synthetic Security Counterparty will accept the liquidation proceeds applicable to the face amount of Synthetic Security Collateral sold which is equal to the loss or write down amount. In the event a "credit event" has occurred and the Issuer is required to liquidate Default Swap Collateral and deliver cash to the Synthetic Security Counterparty, the Synthetic Security Counterparty will bear any market risk on the liquidation of the Default Swap Collateral.

The Synthetic Security Counterparty has the right to purchase any Default Swap Collateral being sold for less than its par amount at a price equal to the highest bid received for such Default Swap Collateral. The Trustee shall provide the Synthetic Security Counterparty prior notice of the price at which any Default Swap Collateral is being sold prior to such sale.

For purposes of the Coverage Tests and for purposes of determining whether a Synthetic Security is a Defaulted Obligation or a Credit Risk Obligation, a Synthetic Security shall be included as a Collateral Asset having the characteristics of the Reference Obligation and not of the Synthetic Security; provided, that if such Synthetic Security Counterparty is in default under the related Synthetic Security, such Synthetic Security shall not be included in the Coverage Tests or such Synthetic Security will be treated in such a way that will satisfy the Rating Agency Condition.

Initial Synthetic Security Counterparty

The initial Synthetic Security Counterparty under the Synthetic Security is Goldman Sachs International. The swap guarantor with respect to the initial Synthetic Securities is The Goldman Sachs Group, Inc., a Delaware

corporation (the "GS Group"), which is an affiliate of the Synthetic Security Counterparty. Goldman Sachs International is located at Peterborough Court 133 Fleet Street, London EC4A 2BB.

The Annual Report on Form 10-K for the fiscal year ended November 30, 2005 filed by GS Group with the SEC (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules) are incorporated by reference into this Offering Circular.

GS Group, together with its subsidiaries, is a global investment banking, securities and investment management firm that provides financial services worldwide to clients that includes corporations, financial institutions, governments and high net-worth individuals.

Any statement contained in a document incorporated or deemed to be incorporated by reference into this Offering Circular, or contained in this Offering Circular, will be deemed to be modified or superseded for purposes of this Offering Circular to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. Any such statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular. GS Group's filings with the SEC are available to the public through the SEC's Internet site at http://www.sec.gov, and through the New York Stock Exchange, 20 Broad Street, New York, New York 10005, on which GS Group's common stock is listed.

The Notes do not represent an obligation of, and will not be insured or guaranteed by, GS Group or any of its subsidiaries and investors will have no rights or recourse against GS Group or any of its subsidiaries.

Reports

A report will be made available to the Holders of the Secured Notes and Holders of the Subordinated Notes and will provide information on the Collateral Assets as well as information with respect to payments made on the related Payment Date (each, a "Note Valuation Report"), beginning in July, 2006.

The information in each Note Valuation Report will be prepared as of the Determination Date preceding the related Payment Date and will set out, among other things, the amounts payable in accordance with the Priority of Payments on such Payment Date. The Issuer will instruct the Trustee to transfer the amounts set forth in such Note Valuation Report in the manner specified in, and in accordance with, the Priority of Payments.

Hedge Agreements

General. On the Closing Date, the Issuer will enter into a Rate Swap Agreement and a Cashflow Swap Agreement (collectively, the "Hedge Agreements") with Societe Generale, New York Branch ("SocGen") as initial Cashflow Swap Counterparty and initial Interest Rate Swap Counterparty. The Issuer shall not enter into any additional Rate Swap Agreements or Cashflow Swap Agreements after the Closing Date. SocGen is located at 1221 Avenue of the Americas, New York NY 10020.

The Issuer shall ensure that each Hedge Agreement shall provide that (i) the Hedge Counterparty will agree (a) that the Issuer's obligations under the Hedge Agreements are limited recourse obligations of the Issuer payable solely from the Collateral and subordinated as set forth in the Priority of Payments and (b) to a standard non-petition clause, and (ii) such Hedge Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

Payments (other than Defaulted Hedge Termination Payments) due to any Hedge Counterparty under any Hedge Agreement shall be paid, in accordance with the Priority of Payments, prior to any payments on the Notes, from Proceeds available therefor on each Payment Date. The claims of each Hedge Counterparty shall rank equally and *pari passu* with the claims of other Hedge Counterparties entitled to receive payments at the same level of priority within the Priority of Payments. Defaulted Hedge Termination Payments shall be paid after payment of Principal Proceeds to the Notes in accordance with the Priority of Payments.

Each Hedge Agreement entered into by the Issuer shall generally provide that if (A)(i) the long-term senior unsecured debt rating from S&P of the Hedge Counterparty falls below "A+" or no such long-term rating from S&P exists and (ii) the short-term rating of the Hedge Counterparty falls below "A-1" or no such short-term rating from S&P exists, (B) the long-term senior unsecured debt rating from Moody's of the Hedge Counterparty falls to "Aa3" (and is on credit watch for possible downgrade) or below "Aa3" if the Hedge Counterparty has no short-term rating or (C) the long-term senior unsecured debt rating of the Hedge Counterparty from Moody's falls to "A1" (and is on credit watch for possible downgrade) or below "A1" or the short-term senior unsecured debt rating of the Hedge Counterparty from Moody's, if so rated by Moody's, falls to "P-1" (and is on credit watch for possible downgrade) or below "P-1" (any such event, a "Collateralization Event"), then the Hedge Counterparty shall generally be required to within thirty (30) days, (i) provide sufficient collateral as required under the Hedge Agreement, (ii) transfer its rights and obligations upon ten (10) days' prior notice to a replacement Hedge Counterparty who satisfies the Hedge Counterparty Ratings Requirement, *provided* that (1) the Rating Agency Condition is satisfied and (2) certain other requirements set forth in the Hedge Agreement are satisfied, (iii) obtain a guarantor for the Hedge Counterparty's obligations under the Hedge Agreement who satisfies the Hedge Counterparty Ratings Requirement, or (iv) take such other steps to allow the Issuer to satisfy conditions of the Rating Agencies. If the Hedge Counterparty fails to comply with at least one of the obligations as set forth in clauses (i)-(iv) of the preceding sentence, or if certain further downgrades occur, a substitution event shall have occurred (a "Hedge Substitution Event"). Upon the occurrence of a Hedge Substitution Event, the Hedge Counterparty will generally be required to assign its rights and obligations under such Hedge Agreement to a new Hedge Counterparty in accordance with the terms of the Hedge Agreement, *provided* that such substitute Hedge Counterparty or its guarantor satisfies the Hedge Counterparty Ratings Requirement and the Rating Agency Condition is satisfied with respect to such assignment.

Each Hedge Agreement may be terminated, whether or not the Notes have been paid in full on or prior to such termination, upon, among other things, (i) certain events of bankruptcy, insolvency, conservatorship, receivership or reorganization of the Issuer or the related Hedge Counterparty, (ii) failure on the part of the Issuer or the related Hedge Counterparty to make any payment under the Hedge Agreement within the applicable grace period, (iii) certain withholding or other taxes being imposed on payments to be made under the Hedge Agreement as set forth in Sections 5(b)(ii) and (iii) of the ISDA Master Agreement incorporated in the Hedge Agreement, (iv) a change in law making it illegal for either the Issuer or the related Hedge Counterparty to be a party to, or perform an obligation under, the Hedge Agreement, (v) the delivery of a notice of liquidation of the Collateral following an Event of Default under the Indenture *provided* that such notice has not been rescinded or annulled or (vi) the Net Outstanding Portfolio Collateral Balance is less than $70,000,000. Notwithstanding the foregoing, the Issuer will not optionally terminate any Hedge Agreement unless (a) directed to do so by a Majority of the Subordinated Notes and (b) the Rating Agency Condition is satisfied in connection with such termination.

A termination of a Hedge Agreement will not constitute an Event of Default under the Indenture. If a Hedge Agreement is terminated, the Issuer shall not enter into a substitute Hedge Agreement. Interest due on the Secured Notes will be paid from amounts received on the Collateral Assets without the benefit of any Hedge Agreement. There can be no assurance that such amounts will be sufficient to provide for the full payment of interest on the Secured Notes, or that amounts that would otherwise be payable to the Holders of the Subordinated Notes will not be reduced.

In the event of any early termination of a Hedge Agreement (i) any hedge termination receipts paid to the Issuer will be deposited in a single, segregated trust account held in the name of the Trustee (the "Hedge Termination Receipts Account") for the benefit of the Secured Parties and such amounts will be transferred to the Collection Account on the next following Transfer Date and will be treated as Principal Proceeds and distributed in accordance with the Priority of Payments on the next Payment Date (or on such Final Payment Date, in the event the Notes are redeemed in full thereon).

In order to effect an Optional Redemption or Tax Redemption, Auction or liquidation of the Collateral following an Event of Default, the Hedge Agreements must be terminated and, in the case of an Optional Redemption, Tax Redemption or Auction, the proceeds from such termination and from the liquidation of the remaining Collateral must be sufficient to pay any termination payment owing to the Hedge Counterparties in addition to any amounts owing under the Notes and certain other expenses. The Indenture will not permit the termination of a Hedge Agreement in connection with the liquidation of Collateral following an Optional

Redemption, Tax Redemption or Auction prior to the time that the Liquidation Agent shall have furnished to the Trustee evidence that the Issuer has entered into one or more binding agreements with purchasers whose short term debt obligations are rated at least "P-1" by Moody's and "A-1+" by S&P, to purchase such Collateral on a date not later than ten (10) days after such termination and that such redemption or liquidation is non-revocable.

Each Hedge Agreement will provide that the related Hedge Counterparty may assign its obligations under a Hedge Agreement to any institution which satisfies the Rating Agency Condition with respect to such assignment and the Hedge Counterparty Ratings Requirement.

In connection with a Mandatory Redemption, the Hedge Counterparty may terminate a portion of any Hedge Agreement in accordance with the terms thereof upon satisfaction of the Rating Agency Condition.

The initial Interest Rate Swap Counterparty and the initial Cashflow Swap Counterparty is SocGen. Affiliates of the Initial Purchasers, the Liquidation Agent or the Administrative Agent may also act as Hedge Counterparties from time to time, which may create certain conflicts of interest. See "Risk Factors—Other Considerations—Certain Conflicts of Interest."

The Hedge Counterparty ratings requirements and the required consents and actions described herein are subject to modification prior to the Closing Date, and may be revised thereafter upon satisfaction of the Rating Agency Condition.

Rate Swap Agreement. As of the Closing Date, the Issuer will enter into a Rate Swap Agreement with SocGen as initial Interest Rate Swap Counterparty that will provide for the Issuer to pay the initial Interest Rate Swap Counterparty an amount equal to 5.445% per annum from the August 2006 Payment Date in exchange for payments equal to LIBOR on an initial notional amount of U.S.$356,000,000. The Rate Swap Agreement will have a notional amount which decreases based on a fixed amortization schedule derived from the anticipated amortization of the Collateral Assets that bear interest at a fixed rate that the Issuer expects to own as of the Closing Date. The amortization schedule will be designed such that on the Closing Date and thereafter on each Determination Date, the aggregate notional amount under the Rate Swap Agreement will be slightly less than (i) the outstanding scheduled principal amount of the Notes scheduled to be outstanding on such date less (ii) the outstanding principal amount of Collateral Assets that pay interest pursuant to a floating rate on such date. However, there can be no assurance that the actual amortization of the Collateral Assets will correspond to the anticipated amortization on which the Rate Swap Agreement will be based. The Issuer may not enter into additional Rate Swap Agreements after the Closing Date.

Cashflow Swap Agreement. As of the Closing Date, the Issuer will enter into a Cashflow Swap Agreement with SocGen (a "Cashflow Swap Counterparty") (a "Cashflow Swap Agreement"), in order to manage mismatches between the timing of payment receipts on the Collateral Assets and Eligible Investments and the timing of payments due on Payment Dates in accordance with the Priority of Payments. Pursuant to this Cashflow Swap Agreement, the Issuer will receive a payment from the related Cashflow Swap Counterparty on dates relating to each Interim Payment Date and each Payment Date in exchange for the Issuer's obligations to make payments to the Cashflow Swap Counterparty, relating to interest payments on Collateral Assets which pay less frequently than monthly, out of Proceeds to the extent available in accordance with the Priority of Payments. The Cashflow Swap Agreement will be reduced automatically for any Collateral Assets which prepay or default or which are sold and will be increased for any Collateral Assets which are purchased.

The Issuer shall not enter into any additional Cashflow Swap Agreements after the Closing Date.

WEIGHTED AVERAGE LIFE AND YIELD CONSIDERATIONS

The Stated Maturity of the Notes (other than the Class S Notes) is the Payment Date in July 2041. However, the principal of the Notes (other than the Class S Notes) is expected to be paid in full prior to the Stated Maturity. Average life refers to the average amount of time that will elapse from the date of delivery of a security until each dollar of the principal of such security will be paid to the investor. The average lives of the Notes will be

determined by the amount of principal payments which are dependent on a number of factors, including when the Collateral Assets are repaid.

Weighted Average Life. Weighted average life refers to the average amount of time that will elapse from the date of delivery of a security until each dollar of the principal of such security will be paid to the investor. The weighted average lives of the Notes of each Class will be determined by the amount and frequency of principal payments, which are dependent upon, among other things, the amount of payments received at or in advance of the scheduled maturity of the Collateral Assets (whether through sale, maturity, redemption, prepayment, default or other liquidation or disposition). The actual weighted average lives and actual maturities of the Notes will be affected by the financial conditions of the obligors on or the issuers of the Collateral Assets or the obligors on the underlying assets, and the characteristics of such securities and assets, including the existence and frequency of exercise of any optional or mandatory redemption features, the prevailing level of interest rates, the redemption price, prepayment rates, any lockout periods or prepayment premiums or penalties, the actual default rate and the actual level of recoveries on any Defaulted Obligations, and the frequency of tender or exchange offers for such Collateral Assets. Any disposition of a Collateral Asset will change the composition and characteristics of the Collateral Assets and the scheduled payments and payment characteristics thereon, and, accordingly, may affect the actual weighted average lives of the Notes. The rate of future defaults and the amount and timing of any cash realization from Credit Risk Obligations and Directed Sale Securities also will affect the maturity and weighted average lives of the Notes. The weighted average life of the Notes of each Class may also vary depending on whether or not the Notes are redeemed. The weighted average lives of the Notes are expected to be shorter, and may be substantially shorter, than the Stated Maturity of the Notes.

The table set forth below indicates the percentage of the initial balance of each Class of Notes that would be outstanding on each Payment Date assuming no prepayments or losses and the weighted average life of each Class of Notes and principal window of each Class based on the assumptions (the "Collateral Assets Assumptions") set forth below. The table set forth below is included only for illustrative purposes, and none of the Issuers, the Liquidation Agent, the Administrative Agent, the Trustee or the Initial Purchasers makes any representation as to whether such assumptions will be realized.

i. Forward 1-month LIBOR curve and 3-month LIBOR curve as of April 24, 2006 are assumed;

ii. the Closing Date is May 2, 2006 and the first Payment Date is July 5, 2006 and the first Quarterly Payment Date is July 5, 2006;

iii. all of the net proceeds of the offering of the Notes are invested as of the Closing Date in the Collateral Assets;

iv. the Coverage Tests are satisfied as of the Closing Date;

v. expenses due under clauses (i), (ii) and (iii) of the Priority of Payments are paid on each Payment Date and will be 0.02% per annum of the outstanding Principal Balance of the Collateral Assets, the Liquidation Agent Fee is 0.04% per annum of the Aggregate Principal Amount and the Administrative Agent Fee is 0.01% per annum of the Aggregate Principal Amount;

vi. each Collateral Asset will pay monthly on the 25th day of the month in which such payment is due and receipts will be reinvested for 10 days at a rate equal to one-month LIBOR *minus* 0.25%;

vii. asset payments are fully paid out in accordance with the Priority of Payments on the 25th day of the month in which they are received (each of which is assumed to be a Business Day), commencing July, 2006;

viii. failure to pay interest to the Holders of the Class A Notes and Class B Notes is not an Event of Default;

ix. all unpaid Class C Note, Class D Note and Class E Note interest is Deferred Interest;

x. there are no sales;

xi. no rating change occurs on any Collateral Asset or the Notes;

xii. there is no Optional Redemption, Tax Redemption or Auction (except in the computation of the DEC table and sensitivity of Principal Payments table below);

xiii. all Classes of Notes are issued at par;

xiv. defaults are incurred at the constant annual default rates and are applied on each Payment Date to the outstanding Principal Balance of the Collateral Assets as of such Payment Date commencing on the Payment Date in July 2007;

xv. each Hedge Counterparty makes all required payments to the Issuer on a timely basis;

xvi. Clause (A)(d) of the definitions of Class A/B Interest Coverage Ratio, the Class C Interest Coverage Ratio and the Class D Interest Coverage Ratio is assumed to equal $0.00 for each Payment Date;

xvii. Amounts retained in the Collection Account pursuant to clause (xxiii) of the Priority of Payments are reinvested at a rate equal to one-month LIBOR *minus* 0.25% until applied on the following Payment Date.

	Class A-1	Class A-2	Class B	Class C	Class D	Class E
Closing Date	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
July 5, 2006	99.48%	99.48%	100.00%	100.00%	97.80%	99.75%
July 5, 2007	97.14%	97.14%	100.00%	100.00%	94.86%	98.84%
July 5, 2008	94.26%	94.26%	100.00%	100.00%	93.68%	97.84%
July 5, 2009	79.37%	79.37%	88.08%	86.41%	71.91%	96.84%
July 5, 2010	64.73%	64.73%	71.83%	70.47%	45.01%	97.10%
July 5, 2011	54.17%	54.17%	60.11%	58.97%	32.59%	74.48%
July 5, 2012	42.17%	42.17%	46.79%	51.09%	28.24%	61.76%
July 5, 2013	29.55%	29.55%	32.79%	35.43%	20.00%	0.00%
July 5, 2014	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Expected Principal Window(1)	July 5, 2006 to July 5, 2014	July 5, 2006 to July 5, 2014	January 5, 2009 to July 5, 2014	January 5, 2009 to July 5, 2014	July 5, 2006 to July 5, 2014	July 5, 2006 to January 5, 2013
Expected Weighted Average Life(2)	5.44 years	5.44 years	5.87 years	5.95 years	4.78 years	5.98 years

(1) The "Expected Principal Window" for a Class of Notes is the period in which (a) the initial principal payment of the Class is expected to be made and (b) the final payment of principal of the Class is expected to be made under the Collateral Assets Assumptions (assuming no defaults).

(2) The "Expected Weighted Average Life" of each Class of Notes is determined by (i) multiplying the amount of each principal distribution on such Class that would result under the Collateral Assets Assumptions (assuming no defaults) by the number of years from the date of determination to the related Payment Date (assuming 30 days in each month and a 360-day year), (ii) adding the results and (iii) dividing the sum by the aggregated principal distributions referred to in clause (i).

The following table shows the "Expected Weighted Average Life" and the "Expected Principal Window" for each Class of Notes under various constant default rates. The "Expected Weighted Average Life" of each Class of Notes is determined by (i) multiplying the amount of each principal distribution on such Class that would result under the Collateral Assets Assumptions by the number of years from the Closing Date to the related Payment Date (assuming 30 days in each month and a 360-day year), (ii) adding the results and (iii) dividing the sum by the aggregated principal distributions referred to in clause (i). The "Expected Principal Window" for a Class of Notes is when the first and last payments of principal are expected to be made under the Collateral Assets Assumptions. The loss severity is assumed to be 50%.

Sensitivity of Principal Payments to CDR

	0.0% CDR		0.1% CDR		0.25% CDR		0.5% CDR	
Class	Expected Weighted Average Life	Expected Principal Window	Expected Weighted Average Life	Expected Principal Window	Expected Weighted Average Life	Expected Principal Window	Expected Weighted Average Life	Expected Principal Window
A-1	5.44 years	July 5, 2006 to July 5, 2014	5.43 years	July 5, 2006 to July 5, 2014	5.41 years	July 5, 2006 to July 5, 2014	5.38 years	July 5, 2006 to July 5, 2014
A-2	5.44 years	July 5, 2006 to July 5, 2014	5.43 years	July 5, 2006 to July 5, 2014	5.41 years	July 5, 2006 to July 5, 2014	5.38 years	July 5, 2006 to July 5, 2014
B	5.87 years	January 5, 2009 to July 5, 2014	5.86 years	January 5, 2009 to July 5, 2014	5.84 years	February 5, 2009 to July 5, 2014	5.80 years	April 5, 2009 to July 5, 2014
C	5.95 years	January 5, 2009 to July 5, 2014	5.95 years	January 5, 2009 to July 5, 2014	6.31 years	April 5, 2009 to July 5, 2014	6.92 years	October 5, 2009 to July 5, 2014
D	4.78 years	July 5, 2006 to July 5, 2014	5.12 years	July 5, 2006 to July 5, 2014	6.45 years	July 5, 2006 to July 5, 2014	6.54 years	July 5, 2006 to July 5, 2014
E	5.98 years	July 5, 2006 to January 5, 2013	7.56 years	July 5, 2006 to July 5, 2014	7.71 years	July 5, 2006 to July 5, 2014	1.99 years	July 5, 2006 to July 5, 2009

The table set forth below entitled "Class A-1, A-2, B, C, D and E Note Constant Default Rate Stress Tests" shows the Constant Default Rate ("CDR") and Cumulative Defaults for each Class of Notes under three stress scenarios, assuming a 50% loss severity on defaulted Collateral Assets. In column one ("First Dollar of Loss"), CDR represents the CDR starting on the July 2007 Payment Date that would result in the first dollar of principal loss to the respective Class of Notes. Cumulative Defaults represent the sum of such defaults divided by the aggregate principal balance of the Collateral Assets as of the Closing Date. In column two ("Flat Return"), CDR represents the CDR starting on the July 2007 Payment Date that would result in a yield equivalent to a zero discount margin over one-month LIBOR for the Class A-1 Notes, the Class A-2 Notes and the Class B Notes, and zero discount margin over three-month LIBOR for the Class C Notes, the Class D Notes and the Class E Notes. Cumulative Defaults represent the sum of such defaults divided by the aggregate principal balance of the Collateral Assets as of the Closing Date. In column three ("Return of Investment, (0% return)"), the CDR represents the CDR starting on the July 2007 Payment Date that would result in an approximate 0.0% return for the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes. Cumulative Defaults represent the sum of such defaults divided by the aggregate principal balance of the Collateral Assets as of the Closing Date.

Class A-1, A-2, B, C, D and E Note Constant Default Rate Stress Tests

	First Dollar of Loss		Flat Return		Return of Investment (0% return)	
Constant Annual Default Rate at 40% Loss Severity	CDR	Cumulative Defaults	CDR	Cumulative Defaults	CDR	Cumulative Defaults
Class A-1	4.01%	17.701%	4.92%	21.178%	18.85%	57.538%
Class A-2	1.96%	9.168%	2.17%	10.090%	4.33%	18.944%
Class B	1.09%	5.229%	1.31%	6.244%	2.86%	13.039%
Class C	0.57%	2.776%	0.68%	3.301%	0.95%	4.576%
Class D	0.20%	0.985%	0.36%	1.764%	0.50%	2.440%
Class E	0.07%	0.346%	0.15%	0.740%	0.18%	0.887%

Yield. The yield to maturity of the Notes of each Class will also be affected by the rate of repayment of the Collateral Assets, as well as by the redemption of the Notes in an Auction, an Optional Redemption or Tax Redemption (and upon the Note Redemption Price or Subordinated Note Redemption Price, as applicable, then payable). The Issuer is not required to repay the Notes on any date prior to their Stated Maturity. The receipt of principal payments on the Notes at a rate slower than the rate anticipated by investors purchasing the Notes at a discount will result in an actual yield that is lower than anticipated by such investors.

The yield to maturity of the Notes may also be affected by the rate of delinquencies and defaults on and liquidations of the Collateral Assets, to the extent not absorbed by the Subordinated Notes; sales of Collateral Assets; and/or purchases of Collateral Assets having different scheduled payments and payment characteristics and the effect of the Coverage Tests on payments under the Priority of Payments. The yield to investors in the Notes will also be adversely affected to the extent that the Issuers incur certain expenses that are not absorbed by the Subordinated Notes.

THE LIQUIDATION AGENCY AGREEMENT

The following summary describes certain provisions of the Liquidation Agency Agreement. The summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Liquidation Agency Agreement.

General

The Liquidation Agent will perform certain limited administrative functions relating to the Collateral Assets on behalf of the Issuer in accordance with the applicable provisions of the Liquidation Agency Agreement. The Liquidation Agent will have no ability or authority to direct the disposition of any Collateral Assets. The Liquidation Agent will not provide investment advisory services to the Issuer or act as the "collateral manager" for the Collateral Assets. The Liquidation Agent will not have fiduciary duties to the Issuer or to the holders of the Notes.

The Liquidation Agent

The Liquidation Agent is Goldman, Sachs & Co. ("GS&Co."). GS&Co. is a New York limited partnership and a registered U.S. broker-dealer. The Notes do not represent an obligation of, and will not be insured or guaranteed by GS&Co., its parent or any of its subsidiaries or its affiliates and investors will have no rights or recourse against GS&Co., its parent or any of its subsidiaries or affiliates.

Compensation

As compensation for the performance of its obligations under the Liquidation Agency Agreement, the Liquidation Agent will be entitled to receive a fee in accordance with the Priority of Payments, payable in arrears on each Payment Date, of 0.04% per annum (the "Liquidation Agent Fee") times the Aggregate Principal Amount, measured as of the beginning of the Due Period preceding such Payment Date.

If amounts distributable on any Payment Date in accordance with the Priority of Payments are insufficient to pay the Liquidation Agent Fee in full, then the shortfall will be deferred and will be payable on subsequent Payment Dates on which funds are available therefor according to the Priority of Payments. Any interest due on the amounts so deferred will be payable in the same order of priority as the Liquidation Agent Fee and will accrue interest at a rate equal to LIBOR.

The Liquidation Agent Fee will be calculated on the basis of a 360 day year consisting of twelve 30-day months. All fees payable to the Liquidation Agent on a Payment Date are subject to payment only in accordance with the Priority of Payments.

The Liquidation Agent may, at its election and upon notice to the Issuer and the Trustee, direct for a predetermined period of time that all or a portion of the amount that is due to it as the Liquidation Agent Fee be paid directly to a third party; *provided*, that the Liquidation Agent will not (unless it is assigning all of its rights and obligations in accordance with the Liquidation Agency Agreement) be relieved of any of its duties under the Liquidation Agency Agreement or the Indenture as a result of the redirection of its right to receive all or a portion of the Liquidation Agent Fee.

Procedure for Sale of Collateral

Pursuant to the Liquidation Agency Agreement, whenever the sale of Collateral Assets is required under the Indenture, as described under "Security for the Secured Notes—Disposition of Collateral Assets", the Liquidation Agent will use commercially reasonable efforts to solicit bids from at least three independent market makers, at least one of which is not the Liquidation Agent or an affiliate thereof. If after such commercially reasonable efforts, bids from three independent market makers are not available, the higher of two such bids may be used and if bids from two such independent market makers are not available, one such bid may be used. Assuming at least one bid is received in accordance with the preceding sentence, the applicable Collateral Assets shall be sold at the highest bid price. The Liquidation Agent or an affiliate of the Liquidation Agent may purchase a Collateral Asset sold as described above. Notwithstanding the foregoing, any Auction shall be conducted in accordance with the auction procedures set forth in the Indenture.

Removal

If the Liquidation Agency Agreement is terminated for any reason or the entity then serving as Liquidation Agent resigns or is removed, the Liquidation Agent Fee owing to such entity will be prorated for any partial periods between Payment Dates and such prorated amount will be due and payable on the first Payment Date following the date of such termination, subject to the priority of payments.

The Liquidation Agent may resign, upon 60 days' (or such shorter notice as is acceptable to the Issuer) written notice to the Issuer, the Trustee and the Rating Agencies. If the Liquidation Agent resigns, the Issuer agrees to use its best efforts to appoint a successor Liquidation Agent, and the effectiveness of such resignation will be conditioned upon the appointment of such successor.

The Liquidation Agent may be removed for "cause" (i) by the Issuer or the Trustee; *provided* that written notice thereof shall have been given to the holders of the Notes and each Rating Agency stating that such termination shall be effective only if directed in writing within 30 days after the date of such notice by the holders of at least a Super Majority of the Subordinated Notes and a Super Majority of the Controlling Class, but excluding in any such calculation any Notes held by the Liquidation Agent or any Notes over which the Liquidation Agent has discretionary voting authority, (ii) in the case of an event described in clause (3) below, by the Issuer or the Trustee upon 10 days' prior written notice to the Liquidation Agent, or (iii) by the holders of at least a Super Majority of the Subordinated Notes and a Super Majority of the Controlling Class, but excluding in any such calculation any Subordinated Notes or Notes held by the Liquidation Agent or any Notes over which the Liquidation Agent has discretionary voting authority, upon 10 days' prior written notice to the Liquidation Agent.

For purposes of determining "cause" with respect to any such termination of the Liquidation Agency Agreement, such term shall mean the occurrence and continuation of any one of the following events: (1) the Liquidation Agent willfully violates, or takes any action that it knows breaches, any provision of the Liquidation Agency Agreement or the Indenture applicable to it; (2) the Liquidation Agent breaches in any material respect any provision of the Liquidation Agency Agreement or any terms of the Indenture applicable to it, which breach (i) has a material adverse effect on the holders of the Notes and (ii) within 30 days of its becoming aware (or receiving notice from the Trustee) of such breach, the Liquidation Agent fails to cure such breach; (3) the Liquidation Agent is wound up or dissolved or there is appointed over it or over all or substantially all of its assets a receiver, administrator, administrative receiver, trustee or similar officer; or the Liquidation Agent (w) ceases to, or admits in writing its inability to, pay its debts as they become due and payable, or makes a general assignment for the benefit of or enters into any composition or arrangement with, its creditors generally; (x) applies for or consents (by admission of material allegations of a petition or otherwise) to the appointment of a receiver, trustee, assignee, custodian, liquidator or sequestrator (or other similar official) of the Liquidation Agent or of all or substantially all of its properties or assets, or authorizes such an application or consent, or proceedings seeking such appointment are commenced without such authorization, consent or application against the Liquidation Agent and continue undismissed for 60 consecutive days; (y) authorizes or files a voluntary petition in bankruptcy, or applies for or consents (by admission of material allegations of a petition or otherwise) to the application of any bankruptcy, reorganization, arrangement, readjustment of debt, insolvency or dissolution, or authorizes such application or consent, or proceedings to such end are instituted against the Liquidation Agent without such authorization, application or consent and are approved as properly instituted and remain undismissed for 60 consecutive days or

result in adjudication of bankruptcy or insolvency; or (z) permits or suffers all or substantially all of its properties or assets to be sequestered or attached by court order and the order remains undismissed for 60 consecutive days; or (4) the Issuer, the Co-Issuer or the Collateral has become required to be registered as an investment company under the provisions of the Investment Company Act, as a result of a material breach by the Liquidation Agent in violation of the Liquidation Agency Agreement. The Liquidation Agent shall notify the Trustee, the Fiscal Agent and the holders of the Subordinated Notes if a "cause" event, or an event which with the giving of notice or the lapse of time (or both) becomes "cause," occurs.

Any resignation or removal of the Liquidation Agent will be effective only upon (i) the appointment by the holders of a Super Majority of the Subordinated Notes (including any Subordinated Notes owned by the Liquidation Agent, any Affiliate of the Liquidation Agent, and any account over which the Liquidation Agent has discretionary authority) (or if such holders fail to make such appointment within 30 days after any such resignation or removal, by the Issuer, as directed by a Super Majority of the Controlling Class) of a successor Liquidation Agent that is an established institution with experience servicing assets similar to the Collateral Assets that (1) has demonstrated an ability to professionally and competently perform duties similar to those imposed upon the Liquidation Agent under the Liquidation Agency Agreement, (2) is legally qualified and has the capacity to act as Liquidation Agent under the Liquidation Agency Agreement as successor to the Liquidation Agent under the Liquidation Agency Agreement, (3) has agreed in writing to assume all of the responsibilities, duties and obligations of the Liquidation Agent under the Liquidation Agency Agreement and under the applicable terms of the Indenture, (4) shall not cause the Issuer, the Co-Issuer or the pool of Collateral Assets to become required to register as an investment company under the Investment Company Act and (5) has been approved by the Issuer, upon the direction of a Majority of each Class of Notes and (ii) satisfaction of the Rating Agency Condition with respect to such appointment. Notwithstanding the foregoing, if no successor has been appointed as aforesaid within 120 days after resignation of the Liquidation Agent, the Liquidation Agent may appoint a successor satisfying the requirements of the Liquidation Agency Agreement without consent of any other party or confirmation by the Rating Agencies. The Issuer, the Trustee and the successor Liquidation Agent shall take such action (or cause the outgoing Liquidation Agent to take such action) consistent with the Liquidation Agency Agreement and the terms of the Indenture applicable to the Liquidation Agent as shall be necessary to effectuate any such succession. If the Liquidation Agent shall resign or be removed but a successor Liquidation Agent shall not have assumed all of the Liquidation Agent's duties and obligations under the Liquidation Agency Agreement within 90 days after such resignation or removal, then the Issuer, the Trustee, any holder of Notes or the resigning or terminated Liquidation Agent may petition any court of competent jurisdiction for the appointment of a successor Liquidation Agent. The compensation payable to a successor Liquidation Agent from payments on the Collateral Assets shall not exceed the compensation payable to the Liquidation Agent under the Liquidation Agency Agreement without the approval of the holders of a Majority of the Aggregate Principal Amount of each Class of Notes.

Any Notes held by the Liquidation Agent or any Notes over which the Liquidation Agent has discretionary voting authority, in each case will have no voting rights with respect to any vote in connection with the removal of the Liquidation Agent or the sale of any Collateral Assets and will be deemed not to be outstanding in connection with any such vote; *provided, however*, that any such Notes will have voting rights and will be deemed outstanding with respect to all other matters as to which holders of Notes are entitled to vote.

The Liquidation Agent may assign the Liquidation Agency Agreement, in whole or in part, to an affiliate of the Liquidation Agent without the consent of the Issuer, any Class of Secured Notes or the Subordinated Notes and without satisfaction of the Rating Agency Condition. In the event of any such assignment, Goldman Sachs & Co. will have no further obligations to the Issuer.

Except for the assignment to an affiliate, the Liquidation Agency Agreement may not be assigned by the Liquidation Agent, in whole or in part, without (i) the prior written consent of the Issuer, (ii) the prior written consent of or affirmative vote by a Majority of the Controlling Class and the holders of a Majority of the Subordinated Notes and (iii) satisfaction of the Rating Agency Condition with respect to such assignment or delegation.

The Liquidation Agency Agreement will terminate when the earliest of the following occurs: (i) the payment in full of the Notes; (ii) the liquidation of the Trust Estate and the final distribution of the proceeds of such

liquidation to the Holders of the Notes or (iii) the termination thereof due to the resignation or removal of the Liquidation Agent in accordance with the Liquidation Agency Agreement.

The Liquidation Agency Agreement may not be amended or modified or any provision thereof waived (other than in connection with an assignment to an affiliate of the Liquidation Agent) except by (i) an instrument in writing signed by the parties thereto, (ii) the prior written consent of a Majority of the Controlling Class and (iii) written confirmation from each Rating Agency to the effect that such amendment, modification or waiver will not cause a qualification, downgrade or withdrawal of its then current ratings of any Class of Notes rated by such Rating Agency unless the holders of 100% of each Class of Notes that would be qualified, reduced or withdrawn due to an amendment, modification or waiver approves such amendment, modification or waiver.

The Liquidation Agent, its affiliates and their respective members, principals, partners, managers, directors, officers, stockholders, partners, agents and employees will not be liable to the Co-Issuers, the Trustee, the Fiscal Agent, the holders of the Notes or any other Person for any losses, claims, damages, demands, charges, judgments, assessments, costs or other liabilities incurred by the Co-Issuers, the Trustee, the Fiscal Agent, the holders of the Notes or any other Person that arise out of or in connection with the performance by the Liquidation Agent of its duties under the Liquidation Agency Agreement or the Indenture, or for any decrease in the value of the Trust Estate; *provided* that the Liquidation Agent shall be subject to liability by reason of acts or omissions of the Liquidation Agent constituting bad faith, willful misconduct or gross negligence in the performance, or reckless disregard, of the obligations of the Liquidation Agent under the Liquidation Agency Agreement and under the terms of the Indenture applicable to the Liquidation Agent; *provided* that in no event shall the Liquidation Agent or any of its affiliates be liable for consequential, special, exemplary or punitive damages. Subject to the priority of payments described herein, the Liquidation Agent will be entitled to indemnification by the Issuer under certain circumstances.

Various potential and actual conflicts of interest may arise from the overall activities of the Liquidation Agent and its affiliates. In certain circumstances, the interests of the Issuer and/or the holders of the Notes with respect to matters as to which the Liquidation Agent is advising the Issuer may conflict with the interests of the Liquidation Agent or its affiliates. See "Risk Factors—Other Considerations—Certain Conflicts of Interest" and "—The Liquidation Agent."

THE ADMINISTRATIVE AGENCY AGREEMENT

General

Investec Bank (UK) Limited ("IBUK") will serve as Administrative Agent for the Issuer (in such capacity, the "Administrative Agent"). The Administrative Agent will (i) review certain aspects of the performance of the Issuer and (ii) be informed by the Issuer, as reasonably requested by the Administrative Agent, of the Issuer's response to requested amendments, waivers, restructuring proposals, consents and similar actions relating to the Transaction Documents, the Collateral Assets or the Eligible Investments. Notwithstanding the appointment of the Administrative Agent, the Administrative Agent shall have no responsibility for, or liability relating to, (a) the performance of the Issuer or any Collateral Asset or Eligible Investment or (b) the liquidation or other disposition of any Collateral Asset or Eligible Investment.

The Administrative Agent

IBUK is a limited liability company incorporated in the United Kingdom with its offices situated at 2 Gresham Street, London EC2V 7QP, United Kingdom. IBUK is a subsidiary of Investec plc, a company incorporated in the United Kingdom and listed on the London Stock Exchange. IBUK is an international specialist banking group that provides a diverse range of financial products and services to a niche client base. IBUK is authorized and regulated by the Financial Services Authority and is a member of the London Stock Exchange. The principal activities of IBUK are Investment Banking and Securities, Treasury and Specialised Finance and Private Banking. Each division focuses on providing specialized products and services to defined target markets. In addition to the United Kingdom, Investec plc, Investec Ltd. (a company incorporated in South Africa) and their respective subsidiaries (the "Investec group of companies") are represented internationally in South Africa, the United States of America, Mauritius, Ireland, Australia, Hong Kong, Channel Islands, Switzerland, Botswana and

Namibia, and has approximately 4,200 employees worldwide. As of September 30, 2005, the market capitalization of the Investec group of companies was GBP 2.6 billion, total shareholders' funds were GBP 1.4 billion and total assets under administration (including on balance sheet assets and assets managed on behalf of third parties) were GBP 46.4 billion.

Financial Products is part of the Treasury and Specialised Finance division of IBUK and has been involved in the structured credit markets since 1998, taking principal risk as well as structuring and distributing products to clients.

The Administrative Agent, its affiliates and its clients are expected to purchase at least 50% of the Aggregate Outstanding Amount of the Subordinated Notes on the Closing Date.

Compensation

As compensation for the performance of its obligations under the Administrative Agency Agreement, the Administrative Agent will be entitled to receive a fee in accordance with the Priority of Payments, payable in arrears on each Payment Date, of 0.01% per annum (the "Administrative Agent Fee") times the Aggregate Principal Amount, measured as of the beginning of the Due Period preceding such Payment Date.

If amounts distributable on any Payment Date in accordance with the Priority of Payments are insufficient to pay the Administrative Agent Fee in full, then the shortfall will be deferred and will be payable on subsequent Payment Dates on which funds are available therefore according to the Priority of Payments. Any interest due on the amounts so deferred will be payable in the same order of priority as the Administrative Agent Fee and will accrue interest at a rate equal to LIBOR.

The Administrative Agent Fee will be calculated on the basis of a 360 day year consisting of twelve 30-day months. All fees payable to the Administrative Agent on a Payment Date are subject to payment only in accordance with the Priority of Payments.

The Administrative Agent may, at its election and upon notice to the Issuer and the Trustee, direct for a predetermined period of time that all or a portion of the amount that is due to it as the Administrative Agent Fee be paid directly to a third party; *provided*, that the Administrative Agent will not (unless it is assigning all of its rights and obligations in accordance with the Indenture and the Administrative Agency Agreement) be relieved of any of its duties under the Administrative Agency Agreement or the Indenture as a result of the redirection of its right to receive all or a portion of the Administrative Agent Fee.

Termination

The Administrative Agent may terminate the Administrative Agency Agreement without the payment of any penalty, upon not less than thirty (30) days' prior written notice to the Issuer; *provided, however*, that such notice may be waived by the Issuer. The Administrative Agent may also terminate the Administrative Agency Agreement without the payment of any penalty, upon not less than ten (10) days' prior written notice to the Issuer in the event of a material breach by the Issuer of any of its obligations under the Administrative Agency Agreement. The Administrative Agent may not be removed nor may the Administrative Agency Agreement be terminated, in each case by the Issuer, under the terms of the Administrative Agency Agreement; *provided, however*, that the Administrative Agency Agreement shall terminate upon the redemption of all of the Notes.

THE ISSUERS

General

The Issuer was incorporated on August 17, 2005 in the Cayman Islands with the registered number 153552. The registered office of the Issuer is at the offices of Maples Finance Limited, P.O. Box 1093GT, Queensgate House, South Church Street, George Town, Grand Cayman, Cayman Islands. Maples Finance Limited's telephone number is (345) 945-7099. The Issuer has no prior operating history. The Issuer's Memorandum of Association

sets out the objects of the Issuer, which include the business to be carried out by the Issuer in connection with the Notes.

The Co-Issuer was incorporated on March 8, 2006 under the laws of the State of Delaware with the registered number 4122546. The registered office of the Co-Issuer is at Donald J. Puglisi, Puglisi & Associates, 850 Library Avenue, Suite 204, Newark, Delaware, 19711. The Co-Issuer's telephone number is (302) 738-6680. The Co-Issuer has no prior operating history. Article 3 of the Co-Issuer's Certificate of Incorporation sets out the purposes of the Co-Issuer, which include the business to be carried out by the Co-Issuer in connection with the issuance of the Secured Notes (other than the Class E Notes).

The Secured Notes (other than the Class E Notes) are obligations only of the Issuers, and the Class E Notes and Subordinated Notes are obligations only of the Issuer, and not of the Trustee, the Liquidation Agent, the Administrative Agent, the Initial Purchasers, the Administrator, the Agents, the Share Trustee or any directors, managers or officers of the Issuers or any of their respective affiliates.

The authorized share capital of the Issuer consists of 250 ordinary shares, U.S.$1.00 par value per share (the "Issuer Ordinary Shares"). All of the Issuer Ordinary Shares will be issued on or prior to the Closing Date. All of the outstanding Issuer Ordinary Shares will be held by the Share Trustee pursuant to the terms of a declaration of trust for the benefit of charitable and similar purposes. All of the outstanding common equity of the Co-Issuer will be held by the Share Trustee under the terms of the charitable trust which holds the Issuer Ordinary Shares. For so long as any of the Notes are outstanding, no beneficial interest in the ordinary shares of the Issuer or of the common equity of the Co-Issuer shall be registered to a U.S. Person.

Capitalization of the Issuer

The initial proposed capitalization of the Issuer as of the Closing Date after giving effect to the issuance of the Notes and the Issuer Ordinary Shares and entry into the Hedge Agreement before deducting expenses of the offering of the Notes is as set forth below.

	Amount
Class S Notes	$4,000,000
Class A-1 Notes	$1,275,000,000
Class A-2 Notes	$127,000,000
Class B Notes	$50,000,000
Class C Notes	$21,000,000
Class D Notes	$17,000,000
Class E Notes	$4,000,000
Subordinated Notes	$6,000,000
Total Debt	$1,504,000,000
Issuer Ordinary Shares	250
Total Equity	$250
Total Capitalization	$1,504,000,250

Capitalization of the Co-Issuer

The Co-Issuer will be capitalized only to the extent of its common equity of U.S.$10, will have no assets other than its equity capital and will have no debt other than as Co-Issuer of the Secured Notes (other than the Class E Notes). The Co-Issuer has agreed to co-issue the Secured Notes (other than the Class E Notes) as an accommodation to the Issuer, and the Co-Issuer is receiving no remuneration for so acting. Because the Co-Issuer has no assets, and is not permitted to have any assets, Holders of Notes will not be able to exercise their rights

against any assets of the Co-Issuer. Holders of Secured Notes must rely on the Collateral held by the Issuer and pledged to the Trustee for payment on their respective Secured Notes in accordance with the Priority of Payments.

Flow of funds

The approximate flow of funds of the Issuer from the gross proceeds of the offering of the Notes on the Closing Date is as set forth below:

Gross Proceeds	
Class S Notes	$4,000,000
Class A-1 Notes	$1,275,000,000
Class A-2 Notes	$127,000,000
Class B Notes	$50,000,000
Class C Notes	$21,000,000
Class D Notes	$17,000,000
Class E Notes	$4,000,000
Subordinated Notes	$6,000,000
Total:	$1,504,000,000
Expenses	
Third Party Expenses	$6,600,000
Goldman, Sachs & Co.	$4,600,000
Expense Reserve Accounts	$200,000
Total:	$11,400,000
Collateral Assets	
Net Proceeds	$1,492,600,000
Par Value of Collateral Assets	$1,500,000,000
Clean Price of Collateral Assets*	$1,490,800,000
Purchase Accrued Interest on Collateral Assets	$1,800,000
Total: Approximately 99.5%	

*Synthetic Securities are Collateral with cash Collateral Assets.

Business

The Issuers will not undertake any business other than the issuance of the Secured Notes (other than the Class E Notes) and, in the case of the Issuer, the issuance of the Subordinated Notes and the Class E Notes, the acquisition and management of the Collateral and, in each case, other related transactions. Neither of the Issuers will have any subsidiaries other than the Co-Issuer in the case of the Issuer.

The Administrator will act as the administrator of the Issuer. The office of the Administrator will serve as the general business office of the Issuer. Through this office and pursuant to the terms of an agreement to be dated on or about the Closing Date by and between the Administrator and the Issuer (the "Administration Agreement"), the Administrator will perform various management functions on behalf of the Issuer, including communications with shareholders and the general public, and the provision of certain clerical, administrative and other services until termination of the Administration Agreement. In consideration of the foregoing, the Administrator will receive various fees and other charges payable by the Issuer at rates agreed upon from time to time plus expenses. The

directors of the Issuer listed below are also officers and/or employees of the Administrator and may be contacted at the address of the Administrator.

The Administrator will be subject to the overview of the Issuer's Board of Directors. The Administration Agreement may be terminated by either the Issuer or the Administrator upon 30 days' written notice.

The Administrator's principal office is: Maples Finance Limited, P.O. Box 1093GT, Queensgate House, South Church Street, George Town, Grand Cayman, Cayman Islands.

Directors

The Directors of the Issuer are: Phillipa White, Wendy Ebanks and Steven O'Connor, each having an address at Maples Finance Limited, P.O. Box 1093GT, Queensgate House, South Church Street, George Town, Grand Cayman, Cayman Islands.

The director of the Co-Issuer is Donald Puglisi who may be contacted at the address of the Co-Issuer.

INCOME TAX CONSIDERATIONS

Circular 230

Any discussion of U.S. federal tax matters set forth in this Offering Circular was written in connection with the promotion and marketing by the Issuer and Initial Purchasers of the Notes (as defined herein). Such discussion was not intended or written to be legal or tax advice to any person and was not intended or written to be used, and it cannot be used, by any person for the purpose of avoiding any U.S. federal tax penalties that may be imposed on such person. Each investor should seek advice based on its particular circumstances from an independent tax advisor.

United States Tax Considerations

The following is a summary of certain of the United States federal income tax consequences of an investment in the Notes by purchasers that acquire their Notes in their initial offering. The discussion and the opinions referenced below are based upon laws, regulations, rulings and decisions currently in effect, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the Internal Revenue Service (the "IRS") with respect to any of the United States federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following summary does not deal with all United States federal income tax consequences applicable to any given investor; nor does it address (except, in some instances, in very general terms) the United States federal income tax considerations applicable to all categories of investors, some of which may be subject to special rules, such as Non-U.S. Holders (defined below), banks, regulated investment companies, real estate investment trusts, insurance companies, tax-exempt organizations, dealers in securities or currencies, electing large partnerships, natural persons, cash method taxpayers, S corporations, estates and trusts, investors that hold the Notes as part of a hedge, straddle, or an integrated or conversion transaction, or investors whose "functional currency" is not the United States dollar. Furthermore, it does not address alternative minimum tax consequences or the indirect effects on the investors of equity interests in either a U.S. Holder (defined below) or a Non-U.S. Holder. In addition, this summary is generally limited to investors that will hold the Notes as "capital assets" within the meaning of section 1221 of the Internal Revenue Code 1986 (the "Code"). Investors should consult their own tax advisors to determine the United States federal, state, local and other tax consequences of the purchase, ownership and disposition of the Notes.

As used herein, "U.S. Holder" means any holder (or beneficial holder) of a Note that is an individual citizen or resident of the United States for U.S. federal income tax purposes, a corporation or partnership or other entity treated as a corporation or partnership for U.S. federal income tax purposes created or organized in or under

the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust for which a court within the United States is able to exercise primary supervision over its administration and for which one or more U.S. persons (as defined in the Code) have the authority to control all of its substantial decisions or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust. If a partnership holds the Notes, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. Partners of partnerships holding the Notes should consult their own tax advisors. "Non-U.S. Holder" means any holder (or beneficial holder) of a Security that is not a U.S. Holder.

U.S. Federal Income Tax Consequences to the Issuer

Upon the issuance of the Notes, Sidley Austin LLP, special U.S. tax counsel to the Issuer, will deliver an opinion generally to the effect that under current law, and assuming compliance with the Indenture (and certain other documents) and based on certain factual representations made by the Issuer and/or GS&Co., although the matter is not free from doubt, the Issuer will not be engaged in the conduct of a trade or business in the United States. Accordingly, the Issuer does not expect to be subject to net income taxation in the United States. Prospective investors should be aware that opinions of counsel are not binding on the IRS and there can be no absolute assurance that the IRS will not seek to treat the Issuer as engaged in a United States trade or business. If the IRS were to successfully characterize the Issuer as engaged in such a trade or business, among other consequences, the Issuer would be subject to net income taxation in the United States (as well as the branch profits tax) on its income that is effectively connected to such United States trade or business. The levying of such taxes would materially affect the Issuer's financial ability to pay principal and interest on the Notes.

The Issuer intends to acquire Collateral Assets the interest on which, and any gain from the sale or disposition thereof, is expected not to be subject to United States federal withholding tax or withholding tax imposed by other countries (unless subject to being "grossed up"). The Issuer will not, however, make any independent investigation of the circumstances surrounding the issuance of the individual assets comprising the Collateral Assets and thus there can be no absolute assurance that in every case payments will be received free of withholding tax. If the Issuer is a CFC (defined below), the Issuer would incur U.S. withholding tax on interest received from a related United States person. Under current law, payments received on the Hedge Agreements are not subject to U.S. federal withholding tax.

In addition, it is not expected that the Issuer will derive material amounts of any other items of income that would be subject to United States withholding taxes.

If withholding or deduction of any taxes from payments is required by law in any jurisdiction, the Issuer shall be under no obligation to make any additional payments to the holders of any Notes in respect of such withholding or deduction.

Notwithstanding the foregoing, any commitment or facility fee (or other similar fee) that the Issuer earns may be subject to a 30% withholding tax.

Classification and Tax Treatment of the Secured Notes. The Issuer has agreed and, by its acceptance of a Secured Note, each such Noteholder will be deemed to have agreed, to treat each of the Secured Notes as debt of the Issuer for U.S. federal income tax purposes except to the extent such a Noteholder makes a protective QEF election (described below). On the Closing Date, Sidley Austin LLP will deliver an opinion generally to the effect that assuming compliance with Indenture (and certain other documents) and based on certain factual representations made by the Issuer and GS&Co. the Class S Notes, the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes and the Class D Notes will be, and the Class E Notes should be, characterized as debt of the Issuer for U.S. federal income tax purposes. 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 Class of Secured Notes as other than indebtedness. Except as provided under "—Alternative Characterization of the Secured Notes" below, the balance of this discussion assumes that the Secured Notes will be characterized as debt of the Issuer for federal income tax purposes.

For U.S. federal income tax purposes, the Issuer of the Secured Notes, and not the Co-Issuer, will be treated as the issuer of the Secured Notes.

Subject to the following paragraph, U.S. Holders of the Secured Notes will include payments of stated interest received on the Secured Notes in income in accordance with their method of tax accounting as ordinary interest income.

While not absolutely certain, it appears that the Class C Notes, the Class D Notes and the Class E Notes will be issued with original issue discount ("OID", and such a Note, an "OID Note") because interest payments on such Notes ("OID interest payments") may not be considered to be unconditionally payable (a requisite for interest to not constitute OID) since they will be deferred in the event that certain overcollateralization tests are not met and failure to pay interest will not, in certain circumstances, be an event of default. A U.S. Holder of an OID Note will be required to include OID in gross income as it accrues under a constant yield method, based on the original yield to maturity of the Note. Thus, the U.S. Holder of an OID Note will be required to include original issue discount in income as it accrues, prior to the receipt of the cash attributable to such income. U.S. Holders, however, would be entitled to claim a loss upon maturity or other disposition of an OID Note with respect to interest amounts accrued and included in gross income for which cash is not received. Such a loss generally would be a capital loss.

Although there can be no assurance, the Secured Notes should not be "contingent payment debt instruments" ("CPDIs") within the meaning of Treasury Regulation section 1.1275-4, effective for debt instruments issued after August 12, 1996. If any Class of Notes were considered such instruments, among other consequences, gain on the sale of such Notes that might otherwise be capital gain would be ordinary income. Prospective investors should consult their own tax advisors regarding the possible characterization of the Notes as CPDIs.

The Secured Notes may be 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 accrual of original issue discount, market discount and bond premium apply to debt instruments described in section 1272(a)(6). Further, those debt instruments may not be part of an integrated transaction with a related hedge under Treasury Regulation § 1.1275-6. Prospective investors should consult with their own tax advisors regarding the effects of section 1272(a)(6).

In general, a U.S. Holder of a Secured Note will have a tax basis in such Note equal to the cost of such Note increased by any market discount includible in income by such U.S. Holder and reduced by any amortized premium and any principal payments and any OID interest payments. Upon a sale, exchange or other disposition of a Secured Note (including redemption or retirement), a U.S. Holder will generally recognize gain or loss equal to the difference between the amount realized on the sale, exchange or other disposition (less any accrued and unpaid interest, which would be taxable as such) and the U.S. Holder's tax basis in such Secured Note. Such gain or loss generally will be long term capital gain or loss if the U.S. Holder held the 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.

Alternative Characterization of the Secured Notes. U.S. Holders should recognize that there is some uncertainty regarding the appropriate classification of instruments such as the Secured Notes. It is possible, for example, that the IRS may contend that a class of Secured Notes should be treated as equity interests (or as part debt, part equity) in the Issuer. Such a recharacterization might result in material adverse tax consequences to U.S. Holders. If U.S. Holders of Secured Notes were treated as owning equity interests in the Issuer, the U.S. federal income tax consequences to U.S. Holders of such recharacterized Notes would be as described under "—United States Tax Treatment of Holders of Subordinated Notes." In addition, in order to avoid one application of the PFIC rules, each U.S. Holder should consider making a qualified electing fund election (the "QEF election") provided in section 1295 of the Code on a "protective" basis (although such protective election may not be respected by the IRS because current regulations do not specifically authorize that particular election). See "—United States Tax Treatment of Holders of Subordinated Notes—Status of the Issuer as a PFIC" and "—QEF Election."

Information Reporting Requirements. Under United States federal income tax law and regulations, certain categories of U.S. Holders must file information returns with respect to their investment in, or involvement in, a foreign corporation. These reporting requirements apply to both taxable and tax-exempt U.S. Holders. Penalties for failure to file certain of these information returns are severe. Purchasers of the Secured Notes should consult with their own tax advisors regarding the necessity of filing information returns.

If requested by the Issuer, each Holder will be required to provide the Issuer with the name and status of each beneficial owner of a Secured Note that is a U.S. Holder.

Prospective investors should consult with their own tax advisors with respect to whether they are required to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

Non-U.S. Holders

A Non-U.S. Holder of a Secured Note that has no connection with the United States will not be subject to U.S. withholding tax on interest payments. Non-U.S. Holders may be required to make certain tax representations regarding the identity of the beneficial owner of the Notes in order to receive payments free of withholding.

United States Tax Treatment of Holders of Subordinated Notes

General. Prospective investors of the Subordinated Notes should not rely on this summary only and should consult their own tax advisors regarding alternative characterizations of the Subordinated Notes and the consequences of their acquiring, holding, and disposing of the Subordinated Notes, including the possibility that the Subordinated Notes will be treated as contingent payment debt instruments. Subject to the anti-deferral rules discussed below, payments on Subordinated Notes paid by the Issuer to a U.S. Holder that is subject to United States federal income tax will be taxable to such U.S. Holder as a payment to the extent of the current and accumulated earnings and profits of the Issuer. Dividends will not be eligible for the dividends received deduction allowable to corporations. Distributions in excess of earnings and profits will be non-taxable to the extent of, and will be applied against and reduce, the U.S. Holder's adjusted tax basis in the Subordinated Notes. Distributions in excess of earnings and profits and the U.S. Holder's tax basis will be taxable as gain from the sale or exchange of property.

The tax consequences discussed in the second preceding paragraph are likely to be materially modified by the anti-deferral rules discussed below. In general, each U.S. Holder's investment in the Issuer will be taxed as an investment in a "passive foreign investment company" ("PFIC"). In addition, each U.S. Holder's investment in the Issuer may be taxed as an investment in a CFC, depending (in part) upon the percentage of the Issuer's equity that is acquired and held by certain U.S. Holders. If applicable, the rules pertaining to CFCs generally override those pertaining to PFICs (although, in certain circumstances, more than one set of rules may be applicable simultaneously).

Prospective investors should be aware that in determining what percentage of the equity of the Issuer is held by various categories of investors (for example, for purposes of the CFC and information reporting rules described below), the Liquidation Agent's and the Administrative Agent's interest in certain portions of its fee and certain classes of Secured Notes may be considered equity (and might be considered voting equity).

Prospective investors should be aware that the Issuer's income that is allocated to holders (under the QEF rules as well as under the CFC rules discussed below) will not necessarily bear any particular relationship in any year to the amount of cash that is distributed on the Subordinated Notes and in any given year may be substantially greater. Such an excess will arise, among other circumstances, when Collateral Assets are purchased at a discount, or interest or other income on the Collateral Assets (which is included in gross income) is used to acquire other Collateral Assets or to repay principal on the Secured Notes (which does not give rise to a deduction).

Status of the Issuer as a PFIC. The Issuer will be treated as a "passive foreign investment company" or "PFIC" for United States federal income tax purposes. U.S. Holders in PFICs, other than U.S. Holders that make a timely "qualified electing fund" or "QEF" election described below, are subject to special rules for the taxation of "excess distributions" (which include both certain distributions by a PFIC and any gain recognized on a disposition

of PFIC stock). In general, section 1291 of the Code provides that the amount of any "excess distribution" will be allocated to each day of the U.S. Holder's holding period for its PFIC stock. The amount allocated to the current year will be included in the U.S. Holder's gross income for the current year as ordinary income. With respect to amounts allocated to prior years, the tax imposed for the current year will be increased by the "deferred tax amount" (an amount calculated with respect to each prior year by multiplying the amount allocated to such year by the highest rate of tax in effect for such year, together with an interest charge, as though the amounts of tax were overdue).

An excess distribution is the amount by which distributions for a taxable year exceed 125 percent of the average distribution in respect of the Subordinated Notes during the three preceding taxable years (or, if shorter, the investor's holding period for the Subordinated Notes). As indicated above, any gain recognized upon disposition (or deemed disposition) of the Subordinated Notes will be treated as an excess distribution and taxed as described above (i.e., not be taxable as capital gain). For this purpose, a U.S. Holder that uses a Subordinated Note as security for an obligation may be treated as having disposed of the Subordinated Note.

QEF Election. If a U.S. Holder (including certain U.S. Holders indirectly owning Subordinated Notes) makes the qualified electing fund election (the "QEF election") provided in section 1295 of the Code, the U.S. Holder will be required to include its *pro rata* share of the Issuer's ordinary income and net capital gains (unreduced by any prior year losses) in income (as ordinary income and long-term capital gain, respectively) for each taxable year and pay tax thereon even if such income and gain is not distributed to the U.S. Holder by the Issuer. In addition, any losses of the Issuer will not be deductible by such U.S. Holder. A U.S. Holder that makes the QEF election, may, however (in general) elect to defer the payment of tax on undistributed income (until such income is distributed or the Subordinated Note is transferred), *provided* it agrees to pay interest on such deferred tax liability. For this purpose, a U.S. Holder that uses a Subordinated Note as security for an obligation may be treated as having transferred such Subordinated Note. If the Issuer later distributes the income or gain on which the U.S. Holder has already paid taxes, amounts so distributed to the U.S. Holder will not be further taxable to the U.S. Holder. A U.S. Holder's tax basis in the Subordinated Notes will be increased by the amount included in such U.S. Holder's income and decreased by the amount of nontaxable distributions. In general, a U.S. Holder making the QEF Election will recognize, on the disposition of the Subordinated Notes, capital gain or loss equal to the difference, if any, between the amount realized upon such disposition (including redemption or retirement) and its adjusted tax basis in such Subordinated Notes. Such gain or loss generally will be long term capital gain or loss if the U.S. Holder held the Subordinated 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.

In general, a QEF election should be made on or before the due date for filing a U.S. Holder's federal income tax return for the first taxable year for which it held a Subordinated Note.

The QEF election is effective only if certain required information is made available by the Issuer to the IRS. The Issuer will undertake to comply with the IRS information requirements necessary to be a QEF, which will permit U.S. holders to make the QEF election. Nonetheless, there can be no absolute assurance that such information will always be available or presented.

Where a QEF election is not timely made by a U.S. Holder for the year in which it acquired its Subordinated Notes, but is made for a later year, the excess distribution rules can be avoided by making an election to recognize gain from a deemed sale of the Subordinated Notes at the time when the QEF election becomes effective.

A U.S. Holder should consult its own tax advisors regarding whether it should make a QEF election (and, if it failed to make an initial election, whether it should make an election in a subsequent taxable year).

Status of the Issuer as a CFC. U.S. tax law also contains special provisions dealing with controlled foreign corporations ("CFC"). A U.S. holder (or any other holder of an interest treated as voting equity in the foreign corporation that would meet the definition of U.S. Holders but for the fact that such holder does not hold Subordinated Notes) that owns (directly or indirectly) at least 10 percent of the voting stock of a foreign corporation, the U.S. Holder is considered a "U.S. Shareholder" with respect to the foreign corporation. If U.S. Shareholders in

the aggregate own (directly or indirectly) more than 50% of the voting power or value of the stock of such corporation, the foreign corporation will be classified as a CFC. Complex attribution rules apply for purposes of determining ownership of stock in a foreign corporation such as the Issuer.

If the Issuer is classified as a CFC, a U.S. Shareholder (and possibly any U.S. Holder that is a direct or indirect holder of a grantor trust that is considered to be a U.S. Shareholder) that is a shareholder of the Issuer as of the end of the Issuer's taxable year generally would be subject to current U.S. tax on the income of the Issuer, regardless of cash distributions from the Issuer. Earnings subject to tax generally as income of the U.S. Holder generally will not be taxed again when they are distributed to the U.S. Holder. In addition, income that would otherwise be characterized as capital gain and gain on the sale of the CFC's stock by a U.S. Shareholder (during the period that the corporation is a CFC and thereafter for a five-year period) would be classified in whole or in part as dividend income.

Certain income generated by a corporation conducting a banking, financing, insurance, or other similar business would not be includible in a holder's income under the CFC rules. However, each holder of a Subordinated Note will agree, by its acquisition of the Subordinated Notes, not to take the position that the Issuer is engaged in such a business. Accordingly, if the CFC rules apply, a U.S. Shareholder would generally be subject to tax on its share of all of the Issuer's income.

Information Reporting. In general, U.S. Holders that acquire any Subordinated Notes (or any Class of Notes recharacterized as equity in the Issuer) for cash may be required to file an IRS Form 926 with the IRS and to supply certain additional information to the IRS if (i) such U.S. Holder owns (directly or indirectly) immediately after the transfer, at least 10% by vote or value of the Issuer or (ii) the transfer when aggregated with all related transfers under applicable regulations, exceeds U.S.$100,000. In the event a U.S. Holder that is required to file such form fails to file such form, the U.S. Holder could be subject to a penalty of up to U.S.$100,000 (computed as 10% of the gross amount paid for the Subordinated Notes) or more if the failure to file was due to intentional disregard of its obligation). Other important information reporting requirements apply to persons that acquire 10% or more of a foreign corporation's equity.

Prospective investors should consult with their own tax advisors with respect to whether they are required to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

Tax-Exempt Investors. Special considerations apply to pension plans and other investors ("Tax-Exempt Investors") that are subject to tax only on their "unrelated business taxable income" ("UBTI"). A Tax-Exempt Investor's income from an investment in the Issuer generally should not be treated as resulting in UBTI under current law, so long as such investor's acquisition of stock in the Issuer is not debt-financed, and such investor does not own more than 50% of the Issuer's equity (here, the Subordinated Notes and any Class of Secured Notes (if any) that is recharacterized as equity).

Tax-Exempt Investors should consult their own tax advisors regarding an investment in the Issuer.

Taxation of Non-U.S. Holders. Dividends on, and gain from the sale, exchange or redemption of, Subordinated Notes generally should not be subject to United States federal income tax in the hands of a Non-U.S. Holder that has no connection with the United States other than the holding of the Subordinated Notes.

Cayman Islands Tax Considerations

The following discussion of certain Cayman Islands income tax consequences of an investment in the Notes is based on the advice of Maples and Calder as to Cayman Islands law. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It assumes that the Issuer will conduct its affairs in accordance with assumptions made by, and representations made to, counsel. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

Under existing Cayman Islands laws:

(i) payments of principal and interest in respect of the Notes will not be subject to taxation in the Cayman Islands and no withholding will be required on such payments to any Holder of a Note and gains derived from the sale of Notes will not be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax; and

(ii) No stamp duty is payable in respect of the issue of the Notes. The Notes themselves will be stampable if they are executed in or brought into the Cayman Islands. An instrument of transfer in respect of a Note is stampable if executed in or brought into the Cayman Islands.

The Issuer has been incorporated under the laws of the Cayman Islands as an exempted company and, as such, has applied for and obtained an undertaking from the Governor In Cabinet of the Cayman Islands in the following form:

THE TAX CONCESSIONS LAW
(1999 REVISION)
UNDERTAKING AS TO TAX CONCESSIONS

In accordance with Section 6 of the Tax Concessions Law (1999 Revision) the Governor in Cabinet undertakes with Hout Bay 2006-1 Ltd. (the "Company"):

(a) that no law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and

(b) in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable

(i) on or in respect of the shares, debentures or other obligations of the Company; or

(ii) by way of the withholding in whole or in part of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (1999 Revision).

These concessions shall be for a period of thirty years from the 14th day of March, 2006.

ERISA CONSIDERATIONS

The United States Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) subject to Title I of ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, "ERISA Plans"), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing such 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 above under "Risk Factors" and the fact that in the future there may be no market in which such fiduciary will be able to sell or otherwise dispose of the Notes.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts (together with ERISA Plans, "Plans")) and certain persons (referred to as "parties in interest" under ERISA or "disqualified persons" under the Code (collectively, "Parties in Interest")) having certain relationships to such Plans, unless a statutory, regulatory or administrative exemption is applicable to

the transaction. A Party in Interest 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 United States Department of Labor ("DOL") has promulgated a regulation, 29 C.F.R. Section 2510.3-101 (the "Plan Asset Regulation"), describing what constitutes the assets of a Plan ("Plan Assets") with respect to the Plan's investment in an entity for purposes of applying ERISA and Section 4975 of the Code. Under the Plan Asset Regulation, if a Plan invests in an "equity interest" of an entity that is neither a "publicly offered Security" nor a security issued by an investment company registered under the Investment Company Act, the Plan's assets include both the equity interest and an undivided interest in each of the entity's underlying assets, unless it is established that the entity is an "operating company" or that equity participation in the entity by Benefit Plan Investors is not "significant."

Prohibited transactions may arise under Section 406 of ERISA or Section 4975 of the Code if Notes are acquired with Plan Assets with respect to which the Issuers, the Initial Purchasers, the Liquidation Agent, the Administrative Agent, the Trustee, the Fiscal Agent or any of their respective affiliates, is a Party in Interest. 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 Security and the circumstances under which such decision is made. Included among these exemptions are: DOL Prohibited Transaction Class Exemption ("PTCE") 96-23, regarding transactions effected by "in-house asset managers"; PTCE 95-60, regarding investments by insurance company general accounts; PTCE 91-38, regarding investments by bank collective investment funds; PTCE 90-1, regarding investments by insurance company pooled separate accounts; and PTCE 84-14, regarding transactions effected by "qualified professional asset managers." There can be no assurance that any class or other exemption will be available with respect to any particular transaction involving the Notes, or that, if available, the exemption would cover all possible prohibited transactions.

Governmental plans and certain church and other plans, while not necessarily subject to the fiduciary responsibility provisions of ERISA or the provisions of Section 4975 of the Code, may nevertheless be subject to state or other federal laws that are substantially similar to the foregoing provisions of ERISA and the Code. Fiduciaries of any such plans should consult with their counsel before purchasing any Notes.

Any insurance company proposing to invest assets of its general account in the Notes should consider the extent to which such investment would be subject to the requirements of ERISA 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. In particular, such an insurance company should consider the retroactive and prospective exemptive relief granted by the DOL for transactions involving insurance company general accounts in PTCE 95-60 and the regulations issued by the DOL, 29 C.F.R. Section 2550.401c-1 (January 5, 2000). Certain additional information regarding general accounts is set forth below.

Any Plan fiduciary or other person who proposes to use Plan Assets to purchase any Notes should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such an investment, and to confirm that such investment will not constitute or result in a non-exempt prohibited transaction or any other violation of an applicable requirement of ERISA.

The sale of any Security to a Plan, or to a person using Plan Assets to effect its purchase of any Security, is in no respect a representation by the Issuers, the Initial Purchasers, the Liquidation Agent, the Administrative Agent, the Trustee or the Fiscal Agent 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.

Class S Notes, Class A Notes, Class B Notes, Class C Notes and Class D Notes

For purposes of the Plan Asset Regulation, an equity interest includes 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. Because the Secured Notes (other than the Class E Notes) (a) are expected to be treated as indebtedness under local law and for federal tax purposes (see "Income Tax Considerations" herein), and (b) should not be deemed to have any "substantial equity features," purchases of the Secured Notes (other than the Class E Notes) with Plan Assets

should not be treated as equity investments and, therefore, the Collateral Assets should not be deemed to be Plan Assets of the investing Plans. Those conclusions are based, in part, upon the traditional debt features of the Secured Notes (other than the Class E Notes), including the reasonable expectation of purchasers of the Secured Notes (other than the Class E Notes) that the Secured Notes (other than the Class E Notes) will be repaid when due, as well as the absence of conversion rights, warrants and other typical equity features. However, if the Secured Notes (other than the Class E Notes) were nevertheless treated as equity interests for purposes of the Plan Asset Regulation and if the assets of the Issuers were deemed to constitute Plan Assets of an investing Plan, (i) transactions involving the assets of the Issuers could be subject to the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code, (ii) the assets of the Issuers could be subject to ERISA's reporting and disclosure requirements, and (iii) the fiduciary causing the Plan to make an investment in the Notes could be deemed to have delegated its responsibility to manage Plan Assets.

By its purchase of any Class S Note, Class A Note, Class B Note, Class C Note or Class D Note, the purchaser thereof will be deemed to have represented and warranted either that (i) it is not and will not be a Plan or an entity whose underlying assets include Plan Assets by reason of any Plan's investment in the entity, or an employee benefit plan which is subject to any federal, state, local or foreign law ("Similar Law") that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code; or (ii) its purchase and holding of a Class S Note, Class A Note, Class B Note, Class C Note or Class D Note are eligible for the exemptive relief available under PTCE 84-14, 90-1, 91-38, 95-60, 96-23 or a similar exemption or, in the case of a plan subject to Similar Law, do not and will not constitute or result in a prohibited transaction under Similar Law for which an exemption is not available.

Class E Notes and Subordinated Notes

Equity participation in an entity by Benefit Plan Investors is "significant" under the Plan Asset Regulation (see above) if 25% or more of the value of any class of equity interest in the entity is held by Benefit Plan Investors. If equity participation in either Issuer by Benefit Plan Investors is "significant," the assets of such Issuer could be deemed to be Plan Assets of Plans investing in the equity. If the assets of either Issuer were deemed to constitute Plan Assets of an investing Plan, (i) transactions involving the assets of such Issuer could be subject to the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code, (ii) the assets of the Issuer could be subject to ERISA's reporting and disclosure requirements, and (iii) the fiduciary causing the Plan to make an equity investment in the Issuer could be deemed to have delegated its responsibility to manage Plan Assets. The term "Benefit Plan Investor" includes (i) an employee benefit plan (as defined in Section 3(3) of ERISA) whether or not it is subject to the provisions of Title I of ERISA, (ii) a plan described in Section 4975(e)(1) of the Code and (iii) any entity whose underlying assets include Plan Assets by reason of any such plan's investment in the entity. For purposes of making the 25% determination, the value of any equity interests in the Issuer held by a person (other than a Benefit Plan Investor) who has discretionary authority or control with respect to the assets of the Issuer, any person who provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of such a person (any of the foregoing, a "Controlling Person"), are disregarded. Under the Plan Asset Regulation, an "affiliate" of a person includes any person, directly or indirectly through one or more intermediaries, controlling, controlled by or under common control with the person, and "control" with respect to a person, other than an individual, means the power to exercise a controlling influence over the management or policies of such person.

The Subordinated Notes will be equity interests for purposes of applying ERISA and Section 4975 of the Code. Because the Class E Notes may be deemed to have "substantial equity features," the Class E Notes may be deemed to constitute equity interests for such purposes. Accordingly, purchases and transfers of Class E Notes and Subordinated Notes will be limited, so that less than 25% of the value of both all Class E Notes and all the Subordinated Notes will be held by Benefit Plan Investors, by requiring each purchaser or transferee of a Class E Note (other than a Regulation S Class E Note) or Subordinated Note (other than a Regulation S Subordinated Note) to make, or, in the case of a Regulation S Class E Note or a Regulation S Subordinated Note, to be deemed to have made, certain representations and agree to additional transfer restrictions described under "Notice to Investors." No purchase of a Class E Note or a Subordinated Note by, or proposed transfer to, a person that has represented that it is a Benefit Plan Investor or a Controlling Person will be permitted to the extent that such purchase or transfer would result in persons that have represented that they are Benefit Plan Investors owning 25% or more of the outstanding Class E Notes or Subordinated Notes immediately after such purchase or proposed transfer (determined in

accordance with the Plan Asset Regulation and the Indenture and the Fiscal Agency Agreement), based upon the representations made by investors. In addition, the Initial Purchasers, the Liquidation Agent, the Administrative Agent, the Trustee and the Fiscal Agent agree that neither they nor any of their respective affiliates will acquire any Class E Notes or Subordinated Notes unless such acquisition would not, as determined by the Trustee or the Fiscal Agent, result in persons that have acquired Class E Notes or Subordinated Notes and represented that they are Benefit Plan Investors owning 25% or more of the outstanding Class E Notes or Subordinated Notes immediately after such acquisition by either Initial Purchaser, the Liquidation Agent, the Administrative Agent, the Trustee or the Fiscal Agent. Class E Notes and Subordinated Notes held as principal by either Initial Purchaser, the Liquidation Agent, the Administrative Agent, the Trustee, the Fiscal Agent, any of their respective affiliates and persons that have represented that they are Controlling Persons will be disregarded and will not be treated as outstanding for purposes of determining compliance with the 25% limitation to the extent that such a Controlling Person is not a Benefit Plan Investor. Any Benefit Plan Investor that acquires Class E Notes (other than the Regulation S Class E Notes) or Subordinated Notes (other than the Regulation S Subordinated Notes) will be required to represent and agree or in the case of the Regulation S Class E Notes or the Regulation S Subordinated Notes, will be deemed to have represented and agreed, that the acquisition and holding of the Class E Notes or Subordinated Notes do not and will not constitute a prohibited transaction under ERISA or Section 4975 of the Code, or under any Similar Law, for which an exemption is not available.

The U.S. Supreme Court, in *John Hancock* (noted above), held that those funds allocated to the general account of an insurance company pursuant to a contract with an employee benefit plan which vary with the investment experience of the insurance company are "plan assets." In the preamble to PTCE 95-60 (also noted above), the DOL noted that, for purposes of calculating the 25% threshold under the significant participation test of the Plan Asset Regulation, only the proportion of an insurance company general account's equity investment in the entity that represents Plan Assets should be taken into account in calculating that portion of the general account that is a Benefit Plan Investor. Any insurance company using general account assets to purchase Class E Notes or Subordinated Notes will be asked (i) to identify the maximum percentage of the assets of the general account that may be or become Plan Assets, (ii) whether it is a "Controlling Person" (defined above), and (iii) without limiting the remedies that may be available in the event that the maximum percentage is thereafter exceeded, to agree to notify the Issuer, and dispose of Class E Notes or Subordinated Notes as instructed by the Issuer, before the specified maximum percentage is exceeded.

CERTAIN LEGAL INVESTMENT CONSIDERATIONS

Institutions whose investment activities are subject to legal investment laws and regulations or to review by certain regulatory authorities may be subject to restrictions on investments in the Secured Notes and the Subordinated Notes. Any such institution should consult its legal advisors in determining whether and to what extent there may be restrictions on its ability to invest in the Secured Notes and the Subordinated Notes. Without limiting the foregoing, any financial institution that is subject to the jurisdiction of the Comptroller of Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, the National Credit Union Administration, any state insurance commission, or any other federal or state agencies with similar authority should review any applicable rules, guidelines and regulations prior to purchasing the Secured Notes or the Subordinated Notes. Depository institutions should review and consider the applicability of the Federal Financial Institutions Examination Council Supervisory Policy Statement on Securities Activities, which has been adopted by the respective federal regulators.

None of the Issuers or the Initial Purchasers make any representation as to the proper characterization of the Secured Notes or Subordinated Notes for legal investment or other purposes, or as to the ability of particular investors to purchase the Secured Notes or Subordinated Notes for legal investment or other purposes, or as to the ability of particular investors to purchase the Secured Notes or Subordinated Notes under applicable investment restrictions. The Issuers understand that certain state insurance regulators, in response to a request for guidance, may be considering the characterization (as U.S. domestic or foreign (non-U.S.)) of certain collateralized debt obligation securities co-issued by a non-U.S. issuer and a U.S. co-issuer. There can be no assurance as to the nature of any guidance or other action that may result from such consideration. The uncertainties described above (and any unfavorable future determinations concerning legal investment or financial institution regulatory characteristics of the Secured Notes or Subordinated Notes) may affect the liquidity of the Secured Notes or Subordinated Notes. Accordingly, 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 Secured Notes or Subordinated Notes are subject to investment, capital or other restrictions.

LISTING AND GENERAL INFORMATION

1. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the official list of the Irish Stock Exchange and to trading on its regulated market. No assurances can be given that any such listing will be obtained with respect to the Notes. No application will be or will be made to list the Notes on any other stock exchange. The total expenses related to the admission to trading of the Notes on the Irish Stock Exchange are estimated at €7,690. For the duration of the listing of the Notes, copies of the Memorandum and Articles of Association of the Issuer and the organization documents of the Co-Issuer and the Indenture, will be deposited with the Note Paying Agents and at the registered office of the Issuer, where electronic copies thereof may be obtained, free of charge, upon request.

2. The Issuer is not required by Cayman Islands law, and the Issuer does not intend, to publish annual reports and accounts. The Co-Issuer is not required by Delaware law, and the Co-Issuer does not intend, to publish annual reports and accounts. The Indenture, however, requires the Issuer to deliver to the Trustee a Director's Certificate stating, as to each signatory thereof, that (a) a review of the activities of the Issuer during the prior year and of the Issuer's performance under the Indenture has been made under his supervision; and (b) to the best of his knowledge, based on such review, the Issuer has fulfilled all of its obligations under the Indenture throughout the prior year, or, if there has been a default in the fulfillment of any such obligation, specifying each such default known to him and the nature and status thereof.

3. The Issuers are not, and have not since incorporation or formation, as applicable, been, involved in any governmental litigation or arbitration proceedings relating to claims in amounts which may have or have had a significant effect on the Issuers in the context of the issue of the Notes nor, so far as each of the Issuers is aware, is any such governmental litigation or arbitration involving it pending or threatened.

4. The issuance of the Notes will be authorized by the Board of Directors of the Issuer by resolutions passed on or about the Closing Date. The issuance of the Notes will be authorized by the sole member of the Co-Issuer by action by written consent of the sole member passed on or about the Closing Date. Since incorporation or formation, as applicable, neither the Issuer nor the Co-Issuer has commenced trading or established any accounts, except as disclosed herein or accounts used to hold amounts received with respect to share capital and fees.

5. The Notes sold in offshore transactions in reliance on Regulation S and represented by the Regulation S Global Notes have been accepted for clearance through Clearstream and Euroclear under the Common Codes indicated below. The CUSIP Numbers and International Securities Identification Numbers ("ISIN") for the Notes represented by Regulation S Global Notes and Rule 144A Global Notes are as indicated below:

	Regulation S Global Notes			Rule 144A Global Notes
	Common Code	CUSIP	ISIN	CUSIP
Class S Notes	025197810	G46222AA6	USG46222AA62	442449AA2
Class A-1 Notes	025192150	G46224AB2	USG46224AA29	442451AA8
Class A-2 Notes	025192176	G46224AB0	USG46224AB02	442451AB6
Class B Notes	025192192	G46224AC8	USG46224AC84	442451AC4
Class C Notes	025192257	G46224AD6	USG46223AD67	442451AD2
Class D Notes	025192290	G46224AE4	USG46223AD41	442451AE41
Class E Notes	025192320	G46224AF1	USG46222AF16	442451AF7
Subordinated Notes	025192346	G46222AA6	USG4622AA62	4424449AA2

6. The Issuers have been formed as special purpose vehicles or entities for the purpose of issuing asset-backed securities.

LEGAL MATTERS

Certain legal matters will be passed upon for the Issuer by Sidley Austin LLP. Certain matters with respect to Cayman Islands law will be passed upon for the Issuer by Maples and Calder, Grand Cayman, Cayman Islands. Certain legal matters will be passed upon for the Initial Purchasers by Orrick, Herrington & Sutcliffe LLP, New York, New York.

UNDERWRITING

The Offered Notes will be offered by Goldman, Sachs & Co. and Investec Bank (UK) Ltd. each an "Initial Purchaser" and, collectively, ("Initial Purchasers"), from time to time at varying prices in negotiated transactions subject to prior sale, when, as and if issued. Subject to the terms and conditions set forth in the Purchase Agreement (the "Purchase Agreement") dated as of March 30, 2006 among Goldman, Sachs & Co., Investec Bank (UK) Ltd. and the Issuers, the Issuers have agreed to sell (a) to Goldman, Sachs & Co. and Goldman, Sachs & Co. has agreed to purchase all of the Secured Notes (other than the Class A-1 Notes) and the Subordinated Notes (other than the Subordinated Notes to be purchased by Investec Bank (UK) Ltd.) and (b) to Investec Bank (UK) Ltd. and Investec Bank (UK) Ltd. has agreed to purchase up to 50% of the Subordinated Notes.

Under the terms and conditions of the Purchase Agreement, the Initial Purchasers are committed to take and pay for all the Offered Notes to be offered by it, if any are taken. Furthermore, under the terms and conditions of the Purchase Agreement, the Initial Purchasers will be entitled to an underwriting discount on the Offered Notes purchased by it and a fixed structuring fee based upon the aggregate principal amount of the Notes.

The Offered Notes purchased from the Issuers by each Initial Purchaser will be offered by it from time to time for sale in negotiated transactions or otherwise at varying prices to be determined at the time of sale *plus* accrued interest, if any, from the Closing Date.

The Notes have not been and will not be registered under the Securities Act for offer or sale as part of their distribution and may not be offered or sold within the United States or to, or for the account or benefit of, a U.S. Person or a U.S. resident (as determined for purposes of the Investment Company Act, a "U.S. Resident") except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act.

The Issuers have been advised by (a) each Initial Purchaser it proposes to resell the Offered Notes outside the United States (in part, by Goldman, Sachs & Co., through its selling agent) in offshore transactions in reliance on Regulation S and in accordance with applicable law and (b) Goldman, Sachs & Co. proposes to resell the Offered Notes in the United States only to (1) Qualified Institutional Buyers in reliance on Rule 144A purchasing for their own accounts or for the accounts of Qualified Institutional Buyers or (2) in the case of the Subordinated Notes only, Accredited Investors, which have a net worth of not less than U.S.$10 million, each of which purchasers or accounts is a Qualified Purchaser. The Initial Purchasers' discount will be the same for the Regulation S Notes and the Rule 144A Notes offered hereby and for the Subordinated Notes within each Class of Notes.

Each Initial Purchaser has acknowledged and agreed that it will not offer, sell or deliver any Regulation S Notes purchased by it to, or for the account or benefit of, any U.S. Person or U.S. Resident (as determined for purposes of the Investment Company Act) as part of its distribution at any time and that it will send to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells Regulation S Notes purchased by it a confirmation or other notice setting forth the prohibition on offers and sales of the Regulation S Notes within the United States or to, or for the account or benefit of, any U.S. Person or U.S. Resident.

With respect to the Notes initially sold pursuant to Regulation S, until the expiration of (x) forty (40) days after the commencement of the distribution of the offering of the Secured Notes by Goldman, Sachs & Co., with respect to offers or sales of the Secured Notes and (y) one year after the commencement of the distribution of the Subordinated Notes, with respect to offers or sales of the Subordinated Notes purchased by the Initial Purchasers, an offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or pursuant to another exemption from registration under the Securities Act.

Each Initial Purchaser has represented, warranted and agreed that: (i) it has not made or will not make an offer of shares to the public in the United Kingdom within the meaning of section 102B of the Financial Services and Markets Act 2000 (as amended) ("FSMA") except to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities or otherwise in circumstances which do not require the publication by the company of a prospectus pursuant to the Prospectus Rules of the Financial Services Authority (FSA); (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) to persons who have professional experience in matters relating to investments falling within Article 19(5) of the FSMA (Financial Promotion) Order 2005 or in circumstances in which section 21 of the FSMA does not apply to the Issuer; and (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

The Notes may not be offered or sold by means of any document other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent, or in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, and no advertisement, invitation or document relating to the Notes may be issued, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation or subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the Notes under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the Securities and Exchange Law) and each Initial Purchaser has agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each 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 Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the 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 Notes to the public in that Relevant Member State at any time :

(a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or

(c) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

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

Each Initial Purchaser has agreed that it has not made and will not make any invitation to the public in the Cayman Islands to purchase any of the Offered Notes.

Buyers of Regulation S Securities sold by the selling agent of Goldman, Sachs & Co. may be required to pay stamp taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the purchase price.

No action has been or will be taken in any jurisdiction that would permit a public offering of the Notes, or the possession, circulation or distribution of this Offering Circular or any other material relating to the Issuers or the Notes, in any jurisdiction where action for such purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

The Notes are a new issue of securities with no established trading market. The Issuers have been advised by Goldman, Sachs & Co. that it may make a market in the Notes it is offering but is not obligated to do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the Notes. There can be no assurance that any secondary market for any of the Notes will develop, or, if a secondary market does develop, that it will provide the Holders of the Notes with liquidity of investment or that it will continue for the life of the Notes.

Application has been made to admit the Notes on the Irish Stock Exchange. There can be no assurance that such admission will be granted.

The Issuers have agreed to indemnify the Initial Purchasers, the Liquidation Agent, the Administrative Agent, the Administrator and the Trustee and their respective directors, officers, employees and agents against certain liabilities, including in the case of the Initial Purchasers, liabilities under the Securities Act, or to contribute to payments they may be required to make in respect thereof. In addition, the Issuers have made certain representations and warranties to the Initial Purchasers and have agreed to reimburse the Initial Purchasers for certain of their expenses.

Each Initial Purchaser may, from time to time as principal or through one or more investment funds that it manages, make investments in the equity securities of one or more of the issuers of Collateral Assets with the result that one or more of such issuers may be or may become controlled by such Initial Purchaser.

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Certain Definitions

"ABS Automobile Securities" means asset backed securities that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such asset backed securities) on the cash flow from installment sale loans made to finance the purchase of, or from leases of, automobiles or light duty trucks or medium duty trucks.

"ABS Credit Card Securities" means asset backed securities that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such asset backed securities) on the cash flow from balances outstanding under revolving consumer credit card accounts.

"ABS Student Loan Securities" means asset backed securities that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of the asset backed securities) on the cash flow from loans made to students (or their parents or guardians) to finance educational needs.

"Accounts" means collectively, the Collection Account, the Payment Account, the Expense Reserve Account, the Hedge Termination Receipts Account, the Hedge Collateral Account, the Default Swap Collateral Account, the Synthetic Security Collateral Account and the Collateral Account.

"Actual Rating" means with respect to any Collateral Asset or Eligible Investment, the actual expressly monitored outstanding public rating assigned by a Rating Agency without reference to any other rating by another Rating Agency, and which rating by its terms addresses the full scope of the payment promise of the obligor on such Collateral Asset or Eligible Investment, after taking into account any applicable guarantee or insurance policy or if no such rating is available from a Rating Agency, any "credit estimate" or "shadow rating" assigned by such Rating Agency. For purposes of this definition, (i) the rating of "Aaa" assigned by Moody's to a Collateral Asset or an Eligible Investment placed on watch for possible downgrade by Moody's will be deemed to have been downgraded by Moody's by one subcategory and any other rating assigned by Moody's to a Collateral Asset or an Eligible Investment placed on watch for possible downgrade by Moody's will be deemed to have been downgraded by Moody's by two subcategories, (ii) the rating assigned by S&P to a Collateral Asset or an Eligible Investment placed on watch for possible downgrade by S&P will be deemed to have been downgraded by S&P by one subcategory, (iii) the rating assigned by Moody's to a Collateral Asset or Eligible Investment placed on watch for possible upgrade by Moody's will be deemed to have been upgraded by Moody's by two subcategories and (iv) the rating assigned by S&P to a Collateral Asset or Eligible Investment placed on watch for possible upgrade by S&P will be deemed to have been upgraded by S&P by one subcategory.

"Adjusted Net Outstanding Portfolio Collateral Balance" means, on any Determination Date, the Net Outstanding Portfolio Collateral Balance reduced by the excess, if any, of (i) the product of (a) the Statistical Loss Amount and (b) the lesser of 1 and a fraction the numerator of which is U.S.$ 1,500,000,000 and the denominator of which is the Net Outstanding Portfolio Collateral Balance as of such Determination Date over (ii) the product of (a) U.S.$ 2,200,000 and (b) the lesser of 1 and a fraction the numerator of which is the Net Outstanding Portfolio Collateral Balance as of such Determination Date and denominator of which is U.S.$1,500,000,000.

"Administrative Expenses" means amounts (including indemnities) due or accrued with respect to any Payment Date and payable by the Issuer and/or the Co-Issuer to (i) the Trustee pursuant to the Indenture or any co-trustee appointed pursuant to the Indenture; (ii) the Administrator pursuant to the Administration Agreement; (iii) the independent accountants, agents (including the Note Agents under the Indenture, the Fiscal Agent and Subordinated Notes Transfer Agent as defined under the Fiscal Agency Agreement and the Collateral Administrator under the Collateral Administration Agreement) and counsel of the Issuer for fees and expenses (including amounts payable in connection with the preparation of tax forms on behalf of the Issuers); (iv) the Liquidation Agent pursuant to the Liquidation Agency Agreement (other than the Liquidation Agent Fee); (v) the Administrative Agent pursuant to the Administrative Agency Agreement (other than the Administrative Agent Fee); (vi) the Rating Agencies for fees and expenses in connection with any rating or credit estimate (including the fees payable to the

Rating Agencies for the monitoring of any rating or credit estimate) of the Notes, including fees and expenses, if any, due or accrued in connection with any rating of the Collateral Assets; (vii) any other person in respect of any governmental fee, charge or tax in relation to the Issuer or the Co-Issuer; (viii) to the liquidator(s) of the Issuer for the fees and expenses of liquidating the Issuer following the redemption of all of the Notes; (ix) the Irish Stock Exchange listing any Notes at the request of the Issuer; and (x) any other person in respect of any other fees or expenses (including indemnities and fees relating to the provision of the Issuer's registered office) permitted under the Transaction Documents; *provided* that Administrative Expenses shall not include (a) any amounts due or accrued with respect to the actions taken on or in connection with the Closing Date, (b) amounts payable in respect of the Secured Notes and the Subordinated Notes, (c) amounts payable under any Hedge Agreement, (d) any Liquidation Agent Fee payable pursuant to the Liquidation Agency Agreement and (e) any Administrative Agent Fee payable pursuant to the Administrative Agency Agreement.

"Aggregate Calculation Amount of Defaulted Obligations and Deferred Interest PIK Bonds" means the least of (a) the Aggregate Moody's Recovery Value of all Defaulted Obligations and Deferred Interest PIK Bonds, (b) the Aggregate S&P Recovery Value of all Defaulted Obligations and Deferred Interest PIK Bonds, and (c) the aggregate of the Market Values of all Defaulted Obligations and Deferred Interest PIK Bonds.

"Aggregate Moody's Recovery Value" means, with respect to Defaulted Obligations and Deferred Interest PIK Bonds, the aggregate of (a) the Moody's Recovery Rate for each such asset multiplied by (b) the Principal Balance of such asset.

"Aggregate Outstanding Amount" means, with respect to any of the Secured Notes or Subordinated Notes, the aggregate principal amount of such Secured Notes or Subordinated Notes outstanding at the date of determination.

"Aggregate Principal Amount" means the aggregate of the Principal Balances of all Collateral Assets and Eligible Investments purchased with Principal Proceeds and the amount of any cash which constitutes Principal Proceeds.

"Aggregate S&P Recovery Value" means the sum of, with respect to each Defaulted Obligation and each Deferred Interest PIK Bond of the lesser of (a) the Market Value for such Defaulted Obligation or Deferred Interest PIK Bond, as applicable, and (b) the S&P Recovery Rate for such Collateral Asset multiplied by the Principal Balance of such Collateral Asset.

"Applicable Recovery Rate" means, with respect to any Collateral Asset on any Determination Date, the lesser of the Moody's Recovery Rate and the S&P Recovery Rate.

"Asset-Backed Securities" or "ABS Securities" means structured finance securities which have the benefit of a financial guarantee insurance policy, or surety bond or corporate guarantee insuring or guaranteeing the timely payment of interest or the ultimate payment of interest and the ultimate payment of principal.

"Auction Payment Date" means the Auction Date on which the Secured Notes and Subordinated Notes are redeemed in connection with a successful Auction.

"BIE Acceptance Notice": A notice from the Trustee or the Subordinated Notes Transfer Agent, as applicable, to an Originating Noteholder specifying (i) each BIE Collateral Security that will be substituted for an existing item of Default Swap Collateral, (ii) each such item of Default Swap Collateral to be substituted, (iii) the BIE Exercise Period, (iv) the BIE Transaction Cost and (v) account information of the Issuer for such Originating Noteholder to deliver such BIE Collateral Security to the Issuer and to present payment of the BIE Transaction Cost to the Issuer.

"BIE Collateral Security": Any security that any Holder of a Note proposes to substitute for part or all of an existing item of Default Swap Collateral pursuant to the Indenture.

"BIE Consent Solicitation Notice": A notice from the Trustee or the Subordinated Notes Transfer Agent, as applicable, to each Holder of a Note, including the Originating Noteholder, each Hedge Counterparty and the related Synthetic Security Counterparty specifying (i) each proposed BIE Collateral Security and its par amount, (ii) each Default Swap Collateral to be substituted and its par amount, and (iii) the BIE Notification Date.

"BIE Exercise Period": The period from and including the delivery of a BIE Acceptance Notice to but excluding the day that is three Business Days thereafter.

"BIE Notification Date": The Business Day by which a Holder of a Note must respond to a BIE Consent Solicitation Notice, which date shall be 20 Business Days from the date of such BIE Consent Solicitation Notice.

"BIE Transaction Cost": An amount, as determined by the Trustee equal to the aggregate amount of the expenses of the Issuer and the Trustee that would be incurred as a result of the proposed substitution of each BIE Collateral Security for part or all of an existing item of Default Swap Collateral.

"Board of Directors" means, with respect to the Issuer or the Co-Issuer, the directors of the Issuer or the Co-Issuer, as applicable, duly appointed by the shareholders or the directors of the Issuer or the Co-Issuer, as applicable.

"Calculation Amount" means, with respect to any Defaulted Obligation or Deferred Interest PIK Bond at any time, the lesser of (a) the Market Value of such Defaulted Obligation or Deferred Interest PIK Bond or (b) the Applicable Recovery Rate multiplied by the Principal Balance of such Defaulted Obligation or Deferred Interest PIK Bond. For purposes of determining the Calculation Amount, the Principal Balance of a Defaulted Obligation shall be deemed to be its outstanding principal amount and the Principal Balance of a Deferred Interest PIK Bond shall be deemed to be its outstanding principal amount without regard to any deferred or capitalized interest.

"CDO RMBS Securities" means CDO Securities that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such CDO Securities) on the cash flow from (and not the market value of) a portfolio of at least 80% by principal balance of RMBS Securities.

"CDO Securities" means collateralized debt obligations (including, without limitation, any synthetic collateralized debt obligations or collateralized loan obligations) which may be categorized as CDO Structured Product Securities, CDO RMBS Securities, Collateralized Loan Securities and CDO Trust Preferred Securities.

"CDO Structured Product Securities" means CDO Securities that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such CDO Securities) on the cash flow from a portfolio diversified among categories of REIT Debt Securities, Asset-Backed Securities, Residential Mortgage-Backed Securities, Commercial Mortgage-Backed Securities and CDO Securities or any combination of more than one of the foregoing or solely of CDO Securities (and which may include limited amounts of corporate securities), generally having the following characteristics: (i) repayment thereof can vary substantially from the contractual payment schedule (if any), with early prepayment of individual debt securities depending on numerous factors specific to the particular issuers or obligors and upon whether, in the case of loans or securities bearing interest at a fixed rate, such loans or securities include an effective prepayment premium, and (ii) proceeds from such repayments can for a limited period and subject to compliance with certain eligibility criteria be reinvested in additional loans and/or debt securities.

"CDO Trust Preferred Securities" means CDO Securities that entitle the holder thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such CDO Securities) on the cash flow from a portfolio of trust preferred securities issued by bank, thrift, other depository institutions or trust subsidiaries.

"Class" means each class of Secured Notes having the same Stated Maturity and same alphabetical (but not necessarily numerical) designation of any of "S", "A", "B", "C", "D" or "E" as a single class and the Subordinated Notes as a single class.

"Class A Adjusted Overcollateralization Ratio" means, with respect to any Determination Date, the Adjusted Net Outstanding Portfolio Collateral Balance (for the purposes of such calculation, the Adjusted Net Outstanding Portfolio Collateral Balance will not include Principal Proceeds held as cash and Eligible Investments) *divided* by the Aggregate Outstanding Amount of the Class A Notes, after giving effect to payments to be made on the succeeding Payment Date in accordance with the Priority of Payments.

"Class A Note Redemption Price" shall equal the Class A-1 Note Redemption Price and the Class A-2 Note Redemption Price.

"Class A Overcollateralization Ratio" as of any Determination Date will equal the ratio (expressed as a percentage) obtained by dividing (i) the Net Outstanding Portfolio Collateral Balance on such Determination Date calculated (x) without including Triple B Rated Assets, Double B Rated Assets and Single B Rated Assets in the calculation of the amount subtracted under clause (iii) of the definition thereof and (y) without including the Triple B Calculation Amount, the Double B Calculation Amount and the Single B Calculation Amount in the calculation of the amount added under clause (iv) of the definition thereof and (z) without excluding Triple B Rated Assets, Double B Rated Assets and Single B Rated Assets from the calculation of the amount subtracted under clause (v) of the definition thereof (*provided* that such amount shall exclude Principal Proceeds held as cash and Eligible Investments) by (ii) the Aggregate Outstanding Amount of the Class A Notes, *minus* Principal Proceeds expected to be available prior to clause (xii) of the Priority of Payments on the related Payment Date assuming that the Coverage Tests are satisfied.

"Class A-1 Note Redemption Price" shall equal (i) the outstanding principal amount of the Class A-1 Notes *plus* (ii) accrued and unpaid interest thereon (including Defaulted Interest and interest on Defaulted Interest, if any) to but excluding the Redemption Date.

"Class A-2 Note Redemption Price" shall equal (i) the outstanding principal amount of the Class A-2 Notes *plus* (ii) accrued and unpaid interest thereon (including Defaulted Interest and interest on Defaulted Interest, if any) to but excluding the Redemption Date.

"Class B Adjusted Overcollateralization Ratio" means, with respect to any Determination Date, the Adjusted Net Outstanding Portfolio Collateral Balance (for the purposes of such calculation, the Adjusted Net Outstanding Portfolio Collateral Balance will not include Principal Proceeds held as cash and Eligible Investments) divided by the sum of the Aggregate Outstanding Amount of the Class A Notes and the Class B Notes, after giving effect to payments, as applicable to be made on the succeeding Payment Date in accordance with the Priority of Payments.

"Class B Note Redemption Price" shall equal (i) the outstanding principal amount of the Class B Notes, *plus* (ii) accrued interest thereon (including Defaulted Interest and interest on Defaulted Interest, if any) to, but excluding, the Redemption Date.

"Class C Adjusted Overcollateralization Ratio" means, with respect to any Determination Date, the Adjusted Net Outstanding Portfolio Collateral Balance (for the purposes of such calculation, the Adjusted Net Outstanding Portfolio Collateral Balance will not include Principal Proceeds held as cash and Eligible Investments) *divided by* the sum of the Aggregate Outstanding Amount of the Class A Notes, the Class B Notes and the Class C Notes, after giving effect to payments to be made on the succeeding Payment Date in accordance with the Priority of Payments.

"Class C Note Redemption Price" shall equal the sum of (i) the outstanding principal amount of the Class C Notes (including any Class C Deferred Interest) *plus* (ii) accrued interest thereon (including any Defaulted Interest and any interest on Defaulted Interest, if any) to but excluding the Redemption Date.

"Class D Adjusted Overcollateralization Ratio" means, with respect to any Determination Date, the Adjusted Net Outstanding Portfolio Collateral Balance (for the purposes of such calculation, the Adjusted Net Outstanding Portfolio Collateral Balance will not include Principal Proceeds held as cash and Eligible Investments) *divided by* the sum of the Aggregate Outstanding Amount of the Class A Notes, the Class B Notes, the Class C

Notes and the Class D Notes, after giving effect to payments to be made on the succeeding Payment Date in accordance with the Priority of Payments.

"Class D Note Redemption Price" shall equal the sum of (i) the outstanding principal amount of the Class D Notes (including any Class D Deferred Interest) *plus* (ii) accrued interest thereon (including any Defaulted Interest and any interest on Defaulted Interest, if any) to but excluding the Redemption Date.

"Class D Notes Amortizing Principal Amount" means an amount equal to the lesser of (a) with respect to the first Quarterly Payment Date, any amounts remaining after payment of all amounts payable under clauses (i) through (xvi) of the Priority of Payments *minus* U.S.$260,000, with respect to each Quarterly Payment Date in or after October 2006 and before July 2007, U.S.$150,000, with respect to each Quarterly Payment Date in or after July 2007 and before October 2009, U.S.$50,000, and with respect to any other Quarterly Payment Date, U.S.$150,000 and (b) the remaining principal balance of the Class D Notes (including any Deferred Interest and any Defaulted Interest and interest thereon).

"Class E Note Redemption Price" shall equal the sum of (i) the outstanding principal amount of the Class E Notes (including any Class E Deferred Interest) *plus* (ii) accrued interest thereon (including any Defaulted Interest and any interest on Defaulted Interest, if any) to but excluding the Redemption Date.

"Class E Notes Amortizing Principal Amount" means, an amount equal to the lesser of (a) U.S.$10,000 and (b) the remaining principal balance of the Class E Notes (including any Deferred Interest and any Defaulted Interest and interest thereon).

"Class S Note Redemption Price" means (i) the outstanding principal amount of the Class S Notes *plus* (ii) accrued and unpaid interest thereon (including Defaulted Interest and interest on Defaulted Interest, if any) to but excluding the Redemption Date.

"Class S Notes Amortizing Principal Amount" means an amount equal to the lesser of (a) the sum of (i) with respect to the first Payment Date, U.S.$0, with respect to each Payment Date in or after August 2006 and before August 2007, U.S.$29,000, with respect to each Payment Date in or after August 2007 and before January 2011, U.S.$39,000, and with respect to any other Payment Date, U.S.$48,000 and (ii) the aggregate amount of any Class S Notes Amortizing Principal Amounts that were due on any prior Payment Date and not paid on one or more prior Payment Dates, and (b) the remaining principal balance of the Class S Notes.

"CMBS Conduit Securities" means Commercial Mortgage Backed Securities that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such Commercial Mortgage Backed Securities) on the cash flow from a pool of commercial mortgage loans.

"CMBS Credit Tenant Lease Securities" means Commercial Mortgage Backed Securities (other than CMBS Large Loan Securities and CMBS Conduit Securities) that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such Commercial Mortgage Backed Securities) on the cash flow from a pool of commercial mortgage loans made to finance the acquisition, construction and improvement of properties leased to corporate tenants (or on the cash flow from such leases).

"CMBS Large Loan Securities" means Commercial Mortgage Backed Securities (other than CMBS Conduit Securities and CMBS Credit Tenant Lease Securities) that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such Commercial Mortgage Backed Securities) on the cash flow from a commercial mortgage loan or a pool of commercial mortgage loans made to finance the acquisition, construction and improvement of properties. Generally, five or fewer commercial mortgage loans shall account for more than 20% of the aggregate principal balance of the entire pool of commercial mortgage loans supporting payments on the securities.

"CMBS Repackaging Securities" means a security that entitles the holders thereof to receive payments that depend on the cash flow from a portfolio of all (100%) CMBS Securities, REIT Debt Securities and other interests in commercial mortgage loans or similar commercial real estate interests.

"Collateral Account" means a segregated non-interest bearing trust account, including all sub-accounts thereof, held in the name of the Trustee into which Collateral will be deposited from time to time.

"Collateral Administration Agreement" means the Collateral Administration Agreement, dated as of the Closing Date, between the Issuer and the Collateral Administrator, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Collateral Administrator" means LaSalle Bank National Association, or any successor Collateral Administrator under the Collateral Administration Agreement.

"Collateralized Loan Securities" means CDO Securities that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such securities) on the cash flow from (and not the market value of) a portfolio of at least 80% by principal balance of commercial loans.

"Commercial Mortgage-Backed Securities" or "CMBS" means securities backed by obligations (including certificates of participation in obligations) that are principally secured by mortgages on real property or interests therein having a multifamily or commercial use, such as regional malls, other retail space, office buildings, industrial or warehouse properties, hotels, nursing homes and senior living centers and shall include, without limitation, CMBS Conduit Securities, CMBS Credit Tenant Lease Securities, CMBS Large Loan Securities and CMBS Repackaging Securities.

"Controlling Class" will be the Class S Notes and the Class A Notes (the Class A-1 Notes and the Class A-2 Notes voting together as a single class), for so long as any Class S Notes or Class A Notes are outstanding; if no Class S Notes or Class A Notes are outstanding, then the Class B Notes, so long as any Class B Notes are outstanding; if no Class S Notes, Class A Notes or Class B Notes are outstanding, then the Class C Notes, so long as any Class C Notes are outstanding, if no Class S Notes, Class A Notes, Class B Notes or Class C Notes are outstanding, then the Class D Notes, so long any Class D Notes are outstanding; and if no Class S Notes, Class A Notes, Class B Notes, Class C Notes or Class D Notes are outstanding, then the Class E Notes, so long as any Class E Notes are outstanding.

"Default Swap Collateral Substitution Information Notice": A notice from the Trustee or the Fiscal Agent, as applicable, to an Originating Noteholder notifying such Originating Noteholder of the BIE Transaction Cost relating to each proposed BIE Collateral Security.

"Default Swap Collateral Substitution Noteholder Refusal Notice": A notice from the Trustee or the Fiscal Agent, as applicable, to an Originating Noteholder notifying such Originating Noteholder that the Administrative Agent, a Hedge Counterparty. the related Synthetic Security Counterparty or the Holders of a Majority of a Class of Notes did not approve of one or more proposed BIE Collateral Securities by the BIE Notification Date.

"Default Swap Collateral Substitution Request Notice": A notice from an Originating Noteholder to the Trustee or the Fiscal Agent, as applicable, (i) requesting the substitution of one or more BIE Collateral Securities for one or more existing items of Default Swap Collateral, (ii) identifying each item of Default Swap Collateral and the par amount to be substituted, (iii) identifying each proposed BIE Collateral Security and the par amount and (iv) any other information that such Originating Noteholder deems relevant.

"Default Swap Eligibility Criteria" means, with respect to the acquisition of Default Swap Collateral, eligibility criteria which will be satisfied with respect to such acquisition if, at the time of purchase, such Default Swap Collateral satisfies the following criteria: (a) it is an ABS Automobile Security, an ABS Credit Card Security, an ABS Student Loan Security, a Residential Mortgage-Backed Security, a Commercial Mortgage-Backed Security or a CDO Security, other than CDO Securities that are CDO Trust Preferred Securities or CDO Securities having

exposure to corporate debt securities; (b) it is rated "AAA" or "A-1+" by S&P; (c) it is rated "AAA" or "Aaa", as applicable, by Moody's, or it is rated "P-1" or "F-1", as applicable, by Moody's; (d) after giving effect to the acquisition of such security, the expected weighted average life of all the Default Swap Collateral does not exceed 2 years as determined by the Synthetic Security Counterparty; (e) it is scheduled to mature prior to the Payment Date in July 2041; and (f) after giving effect to the acquisition of such security, no more than 50% of the Default Swap Collateral by principal balance has single counterparty exposure including servicer, issuer and put swap counterparty exposure.

"Defaulted Hedge Termination Payments" means any termination payment required to be made by the Issuer to the Hedge Counterparty pursuant to a Hedge Agreement in the event of a termination of a Hedge Agreement in respect of which such Hedge Counterparty is the sole Defaulting Party or the sole Affected Party (as defined in the Hedge Agreement), other than with respect to "Illegality" or "Tax Event" (as defined in the Hedge Agreement).

"Defaulted Obligation" means any Collateral Asset with respect to which:

(i) there has occurred and is continuing for the lesser of three (3) Business Days and any applicable grace period, a default with respect to the payment of interest or principal on such Collateral Asset in accordance with its terms; *provided* that, the Collateral Asset shall not constitute a Defaulted Obligation if and when such default has been cured through the payment of all past due interest and principal or waived;

(ii) the Principal Balance of such Collateral Asset has been written down;

(iii) the Trustee has received notice of any bankruptcy, insolvency or receivership proceeding has been initiated in connection with the issuer of such Collateral Asset and is unstayed and undismissed; *provided*, that, if such proceeding is an involuntary proceeding, the condition of this clause (iii) will not be satisfied until the earliest of the following: (I) the issuer consents to such proceeding, (II) an order for relief under the United States Bankruptcy Code, or any similar order under a proceeding not taking place under the United States Bankruptcy Code, has been entered, and (III) such proceeding remains unstayed and undismissed for 60 days; or

(iv) such Collateral Asset has an S&P Rating of "CC" or lower, "D" or "SD" or, if S&P withdraws its rating and the S&P Rating at the time of withdrawal is "CCC" or below or such Collateral Asset has a Moody's Rating of "C" or lower or "Ca."

Any Synthetic Security shall be a Defaulted Obligation if (A) the related Reference Obligation would constitute a "Defaulted Obligation" under clause (i), (ii), (iii) or (iv) above or (B) the related Synthetic Security Counterparty is in default with respect to its payment obligations thereunder and such default is continuing for the lesser of three (3) Business Days and any applicable grace period.

"Deferred Interest PIK Bond" means a PIK Bond with respect to which interest thereon has been deferred or capitalized more than once in the last 12 monthly periods, but only until such time as payment of interest on such PIK Bond has resumed and all capitalized or deferred interest has been paid in full in accordance with the underlying documents at which point such PIK Bond will no longer be considered a Deferred Interest PIK Bond.

"Directed Sale Acceptance Notice": A notice from the Trustee or the Subordinated Notes Transfer Agent, as applicable, to an Originating Noteholder specifying (i) each proposed Directed Sale Security, (ii) the Directed Sale Exercise Period, (iii) The Directed Sale Transaction Cost and (iv) the account information of the Issuer for such Originating Noteholder to present payment of the Directed Sale Transaction Cost to the Issuer.

"Directed Sale Consent Solicitation Notice": A notice from the Trustee or the Subordinated Notes Transfer Agent, as applicable, to each Holder of a Note, including the Originating Noteholder and each Hedge Counterparty specifying (i) each proposed Directed Sale Security and (ii) the Directed Sale Notification Date.

"Directed Sale Exercise Period": The period from and including the delivery of a Directed Sale Acceptance Notice to but excluding the day that is three Business Days thereafter.

"Directed Sale Information Notice": A notice from the Trustee or the Fiscal Agent, as applicable, to an Originating Noteholder notifying such Originating Noteholder of the Directed Sale Transaction Cost relating to each proposed Directed Sale Security.

"Directed Sale Noteholder Refusal Notice": A notice from the Trustee or the Fiscal Agent, as applicable, to an Originating Noteholder notifying such originating Noteholder that the Administrative Agent, a Hedge Counterparty or the Holders of a Majority of a Class of Notes did not approve of one or more proposed Directed Sale Securities by the Directed Sale Notification Date.

"Directed Sale Notification Date": The Business Day by which a Holder of a Note must respond to a Directed Sale Consent Solicitation Notice, which date shall be 20 Business Days from the date of such Directed Sale Consent Solicitation Notice.

"Directed Sale Request Notice": A notice from an Originating Noteholder to the Trustee or the Fiscal Agent, as applicable, (i) requesting the sale of one or more Collateral Assets, (ii) identifying each proposed Directed Sale Security and (iii) any other information that such Originating Noteholder deems relevant.

"Directed Sale Security": A Collateral Asset that any Holder of a Note proposes to sell with respect to which a Directed Sale Acceptance Notice has been delivered and the related Directed Sale Transaction Cost has been paid pursuant to the Indenture.

"Directed Sale Transaction Cost": An amount, as determined by the Trustee after consultation with the Liquidation Agent equal to the aggregate amount of the expenses of the Issuer and the Trustee that would be incurred as a result of the proposed sale of each Directed Sale Security.

"Distribution Compliance Period" with respect to the Notes, the period that ends 40 days after the later of (i) the commencement of the offering of the Notes and (ii) the Closing Date.

"Double B Calculation Amount" means (i) for all purposes other than determining whether the Class E Interest Diversion Test is satisfied, the sum of the products of (a) the Principal Balance of each Double B Rated Asset and (b) 90% and (ii) for purposes of determining whether the Class E Interest Diversion Test is satisfied, the sum of the products of (a) the Principal Balance of each Double B Rated Asset and (b) (1) in the context of a Collateral Asset other than a CDO Security or CMBS Repackaging Security, 75% and (2) in the context of a Collateral Asset that is a CDO Security or CMBS Repackaging Security, 70%.

"Double B Rated Asset" means any Collateral Asset with an Actual Rating or Implied Rating from S&P less than "BBB-" but with an Actual Rating greater than "B+" or with an Actual Rating or Implied Rating from Moody's less than "Baa3" but with an Actual Rating greater than "B1."

"Eligible Bidders" are (i) any institutions, which may include affiliates of either Initial Purchaser, the Liquidation Agent or the Administrative Agent and Holders of the Secured Notes and the Subordinated Notes, whose short-term unsecured debt obligations have a rating of at least "P-1" by Moody's or "A-1+" by S&P, (ii) the Liquidation Agent and (iii) the Administrative Agent.

"Eligible Depositary" shall be a financial institution organized under the laws of the United States or any state thereof, authorized to accept deposits, having a combined capital and surplus of at least U.S.$200,000,000, and having (or if its obligations are guaranteed by its parent company, its parent having), a long term debt rating of at least "Baa1" by Moody's (and if rated "Baa1", such rating is not on watch for downgrade) and "BBB+" by S&P and a short term debt rating of "P-1" by Moody's (and not on watch for downgrade) and at least "A-1" by S&P.

"Eligible Investment" means any U.S. Dollar-denominated investment that, at the time it is delivered to the Trustee, is one or more of the following obligations or securities (including security entitlements with respect

thereto): (i) direct Registered obligations of, and Registered obligations fully guaranteed by, the United States or any agency or instrumentality of the United States the obligations of which are expressly backed by the full faith and credit of the United States; (ii) demand and time deposits in, certificates of deposit of, or banker's acceptances issued by, any depository institution or trust company incorporated in the United States or any state thereof, which depository institution or trust company is subject to supervision and examination by federal or state authorities, with a maturity not in excess of 183 days; and with a credit rating by S&P of at least "A-1+" or at least "AA-", as applicable, a credit rating by Moody's of at least "P-1" or at least "Aa3" (and if rated "Aa3", not on watch for downgrade), as applicable, in the case of a maturity in excess of 30 days, or a credit rating by S&P of at least "A-1" and a credit rating by Moody's of at least "P-1" (and not on watch for downgrade) in the case of a maturity of less than 30 days; (iii) repurchase obligations with respect to (a) any security described in clause (i) above or (b) any other security issued or guaranteed by an agency or instrumentality of the United States, entered into with a depository institution or trust company described in clause (ii) above or entered into with a corporation whose long-term senior unsecured rating is at least "A1" (and if rated "A1", not on watch for downgrade) by Moody's and "AA-" by S&P and whose short-term credit rating is "P-1" (and not on watch for downgrade) by Moody's and "A-1" by S&P at the time of such investment, with a term not in excess of 91 days; (iv) Registered debt securities bearing interest or sold at a discount issued by any corporation incorporated under the laws of the United States or any state thereof that have a credit rating of at least "Aa3" (and if rated "Aa3", not on watch for downgrade) or "P-1" (and not on watch for downgrade) by Moody's and "AA-" or "A-1" by S&P; (v) commercial paper or other short-term obligations of a corporation, partnership, limited liability company or trust, or any branch or agency thereof located in the United States or any of its territories, such commercial paper or other short-term obligations having a credit rating of "P-1" (and not on watch for downgrade) by Moody's and "A-1" by S&P, and that are Registered and either are interest bearing or are sold at a discount from the face amount thereof and have a maturity of not more than 91 days from their date of issuance; and (vi) offshore money market funds which have a credit rating of not less than "Aaa/MR1+" by Moody's and "AAA" or "AAAm" or "AAAm-G" by S&P, *provided however*, that each rating in clauses (iii) through (vi) above by Moody's or S&P shall be an Actual Rating and *provided further*, that any such investment purchased on the basis of S&P's short-term rating of "A-1" shall mature no later than 30 days after the date of purchase and may not, other than overnight investments from LaSalle Bank National Association (so long as LaSalle Bank National Association is the Trustee under the Indenture), exceed 20% of the Aggregate Outstanding Amount of the Notes rated by S&P. Eligible Investments shall not include any RMBS, CMBS, any inverse floater, any security subject to withholding tax if owned by the Issuer, any security subject to an offer, any interest only security, any principal only security (other than treasury bills or commercial paper) or any security with a price in excess of 100% of par. Each such Eligible Investment shall mature no later than the second Business Day immediately preceding the Payment Date next following the Due Period in which the date of investment occurs, unless such Eligible Investment is issued by the institution acting as Securities Intermediary, in which event such Eligible Investment may mature on the Business Day preceding such Payment Date. Eligible Investments may include those investments with respect to which the Securities Intermediary, the Trustee, the Liquidation Agent, the Administrative Agent or either Initial Purchaser or an affiliate of the Trustee, the Liquidation Agent, the Administrative Agent or either Initial Purchaser provides services. As used in this definition, ratings may not include ratings with an "r", "p", "q", "pi" or "t" subscript.

"Final Payment Date" means a Payment Date with respect to an Optional Redemption, a Payment Date in connection with the Stated Maturity, Tax Redemption, an Auction or redemption due to an Event of Default resulting in acceleration of the Secured Notes and liquidation of the Collateral.

"Hedge Collateral" means, any cash, securities or other collateral delivered and/or pledged by the Hedge Counterparty to or for the benefit of the Issuer, including, without limitation, any upfront payment of cash or delivery of securities made by the Hedge Counterparty to satisfy or secure its payment obligations pursuant to the terms of the related Hedge Agreement.

"Hedge Counterparty" means Rate Swap Counterparties and Cashflow Swap Counterparties; SocGen shall be the initial Interest Rate Swap Counterparty and the initial Cashflow Swap Counterparty.

"Hedge Counterparty Ratings Requirement" means (i) with respect to the rating of a Hedge Counterparty or its guarantor (or any replacement pursuant to the relevant Hedge Agreement), as an issuer or with respect to (A) the long-term senior unsecured debt of such party, "Aa3" (and not on credit watch for possible downgrade) or better by Moody's, if such party has a long-term rating only or (B) the long-term senior unsecured debt of such party, as

applicable, "A1" (and not on credit watch for possible downgrade) or better by Moody's; (ii) with respect to the short-term debt of a Hedge Counterparty or its guarantor (or any replacement pursuant to the relevant Hedge Agreement), "P-1" (and not on credit watch for possible downgrade) by Moody's, or, if no such rating is available, a guaranteed affiliate thereof from Moody's, if so rated by Moody's; and (iii) with respect to a Hedge Counterparty or its guarantor (or any replacement pursuant to the relevant Hedge Agreement) as an issuer or with respect to the short-term unsecured debt of such party, "A-1" by S&P or, if no such short-term rating is available, the long-term senior unsecured debt of such party, "A+" by S&P (so long as any of the Notes outstanding hereunder are rated by such Rating Agency); *provided*, that should a Rating Agency effect an overall downward adjustment of its required ratings for hedge counterparties in collateralized debt obligation transactions, then the applicable Hedge Counterparty Ratings Requirement shall be adjusted downward accordingly; *provided further*, that any adjustment to the Hedge Counterparty Ratings Requirement will be subject to the satisfaction of the Rating Agency Condition with respect to the applicable Rating Agency.

"Hedge Receipt Amount" means, with respect to the Hedge Agreements and any Payment Date, any hedge receipts, including any other amounts so payable in respect of a termination of any Hedge Agreement.

"Holder" or "Noteholder" means, with respect to any Note the person in whose name such Note is registered, or, for purposes of voting, the granting of consents and other similar determinations under the Indenture or Fiscal Agency Agreement, as applicable, with respect to any Notes in global form, a beneficial owner thereof. "Secured Noteholder" means, with respect to any Secured Note, the Holder of such Secured Note.

"Implied Rating" means, in the case of a rating on a Collateral Asset, a rating that is determined by reference to any publicly available, fully monitored rating by another Rating Agency that, by its terms, addresses the full scope of the payment promise of the obligor.

"Interest Coverage Tests" means the Class A/B Interest Coverage Test, the Class C Interest Coverage Test and the Class D Interest Coverage Test.

"Interest Proceeds" means Proceeds other than Principal Proceeds.

"Issue" of a Collateral Asset means any such Collateral Asset issued by the same issuer, having the same terms and conditions (as to, among other things, coupon, maturity, security and subordination) and otherwise being fungible with one another.

"Liquidation Proceeds" with respect to any Optional Redemption or Tax Redemption including, without duplication, (i) all Sale Proceeds from Collateral Assets sold in connection with such redemption, (ii) the aggregate amount received by the Issuer on or prior to the Business Day immediately preceding the relevant Payment Date from the termination of any Hedge Agreement in connection with such redemption, and (iii) cash and Eligible Investments on deposit in the Accounts, to the extent available therefor, including any amounts designated by the Liquidation Agent as retained for reinvestment in Eligible Investments (and also including any payments received under any Hedge Agreements on or prior to the day preceding the Payment Date, but only to the extent that such payments are required to be paid as a result of an Optional Redemption or Tax Redemption of Notes), in each case as determined by the Liquidation Agent.

"Majority" means (i) with respect to any Class or Classes of Secured Notes, the Holders of more than 50% of the Aggregate Outstanding Amount of such Class or Classes of Secured Notes and (ii) with respect to the Subordinated Notes, the Holders of more than 50% of the outstanding Subordinated Notes, calculated on the basis of the Aggregate Outstanding Amount (or, if the Aggregate Outstanding Amount has been paid in full, based on the original Aggregate Outstanding Amount) of the Subordinated Notes held by each Subordinated Noteholder.

"Market Value" means, with respect to the Collateral Assets and/or Eligible Investments, (i) the average of three bona fide bids for such Collateral Asset or Eligible Investment obtained by the Liquidation Agent at such time from any three nationally recognized dealers, which dealers are Independent from one another and from the Liquidation Agent, or (ii) if the Liquidation Agent is unable to obtain three such bids, the lesser of two bona fide bids for such Collateral Asset or Eligible Investment obtained by the Liquidation Agent at such time from any two

nationally recognized dealers acceptable to the Liquidation Agent, which dealers are Independent from one another and from the Liquidation Agent, or (iii) if the Liquidation Agent is unable to obtain two such bids, one bona fide bid for such Liquidation Agent or Eligible Investment obtained by the Liquidation Agent at such time from any nationally recognized dealer acceptable to the Liquidation Agent, which dealer is Independent from the Liquidation Agent, or (iv) in the event the Liquidation Agent is unable to obtain one such bid, the price on such date provided to the Liquidation Agent by an independent pricing service, or (v) in the event the Liquidation Agent cannot in good faith determine the market value of such Collateral Asset or Eligible Investment using commercially reasonable efforts to apply the methods specified in clauses (i) through (iv) above, as determined in good faith by the Liquidation Agent using commercially reasonable efforts to apply its reasonable business judgment. If the method of determining Market Value is based solely on the Liquidation Agent's determination, such Market Value shall be considered zero after 30 days until such time as the Market Value for such Collateral Asset or Eligible Investment may be determined applying the methods specified in clauses (i) though (iv) above.

"Minimum Bid Amount" is an amount equal to the sum of (a) the Secured Note Redemption Price with respect to the Auction Payment Date, (b) the Subordinated Note Rated Amount (or such lesser amount as is agreed to by Holders of 100% of the Aggregate Outstanding Amount of the Subordinated Notes), (c) any amount payable by the Issuer to the Hedge Counterparties upon termination of the Hedge Agreements assuming the Issuer is the defaulting or affected party less any amounts payable by the Hedge Counterparty to the Issuer upon the termination of the Hedge Agreements, (d) accrued and unpaid Liquidation Agent Fees, (e) accrued and unpaid Administrative Agent Fees, and (f) 101% of all unpaid expenses of the Issuer, less amounts on deposit in the Accounts which are available to redeem the Notes.

"Monthly Asset Amount" means, with respect to any Payment Date, the Aggregate Principal Amount on the first day of the related Due Period.

"Moody's Rating" means the rating determined in accordance with the methodology described in the Indenture.

"Moody's Recovery Rate" means, with respect to a Collateral Asset, an amount equal to the percentage for such Collateral Asset set forth in the recovery rate assumptions for Moody's attached as Part I of Schedule D to the Indenture; *provided, however*, that (A) Defaulted Obligations which exceed 2.5% of the Aggregate Principal Amount and have been defaulted for more than one year will be deemed to have a Moody's Recovery Rate of 0%, (B) Defaulted Obligations which exceed 1.00% of the Aggregate Principal Amount and have been defaulted for more than 2 years shall be deemed to have a Moody's Recovery Rate of 0%; and (C) Defaulted Obligations which have been defaulted for more than 3 years shall be deemed to have a Moody's Recovery Rate of 0%.

"Net Outstanding Portfolio Collateral Balance" means, on any Determination Date, an amount equal to (i) the aggregate Principal Balance on such Determination Date of all Collateral Assets, *plus* (ii) the aggregate Principal Balance of all Principal Proceeds held as cash and Eligible Investments purchased with Principal Proceeds, *minus* (iii) the aggregate Principal Balance on such date of determination of all Collateral Assets that are (A) Defaulted Obligations, (B) Deferred Interest PIK Bonds, (C) Triple B Rated Assets, (D) Double B Rated Assets, (E) Single B Rated Assets and (F) Triple C Rated Assets, *plus* (iv) the Aggregate Calculation Amount of Defaulted Obligations and Deferred Interest PIK Bonds, the Triple B Calculation Amount, the Double B Calculation Amount, the Single B Calculation Amount and the Triple C Calculation Amount, *minus* (v) 25% of the projected Principal Balance of each Collateral Asset other than a Defaulted Obligation, Deferred Interest PIK Bond, Double B Rated Asset, Single B Rated Asset or Triple C Rated Asset that is expected to be paid after the Stated Maturity of the Class B Notes, *minus* (vi) any appraisal reductions applicable to any class of CMBS (other than any CMBS which are Defaulted Obligations) held by the Issuer to the extent such appraisal reduction is intended to reduce the interest payable to such Collateral Asset and only in proportion to such interest reduction.

"Noteholder Communication Notice" means a notice from an Originating Noteholder to the Trustee or the Fiscal Agent, as applicable, the contents of which are to be delivered by the Trustee or the Fiscal Agent, as applicable to all other Holders of Notes in accordance with the Indenture or the Fiscal Agency Agreement, as applicable.

"Originating Noteholder" means with respect to (i) any Default Swap Collateral Substitution Request Notice, the Holder(s) of a Note submitting such Default Swap Collateral Substitution Request Notice, (ii) any Directed Sale Request Notice, the Holder(s) of a Note submitting such Directed Sale Request Notice and (iii) any Noteholder Communication Notice, the Holder(s)of a Note submitting such Noteholder Communication Notice.

"Overcollateralization Tests" means the Class A/B Overcollateralization Test, the Class C Overcollateralization Test and the Class D Overcollateralization Test.

"PIK Bond" means a CDO Security on which the deferral of interest does not constitute an event of default pursuant to the terms of the related underlying instruments (while any other senior debt obligation is outstanding if so provided by the related indenture or other underlying instruments).

"Principal Balance" means, with respect to any Collateral Asset or Eligible Investment, as of any date of determination, the outstanding principal amount of such Collateral Asset or Eligible Investment; subject to the following exceptions: (i) the Principal Balance of a Collateral Asset received upon acceptance of an offer to exchange a Collateral Asset for such Collateral Asset shall be deemed to be the percentage of the outstanding principal amount equal to the least of (a) the Moody's Recovery Rate and (b) the S&P Recovery Rate for such Collateral Asset until such time as Proceeds are first received when due with respect to such Collateral Asset; (ii) the Principal Balance of each Defaulted Obligation shall be deemed to be zero, except (A) for purposes of the calculation of the Coverage Tests, in which case, the Principal Balance of Defaulted Obligations shall equal their respective outstanding principal amount (unless otherwise indicated in such tests), (B) for purposes of determining whether an Event of Default described in clause (vi) of the definition thereof has occurred, Defaulted Obligations shall be included at their Applicable Recovery Rate, (C) for purposes of calculating any trustee fees, the Liquidation Agent Fee and the Administrative Agent Fee, the Principal Balance of each Defaulted Obligation shall equal the Calculation Amount for such Defaulted Obligations and (D) as otherwise expressly indicated; (iii) the Principal Balance of any cash shall be the amount of such cash; (iv) the Principal Balance of any Collateral Assets and any Eligible Investments in which the Trustee does not have a perfected security interest shall be deemed to be zero; (v) the Principal Balance of any Collateral Asset that is an equity security will be deemed to be zero; (vi) the Principal Balance of a Synthetic Security shall be the notional amount of such Synthetic Security; (vii) the Principal Balance of any Default Swap Collateral shall be deemed to be zero as long as the related Synthetic Security is outstanding; and (viii) for purposes of calculating the Class A Overcollateralization Ratio, the Class A/B Overcollateralization Ratio, the Class C Overcollateralization Ratio and the Class D Overcollateralization Ratio, the Class E Overcollateralization Ratio, the Principal Balance of any RMBS Security that is experiencing negative amortization shall be deemed to be its outstanding principal amount without regard to any deferred or capitalized interest.

"Principal Proceeds" means, with respect to any Due Period, the sum (without duplication) of: (i) all payments of principal on the Collateral Assets and Eligible Investments received in cash by the Issuer during such Due Period including prepayments or mandatory sinking fund payments, or payments in respect of optional redemptions, exchange offers, tender offers (other than payments of principal of Eligible Investments acquired with Proceeds other than Principal Proceeds), recoveries on Defaulted Obligations up to the par amount of such Defaulted Obligation and principal payments received on any Default Swap Collateral if the related Synthetic Security has terminated and the Issuer has no further payment obligations thereunder; (ii) Sale Proceeds received by the Issuer during such Due Period (excluding accrued interest on sold or disposed Collateral Assets or Eligible Investments); (iii) all amendment, waiver, late payment fees, restructuring and other fees and commissions collected during the related Due Period in respect of Defaulted Obligations up to the par amount; (iv) any proceeds resulting from the termination and liquidation of any Hedge Agreement; and (v) all payments received in cash by the Issuer during such Due Period that represent call, prepayment or redemption premiums but not in excess of the purchase premium paid thereon; *provided, however*, that Principal Proceeds shall not include any accrued interest or any funds from the Subordinated Note Payment Account and all funds deposited in or credited thereto, transaction fees payable to the Issuer and its share capital on account of its ordinary shares held in its account in the Cayman Islands.

"Proceeds" means, with respect to any Due Period, without duplication, (i) all amounts received by the Trustee with respect to the Collateral Assets (excluding principal payments received on any related Default Swap Collateral for so long as the related Synthetic Security remains outstanding unless otherwise provided in the Indenture but including all investment income on Default Swap Collateral and excluding any payments of interest on Collateral Assets subject to the Cashflow Swap Agreement which are non-monthly pay securities), (ii) all

amounts received as amendment, waiver, late payment fees and commissions collected during the Due Period on Collateral Assets, (iii) all amounts received with respect to Eligible Investments in the Accounts, (iv) any amounts to be released or withdrawn on the related Payment Date from the Expense Reserve Account and (v) all amounts received under any Hedge Agreements relating to the Due Period, including Principal Proceeds.

"Quarterly Payment Date" means the 5th day of every January, April, July and October, or if any such date is not a Business Day, the immediately following Business Day, commencing on July 5, 2006.

"Rating Agency Condition" means, with respect to any action taken or to be taken under the Transaction Documents, a condition that is satisfied when each Rating Agency has confirmed in writing to the Issuer and the Trustee that such action will not result in the immediate withdrawal, reduction or other adverse action with respect to any then-current rating of any Class of Notes.

"Redemption Date" means any Tax Redemption Date or Optional Redemption Date.

"Reference Obligation" means a RMBS upon which a Synthetic Security is based and that satisfies the criteria set forth in the definition of Synthetic Security.

"Reference Obligor" means the obligor on a Reference Obligation.

"Registered" means, with respect to any debt obligation or debt security, a debt obligation or debt security that is issued after July 18, 1984, and that is in registered form within the meaning of Section 881(c)(2)(B)(i) of the Code and the Treasury regulations promulgated thereunder.

"REIT Debt Security" means a security issued by publicly held real estate investment trusts (as defined in Section 856 of the Code or any successor provision).

"Residential Mortgage-Backed Securities" or "RMBS" means securities that represent interests in pools of residential mortgage loans secured by 1 to 4 family residential mortgage loans and shall include, without limitation, RMBS Prime Mortgage Securities, RMBS Midprime Mortgage Securities and RMBS Subprime Mortgage Securities.

"RMBS Midprime Mortgage Securities" means Residential Mortgage-Backed Securities (other than RMBS Subprime Mortgage Securities and RMBS Prime Mortgage Securities) that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such Residential Mortgage-Backed Securities) on the cash flow from midprime residential mortgage loans secured (on a first priority basis, subject to permitted liens, easements and other encumbrances) by 1- to 4-family residential real estate, the proceeds of which are used to purchase real estate and purchase or construct dwellings thereon (or to refinance indebtedness previously so used).

"RMBS Prime Mortgage Securities" means Residential Mortgage-Backed Securities (other than RMBS Subprime Mortgage Securities and RMBS Midprime Mortgage Securities) that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such Residential Mortgage-Backed Securities) on the cash flow from prime residential mortgage loans secured (on a first priority basis, subject to permitted liens, easements and other encumbrances) by 1- to 4-family residential real estate, the proceeds of which are used to purchase real estate and purchase or construct dwellings thereon (or to refinance indebtedness previously so used).

"RMBS Subprime Mortgage Securities" means Residential Mortgage-Backed Securities (other than RMBS Prime Mortgage Securities and RMBS Midprime Mortgage Securities) that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such Residential Mortgage-Backed Securities) on the cash flow from subprime residential mortgage loans secured (on a first priority basis, subject to permitted liens, easements and other encumbrances) by 1- to 4-family residential real estate, the proceeds of which are used to purchase real estate and purchase or construct dwellings thereon (or to refinance indebtedness previously so used).

"S&P Rating" means the rating determined in accordance with the methodology described in the Indenture.

"S&P Recovery Rate" means, with respect to a Collateral Asset on any Determination Date, an amount equal to the percentage for such Collateral Asset set forth in the S&P Recovery Rate Matrix attached as a schedule to the Indenture (determined in accordance with procedures prescribed by S&P for such Collateral Asset on the date of its purchase by the Issuer or, in the case of a Defaulted Obligation, the S&P Rating immediately prior to default).

"Sale Proceeds" means all amounts representing Proceeds (including accrued interest) from the sale or other disposition of any Collateral Asset or Eligible Investment received during such Due Period, net of any reasonable amounts expended by the Liquidation Agent or the Trustee in connection with such sale or other disposition.

"Secured Note Redemption Price" is the Class S Note Redemption Price, the Class A Note Redemption Price, the Class B Note Redemption Price, the Class C Note Redemption Price, the Class D Note Redemption Price and the Class E Note Redemption Price, as applicable.

"Servicer" means, with respect to any Issue of Collateral Assets, the entity that, absent any default, event of default or similar condition (however described), is primarily responsible for monitoring and otherwise administering the cash flows from which payments to investors in such Collateral Assets are made.

"Single B Calculation Amount" means (i) for all purposes other than determining whether the Class E Interest Diversion Test is satisfied, the sum of the products of (a) the Principal Balance of each Single B Rated Asset and (b) 70% and (ii) for purposes of determining whether the Class E Interest Diversion Test is satisfied, the sum of the product of (a) the principal balance of each Single B Rated Asset and (b) 60%.

"Single B Rated Asset" means any Collateral Asset, that is not a Triple C Rated Asset, with an Actual Rating from S&P less than "BB-" or with an Actual Rating from Moody's less than "Ba3."

"Statistical Loss Amount" means, as of any Determination Date, the sum of, for each Collateral Asset, the product of (i) the Principal Balance of such Collateral Asset and (ii) the Moody's "Idealized" Cumulative Expected Loss Rate as set forth in the Indenture for such Collateral Asset. For purposes of the calculation of the Statistical Loss Amount on any Determination Date with respect to Single B Rated Assets, Deferred Interest PIK Bonds, Double B Rated Assets, Triple C Rated Assets, Defaulted Obligations and the principal amount of any Collateral Assets expected to be paid in full after the July 5 2041 Payment Date, the principal amount thereof expected to be paid after the Payment Date related to such Determination Date shall be excluded.

"Step-Down Bond" means a security which by the terms of the related Underlying Instrument provides for a decrease, in the case of a fixed rate security, in the per annum interest rate on such security or, in the case of a floating rate security, in the spread over the applicable index or benchmark rate, solely as a function of the passage of time; *provided* that a Step-Down Bond shall not include any such security providing for payment of a constant rate of interest at all times after the date of calculation.

"Subordinated Note Rated Amount" means, with respect to any Subordinated Note, as of any date of determination, the initial principal amount of such Subordinated Note, less the aggregated amount of all payments made on such Subordinated Note on or prior to such date; *provided* that, the Subordinated Note Rated Amount shall not be less than U.S. $1.00.

"Super Majority" means with respect to any Class of Notes, the Holders of more than 66-2/3% of the Aggregate Outstanding Amount of such Class of Notes.

"Synthetic Security" means the credit default swaps entered into by the Issuer and Goldman Sachs International on the Closing Date, evidenced by an ISDA Master Agreement (Multicurrency Cross Border) and one or more confirmations.

"Synthetic Security Counterparty" means Goldman Sachs International and, if Goldman Sachs International is no longer the Synthetic Security Counterparty, any entity required to make payments on a Synthetic Security pursuant to the terms of such Synthetic Security or any guarantee thereof.

"Tax Event" means (i) the adoption of, or a change in, any tax statute (including the Code), treaty, regulation (whether temporary or final), rule, ruling, practice, procedure or judicial decision or interpretation which results or will result in withholding tax payments representing in excess of 3% of the aggregate interest due and payable on the Collateral Assets during the Due Period in which such event occurs as a result of the imposition of U.S. or other withholding tax with respect to which the obligors are not required to make gross-up payments that cover the full amount of such withholding taxes on an after-tax basis or (ii) the adoption of, or change in, any tax statute (including the Code), treaty, regulation (whether temporary or final), rule, ruling, practice, procedure or judicial decision or interpretation which results or will result in taxation of the Issuer's net income in an amount equal to 3% or more of the net income of the Issuer during any Due Period in which such event occurs.

"Total Redemption Amount" means the sum of (a) all amounts due as of the Redemption Date pursuant to clauses (i), (ii), (iii), (iv), (v), (xx) and (xxi) of the Priority of Payments, (b) the Secured Note Redemption Prices and (c) the Subordinated Note Rated Amount (or such lesser amount as is agreed to by Holders of 100% of the Aggregate Outstanding Amount of the Subordinated Notes).

"Treasury" means the United States Department of the Treasury.

"Triple B Calculation Amount" means (i) for all purposes other than determining whether the Class E Interest Diversion Test is satisfied, the sum of the products of (a) the Principal Balance of each Triple B Rated Asset and (b) 100% and (ii) for purposes of determining whether the Class E Interest Diversion Test is satisfied, the sum of the products of (a) the Principal Balance of each Triple B Rated Asset and (b) (1) in the context of a Collateral Asset other than a CDO Security or a CMBS Repackaging Security, 95% and (2) in the context of a Collateral Asset that is a CDO Security or a CMBS Repackaging Security, 70%.

"Triple B Rated Asset" means any Collateral Asset (other than a Defaulted Obligation) with an Actual Rating from Moody's of less than "A3."

"Triple C Calculation Amount" means (i) for all purposes other than determining whether the Class E Interest Diversion Test is satisfied, the sum of the products of (a) the Principal Balance of each Triple C Rated Asset and (b) 50% and (ii) for purposes of determining whether the Class E Interest Diversion Test is satisfied, the sum of the products of (a) the Principal Balance of each Triple C Rated Asset and (b) the lesser of (1) 50% and (2) the Market Value of such Triple C Rated Asset (expressed as a percentage).

"Triple C Rated Asset" mean any Collateral Asset (other than a Defaulted Obligation) with an Actual Rating from S&P of less than "B-" or with an Actual Rating from Moody's of less than "B3."

Collateral Asset Descriptions and Transaction Summaries

RMBS Assets

CUSIP	Name	Issuer	Original Face	Factor	Current Face	Tranche Par	Total Deal Par	Issue Date	Coupon Index	Margin	Maturity
004375DD0	ACCR 2005-2 M1	ACCR 2005-2	$10,000,000	1.000	$10,000,000	$32,250,000	$1,007,808,828	5/26/05	LIBOR01M	0.40%	7/25/35
073879RW0	BSABS 2005-HE3 M1	BSABS 2005-HE3	$10,000,000	1.000	$10,000,000	$52,098,000	$699,307,646	3/31/05	LIBOR01M	0.43%	3/25/35
073879RY6	BSABS 2005-HE3 M3	BSABS 2005-HE3	$3,238,000	1.000	$3,238,000	$12,238,000	$699,307,646	3/31/05	LIBOR01M	0.76%	3/25/35
70069FMB0	PPSI 2005-WCW3 M6	PPSI 2005-WCW3	$3,000,000	1.000	$3,000,000	$22,500,000	$1,500,005,235	7/28/05	LIBOR01M	0.71%	8/25/35
362341GL7	GSAA 2005-9 2A3	GSAA 2005-9	$42,504,000	1.000	$42,504,000	$132,504,000	$717,911,622	7/28/05	LIBOR01M	0.37%	8/25/35
004375CH2	ACCR 2004-4 M2	ACCR 2004-4	$5,000,000	1.000	$5,000,000	$50,788,000	$1,047,176,083	11/22/04	LIBOR01M	1.05%	1/25/35
81375WEV4	SABR 2005-FR3 M2	SABR 2005-FR3	$5,000,000	1.000	$5,000,000	$24,810,000	$563,779,523	7/27/05	LIBOR01M	0.65%	4/25/35
863579LK2	SARM 2005-1 B2	SARM 2005-1	$13,584,000	0.998	$13,557,941	$13,584,000	$1,430,306,458	1/28/05	LIBOR01M	0.47%	2/25/35
863579LP1	SARM 2005-1 B4	SARM 2005-1	$15,014,000	0.998	$14,985,197	$15,014,000	$1,430,306,458	1/28/05	LIBOR01M	0.58%	2/25/35
41161PSW4	HVMLT 2005-9 B2	HVMLT 2005-9	$4,750,000	1.000	$4,749,630	$46,632,000	$2,590,639,810	8/26/05	LIBOR01M	0.65%	6/20/35
41161PSX2	HVMLT 2005-9 B3	HVMLT 2005-9	$7,100,000	1.000	$7,099,447	$29,792,000	$2,590,639,810	8/26/05	LIBOR01M	0.70%	6/20/35
61744CTK2	MSAC 2005-HE4 M1	MSAC 2005-HE4	$3,424,000	1.000	$3,424,000	$31,424,000	$910,827,469	8/26/05	LIBOR01M	0.45%	7/25/35
59020UZJ7	MLMI 2005-A6 2A3	MLMI 2005-A6	$15,000,000	1.000	$15,000,000	$79,288,000	$582,977,316	8/30/05	LIBOR01M	0.38%	8/25/35
362341JH3	GSAA 2005-10 M2	GSAA 2005-10	$5,000,000	1.000	$5,000,000	$23,457,000	$660,766,260	8/26/05	LIBOR01M	0.53%	6/25/35
362341JJ9	GSAA 2005-10 M3	GSAA 2005-10	$3,876,000	1.000	$3,876,000	$13,876,000	$660,766,260	8/26/05	LIBOR01M	0.55%	6/25/35
1266735T5	CWL 2005-8 2A3	CWL 2005-8	$8,204,000	1.000	$8,204,000	$33,204,000	$363,168,511	8/30/05	LIBOR01M	0.38%	12/25/35
68383NCK7	OPMAC 2005-4 M4	OPMAC 2005-4	$6,235,000	1.000	$6,235,000	$11,235,000	$1,321,738,004	8/25/05	LIBOR01M	0.65%	11/25/35
68383NCL5	OPMAC 2005-4 M5	OPMAC 2005-4	$5,000,000	1.000	$5,000,000	$9,913,000	$1,321,738,004	8/25/05	LIBOR01M	0.70%	11/25/35
12667G3R2	CWALT 2005-44 1A3C	CWALT 2005-44	$4,030,000	1.001	$4,033,865	$20,534,000	$500,000,000	8/30/05	LIBOR01M	0.51%	10/25/35
12667G3X9	CWALT 2005-44 2A3C	CWALT 2005-44	$3,600,000	1.000	$3,600,000	$12,236,000	$300,610,482	8/30/05	LIBOR01M	0.50%	10/25/35
126673SV5	CWL 2004-14 M4	CWL 2004-14	$18,125,000	1.000	$18,125,000	$40,125,000	$750,000,000	12/30/04	LIBOR01M	0.95%	6/25/35
542514NX8	LBMLT 2005-3 M1	LBMLT 2005-3	$10,000,000	1.000	$10,000,000	$41,251,000	$1,519,667,364	9/7/05	LIBOR01M	0.47%	9/25/35
12668ACJ2	CWALT 2005-51 1A2B	CWALT 2005-51	$19,475,300	1.000	$19,475,300	$30,040,300	$425,186,079	9/30/05	LIBOR01M	0.45%	11/20/35
12668ACR4	CWALT 2005-51 2A2B	CWALT 2005-51	$19,739,000	1.001	$19,762,721	$34,770,000	$500,193,787	9/30/05	LIBOR01M	0.45%	11/20/35
073879KD9	BSABS 2004-HE9 M2	BSABS 2004-HE9	$11,461,000	1.000	$11,461,000	$37,086,000	$726,979,371	10/29/04	LIBOR01M	1.20%	11/25/34
00252FBD2	AMIT 2005-1 M6	AMIT 2005-1	$8,600,000	1.000	$8,600,000	$18,600,000	$1,198,612,914	2/24/05	LIBOR01M	0.87%	6/25/35
32027NPG0	FFML 2004-FFH4 M5	FFML 2004-FFH4	$2,000,000	1.000	$2,000,000	$11,341,000	$731,700,000	12/29/04	LIBOR01M	1.05%	1/25/35
126694BV9	CWHL 2005-HYB6 M	CWHL 2005-HYB6	$12,165,000	0.999	$12,149,808	$19,165,000	$1,008,710,324	8/30/05	Fixed	5.46%	10/20/35
75970NBG1	RAMC 2005-3 AF6	RAMC 2005-3	$34,830,000	1.000	$34,830,000	$49,830,000	$660,000,183	9/29/05	Fixed	5.01%	11/25/35
45660NS97	INDX 2004-AR5 B1	INDX 2004-AR5	$13,058,000	0.993	$12,963,837	$33,058,000	$1,180,683,496	8/5/04	LIBOR01M	0.60%	8/25/34
02660TGE7	AHM 2005-3 3A4	AHM 2005-3	$15,399,000	1.000	$15,399,000	$15,399,000	$84,615,047	9/20/05	Fixed	5.51%	9/25/35
45660LC98	RAST 2005-A13 1A1	RAST 2005-A13	$30,000,000	0.947	$28,400,956	$95,494,000	$159,121,565	9/29/05	LIBOR01M	0.70%	10/25/35
362341SS9	GSAA 2005-12 AF4	GSAA 2005-12	$10,000,000	1.000	$10,000,000	$64,211,000	$568,445,584	10/28/05	Fixed	5.34%	9/25/35
362341ST7	GSAA 2005-12 AF5	GSAA 2005-12	$10,000,000	1.000	$10,000,000	$42,067,000	$568,445,584	10/28/05	Fixed	5.66%	9/25/35
362341SV2	GSAA 2005-12 M1	GSAA 2005-12	$7,105,000	1.000	$7,105,000	$7,105,000	$568,445,584	10/28/05	Fixed	5.45%	9/25/35
362341SY6	GSAA 2005-12 M4	GSAA 2005-12	$3,694,000	1.000	$3,694,000	$3,694,000	$568,445,584	10/28/05	Fixed	5.70%	9/25/35
83611MGW2	SVHE 2005-OPT3 M3	SVHE 2005-OPT3	$17,049,000	1.000	$17,049,000	$27,049,000	$1,545,653,980	9/30/05	LIBOR01M	0.62%	11/25/35
07386HXQ9	BALTA 2005-9 1M1	BALTA 2005-9	$10,000,000	1.000	$10,000,000	$30,746,000	$778,372,109	9/30/05	LIBOR01M	0.50%	11/25/35
362341TQ2	GSAMP 2005-SEA2 M2	GSAMP 2005-SEA2	$1,700,000	1.000	$1,700,000	$5,078,000	$187,788,626	10/14/05	LIBOR01M	0.85%	1/25/45
57643LLH7	MABS 2005-AB1 M1	MABS 2005-AB1	$11,733,000	1.000	$11,733,000	$11,733,000	$782,263,131	10/31/05	Fixed	5.65%	11/25/35
12668AD44	CWALT 2005-J13 2A9	CWALT 2005-J13	$30,000,000	0.952	$28,550,492	$30,000,000	$203,316,644	10/28/05	LIBOR01M	0.50%	11/25/35
550279AD5	LUM 2005-1 M2	LUM 2005-1	$2,340,000	1.000	$2,340,000	$4,685,000	$520,470,135	11/2/05	LIBOR01M	0.52%	11/25/35
31396ED94	FHR 3050 KF	FHR 3050	$12,223,000	0.854	$10,436,969	$12,223,000	$150,000,000	10/28/05	LIBOR01M	0.70%	5/15/35
31394FGC3	FNR 2005-79 FA	FNR 2005-79	$22,159,500	0.834	$18,475,058	$22,659,500	$250,000,000	8/29/05	LIBOR01M	0.70%	5/25/35
31394FFV2	FNR 2005-79 GF	FNR 2005-79	$12,500,000	0.847	$10,588,294	$12,500,000	$250,000,000	8/29/05	LIBOR01M	0.70%	7/25/35
30246QAJ2	FBRSI 2005-2 M3	FBRSI 2005-2	$5,000,000	1.000	$5,000,000	$41,030,000	$2,279,511,482	9/28/05	LIBOR01M	0.51%	9/25/35
45254NRP4	IMM 2005-8 1M5	IMM 2005-8	$9,735,000	0.929	$9,043,461	$9,735,000	$590,000,000	11/30/05	LIBOR01M	0.72%	2/25/36
126670JK5	CWL 2005-IM3 M5	CWL 2005-IM3	$6,000,000	1.000	$6,000,000	$11,000,000	$1,099,999,525	12/21/05	LIBOR01M	0.75%	3/25/36
66987WDG9	NHEL 2005-4 M3	NHEL 2005-4	$13,800,000	1.000	$13,800,000	$28,800,000	$1,600,000,000	12/15/05	LIBOR01M	0.49%	1/25/36
66987WDF1	NHEL 2005-4 M2	NHEL 2005-4	$16,200,000	1.000	$16,200,000	$43,200,000	$1,600,000,000	12/15/05	LIBOR01M	0.46%	1/25/36
12489WQJ6	CBASS 2005-CB8 M2	CBASS 2005-CB8	$10,280,000	1.000	$10,280,000	$24,280,000	$823,035,150	12/8/05	LIBOR01M	0.44%	12/25/35
144531EL0	CARR 2005-FRE1 M6	CARR 2005-FRE1	$10,000,000	1.000	$10,000,000	$15,931,000	$925,824,492	11/3/05	Synthetic Spread	0.85%	12/25/35
64352VPE5	NCHET 2005-C M6	NCHET 2005-C	$10,000,000	1.000	$10,000,000	$29,043,000	$1,994,778,882	12/6/05	Synthetic Spread	0.85%	12/25/35
73316PGX2	POPLR 2005-5 MV3	POPLR 2005-5	$10,000,000	1.000	$10,000,000	$7,585,000	$229,818,023	10/21/05	Synthetic Spread	0.85%	11/25/35
76112BH94	RAMP 2005-EFC5 M6	RAMP 2005-EFC5	$10,000,000	1.000	$10,000,000	$11,024,000	$711,095,586	10/26/05	Synthetic Spread	0.85%	10/25/35
76110W6E1	RASC 2005-EMX4 M6	RASC 2005-EMX4	$10,000,000	1.000	$10,000,000	$8,240,000	$515,000,790	11/17/05	Synthetic Spread	0.85%	11/25/35
32027NXE6	FFML 2005-FFH4 M2	FFML 2005-FFH4	$7,000,000	1.000	$7,000,000	$51,587,000	$982,605,601	12/15/05	LIBOR01M	0.50%	12/25/35
040104QR5	ARSI 2005-W5 M2	ARSI 2005-W5	$20,000,000	1.000	$20,000,000	$68,000,000	$2,000,000,246	12/28/05	LIBOR01M	0.48%	1/25/36
126694UU0	CWHL 2005-31 4A3	CWHL 2005-31	$15,000,000	1.000	$15,000,000	$58,121,000	$255,477,272	12/28/05	Fixed	5.73%	1/25/36
759950FY9	RAMC 2005-4 A4	RAMC 2005-4	$21,200,000	1.000	$21,200,000	$49,600,000	$874,997,825	12/30/05	Fixed	5.83%	2/25/36
45254TST2	IMSA 2005-2 M1	IMSA 2005-2	$30,000,000	1.000	$30,000,000	$71,606,000	$1,989,063,306	12/29/05	LIBOR01M	0.46%	3/25/36
12668A6C4	CWALT 2005-82 M	CWALT 2005-82	$8,176,000	0.999	$8,171,519	$16,421,000	$345,692,010	12/29/05	LIBOR01M	0.75%	2/25/36
362341E62	GSAA 2005-15 M6	GSAA 2005-15	$4,424,000	1.000	$4,424,000	$4,424,000	$884,827,224	12/29/05	LIBOR01M	0.75%	1/25/36
07386HYZ8	BALTA 2005-10 1M2	BALTA 2005-10	$4,000,000	1.000	$4,000,000	$16,087,000	$766,047,781	12/30/05	LIBOR01M	0.80%	1/25/36

RMBS Assets

CUSIP	Name	Issuer	Original Face	Factor	Current Face	Tranche Par	Total Deal Par	Issue Date	Coupon Index	Margin	Maturity
81375WHN9	CBASS 2006-CB1 M3	CBASS 2006-CB1	$4,000,000	1.000	$4,000,000	$15,769,000	$808,679,656	1/26/06	LIBOR01M	0.47%	1/25/36
004421UW1	ACE 2006-NC1 M3	ACE 2006-NC1	$6,000,000	1.000	$6,000,000	$25,161,000	$1,324,265,728	1/30/06	LIBOR01M	0.47%	12/25/35
004421UV3	ACE 2006-NC1 M2	ACE 2006-NC1	$9,000,000	1.000	$9,000,000	$43,039,000	$1,324,265,728	1/30/06	LIBOR01M	0.43%	12/25/35
004421UU5	ACE 2006-NC1 M1	ACE 2006-NC1	$5,000,000	1.000	$5,000,000	$47,011,000	$1,324,265,728	1/30/06	LIBOR01M	0.41%	12/25/35
75405KAF5	RASC 2006-EMX1 M3	RASC 2006-EMX1	$3,020,000	1.000	$3,020,000	$9,020,000	$440,000,794	1/20/06	LIBOR01M	0.47%	1/25/36
362341Z51	GSAA 2006-1 M1	GSAA 2006-1	$5,358,000	1.000	$5,358,000	$13,658,000	$910,795,806	1/27/06	LIBOR01M	0.40%	1/25/36
362341Z77	GSAA 2006-1 M3	GSAA 2006-1	$1,500,000	1.000	$1,500,000	$4,554,000	$910,795,806	1/27/06	LIBOR01M	0.45%	1/25/36
362341Z85	GSAA 2006-1 M4	GSAA 2006-1	$2,267,000	1.000	$2,267,000	$4,554,000	$910,795,806	1/27/06	LIBOR01M	0.61%	1/25/36
362341Z93	GSAA 2006-1 M5	GSAA 2006-1	$2,287,000	1.000	$2,287,000	$4,554,000	$910,795,806	1/27/06	LIBOR01M	0.64%	1/25/36
04541GUT7	ABSHE 2005-HE8 M6	ABSHE 2005-HE8	$10,000,000	1.000	$10,000,000	$21,872,000	$1,411,090,290	10/28/05	Synthetic Spread	0.65%	11/25/35
86358EYL4	SAIL 2005-9 M6	SAIL 2005-9	$10,000,000	1.000	$10,000,000	$27,544,000	$2,395,151,292	10/28/05	Synthetic Spread	0.65%	11/25/35
0738793S5	BSABS 2005-HE11 M5	BSABS 2005-HE11	$10,000,000	1.000	$10,000,000	$9,936,000	$641,048,174	11/30/05	Synthetic Spread	0.65%	11/25/35
35729PML1	FHLT 2005-D M6	FHLT 2005-D	$10,000,000	1.000	$10,000,000	$15,529,000	$1,035,296,654	11/18/05	Synthetic Spread	0.65%	11/25/35
81375WEW2	SABR 2005-FR3 M3	SABR 2005-FR3	$10,000,000	1.000	$10,000,000	$7,612,000	$563,779,523	7/27/05	Synthetic Spread	0.65%	4/25/35
126670SQ2	CWL 2006-IM1 M1	CWL 2006-IM1	$4,000,000	1.000	$4,000,000	$32,900,000	$700,001,058	1/30/06	LIBOR01M	0.40%	4/25/36
126670SU3	CWL 2006-IM1 M5	CWL 2006-IM1	$3,150,000	1.000	$3,150,000	$6,300,000	$700,001,058	1/30/06	LIBOR01M	0.65%	4/25/36
126670SV1	CWL 2006-IM1 M6	CWL 2006-IM1	$1,925,000	1.000	$1,925,000	$3,850,000	$700,001,058	1/30/06	LIBOR01M	0.70%	4/25/36
07387UAE1	BSABS 2006-EC1 M2	BSABS 2006-EC1	$3,000,000	1.000	$3,000,000	$23,609,000	$491,846,799	1/30/06	LIBOR01M	0.43%	12/25/35
76113AAH4	RASC 2006-KS1 M2	RASC 2006-KS1	$5,000,000	1.000	$5,000,000	$27,947,000	$860,000,288	1/26/06	LIBOR01M	0.40%	2/25/36
76113AAM3	RASC 2006-KS1 M6	RASC 2006-KS1	$2,000,000	1.000	$2,000,000	$12,898,000	$860,000,288	1/26/06	LIBOR01M	0.68%	2/25/36
761118RR1	RALI 2006-QO1 M2	RALI 2006-QO1	$3,500,000	0.999	$3,495,538	$11,716,000	$901,172,596	1/30/06	LIBOR01M	0.68%	2/25/46
76112BU81	RAMP 2006-RS1 M6	RAMP 2006-RS1	$3,300,000	1.000	$3,300,000	$9,600,000	$1,200,000,964	1/25/06	LIBOR01M	0.70%	1/25/36
76112BU40	RAMP 2006-RS1 M2	RAMP 2006-RS1	$5,700,000	1.000	$5,700,000	$25,200,000	$1,200,000,964	1/25/06	LIBOR01M	0.43%	1/25/36
76112BW48	RAMP 2006-EFC1 M6	RAMP 2006-EFC1	$9,760,000	1.000	$9,760,000	$9,760,000	$610,000,262	1/27/06	LIBOR01M	0.67%	2/25/36
76112BX88	RAMP 2006-NC1 M6	RAMP 2006-NC1	$2,975,000	1.000	$2,975,000	$7,975,000	$550,000,910	1/30/06	LIBOR01M	0.68%	1/25/36
73316PJY7	POPLR 2006-A M3	POPLR 2006-A	$1,185,000	1.000	$1,185,000	$4,785,000	$330,002,299	1/31/06	LIBOR01M	0.69%	2/25/36
61744CYC4	MSAC 2006-NC1 M2	MSAC 2006-NC1	$10,000,000	1.000	$10,000,000	$40,827,000	$1,296,091,575	1/27/06	LIBOR01M	0.40%	12/25/35
12668BJM6	CWALT 2006-OC1 M6	CWALT 2006-OC1	$4,000,000	1.000	$4,000,000	$8,403,000	$1,200,464,739	1/30/06	LIBOR01M	0.70%	3/25/36
69121PCL5	OWNIT 2006-1 M1	OWNIT 2006-1	$2,924,000	1.000	$2,924,000	$23,924,000	$724,995,990	1/30/06	LIBOR01M	0.41%	12/25/36
69121PCM3	OWNIT 2006-1 M2	OWNIT 2006-1	$4,199,000	1.000	$4,199,000	$23,199,000	$724,995,990	1/30/06	LIBOR01M	0.43%	12/25/36
542514RS5	LBMLT 2006-1 M5	LBMLT 2006-1	$15,000,000	1.000	$15,000,000	$40,000,000	$2,499,990,025	2/7/06	LIBOR01M	0.59%	2/25/36
863576EG5	SASC 2006-GEL1 M1	SASC 2006-GEL1	$5,500,000	1.000	$5,500,000	$16,110,000	$245,946,933	1/31/06	LIBOR01M	0.50%	11/25/35
040104RN3	ARSI 2006-W1 M6	ARSI 2006-W1	$15,000,000	1.000	$15,000,000	$38,675,000	$2,266,736,540	2/7/06	LIBOR01M	0.71%	3/25/36
542514TA2	LBMLT 2006-WL3 M4	LBMLT 2006-WL3	$13,645,000	1.000	$13,645,000	$31,645,000	$1,917,874,233	1/30/06	LIBOR01M	0.55%	1/25/36
83611MLE6	SVHE 2006-1 M5	SVHE 2006-1	$6,490,000	1.000	$6,490,000	$13,490,000	$770,875,753	2/16/06	LIBOR01M	0.70%	2/25/36
437084UX2	HEAT 2006-3 M6	HEAT 2006-3	$4,800,000	1.000	$4,800,000	$20,300,000	$1,400,000,100	3/30/06	LIBOR01M	0.68%	7/25/36
75406AAJ8	RASC 2006-EMX2 M6	RASC 2006-EMX2	$2,000,000	1.000	$2,000,000	$9,975,000	$570,000,007	2/23/06	LIBOR01M	0.69%	2/25/36
03072SX91	AMSI 2006-R1 M6	AMSI 2006-R1	$12,000,000	1.000	$12,000,000	$21,000,000	$1,500,013,043	2/23/06	LIBOR01M	0.72%	3/25/36
31396HB40	FHR 3120 FG	FHR 3120	$45,000,000	0.990	$44,541,935	$117,396,378	$646,470,588	2/23/06	LIBOR01M	0.70%	2/15/36
81375WKE5	SABR 2006-WM1 M1	SABR 2006-WM1	$12,000,000	1.000	$12,000,000	$61,708,000	$721,736,085	2/28/06	LIBOR01M	0.40%	12/25/35
32027NZS3	FFML 2006-FFH1 M6	FFML 2006-FFH1	$1,500,000	1.000	$1,500,000	$6,829,000	$487,781,534	2/28/06	LIBOR01M	0.67%	1/25/36
76112BZ78	RAMP 2006-RZ1 M6	RAMP 2006-RZ1	$4,000,000	1.000	$4,000,000	$8,250,000	$500,000,123	2/27/06	LIBOR01M	0.70%	3/25/36
07387UFJ5	BSABS 2006-IM1 M4	BSABS 2006-IM1	$3,000,000	1.000	$3,000,000	$9,076,000	$1,056,459,720	4/25/06	LIBOR01M	0.58%	2/25/36
07387UFL0	BSABS 2006-IM1 M6	BSABS 2006-IM1	$2,300,000	1.000	$2,300,000	$6,941,000	$1,056,459,720	4/25/06	LIBOR01M	0.70%	2/25/36
76112B2J8	RAMP 2006-RS2 M5	RAMP 2006-RS2	$3,500,000	1.000	$3,500,000	$8,000,000	$800,000,165	3/3/06	LIBOR01M	0.57%	3/25/36
46627MDM6	JPALT 2006-A1 1M2	JPALT 2006-A1	$3,395,000	1.000	$3,395,000	$6,790,000	$323,338,284	2/28/06	LIBOR01M	0.65%	3/25/36
362334FK5	GSAA 2006-4 4A3	GSAA 2006-4	$45,000,000	1.000	$45,000,000	$116,263,000	$430,673,942	3/2/06	Fixed	6.18%	3/25/36
362341SU4	GSAA 2005-12 AF6	GSAA 2005-12	$14,000,000	1.000	$14,000,000	$52,666,000	$568,445,584	10/28/05	Fixed	5.18%	9/25/35
362341AR0	GSAA 2005-7 AF5	GSAA 2005-7	$28,000,000	1.000	$28,000,000	$64,754,000	$695,530,043	6/29/05	Fixed	4.61%	5/25/35
542514TY0	LBMLT 2006-2 M4	LBMLT 2006-2	$7,000,000	1.000	$7,000,000	$49,563,000	$2,607,349,202	3/7/06	LIBOR01M	0.53%	3/25/36
542514SH8	LBMLT 2006-WL2 M4	LBMLT 2006-WL2	$11,498,000	1.000	$11,498,000	$31,498,000	$1,908,950,760	1/30/06	LIBOR01M	0.55%	1/25/36
456606LE0	INABS 2006-B M4	INABS 2006-B	$4,000,000	1.000	$4,000,000	$12,600,000	$699,998,598	3/14/06	LIBOR01M	0.50%	6/25/36
64352VKT7	NCHET 2005-2 M1	NCHET 2005-2	$12,000,000	1.000	$12,000,000	$98,666,000	$2,989,436,690	4/22/05	LIBOR01M	0.43%	6/25/35
542514MF8	LBMLT 2005-WL1 3M1	LBMLT 2005-WL1	$4,848,000	1.000	$4,848,000	$11,848,000	$185,125,837	7/15/05	LIBOR01M	0.48%	6/25/45
76110W5J1	RASC 2005-AHL2 M2	RASC 2005-AHL2	$2,200,000	1.000	$2,200,000	$13,626,000	$446,748,927	10/25/05	LIBOR01M	0.44%	10/25/35
76110W5K8	RASC 2005-AHL2 M3	RASC 2005-AHL2	$1,500,000	1.000	$1,500,000	$9,605,000	$446,748,927	10/25/05	LIBOR01M	0.47%	10/25/35
021464AH5	CWALT 2006-OC3 M4	CWALT 2006-OC3	$1,575,000	1.000	$1,575,000	$4,725,000	$671,310,100	4/28/06	LIBOR01M	0.49%	10/25/35
021464AJ1	CWALT 2006-OC3 M3	CWALT 2006-OC3	$1,912,667	1.000	$1,912,667	$5,738,000	$671,310,100	4/28/06	LIBOR01M	0.40%	11/25/35
021464AK8	CWALT 2006-OC3 M2	CWALT 2006-OC3	$4,725,000	1.000	$4,725,000	$9,450,000	$671,310,100	4/28/06	LIBOR01M	0.37%	12/25/35
BCC0PYGW1	NHELI 2006-HE2 M3	NHELI 2006-HE2	$3,000,000	1.000	$3,000,000	$17,098,000	$704,367,000	4/28/06	LIBOR01M	0.35%	3/25/35
86359UAH2	SASC 2006-OPT1 M2	SASC 2006-OPT1	$909,000	1.000	$909,000	$20,304,000	$944,373,965	4/28/06	LIBOR01M	0.34%	4/25/36
86358GAJ0	SAIL 2006-BNC2 M3	SAIL 2006-BNC2	$6,000,000	1.000	$6,000,000	$13,996,000	$902,958,876	4/28/06	LIBOR01M	0.40%	5/25/36
86358GAH4	SAIL 2006-BNC2 M2	SAIL 2006-BNC2	$5,000,000	1.000	$5,000,000	$17,156,000	$902,958,876	4/28/06	LIBOR01M	0.34%	5/25/36
no info	AMIT 2006-1 M3	AMIT 2006-1	$4,500,000	1.000	$4,500,000	$11,619,000	$596,533,000	no info	LIBOR01M	0.40%	4/25/36

RMBS Assets

CUSIP	Name	Asset Type	Moody's	Moody's Notch	S&P	S&P Notch	Fitch	Avg Life	Primary Servicer
004375DD0	ACCR 2005-2 M1	RMBS Midprime	Aa1	Aa1	AA+	AA+	-	3.94	Accredited Home Lenders, Inc.
073879RW0	BSABS 2005-HE3 M1	RMBS Midprime	Aa2	Aa2	AA	AA	-	3.87	EMC Mortgage Corporation
073879RY6	BSABS 2005-HE3 M3	RMBS Midprime	A3	A3	A-	A-	-	3.26	EMC Mortgage Corporation
70069FMB0	PPSI 2005-WCW3 M6	RMBS Subprime	A3	A3	A	A	A	4.08	Countrywide Home Loans Servicing LP
362341GL7	GSAA 2005-9 2A3	RMBS Prime	Aaa	Aaa	AAA	AAA	-	5.12	Countrywide Home Loans Servicing LP
004375CH2	ACCR 2004-4 M2	RMBS Midprime	A2	A2	A+	A+	-	3.7	Accredited Home Lenders, Inc.
81375WEV4	SABR 2005-FR3 M2	RMBS Subprime	A2	A2	A+	A+	A+	4.52	Countrywide Home Loans Servicing LP
863579LK2	SARM 2005-1 B2	RMBS Prime	Aa2	Aa2	AA+	AA+	-	5.69	Aurora Loan Services LLC
863579LP1	SARM 2005-1 B4	RMBS Prime	-	Aa3	AA	AA	-	5.69	Aurora Loan Services LLC
41161PSW4	HVMLT 2005-9 B2	RMBS Midprime	Aa2	Aa2	AA+	AA+	AA+	5	Washington Mutual Bank, FA
41161PSX2	HVMLT 2005-9 B3	RMBS Midprime	Aa3	Aa3	AA	AA	AA+	5	Washington Mutual Bank, FA
61744CTK2	MSAC 2005-HE4 M1	RMBS Midprime	Aa1	Aa1	AA+	AA+	AA+	4.8	Countrywide Home Loans Servicing LP
59020UZJ7	MLMI 2005-A6 2A3	RMBS Prime	Aaa	Aaa	AAA	AAA	-	5.67	Wells Fargo Bank, National Association
362341JH3	GSAA 2005-10 M2	RMBS Midprime	Aa2	Aa2	AA+	AA+	-	4.19	Countrywide Home Loans Servicing LP
362341JJ9	GSAA 2005-10 M3	RMBS Midprime	Aa3	Aa3	AA	AA	-	4.08	Countrywide Home Loans Servicing LP
1266735T5	CWL 2005-8 2A3	RMBS Subprime	Aaa	Aaa	AAA	AAA	-	6.64	Countrywide Home Loans Servicing LP
68383NCK7	OPMAC 2005-4 M4	RMBS Prime	A1	A1	A+	A+	-	5.19	Opteum Financial Services, LLC
68383NCL5	OPMAC 2005-4 M5	RMBS Prime	A2	A2	A	A	-	5.19	Opteum Financial Services, LLC
12667G3R2	CWALT 2005-44 1A3C	RMBS Prime	Aaa	Aaa	AAA	AAA	AAA	6.39	Countrywide Home Loans Servicing LP
12667G3X9	CWALT 2005-44 2A3C	RMBS Prime	Aaa	Aaa	AAA	AAA	AAA	5.97	Countrywide Home Loans Servicing LP
126673SV5	CWL 2004-14 M4	RMBS Subprime	-	Aa3	AA	AA	-	2.79	Countrywide Home Loans Servicing LP
542514NX8	LBMLT 2005-3 M1	RMBS Midprime	Aa1	Aa1	AA+	AA+	AA+	3.85	Long Beach Mortgage Company
12668ACJ2	CWALT 2005-51 1A2B	RMBS Prime	Aaa	Aaa	AAA	AAA	-	5.75	Countrywide Home Loans Servicing LP
12668ACR4	CWALT 2005-51 2A2B	RMBS Prime	Aaa	Aaa	AAA	AAA	-	5.9	Countrywide Home Loans Servicing LP
073879KD9	BSABS 2004-HE9 M2	RMBS Subprime	A2	A2	AA	AA	-	2.69	EMC Mortgage Corporation
00252FBD2	AMIT 2005-1 M6	RMBS Subprime	A3	A3	A+	A+	-	2.95	Aames Capital Corporation
32027NPG0	FFML 2004-FFH4 M5	RMBS Midprime	A1	A1	A	A	A	3.02	National City Home Loan Services, Inc.
126694BV9	CWHL 2005-HYB6 M	RMBS Prime	Aa2	Aa2	AA	AA	-	5.05	Countrywide Home Loans Servicing LP
75970NBG1	RAMC 2005-3 AF6	RMBS Midprime	Aaa	Aaa	AAA	AAA	-	6.37	Ocwen Loan Servicing, LLC
45660NS97	INDX 2004-AR5 B1	RMBS Prime	Aa2	Aa2	AA	AA	-	5.21	IndyMac Bank
02660TGE7	AHM 2005-3 3A4	RMBS Prime	Aaa	Aaa	AAA	AAA	-	6.44	American Home Mortgage Servicing, Inc.
45660LC98	RAST 2005-A13 1A1	RMBS Prime	Aaa	Aaa	AAA	AAA	-	2.83	IndyMac Bank
362341SS9	GSAA 2005-12 AF4	RMBS Midprime	Aaa	Aaa	AAA	AAA	-	4.7	Wells Fargo Bank, National Association
362341ST7	GSAA 2005-12 AF5	RMBS Midprime	Aaa	Aaa	AAA	AAA	-	7.29	Wells Fargo Bank, National Association
362341SV2	GSAA 2005-12 M1	RMBS Midprime	Aa1	Aa1	AA+	AA+	-	4.83	Wells Fargo Bank, National Association
362341SY6	GSAA 2005-12 M4	RMBS Midprime	A1	A1	AA-	AA-	-	4.81	Wells Fargo Bank, National Association
83611MGW2	SVHE 2005-OPT3 M3	RMBS Subprime	-	A1	AA-	AA-	AA-	4.44	Option One Mortgage Corporation
07386HXQ9	BALTA 2005-9 1M1	RMBS Prime	Aa2	Aa2	AA	AA	-	3.47	EMC Mortgage Corporation
362341TQ2	GSAMP 2005-SEA2 M2	RMBS Midprime	A2	A2	AA-	AA-	AA	4.69	Bank of America
57643LLH7	MABS 2005-AB1 M1	RMBS Midprime	Aa1	Aa1	AA+	AA+	-	5.08	Wells Fargo Bank, National Association
12668AD44	CWALT 2005-J13 2A9	RMBS Prime	Aaa	Aaa	AAA	AAA	-	4	Countrywide Home Loans Servicing LP
550279AD5	LUM 2005-1 M2	RMBS Prime	Aa2	Aa2	AA+	AA+	-	4.19	EMC Mortgage Corporation
31396ED94	FHR 3050 KF	RMBS Agency	Aaa	Aaa	AAA	AAA	-	6.78	JP Morgan Chase Bank, National Association
31394FGC3	FNR 2005-79 FA	RMBS Agency	Aaa	Aaa	AAA	AAA	-	7.28	Countrywide Home Loans Servicing LP
31394FFV2	FNR 2005-79 GF	RMBS Agency	Aaa	Aaa	AAA	AAA	-	7.84	Countrywide Home Loans Servicing LP
30246QAJ2	FBRSI 2005-2 M3	RMBS Midprime	Aa3	Aa3	AA-	AA-	-	2.57	JP Morgan Chase Bank, National Association
45254NRP4	IMM 2005-8 1M5	RMBS Prime	A2	A2	A	A	-	2.21	Countrywide Home Loans Servicing LP
126670JK5	CWL 2005-IM3 M5	RMBS Midprime	A2	A2	A	A	-	3.54	Countrywide Home Loans Servicing LP
66987WDG9	NHEL 2005-4 M3	RMBS Midprime	Aa3	Aa3	AA	AA	AA	4.11	NovaStar Mortgage, Inc.
66987WDF1	NHEL 2005-4 M2	RMBS Midprime	Aa2	Aa2	AA+	AA+	AA+	4.18	NovaStar Mortgage, Inc.
12489WQJ6	CBASS 2005-CB8 M2	RMBS Midprime	Aa2	Aa2	AA+	AA+	AA+	4.99	Litton Loan Servicing LP
144531EL0	CARR 2005-FRE1 M6	RMBS Subprime	A3	A3	A	A	-	4.7	Fremont Investment & Loan
64352VPE5	NCHET 2005-C M6	RMBS Subprime	A3	A3	A	A	-	5.1	JP Morgan Chase Bank, National Association
73316PGX2	POPLR 2005-5 MV3	RMBS Midprime	A3	A3	A-	A-	-	5.1	Equity One, Inc.
76112BH94	RAMP 2005-EFC5 M6	RMBS Midprime	A3	A3	A+	A+	-	5.1	Residential Funding Corporation
76110W6E1	RASC 2005-EMX4 M6	RMBS Midprime	A3	A3	AA-	AA-	-	5.1	Residential Funding Corporation
32027NXE6	FFML 2005-FFH4 M2	RMBS Midprime	Aa2	Aa2	AA	AA	AA	5	National City Home Loan Services, Inc.
040104QR5	ARSI 2005-W5 M2	RMBS Subprime	Aa2	Aa2	AA+	AA+	AA+	4.92	Ameriquest Mortgage Company
126694UU0	CWHL 2005-31 4A3	RMBS Prime	Aaa	Aaa	AAA	AAA	AAA	6.66	Countrywide Home Loans Servicing LP
759950FY9	RAMC 2005-4 A4	RMBS Midprime	Aaa	Aaa	AAA	AAA	AAA	2.75	Ocwen Loan Servicing, LLC
45254TST2	IMSA 2005-2 M1	RMBS Midprime	Aa1	Aa1	AA+	AA+	-	5.18	JP Morgan Chase Bank, National Association
12668A6C4	CWALT 2005-82 M	RMBS Midprime	Aa2	Aa2	AA	AA	-	7.1	Countrywide Home Loans Servicing LP
362341E62	GSAA 2005-15 M6	RMBS Prime	A3	A3	A	A	-	3.71	Countrywide Home Loans Servicing LP
07386HYZ8	BALTA 2005-10 1M2	RMBS Prime	A2	A2	A	A	-	3.9	EMC Mortgage Corporation

RMBS Assets

CUSIP	Name	Asset Type	Moody's	Moody's Notch	S&P	S&P Notch	Fitch	Avg Life	Primary Servicer
81375WHN9	CBASS 2006-CB1 M3	no info	Aa3	Aa3	AA-	AA-	AA	3.61	Litton Loan Servicing LP
004421UW1	ACE 2006-NC1 M3	RMBS Midprime	Aa3	Aa3	AA	AA	-	4.64	Saxon Mortgage Services, Inc.
004421UV3	ACE 2006-NC1 M2	RMBS Midprime	Aa2	Aa2	AA	AA	-	4.71	Saxon Mortgage Services, Inc.
004421UU5	ACE 2006-NC1 M1	RMBS Midprime	Aa1	Aa1	AA+	AA+	-	4.83	Saxon Mortgage Services, Inc.
75405KAF5	RASC 2006-EMX1 M3	RMBS Midprime	Aa3	Aa3	AA	AA	-	4.5	Residential Funding Corporation
362341Z51	GSAA 2006-1 M1	RMBS Prime	Aa1	Aa1	AA+	AA+	-	4.36	Countrywide Home Loans Servicing LP
362341Z77	GSAA 2006-1 M3	RMBS Prime	Aa3	Aa3	AA	AA	-	4.35	Countrywide Home Loans Servicing LP
362341Z85	GSAA 2006-1 M4	RMBS Prime	A1	A1	AA-	AA-	-	4.33	Countrywide Home Loans Servicing LP
362341Z93	GSAA 2006-1 M5	RMBS Prime	A2	A2	A+	A+	-	4.26	Countrywide Home Loans Servicing LP
04541GUT7	ABSHE 2005-HE8 M6	RMBS Subprime	A3	A3	A-	A-	-	4.2	Select Portfolio Servicing, Inc.
86358EYL4	SAIL 2005-9 M6	RMBS Midprime	A3	A3	A-	A-	A-	4.2	Option One Mortgage Corporation
0738793S5	BSABS 2005-HE11 M5	RMBS Midprime	A3	A3	A-	A-	-	4.1	EMC Mortgage Corporation
35729PML1	FHLT 2005-D M6	RMBS Subprime	A3	A3	A+	A+	-	4.3	Fremont Investment & Loan
81375WEW2	SABR 2005-FR3 M3	RMBS Subprime	A3	A3	A	A	A+	4.21	Countrywide Home Loans Servicing LP
126670SQ2	CWL 2006-IM1 M1	RMBS Midprime	Aa1	Aa1	AA+	AA+	-	4.44	Countrywide Home Loans Servicing LP
126670SU3	CWL 2006-IM1 M5	RMBS Midprime	A2	A2	A	A	-	4.34	Countrywide Home Loans Servicing LP
126670SV1	CWL 2006-IM1 M6	RMBS Midprime	A3	A3	A-	A-	-	4.33	Countrywide Home Loans Servicing LP
07387UAE1	BSABS 2006-EC1 M2	RMBS Subprime	Aa2	Aa2	AA	AA	-	4.63	EMC Mortgage Corporation
76113AAH4	RASC 2006-KS1 M2	RMBS Midprime	Aa2	Aa2	AA+	AA+	-	4.5	HomeComings Financial Network, Inc.
76113AAM3	RASC 2006-KS1 M6	RMBS Midprime	A3	A3	AA-	AA-	-	4.5	HomeComings Financial Network, Inc.
761118RR1	RALI 2006-QO1 M2	RMBS Prime	Aa2	Aa2	AA	AA	-	5.65	Residential Funding Corporation
76112BU81	RAMP 2006-RS1 M6	RMBS Midprime	A3	A3	A-	A-	-	4.5	HomeComings Financial Network, Inc.
76112BU40	RAMP 2006-RS1 M2	RMBS Midprime	Aa2	Aa2	AA	AA	-	4.5	HomeComings Financial Network, Inc.
76112BW48	RAMP 2006-EFC1 M6	RMBS Midprime	A3	A3	A	A	-	4.29	Residential Funding Corporation
76112BX88	RAMP 2006-NC1 M6	RMBS Midprime	A3	A3	A	A	-	4.3	HomeComings Financial Network, Inc.
73316PJY7	POPLR 2006-A M3	RMBS Subprime	A3	A3	A	A	-	4	Equity One, Inc.
61744CYC4	MSAC 2006-NC1 M2	RMBS Subprime	Aa2	Aa2	AA	AA	AA+	4.38	HomEq Servicing Corporation
12668BJM6	CWALT 2006-OC1 M6	RMBS Midprime	A3	A3	A	A	-	5.1	Countrywide Home Loans Servicing LP
69121PCL5	OWNIT 2006-1 M1	RMBS Midprime	Aa1	Aa1	AA+	AA+	-	4.65	Litton Loan Servicing LP
69121PCM3	OWNIT 2006-1 M2	RMBS Midprime	Aa2	Aa2	AA+	AA+	-	4.48	Litton Loan Servicing LP
542514RS5	LBMLT 2006-1 M5	RMBS Midprime	A2	A2	AA-	AA-	-	3.46	Washington Mutual Bank, FA
863576EG5	SASC 2006-GEL1 M1	RMBS Midprime	Aa2	Aa2	AA	AA	AA	4.76	Aurora Loan Services LLC
040104RN3	ARSI 2006-W1 M6	RMBS Subprime	A3	A3	A+	A+	A	4.63	Ameriquest Mortgage Company
542514TA2	LBMLT 2006-WL3 M4	RMBS Midprime	A1	A1	A+	A+	A+	4.4	Long Beach Mortgage Company
83611MLE6	SVHE 2006-1 M5	RMBS Subprime	A3	A3	A+	A+	A	4.48	Litton Loan Servicing LP
437084UX2	HEAT 2006-3 M6	RMBS Midprime	A3	A3	A+	A+	A	4.6	Select Portfolio Servicing, Inc.
75406AAJ8	RASC 2006-EMX2 M6	RMBS Midprime	A3	A3	A+	A+	-	4.44	Mortgage Lenders Network USA, Inc.
03072SX91	AMSI 2006-R1 M6	RMBS Subprime	A3	A3	A-	A-	A-	4.6	Ameriquest Mortgage Company
31396HB40	FHR 3120 FG	RMBS Agency	Aaa	Aaa	AAA	AAA	-	4.75	no info
81375WKE5	SABR 2006-WM1 M1	RMBS Midprime	Aa2	Aa2	AA	AA	AA	5.28	no info
32027NZS3	FFML 2006-FFH1 M6	RMBS Midprime	A2	A2	A-	A-	A-	4.6	National City Home Loan Services, Inc.
76112BZ78	RAMP 2006-RZ1 M6	RMBS Midprime	A3	A3	A	A	-	4.75	Residential Funding Corporation
07387UFJ5	BSABS 2006-IM1 M4	RMBS Midprime	A1	A1	A+	A+	-	4.6	Wells Fargo Bank, National Association
07387UFL0	BSABS 2006-IM1 M6	RMBS Midprime	A3	A3	A-	A-	-	4.7	Wells Fargo Bank, National Association
76112B2J8	RAMP 2006-RS2 M5	RMBS Midprime	A1	A1	A	A	-	4.7	Residential Funding Corporation
46627MDM6	JPALT 2006-A1 1M2	RMBS Prime	A2	A2	A+	A+	A+	4.4	JP Morgan Chase Bank, National Association
362334FK5	GSAA 2006-4 4A3	RMBS Prime	Aaa	Aaa	AAA	AAA	-	6.8	Wells Fargo Bank, National Association
362341SU4	GSAA 2005-12 AF6	RMBS Midprime	Aaa	Aaa	AAA	AAA	-	5.92	Wells Fargo Bank, National Association
362341AR0	GSAA 2005-7 AF5	RMBS Midprime	Aaa	Aaa	AAA	AAA	-	5.58	Wells Fargo Bank, National Association
542514TY0	LBMLT 2006-2 M4	RMBS Midprime	A1	A1	AA-	AA-	AA-	4.3	Long Beach Mortgage Company
542514SH8	LBMLT 2006-WL2 M4	RMBS Midprime	A1	A1	A+	A+	A+	4.39	Washington Mutual Bank, FA
456606LE0	INABS 2006-B M4	RMBS Subprime	A1	A1	A+	A+	A+	4.36	IndyMac Bank
64352VKT7	NCHET 2005-2 M1	RMBS Subprime	Aa1	Aa1	AA	AA	-	3.72	New Century Mortgage Corporation
542514MF8	LBMLT 2005-WL1 3M1	RMBS Midprime	Aa2	Aa2	AA+	AA+	AA+	3.9	Long Beach Mortgage Company
76110W5J1	RASC 2005-AHL2 M2	RMBS Subprime	Aa2	Aa2	AA	AA	-	6.08	Residential Funding Corporation
76110W5K8	RASC 2005-AHL2 M3	RMBS Subprime	Aa3	Aa3	AA	AA	-	6.08	Residential Funding Corporation
021464AH5	CWALT 2006-OC3 M4	RMBS Midprime	A1	A1	AA	AA	-	4.4	Countrywide Home Loans Servicing LP
021464AJ1	CWALT 2006-OC3 M3	RMBS Midprime	Aa3	Aa3	AA	AA	-	4.4	Countrywide Home Loans Servicing LP
021464AK8	CWALT 2006-OC3 M2	RMBS Midprime	Aa2	Aa2	AA+	AA+	-	4.4	Countrywide Home Loans Servicing LP
BCC0PYGW1	NHELI 2006-HE2 M3	RMBS Subprime	Aa3	Aa3	AA	AA	AA-	4	Ocwen Loan Servicing, LLC
86359UAH2	SASC 2006-OPT1 M2	RMBS Subprime	Aa3	Aa3	AA	AA	AA	4.8	Aurora Loan Services LLC
86358GAJ0	SAIL 2006-BNC2 M3	RMBS Subprime	A1	A1	A+	A+	A+	4.8	Option One Mortgage Corporation
86358GAH4	SAIL 2006-BNC2 M2	RMBS Subprime	Aa3	Aa3	AA-	AA-	AA-	4.8	Option One Mortgage Corporation
no info	AMIT 2006-1 M3	RMBS Subprime	A1	A1	AA+	AA+	-	4.25	Aames Capital Corporation

RMBS Assets

CUSIP	Name	FICO	Avg. LTV	% IO	% Fixed	% 2nd Lien	% Hybrid	Avg Loan Balance	% Occupancy	% Refinance	% Cash Out	% Purchase	% Neg Am
004375DD0	ACCR 2005-2 M1	632	78.3%	18.3%	27.4%	1.2%	72.6%	168,018	95.6%	2.6%	60.5%	36.9%	0.00%
073879RW0	BSABS 2005-HE3 M1	625	82.5%	33.2%	15.7%	3.9%	84.3%	170,604	90.9%	7.5%	40.1%	52.5%	0.00%
073879RY6	BSABS 2005-HE3 M3	625	82.5%	33.2%	15.7%	3.9%	84.3%	170,604	90.9%	7.5%	40.1%	52.5%	0.00%
70069FMB0	PPSI 2005-WCW3 M6	607	81.5%	0.0%	20.0%	1.2%	80.0%	179,856	89.6%	4.6%	57.4%	37.9%	0.00%
362341GL7	GSAA 2005-9 2A3	714	84.2%	92.1%	0.0%	0.0%	100.0%	323,838	83.3%	9.2%	26.7%	64.1%	0.00%
004375CH2	ACCR 2004-4 M2	625	78.0%	10.9%	30.2%	0.0%	69.8%	161,154	97.5%	2.5%	61.6%	36.0%	0.00%
81375WEV4	SABR 2005-FR3 M2	623	68.3%	25.1%	13.6%	4.9%	86.4%	193,435	92.5%	0.7%	52.2%	47.2%	0.00%
863579LK2	SARM 2005-1 B2	723	73.9%	no info	0.0%	0.0%	100.0%	307,924	85.3%	12.8%	27.5%	59.7%	0.00%
863579LP1	SARM 2005-1 B4	723	73.9%	no info	0.0%	0.0%	100.0%	307,924	85.3%	12.8%	27.5%	59.7%	0.00%
41161PSW4	HVMLT 2005-9 B2	645	69.6%	0.0%	0.0%	0.0%	100.0%	375,225	87.3%	16.9%	56.7%	26.4%	100.00%
41161PSX2	HVMLT 2005-9 B3	645	69.6%	0.0%	0.0%	0.0%	100.0%	375,225	87.3%	16.9%	56.7%	26.4%	100.00%
61744CTK2	MSAC 2005-HE4 M1	640	82.6%	15.3%	17.4%	5.6%	82.6%	164,261	95.9%	5.2%	36.6%	58.1%	0.00%
59020UZJ7	MLMI 2005-A6 2A3	711	76.9%	0.0%	1.3%	0.0%	98.7%	440,981	86.4%	13.9%	30.6%	55.5%	0.00%
362341JH3	GSAA 2005-10 M2	667	86.7%	100.0%	11.9%	0.0%	88.1%	258,565	98.3%	5.2%	66.8%	28.0%	0.00%
362341JJ9	GSAA 2005-10 M3	667	86.7%	100.0%	11.9%	0.0%	88.1%	258,565	98.3%	5.2%	66.8%	28.0%	0.00%
1266735T5	CWL 2005-8 2A3	605	79.6%	31.8%	29.5%	0.0%	70.5%	240,210	96.0%	2.9%	72.3%	24.8%	0.00%
68383NCK7	OPMAC 2005-4 M4	701	75.6%	76.6%	37.8%	0.0%	62.2%	269,472	83.9%	7.2%	33.4%	59.4%	0.00%
68383NCL5	OPMAC 2005-4 M5	701	75.6%	76.6%	37.8%	0.0%	62.2%	269,472	83.9%	7.2%	33.4%	59.4%	0.00%
12667G3R2	CWALT 2005-44 1A3C	700	no info	no info	0.0%	no info	100.0%	no info	no info	no info	no info	no info	100.00%
12667G3X9	CWALT 2005-44 2A3C	700	no info	no info	0.0%	no info	100.0%	no info	75.0%	no info	no info	no info	100.00%
126673SV5	CWL 2004-14 M4	595	66.9%	11.7%	17.4%	0.0%	82.6%	151,665	97.1%	6.0%	64.9%	29.0%	0.00%
542514NX8	LBMLT 2005-3 M1	656	78.5%	8.9%	5.1%	0.0%	94.9%	258,645	97.5%	1.8%	21.9%	76.4%	0.00%
12668ACJ2	CWALT 2005-51 1A2B	710	75.1%	0.0%	0.0%	0.0%	100.0%	361,494	82.9%	15.6%	51.6%	32.8%	100.00%
12668ACR4	CWALT 2005-51 2A2B	705	75.5%	0.0%	0.0%	0.0%	100.0%	495,687	74.3%	12.5%	38.3%	49.2%	100.00%
073879KD9	BSABS 2004-HE9 M2	622	82.3%	15.2%	21.5%	2.8%	78.5%	155,179	92.4%	8.9%	52.2%	38.9%	0.00%
00252FBD2	AMIT 2005-1 M6	604	78.4%	10.4%	0.0%	0.0%	100.0%	177,345	95.3%	6.2%	55.6%	38.2%	0.00%
32027NPG0	FFML 2004-FFH4 M5	657	99.4%	37.2%	14.9%	0.0%	85.1%	153,712	99.2%	1.7%	19.0%	79.3%	0.00%
126694BV9	CWHL 2005-HYB6 M	721	75.8%	87.7%	0.0%	0.0%	100.0%	360,254	89.4%	14.0%	21.6%	64.4%	0.00%
75970NBG1	RAMC 2005-3 AF6	631	75.8%	3.0%	100.0%	2.2%	0.0%	149,418	92.6%	35.6%	57.0%	7.4%	0.00%
45660NS97	INDX 2004-AR5 B1	710	71.3%	0.0%	0.0%	0.0%	100.0%	287,972	93.5%	19.3%	50.8%	29.9%	100.00%
02660TGE7	AHM 2005-3 3A4	710	74.4%	87.4%	0.0%	0.0%	100.0%	578,950	88.0%	14.6%	33.7%	51.8%	0.00%
45660LC98	RAST 2005-A13 1A1	723	72.0%	100.0%	100.0%	0.0%	0.0%	518,459	86.2%	18.1%	43.6%	38.3%	0.00%
362341SS9	GSAA 2005-12 AF4	690	81.6%	12.4%	100.0%	0.0%	0.0%	195,079	78.8%	8.9%	42.9%	48.1%	0.00%
362341ST7	GSAA 2005-12 AF5	690	81.6%	12.4%	100.0%	0.0%	0.0%	195,079	78.8%	8.9%	42.9%	48.1%	0.00%
362341SV2	GSAA 2005-12 M1	690	81.6%	12.4%	100.0%	0.0%	0.0%	195,079	78.8%	8.9%	42.9%	48.1%	0.00%
362341SY6	GSAA 2005-12 M4	690	81.6%	12.4%	100.0%	0.0%	0.0%	195,079	78.8%	8.9%	42.9%	48.1%	0.00%
83611MGW2	SVHE 2005-OPT3 M3	610	77.5%	21.3%	23.9%	1.4%	76.1%	200,789	94.4%	6.1%	66.9%	27.0%	0.00%
07386HXQ9	BALTA 2005-9 1M1	705	77.7%	90.4%	0.0%	0.0%	100.0%	264,393	60.0%	3.4%	13.2%	83.4%	0.00%
362341TQ2	GSAMP 2005-SEA2 M2	689	74.1%	35.5%	28.7%	0.3%	71.3%	257,662	84.0%	23.1%	23.8%	53.2%	0.00%
57643LLH7	MABS 2005-AB1 M1	674	78.2%	4.4%	100.0%	0.0%	0.0%	180,445	61.3%	8.6%	45.0%	46.4%	0.00%
12668AD44	CWALT 2005-J13 2A9	725	72.5%	50.0%	100.0%	0.0%	0.0%	414,087	90.0%	20.3%	32.7%	47.0%	0.00%
550279AD5	LUM 2005-1 M2	713	76.2%	83.1%	0.0%	0.0%	100.0%	434,978	88.3%	5.2%	22.0%	72.9%	0.00%
31396ED94	FHR 3050 KF	716	74.4%	no info	0.0%	no info	100.0%	no info	91.4%	51.1%	0.0%	48.9%	0.00%
31394FGC3	FNR 2005-79 FA	711	73.0%	no info	0.0%	no info	100.0%	no info	88.3%	49.2%	0.0%	50.8%	0.00%
31394FFV2	FNR 2005-79 GF	711	73.0%	no info	0.0%	no info	100.0%	no info	88.3%	49.2%	0.0%	50.8%	0.00%
30246QAJ2	FBRSI 2005-2 M3	625	81.4%	27.4%	14.1%	2.3%	85.9%	196,703	92.1%	4.5%	56.0%	39.5%	0.00%
45254NRP4	IMM 2005-8 1M5	708	77.1%	85.2%	0.0%	0.0%	100.0%	268,283	77.2%	7.0%	26.5%	66.5%	0.00%
126670JK5	CWL 2005-IM3 M5	684	79.6%	89.5%	0.0%	0.0%	100.0%	291,636	85.2%	6.8%	27.3%	66.0%	0.00%
66987WDG9	NHEL 2005-4 M3	630	81.1%	25.1%	19.2%	3.9%	80.8%	170,621	95.4%	1.8%	63.8%	34.5%	0.00%
66987WDF1	NHEL 2005-4 M2	630	81.1%	25.1%	19.2%	3.9%	80.8%	170,621	95.4%	1.8%	63.8%	34.5%	0.00%
12489WQJ6	CBASS 2005-CB8 M2	627	79.4%	23.4%	36.5%	4.0%	63.5%	176,894	88.6%	5.4%	61.7%	32.9%	0.00%
144531EL0	CARR 2005-FRE1 M6	606	88.7%	37.0%	7.7%	1.4%	92.3%	237,879	94.6%	8.9%	39.1%	52.0%	0.00%
64352VPE5	NCHET 2005-C M6	622	81.1%	33.7%	22.0%	3.1%	78.0%	194,706	89.7%	8.9%	51.3%	39.8%	0.00%
73316PGX2	POPLR 2005-5 MV3	632	83.1%	33.8%	0.0%	0.0%	100.0%	196,474	97.5%	3.8%	58.1%	38.1%	0.00%
76112BH94	RAMP 2005-EFC5 M6	634	83.6%	30.1%	12.7%	33.3%	87.3%	171,472	97.3%	10.0%	50.0%	40.0%	0.00%
76110W6E1	RASC 2005-EMX4 M6	634	84.1%	32.9%	18.3%	0.0%	81.8%	155,074	94.5%	0.9%	57.0%	42.1%	0.00%
32027NXE6	FFML 2005-FFH4 M2	657	99.4%	37.2%	14.9%	0.0%	85.1%	153,712	99.2%	1.7%	19.0%	79.3%	0.00%
040104QR5	ARSI 2005-W5 M2	616	81.0%	19.9%	20.0%	1.3%	80.0%	189,430	91.1%	4.0%	55.7%	40.4%	0.00%
126694UU0	CWHL 2005-31 4A3	743	73.4%	88.8%	0.0%	0.0%	100.0%	608,279	91.3%	12.9%	22.9%	64.2%	0.00%
759950FY9	RAMC 2005-4 A4	625	76.0%	1.3%	83.9%	2.0%	16.1%	161,965	93.9%	33.8%	56.7%	9.5%	0.00%
45254TST2	IMSA 2005-2 M1	691	76.5%	83.5%	16.9%	2.0%	83.1%	283,949	76.7%	6.6%	28.2%	65.1%	0.00%
12668A6C4	CWALT 2005-82 M	697	77.3%	0.0%	0.0%	0.0%	100.0%	293,529	78.3%	19.0%	48.5%	32.5%	100.00%
362341E62	GSAA 2005-15 M6	713	87.0%	92.0%	0.0%	0.0%	100.0%	249,624	75.6%	9.0%	18.8%	72.2%	0.00%
07386HYZ8	BALTA 2005-10 1M2	702	91.3%	82.4%	0.0%	0.0%	100.0%	246,159	50.5%	5.3%	14.0%	80.7%	0.00%

RMBS Assets

CUSIP	Name	FICO	Avg. LTV	% IO	% Fixed	% 2nd Lien	% Hybrid	Avg Loan Balance	% Occupancy	% Refinance	% Cash Out	% Purchase	% Neg Am
81375WHN9	CBASS 2006-CB1 M3	no info	no info	51.7%	9.5%	1.1%	90.5%	223,655	no info	no info	no info	no info	0.00%
004421UW1	ACE 2006-NC1 M3	627	80.9%	27.7%	22.8%	4.2%	77.2%	192,062	89.8%	6.3%	47.0%	46.8%	0.00%
004421UV3	ACE 2006-NC1 M2	627	80.9%	27.7%	22.8%	4.2%	77.2%	192,062	89.8%	6.3%	47.0%	46.8%	0.00%
004421UU5	ACE 2006-NC1 M1	627	80.9%	27.7%	22.8%	4.2%	77.2%	192,062	89.8%	6.3%	47.0%	46.8%	0.00%
75405KAF5	RASC 2006-EMX1 M3	630	83.9%	29.7%	21.7%	0.0%	78.3%	159,847	95.3%	1.1%	57.9%	41.0%	0.00%
362341Z51	GSAA 2006-1 M1	709	87.6%	89.4%	0.0%	0.0%	100.0%	231,610	77.1%	6.0%	17.4%	76.6%	0.00%
362341Z77	GSAA 2006-1 M3	709	87.6%	89.4%	0.0%	0.0%	100.0%	231,610	77.1%	6.0%	17.4%	76.6%	0.00%
362341Z85	GSAA 2006-1 M4	709	87.6%	89.4%	0.0%	0.0%	100.0%	231,610	77.1%	6.0%	17.4%	76.6%	0.00%
362341Z93	GSAA 2006-1 M5	709	87.6%	89.4%	0.0%	0.0%	100.0%	231,610	77.1%	6.0%	17.4%	76.6%	0.00%
04541GUT7	ABSHE 2005-HE8 M6	622	80.6%	27.2%	22.9%	4.1%	77.1%	179,095	91.5%	9.5%	53.4%	37.1%	0.00%
86358EYL4	SAIL 2005-9 M6	628	82.1%	27.9%	15.5%	4.6%	84.5%	192,923	90.3%	5.4%	52.8%	41.8%	0.00%
0738793S5	BSABS 2005-HE11 M5	628	80.4%	30.0%	23.8%	3.6%	76.2%	134,448	90.6%	5.9%	60.1%	34.0%	0.00%
35729PML1	FHLT 2005-D M6	622	80.5%	25.0%	10.8%	4.5%	89.2%	220,934	94.8%	0.3%	49.5%	50.2%	0.00%
81375WEW2	SABR 2005-FR3 M3	623	82.0%	25.1%	13.6%	4.9%	86.4%	193,435	92.5%	0.7%	52.2%	47.2%	0.00%
126670SQ2	CWL 2006-IM1 M1	675	79.1%	91.0%	0.0%	0.0%	100.0%	286,533	84.4%	6.4%	27.0%	66.6%	0.00%
126670SU3	CWL 2006-IM1 M5	675	79.1%	91.0%	0.0%	0.0%	100.0%	286,533	84.4%	6.4%	27.0%	66.6%	0.00%
126670SV1	CWL 2006-IM1 M6	675	79.1%	91.0%	0.0%	0.0%	100.0%	286,533	84.4%	6.4%	27.0%	66.6%	0.00%
07387UAE1	BSABS 2006-EC1 M2	607	80.1%	24.3%	10.9%	0.0%	89.1%	242,170	93.3%	9.7%	76.7%	13.6%	0.00%
76113AAH4	RASC 2006-KS1 M2	625	79.9%	19.0%	15.5%	0.8%	84.5%	145,203	96.2%	11.2%	48.8%	40.0%	0.00%
76113AAM3	RASC 2006-KS1 M6	625	79.9%	19.0%	15.5%	0.8%	84.5%	145,203	96.2%	11.2%	48.8%	40.0%	0.00%
761118RR1	RALI 2006-QO1 M2	707	74.5%	0.0%	0.2%	0.0%	99.8%	321,045	85.7%	17.8%	59.1%	23.1%	100.00%
76112BU81	RAMP 2006-RS1 M6	669	83.2%	54.9%	22.6%	0.0%	77.5%	203,563	78.4%	10.1%	35.0%	54.9%	0.00%
76112BU40	RAMP 2006-RS1 M2	669	83.2%	54.9%	22.6%	0.0%	77.5%	203,563	78.4%	10.1%	35.0%	54.9%	0.00%
76112BW48	RAMP 2006-EFC1 M6	628	83.3%	24.3%	18.0%	35.2%	82.0%	154,541	96.5%	2.8%	55.3%	41.9%	0.00%
76112BX88	RAMP 2006-NC1 M6	626	80.7%	18.1%	20.7%	3.1%	79.3%	196,226	90.2%	0.3%	58.9%	40.9%	0.00%
73316PJY7	POPLR 2006-A M3	615	83.6%	10.3%	35.0%	0.0%	65.0%	155,023	92.8%	8.7%	74.4%	17.0%	0.00%
61744CYC4	MSAC 2006-NC1 M2	622	81.0%	26.4%	22.2%	3.7%	77.8%	203,340	91.5%	7.5%	56.1%	36.3%	0.00%
12668BJM6	CWALT 2006-OC1 M6	697	77.4%	67.5%	33.1%	0.0%	66.9%	219,391	88.6%	10.8%	23.4%	65.8%	0.00%
69121PCL5	OWNIT 2006-1 M1	668	78.3%	74.0%	11.4%	1.7%	88.6%	228,259	97.8%	2.8%	24.6%	72.6%	0.00%
69121PCM3	OWNIT 2006-1 M2	668	78.3%	74.0%	11.4%	1.7%	88.6%	228,259	97.8%	2.8%	24.6%	72.6%	0.00%
542514RS5	LBMLT 2006-1 M5	633	79.7%	7.6%	8.7%	0.0%	91.3%	221,218	89.6%	3.7%	33.2%	63.2%	0.00%
863576EG5	SASC 2006-GEL1 M1	639	79.5%	22.6%	40.5%	7.9%	59.5%	144,250	86.3%	18.4%	29.0%	52.6%	0.00%
040104RN3	ARSI 2006-W1 M6	623	82.5%	28.8%	13.2%	1.3%	86.8%	217,730	90.6%	3.5%	51.3%	45.3%	0.00%
542514TA2	LBMLT 2006-WL3 M4	636	83.4%	8.9%	16.4%	8.7%	83.6%	174,765	85.9%	2.6%	35.0%	62.4%	0.00%
83611MLE6	SVHE 2006-1 M5	610	79.9%	16.4%	13.2%	5.6%	86.8%	165,744	91.0%	5.3%	51.3%	43.4%	0.00%
437084UX2	HEAT 2006-3 M6	627	80.3%	22.1%	16.8%	4.0%	83.2%	165,586	96.6%	5.8%	57.0%	37.2%	0.00%
75406AAJ8	RASC 2006-EMX2 M6	627	82.9%	36.7%	18.1%	10.0%	81.9%	160,214	95.9%	0.8%	55.2%	44.1%	0.00%
03072SX91	AMSI 2006-R1 M6	603	79.3%	16.4%	13.8%	0.6%	86.2%	165,821	96.1%	2.5%	94.8%	2.7%	0.00%
31396HB40	FHR 3120 FG	no info	no info	no info	no info	no info	100.0%	no info	no info	no info	no info	no info	0.00%
81375WKE5	SABR 2006-WM1 M1	640	82.4%	15.8%	17.5%	10.8%	82.5%	204,516	96.2%	2.1%	45.1%	52.8%	0.00%
32027NZS3	FFML 2006-FFH1 M6	660	100.0%	29.8%	13.3%	0.0%	86.7%	153,294	99.1%	1.9%	20.0%	78.1%	0.00%
76112BZ78	RAMP 2006-RZ1 M6	699	100.5%	13.9%	24.4%	0.0%	75.6%	137,860	74.0%	4.8%	26.9%	68.3%	0.00%
07387UFJ5	BSABS 2006-IM1 M4	690	77.9%	76.4%	38.8%	6.0%	61.2%	241,285	76.4%	6.6%	27.4%	66.0%	0.00%
07387UFL0	BSABS 2006-IM1 M6	690	77.9%	76.4%	38.8%	6.0%	61.2%	229,316	76.4%	6.6%	27.4%	66.0%	0.00%
76112B2J8	RAMP 2006-RS2 M5	671	82.2%	49.6%	40.4%	0.0%	59.6%	201,034	76.5%	8.8%	33.0%	58.2%	0.00%
46627MDM6	JPALT 2006-A1 1M2	709	77.3%	86.8%	0.0%	0.0%	100.0%	302,217	73.1%	3.1%	29.2%	67.7%	0.00%
362334FK5	GSAA 2006-4 4A3	720	73.1%	92.2%	0.0%	0.0%	100.0%	304,384	80.4%	10.4%	29.9%	59.7%	0.00%
362341SU4	GSAA 2005-12 AF6	690	79.2%	12.4%	100.0%	0.0%	0.0%	195,079	78.8%	8.9%	42.9%	48.1%	0.00%
362341AR0	GSAA 2005-7 AF5	691	78.4%	12.8%	100.0%	0.0%	0.0%	176,703	72.5%	9.9%	38.8%	51.4%	0.00%
542514TY0	LBMLT 2006-2 M4	632	80.9%	8.5%	11.9%	3.7%	88.1%	203,813	89.1%	3.8%	34.2%	61.9%	0.00%
542514SH8	LBMLT 2006-WL2 M4	636	77.4%	8.6%	14.2%	7.3%	85.8%	184,013	85.3%	3.1%	34.9%	62.0%	0.00%
456606LE0	INABS 2006-B M4	614	79.5%	20.0%	12.5%	0.0%	87.5%	192,222	92.5%	3.7%	51.9%	44.4%	0.00%
64352VKT7	NCHET 2005-2 M1	623	80.4%	17.3%	18.0%	3.0%	82.0%	183,909	90.3%	8.3%	57.4%	34.4%	0.00%
542514MF8	LBMLT 2005-WL1 3M1	663	82.1%	0.0%	94.8%	0.0%	5.2%	316,996	89.7%	1.3%	33.4%	65.4%	0.00%
76110W5J1	RASC 2005-AHL2 M2	624	80.2%	13.9%	17.8%	0.0%	82.3%	211,830	89.0%	1.6%	55.2%	43.1%	0.00%
76110W5K8	RASC 2005-AHL2 M3	624	80.2%	13.9%	17.8%	0.0%	82.3%	211,830	89.0%	1.6%	55.2%	43.1%	0.00%
021464AH5	CWALT 2006-OC3 M4	687	76.2%	76.4%	17.0%	0.0%	83.0%	261,333	81.4%	10.3%	29.7%	60.0%	0.00%
021464AJ1	CWALT 2006-OC3 M3	687	76.2%	76.4%	17.0%	0.0%	83.0%	261,333	81.4%	10.3%	29.7%	60.0%	0.00%
021464AK8	CWALT 2006-OC3 M2	687	76.2%	76.4%	17.0%	0.0%	83.0%	261,333	81.4%	10.3%	29.7%	60.0%	0.00%
BCC0PYGW1	NHELI 2006-HE2 M3	617	80.0%	29.9%	23.5%	1.6%	76.5%	195,478	95.3%	3.8%	62.4%	33.8%	0.00%
86359UAH2	SASC 2006-OPT1 M2	624	80.7%	17.8%	18.4%	4.0%	81.6%	198,669	91.4%	6.1%	59.9%	34.0%	0.00%
86358GAJ0	SAIL 2006-BNC2 M3	624	82.4%	19.8%	13.0%	5.9%	87.0%	196,680	85.0%	3.6%	54.2%	42.3%	0.00%
86358GAH4	SAIL 2006-BNC2 M2	624	82.4%	19.8%	13.0%	5.9%	87.0%	196,680	85.0%	3.6%	54.2%	42.3%	0.00%
no info	AMIT 2006-1 M3	618	78.2%	11.1%	21.3%	6.9%	78.7%	156,603	96.1%	7.6%	56.9%	35.5%	0.00%

CMBS Assets

CUSIP	Name	Issuer	Original Face	Factor	Current Face	Tranche Par	Total Deal Par	Issue Date	Coupon Index	Margin	Maturity
396789LQ0	GCCFC 2005-GG5 C	GCCFC 2005-GG5	$15,000,000	1.0000	$15,000,000	$37,583,000	$4,295,149,368	11/3/2005	Fixed	5.55%	4/10/2037
396789LS6	GCCFC 2005-GG5 E	GCCFC 2005-GG5	$15,000,000	1.0000	$15,000,000	$37,582,000	$4,295,149,368	11/3/2005	Fixed	5.55%	4/10/2037
46625YQX4	JPMCC 2005-CB12 B	JPMCC 2005-CB12	$500,000	1.0000	$500,000	$43,341,000	$2,217,038,830	7/29/2005	Fixed	5.19%	9/12/2037
12513XAK8	CD 2006-CD2 C	CD 2006-CD2	$7,500,000	1.0000	$7,500,000	$34,417,000	$3,109,345,770	3/14/2006	Fixed	5.65%	1/15/2046
03702WAJ3	AHR 2004-1A CFX	AHR 2004-1A	$2,500,000	1.0000	$2,500,000	$2,500,000	$390,506,071	3/30/2004	Fixed	4.80%	3/23/2039
225458P36	CSFB 2005-C4 D	CSFB 2005-C4	$7,500,000	1.0000	$7,500,000	$23,252,000	$1,328,688,451	8/24/2005	Fixed	5.38%	8/15/2038
617451BV0	MSC 2005-HQ7 D	MSC 2005-HQ7	$3,775,000	1.0000	$3,775,000	$17,121,000	$1,956,613,760	11/30/2005	Fixed	5.38%	11/14/2042
9297664X8	WBCMT 2005-C20 D	WBCMT 2005-C20	$15,000,000	1.0000	$15,000,000	$68,697,000	$3,663,837,891	8/23/2005	Fixed	5.40%	7/15/2042
92976BDZ2	WBCMT 2006-C23 C	WBCMT 2006-C23	$15,000,000	1.0000	$15,000,000	$52,873,000	$4,229,853,337	3/7/2006	Fixed	5.67%	1/15/2045
92976BEG3	WBCMT 2006-C23 G	WBCMT 2006-C23	$15,000,000	1.0000	$15,000,000	$52,873,000	$4,229,853,337	3/7/2006	Fixed	5.74%	1/15/2045
36228CYQ0	GSMS 2006-CC1 A	GSMS 2006-CC1	$40,000,000	1.0000	$40,000,000	$344,274,000	$406,223,049	4/4/2006	Fixed	5.40%	3/21/2046
00257AAA5	ABAC 2006-10A A	ABAC 200610A	$43,000,000	1.0000	$43,000,000	$300,000,000	$2,500,000,000	3/21/2006	LIBOR01M	0.40%	10/30/2045

CMBS Assets

CUSIP	Name	Asset Type	Moody's	Moodys Notch	S&P	S&P Notch	Fitch	Avg Life	Special Servicer
396789LQ0	GCCFC 2005-GG5 C	CMBS Large Loan	Aa3	Aa3	AA-	AA-	-	9.94	LNR Partners, Inc.
396789LS6	GCCFC 2005-GG5 E	CMBS Large Loan	A3	A3	A-	A-	-	9.94	LNR Partners, Inc.
46625YQX4	JPMCC 2005-CB12 B	CMBS Large Loan	Aa2	Aa2	-	-	AA	9.36	JE Robert Company
12513XAK8	CD 2006-CD2 C	CMBS Large Loan	Aa2	Aa2	AA	AA	-	10.00	LNR Partners, Inc.
03702WAJ3	AHR 2004-1A CFX	CMBS Repack	A1	A1	A+	A+	A+	7.86	NA - Trustee: LaSalle
225458P36	CSFB 2005-C4 D	CMBS Conduit	A2	A2	A	A	-	9.37	Arcap Special Servicing
617451BV0	MSC 2005-HQ7 D	CMBS Conduit	Aa3	Aa3	AA-	AA-	-	9.62	Arcap Special Servicing
9297664X8	WBCMT 2005-C20 D	CMBS Conduit	A2	A2	A	A	A	9.46	CWCapital Asset Management LLC
92976BDZ2	WBCMT 2006-C23 C	CMBS Conduit	Aa2	Aa2	AA	AA	-	9.93	LNR Partners, Inc.
92976BEG3	WBCMT 2006-C23 G	CMBS Conduit	A3	A3	A-	A-	-	9.41	LNR Partners, Inc.
36228CYQ0	GSMS 2006-CC1 A	CMBS Repack	Aaa	Aaa	-	AA	AAA	8.16	NA - Trustee: LaSalle
00257AAA5	ABAC 2006-10A A	CMBS Repack	Aaa	Aaa	AAA	AAA	-	9.70	NA - Trustee: LaSalle

CLO/CDO Assets

CUSIP	Name	Issuer	Original Face	Factor	Current Face	Tranche Par	Total Deal Par	Coupon Index	Margin	Avg Life	Maturity
02149RAF5	ALTS 2005-1A B	ALTS 2005-1A	$10,000,000	1.000	$10,000,000	$85,000,000	$584,000,000	LIBOR01M	0.58%	5.2	12/9/2040
36293XAG2	GSFIN 2005-1A C	GSFIN 2005-1A	$15,000,000	1.000	$15,000,000	$30,000,000	$441,900,000	LIBOR03M	1.40%	5.7	1/8/2041
41163TAD5	HARCH 2005-2A B	HARCH 2005-2A	$20,000,000	1.000	$20,000,000	$38,000,000	$400,700,000	LIBOR03M	0.50%	9.8	10/22/2017
09624QAG4	BLUEM 2005-1A C	BLUEM 2005-1A	$15,000,000	1.000	$15,000,000	$23,000,000	$512,000,000	LIBOR03M	0.80%	10	11/15/2017
118388AC1	BUCK 2005-2A D	BUCK 2005-2A	$15,000,000	1.000	$15,000,000	$23,900,000	$130,000,000	LIBOR01M	1.60%	4	4/5/2041
464267AD5	ICM 2006-HG1A A3	ICM 2006-HG1A	$6,000,000	1.000	$6,000,000	$30,500,000	$1,189,500,000	LIBOR03M	1.70%	7.4	3/8/2046
G7180CAC7	PS 3X B	PS 3X	$8,000,000	1.000	$8,000,000	$48,000,000	$400,000,000	LIBOR03M	0.75%	7.8	4/8/2041
23910VAH5	DVSQ 2006-6A C	DVSQ 2006-6A	$8,000,000	1.000	$8,000,000	$35,000,000	$834,000,000	LIBOR01M	1.37%	8.2	9/7/2041
83586WAG2	SORIN 2006-3A CFL	SORIN 2006-3A	$5,875,000	1.000	$5,875,000	$17,750,000	$1,000,000,000	LIBOR01M	1.00%	8.9	5/8/2046
17305CAC3	CTIUS 2006-1A B	CTIUS 2006-1A	$15,000,000	1.000	$15,000,000	$45,000,000	$184,000,000	LIBOR01M	0.52%	5.2	5/5/2046

CLO/CDO Assets

CUSIP	Name	Asset Type	Issue Date	Moody's	Moodys Notch	S&P	S&P Notch	Fitch	Collateral Manager
02149RAF5	ALTS 2005-1A B	CDO SPS	8/24/05	Aa2	Aa2	AA	AA	-	Aladdin Capital Management LLC.
36293XAG2	GSFIN 2005-1A C	CDO SPS	10/20/05	A2	A2	A	A	-	Wharton Asset Management Bermuda Limited
41163TAD5	HARCH 2005-2A B	CLO	11/9/05	Aa2	Aa2	AA	AA	-	Harch Capital Management
09624QAG4	BLUEM 2005-1A C	CLO	11/16/05	A2	A2	A	A	-	Blue Mountain Capital Management
118388AC1	BUCK 2005-2A D	CDO SPS	12/1/05	A2	A2	A	A	-	Deerfield Capital Management LLC.
464267AD5	ICM 2006-HG1A A3	CDO SPS	3/6/06	A2	A2	A	A	-	Ischus Capital Management, LLC
G7180CAC7	PS 3X B	CDO SPS	10/25/05	Aa2	Aa2	AA	AA	AA	TCW Asset Management Company
23910VAH5	DVSQ 2006-6A C	CDO SPS	3/30/06	A2	A2	A	A	-	TCW Asset Management Company
83586WAG2	SORIN 2006-3A CFL	CDO SPS	4/6/06	A2	A2	A	A	-	Sorin Capital Management, LLC
17305CAC3	CTIUS 2006-1A B	CDO SPS	5/3/06	Aa2	Aa2	AA	AA	-	Aladdin Capital Management LLC

ABS Assets

CUSIP	Name	Issuer	Original Face	Factor	Current Face	Tranche Par	Total Deal Par	Coupon Index	Margin	Avg Life	Maturity
63543TAK4	NCSLT 2005-3 C	NCSLT 2005-3	$12,500,000	1.000	$12,500,000	$84,500,000	$1,676,640,000	LIBOR01M	0.71%	12.74	8/25/2037

ABS Assets

CUSIP	Name	Asset Type	Issue Date	Moody's	Moodys Notch	S&P	S&P Notch	Fitch	Servicers
63543TAK4	NCSLT 2005-3 C	ABS Student Loan	10/12/2005	A3	A3	A	A	A	Pennsylvania Higher Education Assistance Agency

ANNEX A-1

FORM OF SUBORDINATED NOTES PURCHASE AND TRANSFER LETTER

LaSalle Bank National Association
181 W. Madison Street, 32nd Floor
Chicago, IL 60602
Attention: CDO Trust Services Group-Hout Bay 2006-1 Ltd.

Re: Hout Bay 2006-1 Ltd.
Subordinated Notes

Dear Sirs:

Reference is hereby made to the Subordinated Notes due 2041 (the "Subordinated Notes") issued by Hout Bay 2006-1 Ltd. (the "Issuer"), described in the Issuer's Offering Circular dated April 28, 2006 ("Offering Circular") to be purchased and held by us in definitive certificated form. We (the "Purchaser") are purchasing U.S. $[ ] principal amount of Subordinated Notes (the "Purchaser's Subordinated Notes"). Terms defined or referenced in the Offering Circular and not otherwise defined or referenced herein shall have the meanings set forth in the Offering Circular.

The Purchaser hereby represents, warrants and covenants for the benefit of the Issuer that:

(a) (i) The Purchaser is (check one) (x) __ a qualified institutional buyer (as defined in Rule 144A under the Securities Act of 1933, as amended (the "Securities Act")) (a "Qualified Institutional Buyer") (y) __ an "accredited investor" (as defined in Rule 501(a) under the Securities Act) (an "Accredited Investor") who has a net worth of not less than U.S.$10 million that is purchasing the Subordinated Notes for its own account; (ii) The Purchaser is a "qualified purchaser" for the purposes of Section 3(c)(7) of the Investment Company Act of 1940, as amended (the "Investment Company Act") (a "Qualified Purchaser"); (iii) The Purchaser, in the case of clause (y) above, is not acquiring the Subordinated Notes with a view to any resale or distribution thereof, other than in accordance with the restrictions set forth below; (iv) The Purchaser is aware that the sale of the Purchaser's Subordinated Notes to the Purchaser is being made in reliance on an exemption from registration under the Securities Act; (v) With respect to any transferee, the Purchaser also understands that, in conjunction with any transfer of the Purchaser's ownership of any Purchaser's Subordinated Notes purchased hereunder, it will not transfer or cause the transfer of such Purchaser's Subordinated Notes without obtaining from the transferee a certificate substantially in the form of this Subordinated Note Purchase and Transfer Letter; (vi) The Purchaser will provide notice of the transfer restrictions described to any subsequent transferees.

(b) The Purchaser is purchasing the Purchaser's Subordinated Notes in an amount equal to or exceeding the minimum permitted number thereof for its own account (or, if the Purchaser is a Qualified Institutional Buyer, for the account of another Qualified Institutional Buyer with respect to which the Purchaser exercises sole investment discretion) for investment purposes only and not for sale in connection with any distribution thereof, but nevertheless subject to the understanding that the disposition of its property shall at all times be and remain within its control (subject to the restrictions set forth in the Offering Circular, the certificate in respect of the Purchaser's Subordinated Notes and the Fiscal Agency Agreement).

(c) The Purchaser understands that the Purchaser's Subordinated Notes have not been and will not be registered or qualified under the Securities Act or any applicable state securities laws or the securities laws of any other jurisdiction and are being offered only in a transaction not involving any public offering within the meaning of the Securities Act, are being offered only in a transaction not involving any public offering, and may be reoffered, resold or pledged or otherwise transferred only in accordance with the restrictions on transfer set forth herein and in the Fiscal Agency Agreement. The Purchaser understands and agrees that

any purported transfer of Subordinated Notes to a purchaser that does not comply with the requirements herein will not be permitted or registered by the Subordinated Notes Transfer Agent. The Purchaser further understands that the Issuer has the right to compel any beneficial owner of Subordinated Notes that is a U.S. Person and is not (a) either a Qualified Institutional Buyer or an Accredited Investor with a net worth of U.S.$10 million or more and (b) a Qualified Purchaser, to sell its interest in such Subordinated Notes, or the Issuer may sell such Subordinated Notes on behalf of such owner.

(d) If the Purchaser or any account for which the Purchaser is purchasing the Purchaser's Subordinated Notes is a U.S. Person (as defined in Regulation S under the Securities Act) the following representations shall be true and correct: The Purchaser (or if the Purchaser is acquiring the Purchaser's Subordinated Notes for any account, each such account) is acquiring the Purchaser's Subordinated Notes as principal for its own account for investment and not for sale in connection with any distribution thereof. The Purchaser and each such account: (a) was not formed for the specific purpose of investing in the Subordinated Notes (except when each beneficial owner of the Purchaser and each such account is a Qualified Purchaser), (b) to the extent the Purchaser is a private investment company formed before April 30, 1996, the Purchaser has received the necessary consent from its beneficial owners, (c) is not a pension, profit sharing or other retirement trust fund or plan in which the partners, beneficiaries or participants, as applicable, may designate the particular investments to be made; and (d) is not a broker-dealer that owns and invests on a discretionary basis less than U.S.$25,000,000 in securities of unaffiliated issuers. Further, the Purchaser agrees: (i) that neither it nor such account shall hold the Purchaser's Subordinated Notes for the benefit of any other person and such purchaser of such account shall be the sole beneficial owner thereof for all purposes; and (ii) that neither it nor such account shall sell participation interests in the Purchaser's Subordinated Notes or enter into any other arrangement pursuant to which any other person shall be entitled to a beneficial interest in the distributions on the Purchaser's Subordinated Notes. The Purchaser understands and agrees that any purported transfer of the Purchaser's Subordinated Notes to a Purchaser that does not comply with the requirements of this clause (d) will not be permitted or registered by the Subordinated Notes Transfer Agent.

(e) In connection with the purchase of the Purchaser's Subordinated Notes: (i) none of the Issuers, the Initial Purchasers, the Liquidation Agent, the Administrative Agent, the Administrator or the Fiscal Agent, is acting as a fiduciary or financial or investment adviser for the Purchaser; (ii) the Purchaser is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuers, either Initial Purchaser, the Liquidation Agent, the Administrative Agent, the Administrator or the Fiscal Agent other than in the Offering Circular and any representations expressly set forth in a written agreement with such party; (iii) none of the Issuers, the Initial Purchasers, any Hedge Counterparty, the Liquidation Agent, the Administrative Agent, the Administrator or the Fiscal Agent has given to the Purchaser (directly or indirectly through any other person) 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) as to an investment in the Purchaser's Subordinated Notes; (iv) the Purchaser has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers to the extent it has deemed necessary, and it has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Indenture and the Fiscal Agency Agreement) 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 Issuers, either Initial Purchaser, any Hedge Counterparty, the Liquidation Agent, the Administrative Agent, the Administrator or the Fiscal Agent; (v) the Purchaser has evaluated the rates, prices or amounts and other terms and conditions of the purchase and sale of the Purchaser's Subordinated Notes with a full understanding of all of the risks thereof (economic and otherwise), and it is capable of assuming and willing to assume (financially and otherwise) those risks; and (vi) the Purchaser is a sophisticated investor.

(f) The certificates in respect of the Subordinated Notes (other than the Regulation S Subordinated Notes) will bear a legend to the following effect unless the Issuer determines otherwise in compliance with the Fiscal Agency Agreement and applicable law:

THE SUBORDINATED NOTES ARE THE SUBJECT OF, AND ARE ISSUED SUBJECT TO THE CONDITIONS OF, THE FISCAL AGENCY AGREEMENT, DATED ON OR ABOUT

MAY 2, 2006 (THE "FISCAL AGENCY AGREEMENT") BY AND BETWEEN THE ISSUER OF THE SUBORDINATED NOTES AND LASALLE BANK NATIONAL ASSOCIATION, AS FISCAL AGENT. COPIES OF THE FISCAL AGENCY AGREEMENT MAY BE OBTAINED FROM THE FISCAL AGENT.

THE SUBORDINATED NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THE HOLDER HEREOF, BY PURCHASING THE SUBORDINATED NOTES REPRESENTED HEREBY, AGREES FOR THE BENEFIT OF THE ISSUER THAT SUCH SUBORDINATED NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT AND IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, (2) TO AN ACCREDITED INVESTOR (AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT) WHO HAS A NET WORTH OF NOT LESS THAN U.S.$10 MILLION) IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT, OR (3) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, AND, IN THE CASE OF CLAUSE (1) AND (2) IN A PRINCIPAL AMOUNT OF NOT LESS THAN $250,000 OR IN THE CASE OF CLAUSE (3) IN A PRINCIPAL AMOUNT OF NOT LESS THAN $100,000. FURTHERMORE THE PURCHASER AND EACH ACCOUNT FOR WHICH IT IS ACTING AS A PURCHASER, OTHER THAN IN THE CASE OF CLAUSE (A)(3) ABOVE, REPRESENTS FOR THE BENEFIT OF THE ISSUER THAT IT (V) IS A QUALIFIED PURCHASER FOR THE PURPOSES OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY PURPORTED TRANSFER IN VIOLATION OF THE FOREGOING WILL NOT BE PERMITTED OR REGISTERED BY THE SUBORDINATED NOTES TRANSFER AGENT. EACH TRANSFEROR OF THE SUBORDINATED NOTES WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE FISCAL AGENCY AGREEMENT TO ITS TRANSFEREE. IN ADDITION TO THE FOREGOING, THE ISSUER HAS THE RIGHT TO COMPEL ANY BENEFICIAL OWNER OF A SUBORDINATED NOTE THAT IS A U.S. PERSON AND IS NOT (A) A QUALIFIED PURCHASER AND (B) EITHER A QUALIFIED INSTITUTIONAL BUYER OR AN ACCREDITED INVESTOR WHO HAS A NET WORTH OF NOT LESS THAN U.S.$10 MILLION TO SELL SUCH SUBORDINATED NOTES, OR MAY SELL SUCH SUBORDINATED NOTES ON BEHALF OF SUCH OWNER.

IF THE TRANSFER OF SUBORDINATED NOTES IS TO BE MADE PURSUANT TO CLAUSE (A)(1) OR (A)(2) OF THE PRECEDING PARAGRAPH, THE TRANSFEREE OF THE SUBORDINATED NOTES WILL BE REQUIRED TO EXECUTE AND DELIVER TO THE ISSUER AND THE SUBORDINATED NOTES TRANSFER AGENT A SUBORDINATED

NOTES PURCHASE AND TRANSFER LETTER, SUBSTANTIALLY IN THE FORM ATTACHED TO THE FISCAL AGENCY AGREEMENT, STATING THAT AMONG OTHER THINGS, THE TRANSFEREE IS (X) A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, OR (Y) AN ACCREDITED INVESTOR (AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT) WHO HAS A NET WORTH OF NOT LESS THAN U.S.$10 MILLION AND (Z) A QUALIFIED PURCHASER FOR THE PURPOSES OF THE INVESTMENT COMPANY ACT.

IF THE TRANSFER OF SUBORDINATED NOTES IS TO BE MADE PURSUANT TO CLAUSE (A)(3) OF THE SECOND PRECEDING PARAGRAPH, THE TRANSFEREE OF THE SUBORDINATED NOTES WILL BE REQUIRED TO DELIVER TO THE ISSUER AND THE SUBORDINATED NOTES TRANSFER AGENT A SUBORDINATED NOTES PURCHASE AND TRANSFER LETTER, SUBSTANTIALLY IN THE FORM ATTACHED TO THE FISCAL AGENCY AGREEMENT, STATING THAT AMONG OTHER THINGS, THE TRANSFEREE IS NOT A U.S. PERSON (AS DEFINED IN REGULATION S).

WITH RESPECT TO THE SUBORDINATED NOTES PURCHASED OR TRANSFERRED ON OR AFTER THE CLOSING DATE, THE PURCHASER OR TRANSFEREE MUST DISCLOSE IN WRITING IN ADVANCE TO THE FISCAL AGENT (i) WHETHER OR NOT IT IS (A) AN "EMPLOYEE BENEFIT PLAN" (AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA")), WHETHER OR NOT SUBJECT TO THE PROVISIONS OF TITLE I OF ERISA, (B) A "PLAN" DESCRIBED IN SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), WHETHER OR NOT SUBJECT TO SECTION 4975 OF THE CODE, OR (C) AN ENTITY WHOSE ASSETS INCLUDE "PLAN ASSETS" WITHIN THE MEANING OF ERISA BY REASON OF AN EMPLOYEE BENEFIT OR OTHER PLAN'S INVESTMENT IN THE ENTITY (ALL SUCH PERSONS AND ENTITIES DESCRIBED IN CLAUSES (A) THROUGH (C) BEING REFERRED TO HEREIN AS "BENEFIT PLAN INVESTORS"); (ii) IF THE PURCHASER OR TRANSFEREE IS A BENEFIT PLAN INVESTOR, THAT THE PURCHASE AND HOLDING OR TRANSFER AND HOLDING OF SUBORDINATED NOTES DO NOT AND WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR UNDER ANY FEDERAL, STATE, LOCAL OR FOREIGN LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE) FOR WHICH AN EXEMPTION IS NOT AVAILABLE; AND (iii) WHETHER OR NOT IT IS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR A PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO THE ASSETS OF THE ISSUER, OR ANY "AFFILIATE" (WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101(f)(3)) OF ANY SUCH PERSON. IF A PURCHASER IS AN INSURANCE COMPANY ACTING ON BEHALF OF ITS GENERAL ACCOUNT, IT WILL BE PERMITTED TO SO INDICATE, AND REQUIRED TO IDENTIFY A MAXIMUM PERCENTAGE OF THE ASSETS IN ITS GENERAL ACCOUNT THAT MAY BE OR BECOME PLAN ASSETS, IN WHICH CASE THE INSURANCE COMPANY WILL BE REQUIRED TO MAKE CERTAIN FURTHER AGREEMENTS THAT WOULD APPLY IN THE EVENT THAT SUCH MAXIMUM PERCENTAGE WOULD THEREAFTER BE EXCEEDED. THE PURCHASER AGREES THAT, BEFORE ANY INTEREST IN A SUBORDINATED NOTE MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, THE TRANSFEREE WILL BE REQUIRED TO PROVIDE THE SUBORDINATED NOTES TRANSFER AGENT WITH A SUBORDINATED NOTE PURCHASE AND TRANSFER LETTER (SUBSTANTIALLY IN THE FORM ATTACHED TO THE FISCAL AGENCY AGREEMENT) STATING, AMONG OTHER THINGS, WHETHER THE TRANSFEREE IS A BENEFIT PLAN INVESTOR. THE TRUSTEE OR SUBORDINATED NOTES TRANSFER AGENT WILL NOT PERMIT OR REGISTER ANY PURCHASE OR TRANSFER OF SUBORDINATED NOTES TO THE EXTENT THAT THE

PURCHASE OR TRANSFER WOULD RESULT IN BENEFIT PLAN INVESTORS OWNING 25% OR MORE OF THE OUTSTANDING SUBORDINATED NOTES (OTHER THAN THE SUBORDINATED NOTES OWNED BY THE LIQUIDATION AGENT, THE ADMINISTRATIVE AGENT, THE TRUSTEE AND THEIR AFFILIATES) IMMEDIATELY AFTER SUCH PURCHASE OR TRANSFER (DETERMINED IN ACCORDANCE WITH THE PLAN ASSET REGULATION (AS DEFINED HEREIN) AND IN THE FISCAL AGENCY AGREEMENT).

PAYMENTS TO THE HOLDERS OF THE SUBORDINATED NOTES ARE SUBORDINATE TO THE PAYMENT ON EACH QUARTERLY PAYMENT DATE OF PRINCIPAL OF AND INTEREST ON THE SECURED NOTES OF THE ISSUER OR CO-ISSUER, AS APPLICABLE, AND THE PAYMENT OF CERTAIN OTHER AMOUNTS, TO THE EXTENT AND AS DESCRIBED IN THE INDENTURE.

(g) The certificates in respect of the Regulation S Subordinated Notes will bear a legend to the following effect unless the Issuer determines otherwise in compliance with the Fiscal Agency Agreement and applicable law:

THE SUBORDINATED NOTES ARE THE SUBJECT OF, AND ARE ISSUED SUBJECT TO THE CONDITIONS OF, THE FISCAL AGENCY AGREEMENT, DATED ON OR ABOUT MAY 2, 2006 (THE "FISCAL AGENCY AGREEMENT) BY AND BETWEEN THE ISSUER OF THE SUBORDINATED NOTES AND LASALLE BANK NATIONAL ASSOCIATION, AS FISCAL AGENT. COPIES OF THE FISCAL AGENCY AGREEMENT MAY BE OBTAINED FROM THE FISCAL AGENT.

THE SUBORDINATED NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THE HOLDER HEREOF, BY PURCHASING THE SUBORDINATED NOTES REPRESENTED HEREBY, AGREES FOR THE BENEFIT OF THE ISSUER THAT SUCH SUBORDINATED NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT AND IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, (2) TO AN ACCREDITED INVESTOR (AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT) WHO HAS A NET WORTH OF NOT LESS THAN U.S.$10 MILLION) IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT, OR (3) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, AND, IN THE CASE OF CLAUSE (1) AND (2) IN A PRINCIPAL AMOUNT OF NOT LESS THAN $250,000 OR IN THE CASE OF CLAUSE (3) IN A PRINCIPAL AMOUNT OF NOT LESS THAN $100,000. FURTHERMORE THE PURCHASER AND EACH ACCOUNT FOR WHICH IT IS ACTING AS A PURCHASER, OTHER THAN IN THE CASE OF CLAUSE (A)(3) ABOVE, REPRESENTS FOR THE BENEFIT OF THE ISSUER THAT IT (V) IS A QUALIFIED PURCHASER FOR THE PURPOSES OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN

WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY PURPORTED TRANSFER IN VIOLATION OF THE FOREGOING WILL NOT BE PERMITTED OR REGISTERED BY THE SUBORDINATED NOTES TRANSFER AGENT. EACH TRANSFEROR OF THE SUBORDINATED NOTES WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE FISCAL AGENCY AGREEMENT TO ITS TRANSFEREE. IN ADDITION TO THE FOREGOING, THE ISSUER HAS THE RIGHT TO COMPEL ANY BENEFICIAL OWNER OF A SUBORDINATED NOTE THAT IS A U.S. PERSON AND IS NOT (A) A QUALIFIED PURCHASER AND (B) EITHER A QUALIFIED INSTITUTIONAL BUYER OR AN ACCREDITED INVESTOR WHO HAS A NET WORTH OF NOT LESS THAN U.S.$10 MILLION TO SELL SUCH SUBORDINATED NOTES, OR MAY SELL SUCH SUBORDINATED NOTES ON BEHALF OF SUCH OWNER.

IF THE TRANSFER OF SUBORDINATED NOTES IS TO BE MADE PURSUANT TO CLAUSE (A)(1) OR (A)(2) OF THE PRECEDING PARAGRAPH, THE TRANSFEREE OF THE SUBORDINATED NOTES WILL BE REQUIRED TO EXECUTE AND DELIVER TO THE ISSUER AND THE FISCAL AGENT A SUBORDINATED NOTES PURCHASE AND TRANSFER LETTER, SUBSTANTIALLY IN THE FORM ATTACHED TO THE FISCAL AGENCY AGREEMENT, STATING THAT AMONG OTHER THINGS, THE TRANSFEREE IS (X) A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, OR (Y) AN ACCREDITED INVESTOR (AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT) WHO HAS A NET WORTH OF NOT LESS THAN U.S.$10 MILLION AND (Z) A QUALIFIED PURCHASER FOR THE PURPOSES OF THE INVESTMENT COMPANY ACT.

IF THE TRANSFER OF SUBORDINATED NOTES IS TO BE MADE PURSUANT TO CLAUSE (A)(3) OF THE SECOND PRECEDING PARAGRAPH, THE TRANSFEREE OF THE SUBORDINATED NOTES WILL BE REQUIRED TO DELIVER TO THE ISSUER AND THE FISCAL AGENT A SUBORDINATED NOTES PURCHASE AND TRANSFER LETTER, SUBSTANTIALLY IN THE FORM ATTACHED TO THE FISCAL AGENCY AGREEMENT, STATING THAT AMONG OTHER THINGS, THE TRANSFEREE IS NOT A U.S. PERSON (AS DEFINED IN REGULATION S).

WITH RESPECT TO THE SUBORDINATED NOTES PURCHASED OR TRANSFERRED AFTER THE CLOSING DATE, THE PURCHASER OR TRANSFEREE IS DEEMED TO REPRESENT AND WARRANT), THAT (i) IT IS NOT (A) AN "EMPLOYEE BENEFIT PLAN" (AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA")), WHETHER OR NOT SUBJECT TO THE PROVISIONS OF TITLE I OF ERISA, (B) A "PLAN" DESCRIBED IN SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), WHETHER OR NOT SUBJECT TO SECTION 4975 OF THE CODE, OR (C) AN ENTITY WHOSE ASSETS INCLUDE "PLAN ASSETS" WITHIN THE MEANING OF ERISA BY REASON OF AN EMPLOYEE BENEFIT OR OTHER PLAN'S INVESTMENT IN THE ENTITY (ALL SUCH PERSONS AND ENTITIES DESCRIBED IN CLAUSES (A) THROUGH (C) BEING REFERRED TO HEREIN AS "BENEFIT PLAN INVESTORS"); AND (ii) IT IS NOT A PERSON WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR A PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO THE ASSETS OF THE ISSUER, OR ANY "AFFILIATE" (WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101(f)(3)) OF ANY SUCH PERSON. ANY PURPORTED TRANSFER OF A SUBORDINATED NOTE THAT DOES NOT COMPLY WITH THE REQUIREMENTS SET FORTH ABOVE SHALL BE NULL AND VOID *AB INITIO*.

PAYMENTS TO THE HOLDERS OF THE SUBORDINATED NOTES ARE SUBORDINATE TO THE PAYMENT ON EACH QUARTERLY PAYMENT DATE OF PRINCIPAL OF AND INTEREST ON THE SECURED NOTES OF THE ISSUER OR CO-ISSUER, AS APPLICABLE, AND THE PAYMENT OF CERTAIN OTHER AMOUNTS, TO THE EXTENT AND AS DESCRIBED IN THE INDENTURE.

(h) With respect to Subordinated Notes transferred or purchased on or after the Closing Date, the Purchaser understands and agrees that the representations and agreements made in this paragraph (g) will be deemed made on each day from the date hereof through and including the date on which the Purchaser disposes of the Subordinated Notes.

(x) The Purchaser is __ is not __ [check one] (i) an "employee benefit plan" (as defined in Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA")), whether or not subject to the provisions of Title I of ERISA, (ii) a "plan" described in Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), or (iii) an entity whose underlying assets include assets of any such employee benefit or other plan (for purposes of ERISA or Section 4975 of the Code) by reason of a plan's investment in the entity (such persons and entities described in clauses (i) through (iii) being referred to herein as "Benefit Plan Investors"); and (y) if the Purchaser is a Benefit Plan Investor, the Purchaser's purchase and holding of a Subordinated Note do not and will not constitute or result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of an employee benefit plan not subject to ERISA or Section 4975 of the Code, any federal, state, local or foreign law that is substantially similar to Section 406 of ERISA or Section 4975 of the Code) for which an exemption is not available.

The Purchaser is _____ is not _____ [check one] the Issuer or any other person (other than a Benefit Plan Investor) that has discretionary authority or control with respect to the assets of the Issuer, a person who provides investment advice for a fee (direct or indirect) with respect to the assets of the Issuer, or any "affiliate" (within the meaning of 29 C.F.R. Section 2510.3-101(f)(3)) of any such person (any such person described in this paragraph being referred to as a "Controlling Person").

If the Purchaser is an insurance company acting on behalf of its general account ____ [check if true], then (i) not more than ____% [complete by entering a percentage], (the "Maximum Percentage") of the assets of such general account constitutes assets of Benefit Plan Investors for purposes of the "plan assets" regulations under ERISA, and (ii) without limiting the remedies that may otherwise be available, the Purchaser agrees that it shall (x) immediately notify the Issuer if the Maximum Percentage is exceeded, and (y) dispose of all or a portion of its Subordinated Notes as may be instructed by the Issuer (including, in the discretion of the Issuer, a disposition back to the Issuer or an affiliate thereof (or other person designated by the Issuer) for the then value of the Subordinated Notes as reasonably determined by the Issuer, in any case in which the Purchaser cannot otherwise make a disposition it has been instructed by the Issuer to make).

(i) The Purchaser understands and acknowledges that the Subordinated Notes Transfer Agent will not register any purchase or transfer of Subordinated Notes either to a proposed initial purchaser or to a proposed subsequent transferee of Subordinated Notes that has, in either case, represented that it is a Benefit Plan Investor or a Controlling Person if, after giving effect to such proposed transfer, persons that have represented that they are Benefit Plan Investors would own 25% or more of the outstanding Subordinated Notes. For purposes of this determination, Subordinated Notes held by the Liquidation Agent, the Administrative Agent, the Trustee, any of their respective affiliates and persons that have represented that they are Controlling Persons will be disregarded and will not be treated as outstanding. The Purchaser understands and agrees that any purported purchase or transfer of the Purchaser's Subordinated Notes to a Purchaser that does not comply with the requirements of this clause (i) will not be permitted or registered by the Subordinated Notes Transfer Agent.

(j) The purchaser is not purchasing the Purchaser's Subordinated Notes with a view toward the resale, distribution or other disposition thereof in violation of the Securities Act. The Purchaser understands that an investment in the Purchaser's Subordinated Notes involves certain risks, including the risk of loss of its entire investment in the Purchaser's Subordinated Notes under certain circumstances. The Purchaser has

had access to such financial and other information concerning the Issuers and the Purchaser's Subordinated Notes as it deemed necessary or appropriate in order to make an informed investment decision with respect to its purchase of the Purchaser's Subordinated Notes, including an opportunity to ask questions of, and request information from, the Issuer.

(k) The Purchaser is not purchasing the Purchaser's Subordinated Notes in order to reduce any United States federal income tax liability or pursuant to a tax avoidance plan.

(l) The Purchaser agrees to treat the Purchaser's Subordinated Notes as equity for United States federal, state and local income tax purposes.

(m) The Purchaser acknowledges that due to money laundering requirements operating in the Cayman Islands, the Issuer and the Subordinated Notes Transfer Agent may require further identification of the Purchaser before the purchase application can proceed. The Issuer and the Subordinated Notes Transfer Agent, as applicable, shall be held harmless and indemnified by the Purchaser against any loss arising from the failure to process the application if such information as has been required from the Purchaser has not been provided by the Purchaser.

(n) The Purchaser agrees to complete any other instrument of transfer as required under Cayman Islands law.

(o) The Purchaser is not a member of the public in the Cayman Islands.

We acknowledge that you and other persons will rely upon our confirmation, acknowledgments, representations, warranties, covenants and agreements set forth herein, and we hereby irrevocably authorize you and such other persons to produce this letter or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

THIS LETTER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

Very truly yours,
[ ]
By: _____
Name:
Title:

Receipt acknowledged as of date set forth above,

_____
(Signature and Addresses)

ANNEX A-2

FORM OF CLASS E NOTES PURCHASE AND TRANSFER LETTER

LaSalle Bank National Association
181 W. Madison Street, 32nd Floor
Chicago, IL 60602
Attention: CDO Trust Services Group Hout Bay 2006-1 Ltd.

Re: Hout Bay 2006-1 Ltd.
Class E Notes

Dear Sirs:

Reference is hereby made to the Class E Notes (the "Class E Notes") issued by Hout Bay 2006-1 Ltd. (the "Issuer"), described in the Issuer's Offering Circular dated April 28, 2006 ("Offering Circular") to be purchased and held by us in definitive certificated form. We (the "Purchaser") are purchasing U.S.$[ ] principal amount of Class E Notes (the "Purchaser's Class E Notes"). Terms defined or referenced in the Offering Circular and not otherwise defined or referenced herein shall have the meanings set forth in the Offering Circular.

The Purchaser hereby represents, warrants and covenants for the benefit of the Issuer that:

(a) (i) The Purchaser is a qualified institutional buyer (as defined in Rule 144A under the Securities Act of 1933, as amended (the "Securities Act")) (a "Qualified Institutional Buyer"); (ii) The Purchaser is a "qualified purchaser" for the purposes of Section 3(c)(7) of the Investment Company Act of 1940, as amended (the "Investment Company Act") (a "Qualified Purchaser"); (iii) The Purchaser is aware that the sale of the Purchaser's Class E Notes to the Purchaser is being made in reliance on an exemption from registration under the Securities Act; (v) The Purchaser is acquiring not less than U.S.$250,000 of Purchased Notes; (vi) With respect to any transferee, the Purchaser also understands that, in conjunction with any transfer of the Purchaser's ownership of any Purchaser's Class E Notes purchased hereunder, it will not transfer or cause the transfer of such Purchaser's Class E Notes without obtaining from the transferee a certificate substantially in the form of this Class E Note Purchase and Transfer Letter; (vii) The Purchaser will provide notice of the transfer restrictions described to any subsequent transferees.

(b) The Purchaser is purchasing the Purchaser's Class E Notes in an amount equal to or exceeding the minimum permitted amount thereof for its own account (or, if the Purchaser is a Qualified Institutional Buyer, for the account of another Qualified Institutional Buyer with respect to which the Purchaser exercises sole investment discretion) for investment purposes only and not for sale in connection with any distribution thereof, but nevertheless subject to the understanding that the disposition of its property shall at all times be and remain within its control (subject to the restrictions set forth in the Offering Circular and the Indenture).

(c) The Purchaser understands that the Purchaser's Class E Notes have not been and will not be registered or qualified under the Securities Act or any applicable state securities laws or the securities laws of any other jurisdiction and are being offered only in a transaction not involving any public offering within the meaning of the Securities Act, are being offered only in a transaction not involving any public offering, and may be reoffered, resold or pledged or otherwise transferred only in accordance with the restrictions on transfer set forth herein and in the Indenture. The Purchaser understands and agrees that any purported transfer of Class E Notes to a purchaser that does not comply with the requirements herein will not be permitted or registered by the Note Transfer Agent. The Purchaser further understands that the Issuer has the right to compel any beneficial owner of Class E Notes that is a U.S. Person and is not (a) either a Qualified Institutional Buyer and (b) a Qualified Purchaser, to sell its interest in such Class E Notes, or the Issuer may sell such Class E Notes on behalf of such owner.

(d) If the Purchaser or any account for which the Purchaser is purchasing the Purchaser's Class E Notes is a U.S. Person (as defined in Regulation S under the Securities Act) the following representations shall be true and correct: The Purchaser (or if the Purchaser is acquiring the Purchaser's Class E Notes for any account, each such account) is acquiring the Purchaser's Class E Notes as principal for its own account for investment and not for sale in connection with any distribution thereof. The Purchaser and each such account: (a) was not formed for the specific purpose of investing in the Class E Notes (except when each beneficial owner of the Purchaser and each such account is a Qualified Purchaser), (b) to the extent the Purchaser is a private investment company formed before April 30, 1996, the Purchaser has received the necessary consent from its beneficial owners, (c) is not a pension, profit sharing or other retirement trust fund or plan in which the partners, beneficiaries or participants, as applicable, may designate the particular investments to be made; and (d) is not a broker-dealer that owns and invests on a discretionary basis less than U.S.$25,000,000 in securities of unaffiliated issuers. Further, the Purchaser agrees: (i) that neither it nor such account shall hold the Purchaser's Class E Notes for the benefit of any other person and such purchaser of such account shall be the sole beneficial owner thereof for all purposes; and (ii) that neither it nor such account shall sell participation interests in the Purchaser's Class E 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 Purchaser's Class E Notes. The Purchaser understands and agrees that any purported transfer of the Purchaser's Class E Notes to a Purchaser that does not comply with the requirements of this clause (d) will not be permitted or registered by the Note Transfer Agent.

(e) In connection with the purchase of the Purchaser's Class E Notes: (i) none of the Issuers, the Initial Purchasers, the Liquidation Agent, the Administrative Agent or the Administrator is acting as a fiduciary or financial or investment adviser for the Purchaser; (ii) the Purchaser is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuers, either Initial Purchaser, the Liquidation Agent, the Administrative Agent or the Administrator other than in the Offering Circular and any representations expressly set forth in a written agreement with such party; (iii) none of the Issuers, the Initial Purchasers, any Hedge Counterparty, the Liquidation Agent, the Administrative Agent or the Administrator has given to the Purchaser (directly or indirectly through any other person) 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) as to an investment in the Purchaser's Class E Notes; (iv) the Purchaser has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers to the extent it has deemed necessary, and it 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 Issuers, either Initial Purchaser, any Hedge Counterparty, the Liquidation Agent, the Administrative Agent or the Administrator; (v) the Purchaser has evaluated the rates, prices or amounts and other terms and conditions of the purchase and sale of the Purchaser's Class E Notes with a full understanding of all of the risks thereof (economic and otherwise), and it is capable of assuming and willing to assume (financially and otherwise) those risks; and (vi) the Purchaser is a sophisticated investor.

(f) The certificates in respect of the Class E Notes (other than the Regulation S Class E Notes) will bear a legend to the following effect unless the Issuer determines otherwise in compliance with the Indenture and applicable law:

> THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE ISSUERS HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUERS THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT IS NOT A BROKER DEALER WHICH OWNS AND INVESTS ON A

DISCRETIONARY BASIS LESS THAN $25 MILLION IN SECURITIES OF ISSUERS THAT ARE NOT AFFILIATED PERSONS OF EITHER INITIAL PURCHASER AND IS NOT A PLAN REFERRED TO IN PARAGRAPH (a)(1)(i)(D) OR (a)(1)(i)(E) OF RULE 144A OR A TRUST FUND REFERRED TO IN PARAGRAPH (a)(1)(i)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH A PLAN, IF INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE BY THE BENEFICIARIES OF THE PLAN, PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT OR (2) TO A NON U.S. PERSON IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN $250,000 OR IN THE CASE OF CLAUSE (2), IN A PRINCIPAL AMOUNT OF NOT LESS THAN $100,000, FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, TO A PURCHASER THAT, OTHER THAN IN THE CASE OF CLAUSE (2), (V) IS A QUALIFIED PURCHASER FOR PURPOSES OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN $25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY PURPORTED TRANSFER IN VIOLATION OF THE FOREGOING WILL NOT BE PERMITTED OR REGISTERED BY THE NOTE TRANSFER AGENT. EACH TRANSFEROR OF THIS NOTE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE INDENTURE TO ITS TRANSFEREE. EACH TRANSFEROR OF THE CLASS E NOTES WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE INDENTURE TO ITS TRANSFEREE. IN ADDITION TO THE FOREGOING, THE ISSUER HAS THE RIGHT TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE THAT IS A U.S. PERSON AND IS NOT BOTH A QUALIFIED PURCHASER AND A QUALIFIED INSTITUTIONAL BUYER TO SELL SUCH CLASS E NOTES, OR MAY SELL SUCH CLASS E NOTES ON BEHALF OF SUCH OWNER.

IF THE TRANSFER OF CLASS E NOTES IS TO BE MADE PURSUANT TO CLAUSE (A)(1) OF THE PRECEDING PARAGRAPH, THE TRANSFEREE OF THE CLASS E NOTES WILL BE REQUIRED TO EXECUTE AND DELIVER TO THE ISSUER AND THE NOTE TRANSFER AGENT A CLASS E NOTES PURCHASE AND TRANSFER LETTER, SUBSTANTIALLY IN THE FORM ATTACHED TO THE INDENTURE, STATING THAT AMONG OTHER THINGS, THE TRANSFEREE IS (1) A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER AND (2) A QUALIFIED PURCHASER FOR THE PURPOSES OF THE INVESTMENT COMPANY ACT.

THE PURCHASER OR TRANSFEREE OF THIS NOTE MUST DISCLOSE IN WRITING IN ADVANCE TO THE NOTE TRANSFER AGENT (i) WHETHER OR NOT IT IS (A) AN "EMPLOYEE BENEFIT PLAN" (AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA")), WHETHER OR NOT SUBJECT TO THE PROVISIONS OF TITLE I OF ERISA, (B) A "PLAN" DESCRIBED IN SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), WHETHER OR NOT SUBJECT TO SECTION 4975 OF THE CODE, OR (C) AN ENTITY WHOSE ASSETS INCLUDE "PLAN ASSETS" WITHIN THE MEANING OF ERISA BY REASON OF AN EMPLOYEE BENEFIT OR OTHER PLAN'S INVESTMENT IN THE ENTITY (ALL SUCH PERSONS AND ENTITIES DESCRIBED IN CLAUSES (A) THROUGH (C) BEING REFERRED TO HEREIN AS "BENEFIT PLAN INVESTORS"); (ii) IF THE PURCHASER OR TRANSFEREE IS A BENEFIT PLAN INVESTOR, THAT THE PURCHASE AND HOLDING OR TRANSFER AND HOLDING OF CLASS E NOTES DO NOT AND WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR UNDER ANY FEDERAL, STATE, LOCAL OR FOREIGN LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE) FOR WHICH AN EXEMPTION IS NOT AVAILABLE; AND (iii) WHETHER OR NOT IT IS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR A PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO THE ASSETS OF THE ISSUER, OR ANY "AFFILIATE" (WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101(f)(3)) OF ANY SUCH PERSON. IF A PURCHASER IS AN INSURANCE COMPANY ACTING ON BEHALF OF ITS GENERAL ACCOUNT, IT WILL BE PERMITTED TO SO INDICATE, AND REQUIRED TO IDENTIFY A MAXIMUM PERCENTAGE OF THE ASSETS IN ITS GENERAL ACCOUNT THAT MAY BE OR BECOME PLAN ASSETS, IN WHICH CASE THE INSURANCE COMPANY WILL BE REQUIRED TO MAKE CERTAIN FURTHER AGREEMENTS THAT WOULD APPLY IN THE EVENT THAT SUCH MAXIMUM PERCENTAGE WOULD THEREAFTER BE EXCEEDED. THE PURCHASER AGREES THAT, BEFORE ANY INTEREST IN A CLASS E NOTE MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, THE TRANSFEREE WILL BE REQUIRED TO PROVIDE THE NOTE TRANSFER AGENT WITH A CLASS E NOTES PURCHASE AND TRANSFER LETTER (SUBSTANTIALLY IN THE FORM ATTACHED TO THE INDENTURE) STATING, AMONG OTHER THINGS, WHETHER THE TRANSFEREE IS A BENEFIT PLAN INVESTOR. THE TRUSTEE WILL NOT PERMIT OR REGISTER ANY PURCHASE OR TRANSFER OF CLASS E NOTES TO THE EXTENT THAT THE PURCHASE OR TRANSFER WOULD RESULT IN BENEFIT PLAN INVESTORS OWNING 25% OR MORE OF THE OUTSTANDING CLASS E NOTES (OTHER THAN THE CLASS E NOTES OWNED BY THE LIQUIDATION AGENT, THE ADMINISTRATIVE AGENT, THE TRUSTEE AND THEIR AFFILIATES) IMMEDIATELY AFTER SUCH PURCHASE OR TRANSFER (DETERMINED IN ACCORDANCE WITH THE PLAN ASSET REGULATION (AS DEFINED HEREIN) AND IN THE INDENTURE).

TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE.

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 NOTE PAYING AGENT.

(g) The certificates in respect of the Regulation S Class E Notes will bear a legend to the following effect unless the Issuer determines otherwise in compliance with the Indenture and applicable law:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE ISSUERS HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUERS THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT IS NOT A BROKER DEALER WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN $25 MILLION IN SECURITIES OF ISSUERS THAT ARE NOT AFFILIATED PERSONS OF EITHER INITIAL PURCHASER AND IS NOT A PLAN REFERRED TO IN PARAGRAPH (a)(1)(i)(D) OR (a)(1)(i)(E) OF RULE 144A OR A TRUST FUND REFERRED TO IN PARAGRAPH (a)(1)(i)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH A PLAN, IF INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE BY THE BENEFICIARIES OF THE PLAN, PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT OR (2) TO A NON U.S. PERSON IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN $250,000 OR IN THE CASE OF CLAUSE (2), IN A PRINCIPAL AMOUNT OF NOT LESS THAN $100,000, FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, TO A PURCHASER THAT, OTHER THAN IN THE CASE OF CLAUSE (2), (V) IS A QUALIFIED PURCHASER FOR PURPOSES OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN $25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY PURPORTED TRANSFER IN VIOLATION OF THE FOREGOING WILL NOT BE PERMITTED OR REGISTERED BY THE NOTE TRANSFER AGENT. EACH TRANSFEROR OF THIS NOTE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE INDENTURE TO ITS TRANSFEREE. IN ADDITION TO THE FOREGOING, THE ISSUER HAS THE RIGHT TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E NOTE THAT IS A U.S. PERSON AND IS NOT BOTH A QUALIFIED PURCHASER AND A QUALIFIED INSTITUTIONAL BUYER TO SELL SUCH CLASS E NOTES, OR MAY SELL SUCH CLASS E NOTES ON BEHALF OF SUCH OWNER.

IF THE TRANSFER OF CLASS E NOTES IS TO BE MADE PURSUANT TO CLAUSE (A)(1) OF THE PRECEDING PARAGRAPH, THE TRANSFEREE OF THE CLASS E NOTES WILL BE REQUIRED TO EXECUTE AND DELIVER TO THE ISSUER AND THE NOTE TRANSFER AGENT A CLASS E NOTES PURCHASE AND TRANSFER LETTER, SUBSTANTIALLY IN THE FORM ATTACHED TO THE INDENTURE, STATING THAT AMONG OTHER THINGS, THE TRANSFEREE IS (1) A QUALIFIED INSTITUTIONAL BUYER DEFINED IN RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER AND (2) A QUALIFIED PURCHASER FOR THE PURPOSES OF THE INVESTMENT COMPANY ACT.

WITH RESPECT TO THE CLASS E NOTES PURCHASED OR TRANSFERRED AFTER THE CLOSING DATE, THE PURCHASER OR TRANSFEREE IS DEEMED TO REPRESENT AND WARRANT, THAT (i) IT IS NOT (A) AN "EMPLOYEE BENEFIT PLAN" (AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED "ERISA"), WHETHER OR NOT SUBJECT TO THE PROVISIONS OF TITLE I OF ERISA, (B) A "PLAN" DESCRIBED IN SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), WHETHER OR NOT SUBJECT TO SECTION 4975 OF THE CODE, OR (C) AN ENTITY WHOSE ASSETS INCLUDE "PLAN ASSETS" WITHIN THE MEANING OF ERISA BY REASON OF AN EMPLOYEE BENEFIT OR OTHER PLAN'S INVESTMENT IN THE ENTITY (ALL SUCH PERSONS AND ENTITIES DESCRIBED IN CLAUSES (A) THROUGH (C) BEING REFERRED TO HEREIN AS "BENEFIT PLAN INVESTORS"); AND (ii) IT IS NOT A PERSON WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR A PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO THE ASSETS OF THE ISSUER, OR ANY "AFFILIATE" (WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101(f)(3)) OF ANY SUCH PERSON. ANY PURPORTED TRANSFER OF A CLASS E NOTE THAT DOES NOT COMPLY WITH THE REQUIREMENTS SET FORTH ABOVE SHALL BE NULL AND VOID *AB INITIO*.

TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE.

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 NOTE PAYING AGENT.

(h) With respect to Class E Notes (other than the Regulation S Class E Notes) transferred or purchased on or after the Closing Date, the Purchaser understands and agrees that the representations and agreements made in this paragraph (h) will be deemed made on each day from the date hereof through and including the date on which the Purchaser disposes of the Class E Notes (other than the Regulation S Class E Notes).

(x) The Purchaser is __ is not __ [check one] (i) an "employee benefit plan" (as defined in Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA")), whether or not subject to the provisions of Title I of ERISA, (ii) a "plan" described in Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), or (iii) an entity whose underlying assets include assets of any such employee benefit or other plan (for purposes of ERISA or Section 4975 of the Code) by reason of a plan's investment in the entity (such persons and entities described in clauses (i) through (iii) being referred to herein as "Benefit Plan Investors"); and (y) if the Purchaser is a Benefit Plan Investor, the Purchaser's purchase and holding of a Class E Note do not and will not constitute or result in a prohibited

transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of an employee benefit plan not subject to ERISA or Section 4975 of the Code, any federal, state, local or foreign law that is substantially similar to Section 406 of ERISA or Section 4975 of the Code) for which an exemption is not available.

The Purchaser is _____ is not _____ [check one] the Issuer or any other person (other than a Benefit Plan Investor) that has discretionary authority or control with respect to the assets of the Issuer, a person who provides investment advice for a fee (direct or indirect) with respect to the assets of the Issuer, or any "affiliate" (within the meaning of 29 C.F.R. Section 2510.3-101(f)(3)) of any such person (any such person described in this paragraph being referred to as a "Controlling Person").

If the Purchaser is an insurance company acting on behalf of its general account ____ [check if true], then (i) not more than ____% [complete by entering a percentage], (the "Maximum Percentage") of the assets of such general account constitutes assets of Benefit Plan Investors for purposes of the "plan assets" regulations under ERISA, and (ii) without limiting the remedies that may otherwise be available, the Purchaser agrees that it shall (x) immediately notify the Issuer if the Maximum Percentage is exceeded, and (y) dispose of all or a portion of its Class E Notes as may be instructed by the Issuer (including, in the discretion of the Issuer, a disposition back to the Issuer or an affiliate thereof (or other person designated by the Issuer) for the then value of the Class E Notes as reasonably determined by the Issuer, in any case in which the Purchaser cannot otherwise make a disposition it has been instructed by the Issuer to make).

(i) The Purchaser understands and acknowledges that the Note Transfer Agent will not register any purchase or transfer of Class E Notes either to a proposed initial purchaser or to a proposed subsequent transferee of Class E Notes that has, in either case, represented that it is a Benefit Plan Investor or a Controlling Person if, after giving effect to such proposed transfer, persons that have represented that they are Benefit Plan Investors would own 25% or more of the outstanding Class E Notes. For purposes of this determination, Class E Notes held by the Liquidation Agent, the Administrative Agent, the Trustee, any of their respective affiliates and persons that have represented that they are Controlling Persons will be disregarded and will not be treated as outstanding. The Purchaser understands and agrees that any purported purchase or transfer of the Purchaser's Class E Notes to a Purchaser that does not comply with the requirements of this clause (i) will not be permitted or registered by the Note Transfer Agent.

(j) The purchaser is not purchasing the Purchaser's Class E Notes with a view toward the resale, distribution or other disposition thereof in violation of the Securities Act. The Purchaser understands that an investment in the Purchaser's Class E Notes involves certain risks, including the risk of loss of its entire investment in the Purchaser's Class E Notes under certain circumstances. The Purchaser has had access to such financial and other information concerning the Issuers and the Purchaser's Class E Notes as it deemed necessary or appropriate in order to make an informed investment decision with respect to its purchase of the Purchaser's Class E Notes, including an opportunity to ask questions of, and request information from, the Issuer.

(k) The Purchaser is not purchasing the Purchaser's Class E Notes in order to reduce any United States federal income tax liability or pursuant to a tax avoidance plan.

(l) The Purchaser agrees to treat the Purchaser's Class E notes in accordance with the treatment accorded to it by the Issuer (as debt or equity as the case may be) upon the issuance of the Class E Note.

(m) The Purchaser acknowledges that due to money laundering requirements operating in the Cayman Islands, the Issuer and Note Transfer Agent may require further identification of the Purchaser before the purchase application can proceed. The Issuer and the Note Transfer Agent shall be held harmless and indemnified by the Purchaser against any loss arising from the failure to process the application if such information as has been required from the Purchaser has not been provided by the Purchaser.

(n) The Purchaser agrees to complete any other instrument of transfer as required under Cayman Islands law.

(o) The Purchaser is not a member of the public in the Cayman Islands.

We acknowledge that you and other persons will rely upon our confirmation, acknowledgments, representations, warranties, covenants and agreements set forth herein, and we hereby irrevocably authorize you and such other persons to produce this letter or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

THIS LETTER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

Very truly yours,
[ ]
By: _____
Name:
Title:

Receipt acknowledged as of date set forth above,

_____
(Signature and Addresses)

REGISTERED OFFICES OF THE ISSUERS

HOUT BAY 2006-1 LTD.
Queensgate House, P.O. Box 1093GT
George Town
Grand Cayman, Cayman Islands

HOUT BAY 2006-1 CORP.
850 Library Avenue, Suite 204
Newark, Delaware 19711

TRUSTEE, PRINCIPAL NOTE PAYING AGENT, NOTE PAYING AGENT, NOTE TRANSFER AGENT, NOTE REGISTRAR, FISCAL AGENT AND SUBORDINATED NOTES TRANSFER AGENT
LaSalle Bank National Association
181 W. Madison Street, 32nd Floor
Chicago, Illinois 60602

LISTING AGENT IN IRELAND
Maples and Calder Listing Services Limited
40 Lower Baggot St.
Dublin 2, Ireland

PAYING AGENT IN IRELAND
Maples Finance Dublin
40 Lower Baggot St.
Dublin 2, Ireland

LIQUIDATION AGENT
Goldman, Sachs & Co.
85 Broad Street
New York, New York 10004

ADMINISTRATIVE AGENT
Investec Bank (UK) Ltd.
2 Gresham Street
London EC2V7QP
England

LEGAL ADVISORS

To the Administrative Agent

Sidley Austin LLP
787 Seventh Avenue
New York, New York 10019

To the Initial Purchasers and the Liquidation Agent

Orrick, Herrington & Sutcliffe LLP
666 Fifth Avenue
New York, New York 10103

To the Issuers
As to matters of United States Law

Sidley Austin LLP
787 Seventh Avenue
New York, New York 10019

To the Trustee, Principal Note Paying Agent, Note Paying Agent, Note Transfer Agent, Note Registrar, Fiscal Agent and Subordinated Notes Transfer Agent
As to matters of United States Law

Kennedy Covington Lobdell & Hickman, L.L.P.
214 North Tryon Street, 47th Floor
Charlotte, NC 28202

To the Issuer
As to matters of Cayman Islands Law

Maples and Calder
P.O. Box 309GT, Ugland House
South Church Street,
George Town
Grand Cayman, Cayman Islands

This CD-ROM contains an electronic version of the following documents with respect to the Collateral Assets: (i) the prospectus supplement, accompanying prospectus, private placement memorandum and/or termsheet relating to each underlying CMBS series, underlying RMBS series, underlying CDO Security series and underlying Asset-Backed Security series (collectively, the "Disclosure Documents") and (ii) certain reports of the trustee relating to each underlying CMBS series, underlying RMBS series, underlying CDO Security series and underlying Asset-Backed Security series (the "Reports"). The information included in such Disclosure Documents, Agreements and Reports however, may not reflect the current economic, competitive, market and other conditions with respect to any Collateral Asset and the related underlying series.

The information contained in this CD-ROM does not appear elsewhere in paper form in this Offering Circular and must be considered together with the information contained elsewhere in this Offering Circular. Defined terms used in this CD-ROM but not otherwise defined therein shall have the respective meanings assigned to them in the particular document in which they appear. All of the information contained in this CD-ROM is subject to the same limitations and qualifications as are contained in this Offering Circular. Prospective investors are strongly urged to read the paper portion of this Offering Circular in its entirety prior to accessing this CD-ROM. In addition, all investors should be aware that none of the Issuers, the Liquidation Agent, the Administrative Agent, the Trustee or each Initial Purchaser has independently verified any of the information herein or is making any representation or warranty regarding, or assumes any responsibility for the accuracy, completeness or applicability of, the information contained herein. If this CD-ROM was not received in a sealed package, there can be no assurances that it remains in its original format and should not be relied upon for any purpose.

If and when the words "expects," "intends," "anticipated," "estimates" and analogous expressions are used on this CD-ROM, such statements are subject to a variety of risks and uncertainties that could cause results to differ materially from those projected. Such risks and uncertainties include, among others, general economic and business conditions, competition, changes in political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, various other events, conditions and circumstances many of which are beyond the control of the Issuers, the Liquidation Agent, the Administrative Agent, the Trustee or the Initial Purchasers. Any forward-looking statements speak only as of their date. Each of the Issuers, the Liquidation Agent, the Administrative Agent, the Trustee and each Initial Purchaser expressly disclaims any obligation or undertaking to release publicly any updates or revision each to any statement contained in the CD-ROM to reflect any change in events, conditions or circumstances on which any such statement is based.

The information contained on the CD-ROM does not form part of the prospectus prepared for the purposes of the admittance to trade on the Irish Stock Exchange.

No dealer, salesperson or other person has been authorized to give any information or to represent anything not contained in this Offering Circular. You must not rely on any unauthorized information or representations. This Offering Circular is an offer to sell only the Notes offered hereby, and only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Offering Circular is current only as of its date.

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