

August 17, 2006

RE: Engagement of Merrill Lynch, Pierce, Fenner & Smith Incorporated in connection with a collateralized debt obligation transaction ("**CDO**") for N.I.R. Capital Management (the "**Transaction**")

Ladies and Gentlemen:

This letter agreement (this "**Agreement**"), when executed and delivered by N.I.R. Capital Management (the "**Manager**") will confirm our understanding that the Manager has, on the terms and conditions described below, engaged Merrill Lynch, Pierce, Fenner & Smith Incorporated ("**Merrill Lynch**") with respect to (i) the establishment of a special purpose entity to be organized under Cayman Islands law (the "**Issuer**") for the purpose of acquiring a portfolio consisting predominately of BBB-rated asset-backed securities (or equivalently-rated asset-backed securities) to be selected and managed by the Manager (collectively, the "**Collateral**"), (ii) the offering of one or more classes of notes to be secured by the Collateral and issued by the Issuer (the "**Notes**") and (iii) the offering of one or more classes of income notes or preference shares (the "**Equity Securities**" and, together with the Notes, the "**Securities**") to be backed by the Collateral and issued by the Issuer. The Notes may be co-issued by a separate special purpose entity organized under Delaware law that will be a wholly owned subsidiary of the Issuer (together with the Issuer, the "**Co-Issuers**").

It is contemplated that the original aggregate principal or par amount of the Securities will be approximately \$1.5 billion, or such greater amount as may be agreed to by Merrill Lynch and the Manager, and that the Notes will be issued in multiple classes (each of which may have a fixed and/or floating coupon) rated "Aaa", "Aa2", "Aa3", "A3", "Baa2", "Baa3" and "Ba1", respectively, by Moody's Investors Service Inc. ("**Moody's**") and/or equivalent ratings by Fitch Ratings ("**Fitch**") and/or Standard & Poor's Ratings Services ("**S&P**" and, together with Moody's and Fitch and any other nationally recognized investment rating agency selected as necessary to the Transaction by Merrill Lynch and agreed to by the Manager, the "**Rating Agencies**"). The Equity Securities will receive all cash flow remaining after all required payments (including principal of and interest on the Notes) payable pursuant to the priority of payments to be described in the Offering Materials (as defined below).

It is also currently contemplated that the Securities will be offered (the "**Offering**") in a transaction exempt from the registration requirements of the Securities Act of 1933, as amended (the "**Securities Act**"), pursuant to Section 4(2) of the Securities Act and that the Securities will be available for resale pursuant to Rule 144A and Regulation S under the Securities Act. The Co-Issuers will not be required to register as an "investment company" under the Investment Company Act of 1940, as amended, in reliance upon the exception set forth in Section 3(c)(7) thereof.

The Manager and Merrill Lynch agree as set forth below. No party to this Agreement shall have any obligations hereunder except as expressly set forth herein.

1. Scope of Professional Services

Subject to the conditions and agreements set forth herein and the execution of definitive documents in connection with the Transaction, Merrill Lynch will act as (i) exclusive advisor to the Manager and the Co-Issuers in connection with structuring the Co-Issuers and the Securities and the conduct of the Offering and (ii) lead placement agent for the Securities.

Merrill Lynch will be retained as the lead placement agent for the Offering pursuant to an appropriate form of securities purchase, placement agency and/or other agreement relating to the

Transaction (the "**Placement Agreement**"), which agreement will contain terms and conditions customary for Merrill Lynch in relation to transactions of the size and nature of the Transaction. The execution by Merrill Lynch of the Placement Agreement and the consummation of the Transaction will be subject to, among other things, (i) mutual agreement of the parties hereto as to all terms and documentation relating to the Offering, (ii) satisfactory completion by Merrill Lynch of all due diligence, (iii) the receipt by Merrill Lynch and its affiliates of all necessary internal approvals, (iv) market conditions, (v) compliance by the Offering with all applicable laws and regulations to the satisfaction of Merrill Lynch and the Manager and their respective counsel, (vi) designation of investment parameters governing the acquisition by the Issuer of the Collateral acceptable to the Manager, Merrill Lynch and the Rating Agencies, (vii) the Notes shall be rated by one or more Rating Agencies selected by Merrill Lynch at rating levels acceptable to the Manager and Merrill Lynch and (viii) final documentation and legal opinions reasonably acceptable to the Manager, Merrill Lynch and the Rating Agencies shall be delivered on or prior to the date on which the Securities are issued (the "**Closing Date**").

The capitalization of the Issuer described above is preliminary, and it is possible that the final capitalization may be modified, including by creating (or deleting) one or more classes of Notes based, in part, upon consultations with the Rating Agencies and market conditions. In addition, the Securities may be structured in one of several possible forms involving a combination of debt and equity securities, and the Collateral may be subject to various constraints required by applicable law, market conditions and the requirements of the Rating Agencies, in each case as agreed to by the Manager and Merrill Lynch. The Manager and Merrill Lynch agree to cooperate in good faith to create a mutually acceptable structure.

Merrill Lynch will also perform all such other acts as the Issuer or the Manager, together with Merrill Lynch, determines are necessary and appropriate in connection with the Transaction and the successful completion of the Offering.

The Manager hereby agrees (i) to act as manager in connection with the initial acquisition of the Collateral prior to the Closing Date pursuant to a warehouse agreement acceptable to the Manager and Merrill Lynch (the "**Warehouse Agreement**") and (ii) to act as collateral manager for the Issuer with respect to the Collateral following the Closing Date pursuant to a collateral management agreement acceptable to the Manager and Merrill Lynch (the "**Management Agreement**").

The Manager will not retain (and hereby confirms that it has not previously retained) any other person, firm, corporation or other entity (any and all of which shall be referred to herein as a "**person**"), other than an affiliate of the Manager, to assist the Manager or any of its affiliates, or either of the Co-Issuers, with respect to the structuring, underwriting, placement or sale of the Securities.

2. Additional Responsibilities of the Manager

The Manager will furnish or cause to be furnished to Merrill Lynch, on a timely basis, such information concerning the Manager (including, but not limited to, its investment activities and the historical performance of assets under its management) and its affiliates (collectively, "**Manager Information**") as Merrill Lynch reasonably may request in connection with its engagement hereunder and the Offering. The Manager will also afford prospective investors in the Securities and the Rating Agencies access to such information, as well as the opportunity to ask questions and receive answers from the Manager and its affiliates concerning the terms and conditions of the Transaction, so as to enable such entities to assess the merits and risks of investing in, or assigning a rating to, the Securities. Any information concerning investment performance shall be reasonably acceptable to Merrill Lynch in form and substance.

The Manager agrees that if Merrill Lynch or any of its affiliates purchases any Securities as principal on the Closing Date, then during the period from the Closing Date through the earlier of (i) the date that is six months after the Closing Date and (ii) the date on which Merrill Lynch and its affiliates shall have ceased to own any Securities purchased by any of them on the Closing Date, the Manager upon request by Merrill Lynch shall provide such financial information, statistical data and other information concerning the Manager or any of its affiliates as may be necessary or appropriate for the preparation of updates to, or a composite updated version of, any marketing materials and the offering documentation prepared in connection with the Offering.

The Manager represents to Merrill Lynch that all Manager Information and all other information furnished by or on behalf of the Manager to Merrill Lynch or any of its affiliates relating to the Transaction will be accurate and complete (in the context in which it is delivered) in all material respects and agrees that it will make similar representations in the Management Agreement. The Manager further represents to Merrill Lynch that all financial projections, if any, prepared by it and made available by it to Merrill Lynch or any of its affiliates relating to the Transaction will be prepared in good faith based upon reasonable assumptions. The Manager recognizes that Merrill Lynch and its affiliates, in providing the services contemplated in this Agreement, (i) will rely on information furnished by or on behalf of the Manager and other information available from generally recognized public sources, (ii) will not independently verify the accuracy or completeness of such information, (iii) will not assume responsibility for the accuracy or completeness of such information and (iv) will make appropriate disclaimers consistent with the foregoing in dealing with investors and other third parties.

The Manager will, during the period of this engagement, advise Merrill Lynch promptly upon obtaining knowledge of any and all developments materially affecting the Manager or any of its affiliates or the accuracy or completeness of all information previously furnished by or on behalf of the Manager to Merrill Lynch or any of its affiliates, prospective investors or Rating Agencies in connection with the Transaction. In addition, the Manager authorizes the exchange of any information relevant to the Transaction, including, without limitation, non-public information, with respect to the Manager, the Co-Issuers and their respective affiliates among Merrill Lynch, its affiliates and their respective counsel.

3. Term of Engagement

This Agreement will terminate on the earliest of (i) the date 9 months following the date of the first acquisition of an asset pursuant to the Warehouse Agreement, (ii) any earlier date mutually agreed upon by Merrill Lynch and the Manager in writing and (iii) the Closing Date, in each case, unless extended by mutual written consent of the parties; *provided* that the provisions of Sections 7, 8 and 9 hereof shall survive any termination of this Agreement. Subject to the terms and conditions hereof, the parties hereto shall use all reasonable commercial efforts to complete the Offering in a reasonably expeditious manner.

4. Exclusivity

In engaging Merrill Lynch pursuant to this Agreement, the Manager agrees that, it will not, directly or indirectly, solicit investors, agents, investment bankers or any other person to negotiate or consummate the Transaction, during the term hereof, without Merrill Lynch's prior written consent. In addition, the Manager agrees not to market any other ABS CDO transaction backed predominately by BBB-rated assets (or equivalently rated assets) similar to the Collateral during the period from the date on which Merrill Lynch commences marketing activities for the Transaction to the earlier of (i) the completion of such marketing and (ii) the pricing date, other than any transaction in which Merrill Lynch or its affiliates act as placement agent. The Manager further agrees to refer to Merrill Lynch all offers and

inquiries with respect to aspects of the Transaction and to advise any person making such offers or inquiries to contact Merrill Lynch.

Following the Closing Date and the successful completion of the Transaction and the Offering, publication of a notice of the completed Transaction may be made in such form, in such publications and at such times as Merrill Lynch may deem appropriate and consistent with both its customary practices and all applicable laws; *provided* that the form and content of any such notice shall be subject to the prior approval of the Manager, which approval shall not be unreasonably withheld.

The Manager represents that neither it nor any of its affiliates is a party to or is bound by any agreement (written or unwritten) with any person other than Merrill Lynch the terms of which (i) would in any manner limit the ability of the Manager to execute, deliver and perform its obligations under this Agreement, any Management Agreement relating to the proposed Collateral, the terms of any indenture that will govern the Notes or any other documents or instruments contemplated in connection with the transactions described herein or (ii) would in any manner limit the ability of the Manager to provide information about the Manager or in relation to its proposed duties contemplated hereby.

5. Compensation

On the Closing Date, the Manager agrees to cause the Issuer to pay to Merrill Lynch the fees set forth in Annex A to this Agreement as Merrill Lynch's compensation hereunder. Such fees will be paid from the proceeds of the Offering, except as may otherwise be provided in Annex A.

Merrill Lynch acknowledges and agrees that as compensation for the performance of the Manager's obligations under the Management Agreement to be entered into between the Manager and Issuer, the Manager shall receive senior management fees ("*Senior Management Fees*") in an amount equal to 0.10% per annum of the average aggregate outstanding principal balance of the Collateral (and certain other investments and assets) held by the Issuer (the "*Aggregate Collateral Balance*"). The Senior Management Fees shall be payable by the Issuer in arrears in accordance with the priority of payments set forth in the definitive indenture governing the Notes. The Manager may also receive 25.0% of the cash flow to the Equity Securities after accrual of a cumulative 15.0% internal rate of return on the total of the initial investment in the Equity Securities. The Manager acknowledges that Merrill Lynch will, consistent with its internal policies, disclose all Manager related compensation and fees in the Offering Materials.

6. Manner of Sales/Purchase of Securities

Offers and sales of Securities may be made only by the Issuer (or, if applicable, the Co-Issuers) and only through Merrill Lynch; the Manager is not authorized to, and may not, approach any person for the purpose of soliciting or recommending purchases of Securities. Each purchaser of the Securities will be required to complete a representation letter as to certain matters in the form provided by Merrill Lynch and only prospective purchasers who make the representations set forth in such representation letter will be permitted to purchase Securities. Without limiting the foregoing, in the case of persons identified by the Manager as prospective investors, the Manager will provide Merrill Lynch with the information necessary to permit Merrill Lynch to contact such prospective investors, and all offers and sales of Securities will be made solely by Merrill Lynch which will contact such prospective investors directly and provide them with copies of the applicable offering documentation prepared in connection with the Offering.

It is anticipated that the Equity Securities shall be further structured as two components, the first component is expected to be rated and receive during the first five years following the Closing Date all of

the equity cashflow pursuant to the relevant priority of payments to the extent necessary to achieve an internal rate of return of 18% *per annum* and the second component is expected to be unrated and receive all equity cashflow which is not paid to the first component. Although the Equity Securities being structured as such two components is not a condition to closing, Merrill Lynch shall make best efforts to structure the Equity Securities in such form, it being understood that such structure may be achieved through a repackaging vehicle.

Merrill Lynch or one or more of its affiliates shall place on a reasonable efforts basis all of the Securities. The obligations of Merrill Lynch under this Section 6 will be subject to the completion of the execution of the Placement Agreement and to the terms, conditions and restrictions set forth in the Placement Agreement. Nothing in this Agreement shall prevent Merrill Lynch from offering or selling the Securities in a private placement or a Rule 144A or Regulation S offering to related or unrelated parties.

7. Costs and Expenses

The Manager and Merrill Lynch agree that Merrill Lynch will be obligated to pay all upfront costs and expenses (the "*Upfront Costs and Expenses*") incurred in connection with the closing of the Transaction and the Offering, including, without limitation, the fees and disbursements of legal counsel to each of Merrill Lynch, the Issuer and the Manager, and any other agents engaged in the structuring of the Transaction and the consummation of the related Offering including, without limitation, the Rating Agencies, trustee, accountant, local administrator, printer and other fees and expenses, plus any sales, use or similar taxes arising in connection with any matter referred to in this Agreement. If the Offering is not completed (i) by reason of the refusal of Merrill Lynch or the Manager without cause (the "*Defaulting Party*") to (a) purchase any Securities it has committed to purchase, or (b) proceed with the Transaction, all such Upfront Costs and Expenses shall be borne by such Defaulting Party and (ii) for any other reason, all such Upfront Costs and Expenses shall be borne by Merrill Lynch.

It is anticipated that the costs and expenses to be incurred by the Issuer after the Closing Date (the "*Ongoing Costs and Expenses*") will approximately be the amounts set forth in Annex B; provided that for the avoidance of doubt, Annex B is for informational purposes only. It is agreed that the Ongoing Costs and Expenses which are paid senior in the priority of payments of the Issuer will be modeled with a \$400,000 cap, and that Merrill Lynch and the Manager shall mutually agree to the amount of fees payable to the trustee for the Issuer. It is understood that Merrill Lynch and the Manager will mutually agree upon engagement of any service provider if the fees of such service provider are expected to exceed \$25,000.

8. Indemnification

(a)(1) The Manager agrees to indemnify and hold harmless Merrill Lynch and its affiliates, and their respective directors, officers, agents and employees, and each other person, if any, controlling Merrill Lynch within the meaning of either Section 15 of the Securities Act or Section 20 of the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), from and against any losses, claims, damages, costs, expenses, liabilities (whether joint or several), actions (including actions brought by the Manager or in its name), proceedings, arbitrations or investigations (whether formal or informal) or threat thereof (or actions in respect thereof) arising out of or based upon (i) any breach by the Manager of any representation or warranty or failure to comply with any of the agreements of the Manager set forth in the Management Agreement or (ii) any Manager Information prepared by the Manager and delivered for inclusion in any prospectus, offering memorandum or other written material including marketing material, as may be amended or supplemented related to the Offering and delivered to prospective purchasers, including in each case any amendments or supplements thereto and including but not limited to any Manager Information deemed to be incorporated in any such document by reference (the "*Offering*").

Materials") containing any untrue statement or alleged untrue statement of a material fact or the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

- (2) Merrill Lynch agrees to indemnify and hold harmless the Manager and its affiliates, and their respective directors, officers, agents and employees, and each other person, if any, controlling the Manager within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, to the same extent as the indemnity from the Manager relating to Merrill Lynch set forth in sub-clause (ii) of clause (a)(1) above, but only with respect to the information concerning Merrill Lynch or any of its affiliates furnished by Merrill Lynch or its affiliates expressly in writing for use in the portion of the Offering Materials under the caption "Plan of Distribution".

(b) The party obligated to provide indemnity hereunder (the "Indemnifying Party") will reimburse any party benefiting from such indemnity (each, an "Indemnified Party") for all actual and documented out of pocket expenses (including, without limitation, reasonable fees and disbursements of counsel) incurred by such Indemnified Party in connection with investigating, preparing for or defending any such action or claim, whether in connection with pending or threatened litigation to which the Indemnified Party is a party, in each case, as such expenses are incurred or paid. The Indemnifying Party, however, will not be responsible for any losses, claims, damages or liabilities (or costs or expenses related thereto) that are finally judicially determined by a court of competent jurisdiction to have resulted from the violation of any applicable law, rule or regulation or the willful misconduct or gross negligence of such Indemnified Party.

(c) In case any actions or proceeding (including any governmental investigation) shall be instituted involving any Indemnified Party, such Indemnified Party shall promptly notify the Indemnifying Party in writing (but the omission so to notify shall not relieve the Indemnifying Party from any obligation hereunder unless and only to the extent that, such omission results in the Indemnifying Party's forfeiture of substantive rights or defenses) and the Indemnifying Party shall have the right, exercisable by giving written notice to the Indemnified Party within 30 days of receipt of written notice from the Indemnified Party of such proceeding, to retain counsel reasonably satisfactory to the Indemnified Party to represent the Indemnified Party and any others the Indemnifying Party may designate in such proceeding and shall pay the reasonable fees and disbursements of such counsel related to such proceeding. In any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the Indemnifying Party and the Indemnified Party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the Indemnifying Party and an Indemnified Party and the Indemnifying Party and the Indemnified Party have been advised by counsel that representation of both parties by the same counsel would be inappropriate due to material actual or potential differing interests between them. It is understood that the Indemnifying Party shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all such Indemnified Parties, and that all such reasonable fees and expenses shall be reimbursed as they are incurred and paid. In the case of any such separate firm for the Indemnified Parties, such firm shall be designated in writing by the Indemnified Parties and acceptable to the Indemnifying Party (which consent shall not be unreasonably withheld). The Indemnifying Party shall not be liable for any settlement of any proceeding without its written consent, but if settled with such consent or if there is a final judgment for the plaintiff, the Indemnifying Party agrees, subject to the limitations noted in the preceding paragraph, to indemnify the Indemnified Party from and against any loss or liability by reason of such settlement or judgment. The Indemnifying Party shall not, without the

prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld), effect any settlement on behalf of the Indemnified Party of any pending or threatened proceeding in respect of which any Indemnified Party is or is likely to have been a party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such proceeding.

(d) If the indemnification provided for in Section 8(a) above is unavailable to an Indemnified Party in respect of any losses, claims, damages, costs, expenses or liabilities referred to therein, then the Indemnifying Party, in lieu of indemnifying such Indemnified Party thereunder, shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages, costs, expenses or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Manager, on the one hand, and Merrill Lynch, on the other hand, from the Offering or (ii) if the allocation provided by clause (i) above is not permitted by law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Manager and of Merrill Lynch, as well as any other relevant equitable considerations. The relative fault of the Manager, on the one hand, and Merrill Lynch, on the other hand, (i) in the case of any untrue or alleged untrue statement of a material fact or any omission or alleged omission to state a material fact, shall be determined by reference to, among other things, whether such statement or omission relates to information supplied by the Manager or Merrill Lynch and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission, and (ii) in the case of any other action or omission shall be determined by reference to, among other things, whether such action or omission was taken by the Manager or by Merrill Lynch and the parties' relative intent, knowledge, access to information and opportunity to prevent such action or omission.

9. Confidentiality

The Manager and Merrill Lynch acknowledge that each is permitted to discuss and disclose, distribute or publish written information concerning the Transaction in connection with the structuring, marketing or purchase of the Securities, as the case may be. However, the parties shall be bound by the confidentiality requirements of this Section 9 and shall require that the person or persons to whom it disseminates information verbally or in writing agrees to be bound by the same confidentiality requirements as set forth in this Section 9.

Each party hereto agrees that it will hold and treat in confidence all information that the other parties hereto may provide to such party which is not available to the general public including, without limitation, any information concerning the model used for structuring the Transaction, or which was not already known to such party prior to initial discussions among the parties hereto regarding the Transaction, and that such party will not, in connection with the Transaction or otherwise, disclose, distribute or publish any document containing such information without each of the other parties' prior written consent, unless required to do so by any legal or other regulatory or supervisory authority or pursuant to legal process.

Notwithstanding anything express or implied to the contrary, each party (and each employee, representative or other agent) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the Transaction and all materials of any kind (including opinions or other tax analyses) that are provided to such party relating to such tax treatment and tax structure. For purposes of the preceding sentence, tax refers to U.S. federal and state tax. Merrill Lynch is not an expert on, and or does not render opinions regarding, legal, accounting, regulatory or tax matters. The Manager should consult with its advisors concerning these matters before undertaking the proposed Transaction.

The obligations under this Section 9 shall terminate upon the first anniversary of the date first written above; provided, however, that the obligations of Merrill Lynch under this Section 9 with respect to information contained in marketing materials or a preliminary or final private placement memorandum in connection with the Transaction shall terminate upon the commencement of any marketing in respect of the Transaction.

10. Full Service Securities Firm

Merrill Lynch and certain of its affiliates are full service securities firms engaged in securities trading and brokerage activities, as well as providing investment banking and financial advisory services. In the ordinary course of its business, Merrill Lynch and its affiliates may from time to time effect transactions for their own account or for the account of their customers and may hold positions in securities or options on securities of the Co-Issuers, the Manager, their respective affiliates or other companies which may be the subject of the engagement contemplated by this Agreement.

11. Choice of Law; Jurisdiction; Waiver of Jury Trial

(a) This Agreement shall be construed in accordance with, and this Agreement and all matters arising out of or relating in any way whatsoever to this Agreement (whether in contract, tort or otherwise) shall be governed by, the law of the State of New York.

(b) With respect to any suit, action or proceedings relating to any dispute arising out of or in connection with this Agreement ("*Proceedings*"), each party irrevocably: (i) agrees that it shall submit to the exclusive jurisdiction of the United States District Court for the Southern District of New York; (ii) agrees that, if the United States District Court for the Southern District of New York does not have jurisdiction over such Proceedings, then as of the date of this Agreement each party shall be deemed to have irrevocably submitted to the jurisdiction of the courts of the State of New York located in the Borough of Manhattan, which submission shall be exclusive; (iii) agrees that, if neither the United States District Court for the Southern District of New York nor the courts of the State of New York located in the Borough of Manhattan have jurisdiction over such Proceedings, then as of the date of this Agreement each party shall be deemed to have irrevocably submitted to the jurisdiction of any court that has lawful jurisdiction over such Proceedings; (iv) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court set forth in any of the foregoing clauses (i), (ii) and (iii), waives any objection or defense that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have personal jurisdiction over such party; and (v) agrees, to the fullest extent permitted by applicable law, that the bringing of Proceedings in any such court set forth in any of the foregoing clauses (i), (ii) and (iii) shall preclude the party who has commenced the Proceeding from bringing Proceedings in any other jurisdiction.

(c) **EACH PARTY HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT THAT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY PROCEEDING.** Each party hereby (i) certifies that no representative, agent or attorney of the other has represented, expressly or otherwise, that the other would not, in the event of a Proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this paragraph.

12. Entire Agreement; Severability; Counterparts

This Agreement sets forth the entire understanding of the parties hereto relating to the subject matter hereof, and supersedes and cancels any prior communications, understandings and agreements

between the parties. This Agreement may not be amended or modified except pursuant to a written agreement between Merrill Lynch and the Manager.

If any term, provision, covenant or condition of this Agreement, or the application thereof to either party or any circumstance, is held to be unenforceable, invalid or illegal (in whole or in part) for any reason (in any relevant jurisdiction), the remaining terms, provisions, covenants and conditions of this Agreement, modified by the deletion of the unenforceable, invalid or illegal portion (in any relevant jurisdiction), will continue in full force and effect, and such unenforceability, invalidity, or illegality will not otherwise affect the enforceability, validity or legality of the remaining terms, provisions, covenants and conditions of this Agreement so long as this Agreement as so modified continues to express, without material change, the original intentions of the parties as to the subject matter hereof and the deletion of such portion of this Agreement will not substantially impair the respective expectations or reciprocal obligations of the parties or the practical realization of the benefits that would otherwise be conferred upon the parties. The parties will endeavor in good faith negotiations to replace the prohibited or unenforceable provision with a valid provision, the economic effect of which comes as close as possible to that of the prohibited or unenforceable provision.

This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.

13. [Reserved]

14. Non-Reliance

Each party hereto (i) has independently, and without reliance upon the other party or any information provided by the other party or any of its affiliates (except for information expressly required to be provided pursuant to the terms of this Agreement), made its own analysis and decision to enter into this Agreement and consummate the transactions contemplated hereby, (ii) acknowledges that the other party has not given it any investment advice, credit information or opinion regarding the advisability of entering into this Agreement or consummating any of the transactions contemplated hereby and (iii) acknowledges that the other party is not acting as a fiduciary (or in any other similar capacity) for it.

15. Assignment; Etc.

This Agreement shall be binding upon and inure to the benefit of the successors of the parties hereto. No person or entity other than the parties hereto (and, to the extent provided in Section 8, each Indemnified Party) shall have any rights under this Agreement.

No party hereto may assign (whether by way of security or otherwise) any right, or delegate any obligation, under this Agreement, except for an assignment or delegation, if any, otherwise expressly permitted hereby. Any of the services that may be

performed by Merrill Lynch pursuant to the provisions of this Agreement may, at the option of Merrill Lynch, be performed by Merrill Lynch or by any of its affiliates.

Please confirm that the foregoing is in accordance with your understandings and agreements with Merrill Lynch by executing and returning to Merrill Lynch the duplicate of this Agreement enclosed herewith.

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

By: _____
Name:
Title:

**AGREED AS AFORESAID:
N.I.R. CAPITAL MANAGEMENT**

By: _____
Name:
Title:

Annex A

This Annex A is attached to and incorporated by reference into the letter agreement dated as of August 17, 2006 (the "*Agreement*") between Merrill Lynch, Pierce, Fenner & Smith Incorporated and N.I.R. Capital Management. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Agreement.

Placement and Structuring Fees Payable to Merrill Lynch

With respect to the Transaction, the Issuer shall pay, on the Closing Date, to Merrill Lynch, a placement and structuring fee in an amount equal to 0.70% of the aggregate principal or par amount of the Securities issued on the Closing Date.

Annex B

This Annex B is attached to and incorporated by reference into letter agreement dated as of August 17, 2006 (the "*Agreement*") between Merrill Lynch, Pierce, Fenner & Smith Incorporated, and N.I.R. Capital Management. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Agreement

Preliminary Estimated Costs and Expenses for the Transaction
(in \$ unless otherwise indicated)

	<u>Estimated Upfront Costs and Expenses</u>	<u>Estimated Ongoing Expenses</u>
<u>Legal Fees</u>		
Transaction Counsel	\$450,000	
Cayman Counsel	\$35,000	
Manager's Counsel	\$150,000	
<u>Offshore Up front Expenses</u>		
Start-up Costs	\$5,000	
Charitable Contribution	\$5,000	
Government Fees	\$5,000	
<u>Onshore and Offshore Ongoing Expenses</u>		
Administration		4bp \$300,000 in any year
<u>Trustee/Collateral Agent</u>		
Trustee/Collateral Administration Fee	\$50,000	1.75bp
Trustee Counsel	\$25,000	
Accountant Fees	\$70,000	
Rating Agencies Structuring Fee (2)	\$995,000	
Printing	\$25,000	
Listing Agent Fee	\$15,000	
Listing Fee	\$20,000	
Miscellaneous	\$100,000	
Manager's Expenses	\$50,000	
Total Up front	\$2,000,000	
Total Ongoing		5.75bp