Lyra Music Assets (Delaware) L.P.

$1,474,000,000 Asset Backed Securities

Analytical Contacts

Chris Baffa, Senior Director
+1 (646) 731-3312
chris.baffa@kbra.com

Zara Shirazi, Managing Director
+1 (646) 731-3326
zara.shirazi@kbra.com

Ali Pasha, Associate Director
+1 (646) 731-1299
ali.pasha@kbra.com

Zachary Lee, Analyst
+1 (646) 731-1252
zachary.lee@kbra.com

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Executive Summary

This pre-sale report summarizes Kroll Bond Rating Agency's (KBRA) analysis of Lyra Music Assets (Delaware) L.P. (the Issuer), a music royalty ABS transaction. The ratings listed below are preliminary and subsequent information may result in the assignment of ratings that differ from the preliminary ratings. This report is based on information as of October 24, 2024. This report does not constitute a recommendation to buy, hold, or sell securities.

Lyra Music Assets (Delaware) L.P.							
Series	**Class**	**Rated Principal Balance ($000's)**	**Coupon**	**Note Advance Rate [2]**	**Anticipated Repayment Date**	**Final Maturity Date**	**KBRA Preliminary Rating**
2024-1	A-1[1]	200,000	TBD	62.5%	December 2029	December 2064	A- (sf)
2024-2	A-2	850,000	TBD	62.5%	December 2029	December 2064	A- (sf)
2024-3	A-2	424,000	TBD	62.5%	December 2029	December 2064	A- (sf)
Total		1,474,000					

[1] The Class A-1 VFN is assumed to be fully funded

[2] Calculated as the note balance divided by the Catalog value

Transaction Overview

Founded in 2018, Hipgnosis Song Management Limited (HSM, or the Manager) is a music rights investment advisor headquartered in London, England. Many of the songs managed by HSM have held top-10 positions in global charts and/or have won Grammys. Funds advised by affiliates of Blackstone Inc. (Blackstone) are the majority shareholders of HSM. In 2021, Blackstone formed a partnership with HSM to create Hipgnosis Songs Assets (Delaware) L.P. (HSA, or the Parent). HSA's primary purpose is to invest in premium music catalogs across the world. Hipgnosis Songs Fund (SONG) was a self-managed investment trust with an independent board that was listed on the London Stock Exchange in 2018 and, under the advisement of HSM, invested approximately $2.2 billion across more than 140 catalogues (totaling over 65,000 songs) since its inception. SONG was acquired by Blackstone and subsequently moved under the ownership of HSA in July 2024.

Lyra Music Assets (Delaware) L.P. represents HSA's second music royalty securitization. The transaction will be collateralized by royalties from a music catalog (the Catalog) of premium content from top artists and songwriters, including Red Hot Chili Peppers, Neil Young, Journey, The Chainsmokers, and Shakira, which are among the largest in the Catalog by net publisher share (NPS) and net label share (NLS). Royalty payments include both publishing rights and sound recording rights. All of the music assets in the Catalog are from the legacy SONG portfolio. As of August 1, 2024 (the Valuation Date), an independent third-party valuation firm (the Valuation Agent) valued the Catalog at $2.36 billion using a discounted cash flow method based on cash flow forecasts and a discount rate of 8.25%. This valuation does not give any credit to revenue generated by name, image, and likeness rights. The rights in the Catalog are primarily administered by multiple administrators or collective management organizations, including, but not limited to, Sony Music Publishing, Kobalt, BMI, and ASCAP. The weighted average age of the catalog is approximately 19 years, with over 70% of the Catalog being comprised of music released over 10 years ago, and over 96% released over five years ago.

Proceeds from the transaction will be used to fund the reserve accounts, pay certain transaction expenses, repay existing indebtedness, and for other general corporate purposes. There will be three classes of notes issued, the Series 2024-1, Class A-1 Notes, the Series 2024-2, Class A-2 Notes, and the Series 2024-3, Class A-2 Notes (together, the Notes). It should be noted that the series a class of Notes is associated with does not affect their seniority in the Priority of Payments, i.e. both the Series 2024-2, Class A-2 Notes and Series 2024-3, Class A-2 Notes have equal seniority in the capital structure. The series do not have their own Priority of Payments or triggers. The Notes pay interest on a quarterly basis and are not scheduled to pay down principal prior to the anticipated repayment date (ARD) in December 2029. Prior to the ARD, the only required principal payments are to maintain compliance with the borrowing base requirement, which is a function of the note advance rate and the sum of (i) the collateral value derived from the present value of the annually updated valuation and (ii) the amounts on deposit in the debt service reserve account, the cash trap reserve account, the asset disposition proceeds account, and the royalty prepayment reserve account. For the purposes of stratification calculations, the last twelve months of cashflows as of March 31, 2024 (March 2024 LTM Royalties) were used.

The transaction parties are listed below:

Transaction Parties	
Issuer	Lyra Music Assets (Delaware) L.P.
Parent	Hipgnosis Songs Assets (Delaware) L.P.
Manager	Hipgnosis Song Management Limited

Back-Up Manager	FTI Consulting, Inc.
Trustee / Calculation Agent	Citibank, National Association
Sole Structuring Agent / Joint Bookrunner	MUFG Securities Americas Inc.
Swap Counterparty	TBD

Key Credit Considerations	
Large, Diversified Catalog with Globally Recognized Songs and Artists The Catalog is diversified by artist, region, and vintage. The Catalog includes more than 45,000 compositions, master recordings, and related assets. Some of the larger (by NPS/NLS) high-profile artists and songwriters in the Catalog include the Red Hot Chili Peppers, Neil Young, Journey, The Chainsmokers, and Shakira. The Valuation Agent valued the portfolio at $2.36 billion as of the Valuation Date using a discounted cash flow method based on cash flow forecasts. An eligible valuation agent will revalue the portfolio each year for the duration of the transaction. Based on March 2024 LTM Royalties, the top three catalogs comprise approximately 16% of the Catalog with the largest catalog representing approximately 8%. The top ten songs in the catalog represent approximately 8.7% of the Catalog. Revenue generated within the United States represents approximately 52% of 2023 gross collections, followed by the United Kingdom (12%), Germany (5%), and France (5%).	+
Experienced Manager The Manager for this transaction is Hipgnosis Song Management Limited, a music investment advisor that was founded in mid-2018, so it has approximately a six-year operating history. HSM focuses on the management of high-profile music catalogs from artists across the world. Hipgnosis' management team has over 80 years of combined experience and have worked together in previous roles at various music firms. While the management team is experienced in the music industry, HSM has limited operating experience. However, HSM has managed Hipgnosis Music Assets 2022-1 L.P. (MUSIC 2022-1), a music royalties ABS transaction rated by KBRA, since its launch in August 2022. Additionally, Blackstone has been the majority shareholder in HSM since 2021, leading to the institutionalization of HSM and the appointment of the aforementioned management team.	+/-
Transaction Structure The transaction benefits from credit enhancement levels that are sufficient to withstand KBRA's rating stresses, as well as structural triggers. ▪ **Overcollateralization:** The overcollateralization to the Notes is 37.5% and is calculated as a percentage of the present value of the valuation forecast by the Valuation Agent. The collateral value is an input into the LTV Cash Sweep trigger detailed below. If the Catalog's valuation falls such that LTV Ratio is above the trigger of 65%, principal payments will be made to restore the 65% LTV Ratio requirement. ▪ **Debt Service Reserve Account:** The Debt Service Reserve Account is initially sized to cover six months of interest on the Notes and may be satisfied in whole or in part by a Letter of Credit. ▪ **Liquidity Reserve Account:** This account will be unfunded at closing and may be funded through the Priority of Payments. The Issuer may deposit up to 10% of collections (per year) into the account, which can be released to the Issuer or applied to the Priority of payments at the discretion of the Issuer (or the Manager on their behalf). ▪ **Third-Party Payments/Deferred Purchase Price Reserve Account:** This reserve will be funded with $13.5 million at closing and will continue to be funded as part of the Priority of Payments, to cover any third-party and/or deferred purchase price payments. It should be noted that the total amount of third-party and/or deferred purchase price payments due over the transaction's life is $34.7 million, of which $21.2 million will be covered by collections between the first payment date and March 2028. ▪ **Royalty Prepayment Reserve Account:** This reserve account will be established at closing and will hold any amounts resulting from payments by payors that were originally expected to be received in future collection periods, such as payments related to advance arrangements. These funds will then be spread out over an appropriate amount of payment	+

dates and released to the collection account at the discretion of the Manager. The account is capped based on the aggregate amount of recoupments during the collection period.

- **DSCR Triggers:** The Debt Service Coverage Ratio (DSCR) is calculated as the net cash flow collected over the preceding four quarterly collection periods compared to the aggregate amount of interest payable on the Notes over the same periods. The table below summarizes the triggers based on the DSCR.

50% Cash Trap	100% Cash Trap	Rapid Amortization	Turbo Period
<1.30x but ≥ 1.20x	<1.20x	<1.10x	<1.05x

- **LTV Cash Sweep Trigger:** Prior to the ARD, principal payments are required to be made from available funds to maintain compliance with the applicable LTV Ratio which is a function of (i) the outstanding balance of the Notes and (ii) the sum of the aggregate amount of funds on deposit in the Debt Service Reserve Account, the Cash Trap Reserve Account, the Asset Disposition Proceeds Account, the Royalty Prepayment Reserve Account, the Liquidity Reserve Account (not funded at closing), and the collateral value derived from the present value of the annually updated valuation. In the event that the trigger is breached, principal payments will be made on the Notes until the Notes are in compliance with the 65% LTV Ratio for the Notes.
- **Excess Cash Flow:** The discount rate applied to the transaction valuation by the Valuation Agent is higher than the sum of interest rate and fees on the debt. The difference between the two will create excess cash flow.

Interest Rate Risk

Cashflows from the Catalog do not have an underlying interest component. However, the Class A-1 Notes are structured as a Variable Funding Note and as such, have a floating rate coupon. To mitigate this risk, the Issuer will enter into an interest rate swap with the applicable swap counterparty where the fixed payments made to the swap counterparty are paid through the transaction waterfall and floating rate payments made by the swap counterparty are used to make payments on the Notes. The swap is expected to be a balance guaranteed swap where the notional amount will be equal to the outstanding principal balance of the notes. KBRA has considered the impact of the hedging in its analysis.

The swap counterparty is required to be an eligible swap counterparty, the criteria for which is in accordance with KBRA's Global Structured Finance Counterparty Methodology.

-/+

Music Administration & Royalty Sources

Administrators collect royalties and licensing fees from the applicable collective management organizations (those who collect royalties from applicable payors based on royalty type) and payors (those who exploit the copyrights and are the source of the royalties) on behalf of the copyright holder. In return, the administrator takes a commission fee for their services. Such fees in the subject transaction are relatively in-line with those charged by other third-party administrators in the industry. The administrator is responsible for collecting and remitting all collections to the collection account. In certain arrangements, the collective management organization will direct payments to the rights holder instead of an administrator, thereby serving in the administrator role.

If an administrator were to become subject to bankruptcy proceedings, the transaction may experience delays in payments. A replacement administrator may be appointed if one of the administrators materially breaches its obligations. This may cause delays in cashflow receipts and may increase expenses if the replacement third-party administrator charges a higher rate than the original administrator. However, transaction also has a six-month interest reserve available to cover interest payment during periods of delays in collections.

The Catalog is administered by several administrators and collective management organizations, including Sony Music Publishing, Kobalt, BMI, and ASCAP. For further details on collective management organization and administrator concentration, see Collateral Analysis.

+/-

Independent Valuation Analysis KBRA received a portfolio valuation prepared by the independent Valuation Agent. The valuation forecasts long-term cash flow for the securitized portfolio based on several factors including, but not limited to, royalty rates, industry dynamics, individual songs or sub catalogs, and terminal growth and decay rates. In conjunction with our analysis, KBRA utilized a third-party consultant to review the assumptions and methods used in producing the valuation. As described in the Rating Analysis and Cash Flow Modeling section of this report, KBRA used the valuation in calculating its estimate of sustainable cash flow through the legal final maturity date of the notes. An eligible valuation agent will provide an annual valuation report over the life of the transaction, which is used to determine the borrowing base, as well as compliance with structural triggers. A nationally recognized accounting or valuation firm may be selected by the Manager from time to time in accordance with the Management Standard.	+
Substitutions The transaction features a substitution mechanic in which the Issuer, or the Manager on its behalf, may contribute a substitution music asset (Substitution Asset) in place of an existing music asset (Predecessor Asset) in the Catalog under certain guidelines, including, but not limited to, the Substitution Asset having a value greater than or equal to that of the Predecessor Asset (with a valuation provided for the Substitution Asset), the applicable LTV Ratio tests being satisfied prior to and after the substitution, and a rapid amortization period not being in effect prior to or as a result of the substitution. The substitution mechanic is capped at 35% of the Catalog value between the substitution date and the reference date. The reference date will be the issuance date of the last series. Any substitution above 5% of the Catalog value, on a calendar year basis, will require rating agency notice.	-
Streaming Trends Streaming is one of the primary drivers of music industry growth and represents the majority of royalty cashflows generated by the Catalog. Streaming revenues continue to represent a positive tailwind to industry growth and catalog cashflow, even as streaming growth rates have begun to decelerate. Streaming growth declines are not uniform across all markets, with saturation having more of an impact on developed markets versus undeveloped markets. Even in markets that may be reaching a level of subscriber saturation, this is offset to some extent by generally positive pricing trends. Positive rate trends are evidenced in the recent Copyright Royalty Board (CRB) rate increases. Recently, Spotify has announced that, under the Phonorecords IV ruling by the CRB, it intends to switch to a "bundle" service instead of purely a music streaming service, utilizing the audiobooks they offer as justification. This will reduce the amount paid in mechanical royalties to songwriters due to the fact that the premium payment plan payments, which are the primary driver of mechanical royalties, from customers will now be split between musical works and audiobooks. In its valuation of the Catalog, the Valuation Agent made a downward adjustment to the royalties that would be attributable to Spotify, based on the royalty composition and the market share of Spotify.	+/-
IP Transferred to the Trust and its Subsidiaries The Collateral consists of copyrights in sound recordings and musical compositions and the entities that own the applicable copyrights in the sound recordings and compositions will be transferred to the Issuer. The rights of the Issuer group in the intellectual property should therefore not be affected by a bankruptcy of the sellers. Certain assets with an allocable note amount of approximately $6.9 million are expected to be transferred to the securitization entities post-closing, subject to the receipt of certain third-party consents. There will be a contractual paydown of the Series 2024-1 Class A-1 Notes on the first payment date if this transfer is not completed by then. Certain works in the Catalog may be subject to reversion under statute prior to the legal final payment date. Under the U.S. Copyright Act, an artist or songwriter can typically recapture ownership of the copyright in their works 35 years after the date of the grant (if the grant was made after 1978). Hipgnosis acquired the catalogs recently from the artists and the catalogs may only become subject to statutory reversion in or after 2056. Further, although an artist's reversion rights under the U.S. Copyright Act cannot be contractually waived, the acquisition agreements contain provisions to disincentivize the artists from exercising their reversion rights.	+/-

Litigation Risk There are currently four lawsuits involving the Catalog. One dispute relates to the earn-out provisions agreed with Barry Manilow, and the Company is seeking a declaratory judgment that no bonus payments are due to him. The amount in question is approximately $1.5m. One of the songs in the catalog, All I Want for Christmas Is You, which accounts for approximately 0.47% of the Catalog, is currently subject to a copyright infringement claim. One lawsuit alleges that one of the artists in the Catalog, Timbaland, failed to account to the claimant for certain royalties owed to them as a co-producer. The recordings in dispute account for approximately 0.15% of the Catalog. In addition, there is a lawsuit involving multiple songs in the reggaeton genre across the music industry, which involves over 100 defendants, where the claimants allege that a drumbeat/pattern created by them has been infringed. The songs in dispute involving the Catalog account for around 0.23% of the Catalog. There is also an ongoing lawsuit brought by Hipgnosis Music Limited (HML), which is in liquidation, against SONG, HSM, and Merck Mercuriadis (the founder, and former CEO, of HSM). HML alleges that SONG and HSM dishonestly assisted Merck Mercuriadis in his breach of duty as a director of HML and in the wrongful diversion and exploitation of the intended business of HML. All such claims are denied by SONG and HSM. The litigation does not involve any entities or assets that are part of the securitization collateral, but such litigation could result in the incurrence of additional expenses by the Manager.	**-**
Regulatory Environment The Copyright Royalty and Distribution Reform Act of 2004 (CRDRA) established the CRB, which oversees copyright law statutory licenses. CRB judges determine and adjust royalty rates and terms applicable to statutory copyright licenses, oversee the distribution of royalties deposited with the Copyright Office by certain statutory licensees, and adjudicate controversies relating to the distributions. In 2018, the CRB had increased mechanical streaming royalty rates that digital service providers (DSP) are required to pay songwriters and other copyright owners for the 2018-2022 period. The CRB rate-setting process was challenged by the streaming services, and it was uncertain whether the aforementioned rate increases would be implemented. However, in July 2022, the CRB re-affirmed the rate increases. In December 2022, the CRB published streaming royalty rates for the 2023-2027 period, with the headline rate increasing from 15.1% in 2023 to 15.35% in 2027. The increase in the headline rates should benefit the transaction's cash flows.	**+/-**
Potential Impact of Foreign Currency Fluctuation Approximately 48% of the Catalog's net royalties were originally in non-U.S. currencies as of the Valuation Date and the transaction lacks the hedging mechanisms to address this risk. The non-US currencies are largely derived from the UK and the EU. The majority of incoming cashflows for those who own recorded music are streaming revenues. These revenues are paid monthly by the digital service providers (DSPs) such as Spotify, Apple Music, Amazon Music, and TIDAL. The DSPs have generally been able to re-price their subscription costs (which are the main driver of how much royalties they pay out) each year when a region's currency weakens materially. Based on the ability to re-price globally, currency fluctuations are seen as a short-term risk, rather than a long-term risk for the transaction's cashflows. The diversification of the catalog geographically helps to mitigate short term shifts in cashflows due to foreign currency fluctuations.	**-/+**
Backup Manager The Management Agreement contains manager termination events, including breaches of representations and warranties, breaches of covenants and bankruptcy events. If the Manager is terminated, FTI will step into the role of managing the portfolio of assets. FTI is experienced in the industry and has served in the role in other ABS securitizations in the asset class. Although FTI has been assigned as backup manager, there is no obligation to supervise, monitor or administer the performance of the Manager. On each determination date, the Backup Manager will receive the estimated payment schedule in which the Manager calculates the projected principal and interest payments for the Notes. FTI will not receive any additional detail and will operate essentially as a "cold" backup. As a mitigant, the responsibilities of the Manager are fairly standardized within the industry and the securitization is not dependent on additional assets being generated.	**+**

Recycled Entities The asset owning entities in the transaction are recycled entities. Many of these entities were formed as single purposes entities for specific acquisitions. The recycled entities were not initially created for use in a securitization but were converted into special purpose entities by amending their organizational documents in a manner consistent with a typical asset backed securitization. The transaction could be impacted by any existing liabilities that the recycled entities are subject to, including any indemnities under any prior financings and other transactions. KBRA notes that customary lien searches were conducted, and certifications will be provided with respect to any ongoing liabilities.	-

Key Changes since Closing of MUSIC 2022-1

Company Update	
Management	Hipgnosis Song Management Ltd., the Manager for this transaction, as well as MUSIC 2022-1, has had several management changes. ▪ In February 2024, Ben Katovsky replaced Merck Mercuriadis as Chief Executive Officer; Mr. Katovsky was previously the Chief Operating Officer and President of HSM ▪ In September 2023, Dan Pounder replaced Chris Helm as Chief Financial Officer ▪ In September 2024, Sara Lord was promoted to Chief Creative Officer ▪ Amy Thomson, formerly the Chief Catalogue Officer, and Marku Lonngvist, formerly the Chief Investment Officer, are both no longer with Hipgnosis.
Transaction Structure	
Class A-1 VFN	The transaction features a Variable Funding Note with a maximum commitment amount of $200.0 million and a hedge agreement in place between the Issuer and swap counterparties.
Liquidity Reserve Account	The Liquidity Reserve Account will not be funded at closing and any future deposits if said Reserve Account were to be established is subject to a limit of 10% of annual collections. The funds in the Liquidity Reserve Account in this transaction may be released back to the Issuer or applied to the Priority of Payments. The primary purposes of the Liquidity Reserve Account in the MUSIC 2022-1 transaction were to (i) increase the I/O DSCR until it reached 1.50x without the funds in the account and (ii) to support steps in the waterfall pertaining to certain fees, interest payments on the notes, and replenishing the Interest Reserve Account.
LTV Ratio Calculation	The LTV Ratio for the notes will no longer include the funds in the collections account in the denominator of the ratio. As previously mentioned, the LTV Ratio is a function of (i) the outstanding balance of the Notes and (ii) the sum of the aggregate amount of funds on deposit in the Debt Service Reserve Account, the Cash Trap Reserve Account, the Asset Disposition Proceeds Account, the Royalty Prepayment Reserve Account, the Liquidity Reserve Account (which is not funded at closing), and the collateral value derived from the present value of the annually updated valuation.

Transaction Performance of MUSIC 2022-1

The Hipgnosis Music Assets 2022-1 L.P. transaction initially closed in August 2022. Hipgnosis Song Management is the Manager of the transaction. The transaction pays interest and, when applicable, principal, on a semi-annual basis. KBRA's most recent surveillance review of the transaction was completed in August 2024 and can be found here.

Triggers: As of the latest payment date in May 2024, all triggers are in compliance, including the rapid amortization conditions, events of default, manager termination events, and cash trap conditions. The latest DSCR is 2.38x when including the Liquidity Reserve Account, and 1.39x when it is not included.

LTV: As of the latest payment date in May 2024, the LTV of the Class A Notes is approximately 61.8%. It should be noted that the LTV calculation for the MUSIC 2022-1 transaction incorporates the value of the catalog based on the annually updated valuation, as well as amounts in the collection account, interest reserve account, liquidity reserve account, cash trap reserve account, and the asset disposition proceeds account.

Valuation: A breakdown of the catalog's valuations over the life of the transactions can be seen below. Despite the performance of the catalog exceeding expectations, the value of the catalog decreased in June 2023 due to the increase in the discount rate, which was reflective of the macroeconomic trends at the time. It should be noted that the August 1, 2024, valuation will not be incorporated until the upcoming November 2024 payment date.

Valuation Date	Valuation ($million)	Discount Rate (%)
March 31, 2022	341.0	7.00
June 30, 2023	317.0	8.25
August 1, 2024	349.5	8.25

Collections: Throughout the transaction's life, the catalog cashflows have consistently been higher than those projected by the original valuation.

KBRA Process

KBRA analyzed the transaction using the General Global Rating Methodology for Asset-Backed Securities, as well as its Global Structured Finance Counterparty Methodology and ESG Global Rating Methodology. This transaction falls within "Category 1 – Financial Assets" categorization noted within the General Global Rating Methodology for Asset-Backed Securities, which typically relates to transactions that are backed by a pool of consumer or commercial financial obligations owed by diverse obligors.

In applying the methodologies, KBRA analyzed the Catalog's historical data and third-party reports. The capital structure was tested by applying stressed assumptions in KBRA's cash flow analysis of the transaction.

Manager Highlights

The information in this section is based on materials provided by the Manager and/or public sources.

Founded in 2018, Hipgnosis Song Management Limited (HSM, or the Manager) is a music rights investment advisor specializing in high-profile music catalogs. Many of the songs managed by HSM have held top-10 positions in global charts and/or have won Grammys. Funds advised by affiliates of Blackstone Inc. (Blackstone) are the majority shareholders of HSM. In 2021, Blackstone formed a partnership with HSM to create Hipgnosis Songs Assets (Delaware) L.P. (HSA, or the Parent). HSA's primary purpose is investing in premium music catalogs across the world.

KBRA met with key members of senior management, who together have over 80 years of combined experience in the music industry. During the meeting, KBRA discussed Hipgnosis' business strategy, recent catalog acquisitions, technology, and historical financial performance. Biographies of key members of Hipgnosis' senior management team are below.

Ben Katovsky, Chief Executive Officer
Appointed Chief Executive Officer in March 2024, Ben joined Hipgnosis as President and Chief Operating Officer in 2022. He has more than two decade's experience working in the music industry with particular expertise in the commercial and operational management of songs and recordings. Most recently he was Chief Operating Officer at BMG where he spent seven years.

Dan Pounder, Chief Financial Officer
Appointed Chief Financial Officer in September 2023, Dan has over two decades' experience in accountancy and music finance, including senior executive roles at BMG, Viacom, Famous Music and Sony Music Publishing where he worked for over a decade. Dan completed his accountancy training with Deloitte and was admitted into the Institute of Chartered Accountants in England and Wales in 2003 and was subsequently admitted as a Fellow in 2013.

Jon Baker, General Counsel
Appointed General Counsel in October 2023, Jon has almost 20 years of legal experience, including over a decade focused on the music industry across both publishing and recorded music rights. He joined from BMG, where he was General Counsel UK and EVP Legal and Business Affairs International. Prior to joining BMG in 2012, he worked at Simkins, a media and entertainment firm. Jon studied law at the University of Warwick.

Sara Lord, Chief Creative Officer
Sara joined Hipgnosis in the spring of 2023 and has over 25 years' experience in music, film, advertising, and digital experiences. She previously worked at Concord Music, where she built an international team and launched the Concord Art Prize. Sara also serves as the co-chair of The Cat's Mother, a network of women in the Music and Creative Industries offering voluntary consultancy for young aspiring creatives.

Collateral Analysis

The Catalog consists of over 45,000 recordings and compositions, with many top songs by NLS/NPS receiving multiple accolades. The Catalog is diversified among many different artists and songwriters. The Catalog is also diversified across format, genres, and income types. Most of the catalog is comprised of music publishing rights.

The Catalog stratifications can be seen in the adjacent tables. The tables contain data provided by the Issuer that include pro-forma numbers which reflect consideration of administration rate uplifts, historical activity prior to ownership, or other normalizing adjustments.

Top Catalogues	March 2024 LTM Royalties %
Catalog 1	8.4%
Catalog 2	4.1%
Catalog 3	3.2%
Catalog 4	2.8%
Catalog 5	2.5%
All Other Catalogs	79.0%
Total	100%

Top Titles	March 2024 LTM Royalties %
Song 1	2.1%
Song 2	2.0%
Song 3	1.6%
Song 4	1.2%
Song 5	1.2%
All Other Songs	91.9%
Total	100%

Vintage	March 2024 LTM Royalties %
2021-2023	2.3%
2016-2020	18.5%
2011-2015	18.6%
2006-2010	16.6%
2001-2005	9.5%
2000 and prior	34.6%
Total	100%

Top Administrator / CMOs	March 2024 LTM Royalties %
Administrator 1	13.0%
Administrator 2	12.6%
Administrator 3	9.5%
Administrator 4	8.4%
Administrator 5	7.1%
All Other Administrators	49.4%
Total	100%

Catalog Valuation

In conjunction with its rating process, KBRA had a virtual meeting with the Valuation Agent to discuss its processes and approach to valuing the collateral and has met with them regarding prior rated transactions as well. The Valuation Agent is purportedly among the largest firms in the industry. During the call the Valuation Agent discussed its discount rates, royalty income sources including streaming growth, and other meaningful components of the cash flow projections in the valuation.

The Valuation Agent has valued the Catalog at $2.36 billion as of the Valuation Date. The Valuation Agent used the income approach and assumed a discounted net present value of projected long-term free cash flow of 8.50% for the Catalog. This approach is the prevailing industry convention for valuing comparable assets. The Valuation Agent developed long term projections for the Catalog over a projection period of approximately 40 years, and then estimated the cash flows beyond the projection period based upon certain assumptions regarding projected financial performance utilizing terminal growth and decay rates.

Growth Assumptions

The Valuation Agent has applied various long-term growth and decay rates to each asset within the Catalog, reflecting their views of the industry and the performance of each individual songwriter. The average growth rate for the valuation was determined to be approximately 2.00%.

Transaction Comparison

The table below compares certain characteristics of the collateral pool and structure of this transaction to recent music royalty transactions rated by KBRA. It is assumed for this transaction that the Class A-1 VFN is fully funded.

	Lyra Music Assets 2024-1	Concord (Series 2024-1 Only)	BEATS 2024-1	Hipgnosis Music Assets 2022-1	Crescendo
Collateral [1]					
Songwriter/Artists/Sub-Catalogs [2]	138	N/A	49	155	1,389
# Songs	45,000+	1,300,000+	5,000+	980	52,729
Potfolio value (million)	$2,357	$5,050	$410	$341	$467
Debt [3]					
Class - A	$1,474,000,000	$850,000,000	$266,500,000	$221,650,000	$303,800,000
Class - B	NA	NA	NA	NA	NA
Total	$1,474,000,000	$850,000,000	$266,500,000	$221,650,000	$303,800,000
Note Advance Rate [3]					
Class - A	62.5%	52.3%	65.0%	65.0%	65.0%
Class - B	NA	NA	NA	NA	NA
Rating					
Class - A	A- (sf)	A+ (sf)	A- (sf)	A- (sf)	A (sf)
Class - B	NA	NA	NA	NA	NA
ARD					
Class - A	5 yrs	5 yrs	5 yrs	5 yrs	5 yrs
Class - B	NA	NA	NA	NA	NA
Interest Reserve Account					
Size (months)	6 months	6 months	6 months	6 months	6 months
DSCR Triggers					
50% Cash Trap	1.30x	1.40x	1.30x	1.40x	1.45x
100% Cash Trap	1.20x	1.30x	1.20x	1.30x	1.35x
Rapid Amortization Event	1.10x	1.15x	1.10x	1.15x	1.15x
Event of Default/Full Turbo Trigger	1.05x	1.05x	1.05x	1.05x	1.05x
Vintage					
Released 0 - 5 yrs Ago	4%	18%	40%	8%	Not Available
Released 5 - 10 yrs Ago	23%	21%	30%	15%	Not Available
Released 10 - 20 yrs Ago	32%	19%	22%	34%	Not Available
Released 20+ Ago	41%	42%	8%	43%	Not Available

[1] All transaction structure and collateral details are as of the applicable Series closing date.

[2] For Concord transactions, while the singer/songwriter analysis is not available, the Catalog is diversified due both to, its size (+1.3m of songs), and the relatively low concentration of NLS/NPS derived from top earning assets (top 10 songs generated 8.1% of gross profit in 2023).

[3] Assumed that VFNs are fully funded.

Rating Analysis & Cash Flow Modeling

KBRA performed cash flow analysis to test the transaction structure and to examine stresses related to different growth/decline scenarios. KBRA collectively reviewed these quantitative and qualitative factors and their associated impact in its determination of ratings for the notes. For cash flow modeling purposes, it is assumed that the Class A-1 VFN is fully funded. KBRA's base case cash flow scenario leverages the data from the third-party valuation report. The valuation report projections considered sound recording level, catalog level, revenue stream cash flow projections, industry data, historical financial performance, administration agreements, as well as third party research. Cash flows were held constant, with zero growth, after year 30 in all scenarios. KBRA gives credit to the hedge agreement in place for the Class A-1 Notes.

To stress the cash flows and the strength of the structure, several different scenarios were run to test the strength of the structure. The ratings do not address payment of subordinated additional interest payable after the anticipated repayment date. In all scenarios, the securities received timely interest payments. Under the stress scenarios the Notes were shown to have sufficient credit enhancement to support the assigned ratings.

Uniform Haircut Scenario: This scenario assumes the valuations may be overstated owing to potential variability surrounding assumptions regarding artist and industry growth, discount rate, and other factors. In this scenario, the maximum haircut to the base case cashflow is applied where timely interest and the full repayment of principal is paid to the Notes. It should be noted that this breakeven is constrained by timely interest, primarily within the first 10 years of the transaction, which results in repayment eight years before the final period of cashflows (in year 40) that KBRA gives credit to.

Decay Rate Scenario: This scenario assumes that the Catalog cashflows decrease by a fixed rate over time after the first year of collections. In this scenario, a decay rate is applied per annum over the life of the transaction and the Notes would still receive timely payment of interest and the full repayment of principal.

Cash Flow Modeling Results

Class	Scenario	Breakeven (%)	Pay Off (Year)	Triggers Hit
Class A Notes	Base Case	NA	18	None
Class A Notes	Breakeven Haircut	38.49	32	Borrowing Base Deficiency & Rapid Amortization DSCR
Class A Notes	Breakeven Decay Rate	1.94	40	Borrowing Base Deficiency

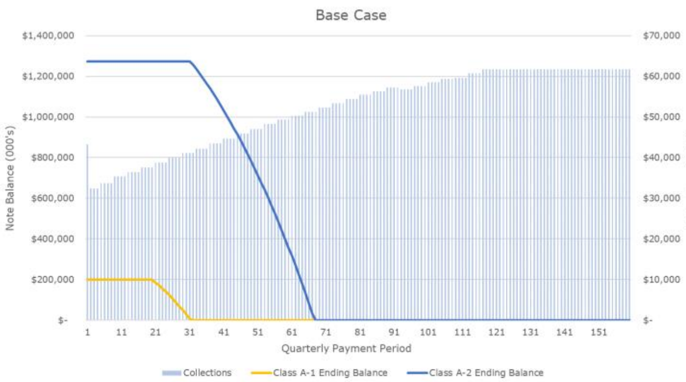
Additional Cash Flow Sensitivity

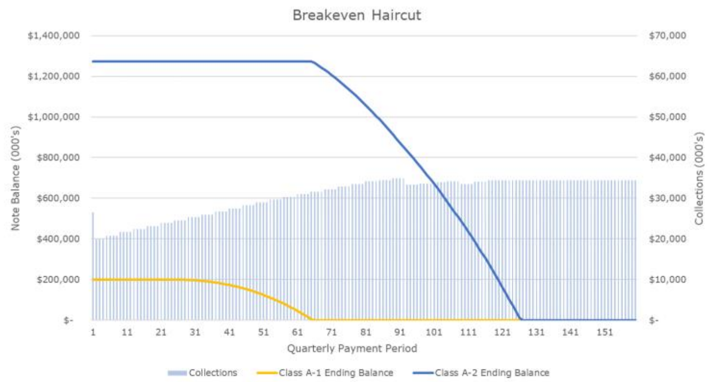
KBRA also considered the effects of potential industry-shifting shocks to the transaction, such as new technology in the music industry, long term changes in consumption, and/or pricing changes.

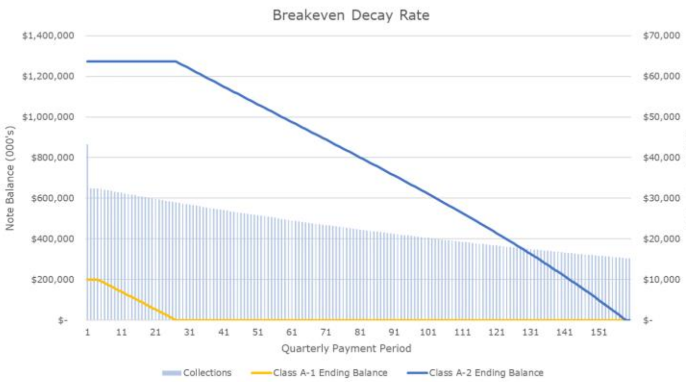
This scenario assumes that there will be event-based shocks in the industry at three different points of the transaction that will cause significant decreases in the Catalog cashflows. The first haircut is assumed to be 10%, applied on the first payment date through the end of the fifth year; the second haircut is assumed to be 30% and is applied at the beginning of the sixth year through the end of the tenth year; the final haircut is calculated as a breakeven, in which the Notes still receive timely interest and full repayment of principal, this haircut begins in the eleventh year and continues for the remainder of the transaction.

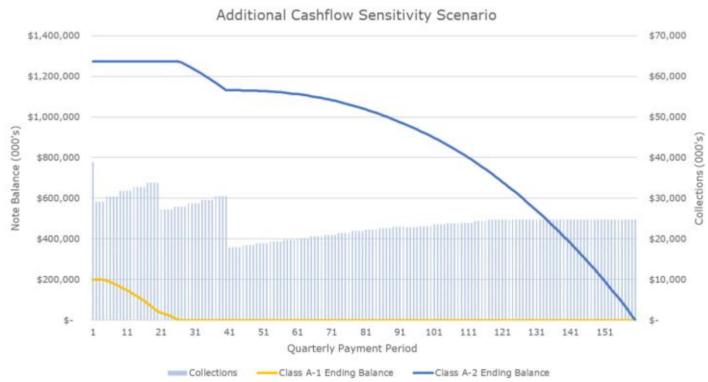
Class	Breakeven (%)	Pay Off (Year)	Triggers Hit
Class A Notes	59.83	40	Borrowing Base Deficiency

Note Paydown by Scenario









Rating Sensitivity and Surveillance

The ratings of Lyra Music Assets (Delaware) L.P. will be monitored through the life of the transaction. The table illustrates the potential for downgrade of the Notes based on the percentage change in the transaction's DSCR. 'Stable' means a downgrade is unlikely. 'Moderate' means a potential downgrade of up to one rating category is possible. 'Severe' indicates a multi-category downgrade is possible.

It should be noted that many factors, including economic stress, market conditions and servicing operations can impact the performance of the transaction and influence rating decisions. Furthermore, the table considers the current credit enhancement available to the transaction.

Class and Rating Sensitivity	
% Change DSCR	Class A Notes
0%	Stable
-5%	Stable
-10%	Stable
-15%	Stable
-20%	Stable
-25%	Moderate
-30%	Moderate
-35%	Severe
-40%	Severe

ESG Considerations

KBRA ratings incorporate relevant credit factors, including those that relate to Environmental, Social, and Governance (ESG). The following section highlights ESG considerations that are generally associated with ABS securitizations such as the subject transaction. Transaction-specific ESG factors are highlighted below, where applicable, using Environmental, Social, and Governance indicators.

Environmental Factors

Energy Usage

Although the amount of plastic used to make physical media has plummeted in the past few decades, the energy it takes to stream and download digital music has risen sharply. There is also substantial additional energy use when you factor in data storage, device usage and battery charging. Although there may not currently be any direct environmental liabilities associated with the assets, it is unclear what regulatory changes and future liabilities may arise in coming decades.

Social Factors

Reputational and Industry Specific Risks

Social media and mobile communications can be used to spread negative publicity rapidly to large numbers of people. This could impact the Company's ability to respond timely and effectively to negative publicity, which could damage the perception or reputation of the Company or industry. A consideration in KBRA's credit analysis is an evaluation of current complaints, litigation, or regulatory inquiries, if any, against the Company. Artists operating in the music industry are susceptible to shifts in public perception, legislation, and can also be adversely affected by reputation-damaging events. Depending on the type of litigation, or controversies surrounding an artist, or other risks that may change consumer preference or perception of an artist, KBRA may apply additional stress scenarios when modeling cash flows.

Governance Factors

Transaction Structure

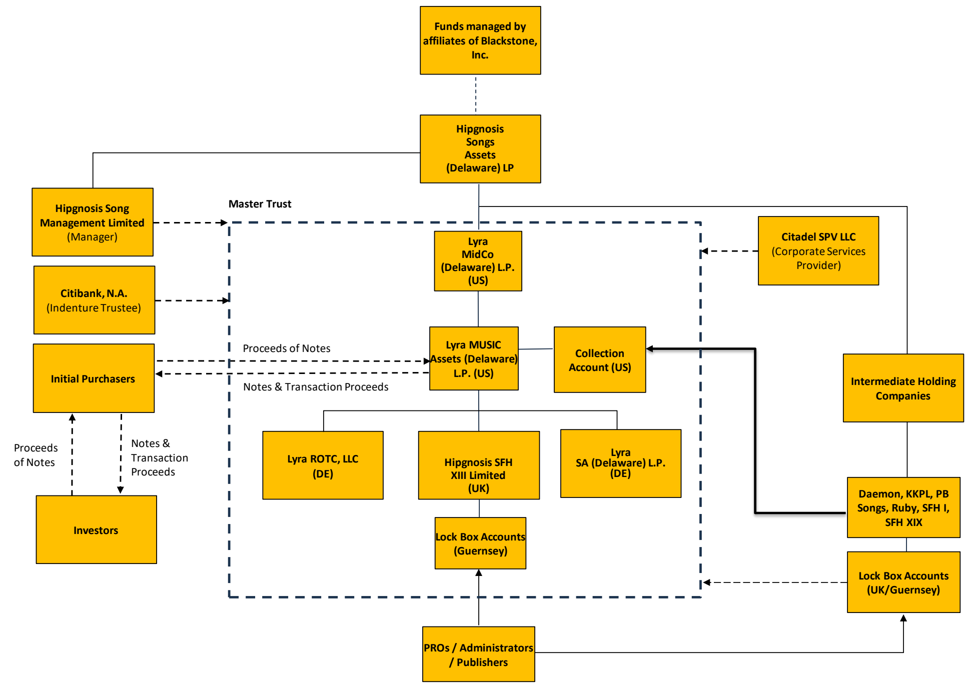
Transaction structure is an important governance factor in structured finance transactions as many structural aspects such as adherence to representations and warranties, indemnification obligations in place, reporting of collateral performance, and segregation and application of cashflows, require parties to act in good faith and certify the accuracy of such information. Failure to do so could impact actual performance and KBRA ratings. KBRA considers the transaction mechanics and structural features such as, but not limited to: cash management arrangements; contractual counterparty relationships; operational complexity of business; back-up manager arrangements; reserve requirements for upfront and ongoing obligations; waterfall provisions; and underlying collateral for the debt; as applicable, in our ratings analysis. Please refer to the Transaction Structure section for additional information regarding the structure.

Transaction Structure

The following is intended to be a concise summary of the transaction structure. It does not contain all the information that may be relevant to understanding the transaction's mechanics, which are available in the transaction documents. The ratings do not address payment of subordinated additional interest payable after the ARD.

Legal Structure

Transaction Structure



Debt Service Reserve Account

The Issuer will be required to maintain an amount on deposit in a Debt Service Reserve Account for equal to six months of fees and interest on the outstanding principal balance of the Notes. The Debt Service Reserve Account will be replenished in accordance with the priority of payments. The required amount may be satisfied in part or in whole by a letter of credit.

Cash Trap Events /Reserve Account

If a Cash Trap Event occurs and for so long as such Cash Trap Event continues to exist, an amount equal to the product of (i) the Cash Trapping Percentage and (ii) the remaining amount of Available Funds will be deposited in the Cash Trap Reserve Account in accordance with the priority of payments. If a Cash Trap Condition exists for four consecutive Collection Periods, then on the next Payment Date (and on each Payment Date thereafter so long as such Cash Trap Condition continues to exist), all funds on deposit in the Cash Trap Reserve Account will be applied to make a prepayment on the Notes in accordance with the priority of payments.

The table below outlines the Cash Trapping Percentage thresholds.

Cash Trap Condition	Cash Trapping Percentage
DSCR is <1.30x but ≥1.20x	50%
DSCR <1.20x	100%

A Cash Trap Event will continue until the DSCR as of the last day of the Related Collection Period has exceeded the applicable threshold for two consecutive collection periods. If a Cash Trap Condition ceases to exist and if no Event of Default, Turbo Period, or Rapid Amortization Event has occurred and is continuing, any funds then on deposit in the Cash Trap Reserve Account will be transferred to the Collection Account to be applied as Available Funds.

Manager Termination Events	(i) any failure by the Manager to deliver to the Collection Account any required payments for five business days; (ii) failure to deliver the Manager's Certificate when required within three business days of the due date and remains unremedied for five business days after the third business day; (iii) failure to comply in any material respect with any other covenant in the transaction documents for 60 days; (iv) any representation, warranty or statement of the Manager proves to be incorrect in any material respect and is not cured within 60 days; (v) certain voluntary or involuntary insolvency events with respect to the Manager; (vi) one or more enforceable judgments in excess of $20,000,000 shall be entered against the Manager (to the extent not covered by insurance) and shall not be discharged for 60 days; or (vii) any material provision of the Management Agreement shall cease to create an enforceable obligation against the Manager;
Rapid Amortization Events	(i) the DSCR is less than 1.10x with respect to any Payment Date; (ii) termination of the Manager under the Management Agreement (which will exist until a replacement manager is appointed); (iii) the occurrence of an Event of Default (which exists until such Event of Default is cured or waived); or (iv) a failure by the Issuer to deliver a valuation report within five business days of its due date but will be extended to sixty business days if the Trustee can present an officer's certificate indicating that the Issuer is taking reasonable steps to receive the report and can be extended for an additional 60 days if the Issuer is diligently working to deliver such report. Rapid Amortization Event clause (i) is curable only if the DSCR is greater than 1.10x for two consecutive payment periods.
Priority of Payments	(i) any unpaid Third-Party Payments/Deferred Purchase Price and second replenish the Third-Party Payments/Deferred Purchase Price Reserve Account; (ii) to the payment of service provider fees and indemnities subject to caps; (iii) in the following order, (A) to replenish the Securitization Operating Expense Reserve Account, (B) to pay any Class A-1 Administrative Agent Fee and (C) to pay successor manager transition expenses; (iv) to the Manager, (i) reimbursements and indemnification payments under the transaction documents and (ii) accrued and unpaid Senior Management Fee and reimbursement of any Manager Advances; (v) if no Event of Default has occurred and is continuing and if a Turbo Period is in effect, in the following order: (A) interest and commitment fees on the Class A Notes and other amounts due to the Holders of the Variable Funding Notes, (B) principal to the Class A-1 Notes until paid in full, (C) principal to the Class A-2 Notes until paid in full; (vi) if (A) no Event of Default has occurred and is continuing and (B) a Turbo Period is not then in effect, interest to the Holders of each Class of Notes, in direct order of alphabetical designation and amounts due to the Holders of the Variable Funding Notes subject to a cap; (vii) if (A) no Event of Default has occurred and is continuing and (B) a Class A-1 Amortization Event has occurred and is continuing, principal to the Class A-1 Notes until paid in full; (viii) if (A) no Event of Default has occurred and is continuing and (B) a Turbo Period is not then in effect, to replenish the Debt Service Reserve Account; (ix) If (A) a Rapid Amortization Period is not then in effect, (B) no Event of Default has occurred and is continuing and (C) a Turbo Period is not then in effect, to the holders of each Class of Notes in direct order of alphabetical designation, the unpaid principal amount of such Class of Notes; (x) if (A) a Rapid Amortization Period is not then in effect, (B) a Cash Trap Condition is not then in effect, (C) no Event of Default has occurred and is continuing, (D) such Payment Date is not on or after the Anticipated Repayment Date for any Series of Outstanding Variable Funding Notes or Term Notes and (E) a Turbo Period is not then in effect, to pay any Class A-2 Quarterly Amortization Amount pro rata; (xi) if (A) a Rapid Amortization Period is not then in effect, (B) no Event of Default has occurred and is continuing and (C) a Turbo Period is not then in effect, to the holders of any Class A Notes, pro rata, an amount, if any, equal to the Class A LTV Test Sweep Amount; (xii) if such Payment Date is on or after the ARD for any Series of Notes and (A) a Rapid Amortization Period is not then in effect, (B) no Event of Default has occurred and is

	continuing and (C) a Turbo Period is not then in effect, to the payment of principal of each Class of Notes of such Series in direct order of alphabetical designation until paid in full; (xiii) if a Cash Trap Condition is continuing and (A) no Event of Default has occurred and is continuing and (B) a Turbo Period is not then in effect, to the Cash Trap Reserve Account, the product of (i) the Cash Trapping Percentage and (ii) the remaining amount of Available Funds; (xiv) if such Payment Date is during a Rapid Amortization Period and (A) no Event of Default has occurred and is continuing and (B) a Turbo Period is not then in effect, to the holders of each Class of Notes, in direct order of alphabetical designation, payment of principal to the Notes; (xv) if such Payment Date is after the occurrence and during the continuance of an Event of Default, to the Holders of each Class of Notes, in direct order of alphabetical designation (a) first, any accrued interest on the Notes and (b) second, on a pro rata basis, payment of principal to the Notes; (xvi) to the Hedge Payment Account for the benefit of any Hedge Provider, all swap termination payments including, but not limited to, breakage costs and associated fees (if any) and all amounts due and payable under each related Series Hedge Agreement; (xvii) to the payment of Post-ARD interest as applicable; (xviii) first, to the Trustee and Back-Up Manager, pro rata, any accrued and unpaid fees, expenses and indemnification obligations in excess of any cap, second, any subordinated management fee and third, to deposit to the Securitization Operating Expense Account an amount equal to the Securitization Operating Expense Amount for such Payment Date in excess of the Capped Securitization Operating Expense Amount; (xix) to the Advance Reserve Account, an amount equal to the Advance Reserve Amount; (xx) to the Third-Party Payments/Deferred Purchase Price Reserve Account, the subordinated Deferred Purchase Price Reserve amount; (xxi) to the Hedge Payment Account, an amount equal to the lesser of (x) the Hedge Reserve Amount and (y) the amount of Available Funds; (xxii) if no Event of Default has occurred and is continuing and no Rapid Amortization Period is then in effect, if a Class A-1 Cash Sweep Event has occurred and is continuing with respect to any Series of Class A-1 Notes, to the Holders of such Class A-1 Notes in respect of principal pro rata based on the Note Principal Balance of each such Class A-1 Note on such Payment Date, up to an amount equal to the Class A-1 Sweep Amount until such amounts have been paid in full in cash or such Class A-1 Cash Sweep Event has been cured and is no longer continuing; (xxiii) at the direction of the Issuer, to the Class A-1 Noteholders, any optional payments of principal on the outstanding principal amount on the Class A-1 Notes; and (xxiv) to or at the direction of the Issuer, all remaining amounts.
Events of Default	(i) The Issuer defaults in payment of interest on any Payment Date on the most senior class of Notes outstanding and such failure continues for three business days or if the failure is due to an administrative error, five business days; (ii) The Issuer fails to pay principal or interest on the Notes on the Rated Final Payment Date; (iii) Failure of any securitization entity to make other payments due under the Transaction Documents subject to available funds within the applicable cure period or 10 business days if no cure period is specified; (iv) The failure of the Calculation Agent or the Issuer to comply with the requirement to deliver the Quarterly Report for a period of 20 business days; (v) Failure of any Securitization Entity to observe or perform any convenants in the transaction documents which causes or is reasonably likely to have a material adverse effect and such failure remains uncured within 30 days, which may be extended further; (vi) Any Securitization Entity breaches its representations or warranties in the Transaction Documents subject to materiality and cure periods; (vii) Certain involuntary bankruptcy or insolvency events of any Securitization Entity which is not dismissed within 90 days; (viii) Certain voluntary bankruptcy or insolvency events with respect to any Securitization Entity; (ix) Other than in accordance with a permitted asset disposition, certain Parent or HoldCo entities cease to own 100% of the limited partnership interests in the Issuer, or the Issuer ceases to own 100% of the equity interests in each asset entity; (x) Failure of the Securitization Entities to hold federally registered copyrights in Musical Compositions or Master Recordings that account for either (i) in aggregate at least 80% of

	NPS of all Music Compositions and Master Recordings in which a Securitization Entity owns the copyright or (ii) individually, 1% of NPS, in each case within the applicable time period. (xi) The Manager resigns, and a replacement is not designated by the Issuer within 180 days; (xii) the Trustee ceases to have for any reason a valid and perfected first priority security interest in Collateral constituting more than 5% of the aggregate Collateral Value (subject to permitted liens as set forth in the Indenture).
Substitution Conditions	(i) the Substitute Assets collectively have a Collateral Value not less than the Collateral Value of the Predecessor Assets, (ii) the Trustee shall have received the Opinions of Counsel with respect to the Substitute Assets required by the Transaction Documents, if any, (iii) the Issuer shall, or shall have caused the applicable Asset Entity to, have reimbursed the Trustee for all third-party out-of-pocket costs and expenses incurred by the Trustee in relation to such substitution, (iv) no Cash Trap Condition exists prior to such addition or will exist after giving pro forma effect to such addition; (v) after giving pro forma effect to such substitution, the Class A LTV Ratio shall be less than or equal to the Class A LTV Ratio in effect immediately prior to such substitution, the DSCR shall be equal to or greater than the DSCR in effect immediately prior to such substitution and, if Class B Notes are issued, the Class B LTV Ratio shall be less than or equal to the Class B LTV Ratio in effect immediately prior to such substitution, (vi) no Rapid Amortization Period is in effect prior to such substitution or will commence after giving pro forma effect to such substitution, (vii) no Event of Default exists prior to such substitution or will exist after giving pro forma effect to such substitution, (viii) either (A) a deposit is made to the Third-Party Payments/Deferred Purchase Price Reserve Account in an amount sufficient to pay any Deferred Purchase Prices and any third party liabilities attributable to such Substitute Assets or (B) the Manager certifies that, in its reasonable determination, any Deferred Purchase Prices attributable to such Substitute Assets will be payable in accordance with the Priority of Payments without causing a failure to pay interest or principal when due on any Class of Notes, (ix) a Contribution Valuation Report or a Valuation has been obtained with respect to the Substitute Assets, (x) if the aggregate Allocated Note Amount of all Substitute Assets during any calendar year is greater than five percent (5%) of the aggregate initial Class Principal Balances of all Classes of outstanding Notes on such date of determination, a Rating Agency Confirmation is obtained, and (xi) after giving effect to such substitution, the sum of the Collateral Value of all Predecessor Assets released since the most recent Series Closing Date shall not exceed thirty five percent (35%) of the aggregate Collateral Value of the Music Products on such date of determination.
Additional Notes	The Issuer may at any time and from time to time issue additional Series of Notes (Additional Notes) in one or more Classes pursuant to the Base Indenture and a Series Supplement for such Additional Notes. Such Additional Notes may rank pari passu with, or subordinate to, the Offered Notes; provided that if any Notes (other than the Additional Notes) will remain outstanding after the issuance of such Additional Notes (such Notes, the Continuing Notes) the following conditions are satisfied with respect to such issuance on the date of the related Series Supplement with respect to such Additional Notes: (i) The Additional Notes of a particular Class rank pari passu with the Continuing Notes, if any, of the Class of Notes bearing the same alphabetical and numerical Class designation (regardless of Series or date of issuance), although such Class of Notes may have other characteristics different than the Continuing Notes, and may have an Anticipated Repayment Date earlier than the Anticipated Repayment Date for any Series of Continuing Notes; (ii) Rating Agency Confirmation with respect to each Series of Continuing Notes is obtained from each Rating Agency that rated such Series of Continuing Notes; (iii) the Class A Notes Leverage Ratio is less than or equal to 13.5x (iv) The Issuer receives an opinion of counsel that the issuance of Additional Notes will not cause the Issuer to be taxable as other than a partnership or cause any of the Continuing Notes of any Class of any Series that received an opinion that such Notes will be characterized as debt for U.S. federal income tax purposes as of the applicable Series Closing Dates;

	(v) After giving pro forma effect to the issuance of such Additional Notes the following conditions are satisfied: the Class A LTV Ratio is less than or equal to 65%, the DSCR is equal to or greater than 1.50x, and, if Class B Notes are issued, the Class B LTV Ratio is less than or equal to the maximum Class B LTV Ratio specified at the time such Class B Notes are issued and outstanding, no Rapid Amortization Period is in effect prior to such addition or will commence after giving pro forma effect to such issuance and no Event of Default has occurred and is continuing; (vi) The most recent Valuation required to be provided by the Indenture has been provided by the Valuation Provider and no cure period is then in effect for the delivery of any Valuation; and (vii) The Trustee receives an officer's certificate of the Issuer stating that all conditions precedent to the issuance of the Additional Notes under the Indenture have been satisfied. "Class A Notes Leverage Ratio" means, as of any date of determination, the ratio of (a) the excess, if any, of (i) the sum of aggregate outstanding principal amount of the Class A Notes as of such date over (ii) the aggregate amount of funds on deposit in the Debt Service Reserve Account, the Cash Trap Reserve Account, the Asset Disposition Proceeds Account, the Royalty Prepayment Reserve Account, the Collection Account (net of expenses) and the Liquidity Reserve Account as of such date to (b) the aggregate Gross NPS/NLS for the four (4) Collection Periods ending immediately prior to such date.
Transaction Amendment Process	The transaction's indenture may be amended without the consent of noteholders if such amendment does not adversely affect in any material respect the interests of any noteholder. Other amendments require the consent of the holders of at least a majority in aggregate principal amount of each class of Notes. Certain amendments (such as an increase, reduction, acceleration or delay in distributions to be made to noteholders) require that the holders of all notes affected by the amendment provide their consent.
Representations & Warranties	For more detailed information regarding the representations, warranties and enforcement mechanisms available under the transaction documents, please see KBRA's Lyra Music Assets (Delaware) L.P. Representations and Warranties Disclosure, which is available here.