

purchased with the proceeds of a sale of a Collateral Obligation that was not a Discount Obligation at the time of purchase will not be considered a Discount Obligation if such Collateral Obligation (a) together with all such Collateral Obligations excluded from the definition of Discount Obligations on or prior to the date of determination have a cumulative Aggregate Principal Balance of no more than \$20 million, (b) has been purchased or committed to be purchased within five Business Days of such sale, (c) has been purchased at a purchase price of at least 65% and that was equal to or greater than the sale price of the sold Collateral Obligation, and (d) its rating (if any) from each Rating Agency is equal to or greater than such rating of the sold Collateral Obligation. For purposes of this definition, a Collateral Obligation, portions of which were purchased at different times and at different prices, will be treated as separate Collateral Obligations (*i.e.* such portions will not be treated as a single Collateral Obligation with a weighted average purchase price).

“Dissolution Expenses”: An amount certified by the Investment Manager as the sum of (i) the expenses reasonably likely to be incurred in connection with the discharge of the Indenture and the liquidation of the Collateral and dissolution of the Issuers and (ii) any accrued and unpaid Administrative Expenses.

“Distressed Exchange Offer”: An offer by the issuer of a Collateral Obligation to exchange one or more of its outstanding debt obligations for a different debt obligation or to repurchase one or more of its outstanding debt obligations for cash, or any combination thereof; *provided* that an offer by such issuer to exchange unregistered debt obligations for registered debt obligations shall not be considered a Distressed Exchange Offer.

“Diversity Test”: A test satisfied as of any Measurement Date if the Diversity Score equals or exceeds the applicable number in the columns entitled “Diversity Score” in the Collateral Matrix based on the row/column combination selected by the Investment Manager with notice to the Collateral Administrator (or linear interpolation between two rows and/or two columns, as applicable) specified for the applicable case under the Collateral Matrix.

For purposes of this definition, the “Diversity Score” is a single number that indicates collateral concentration in terms of industry and obligor concentration. It is similar to a score that Moody’s uses to measure default risk for purposes of its ratings. A higher Diversity Score reflects a more diverse portfolio in terms of obligor and industry concentration. The Diversity Score for the Collateral Obligations is calculated as set forth in the Indenture, considering any obligors affiliated with one another as a single obligor, unless they are in different industries. Structured Finance Obligations that are collateralized loan obligations will not be included for purposes of the calculation of the Diversity Score or related calculations.

“Due Period”: With respect to any Distribution Date (other than a Rated Notes Redemption Date, Equity Redemption Date, Stated Maturity of the Notes or last Liquidation Distribution Date), the period ending on (and excluding) the related Determination Date (or, in the case of a Rated Notes Redemption Date, Equity Redemption Date, Stated Maturity of the Notes or last Liquidation Distribution Date, the Business Day preceding such Redemption Date, Stated Maturity or last Liquidation Distribution Date, as the case may be) and beginning on (and including) the Determination Date related to the preceding Distribution Date (or beginning on the Closing Date, in the case of the first Due Period).

“Effective Date”: The earlier to occur of (i) November 22, 2011 (or if such date is not a Business Day, the next Business Day), and (ii) the date, specified by the Investment Manager, on which the Issuer has (or will have) purchased (or entered into commitments to purchase) Collateral Obligations with an Aggregate Principal Balance that, together with up to \$10 million of Eligible Principal Investments of the Issuer (not including any such Eligible Principal Investments required to fund such commitments), is at least equal to the Effective Date Target Par and all applicable Indenture requirements have been satisfied.

“Effective Date Moody’s Condition”: A condition satisfied if the Investment Manager has provided to Moody’s an accountants’ letter confirming that each Collateral Quality Test (other than the S&P CDO Monitor Test), each applicable Coverage Test and each Concentration Limit was satisfied and that the Issuer had purchased (or entered into commitments to purchase) Collateral Obligations with an Aggregate Principal Balance that, together with up to \$10 million of Eligible Principal Investments of the Issuer (not including any such Eligible Principal Investments required to fund such commitments), was at least equal to the Effective Date Target Par as of the Effective Date.