

(ii) is secured by a valid second priority perfected security interest or lien in, to or on specified collateral securing the Obligor's obligations under the Loan,

(iii) the value of the collateral securing the Loan, together with other attributes of the Obligor (including, without limitation, its general financial condition, ability to generate cash flow available for debt service and other demands for that cash flow), is adequate (in the commercially reasonable judgment of the Collateral Manager) to repay the Loan in accordance with its terms and to repay all other loans of equal or higher seniority secured by a first or second lien or security interest in the same collateral, and

(iv) such rating is not lower than the Corporate Family Rating by Moody's of such Obligor; and

(c) the Loan is not:

(i) a DIP Loan,

(ii) a Loan for which the security interest or lien (or the validity or effectiveness thereof) in substantially all of its collateral attaches, becomes effective, or otherwise "springs" into existence after the origination thereof, or

(iii) a type of loan that Moody's has identified as having unusual terms and with respect to which its Moody's Recovery Rate has been or is to be determined on a case-by-case basis.

"Moody's Structured Finance Recovery Rates": The Moody's Recovery Rate for a Structured Finance Obligation will be the applicable rate set forth below based on the appropriate sector as categorized by Moody's:

**Collateralized Debt Obligations** include (1) High-diversity CDOs (Diversity Score in excess of 20); and (2) Low-Diversity CDOs (Diversity Score of 20 or less)

### High Diversity Collateralized Debt Obligations

% of Underlying Capital Structure(1)	Initial Rating of Underlying Asset					
	Aaa	Aa	A	Baa	Ba	B
>70%	85%	80%	65%	55%	45%	30%
<=70%, >10%	75%	70%	60%	50%	40%	25%
<=10%, >5%	65%	55%	50%	40%	30%	20%
<=5%, >2%	55%	45%	40%	35%	25%	10%
<=2%	45%	35%	30%	25%	10%	5%