

“Aggregate Principal Balance”: When used with respect to any Pledged Obligations, the sum of the Principal Balances of all such Pledged Obligations on the date of determination.

“Applicable Break-Even Default Rate”: At any time, the break-even default rate that the Current Portfolio or the Proposed Portfolio, as applicable, can sustain that, after giving effect to the S&P assumptions on recoveries, interest rates and timing of defaults and recoveries and to the Priority of Payments, will correspond to the break-even percentile for the rating confirmed on the Effective Date by S&P to the applicable Class of Notes.

“Applicable Default Differential”: At any time, the rate calculated by subtracting the Applicable Scenario Default Rate at such time from the Applicable Break-Even Default Rate at such time.

“Applicable Issuer”: With respect to (a) the Co-Issued Securities, the Co-Issuers and (b) the Issuer Only Notes, the Issuer.

“Applicable Legend”: With respect to any Class of Securities, the legend set forth in Exhibits A-1 through A-6, as applicable.

“Applicable Notes”: The Classes of Notes specified in the definition of the applicable Overcollateralization Test, Interest Coverage Test or as the context otherwise requires.

“Applicable Scenario Default Rate”: At any time, an estimate of the cumulative default rate for the Current Portfolio or the Proposed Portfolio, as applicable, consistent with the rating assigned on the Closing Date by S&P to the applicable Class of Notes, determined by application of the S&P CDO Monitor.

“Appreciated Criteria”: Criteria that are satisfied with respect to any Collateral Obligation if any of the following is satisfied: on any date of determination, (a) the positive difference between its market price (expressed as a percentage of par value) on such date and its purchase price is greater than 1.0%; or (b) the percentage change in its market price during the period from the date on which it was acquired by the Issuer to the date of determination either is more positive, or less negative, as the case may be, than the percentage change in an Eligible Loan Index over the same period by 0.25%; or (c) the percentage change in its market price during the period from the date on which it was acquired by the Issuer to the date of determination either is more positive, or less negative, as the case may be, than the percentage change in a nationally recognized loan index (other than an Eligible Loan Index) over the same period by 0.50%; or (d) it has been placed under review for upgrade or has been upgraded by Moody’s or it has been upgraded or placed by S&P on a credit watch list with potential of developing positive credit implications or improvement in its rating; or (e) the Controlling Party has consented to its treatment as an Appreciated Obligation.

“Appreciated Obligation”: Any Collateral Obligation that (a) in the Investment Manager’s reasonable business judgment, has improved in credit quality since its acquisition by the Issuer; and (b) if the Restricted Trading Condition applies, satisfies at least one of the Appreciated Criteria.