

If a Tax Subsidiary is formed more than 90 days after the date hereof, the Investment Manager, on behalf of the Issuer, will consult with a tax advisor to confirm that there has been no change in law that would cause the actions in the preceding sentence to violate Section 10.10(f). The Investment Manager will, on behalf of the Issuer, provide notice to each Rating Agency and the Trustee prior to formation of a Tax Subsidiary, which notice will indicate whether such Tax Subsidiary's organizational documents are substantially in the form attached as Exhibit E or Exhibit F, as applicable. The Issuer shall not be required to continue to hold in a Tax Subsidiary (and may instead hold directly) a security that ceases to be considered an Equity Workout Security, as determined by the Investment Manager based on written advice of nationally recognized counsel to the effect that the Issuer can hold such security directly without causing the Issuer to be treated as engaged in a trade or business in the United States for U.S. federal income tax purposes.

For reporting purposes only and for no other purpose, the Issuer will be deemed to own an Equity Security with the attributes of the Equity Workout Security or Collateral Obligation held by a Tax Subsidiary rather than its interest in that Tax Subsidiary. For purposes of the definition of Interest Proceeds, each Equity Workout Security will be treated as a Defaulted Obligation until the aggregate amounts received by the Issuer in connection with such Equity Workout Security equal the par amount of the Collateral Obligation with respect to which the Issuer received the Equity Workout Security (such par amount determined as of the time such Equity Workout Security is received).

For the avoidance of doubt, the Tax Subsidiary may not directly hold real property or obtain a controlling interest in any entity that owns real property.

(c) After the Issuer has notified the Trustee of a Rated Notes Redemption or an Equity Redemption, the Investment Manager will direct the Trustee to sell, as necessary, all or a substantial portion of the Collateral Obligations without regard to the restrictions in Section 12.1(a).

(d) During the Reinvestment Period, a sale of an Appreciated Obligation or a Discretionary Sale will be permitted only if the Investment Manager believes in its reasonable business judgment that after giving effect to such sale and the related purchase of one or more Collateral Obligations (i) the Effective Date Overcollateralization Ratio will be satisfied or (ii) the Principal Balance of the purchased Collateral Obligations will equal or exceed the Principal Balance of the Pledged Collateral Obligation sold.

During the Reinvestment Period, if Sale Proceeds of Defaulted Obligations, Equity Securities or Credit Risk Obligations are used to purchase Collateral Obligations, the Investment Manager will use commercially reasonable efforts to purchase Collateral Obligations with a Principal Balance at least equal to such Sale Proceeds, unless, at the time of the sale, the Effective Date Overcollateralization Ratio is satisfied.

With respect to each sale of Pledged Collateral Obligations pursuant to Section 12.1(a) and any related purchase of Collateral Obligations required by this Section 12.1(d), the