

“S&P CDO Monitor Test”: A test that will be satisfied as of any date of determination if the Loss Rate Differential for each Class of Senior Notes after giving effect to any acquisition or sale of a Collateral Obligation (the “Proposed Portfolio”) is positive or is greater than or equal to the Loss Rate Differential for such Class of Senior Notes immediately prior to such acquisition or sale (the “Current Portfolio”).

For purposes of the S&P CDO Monitor Test:

“Break-Even Default Rate” means, for any Class of Senior Notes as of any time, the maximum Aggregate Principal Balance of Defaulted Obligations (expressed as a percentage of the Aggregate Principal Balance of all Collateral Obligations) which the Current Portfolio or the Proposed Portfolio, as applicable, can sustain, as determined through application of the S&P CDO Monitor, which, after giving effect to S&P’s assumptions on recoveries and timing and the Priority of Payments, will result in sufficient funds remaining (i) in the case of the Class A Notes, for the timely payment of interest and ultimate payment of principal on such Class, and (ii) in the case of any other Class of Senior Notes, for the ultimate payment of principal and interest on such Class.

“Loss Rate Differential” means, for any Class of Senior Notes as of any time, the percentage calculated by subtracting the S&P Scenario Default Rate for such Class at such time from the Break-Even Default Rate for such Class at such time.

“S&P Scenario Default Rate” means, for any Class of Senior Notes as of any time, an estimate of the cumulative default rate percentage for the Current Portfolio or Proposed Portfolio, as applicable, consistent with the S&P Rating of such Class of Senior Notes as of the Closing Date, determined by application of the S&P CDO Monitor at such time.

“S&P CDO Monitor” means a dynamic, analytical computer program developed by S&P and used to estimate defaulted risk of the Collateral Obligations, as it may be modified by S&P from time to time.

“S&P Collateral Value”: With respect to any Defaulted Obligation or Deferring PIK Obligation and any date of determination, (A) for the first 30 days after such Collateral Obligation becomes a Defaulted Obligation or a Deferring PIK Obligation, the S&P Recovery Amount of such Defaulted Obligation or Deferring PIK Obligation, as applicable, as of such date of determination and (B) thereafter, the lesser of (i) the S&P Recovery Amount of such Defaulted Obligation or Deferring PIK Obligation and (ii) the Market Value of such Defaulted Obligation or Deferring PIK Obligation, in each case as of such date of determination.

“S&P Rating”: As defined in the definition of “Standard & Poor’s Rating” below.

“S&P Recovery Amount”: With respect to any Collateral Obligation which is a Defaulted Obligation or a Deferring PIK Obligation, the amount equal to the product of (i) the applicable recovery rate set forth under the definition of “S&P Recovery Rate” and (ii) the principal balance of such Defaulted Obligation or Deferring PIK Obligation or such higher amount as is approved by S&P.

“S&P Recovery Rate”: With respect to a Collateral Obligation that is a (i) First Lien Loan, 57%, unless S&P shall have assigned a higher recovery rate to such Secured Loan, (ii) Subordinated Lien Loan or senior unsecured Loan, 40 %, unless S&P shall have assigned a higher recovery rate to such Loan (provided that to the extent the Aggregate Principal Balance of Subordinated Lien Loans exceeds 15% of the Collateral Principal Amount, the S&P Recovery Rate for Subordinated Lien Loans shall be 22.8 %), (iii) subordinate loan, 22.8%, unless S&P shall have assigned a higher recovery rate to such Loan, (iv) Senior Secured Bond, 47.5 %, (v) Senior Unsecured Bond, 34.5%, (vi) Subordinated Bond, 21.5%, (vii) Structured Finance Obligation, the percentage set forth in the definition of “S&P Structured Finance Recovery Rates” and (viii) Synthetic Security or DIP Loan, the percentage specified by S&P on a case-by-case basis.

“S&P Structured Finance Recovery Rates”: The S&P Recovery Rate for a Structured Finance Obligation will be the applicable rate set forth below based on the appropriate asset class and highest rated liability rating as categorized by S&P: