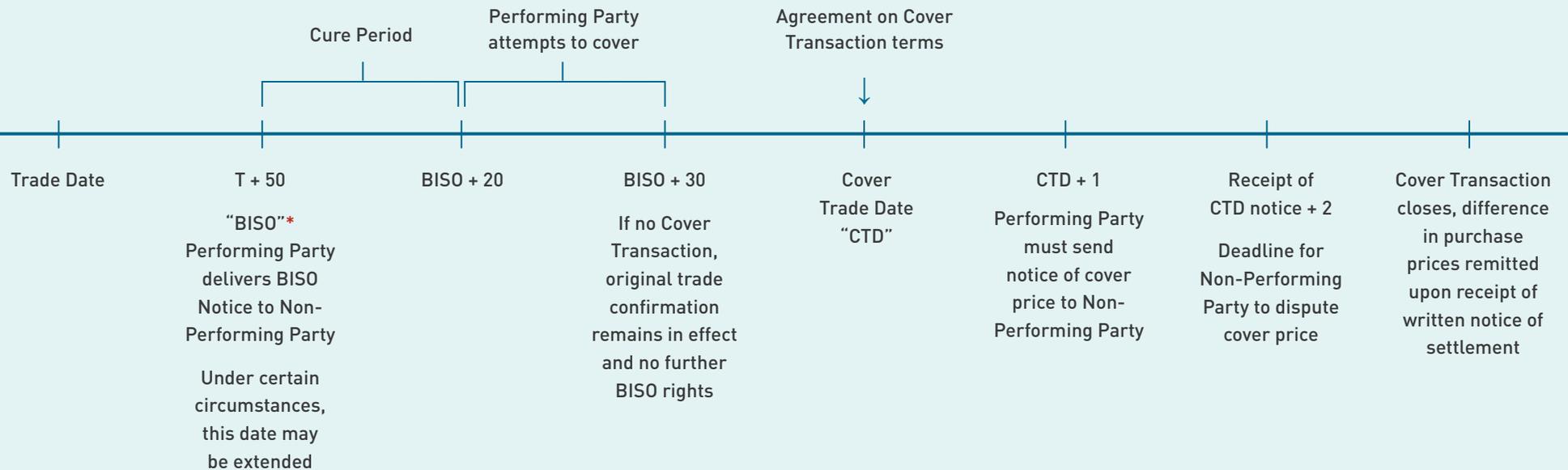


Katten

Katten Muchin Rosenman LLP

BISO TIMELINE



* If both parties have performed by the BISO Trigger Date, the Drafting Party has 10 Business Days to deliver its signatures to the documents to the Non-Drafting Party before the Non-Drafting Party may send a BISO Notice.

EXPLANATION OF BISO TRIGGER DATE, CURE PERIOD

50 Business Days after the Trade Date (the “ <i>BISO Trigger Date</i> ”) (under certain circumstances, this date may be extended)	BISO rights are triggered when an assignment cannot settle due to one party’s failure to perform its Settlement Delivery Obligations (the “ <i>Non-Performing Party</i> ”).
On or after the BISO Trigger Date	The Performing Party may, but is not obligated to, send a BISO Notice to the Non-Performing Party.
20 Business Days from the delivery of the BISO Notice (the “ <i>Cure Period</i> ”)	The Non-Performing Party must perform (i) its Settlement Delivery Obligations and, if it is the Drafting Party, its Drafting Party Delivery Obligation, or, (ii) if it is Seller, its Upstream BISO Obligations. If the Non-Performing Party fails to perform its applicable obligations before the Cure Period expires, the Performing Party may effect a Cover Transaction, and, subject to a Cover Transaction being effected, and other than survival of the relevant BISO and damages provisions, the parties’ obligations under the Confirmation terminate.

BISO NOTICE

The “*BISO Notice*” is a written notice advising the Non-Performing Party of the Performing Party’s intent to terminate its obligations under the Confirmation and effect a Cover Transaction in respect of the Purchase Amount of the Debt.

THE PARTIES’ DELIVERY OBLIGATIONS

Buyer’s Settlement Delivery Obligations are to deliver to Seller:	<ul style="list-style-type: none"> (i) its signature to the Confirmation regardless of whether the Confirmation bears Seller’s signature; and (ii) (a) if Buyer is the Drafting Party, Settlement Documents; or (b) if Seller is the Drafting Party and has satisfied its Settlement Delivery Obligations, its signatures to the Settlement Documents (with authorization to submit to the agent).
Seller’s Settlement Delivery Obligations are to deliver to Buyer:	<ul style="list-style-type: none"> (i) its signature to the Confirmation regardless of whether the Confirmation bears Buyer’s signature; (ii) (a) if Seller is the Drafting Party, Settlement Documents; or (b) if Buyer is the Drafting Party and has satisfied its Settlement Delivery Obligations, its signatures to the Settlement Documents (with authorization to submit to the agent); and (iii) the Upstreams (if any) in reasonably acceptable form, subject to the terms of the Confirmation. <p>Seller cannot satisfy its Settlement Delivery Obligations unless and until it owns the Purchase Amount of the Debt to be sold to Buyer.</p>
Drafting Party Delivery Obligation (Buyer’s or Seller’s):	The Drafting Party’s obligation to deliver its signatures to the Settlement Documents (with authorization to submit to the agent) to the Non-Drafting Party after the Non-Drafting Party has delivered its signatures in satisfaction of its delivery obligations.
Additional Drafting Party Delivery Obligation (Buyer’s or Seller’s):	If both parties are Performing Parties on the BISO Trigger Date, the Drafting Party must deliver its signatures to the Settlement Documents (with authorization to submit to the agent) within 10 Business Days from the BISO Trigger Date. Failure to do so renders the Drafting Party a Non-Performing Party and permits, but does not obligate, the Non-Drafting Party to deliver a BISO Notice.

DRAFTING PARTY DELIVERY OBLIGATION CURE PERIOD Relating to the additional Drafting Party Delivery Obligation

The Drafting Party has 10 Business Days from the delivery of the BISO Notice (the “*Drafting Party Delivery Obligation Cure Period*”) to cure. If the Drafting Party fails to perform before the Drafting Party Delivery Obligation Cure Period expires, the Non-Drafting Party may effect a Cover Transaction, and, subject to a Cover Transaction being effected, and other than survival of the relevant BISO and damages provisions, the parties’ obligations under the Confirmation terminate.

THE COVER TRANSACTION

10 Business Days after the Cure Period or the Drafting Party Delivery Obligation Cure Period, as applicable, expires	The Performing Party must use reasonable commercial efforts to agree to Cover Transaction terms with a substitute counterparty, which terms cannot be conditioned upon the Non-Performing Party's agreement to the cover price.
Within one Business Day following the Cover Trade Date	The Performing Party must send notice of the cover price to the Non-Performing Party.
Within two Business Days after its receipt of the notice of the cover price	If the Non-Performing Party disputes the reasonableness of the cover price, it must send written notice to the Performing Party advising it of the dispute. All price disputes are subject to binding arbitration governed by the "Rules Governing Arbitration between Loan Traders with regard to Cover Price for Trades that Do Not Settle by BISO Trigger Date."
Upon settlement of the Cover Transaction	The Performing Party must provide prompt written notice to the Non-Performing Party that such settlement date has occurred. Promptly upon receipt of such notice, the Non-Performing Party must pay the Performing Party the difference between the original purchase price and the cover purchase price (taking delayed compensation and interest into account) plus certain fees and expenses. If a negative number is produced, the Performing Party must pay the net amount to the Non-Performing Party.

WHEN IS BISO NOT AVAILABLE?

The BISO provisions will not, or will cease to, apply if:

- (i) the parties have agreed that one party is a Riskless Principal;
- (ii) any third-party consents necessary for settlement cannot be obtained or a credit freeze or bankruptcy proceedings make settlement impossible;
- (iii) the parties agree to settle on a participation basis on or prior to the BISO Trigger Date (whether specified in the Confirmation or after agreed);
- (iv) before the Cure Period or the Drafting Party Delivery Obligation Cure Period, as applicable, expires the debt reorganizes or restructures necessitating settlement on Proceeds;
- (v) the Non-Performing Party satisfies its applicable delivery obligations after the BISO Trigger Date or the Drafting Party satisfies its Drafting Party Delivery Obligation after the 10th Business Day following the BISO Trigger Date but, in each case, prior to the receipt of a BISO Notice, in which case the Performing Party may not send a BISO Notice;
- (vi) the parties mutually agree to settle the transaction through an alternate arrangement prior to the Cover Trade Date;
- (vii) neither party timely performs its Settlement Delivery Obligations (in such a case there is no Performing Party); or
- (viii) the "non-performing" Seller invokes its "upstream shield."

FAILURE TO EFFECT A COVER TRANSACTION

If the Performing Party does not agree to trade terms with a substitute counterparty within 10 Business Days after the Cure Period or the Drafting Party Delivery Obligation Cure Period, as applicable, expires, the Performing Party must give the Non-Performing Party prompt written notice that a Cover Transaction has not been agreed to. The original transaction remains in full force and effect, and the Performing Party may not send another BISO Notice or effect a Cover Transaction.

UPSTREAM BISO OBLIGATIONS: THE "UPSTREAM SHIELD"

A "non-performing" Seller that receives a BISO Notice is protected from its Buyer effecting a Cover Transaction if:

- (i) as of the date of Seller's receipt of the BISO Notice it does not hold the Purchase Amount of the Debt to be sold to Buyer; and
- (ii) prior to the expiration of the Cure Period it delivers to Buyer:
 - (a) a copy of its fully executed upstream trade confirmation(s) (price redacted) that is or are for at least the Purchase Amount of the Debt, that contain the LSTA BISO provisions and that bear(s) a trade date(s) that is or are not more than five Business Days after the Trade Date in the Confirmation;
 - (b) Settlement Documents (if Seller is Drafting Party) and any upstreams in its possession, each as complete as possible; and
 - (c) written certification that
 - (1) the upstream trade confirmation(s) provided has/have not, and will not, be used to satisfy any other trade confirmation to the extent of the Purchase Amount of the Debt;
 - (2) Seller is or will be the performing party under the upstream trade confirmation(s);
 - (3) Seller will BISO its upstream party(ies) as soon as it is permitted to do so;
 - (4) if necessary, Seller will use reasonable commercial efforts to commence the buy-in(s) as soon as it is permitted to do so under the upstream trade confirmation(s); and
 - (5) Seller will provide evidence of compliance with these items upon the timely request of Buyer.

KATTEN'S DISTRESSED DEBT AND CLAIMS TRADING PRACTICE

Attorneys in Katten Muchin Rosenman LLP's Distressed Debt and Claims Trading Practice have represented investors in distressed companies in thousands of transactions, aggregating in the billions of dollars.

Our attorneys represent domestic and international hedge funds and private equity funds, as well as investment banks and commercial banks, in their acquisitions and sales of distressed investments, including bank loans, trade claims and swap claims, in addition to privately traded securities. We are members of both the Loan Syndications and Trade Association (LSTA) and the Loan Market Association (LMA), and our attorneys are active participants in committees and working groups involved in the development of standard documentation and resolution of market disruptions in the U.S. market.

If you would like to discuss these BISO provisions in greater detail, or if you would like to receive copies of the provisions, please contact your Katten Muchin Rosenman LLP attorney or any of the following members of the Distressed Debt and Claims Trading Practice:

Noah Heller	New York	Practice Co-Chair	212.940.6539	noah.heller@kattenlaw.com
Nina Lieberman	New York	Practice Co-Chair	212.940.6471	nina.lieberman@kattenlaw.com
Kenneth E. Noble	New York	Partner	212.940.6419	kenneth.noble@kattenlaw.com
Matthew W. Olsen	New York	Partner	212.940.6472	matthew.olsen@kattenlaw.com
Samuel Mirkin	New York	Associate	212.940.6534	samuel.mirkin@kattenlaw.com
John David Semones	Charlotte	Associate	704.344.3158	john.semones@kattenlaw.com
Leah V. Silverman	New York	Associate	212.940.6373	leah.silverman@kattenlaw.com

Katten

KattenMuchinRosenman LLP

www.kattenlaw.com

CHARLOTTE CHICAGO IRVING LONDON LOS ANGELES NEW YORK OAKLAND WASHINGTON, DC

Published as a source of information only. The material contained herein is not to be construed as legal advice or opinion. ©2011 Katten Muchin Rosenman LLP. All rights reserved.

Circular 230 Disclosure: Pursuant to regulations governing practice before the Internal Revenue Service, any tax advice contained herein is not intended or written to be used and cannot be used by a taxpayer for the purpose of avoiding tax penalties that may be imposed on the taxpayer. Katten Muchin Rosenman LLP is an Illinois limited liability partnership including professional corporations that has elected to be governed by the Illinois Uniform Partnership Act (1997). London affiliate: Katten Muchin Rosenman UK LLP.