

such obligation is at least "Caa2", the Market Value of the obligation is at least equal to 85% of the principal balance thereof (and, for the avoidance of doubt, if such Moody's rating is less than "Caa2", the obligation may not be treated as a Current Pay Obligation), *provided* that if the Moody's rating of the obligation has been withdrawn but the obligation had a Moody's rating (including an estimated or private rating, and subject to adjustment as provided in "Moody's Rating" for obligations on "watchlist" for upgrade or downgrade) of at least "Caa2" at the time of default, such obligation may be treated as a Current Pay Obligation if its Market Value is at least equal to 85% of the principal balance thereof, (vi) the Market Value of the obligation is at least equal to 80% of the principal balance thereof (or such lower percentage as S&P confirms in writing will not result in a qualification, downgrade or withdrawal of its then-current rating of any Class of Securities), (vii) a bankruptcy court has authorized the payment of interest due and payable on such obligation and (viii) the Collateral Manager believes, in its reasonable business judgment, that the obligor on such Collateral Obligation will continue to make scheduled payments of interest and principal thereunder; *provided* that if the Aggregate Principal Balance of the Collateral Obligations that would otherwise be Current Pay Obligations exceeds 5% of the Collateral Principal Amount, all or a portion of one or more Collateral Obligations that would otherwise be Current Pay Obligations with an Aggregate Principal Balance equal to the amount of the excess shall not be Current Pay Obligations (and will therefore be Defaulted Obligations) and the Collateral Manager shall designate in writing to the Trustee such Collateral Obligations that shall not be Current Pay Obligations.

"Custodial Account": The custodial account established under the Indenture.

"Deep Discount Collateral Obligation": A Collateral Obligation that (i) in the case of a Loan, is purchased (A) at a purchase price of less than 85.0% of par if its Moody's Rating is less than "B3" or (B) at a purchase price of less than 80.0% of par if its Moody's Rating is "B3" or higher; or (ii) in the case of a Bond, is purchased (A) at a purchase price of less than 80% of par if its Moody's Rating is less than "B3" or (B) at a purchase price of less than 75% of par if its Moody's Rating is "B3" or higher; *provided* that any Collateral Obligation which is classified as a "Deep Discount Collateral Obligation" upon its acquisition by the Issuer shall cease to be so classified beginning on the first day after such acquisition on which such Collateral Obligation shall have maintained a market value equal to or greater than (i) in the case of Loans, 90.0% of par for a period of 30 consecutive days or (ii) in the case of a Bond, 85% of par for a period of 30 consecutive days. Any Collateral Obligation that would otherwise be considered a Deep Discount Collateral Obligation but that is purchased with the proceeds of sale of a Collateral Obligation that was not a Deep Discount Collateral Obligation at the time of its purchase will not be considered a Deep Discount Collateral Obligation so long as it (a) was purchased or committed to be purchased within five Business Days of such sale, (b) was purchased at a price (as a percentage of par) at least equal to the sale price of the sold Collateral Obligation, (c) was purchased at a purchase price of not less than 65% of the Principal Balance thereof and (d) had a Moody's Rating equal to or greater than the Moody's Rating of the sold Collateral Obligation and an S&P Rating equal to or greater than the S&P Rating of the sold Collateral Obligation. The Aggregate Principal Balance of Collateral Obligations excluded from treatment as Deep Discount Collateral Obligations pursuant to the preceding sentence may not exceed on a cumulative basis 10% of the Collateral Principal Amount; *provided* that if such a Collateral Obligation (i) is repaid in full, (ii) is sold for a price at least equal to 97.5% of its unpaid Principal Balance or (iii) has a Market Value above 90% of its Principal Balance if it is a Loan or 85% of its Principal Balance if it is a Bond for at least 30 consecutive days after being purchased, it shall not be counted toward such 10% limitation.

"Default": Any event or condition the occurrence or existence of which would, with the giving of notice or lapse of time or both, become an Event of Default.

"Defaulted Obligation": A Collateral Obligation with respect to which:

(i) in the case of a Loan or Bond, (a) a default as to the payment of scheduled principal and/or scheduled interest has occurred and is continuing with respect to such Loan or Bond without regard to any grace period applicable thereto or waiver thereof (but after a 5 Business Day grace period if the Collateral Manager has certified in writing to the Trustee that it believes such default is not due to credit-related causes); (b) a default has occurred with respect to such Loan or Bond (after the passage of a 3 Business Day grace period) which has resulted in the outstanding principal of such Loan or Bond becoming due and payable under the terms thereof prior to the time it would otherwise have been due and payable; (c) if such Loan or Bond does not constitute a Current Pay Obligation, a default as to the payment of scheduled