

**“Current Pay Obligation”**: Any Collateral Obligation that would otherwise be a Defaulted Obligation and as to which (i) all prior cash interest payments due were paid in cash and the Investment Manager reasonably expects that the next interest payment due will be paid in cash, (ii) if the obligor of such Collateral Obligation is (A) in a bankruptcy proceeding, the obligor has made such payments as the bankruptcy court has approved or (B) not in a bankruptcy proceeding, all prior scheduled payments have been paid in cash, (iii) for so long as Moody’s is a Rating Agency in respect of any Class of Rated Notes, such Collateral Obligation has a facility rating from Moody’s of either (A) at least “Caa1” (and if “Caa1,” not on review for possible downgrade) and its Market Value is at least 80% of its par value or (B) at least “Caa2” (and if “Caa2,” not on review for possible downgrade) and its Market Value is at least 85% of its par value; (iv) if the obligor of such Collateral Obligation is subject to a bankruptcy proceeding, a bankruptcy court has authorized the payment of interest due and payable on such Collateral Obligation; and (v) its Market Value is at least 80% of its par value. For purposes of this definition, with respect to a Collateral Obligation already owned by the Issuer whose facility rating from Moody’s is withdrawn, the facility rating shall be the last outstanding facility rating before the withdrawal.

**“Current Portfolio”**: The portfolio of Collateral Obligations and Eligible Principal Investments existing immediately prior to the proposed purchase, sale, maturity or other disposition of a Collateral Obligation.

**“Defaulted Loaned Collateral Obligation”**: Any Collateral Obligation that is subject to a Securities Lending Agreement, under which Securities Lending Agreement an event of default (as such term is defined by the applicable Securities Lending Agreement) has occurred.

**“Defaulted Obligation”**: Any Collateral Obligation with respect to which:

(i) there has occurred and is continuing a payment default by the obligor (without giving effect to any applicable grace period or waiver set forth in the relevant Underlying Instruments); *provided, however,* that in the case of a default that the Investment Manager certifies to the Trustee in writing that it is solely for administrative reasons that are not credit-related, such default will not constitute a default under this clause (i) unless it has continued for the lesser of five Business Days and the applicable grace period in the related Underlying Instrument; *provided, further,* that in the case of a payment default by a Selling Institution (or their respective guarantors), the related Participation, respectively, shall constitute a Defaulted Obligation under this clause (i);

(ii) there has occurred a default (other than a payment default) that has resulted in an acceleration of the maturity of all or a portion of the principal amount of such obligation, but only until such default has been cured or waived;

(iii) any bankruptcy, insolvency or receivership proceeding has been initiated in connection with the obligor of such Collateral Obligation and in the case of an involuntary petition, such petition has not been dismissed or stayed within 60 days of filing; *provided, however,* that a Collateral Obligation shall not be treated as a Defaulted Obligation under this clause (iii) if it is a DIP Loan; *provided, further,* that in the case of such a proceeding with respect to a Selling Institution (or their respective guarantors), the related Participation shall constitute a Defaulted Obligation under this clause (iii);

(iv) the Investment Manager knows the obligor thereof is in default as to payment of principal and/or interest on another obligation that is senior or *pari passu* in right of payment to such Collateral Obligation (without giving effect to any applicable grace period or waiver) and such default has not been cured or waived and the holders thereof have accelerated the maturity of all or a portion of the principal amount of such obligation; or

(v) the obligor of such Collateral Obligation has (A) a Moody’s probability of default rating of “D” or “LD” if in the Moody’s press release assigning the “LD” specifies such Collateral Obligation as the cause; or (B) an issuer credit rating from S&P of “SD” or below “CCC-”; *provided, however,* that a Collateral Obligation shall not be treated as a Defaulted Obligation under this clause (v) if it is a DIP Loan.