

principal and/or scheduled interest has occurred and is continuing (without regard to any grace period applicable thereto or waiver thereof) after the passage of a 3 Business Day grace period on another Bond or Loan of the same issuer which is senior or *pari passu* in right of payment to such Bond or Loan (provided that both Bonds or Loans are full recourse obligations); (d) if such Loan or Bond does not constitute a Current Pay Obligation, the issuer or others have instituted proceedings to have the issuer adjudicated as bankrupt or insolvent or placed into receivership and, in the case of proceedings instituted by Persons other than the Issuer, after 45 days from the date the proceedings were instituted, such proceedings have not been stayed or dismissed; (e) if such Loan or Bond does not constitute a Current Pay Obligation, (1) S&P has assigned a rating of "D" or "SD" to the issuer thereof or has withdrawn its rating after previously having assigned a rating of "D" or "SD" to the issuer thereof or (2) Moody's has assigned a rating of "D" or "PD" to the issuer hereof or has withdrawn its rating after previously having assigned a rating of "D" or "PD" to the issuer thereof; or (f) the Collateral Manager has in its reasonable judgment otherwise determined such Loan or Bond to be a Defaulted Obligation;

(ii) in the case of a participation interest in a Loan, (a) an event described in clause (i) above occurs with respect to such Loan, (b) the selling institution for such participation has defaulted in the performance of any of its payment obligations under such participation or (c) the selling institution for such participation is rated "D" or "SD" by S&P;

(iii) in the case of a Structured Finance Obligation, (a) a default as to the payment of scheduled principal and/or scheduled interest has occurred and is continuing with respect to such obligation 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causes); (b) such obligation has a Moody's Rating of "Ca" or "C" or is rated "CC", "D" or "SD" by S&P or S&P has withdrawn its rating after previously having assigned a rating of "CC", "D" or "SD", or (c) there is a reduction in payments made to holders thereof from those required or scheduled to be made thereunder or there is a permanent reduction in the stated principal amount thereof without a corresponding payment being made to the holder thereof; or

(iv) in the case of a Synthetic Security, (a) a credit event occurs under the terms thereof with respect to a Reference Obligation or Reference Entity, (b) an event described in clause (i) occurs with respect to the Reference Obligation, (c) the Synthetic Security Counterparty has defaulted in the performance of any of its payment obligations under such Synthetic Security or (d) such Synthetic Security Counterparty is rated "D" or "SD" by S&P.

"Deferred Interest": As defined in *"Description of the Notes—Payments—The Senior Notes."*

"Deferring PIK Obligation": (i) Any Collateral Obligation (other than a Structured Finance Obligation) that is a PIK Obligation (other than a Partial PIK Obligation) in respect of which interest has been deferred or capitalized (and not subsequently paid) and (ii) any Collateral Obligation that is a Structured Finance Obligation and a PIK Obligation (other than a Partial PIK Obligation) (a) rated "Baa3" or higher by Moody's, in respect of which interest has been deferred or capitalized for at least two or more interest periods or one year, whichever is less (and not subsequently paid in full) or (b) rated lower than "Baa3" by Moody's, in respect of which interest has been deferred or capitalized for one or more interest periods or six months, whichever is less (and not subsequently paid in full).

"Determination Date": With respect to a Payment Date, the 7th Business Day preceding such Payment Date; *provided* that the final Determination Date will be the last day of the final Collection Period.

"DIP Loan": A Loan that is an obligation of a debtor in possession or a trustee (the "Debtor") organized under the laws of the United States or any state thereof (a) in respect of which no default as to the payment of post-petition interest is then continuing, and no interest has been deferred or capitalized under the terms thereof and (b) the terms of which have been approved by an order of a U.S. Bankruptcy Court, U.S. District Court or other court of competent jurisdiction, which order provides that (i) such Loan is secured by liens on the Debtor's otherwise unencumbered assets, (ii) such Loan is secured by liens of equal or senior priority on property of the Debtor's estate that is otherwise subject to a lien, (iii) such Loan is fully secured by junior liens on the Debtor's encumbered assets