

or has withdrawn its rating after previously having assigned a rating of “D” or “PD” to the issuer thereof; or (f) the Collateral Manager has in its reasonable judgment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causes); (b) such obligation has a Moody’s Rating of “Ca” or “C” or is rated “CC”, “D” or “SD” by S&P or S&P has withdrawn its rating after previously having assigned a rating of “CC”, “D” or “SD”, or (c) there is a reduction in payments made to holders thereof from those required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”: With respect to any specified Class of Deferred Interest Notes, the meaning specified in Section 2.8(a).

“Deferred Interest Notes”: The Notes specified as such in Section 2.3.

“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).

“Definitive Note”: The meaning specified in Section 2.11(b).

“Deliver,” “Delivered” or “Delivery”: When used with respect to the Collateral, means the taking of the following steps by the Issuer: