

(c) any Revolving Loan, as of any date of determination, the outstanding principal amount of such Revolving Loan plus any Unfunded Commitments that have not been irrevocably reduced with respect to such Revolving Loan;

*provided that:*

(i) for all purposes, the Principal Balance of any Equity Security and any exchanged Equity Security will be deemed zero;

(ii) for all purposes (other than calculating Overcollateralization Ratios), the Principal Balance of any Deferring PIK Obligation will be increased to reflect any deferred or capitalized interest;

(iii) for purposes of calculating the Overcollateralization Ratio only, the Principal Balance of any Deep Discount Collateral Obligation shall be equal to the purchase price of such Deep Discount Collateral Obligation;

(iv) for purposes of calculating the Overcollateralization Ratio only, the Principal Balance of any Defaulted Obligation that has been defaulted for more than three years shall be deemed zero;

(v) for purposes of calculating the Overcollateralization Ratio only, the Principal Balance of any Collateral Obligation in which the Trustee does not have a first priority perfected security interest shall be deemed zero; and

(vi) for purposes of calculating the Overcollateralization Ratio only, the Principal Balance of each Collateral Obligation included in the Caa/CCC Excess shall be the lesser of its Market Value and its outstanding principal amount;

*provided, further,* that if at any time a Collateral Obligation qualifies for inclusion in more than one of the previous paragraphs (i) through (vi), the lowest resulting Principal Balance shall apply.

“Principal Financed Accrued Interest”: With respect to any Collateral Obligation, an amount equal to the amount of Principal Proceeds, if any, applied toward the purchase of accrued interest with respect thereto.

“Principal Priority of Payments”: As defined in *“Description of the Notes—Priority of Payments—Principal Priority of Payments.”*

“Principal Proceeds”: With respect to any Collection Period or Determination Date, all amounts received by the Issuer during the related Collection Period that do not constitute Interest Proceeds.

“Priority of Payments”: The Interest Priority of Payments and the Principal Priority of Payments.

“PTCE”: A Prohibited Transaction Class Exemption.

“QEF”: As defined in *“Certain Income Tax Considerations—Certain United States Tax Consideration—Tax Treatment of Income Notes—Investment in a Passive Foreign Investment Company.”*

“Qualified Institutional Buyers”: “Qualified institutional buyers” as defined in Rule 144A(a)(1) under the Securities Act.

“Qualified Purchasers”: “Qualified purchasers” as defined for purposes of Section 3(c)(7) of the Investment Company Act. See *“Purchase and Transfer Restrictions”* for a general description of this definition.

“Ramp-Up End Date”: The last day of the Ramp-Up Period.

“Ramp-Up Period”: The period from and including the Business Day following the Closing Date to and including May 1, 2007 (or such shorter period as the Collateral Manager may designate by notice to the Issuer and Trustee).