

related Reference Obligation (except that the Moody's Assigned Rating, Moody's Recovery Rate and S&P Recovery Rate for the Synthetic Security will be used).

"Pricing Source": Loan Pricing Corporation, Markit Group Limited or another pricing service that obtains quotations on a daily basis from a similar range of dealers active in the relevant market designated by the Collateral Manager (provided that notice of such designation has been provided to each Rating Agency and Rating Confirmation has been received therefor from S&P).

"Principal Balance": Subject to Section 1.2, with respect to:

- (a) any Collateral Obligation other than a Revolving Loan, as of any date of determination, the outstanding principal amount (or, in the case of a Synthetic Security that is a swap, the notional amount) of such Collateral Obligation;
- (b) any Eligible Investment, as of any date of determination, the outstanding principal amount of such Eligible Investment; and
- (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;