

(xiii) If any Class D Coverage Test is not satisfied as of the related Determination Date, to the payment of principal on the Rated Notes in accordance with the Principal Payment Sequence until each such test is satisfied as of such Determination Date.

(xiv) In the event that (A) an Effective Date Ratings Confirmation Failure has occurred and is continuing on the first Distribution Date, to the purchase of Collateral Obligations, until Rating Agency Confirmation is obtained and (B) such Effective Date Ratings Confirmation Failure is continuing on any Distribution Date thereafter (any failure described in this clause (B), a "Continuing Effective Date Ratings Confirmation Failure"), to the payment of principal on the Rated Notes, in accordance with the Principal Payment Sequence, in each case until Rating Agency Confirmation is obtained or, if earlier, until each such Class is paid in full.

(xv) If, during the Reinvestment Period, the Supplemental Diversion Test is not satisfied as of the related Determination Date, then an amount equal to the lesser of (x) 50% of the remaining Interest Proceeds and (y) the amount necessary to satisfy such test, to the Collection Account as Principal Proceeds for the purchase of Collateral Obligations.

(xvi) To the payment of any amounts required to be paid to any Hedge Counterparty in respect of the complete or partial termination of the related Hedge Agreement (where the Issuer is not the sole affected party or the sole defaulting party).

(xvii) To the payment of accrued Administrative Expenses (in the order specified in the definition thereof), to the extent not paid under clause (ii) above.

(xviii) To the payment of (A) the Subordinated Investment Management Fee for such Distribution Date, minus any Deferred Subordinated Fee; then (B) any Subordinated Investment Management Fee due on an earlier Distribution Date that was not paid because funds were not available in accordance with the Priority of Payments; and then (C) any unpaid Deferred Subordinated Fee (plus any interest thereon) that the Investment Manager has elected to be paid.

(xix) On the Stated Maturity of the Notes and any Rated Notes Redemption Date, to the payment of the items set forth under clause (iv) or (vi), as applicable, under the Priority of Principal Proceeds, to the extent not paid from Principal Proceeds on such Distribution Date.

(xx) During the Reinvestment Period, to the Collection Account as Principal Proceeds, as directed by the Investment Manager (in its sole discretion), an amount not exceeding \$3 million in the aggregate for any four consecutive Distribution Dates or an aggregate amount for all applicable Distribution Dates of \$6 million (any such amount, "Designated Proceeds").

(xxi) Until the Target Return has been achieved, to the Subordinated Securities, the payment of any remaining Interest Proceeds, allocated in accordance with the Subordinated Securities Allocation.

(xxii) If the Target Return has been achieved (on or prior to such Distribution Date), (A) 80% of the remaining Interest Proceeds to the Subordinated Securities (allocated in accordance with the Subordinated Securities Allocation), and (B) 20% of the remaining proceeds to the Investment Manager in respect of the Investment Manager Incentive Fee Amount.

(b) On each Distribution Date (other than as provided in clause (c) below), Principal Proceeds will be distributed in the following order of priority (the "Priority of Principal Proceeds"):

(i) To the payment, to the extent not paid from Interest Proceeds on such Distribution Date, of (A) the items described under clauses (i) through (vii) under the Priority of Interest Proceeds, in the specified order of priority, and then (B) to the payment of the amount referred to in the following clauses of the Priority of Interest Payments (in the order set forth therein): (1) clause (viii) (only if the Class B Notes are the Controlling Class), (2) clause (ix), (3) clause (x) (only if the Class C Notes are the Controlling