

Priority of Payments

On each Distribution Date, the Issuer will distribute available Interest Proceeds and Principal Proceeds in accordance with the priorities described below (collectively, the "Priority of Payments").

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

(i) To the payment of the taxes (including any stamp taxes), governmental fees (including annual fees), and registered office fees payable by the Co-Issuers (as certified by an Authorized Officer of the Issuer to the Trustee and the Investment Manager), if any.

(ii) To the payment of accrued and unpaid Administrative Expenses (in the order specified in the definition thereof); *provided* that such payments (together with any amounts distributed pursuant to the Indenture since the immediately preceding Distribution Date) will not exceed on any Distribution Date the Administrative Expense Senior Cap.

(iii) To the deposit to the expense reserve account, at the Investment Manager's discretion, an amount equal to the lesser of (x) the Ongoing Expense Reserve Ceiling and (y) the Ongoing Expense Excess Amount.

(iv) To the payment of (A) the Senior Investment Management Fee for such Distribution Date minus any Deferred Senior Fee; and then (B) any unpaid Deferred Senior Fee that the Investment Manager has elected to be paid.

(v) To the payment to any Hedge Counterparty under any Hedge Agreement of (A) any amounts (other than termination payments), including any such amounts not paid on an earlier Distribution Date, together with interest thereon at the rate set forth in the applicable Hedge Agreement; and then (B) any termination payments where the Issuer is the sole defaulting party or the sole affected party.

(vi) To the payment of interest (including any Defaulted Interest and interest thereon) on (A) the Class A-1 Notes and then (B) the Class A-2 Notes.

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

(viii) To the payment of (A) interest on the Class B Notes, including any Defaulted Interest and interest thereon and interest on Deferred Interest, and then (B) Deferred Interest on the Class B Notes.

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

(x) To the payment of (A) interest on the Class C Notes, including any Defaulted Interest and interest thereon and interest on Deferred Interest, and then (B) Deferred Interest on the Class C Notes.

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

(xii) To the payment of (A) interest on the Class D Notes, including any Defaulted Interest and interest thereon and interest on Deferred Interest, and then (B) Deferred Interest on the Class D Notes.