

(iv) 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.

(v) To the payment of (A) interest on the Class A-1 Notes, including any Defaulted Interest and interest thereon and then (B) principal on the Class A-1 Notes until such Class A-1 Notes are paid in full.

(vi) To the payment of (A) interest on the Class A-2 Notes, including any Defaulted Interest and interest thereon and then (B) principal on the Class A-2 Notes until such Class A-2 Notes are paid in full.

(vii) To the payment of (A) interest on the Class B Notes, including any Defaulted Interest and interest thereon and interest on Deferred Interest, then (B) Deferred Interest on the Class B Notes and then (C) principal on the Class B Notes until such Class B Notes are paid in full.

(viii) To the payment of (A) interest on the Class C Notes, including any Defaulted Interest and interest thereon and interest on Deferred Interest, then (B) Deferred Interest on the Class C Notes and then (C) principal on the Class C Notes until such Class C Notes are paid in full.

(ix) To the payment of (A) interest on the Class D Notes, including any Defaulted Interest and interest thereon and interest on Deferred Interest, then (B) Deferred Interest on the Class D Notes and then (C) principal on the Class D Notes until such Class D Notes are paid in full.

(x) 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).

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

(xii) 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.

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

(xiv) If the Target Return has been achieved, (A) 80% of the remaining proceeds to the Subordinated Securities (allocated in accordance with the Subordinated Securities Allocation) and (B) 20% of the remaining amount to the Investment Manager in respect of the Investment Manager Incentive Fee Amount.

Interest Proceeds or Principal Proceeds paid in accordance with the "Subordinated Securities Allocation" will be paid to the holders of Subordinated Notes and the Fiscal Agent (for payment to Shareholders in accordance with the Fiscal Agency Agreement) in the proportion that the initial Aggregate Outstanding Amount of the Subordinated Notes or Preferred Shares, as the case may be, bears to the initial Aggregate Outstanding Amount of the Subordinated Securities.

In addition, in connection with a Refinancing, the proceeds from the issuance of the Replacement Notes will be used to pay the Redemption Price of each Class of Redeemed Notes and any related expenses, and any remaining proceeds from the Refinancing of (x) each Class of Rated Notes or (y) the Lowest Ranking Class of Rated Notes will be distributed to the Subordinated Securities allocated in accordance with the Subordinated Securities Allocation.