

foregoing, any failure to meet any Coverage Test, the Collateral Quality Test or the Portfolio Profile Test is not an Event of Default except to the extent provided in clause 7 below), or the failure of any material representation or warranty of the Co-Issuers made in the Indenture or in any certificate or other writing delivered pursuant to or in connection with the Indenture to be correct in all material respects when the same shall have been made, which default, breach or failure would have a material adverse effect on the Holders or beneficial owners of the Notes and continuance of such default, breach or failure for a period of 30 days after written notice shall have been given as provided in the Indenture to the applicable Co-Issuers and the Collateral Manager by the Trustee or to the applicable Co-Issuers, the Collateral Manager and the Trustee by the Holders of at least 25% of the Aggregate Principal Amount of the Controlling Class specifying such default, breach or failure and requiring it to be remedied and stating that such notice is a "Notice of Default" under the Indenture;

6. certain events of bankruptcy, insolvency, receivership or reorganization of either of the Co-Issuers (as set forth in the Indenture); or
7. on any Determination Date, failure to maintain the EOD Ratio at 100% or higher.

An event of insolvency (and, therefore, an Event of Default of the type described in clause 6 above) could result if a decree or order is entered adjudging the Issuer or Co-Issuer as bankrupt or insolvent, or approving a petition seeking reorganization, arrangement, adjustment or composition of the Issuer or Co-Issuer or an involuntary petition against the Issuer or the Co-Issuer seeking the foregoing is filed and is not dismissed or stayed within 60 days. The filing of a petition against the Issuer or the Co-Issuer under applicable bankruptcy law could adversely affect the rights of the Holders of the Notes to receive timely payments in respect of the Securities. Each of the other parties to the transaction, however, will covenant that it shall not, prior to the date that is one year (or, if longer, the applicable preference period under applicable insolvency law) and one day after the termination of the Indenture, take any action to have the Issuer or Co-Issuer placed into bankruptcy.

If an Event of Default under the Indenture (other than an Event of Default of the type described in clause 6 above) occurs and is continuing, the Trustee shall at the written direction of the Requisite Noteholders declare the principal of and any accrued interest on the Notes to be immediately due and payable. If an Event of Default of the type described in clause 6 above occurs, the principal of and accrued interest on the Notes automatically shall become immediately due and payable without any action of the Trustee or any other Person. The Requisite Noteholders may rescind a declaration of acceleration if the Event of Default has been cured and certain other conditions are satisfied. Subject to the next succeeding paragraph, upon any acceleration of the Notes, the Requisite Noteholders shall have the right to direct the Trustee to exercise the remedies provided for in the Indenture.

If an Event of Default has occurred and is continuing, the Trustee will retain the Collateral intact and collect all payments in respect of the Collateral and continue making payments in the manner described under "*Description of the Notes—Priority of Payments*" above, unless the Notes have been accelerated and either (i) the Trustee determines that the anticipated proceeds of a sale or liquidation of the Collateral (after deducting the reasonable expenses of such sale or liquidation) would be sufficient to discharge in full the amounts then due (or, in the case of interest, accrued) and unpaid on the Senior Notes for principal and interest (including Deferred Interest), and all amounts payable prior to payment of principal on such Senior Notes pursuant to the Priority of Payments and the Requisite Noteholders and the Collateral Manager agree with such determination; or (ii) a Majority of each Class of Senior Notes Outstanding directs the sale and liquidation of the Collateral.

Rights Under the Indenture

Except as provided herein in the case of the Requisite Noteholders, no Holder of any Note will have any right to institute any proceedings (judicial or otherwise) with respect to the Indenture, or to appoint a receiver or trustee or to seek any other remedy thereunder unless: (i) such Holder previously has given written notice to the Trustee of a continuing Event of Default, (ii) the Holders of at least 25% of the Aggregate Principal Amount of the most senior Class of Notes then Outstanding have made written request to the Trustee to institute such proceedings in respect of such Event of Default in its own name as Trustee under the Indenture and such Holder or Holders have offered the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in complying with