

- the Investment Manager willfully violates or willfully breaches any provision of the Investment Management Agreement or the Indenture applicable to it;
- any representation, warranty, certification or statement made or delivered by the Investment Manager in or pursuant to the Investment Management Agreement or the Indenture fails to be correct in any respect when made and such failure has a material adverse effect on the interests of any Class of securityholders under the Indenture or the Investment Management Agreement and the Investment Manager fails to take such actions required for the facts (after giving effect to such actions) to conform in all material respects to such representation, warranty or certification (within 45 days of receiving notice of the occurrence of such breach);
- certain events of bankruptcy, administration, insolvency, conservatorship, or receivership in respect of the Investment Manager;
- the occurrence of an Event of Default that arises directly from a breach of the Investment Manager's duties under the Investment Management Agreement, which breach or default is not cured within any applicable cure period set forth in the Indenture; or
- the occurrence of an act by the Investment Manager that constitutes fraud or criminal activity in the performance of its obligations under the Investment Management Agreement or the indictment of the Investment Manager or any of its officers who are primarily responsible for the management of the Collateral for a criminal offense related to its business of providing asset management services of the Investment Manager.

The Investment Management Agreement provides that if the Investment Manager is terminated for cause, the Investment Manager will not direct the Trustee to effect any sale or disposition of any Collateral Obligation other than a Credit Risk Obligation, Defaulted Obligation or Equity Security without the prior written consent of the Controlling Party; *provided, however*, that the Controlling Party will be deemed to have consented if it has not objected to such sale within five Business Days after having received written notice of such sale or purchase together with all information reasonably necessary to enable the Controlling Party to make an informed decision.

In addition, the Issuer, at the direction of (x) a Majority of the Subordinated Securities or (y) the Controlling Party (in each case, excluding any Manager Securities), may remove the Investment Manager within 90 days of the date of notice that a Key Person Event has occurred. "Key Person Event" means the failure, for 120 consecutive days, to have at least one Key Person actively employed by the Investment Manager in the management of the Collateral. "Key Person" means each of the following persons: (i) Daniel A. Norman, (ii) Jeffrey A. Bakalar and (iii) any Approved Replacement. "Approved Replacement" shall mean any individual selected by the Investment Manager and proposed by the Investment Manager by written notice to the holders of the Subordinated Securities; *provided* that a Majority of the Subordinated Securities (excluding any Manager Securities) has not objected to such individual within 30 days of delivery of such written notice. The Investment Manager must give prompt written notice to the Issuer and the Trustee (who will forward such notice to the holders of Subordinated Securities) if a Key Person Event occurs.

The Investment Manager may resign upon 90 days prior written notice (or such shorter period written notice as is acceptable to the Issuer) to the Issuer and the Trustee (for forwarding to each holder of Outstanding Securities).

Notwithstanding anything to the contrary set forth above, no resignation or removal of the Investment Manager shall become effective until Rating Agency Confirmation is obtained from S&P with respect to a successor manager, selected by the Issuer at the direction of a Majority of the Subordinated Securities; *provided* that neither the Controlling Party nor the holders of 66 2/3% or more of the Aggregate Outstanding Amount of the Rated Notes (voting as a single class) object within 15 days after notice of such proposed action. If a successor manager is not approved within 180 days of notice of resignation or removal, the Issuer will appoint any successor manager selected by the Controlling Party. Notwithstanding the foregoing, Manager Securities shall be excluded for purposes of determining whether a requisite number of holders has consented or objected with respect to a successor manager in connection with a removal of the Investment Manager as a result of an event that constitutes "cause" under the Investment Management Agreement.