

### Purchases of Collateral Obligations

On any date after the Ramp-Up Period and during the Reinvestment Period, provided that no Event of Default has occurred and is continuing, the Collateral Manager may direct the Trustee to invest available Principal Proceeds (together with Interest Proceeds pursuant to clause (16) of the Interest Priority of Payments and accrued interest received with respect to any Collateral Obligation to the extent used to pay for accrued interest on a Collateral Obligation) in additional Collateral Obligations if the following conditions are satisfied:

- (i) after giving effect to such purchase, the Collateral Quality Test, Portfolio Profile Test and Coverage Tests will be satisfied (or, if any test or criterion therein is not satisfied, such test or criterion will be maintained or improved); *provided*, that in the case of additional Collateral Obligations purchased with Sale Proceeds or any Principal Proceeds of a Defaulted Obligation, each Coverage Test must be satisfied immediately following such purchase;
- (ii) in the case of additional Collateral Obligations purchased with Sale Proceeds of a Credit Risk Obligation or Defaulted Obligation, the Aggregate Principal Balance of such additional Collateral Obligations is at least equal to such Sale Proceeds; and
- (iii) in the case of additional Collateral Obligations purchased with Sale Proceeds of a Credit Improved Obligation, the Aggregate Principal Balance of such additional Collateral Obligations is at least equal to the Principal Balance of such sold Collateral Obligation.

On any date following the Reinvestment Period, the Collateral Manager may direct the Trustee to invest unscheduled principal payments on Collateral Obligations ("Unscheduled Principal Payments") and Sale Proceeds from the sale of Credit Risk Obligations in additional Collateral Obligations, provided that the following conditions are satisfied:

- (i) such Unscheduled Principal Payments and Sale Proceeds are reinvested by the end of the Collection Period following the Collection Period in which such amounts were received;
- (ii) after giving effect to such purchase, the Portfolio Profile Test will be satisfied (or, if any test or criterion therein is not satisfied, such test or criterion will be maintained or improved);
- (iii) the Class D Overcollateralization Test is satisfied immediately following such purchase;
- (iv) the Collateral Quality Test will be satisfied after giving effect to such purchase (or, if any test or criterion therein is not satisfied, such test or criterion will be maintained or improved); *provided* that the Weighted Average Rating and Weighted Average Life Test components of the Collateral Quality Test must be satisfied after giving effect to such purchase and that if the S&P CDO Monitor Test was satisfied prior to such purchase, it must continue to be satisfied thereafter;
- (v) the Aggregate Principal Balance of Caa Collateral Obligations does not exceed 7.5% of the Collateral Principal Amount;
- (vi) in the case of reinvestment of Sale Proceeds, the S&P Rating of each additional Collateral Obligation purchased therewith is not lower than the S&P Rating of the Collateral Obligation sold; and
- (vii) the ratings by Moody's on any Class A Notes are not one or more rating subcategories, and the ratings by Moody's on any other Class of Senior Notes are not two or more rating subcategories, in each case below the applicable ratings thereof in effect as of the Closing Date or withdrawn by Moody's (unless a Majority of each Class of Senior Notes has agreed to waive this clause (vii)).

The Issuer may, at any time during or after the Reinvestment Period, upon the direction of the Collateral Manager, direct the Trustee to pay from available amounts on deposit in the Collection Account any amount required to exercise a warrant held in the Collateral; *provided* that (i) the total aggregate exercise price of warrants that may be exercised shall not exceed U.S. \$20,000,000, (ii) prior to exercise, the Collateral Manager must