
Section 1: 8-K (8-K)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

Current Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):

June 22, 2018

OXFORD SQUARE CAPITAL CORP.
(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

000-50398
(Commission File Number)

20-0188736
(I.R.S. Employer Identification No.)

8 Sound Shore Drive, Suite 255
Greenwich, CT 06830
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: **(203) 983-5275**

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

On June 21, 2018, Oxford Square Capital Corp. (the “Company,” “we,” “us,” or “our”) issued a press release that Oxford Square Funding 2018, LLC (“OXSQ Funding”), a special purpose vehicle that is a wholly-owned subsidiary of the Company, entered into a credit facility (the “Facility”) with Citibank, N.A. A copy of the press release is attached hereto as Exhibit 99.1.

Pursuant to the terms of the credit agreement governing the Facility, OXSQ Funding has borrowed approximately \$95,200,000. No additional borrowings under the Facility are permitted. The Facility is secured by a pool of loans sold and contributed by the Company to OXSQ Funding. The Company will act as the collateral manager of the loans owned by OXSQ Funding and will retain a residual interest through its ownership of OXSQ Funding. OXSQ Funding used the net proceeds of the Facility to pay fees and expenses incurred in connection with the Facility and to pay the purchase price for the loans purchased by it from the Company.

Subject to certain exceptions, pricing under the Facility is based on the London interbank offered rate for an interest period equal to three months plus a spread of 2.25% per annum. Interest on the outstanding principal amount owing under the Facility is payable quarterly in arrears.

The Facility will mature, and all outstanding principal and accrued and unpaid interest thereunder will be due and payable, on June 21, 2020, and is subject to periodic repayment prior to such date from collections on OXSQ Funding’s loan assets and certain other mandatory payment requirements. OXSQ Funding may elect to reduce the amount of the Facility, in whole or in part, at any time subject to payment of a prepayment fee and certain funding breakage fees if prepayments occur prior to expiration of the relevant interest period.

In connection with the Facility, OXSQ Funding has made certain representations and warranties and is required to comply with various covenants, reporting requirements and other customary requirements for similar facilities. The Facility also includes usual and customary events of default for credit facilities of this nature.

The Company will service as collateral manager to OXSQ Funding and in such capacity will perform certain collateral management functions, including the servicing, administration and collection of OXSQ Funding’s assets, as well as certain administrative, supervisory and advisory functions. In its capacities as collateral manager and equityholder of OXSQ Funding, the Company has made certain customary representations, warranties and covenants.

As part of this transaction, the Company entered into a sale, contribution and master participation agreement with OXSQ Funding under which the Company sold and contributed a portfolio of loans to OXSQ Funding. The Company has made customary representations, warranties and covenants in the sale, contribution and master participation agreement.

The Bank of New York Mellon Trust Company, National Association serves as collateral administrator to OXSQ Funding under a collateral administration agreement. In its capacity as collateral manager, the Company has also made customary representations, warranties and covenants in the collateral administration agreement.

The descriptions of the documentation relating to this transaction contained in this Current Report on Form 8-K do not purport to be complete and are qualified in their entirety by reference to the forms of underlying agreements, attached hereto as Exhibits 10.1 through 10.3 and incorporated into this Current Report on Form 8-K by reference.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth in Item 1.01 is incorporated by reference into this Item 2.03.

Item 9.01 Financial Statements and Exhibits.

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.
- (d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
<u>10.1</u>	<u>Form of Credit and Security Agreement among Oxford Square Funding 2018, LLC, as borrower, the lenders from time to time parties thereto, Citibank, N.A., as administrative agent, The Bank of New York Mellon Trust Company, National Association, as collateral agent and as collateral custodian, and Oxford Square Capital Corp., as collateral manager, dated June 21, 2018.</u>
<u>10.2</u>	<u>Form of Sale, Contribution And Master Participation Agreement by and between Oxford Square Funding 2018, LLC, as the buyer and Oxford Square Capital Corp., as the seller, dated June 21, 2018.</u>
<u>10.3</u>	<u>Form Collateral Administration Agreement among Oxford Square Funding 2018, LLC, as borrower, Oxford Square Capital Corp., as collateral manager, and The Bank of New York Mellon Trust Company, National Association, as collateral administrator, dated June 21, 2018.</u>
<u>99.1</u>	<u>Press release dated June 21, 2018.</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: June 22, 2018

OXFORD SQUARE CAPITAL CORP.

By: /s/ Saul B. Rosenthal
Saul B. Rosenthal
President

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Section 2: EX-10.1 (EXHIBIT 10.1)

Exhibit 10.1

EXECUTION VERSION

CREDIT AND SECURITY AGREEMENT

among

OXFORD SQUARE FUNDING 2018, LLC,
as Borrower,

THE LENDERS FROM TIME TO TIME PARTIES HERETO,

CITIBANK, N.A.,
as Administrative Agent,

OXFORD SQUARE CAPITAL CORP.,
as Equityholder,

THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION,
as Collateral Agent and as Custodian

and

OXFORD SQUARE CAPITAL CORP.,
as Collateral Manager

Dated as of June 21, 2018

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EXHIBITS

Exhibit A	Form of Notice of Borrowing (with attached form of Borrowing Base Calculation)
Exhibit B	Form of Notice of Prepayment
Exhibit C	Form of Assignment and Acceptance
Exhibit D	Form of Note
Exhibit E	Forms of Tax Compliance Certificates

CREDIT AND SECURITY AGREEMENT

CREDIT AND SECURITY AGREEMENT, dated as of June 21, 2018, among OXFORD SQUARE FUNDING 2018, LLC, a Delaware limited liability company, as borrower (the "Borrower"), OXFORD SQUARE CAPITAL CORP., a Maryland corporation, as the sole equityholder of the Borrower (in such capacity, the "Equityholder"), the LENDERS from time to time party hereto, CITIBANK, N.A. ("Citibank"), as administrative agent for the Secured Parties (as hereinafter defined) (in such capacity, the "Administrative Agent"), THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION ("BNYM"), as collateral agent for the Secured Parties (as hereinafter defined) (in such capacity, the "Collateral Agent") and as collateral custodian for the Secured Parties (in such capacity, the "Custodian") and OXFORD SQUARE CAPITAL CORP., a Maryland corporation, as collateral manager (in such capacity, the "Collateral Manager").

WITNESSETH:

WHEREAS, the Borrower desires that the Lenders make advances on the closing date of this Agreement on the terms and subject to the conditions set forth in this Agreement; and

WHEREAS, each Lender is willing to make such advances to the Borrower on the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I DEFINITIONS; RULES OF CONSTRUCTION; COMPUTATIONS

Section 1.01. Definitions

As used in this Agreement, the following terms shall have the meanings indicated:

"Account Control Agreement" means the Account Control Agreement, dated as of the Closing Date, among the Borrower, the Collateral Agent and BNYM, as the Securities Intermediary, as the same may be amended, modified, waived, supplemented or restated from time to time.

"Adjusted Eurodollar Rate" means, for any Interest Accrual Period, an interest rate *per annum* equal to the greater of (a) a fraction, expressed as a percentage, (i) the numerator of which is equal to the LIBOR Rate for such Interest Accrual Period and (ii) the denominator of which is equal to 100% *minus* the Eurodollar Reserve Percentage for such Interest Accrual Period and (b) 0.0%.

"Administrative Agent" has the meaning assigned to such term in the introduction to this Agreement.

"Administrative Agent and Lender Expenses" means the fees, expenses and indemnities of the Borrower (or any Permitted Subsidiary) due or accrued with respect to any Payment Date and payable pursuant to the Facility Documents, in the following order: (a) to the Administrative Agent (or related indemnified party) and (b) any Lender (or related indemnified party).

“Administrative Expense Cap” means, for any Payment Date, an amount equal (when taken together with any Administrative Expenses paid during the period since the preceding Payment Date or, in the case of the first Payment Date, the Closing Date) to \$100,000 per annum, pro-rated for the related Interest Accrual Period on the basis of a 360-day year and the actual number of days elapsed.

“Administrative Expenses” means the reasonable and documented fees and expenses (including indemnities) and other amounts of the Borrower (or any Permitted Subsidiary) due or accrued with respect to any Payment Date and payable in the following order:

(a) first, to the Collateral Agent, the Collateral Administrator, the Custodian and the Securities Intermediary, the Collateral Agent Fee in an amount not to exceed \$15,000 for such Payment Date and any other amounts and indemnities payable to such entities pursuant to the Facility Documents; and

(b) second, on a *pro rata* basis, to:

(i) the Independent Accountants, agents (other than the Collateral Manager) and counsel of the Borrower (or any Permitted Subsidiary) for fees and expenses related to the Collateral and the Facility Documents;

(ii) any rating agency for fees and expenses in connection with the rating of (or provision of credit estimates in respect of) any Collateral Loan; and

(iii) indemnification obligations owing by the Borrower or any Permitted Subsidiary to the Borrower’s or any Permitted Subsidiary’s directors under its Constituent Documents;

provided that, for the avoidance of doubt, (1) amounts that are expressly payable to any Person under the Priority of Payments in respect of an amount that is stated to be payable as an amount other than as Administrative Expenses (including Interest and principal and other amounts owing in respect of the Advances and any Collateral Management Fee) shall not constitute Administrative Expenses and (2) expenses paid for on the Closing Date with proceeds of the Advances shall not constitute Administrative Expenses.

“Advance” has the meaning assigned to such term in Section 2.01.

“Advances Outstanding” means, as of any date of determination, the aggregate principal amount of all Advances outstanding on such date, after giving effect to all repayments of Advances made on or prior to such date and any new Advances made on such date.

“Adviser” means Oxford Square Management, LLC, and its successors and assigns.

“Affected Person” means (a) the Administrative Agent and each Lender and (b) any assignee or participant of any Lender (unless the benefit of any particular provision hereof to any such Affected Person is otherwise expressly excluded herein).

“Affiliate” means, in respect of a referenced Person, another Person Controlling, Controlled by or under common Control with such referenced Person; provided that a Person shall not be deemed to be an “Affiliate” of an Obligor solely because it is under the common ownership or Control of the same financial sponsor or affiliate thereof as such Obligor (except if any such Person or Obligor provides collateral for, guarantees or otherwise supports the obligations of the other such Person or Obligor).

“Agents” means, collectively, the Administrative Agent and the Collateral Agent.

“Aggregate Original Asset Value” means, at any date of determination, the sum of the Original Asset Values of all Eligible Loans included in the Collateral at such date.

“Aggregate Principal Balance” means, when used with respect to all or a portion of the Collateral Loans, the sum of the Principal Balances of all or of such portion of such Collateral Loans (other than Ineligible Collateral Loans).

“Agreement” means this Credit and Security Agreement.

“Applicable Law” means any Law of any Governmental Authority, including all federal and state banking or securities laws, to which the Person in question is subject or by which it or any of its assets or properties are bound.

“Applicable Margin” means 2.25% *per annum*.

“Asset Value” means, with respect to any Collateral Loan, the amount equal to the net cash proceeds that would be received from the sale of such Collateral Loan, as determined by the Administrative Agent.

If the Collateral Manager disputes the Asset Value of any Collateral Loan, as determined by the Administrative Agent, then the Collateral Manager may (at the sole expense of the Borrower), no later than the Dispute Deadline (as defined below), (i) designate at least one nationally recognized dealer active in the trading of such loan and (ii) provide to the Administrative Agent a Firm Bid with respect to not less than the principal amount of such Collateral Loan from such dealer. At least one such Firm Bid shall be provided to the Administrative Agent for a valid Asset Value dispute to occur; provided that, if more than one such Firm Bid is provided to the Administrative Agent in connection with an Asset Value dispute, the highest of such Firm Bids will be the Asset Value for the relevant date of determination. “Dispute Deadline” means (x) if the Collateral Manager receives the Administrative Agent’s determination of the Asset Value of a Collateral Loan on or prior to 11:00 a.m. on a Business Day, the later of noon or three hours after the Collateral Manager receives such determination or (y) if the Collateral Manager receives such determination after 11:00 a.m. on a Business Day, 11:00 a.m. on the next Business Day.

“Assignment and Acceptance” means an Assignment and Acceptance in substantially the form of Exhibit C hereto, entered into by a Lender, an assignee, the Administrative Agent and, if applicable, the Borrower.

“Authorized Person(s)” has the meaning assigned to such term in Section 13.07(d)(i).

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“Bail-In Legislation” means, (a) with respect to any EEA Member Country implementing Article 55 of the Bank Recovery and Resolution Directive, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) the then-applicable Commission Delegated Regulation (if any) supplementing the Bank Recovery and Resolution Directive in relation to Article 55 thereof.

“Bank Recovery and Resolution Directive” means Directive 2014/59/EU of the European Parliament and of the Council of the European Union.

“Bankruptcy Code” means the United States Bankruptcy Code.

“Base Rate” means, on any date, a fluctuating interest rate *per annum* equal to the highest of (a) the Prime Rate, (b) the Federal Funds Rate *plus* 1.50% or (c) the LIBOR Rate for a three (3) month period *plus* 1.0%. The Base Rate is a reference rate and does not necessarily represent the lowest or best rate actually charged to any customer of any Agent or any Lender. Interest calculated pursuant to clauses (a), (b) and (c) above will be determined based on a year of 360 days and actual days elapsed.

“Block Notice” has the meaning assigned to such term in Section 13.04(b).

“BNYM” has the meaning assigned to such term in the introduction to this Agreement.

“Borrower” has the meaning assigned to such term in the introduction to this Agreement.

“Borrower Information” has the meaning assigned to such term in Section 12.09.

“Borrowing” has the meaning assigned to such term in Section 2.01.

“Borrowing Base” means, at any time, the least of:

(a) the Facility Amount *minus* the Unfunded Reserve Required Amount (net of the aggregate amount on deposit in the Unfunded Reserve Account) at such time;

(b) the sum of:

(i) the product of (A) the Effective Advance Rate as of such date and (B) the Aggregate Original Asset Value as of such date, *plus*

(ii) the aggregate amount of cash then on deposit in the Principal Collection Subaccount, *plus*

(iii) the aggregate amount of cash then on deposit in the Cash Diversion Reserve Account, *minus*

(iv) the Unfunded Reserve Required Amount (net of the aggregate amount on deposit in the Unfunded Reserve Account) and

(c) the sum of:

(i) the Aggregate Original Asset Value, *minus*

(ii) the Minimum Equity Amount, *plus*

(iii) the aggregate amount of cash then on deposit in the Principal Collection Subaccount, *plus*

(iv) the aggregate amount of cash then on deposit in the Cash Diversion Reserve Account, *minus*

(v) the Unfunded Reserve Required Amount (net of the aggregate amount on deposit in the Unfunded Reserve Account).

“Borrowing Base Calculation Statement” means a statement in substantially the form attached to the form of Notice of Borrowing attached hereto as Exhibit A, as such form of Borrowing Base Calculation Statement may be modified by the Administrative Agent from time to time to the extent such form does not, in the good faith opinion of the Administrative Agent, accurately reflect the calculation of the Borrowing Base required hereunder.

“Borrowing Base Deficiency” means, as of any date of determination, an amount equal to the positive difference, if any, of (a) the Advances Outstanding on such date over (b) the Borrowing Base on such date.

“Borrowing Base Test” means a test that will be satisfied if at any date of determination no Borrowing Base Deficiency exists.

“Business Day” means any day of the year except: (a) a Saturday, Sunday or other day on which commercial banks in New York City or the city in which the Corporate Trust Office is located are authorized or required by law to close; and (b) if such day relates to any interest rate setting as to an Advance determined by reference to the LIBOR Rate, any fundings, disbursements, settlements and payments in respect of any such Advance, or any other dealings to be carried out pursuant to this Agreement in respect of any such Advance (or any Advance determined by reference to the Base Rate as to which such Base Rate is determined by reference to the LIBOR Rate), any day on which dealings in Dollars are not conducted by and between banks in the London interbank market.

“Cash” means Dollars immediately available on the day in question.

“Cash Diversion Reserve Account” has the meaning assigned to such term in Section 8.05.

“Certificated Security” has the meaning specified in Section 8-102(a)(4) of the UCC.

“Change in Law” means (a) the adoption of any law, rule or regulation after the Closing Date, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the Closing Date or (c) compliance by any Lender (or, for purposes of Section 2.09(b), by any lending office of such Lender or by such Lender’s holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the Closing Date; provided that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements or directives thereunder or issued in connection therewith or in implementation thereof and (y) all requests, rules, guidelines, requirements or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law” regardless of the date enacted, adopted or issued.

“Change of Control” means, at any time, the occurrence of one of the following events: (a) the Borrower ceases to be 100% owned by the Equityholder; (b) the Equityholder ceases to be managed by the Adviser; (c) the dissolution, termination or liquidation in whole or in part, transfer or other disposition, in each case, of all or substantially all of the assets of, the Equityholder; (d) the Equity Securities in the Equityholder shall cease to be publicly traded on the NASDAQ Global Select Market or other recognized market acceptable to the Administrative Agent in its sole discretion; (e) the Investment Advisory Agreement shall fail to be in full force and effect; (f) Oxford Funds, LLC ceases to be the managing member of the Adviser; or (g) Jonathan H. Cohen and Saul B. Rosenthal cease to be the controlling members of Oxford Funds, LLC.

“Citibank” has the meaning assigned to such term in the introduction of this Agreement.

“Clearing Agency” means an organization registered as a “clearing agency” pursuant to Section 17A of the Exchange Act.

“Clearing Corporation” means each entity included within the meaning of “clearing corporation” under Section 8-102(a)(5) of the UCC.

“Clearing Corporation Security” means securities which are in the custody of or maintained on the books of a Clearing Corporation or a nominee subject to the control of a Clearing Corporation and, if they are Certificated Securities in registered form, properly endorsed to or registered in the name of the Clearing Corporation or such nominee.

“Closing Date” means June 21, 2018.

“Closing Date Participation Agreement” means that certain Master Participation Agreement, dated as of the Closing Date, between the Equityholder, as transferor, and the Borrower, as transferee, relating to the Closing Date Participation Interests.

“Closing Date Participation Interests” means the undivided 100% Participation Interests granted by the Equityholder to the Borrower in and to each Collateral Loan identified on Annex A to the Closing Date Participation Agreement or Schedule II to the Sale Agreement (to the extent constituting a Participation Interest pending completion of the assignment thereof in accordance with Section 2.4 of the Sale Agreement), as applicable, and in which a Lien is granted therein by the Borrower to the Collateral Agent pursuant to this Agreement.

“Code” means the Internal Revenue Code of 1986.

“Collateral” has the meaning assigned to such term in Section 7.01(a).

“Collateral Administration Agreement” means that certain Collateral Administration Agreement, dated as of the Closing Date, among the Collateral Administrator, the Borrower, the Collateral Manager and the Administrative Agent.

“Collateral Administrator” means BNYM, and any successor thereto under the Collateral Administration Agreement.

“Collateral Agent” has the meaning assigned to such term in the introduction to this Agreement.

“Collateral Agent Fee Letter” means the fee letter, by and among the Borrower and BNYM, setting forth the amounts payable by the Borrower to the Collateral Agent, the Custodian, the Securities Intermediary and the Collateral Administrator in connection with the transactions contemplated by this Agreement.

“Collateral Agent Fee” means the fee payable to the Collateral Agent, the Custodian, the Securities Intermediary and the Collateral Administrator pursuant to the Collateral Agent Fee Letter.

“Collateral Loan” means a commercial loan or a Closing Date Participation Interest owned or acquired by the Borrower.

“Collateral Management Fee” means the fee payable to the Collateral Manager in arrears on each Payment Date (prorated for the related Interest Accrual Period) pursuant to Section 9.01 of this Agreement, in an amount equal to 0.25% *per annum* (calculated on the basis of a 360-day year and the actual number of days elapsed during the applicable Interest Accrual Period) of the Quarterly Asset Amount at the beginning of the Collection Period relating to such Payment Date; provided that for so long as Oxford Square Capital Corp. is the Collateral Manager, the Collateral Management Fee shall be \$0.

“Collateral Management Standard” means, with respect to any Collateral Loan included in the Collateral, to service and administer such Collateral Loan in accordance with the Related Documents and all customary and usual servicing practices with reasonable care and in good faith, (i) using a degree of skill, care, prudence, diligence and attention no less than the higher of (a) that which the Collateral Manager exercises with respect to comparable assets that it may manage for itself and its other clients having similar investment objectives and restrictions and (b) the customary and usual collateral management practices that a prudent collateral manager of national recognition in the United States would use to manage comparable assets for its own account and for the account of others, and (ii) in accordance with the Collateral Manager’s customary practices and procedures involving assets of the nature and character of the Collateral Loans.

“Collateral Manager” has the meaning assigned to such term in the introduction to this Agreement.

“Collateral Manager Default” means the occurrence of any one of the following:

(a) any failure by the Collateral Manager to make any payment, transfer or deposit into any Covered Account as required by this Agreement which continues unremedied for a period of two (2) Business Days;

(b) any failure by the Collateral Manager to deliver any report required to be delivered by it under this Agreement or the other Facility Documents on or before the date that is two (2) Business Days after the date that such report is required to be delivered;

(c) except as otherwise provided in this definition, a default in any material respect in the performance, or breach in any material respect, of any covenant or agreement of the Collateral Manager under this Agreement or the other Facility Documents to which it is a party, or the failure of any representation or warranty of the Collateral Manager made in this Agreement or in any other Facility Document to be correct, in each case, in all material respects when the same shall have been made, and the continuation of such default, breach or failure for a period of ten (10) Business Days after the earlier of (i) written notice to the Collateral Manager (which may be by e-mail) by either Agent, and (ii) actual knowledge of a Responsible Officer of the Collateral Manager;

(d) an Insolvency Event shall occur with respect to the Collateral Manager;

(e) the occurrence of any Change of Control with respect to the Collateral Manager;

(f) the rendering of one or more final judgments, decrees or orders by a court or arbitrator of competent jurisdiction for the payment of money in excess individually or in the aggregate of \$2,000,000 against the Collateral Manager (exclusive of judgment amounts fully covered by insurance), and the Collateral Manager shall not have either (i) discharged or provided for the discharge of any such judgment, decree or order in accordance with its terms or (ii) perfected a timely appeal of such judgment, decree or order and caused the execution of same to be stayed during the pendency of the appeal, in each case, within thirty (30) Business Days from the date of entry thereof;

(g) the Collateral Manager shall have made payments totaling more than \$2,000,000 in the aggregate to settle any litigation, claim or dispute (excluding the amount of any payment made from insurance proceeds);

(h) the failure of the Collateral Manager to make any payment when due (after giving effect to any related grace period) under one or more agreements for borrowed money to which it is a party in an aggregate amount in excess of \$2,000,000, individually or in the aggregate, or the occurrence of any event or condition that has resulted in the acceleration of such indebtedness, whether or not waived;

(i) (i) the Collateral Manager commits any act that constitutes fraud or criminal activity in the performance of its obligations hereunder (as determined pursuant to a final adjudication by a court of competent jurisdiction) or (ii) any Responsible Officer of the Collateral Manager primarily responsible for the performance by the Collateral Manager of its obligations hereunder (in the performance of his or her investment management duties) is indicted for a criminal offense materially related to the business of the Collateral Manager providing management services and continues to have responsibility for the performance by the Collateral Manager hereunder for a period of ten (10) days after such indictment;

(j) (i) either Jonathan H. Cohen or Saul B. Rosenthal or (ii) any other two (2) Key Individuals (or replacements reasonably acceptable to the Administrative Agent) shall (x) cease to be officers, employees or partners of the Adviser or (y) cease to be actively involved in the management of the Collateral Manager, including, but not limited to, general management, management of the Collateral portfolio, underwriting, the credit approval process and credit monitoring activities, other than due to temporary absences for family leave, illness or injury and such individuals are not replaced with other individuals reasonably acceptable to the Administrative Agent within 60 days;

(k) the occurrence of an Event of Default; or

(l) the Collateral Manager shall assign any of its rights or obligations under any Facility Document to any Person (other than (i) an Affiliate thereof that is reasonably acceptable to the Administrative Agent, (ii) a Person that becomes a successor or assignee Collateral Manager hereunder in accordance with the terms hereof or (iii) in accordance with Section 14.01(b)).

“Collection Account” has the meaning assigned to such term in Section 8.02 and includes the Principal Collection Subaccount and the Interest Collection Subaccount.

“Collection Period” means, with respect to (a) the first Payment Date, the period from and including the Closing Date to and including the Determination Date immediately preceding the first Payment Date, and (b) any subsequent Payment Date, the period from but excluding the Determination Date immediately preceding the previous Payment Date to and including the Determination Date immediately preceding the current Payment Date (or, in the case of the final Payment Date, to and including such Payment Date).

“Collections” means all cash collections, distributions, payments or other amounts received, or to be received, by the Borrower from any Person in respect of any Collateral Loan constituting Collateral, including all principal, interest, fees, distributions, recoveries and redemption and withdrawal proceeds payable to the Borrower under or in connection with any such Collateral Loans and all Proceeds from any sale or disposition of any such Collateral Loans, but excluding any Excluded Amounts and any amounts received by the Borrower from an Obligor following the sale of a Collateral Loan by the Borrower that the Borrower is required to pay to the purchaser of such Collateral Loan so long such amounts are not included in the net proceeds reported to be received by the Borrower from such sale.

“Commitment” means, as to each Lender, the obligation of such Lender to make, on and subject to the terms and conditions hereof, Advances to the Borrower pursuant to Section 2.01 in an aggregate principal amount for such Lender equal to the amount set forth opposite the name of such Lender on Schedule 1.

“Connection Income Taxes” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Constituent Documents” means, in respect of any Person, the certificate or articles of formation or organization, the limited liability company agreement, operating agreement, partnership agreement, joint venture agreement or other applicable agreement of formation or organization (or equivalent or comparable constituent documents) and other organizational documents and by-laws and any certificate of incorporation, certificate of formation, certificate of limited partnership and other agreement, similar instrument filed or made in connection with its formation or organization, in each case, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“Continued Errors” has the meaning assigned to such term in Section 14.07(e).

“Contractual Currency” has the meaning assigned to such term in Section 2.19.

“Control” means the direct or indirect possession of the power to direct or cause the direction of the management or policies of a Person, whether through ownership, by contract, arrangement or understanding, or otherwise. “Controlled” and “Controlling” have the meaning correlative thereto.

“Corporate Trust Office” means the applicable designated corporate trust office of the Collateral Agent, the Collateral Administrator, the Securities Intermediary or the Custodian, as applicable, specified on Schedule 6 hereto, or such other address within the United States as it may designate from time to time by notice to the Administrative Agent.

“Coverage Test” means each of (a) the Borrowing Base Test and (b) the Equity Coverage Test.

“Covered Account” means each of the Collection Account (including the Interest Collection Subaccount and Principal Collection Subaccount therein), the Payment Account, the Unfunded Reserve Account, the Cash Diversion Reserve Account and the Custodial Account.

“Credit Risk Collateral Loan” means a loan which, in the judgment of the Collateral Manager, (a) has a significant risk of declining in credit quality and, with lapse of time, becoming a Defaulted Collateral Loan or (b) as a result of one or more factors, including credit quality, has a significant risk of declining in market price (but not including any such decline experienced by the market generally as a result of interest rate movement, general economic conditions or similar factors).

“Custodial Account” has the meaning assigned to such term in Section 8.06.

“Custodian” has the meaning assigned to such term in the introduction to this Agreement.

“Data File” has the meaning specified in Section 8.08(a).

“Default” means any event which, with the passage of time, the giving of notice, or both, would constitute an Event of Default.

“Defaulted Collateral Loan” means any Collateral Loan:

(a) as to which a default as to all or any portion of one or more payments of principal and/or interest has occurred with respect to such Collateral Loan (giving effect to any grace period applicable thereto but in no event exceeding three (3) Business Days past the applicable due date); or

(b) except in the case of a DIP Collateral Loan, as to which an Insolvency Event (without giving effect to any grace period set forth in such definition) with respect to the related Obligor of such Collateral Loan has occurred; or

(c) as to which a Material Modification with respect to such Collateral Loan has occurred without the prior written consent of the Administrative Agent; or

(d) that has (i) a Moody’s Rating below “Caa3” (or a Moody’s probability of default rating of “D” or “LD”) or (ii) an S&P Rating below “CCC-” (or of “D” or “SD”), or in each case had such rating before such rating was withdrawn and which has not been reinstated as of the date of determination; or

(e) as to which a cross-default has occurred and is continuing as a result of a default in the payment of principal and/or interest on another full recourse debt obligation of the same Obligor that is secured by the same collateral and is senior to or *pari passu* with in right of payment to such Collateral Loan.

“Delayed Drawdown Collateral Loan” means a Collateral Loan that (a) requires the Borrower to make one or more future advances to the Obligor under the Related Documents, (b) specifies a maximum amount that can be borrowed on one or more fixed borrowing dates, and (c) does not permit the re-borrowing of any amount previously repaid by the Obligor thereunder; provided that any such Collateral Loan will be a Delayed Drawdown Collateral Loan only to the extent of unfunded commitments and solely until all commitments by the Borrower to make advances on such Collateral Loan to the Obligor under the Related Documents expire or are terminated or are reduced to zero.

“Deliver” or “Delivered” or “Delivery” means the taking of the following steps:

(a) with respect to such of the Collateral as constitutes an instrument, causing the Custodian to take and continuously maintain possession of such instrument indorsed to the Collateral Agent or in blank by an effective indorsement;

(b) with respect to such of the Collateral as constitutes tangible chattel paper, goods, a negotiable document, or money, causing the Custodian to take possession of such tangible chattel paper, goods, negotiable document, or money;

(c) with respect to such of the Collateral as constitutes a Certificated Security, (A) causing the delivery of such Certificated Security to the Custodian registered in the name of the Collateral Agent or its affiliated nominee or endorsed to the Collateral Agent or in blank, (B) causing the Custodian to continuously identify on its books and records that such Certificated Security is credited to the appropriate Covered Account and (C) causing the Custodian to maintain continuous possession of such Certificated Security;

(d) with respect to such of the Collateral as constitutes an Uncertificated Security, either (i) causing the issuer of such Uncertificated Security to register the Collateral Agent as the registered owner of such Uncertificated Security or (ii) causing the issuer of such Uncertificated Security to agree to comply with instructions of the Collateral Agent without further consent of the Borrower, upon original issue or registration of transfer by the issuer of such Uncertificated Security;

(e) with respect to such of the Collateral as constitutes a Security Entitlement, causing the Custodian as Securities Intermediary to indicate by book entry that the Financial Asset relating to such Security Entitlement has been credited to the appropriate Covered Account;

(f) with respect to such of the Collateral as constitutes a deposit account, causing such deposit account to be maintained in the name of the Collateral Agent and causing the bank with which such deposit account is maintained to agree in writing with the parties hereto that (i) such bank shall comply with instructions originated by the Collateral Agent directing disposition of the funds in the deposit account without further consent of any other Person, (ii) such bank will not agree with any Person other than the Collateral Agent to comply with instructions originated by any Person other than the Collateral Agent, (iii) such deposit account and the funds on deposit therein shall not be subject to any Lien or right of set-off in favor of such bank or anyone claiming through it (other than the Collateral Agent), (iv) such agreement shall be governed by the laws of the State of New York, and (v) with respect to such bank, the State of New York shall be the “bank’s jurisdiction” for purposes of Article 9 of the UCC;

(g) with respect to such of the Collateral as constitutes an account or a general intangible or is not otherwise described in the foregoing clauses (a)-(f), causing to be filed with the Secretary of State of Delaware a properly completed UCC financing statement that names the Borrower as debtor and the Collateral Agent as secured party and that describes such Collateral (which financing statement may have been previously filed) or any equivalent filing in any applicable jurisdiction; or

(h) in the case of each of clauses (a) through (g) above, such additional or alternative procedures as may hereafter become appropriate to perfect the security interest granted to the Collateral Agent hereunder in such items of the Collateral, consistent with Applicable Law.

In addition, the Collateral Manager on behalf of the Borrower will obtain any and all consents required by the Related Documents relating to any Instruments, accounts or general intangibles for the transfer of ownership and/or pledge hereunder (except to the extent that the requirement for such consent is rendered ineffective under Section 9-406 of the UCC).

“Determination Date” means, with respect to any Payment Date, the fifth (5th) Business Day prior to such Payment Date; provided that, with respect to the final Payment Date, the Determination Date shall be such Payment Date.

“DIP Collateral Loan” means an obligation:

(a) obtained or incurred after the entry of an order of relief in a case pending under Chapter 11 of the Bankruptcy Code;

(b) to a debtor in possession as described in Chapter 11 of the Bankruptcy Code or a trustee (if appointment of such trustee has been ordered pursuant to Section 1104 of the Bankruptcy Code);

(c) on which the related Obligor is required to pay interest and/or principal on a current basis; and

(d) approved by a Final Order or Interim Order of the bankruptcy court so long as such obligation is (i) fully secured by a Lien on the debtor's otherwise unencumbered assets pursuant to Section 364(c)(2) of the Bankruptcy Code, (ii) fully secured by a Lien of equal or senior priority on property of the debtor estate that is otherwise subject to a Lien pursuant to Section 364(d) of the Bankruptcy Code or (iii) secured by a junior Lien on the debtor's encumbered assets (so long as such loan is fully secured based on the most recent current valuation or appraisal report, if any, of the debtor).

“Document Checklist” means an electronic or hard copy list delivered by the Borrower (or by the Collateral Manager on behalf of the Borrower) to the Custodian that identifies each of the documents contained in each Loan File and whether such document is an original or a copy and whether a hard copy or electronic copy will be delivered to the Custodian related to a Collateral Loan and includes the name of the Obligor with respect to such Collateral Loan, in each case as of the related date of Advance or acquisition by the Borrower.

“Dollars” and “\$” mean lawful money of the United States of America.

“Due Date” means each date on which any payment is due on a Collateral Loan in accordance with its terms.

“EBITDA” means, with respect to any trailing twelve month period and any Collateral Loan, the meaning of the term “Adjusted EBITDA”, the term “EBITDA” or any comparable definition in the Related Documents for such period and Collateral Loan (or, in the case of a Collateral Loan for which the Related Documents have not been executed, as set forth in the relevant marketing materials or financial model in respect of such Collateral Loan) as determined in the good faith discretion of the Collateral Manager, and in any case that the term “Adjusted EBITDA”, the term “EBITDA” or such comparable definition is not defined in such Related Documents, an amount, for the principal Obligor thereunder and any of its parents or Subsidiaries that are obligated as guarantor pursuant to the Related Documents for such Collateral Loan (determined on a consolidated basis without duplication in accordance with GAAP (and also on a pro forma basis as determined in good faith by the Collateral Manager in case of any acquisitions)) equal to earnings from continuing operations for such period plus interest expense, income taxes, unallocated depreciation and amortization for such period (to the extent deducted in determining earnings from continuing operations for such period), extraordinary, one-time and/or non-recurring losses or charges, and any other item the Collateral Manager and the Administrative Agent deem to be appropriate.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Effective Advance Rate” means, on any date of determination with respect to the Eligible Loans included in the Collateral, initially the Initial Advance Rate; provided that, following any repayment or prepayment, in full or in part, of any Eligible Loan, the Effective Advance Rate of the Eligible Loans included in the Collateral will be equal to the aggregate Advances Outstanding as of such date *divided by* the Aggregate Original Asset Value as of such date.

“Eligible Investment Required Ratings” means, with respect to any obligation or security, with respect to ratings assigned by Moody’s, “Aa2” (and not on credit watch for possible downgrade) or “P-1” for one-month instruments, “Aa2” (and not on credit watch for possible downgrade) and “P-1” for three-month instruments, “Aa3” (and not on credit watch for possible downgrade) and “P-1” for six-month instruments and “Aa2” (and not on credit watch for possible downgrade) and “P-1” for instruments with a term in excess of six months and (b) with respect to rating assigned by S&P, “A-1” (and not on credit watch for possible downgrade) for short-term instruments and “A” (and not on credit watch for possible downgrade) for long-term instruments.

“Eligible Investments” means any Dollar investment that, at the time it is Delivered, is Cash or one or more of the following obligations or securities:

(a) direct obligations of, and obligations the timely payment of principal and interest on which is fully and expressly guaranteed by, the United States of America or any agency or instrumentality of the United States of America the obligations of which are expressly backed by the full faith and credit of the United States of America;

(b) bank deposit products of, demand and time deposits in, certificates of deposit of, trust accounts with, bankers’ acceptances payable within 183 days of issuance by, or federal funds sold by any depository institution or trust company incorporated under the laws of the United States of America or any state thereof and subject to supervision and examination by federal and/or state banking authorities, so long as the commercial paper and/or the debt obligations of such depository institution or trust company (or, in the case of the principal depository institution in a holding company system, the commercial paper or debt obligations of such holding company) at the time of such investment or contractual commitment providing for such investment have the Eligible Investment Required Ratings;

(c) non-extendable commercial paper or other short-term obligations with the Eligible Investment Required Ratings and that either bear interest or are sold at a discount from the face amount thereof and have a maturity of not more than 183 days from their date of issuance; and

(d) money market funds that have, at all times, ratings in the highest credit rating category by Moody’s and S&P;

provided that (i) Eligible Investments purchased with funds in the Collection Account shall be held until maturity except as otherwise specifically provided herein and shall include only such obligations or securities, other than those referred to in clause (d) above, as mature (or are putable at par to the issuer thereof) no later than the earlier of (A) 90 days after the date of acquisition thereof or (B) the Business Day prior to the next Payment Date; and (ii) none of the foregoing obligations or securities shall constitute Eligible Investments if (A) such obligation or security has an “F”, “R”, “P”, “PI”, “Q”, “SF” or “T” subscript assigned by S&P, (B) all, or substantially all, of the remaining amounts payable thereunder consist of interest and not principal payments, (C) such obligation or security is subject to U.S. withholding or foreign withholding tax unless the issuer of the security is required to make “gross-up” payments for the full amount of such withholding tax, (D) such obligation or security is secured by real property, (E) such obligation or security is purchased at a price greater than 100% of the principal or face amount thereof, (F) such obligation or security is subject of a tender offer, voluntary redemption, exchange offer, conversion or other similar action or (G) in the Collateral Manager’s judgment, such obligation or security is subject to material non-credit related risks. Any such investment may be made or acquired from or through the Collateral Agent or any of its Affiliates, or any entity for whom the Collateral Agent or any of its Affiliates provides services (so long as such investment otherwise meets the applicable requirements of the foregoing definition of Eligible Investment at the time of acquisition). Notwithstanding the foregoing, unless the Borrower and the Collateral Manager have received the written advice of counsel of national reputation experienced in such matters to the contrary (together with an officer’s certificate of the Borrower or the Collateral Manager to the Administrative Agent (on which the Administrative Agent may rely) that the advice specified in this definition has been received by the Borrower and the Collateral Manager) and the Administrative Agent consents thereto, on and after July 21, 2015 (or such later date as may be determined by the Borrower and the Collateral Manager based upon such advice), Eligible Investments may only include obligations or securities that constitute cash equivalents for purposes of the rights and assets in paragraph (c)(8)(i)(B) of the exclusions from the definition of “covered fund” for purposes of the Volcker Rule.

“Eligible Loan” means a Collateral Loan that (A) has been approved by the Administrative Agent, in its sole discretion, prior to Closing Date, and (B) satisfies each of the following eligibility requirements on any date of determination (unless the Administrative Agent in its sole discretion agrees to waive any such eligibility requirement with respect to such loan):

- (a) is (i) a First Lien Obligation, (ii) a Second Lien Obligation or (iii) prior to the date that is sixty (60) days after the Closing Date (or such longer period to which the Administrative Agent may agree in its sole discretion) a Closing Date Participation Interest;
- (b) permits the purchase thereof by or assignment thereof (or, in the case of a Closing Date Participation Interest, participation thereof) to the Borrower and the pledge to the Collateral Agent;
- (c) is not in arrears;
- (d) is denominated and payable in Dollars and does not permit the currency in which such loan is payable to be changed;
- (e) is an obligation of an Obligor organized or incorporated in the United States (or any state thereof);
- (f) the Related Documents for which are governed by the laws of a state in the United States;
- (g) the proceeds of which are not permitted primarily to be used for personal, family or household purposes;
- (h) is not the subject of an offer other than a Permitted Offer or called for redemption other than pursuant to a Permitted Offer;
- (i) does not constitute Margin Stock;

- (j) does not subject the Borrower to withholding tax unless the Obligor is required to make “gross-up” payments constituting 100% of such withholding tax;
- (k) is not (i) a Defaulted Collateral Loan or (ii) a Credit Risk Collateral Loan;
- (l) is not an Equity Security or a component thereof and does not provide for mandatory or optional conversion or exchange into an Equity Security; provided that any Equity Security purchased as part of a “unit” with a Collateral Loan (including any attached warrants) and that itself is not eligible for purchase by the Borrower as a Collateral Loan shall not cause the Collateral Loan portion to lose its eligibility hereunder;
- (m) if it is a PIK Loan, it provides for a minimum cash spread of at least 2.50%;
- (n) is not (i) a Structured Finance Obligation, (ii) a bridge loan or (iii) an obligation that (x) is incurred in connection with a merger, acquisition, consolidation, or sale of all or substantially all of the assets of a Person or similar transaction and (y) by its terms, is required to be repaid within one year of the incurrence thereof with proceeds from additional borrowings or other refinancing, a bond, a synthetic security, a finance lease or chattel paper;
 - (o) provides for the full principal balance to be payable at or prior to its maturity;
 - (p) has an original term to maturity of not more than eight (8.0) years;
 - (q) provides for payment of interest in cash at least semi-annually;
 - (r) bears interest at a floating rate;
 - (s) is not subject to material non-credit related risk (such as a loan, the payment of which is expressly contingent upon the non-occurrence of a catastrophe), as determined by the Collateral Manager in its reasonable discretion;
 - (t) other than any Delayed Drawdown Collateral Loan acquired by the Borrower on the Closing Date, (x) is not an obligation pursuant to which any future advances or payments to the Obligor may be required to be made by the Borrower and (y) will not result in the imposition of any present or future, actual or contingent, monetary liabilities or obligations on the Borrower;
- (u) if evidenced by a note or other instrument, such note or other instrument has been delivered to the Custodian in accordance with this Agreement;
- (v) except for a Closing Date Participation Interest, is not a Participation Interest;
- (w) the acquisition of such loan will not cause the Borrower or the pool of Collateral to be (x) required to register as an “investment company” under the Investment Company Act or (y) a “covered fund” under the Volcker Rule;
- (x) such loan is not underwritten as a commercial real estate loan principally secured by real property;
- (y) as to which no payment default, breach in any material respect of any other term or covenant or other material default exists;
- (z) is not a letter of credit;

- (aa) is in “registered” form for U.S. federal income tax purposes;
- (bb) constitutes indebtedness for U.S. federal income tax purposes;
- (cc) the acquisition of such loan will not cause the Borrower to violate any applicable Law or cause the Administrative Agent or any Lender to fail to comply with any request or directive from any banking authority or Governmental Authority having jurisdiction over the Administrative Agent or any Lender;
- (dd) the transfer thereof is effected pursuant to either (i) in the case of a Collateral Loan other than a Closing Date Participation Interest, an LSTA Par/Near Par Trade Confirmation, subject to Standard Terms and Condition for Par/Near Par Trade Confirmations, as published by The Loan Syndications and Trading Association, Inc., or the equivalent thereof as published by the Loan Market Association, or (ii) in the case of a Closing Date Participation Interest, the applicable Closing Date Participation Agreement;
- (ee) is not subject to any Lien other than Permitted Liens;
- (ff) does not have an interest rate basis exceeding six (6) months;
- (gg) as of any date of determination, it is rated by Moody’s or S&P; provided that (i) in the case of a First Lien Obligation, if such First Lien Obligation is rated by Moody’s, it has a Moody’s Rating of at least, “B3” and, if such First Lien Obligation is rated by S&P, it has an S&P Rating of at least “B-” and (ii) in the case of a Second Lien Obligation, if such Second Lien Obligation is rated by Moody’s, it has a Moody’s Rating of at least, “Caa2” and, if such Second Lien Obligation is rated by S&P, it has an S&P Rating of at least “CCC”; and
- (hh) is on the date of purchase or other acquisition thereof by the Borrower part of an applicable Tranche Size of at least \$70,000,000;
- (ii) has at least one (1) bid on a nationally recognized loan pricing service reasonably acceptable to the Administrative Agent;
- (jj) to the best knowledge of any Responsible Officer of the Borrower or the Collateral Manager, the related Obligor on such loan is not insolvent and there are no proceedings pending or threatened wherein the Obligor on such Collateral Loan or any other party or any governmental entity (i) has asserted insolvency of the related Obligor on such Collateral Loan, or (ii) has alleged that such Collateral Loan or any of the underlying loan documents which create such loan is illegal or unenforceable and such Collateral Loan is not subject to any pending or threatened litigation or right or claim of rescission, set-off, counterclaim or defense on the part of the related Obligor;
- (kk) to the best knowledge of any Responsible Officer of the Borrower or the Collateral Manager, the underlying collateral related to such loan has not been used by the related Obligor in any manner or for any purpose which would result in any material risk of liability being imposed upon the Equityholder, the Borrower, the Administrative Agent, the Lenders or the other Secured Parties under any federal, state, local or foreign laws, common laws, statutes, codes, ordinances, rules, regulations, permits, judgments, agreements or orders related to or addressing the environment, health or safety;
- (ll) constitutes the legal, valid, binding and enforceable obligation of the related obligor and each guarantor thereof, enforceable against such person in accordance with its terms;

(mm) none of the Collateral Manager or the Equityholder is an Affiliate of any Obligor on such loan;

(nn) is not subject to any pending or threatened litigation or right or claim of rescission, set-off, counterclaim or defense on the part of the related Obligor;

(oo) the related Obligor on such loan is (i) a business entity (and not a natural person) duly organized and validly existing under the laws of its jurisdiction of organization or formation, (ii) a legal operating entity or holding company, (iii) not a Governmental Authority and (iv) to the best knowledge of any Responsible Officer of the Borrower or the Collateral Manager, not in financial distress and has not experienced a material adverse change in its condition (financial or otherwise);

(pp) does not contain confidentiality restrictions that would prohibit the Administrative Agent, the Collateral Agent or the Lenders from accessing or receiving all material obligor information with regards to such loan (subject to customary confidentiality provisions);

(qq) is not subject to and will not result in any tax, fee or governmental charge payable by the Borrower or any other person to any federal, state or local government unless the obligor thereon is required under the terms of the related underlying loan documents to make “gross up” payments that cover the full amount of such withholding tax on an after tax basis;

(rr) requires the related Obligor to comply with one or more Maintenance Covenants (solely to the extent set forth in the Underlying Loan Agreement on the date such loan is acquired by the Borrower, as such Underlying Loan Agreement may be amended in accordance with this Agreement); and

(ss) the Loan File and audited financial statements related to such loan have been delivered to the Custodian and Administrative Agent.

“Environmental Laws” means any and all foreign, federal, state and local laws, statutes, ordinances, rules, regulations, permits, licenses, approvals, interpretations and orders of courts or any other governmental entity, relating to the protection of human health or the environment, including requirements pertaining to the manufacture, processing, distribution, use, treatment, storage, disposal, transportation, handling, reporting, licensing, permitting, investigation or remediation of Hazardous Materials. Environmental Laws include the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9601 *et seq.*), the Hazardous Material Transportation Act (49 U.S.C. § 331 *et seq.*), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 *et seq.*), the Federal Water Pollution Control Act (33 U.S.C. § 1251 *et seq.*), the Clean Air Act (42 U.S.C. § 7401 *et seq.*), the Toxic Substances Control Act (15 U.S.C. § 2601 *et seq.*), the Safe Drinking Water Act (42 U.S.C. § 300, *et seq.*), the Environmental Protection Agency’s regulations relating to underground storage tanks (40 C.F.R. Parts 280 and 281), and the Occupational Safety and Health Act (29 U.S.C. § 651 *et seq.*), and the rules and regulations thereunder.

“Equity Coverage Amount” means, at any date of determination, for all Eligible Loans owned by the Borrower on such date, the product of (a) the sum of (i) 100% *minus* (ii) the Effective Advance Rate *minus* (iii) 10% *multiplied by* (b) the Aggregate Original Asset Value.

“Equity Coverage Deficiency” means, as of any date of determination, an amount equal to the positive difference, if any, of (a) the Equity Coverage Amount on such date *minus* (b) the Net Equity Amount on such date.

“Equity Coverage Test” means a test that will be satisfied if at any date of determination no Equity Coverage Deficiency exists.

“Equityholder” has the meaning assigned to such term in the introduction to this Agreement.

“Equityholder Collateral Loan” means each Collateral Loan sold and/or contributed by the Equityholder to the Borrower pursuant to the Sale Agreement.

“Equityholder Purchased Loan Balance” means, as of any date of determination, an amount equal to (a) the aggregate Principal Balance of all Equityholder Collateral Obligations acquired by the Borrower prior to such date minus (b) the aggregate Principal Balance of all Equityholder Collateral Obligations (other than Warranty Collateral Obligations) repurchased by the Equityholder or an Affiliate thereof prior to such date.

“Equity Security” means any stock or similar security, certificate of interest or participation in any profit sharing agreement, reorganization certificate or subscription, transferable share, voting trust certificate or certificate of deposit for an equity security, limited partnership interest, interest in a joint venture, or certificate of interest in a business trust; any security future on any such security; or any security convertible, with or without consideration into such a security, or carrying any warrant (other than a detachable warrant) or right to subscribe to or purchase such a security; or any such warrant or right.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated and rulings issued thereunder.

“ERISA Event” means (a) any “reportable event,” as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the thirty (30) day notice requirement is waived); (b) the failure with respect to any Plan to satisfy the “minimum funding standard” (as defined in Section 412 of the Code or Section 302 of ERISA); (c) the filing pursuant to Section 412(c) of the Code or Section 302 of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) a determination that any Plan is, or is expected to be, in “at risk” status (as defined in Section 430 of the Code or Section 303 of ERISA); (e) the incurrence by the Borrower or any member of its ERISA Group of any liability under Title IV of ERISA with respect to the termination of any Plan; (f) (i) the receipt by the Borrower or any member of its ERISA Group from the PBGC of a notice of determination that the PBGC intends to seek termination of any Plan or to have a trustee appointed for any Plan, or (ii) the filing by the Borrower or any member of its ERISA Group of a notice of intent to terminate any Plan; (g) the incurrence by the Borrower or any member of its ERISA Group of any liability (i) with respect to a Plan pursuant to Sections 4063 and 4064 of ERISA, (ii) with respect to a facility closing pursuant to Section 4062(e) of ERISA, or (iii) with respect to the withdrawal or partial withdrawal from any Multiemployer Plan; (h) the receipt by the Borrower or any member of its ERISA Group of any notice concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, in endangered status or critical status, within the meaning of Section 432 of the Code or Section 305 of ERISA or is or is expected to be insolvent or in reorganization, within the meaning of Title IV of ERISA; or (i) the failure of the Borrower or any member of its ERISA Group to make any required contribution to a Multiemployer Plan.

“ERISA Group” means each controlled group of corporations or trades or businesses (whether or not incorporated) under common control that is treated as a single employer under Section 414(b), (c), (m) or (o) of the Code with the Borrower.

“Errors” has the meaning assigned to such term in Section 14.07(e).

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“Eurocurrency Liabilities” is defined in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

“Eurodollar Disruption Event” means the occurrence of any of the following: (a) any Lender shall have notified the Administrative Agent of a determination by such Lender that it would be contrary to Law or to the directive of any central bank or other governmental authority (whether or not having the force of law) to obtain Dollars in the London interbank market to fund any Advance, (b) the Collateral Agent shall have notified the Administrative Agent, the Borrower and each Lender of the inability, for any reason, to determine the Adjusted Eurodollar Rate, (c) the Required Lenders shall have notified the Administrative Agent of a determination by such Lenders that the rate at which deposits of Dollars are being offered to such Lenders in the London interbank market does not accurately reflect the cost to such Lenders of making, funding or maintaining any Advance or (d) any Lender shall have notified the Administrative Agent of the inability of such Lender to obtain Dollars in the London interbank market to make, fund or maintain any Advance.

“Eurodollar Reserve Percentage” means, for any period, the percentage, if any, applicable during such period (or, if more than one such percentage shall be so applicable, the daily average of such percentages for those days in such period during which any such percentage shall be so applicable) under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including any basic, emergency, supplemental, marginal or other reserve requirements) with respect to liabilities or assets consisting of or including Eurocurrency Liabilities having a term of one month.

“Event of Default” means the occurrence of any of the events, acts or circumstances set forth in Section 6.01.

“Exchange Act” means the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder, all as from time to time in effect, or any successor law, rules or regulations, and any reference to any statutory or regulatory provision shall be deemed to be a reference to any successor statutory or regulatory provision.

“Excluded Amounts” means any amounts received in the Collection Account with respect to any Collateral, which amounts are attributable to (i) the reimbursement by the related Obligor of payment of out-of-pocket expenses by the Collateral Manager or the Equityholder on behalf of the Borrower or (ii) amounts deposited into the Collection Account in error; provided, that any such amounts shall be Excluded Amounts only to the extent that such amounts (x) are in excess of the principal and interest then due in respect of such Collateral, except with respect to the amounts described in clause (ii) of this definition and (y) were required to be paid by the related Obligor pursuant to a specific provision of the Related Documents with respect to such Collateral.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Secured Party or required to be withheld or deducted from a payment to a Secured Party (a) Taxes imposed on or measured by net income (however denominated), or that are franchise Taxes or branch profits Taxes, in each case, (i) imposed by the jurisdiction (or any political subdivision thereof) under the laws of which such Secured Party is organized or in which its principal office is located, or in the case of any Lender, in which its applicable lending office is located or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Commitment pursuant to a Law in effect on the date on which (i) such Lender acquires such interest in the Commitment (other than pursuant to an assignment request by the Borrower under Sections 2.16 or 12.03(h)) or (ii) such Lender designates a new lending office (a “New Lending Office”), except in each case to the extent that, pursuant to Section 12.03, amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Secured Party’s failure to comply with Section 12.03(g), and (d) U.S. federal withholding Taxes imposed by FATCA.

“Facility Amount” means (a) on the Closing Date, \$95,193,112 and (b) following the Closing Date, the outstanding principal balance of all the Advances.

“Facility Documents” means this Agreement, the Notes, the Account Control Agreement, the Collateral Administration Agreement, the Collateral Agent Fee Letter, the Sale Agreement and any other security agreements and other instruments entered into or delivered by or on behalf of the Borrower pursuant to Section 5.01(c) to create, perfect or otherwise evidence the Collateral Agent’s security interest in the Collateral.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended versions of Sections 1471 through 1474 of the Code that are substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any intergovernmental agreements and any rules or guidance entered into in connection with the implementation of such Sections.

“Federal Funds Rate” means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by it; provided that, if at any time a Lender is borrowing overnight funds from a Federal Reserve Bank that day, the Federal Funds Rate for such Lender for such day shall be the average rate per annum at which such overnight borrowings are made on that day as promptly reported by such Lender to the Borrower and the Agents in writing. Each determination of the Federal Funds Rate by a Lender pursuant to the foregoing proviso shall be conclusive and binding except in the case of manifest error.

“Final Maturity Date” means the earliest to occur of (a) the Business Day designated by the Borrower as the Final Maturity Date upon not less than ten (10) Business Days’ prior written notice to the Administrative Agent, the Collateral Agent, the Lenders, the Custodian and the Collateral Administrator, (b) June 21, 2020, and (c) the date on which the Administrative Agent provides notice of the declaration of the Final Maturity Date after the occurrence of an Event of Default.

“Final Order” means an order, judgment, decree or ruling the operation or effect of which has not been stayed, reversed or amended and as to which order, judgment, decree or ruling (or any revision, modification or amendment thereof) the time to appeal or to seek review or rehearing has expired and as to which no appeal or petition for review or rehearing was filed or, if filed, remains pending.

“Financial Asset” has the meaning specified in Section 8-102(a)(9) of the UCC.

“Firm Bid” means with respect to any Collateral Loan, a good and irrevocable bid for value, to purchase the par amount of such Collateral Loan, expressed as a percentage of the par amount of such Collateral Loan and exclusive of accrued interest and premium, for scheduled settlement substantially in accordance with the then-current market practice in the principal market for such Collateral Loan, as determined by the Administrative Agent, submitted as of 11:00 a.m. (New York time) or as soon as practicable thereafter. The Administrative Agent shall be entitled to disregard any Firm Bid submitted by a broker-dealer (a) if, in the Administrative Agent’s commercially reasonable judgment, (i) such broker-dealer may be ineligible to accept assignment or transfer of the par amount of such Collateral Loan substantially in accordance with the then-current market practice in the principal market for such Collateral Loan, as determined by the Administrative Agent, or (ii) such broker-dealer would not, through the exercise of its commercially reasonable efforts, be able to obtain any consent required under the Related Documents for such Collateral Loan to the assignment or transfer to such broker-dealer of the par amount of such Collateral Loan or (b) if the Administrative Agent determines that such Firm Bid is not bona fide, including, without limitation, due to (i) the insolvency of the bidder, (ii) the inability, failure or refusal of the bidder to settle the purchase of the par amount of such Collateral Loan or otherwise settle transactions in the relevant market or perform its obligations generally or (iii) the Administrative Agent not having pre-approved trading lines with the broker-dealer that would permit settlement of the sale to such broker-dealer of the par amount of such Collateral Loan.

“First Lien Obligation” means any loan (and not a bond or similar security) that meets the following criteria:

- (i) is not (and is not expressly permitted by its terms to become) subordinate in right of payment to any other obligation for borrowed money of the Obligor of such loan;
- (ii) is secured by a valid first priority (subject to customary permitted liens) perfected Lien in, to or on specified collateral securing the Obligor’s obligations under such loan (whether or not such loan is also secured by any lower priority Lien on other collateral and whether or not a separate loan is secured by a first lien on separate collateral);
- (iii) is secured, pursuant to such first priority perfected Lien, by collateral having a value (determined as set forth below) not less than the outstanding principal balance of such loan *plus* the aggregate outstanding principal balances of all other loans of equal seniority secured by a first Lien in the same collateral; and
- (iv) is not a loan which is secured solely or primarily by the common stock of its Obligor or any of its Affiliates.

The determination as to whether clause (iii) of this definition is satisfied shall be based on the Collateral Manager’s judgment at the time the loan is acquired by the Borrower (which value may include an assessment of the Obligor’s cash flow, enterprise value, general financial condition and other attributes). The limitation set forth in clause (iv) above shall not apply with respect to a loan made to a parent entity that is secured solely or primarily by the stock of one or more of the subsidiaries of such parent entity to the extent that the granting by any such subsidiary of a Lien on its own property would (1) in the case of a subsidiary that is not part of the same consolidated group as such parent entity for U.S. Federal income tax purposes, result in a deemed dividend by such subsidiary to such parent entity for such tax purposes, (2) violate Law applicable to such subsidiary (whether the obligation secured is such loan or any other similar type of indebtedness owing to third parties) or (3) cause such subsidiary to suffer adverse economic consequences under capital adequacy or other similar rules, in each case, so long as (x) the Related Documents limit the incurrence of indebtedness by such subsidiary and (y) the aggregate amount of all such indebtedness is not material relative to the aggregate value of the assets of such subsidiary.

“Fundamental Amendment” means any amendment, modification, waiver or supplement (as determined by the Administrative Agent) of or to this Agreement that would (a) reinstate the Commitments after such Commitments are terminated on the Closing Date in accordance with Section 2.06 or change the Final Maturity Date, (b) extend the date fixed for the payment of principal of or interest on any Advance or any fee hereunder, (c) reduce the amount of any such payment of principal, (d) reduce the rate at which Interest is payable thereon or any fee is payable hereunder, (e) release any material portion of the Collateral, except in connection with dispositions expressly permitted hereunder, (f) alter the terms of Section 9.01 or Section 12.01(b), or (g) modify the definition of the term “Required Lenders” or modify in any other manner the number or percentage of the Lenders required to make any determinations or waive any rights hereunder or to modify any provision hereof.

“GAAP” means generally accepted accounting principles in effect from time to time in the United States.

“Governmental Authority” means any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, administrative tribunal, central bank, public office, court, arbitration or mediation panel, or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of government, including the SEC, the stock exchanges, any federal, state, territorial, county, municipal or other government or governmental agency, arbitrator, board, body, branch, bureau, commission, court, department, instrumentality, master, mediator, panel, referee, system or other political unit or subdivision or other entity of any of the foregoing, whether domestic or foreign.

“Governmental Authorizations” means all franchises, permits, licenses, approvals, consents and other authorizations of all Governmental Authorities.

“Governmental Filings” means all filings, including franchise and similar tax filings, and the payment of all fees, assessments, interests and penalties associated with such filings with all Governmental Authorities.

“Hazardous Materials” means all materials subject to any Environmental Law, including materials listed in 49 C.F.R. § 172.101, materials defined as hazardous pursuant to § 101(14) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, flammable, explosive or radioactive materials, hazardous or toxic wastes or substances, lead based materials, petroleum or petroleum distillates or asbestos or material containing asbestos, polychlorinated biphenyls, radon gas, urea formaldehyde and any substances classified as being “in inventory”, “usable work in process” or similar classification that would, if classified as unusable, be included in the foregoing definition.

“Indemnified Party” has the meaning assigned to such term in Section 12.04(b).

“Independent Accountants” has the meaning assigned to such term in Section 8.10(a).

“Independent Manager” means a manager of the Borrower who (a) is an employee of, or is a special purpose corporation which is an Affiliate of or is operated by, employees of, or is otherwise provided by, any one of CT Corporation, Citadel SPV, Maples Fiduciary Services, Corporation Service Company, Puglisi & Associates, National Registered Agents, Inc., Wilmington Trust Company, Lord Securities Corporation, The Corporation Trust Company, or an Affiliate thereof, or, if none of those companies is then providing professional independent directors or managers, another nationally-recognized company, in each case that is not an Affiliate of the Borrower and that provides professional independent directors or managers and other corporate services in the ordinary course of its business; (b) in the case of any natural person, has (i) prior experience as an independent director for a corporation, or as an independent director or independent manager or independent trustee for a limited liability company or trust, whose organizational documents required the unanimous consent of all independent directors (or independent managers or independent trustees) thereof before such corporation or limited liability company or trust could consent to the institution of bankruptcy or insolvency proceedings against it or could file a petition seeking relief under any applicable federal or state law relating to bankruptcy, and (ii) at least three years of employment experience with one or more entities that provide, in the ordinary course of their respective businesses, advisory, management or placement services to issuers of securitization or structured finance instruments, agreements or securities; and (c) in the case of any natural person, is not, and has not been for a period of five (5) years prior to his or her appointment as an Independent Manager: (i) a stockholder (whether direct, indirect or beneficial), director, member, manager, officer, employee, or partner, of (A) the Collateral Manager, (B) the Equityholder, (C) any principal of the Equityholder or the Collateral Manager, or (D) any Affiliate of the Equityholder or the Collateral Manager, (ii) a spouse, parent, sibling or child of any Person referred to in clause (i) above, (iii) an individual or other Person controlling or under common control with any such stockholder, director, member, manager, officer, employee, or partner; provided, however, such Independent Manager may be an independent director, independent trustee or independent manager of another special purpose entity affiliated with the Equityholder or the Collateral Manager.

“Ineligible Collateral Loan” means, at any time, a loan or other obligation, or any portion thereof, that fails to satisfy any criteria of the definition of “Eligible Loan” giving effect to the proviso in the introductory language to the definition of “Eligible Loan”.

“Initial Advance Rate” means 42.5%.

“Insolvency Event” means, with respect to a specified Person, (a) the filing of a decree or order for relief by a court having jurisdiction in the premises in respect of such Person or any substantial part of its property in an involuntary case under the Bankruptcy Code or any other applicable insolvency law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or ordering the winding-up or liquidation of such Person’s affairs, and such decree or order shall remain unstayed and in effect for a period of sixty (60) consecutive days; or (b) the commencement by such Person of a voluntary case under the Bankruptcy Code or any other applicable insolvency law now or hereafter in effect, or the consent by such Person to the entry of an order for relief in an involuntary case under any such law, or the consent by such Person to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or the making by such Person of any general assignment for the benefit of creditors, or the failure by such Person generally to pay its debts as such debts become due, or the taking of action by such Person in furtherance of any of the foregoing.

“Instrument” has the meaning specified in Section 9-102(a)(47) of the UCC.

“Interest” means, for each day during an Interest Accrual Period and each Advance outstanding by a Lender on such day, the sum of the products (for each day during such Interest Accrual Period) of:

$$IR \times P \times \frac{1}{D}$$

where:

- IR = the Interest Rate for such Advance on such day;
- P = the principal amount of such Advance on such day; and
- D = 360 days.

“Interest Accrual Period” means (a) with respect to the first Payment Date, the period from and including the Closing Date to and including the last day of the calendar month preceding the first Payment Date, and (b) with respect to any subsequent Payment Date, the period commencing on the first day of the calendar month in which the preceding Payment Date occurred and ending on the last day of the calendar month immediately preceding the month in which such Payment Date occurs; provided, that the final Interest Accrual Period hereunder shall end on and include the day prior to the Payment in Full of the Advances hereunder.

“Interest Collection Subaccount” has the meaning specified in Section 8.02(a).

“Interest Proceeds” means, with respect to any Collection Period or the related Determination Date, without duplication, the sum of:

(a) all payments of interest and other income received by the Borrower during such Collection Period on the Collateral Loans (including interest and other income received on Ineligible Collateral Loans and the accrued interest received in connection with a sale of any such Collateral Loan during such Collection Period);

(b) all principal and interest payments received by the Borrower during such Collection Period on Eligible Investments purchased with proceeds received pursuant to clauses (a), (b) and (c) of this definition; and all interest payments received by the Borrower during such Collection Period on Eligible Investments purchased with Principal Proceeds or amounts credited to the Unfunded Reserve Account;

(c) all amendment and waiver fees, late payment fees (including compensation for delayed settlement or trades), and all protection fees and other fees and commissions received by the Borrower during such Collection Period unless the Collateral Manager has determined in its sole discretion that such payments are to be treated as Principal Proceeds; and

(d) commitment fees, facility fees, anniversary fees, ticking fees and other similar fees received by the Borrower during such Collection Period unless the Collateral Manager has determined in its sole discretion that such payments are to be treated as Principal Proceeds;

provided that:

(i) as to any Defaulted Collateral Loan (and only so long as it remains a Defaulted Collateral Loan), any amounts received in respect thereof will constitute Principal Proceeds (and not Interest Proceeds) until the aggregate of all Collections in respect thereof since it became a Defaulted Collateral Loan equals the outstanding principal balance of such Defaulted Collateral Loan at the time as of which it became a Defaulted Collateral Loan and all amounts received in excess thereof will constitute Interest Proceeds; and

(ii) all payments received in respect of Equity Securities will constitute Principal Proceeds.

“Interest Rate” means, for any Interest Accrual Period and for each Advance outstanding by a Lender for each day during such Interest Accrual Period, an interest rate *per annum* equal to (a) if a Eurodollar Disruption Event has occurred and is continuing or an Event of Default has occurred (and has not otherwise been waived by the Lenders pursuant to the terms hereof), the Base Rate *plus* the Applicable Margin, or (b) in all other cases, the Adjusted Eurodollar Rate *plus* the Applicable Margin.

“Interim Order” means an order, judgment, decree or ruling entered after notice and a hearing conducted in accordance with Bankruptcy Rule 4001(c) granting interim authorization, the operation or effect of which has not been stayed, reversed or amended.

“Investment Advisory Agreement” means the Investment Advisory Agreement dated July 1, 2011, between the Equityholder and the Adviser, as amended, supplemented or restated from time to time.

“Investment Company Act” means the Investment Company Act of 1940 and the rules and regulations promulgated thereunder.

“Key Individuals” means each of Jonathan H. Cohen, Saul B. Rosenthal, Debdeep Maji, Kevin Yonon, Darryl Monasebian and such other employee or employees of the Collateral Manager or an Affiliate thereof proposed, from time to time, by the Collateral Manager and reasonably acceptable to the Administrative Agent.

“Law” means any action, code, consent decree, constitution, decree, directive, enactment, finding, guideline, law, injunction, interpretation, judgment, order, ordinance, policy statement, proclamation, promulgation, regulation, requirement, rule, rule of law, treaty, rule of public policy, settlement agreement, statute, or writ, of any Governmental Authority, or any particular section, part or provision thereof.

“Lender” means each Person listed on Schedule 1 and any other Person that shall have become a party hereto in accordance with the terms hereof pursuant to an Assignment and Acceptance, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Acceptance.

“Liabilities” means all liabilities, obligations, losses, claims, damages, penalties, actions, judgments, suits, costs, expenses (including reasonable and documented out-of-pocket attorneys’ fees and expenses) and disbursements of any kind or nature whatsoever, whether or not incurred in a suit or proceeding brought by the Borrower, the Collateral Manager, the Equityholder or any third party.

“LIBOR Rate” means, for any Interest Accrual Period, (i) with respect to any Advance made or outstanding on the first day of an Interest Accrual Period, a rate per annum equal to the ICE Benchmark Administration Limited LIBOR Rate (“ICE LIBOR”), as published by Reuters (or another commercially available source providing quotations of ICE LIBOR as designated by Administrative Agent from time to time) at approximately 11:00 a.m. (London time) two (2) Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to three (3) months and (ii) with respect to any Advance not made or outstanding on the first day of an Interest Accrual Period, the rate per annum equal to ICE LIBOR, as published by Reuters (or another commercially available source providing quotations of ICE LIBOR as designated by Administrative Agent from time to time) at approximately 11:00 a.m. (London time) two (2) Business Days prior to the date on which such Advance is made, for Dollar deposits (for delivery on the date on which such Advance is made) with a term equivalent to three (3) months; provided that, if no such rate is published by Reuters (or another commercially available source providing quotations of ICE LIBOR as designated by Administrative Agent from time to time), the LIBOR Rate shall be the rate per annum determined by the Administrative Agent using the average of the rates for London interbank deposits for a three (3) month period in United States dollars at approximately 11:00 a.m. (London time) on the applicable rate setting day to prime banks in the London interbank market. If the LIBOR Rate is less than zero percent then the LIBOR Rate shall be deemed to equal zero percent for all purposes of this Agreement.

“Lien” means any mortgage, pledge, hypothecation, assignment, encumbrance, lien or security interest (statutory or other), or preference, priority or other security agreement, charge or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing authorized by the Borrower of any financing statement under the UCC or comparable law of any jurisdiction).

“Loan File” means, with respect to each Collateral Loan delivered to the Custodian, each of the Required Loan Documents in original or copy as identified on the related Document Checklist and any other document delivered in connection therewith.

“London Banking Day” means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London, England.

“Losses” has the meaning assigned to such term in Section 13.09(d)(i).

“Maintenance Covenant” means a covenant by any Obligor to comply with one or more financial covenants during each reporting period (but not more frequently than quarterly), whether or not such Obligor has taken any specified action.

“Mandatory Amortization Amount” means, with respect to the applicable Payment Dates set forth below and regardless of whether sufficient funds are on deposit in the applicable Collection Account in respect of such Payment Date, an amount sufficient to reduce Advances Outstanding as of such Payment Date to an amount equal to the percentage of Advances Outstanding as of (and immediately after giving effect to the making of the Advances on) the Closing Date set forth opposite such Payment Date.

<u>Payment Date</u>	<u>Percent of Advances Outstanding as of the Closing Date</u>
Payment Date occurring on June 21, 2019	85.00%
Each Payment Date occurring thereafter	(a) 85.00% minus (b) number of Payment Dates after one-year anniversary of the Closing Date multiplied times 6.25%
Final Maturity Date	0%

“Margin Stock” has the meaning assigned to such term in Regulation U.

“Material Adverse Effect” means a material adverse effect on (a) the business, assets, financial condition or operations of the Borrower, (b) the business, assets, financial condition or operations of the Collateral Manager, (c) the validity or enforceability of this Agreement or any other Facility Document or the validity, enforceability or collectability of the Collateral Loans or the Related Documents generally or any material portion of the Collateral Loans or the Related Documents, (d) the rights and remedies of the Administrative Agent, the Lenders and the other Secured Parties with respect to matters arising under this Agreement or any other Facility Document, (e) the ability of each of the Borrower or the Collateral Manager to perform its obligations under any Facility Document to which it is a party or (f) the status, existence, perfection, priority or enforceability of the Collateral Agent’s Lien on the Collateral (excluding in any case a decline in the asset value of the Borrower or a change in general market conditions or values of the loans and investments held by the Borrower).

“Material Modification” means, with respect to any Collateral Loan, any amendment, waiver, consent or modification of a Related Document with respect thereto executed or effected after the date on which such Collateral Loan is acquired by the Borrower, that:

(a) reduces or waives one or more cash interest payments, reduces the frequency of cash interest payments, or permits any interest due with respect to such Collateral Loan in cash to be deferred or capitalized and added to the principal amount of such Collateral Loan (other than any deferral or capitalization already expressly permitted by the terms of its underlying instruments as of the date such Collateral Loan was acquired by the Borrower);

(b) contractually or structurally subordinates such Collateral Loan by operation of a priority of payments, turnover provisions or the transfer of assets in order to limit recourse to the related Obligor or releases any material guarantor or co-Obligor from its obligations with respect thereto;

(c) substitutes or releases the underlying assets securing such Collateral Loan (other than as expressly permitted by the Related Documents as of the date such Collateral Loan was acquired by the Borrower), and such substitution or release materially and adversely affects the value of such Collateral Loan (as determined in the sole, reasonable discretion of the Administrative Agent);

(d) waives, extends or postpones any date fixed for any scheduled payment or mandatory prepayment of principal on such Collateral Loan; or

(e) reduces or forgives any principal amount of such Collateral Loan;

(f) delays or extends the maturity date of such Collateral Loan;

(g) results in any materially less financial information in respect of reporting frequency and scope being provided with respect to the related Obligor or reduces the frequency or total number of any appraisals required thereunder that, in each case, has an effect on the ability of the Collateral Manager or the Administrative Agent (as determined by the Administrative Agent in its reasonable discretion) to make any determinations or calculations required or permitted hereunder;

(h) amends, waives or modifies in any material respect any Maintenance Covenant applicable to such Collateral Loan or any related definition or component thereof; or

(i) causes such Collateral Loan to cease to be an Eligible Loan.

“Measurement Date” means (a) the Closing Date, (b) the date on which a Collateral Loan is disposed of by the Borrower, (c) each Monthly Report Determination Date, (d) the date that the Asset Value of any Collateral Loan is adjusted, (e) each other date of determination on which the Borrowing Base is calculated and (f) any other date reasonably requested by the Borrower or the Administrative Agent.

“Minimum Equity Amount” means, at any time, the greater of (a) \$15,000,000 and (b) the aggregate Original Asset Values of the four (4) largest Eligible Loans (it being understood that multiple Eligible Loans to the same Obligor and its Affiliates shall be treated as a single exposure).

“Money” has the meaning specified in Section 1-201(24) of the UCC.

“Monthly Report” has the meaning specified in Section 8.08(a).

“Monthly Report Determination Date” has the meaning specified in Section 8.08(a).

“Monthly Reporting Date” has the meaning specified in Section 8.08(a).

“Moody’s” means Moody’s Investors Service, Inc., together with its successors.

“Moody’s Rating” means, with respect to any Collateral Loan, as of any date of determination:

(a) if such Collateral Loan has a monitored rating, an unpublished monitored rating expressly assigned to a debt obligation (or facility), or a monitored estimated rating expressly assigned to a debt obligation (or facility) by Moody’s that addresses the full amount of the principal interest promised, such rating;

(b) if the foregoing paragraph is not applicable, then, if the related Obligor has a corporate family rating by Moody’s, the rating specified in the applicable row of the table below under “Relevant Rating” opposite the row in the table below that describes such Collateral Loan:

<u>Collateral Loan</u>	<u>Relevant Rating</u>
The Collateral Loan is a secured obligation, but is not a Second Lien Obligation and is not subordinate	The rating by Moody’s that is one rating subcategory above such corporate family rating
The Collateral Loan is an unsecured obligation or is a Second Lien Obligation, but is not subordinate	The rating by Moody’s that is one rating subcategory below such corporate family rating
The Collateral Loan is subordinate	The rating by Moody’s that is two rating subcategories below such corporate family rating

(c) if the foregoing paragraphs are not applicable, but there is a rating by Moody’s on a secured obligation of the Obligor that is not a Second Lien Obligation and is not subordinate (the “other obligation”), the rating specified in the applicable row of the table below under “Relevant Rating” opposite the row in the table below that describes such Collateral Loan:

Collateral Loan	Relevant Rating
The Collateral Loan is a secured obligation, but is not a Second Lien Obligation and is not subordinate	The rating assigned by Moody’s to the other obligation
The Collateral Loan is an unsecured obligation or is a Second Lien Obligation, but is not subordinate	The rating by Moody’s that is one rating subcategory below the rating assigned by Moody’s to the other obligation
The Collateral Loan is subordinate	The rating by Moody’s that is two rating subcategories below the rating assigned by Moody’s to the other obligation

(d) if the foregoing paragraphs are not applicable, but there is a rating by Moody’s on an unsecured obligation of the Obligor (or, failing that, an obligation that is a Second Lien Obligation) but is not subordinate (the “other obligation”), the rating specified in the applicable row of the table below under “Relevant Rating” opposite the row in the table below that describes such Collateral Loan:

Collateral Loan	Relevant Rating
The Collateral Loan is a secured obligation, but is not a Second Lien Obligation and is not subordinate	The rating by Moody’s that is one rating subcategory above the rating assigned by Moody’s to the other obligation
The Collateral Loan is an unsecured obligation or is a Second Lien Obligation, but is not subordinate	The rating assigned by Moody’s to the other obligation
The Collateral Loan is subordinate	The rating by Moody’s that is one rating subcategory below the rating assigned by Moody’s to the other obligation

(e) if the foregoing paragraphs are not applicable, but there is a rating by Moody’s on an obligation of the Obligor that is subordinate (the “other obligation”), the rating specified in the applicable row of the table below under “Relevant Rating” opposite the row in the table below that describes such Collateral Loan:

Collateral Loan	Relevant Rating
The Collateral Loan is a secured obligation, but is not a Second Lien Obligation and is not subordinate	The rating by Moody's that is two rating subcategories above the rating assigned by Moody's to the other obligation
The Collateral Loan is an unsecured obligation or is a Second Lien Obligation, but is not subordinate	The rating by Moody's that is one rating subcategory above the rating assigned by Moody's to the other obligation
The Collateral Loan is subordinate	The rating assigned by Moody's to the other obligation

(f) if a rating cannot be assigned pursuant to clauses (a) through (e), the Moody's Rating may be determined using any of the methods below:

(1) for up to 5% of the Aggregate Original Asset Value, the Borrower may apply to Moody's for a shadow rating or public rating of such Collateral Loan, which shall then be the Moody's Rating (and the Borrower may deem the Moody's Rating of such Collateral Loan to be "B3" pending receipt of such shadow rating or public rating, as the case may be); provided that (x) a Collateral Loan will not be included in the 5% limit of the Aggregate Original Asset Value if the Borrower has assigned a rating to such Collateral Loan in accordance with clause (2) below and (y) upon receipt of a shadow rating or public rating, as the case may be, such Collateral Loan will not be included in the 5% limit of the Aggregate Original Asset Value; or

(2) for up to 5% of the Aggregate Original Asset Value, if there is a rating of an obligor that has been provided by S&P to the Administrative Agent and the Borrower, the Borrower may impute a Moody's Rating that corresponds to such rating; provided that a Collateral Loan will not be included in the 5% limit of the Aggregate Original Asset Value if the Borrower has applied to Moody's for a shadow rating.

For purposes of this Agreement, a "private rating" shall refer to a rating obtained by the Administrative Agent, by the Borrower or by or on behalf of an obligor on a Collateral Loan that is not disseminated publicly; whereas a "shadow rating" shall refer to a credit estimate obtained (i) upon application of the Borrower or a holder of a Collateral Loan or (ii) from the proper use of the RiskCalc Plus probability of default model most recently made available by Moody's. Any private rating or shadow rating shall be required to be refreshed annually. If the Borrower applies to Moody's for a shadow rating or public rating of a Collateral Loan, the Borrower shall provide evidence to the Administrative Agent of such application and shall notify the Administrative Agent of the expected rating. The Borrower shall notify the Administrative Agent of the shadow rating or public rating assigned by Moody's to a Collateral Loan.

"Multiemployer Plan" means an employee pension benefit plan within the meaning of Section 4001 (a)(3) of ERISA that is sponsored by the Borrower or a member of its ERISA Group or to which the Borrower or a member of its ERISA Group is obligated to make contributions or has any liability.

"Net Equity Amount" means, as of any date of determination, an amount equal to the sum of (a) the Asset Values of all Eligible Loans held by the Borrower at such time, *plus* (b) the aggregate amount of Cash and Eligible Investments then on deposit in the Principal Collection Subaccount, *plus* (c) the aggregate amount of Cash and Eligible Investments then on deposit in the Cash Diversion Reserve Account, *minus* (d) the sum of (x) the Advances Outstanding at such time *plus* (y) all other Obligations due and owing at such time.

“New Lending Office” has the meaning assigned to such term in the definition of “Excluded Taxes”.

“Non-Excluded Taxes” means (a) all Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Facility Document and (b) to the extent not otherwise described in (a), Other Taxes.

“Non-U.S. Lender” has the meaning assigned to such term in Section 12.03(g).

“Note” means each promissory note, if any, issued by the Borrower to a Lender in accordance with the provisions of Section 2.03, substantially in the form of Exhibit D hereto.

“Noteless Loan” means a Collateral Loan with respect to which (a) the related loan agreement does not require the Obligor to execute and deliver an Underlying Note to evidence the indebtedness created under such Collateral Loan and (b) no Underlying Notes issued to the Borrower are outstanding with respect to the portion of the Collateral Loan transferred to the Borrower.

“Notice of Borrowing” has the meaning assigned to such term in Section 2.02.

“Notice of Prepayment” has the meaning assigned to such term in Section 2.05.

“Obligations” means all indebtedness, whether absolute, fixed or contingent, at any time or from time to time owing by the Borrower to any Secured Party or any Affected Person under or in connection with this Agreement, the Notes or any other Facility Document, including all amounts payable by the Borrower in respect of the Advances, with interest thereon, and all other amounts payable hereunder or thereunder by the Borrower.

“Obligor” means, in respect of any Collateral Loan, the Person primarily obligated to pay Collections in respect of such Collateral Loan, including any applicable guarantors; provided that, in the case of any Closing Date Participation Interest, the Obligor thereunder shall be deemed to be the underlying obligor in respect of the Collateral Loan that is subject of such Closing Date Participation Interest.

“OFAC” has the meaning assigned to such term in Section 4.01(f).

“Original Asset Value” means, for each Collateral Loan included in the Collateral, the product of (i) the Purchase Price paid by the Borrower for such Collateral Loan times (ii) the Principal Balance of such Collateral Loan on the date such Collateral Loan is acquired by the Borrower.

“Other Connection Taxes” means, in the case of any Secured Party, any Taxes imposed by any jurisdiction by reason of such Secured Party having any present or former connection with such jurisdiction (other than a connection arising solely from such Secured Party having executed, delivered, become a party to, performed its obligations under, received any payment under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced its rights under this Agreement, the Notes or any other Facility Document or sold or assigned an interest in any Collateral Loan or Facility Document).

“Other Taxes” has the meaning assigned to such term in Section 12.03(c).

“Paid in Full,” “Pay in Full” or “Payment in Full” means, with respect to any Obligations the payment in full in cash of all such Obligations (other than contingent indemnification obligations to the extent no claim giving rise thereto has been asserted).

“Partial PIK Loan” means a Collateral Loan that requires the Obligor to pay only a portion of the accrued and unpaid interest in Cash on a current basis, the remainder of which is deferred and paid later together with interest thereon as a lump sum and is treated as Interest Proceeds at the time it is received; provided that such Collateral Loan shall not constitute a Partial PIK Loan if the portion of such interest required to be paid in Cash pursuant to the terms of the related underlying instruments carries a current Cash pay interest rate of not less than 2.50% *per annum* over LIBOR.

“Participant” means any bank or other Person to whom a participation is sold as permitted by Section 12.06(c).

“Participant Register” has the meaning assigned to such term in Section 12.06(c)(ii).

“Participation Interest” means a participation interest in a loan, debt obligation or other obligation that satisfies each of the following criteria: (i) such loan would constitute a Collateral Loan were it acquired directly, (ii) the seller of the participation is a lender on the loan, (iii) the aggregate participation in the loan does not exceed the principal amount or commitment of such loan, (iv) such participation does not grant, in the aggregate, to the participant in such participation a greater interest than the seller holds in the loan or commitment that is the subject of the participation, (v) the entire purchase price for such participation is paid in full at the time of its acquisition (or, in the case of a participation in a Delayed Drawdown Collateral Loan, at the time of the funding of such loan), and (vi) the participation provides the participant all of the economic benefit and risk of the whole or part of the loan or commitment that is the subject of the loan participation. For the avoidance of doubt, a Participation Interest shall not include a sub-participation interest in any loan.

“PATRIOT Act” has the meaning assigned to such term in Section 4.01(f).

“Payment Account” has the meaning assigned to such term in Section 8.03.

“Payment Date” means the 21st day of March, June, September and December in each year, the first of which shall be September 21, 2018; provided that, if any such day is not a Business Day, then such Payment Date shall be the next succeeding Business Day. The Final Maturity Date shall also be a Payment Date.

“Payment Date Report” has the meaning specified in Section 8.08(b).

“PBGC” means the Pension Benefit Guaranty Corporation, or any successor agency or entity performing substantially the same functions.

“Percentage” of any Lender means, (a) with respect to any Lender party hereto on the date hereof, the percentage set forth opposite such Lender’s name on Schedule 1 hereto, as such amount is reduced by any Assignment and Acceptance entered into by such Lender with an assignee or increased by any Assignment and Acceptance entered into by such Lender with an assignor, or (b) with respect to a Lender that has become a party hereto pursuant to an Assignment and Acceptance, the percentage set forth therein as such Lender’s Percentage, as such amount is reduced by an Assignment and Acceptance entered into between such Lender and an assignee or increased by any Assignment and Acceptance entered into by such Lender with an assignor.

“Permitted Assignee” means (a) a Lender or any of its Affiliates, (b) any Person managed by a Lender or any of its Affiliates or (c) any financial or other institution or fund (other than the Borrower or an Affiliate thereof) acceptable to the Administrative Agent and the Borrower (such consent not to be unreasonably withheld and such consent shall not be required during the existence of an Event of Default).

“Permitted Liens” means any of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding shall have been commenced: (a) Liens created in favor of the Collateral Agent hereunder or under the other Facility Documents for the benefit of the Secured Parties; (b) Liens for state, municipal or other local Taxes if such Taxes shall not at the time be due and payable or if a Person shall currently be contesting the validity thereof in good faith by appropriate proceedings and with respect to which reserves in accordance with GAAP have been provided on the books of such Person; (c) with respect to agented Collateral Loans, security interests, liens and other encumbrances in favor of the lead agent, the collateral agent or the paying agent on behalf of all holders of indebtedness of the related Obligor under the related facility; and (d) any security interests, liens and other rights or encumbrances granted under any governing documents or other agreement between or among or binding upon the Borrower as the holder of equity in an Obligor.

“Permitted Offer” means a tender offer or redemption notice (i) pursuant to the terms of which the offeror offers to acquire a Collateral Loan in exchange for consideration consisting solely of Cash in an amount equal to or greater than the full face amount of such Collateral Loan plus any accrued and unpaid interest and (ii) as to which the Collateral Manager has determined in its reasonable commercial judgment that the offeror has sufficient access to financing to consummate the offer or redemption.

“Permitted Subsidiary” means any subsidiary (a) that meets the then-current general criteria of Moody’s and S&P for bankruptcy remote entities and that includes, in its Constituent Documents, “special purpose” provisions substantially similar to those in the Constituent Documents of the Borrower, and (b) that is formed for the sole purpose of holding any Equity Security in one or more Persons or other assets received in a workout of a Defaulted Collateral Loan or otherwise acquired in connection with a workout of a Collateral Loan.

“Person” means an individual or a corporation (including a business trust), partnership, trust, incorporated or unincorporated association, joint stock company, limited liability company, government (or an agency or political subdivision thereof) or other entity of any kind.

“PIK Loan” means a Collateral Loan (other than a Partial PIK Loan or a Collateral Loan described in the proviso to the definition of “Partial PIK Loan”) that permits the Obligor thereon to defer or capitalize any portion of the accrued interest thereon.

“Plan” means an employee pension benefit plan (other than a Multiemployer Plan) which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code that is sponsored by the Borrower or a member of its ERISA Group or to which the Borrower or a member of its ERISA Group is obligated to make contributions or has any liability.

“Post-Default Rate” means a rate *per annum* equal to the rate of interest otherwise in effect pursuant to this Agreement (or, if no such rate is specified, the Base Rate) *plus 4.25% per annum*.

“Potential Terminated Lender” has the meaning specified in Section 2.16(a).

“Predecessor Collateral Manager Work Product” has the meaning assigned to such term in Section 14.07(e).

“Prepayment Fee” has the meaning assigned to such term in Section 2.12(a).

“Prime Rate” means the rate announced by Citibank from time to time as its prime rate in the United States, such rate to change as and when such designated rate changes. The Prime Rate is not intended to be the lowest rate of interest charged by Citibank in connection with extensions of credit to debtors.

“Principal Balance” means, with respect to any loan, as of any date of determination, the outstanding principal amount of such loan, excluding any capitalized interest; provided that, other than as expressly set forth herein, for all purposes of this Agreement and the other Facility Documents (other than in determining the Asset Value of any Collateral Loan for purposes of calculating the Borrowing Base or compliance with the Borrowing Base Test), in determining the Principal Balance of any Delayed Drawdown Collateral Loan, any unfunded commitments in respect of such Delayed Drawdown Collateral Loan shall be assumed to have been fully funded as of such date of determination.

“Principal Collection Subaccount” has the meaning specified in Section 8.02(a).

“Principal Proceeds” means, with respect to any Collection Period or the related Determination Date, all amounts received by the Borrower during such Collection Period that do not constitute Interest Proceeds or Excluded Amounts, including unapplied proceeds of the Advances and any amounts received by the Borrower as equity contributions (howsoever designated).

“Priority of Payments” has the meaning specified in Section 9.01(a).

“Private Authorizations” means all franchises, permits, licenses, approvals, consents and other authorizations of all Persons (other than Governmental Authorities).

“Proceeds” has, with reference to any asset or property, the meaning assigned to it under Section 9-102(a)(64) of the UCC and, in any event, shall include, but not be limited to, any and all amounts from time to time paid or payable under or in connection with such asset or property.

“Prohibited Transaction” means a transaction described in Section 406(a) of ERISA, that is not exempted by a statutory or administrative or individual exemption granted pursuant to Section 408 of ERISA.

“Proper Instructions” means instructions (including Trade Confirmations) received by the Custodian from the Borrower, or the Collateral Manager on behalf of the Borrower, in any of the following forms acceptable to the Custodian: (a) in writing signed by an Authorized Person (and delivered by hand, by mail, by overnight courier or by telecopier); (b) by electronic mail from an Authorized Person; (c) in tested communication; (d) in a communication utilizing access codes effected between electro mechanical or electronic devices; or (e) such other means as may be agreed upon from time to time by the Custodian and the party giving such instructions.

“Purchase Price” means, with respect to any Collateral Loan, the purchase price paid by the Borrower to purchase such Collateral Loan, which (a) shall be expressed as a percentage of par not to exceed 100% and (b) shall be determined exclusive of accrued interest and premium.

“QIB” has the meaning assigned to such term in Section 12.06(e).

“Qualified Institution” means a depository institution or trust company organized under the laws of the United States of America or any one of the States thereof or the District of Columbia (or any domestic branch of a foreign bank), (a)(i) that has either (A) a long-term unsecured debt rating of “A” or better by S&P and “A2” or better by Moody’s or (B) a short-term unsecured debt rating or certificate of deposit rating of “A-1” or better by S&P or “P-1” or better by Moody’s, (ii) the parent corporation of which has either (A) a long-term unsecured debt rating of “A” or better by S&P and “A2” or better by Moody’s or (B) a short-term unsecured debt rating or certificate of deposit rating of “A-1” or better by S&P and “P-1” or better by Moody’s or (iii) is otherwise acceptable to the Administrative Agent and (b) the deposits of which are insured by the Federal Deposit Insurance Corporation.

“Qualified Purchaser” has the meaning assigned to such term in Section 12.06(e).

“Quarterly Asset Amount” means, for any Payment Date, the arithmetical average of (a) the Aggregate Principal Balance of all Eligible Loans and the cash and the principal balance of any Eligible Investments on deposit in the Principal Collection Subaccount, measured as of the first day of the related Collection Period and (b) the Aggregate Principal Balance of all Eligible Loans and the cash and the principal balance of any Eligible Investments on deposit in the Principal Collection Subaccount, measured as of the related Determination Date.

“Register” has the meaning assigned to such term in Section 12.06(d).

“Regulation T”, “Regulation U”, “Regulation W” and “Regulation X” mean Regulation T, U, W and X, respectively, of the Board of Governors of the Federal Reserve System, as in effect from time to time.

“Related Documents” means, with respect to any Collateral Loan, all agreements or documents evidencing, securing, governing or giving rise to such Collateral Loan.

“Related Property” means, with respect to a Collateral Loan, any property or other assets designated and pledged or mortgaged as collateral to secure repayment of such Collateral Loan, including, without limitation, all accounts, chattel paper, deposit accounts, financial assets, general intangibles, instruments, investment property, letter-of-credit rights, other supporting obligations, any pledge of the stock, membership or other ownership interests in the related Obligor or its subsidiaries, and all proceeds from any sale or other disposition of such property or other assets.

“Related Security” means, with respect to each Collateral Loan:

- (a) any Related Property securing a Collateral Loan and all recoveries related thereto, all payments paid in respect thereof and all monies due, to become due and paid in respect thereof accruing after the applicable date such Collateral Loan is acquired by the Borrower and all liquidation proceeds thereof;
- (b) all Liens, guaranties, indemnities and warranties, insurance policies, financing statements and other agreements or arrangements of whatever character from time to time supporting or securing payment of any such indebtedness;
- (c) all Collections with respect to such Collateral Loan and any of the foregoing;
- (d) any guarantees or similar credit enhancement for an Obligor’s obligations under any Collateral Loan, all UCC financing statements or other filings relating thereto, including all rights and remedies, if any, against any Related Security, including all amounts due and to become due to the Borrower thereunder and all rights, remedies, powers, privileges and claims of the Borrower thereunder (whether arising pursuant to the terms of such agreement or otherwise available to the Borrower at law or in equity);

- (e) all records and Related Documents with respect to such Collateral Loan and any of the foregoing; and
- (f) all recoveries and proceeds of the foregoing.

“Replacement Lender” has the meaning assigned to such term in Section 2.16(a).

“Requested Amount” has the meaning assigned to such term in Section 2.02.

“Required Lenders” means, as of any date of determination, Lenders whose aggregate principal amount of Advances Outstanding aggregate more than 50% of all Advances Outstanding.

“Required Loan Documents” means, for each Collateral Loan:

- (a) other than in the case of a Closing Date Participation Interest, an executed copy of the assignment for such Collateral Loan;
- (b) other than in the case of a Noteless Loan or a Closing Date Participation Interest, the original executed Underlying Note endorsed by the issuer or the prior holder of record of such Collateral Loan in blank or to the Borrower;
- (c) an executed copy of the Underlying Loan Agreement, together with a copy of all amendments and modifications thereto;
- (d) a copy of each related security agreement (if any) signed by each applicable Obligor;
- (e) a copy of each related guarantee (if any) then executed in connection with such Collateral Loan;
- (f) for the Closing Date Participation Interests, the applicable Closing Date Participation Agreement; and
- (g) a Document Checklist.

“Responsible Officer” means (a) in the case of (i) a corporation or (ii) a partnership or limited liability company that, in each case, pursuant to its Constituent Documents, has officers, any chief executive officer, chief financial officer, chief administrative officer, managing director, president, senior vice president, vice president, assistant vice president, treasurer, director or manager, and, in any case where two Responsible Officers are acting on behalf of such entity, the second such Responsible Officer may be a secretary or assistant secretary (provided that a director of the Borrower shall be a Responsible Officer regardless of whether its Constituent Documents provide for officers), (b) without limitation of clause (a)(ii), in the case of a limited partnership, the Responsible Officer of the general partner, acting on behalf of such general partner in its capacity as general partner, (c) without limitation of clause (a)(ii), in the case of a limited liability company, any Responsible Officer of the sole member or managing member, acting on behalf of the sole member or managing member in its capacity as sole member or managing member, (d) in the case of a trust, the Responsible Officer of the trustee, acting on behalf of such trustee in its capacity as trustee, (e) an “authorized signatory” or “authorized officer” that has been so authorized pursuant to customary corporate proceedings, limited partnership proceedings, limited liability company proceedings or trust proceedings, as the case may be, and that has responsibilities commensurate with the matter for which it is acting as a Responsible Officer, and (f) in the case of the Collateral Administrator, the Collateral Agent or Administrative Agent, an officer of the Collateral Administrator, the Collateral Agent or Administrative Agent, as applicable, responsible for the administration of this Agreement.

“Sale Agreement” means the Sale, Contribution and Master Participation Agreement, dated as of the date hereof, by and among the Equityholder and the Borrower.

“Sanctioned Country” means, at any time, a country or territory which is the subject or target of any Sanctions.

“Sanctioned Person” means, at any time, (i) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC, the U.S. Department of State, or by the United Nations Security Council, the European Union, any EU member state or Canada, (ii) any Person operating, organized or resident in a Sanctioned Country or (iii) any Person controlled by any such Person.

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (i) the U.S. government, including those administered by OFAC or the U.S. Department of State, or (ii) the United Nations Security Council, the European Union, Canada or Her Majesty’s Treasury of the United Kingdom.

“S&P” means Standard & Poor’s Ratings Service, a Standard & Poor’s Financial Services LLC business.

“S&P Rating” means, with respect to any Collateral Loan as of any date of determination:

(a) if such Collateral Loan has a monitored rating expressly assigned to a debt obligation (or facility) or a monitored estimated rating expressly assigned to a debt obligation (or facility) by S&P, such rating,

(b) if the foregoing paragraph is not applicable, then, if the related Obligor has a corporate issuer rating by S&P, the rating specified in the applicable row of the table below under “Relevant Rating” opposite the row in the table below that describes such Collateral Loan:

<u>Collateral Loan</u>	<u>Relevant Rating</u>
The Collateral Loan is a secured obligation, but is not a Second Lien Obligation and is not subordinate	The rating by S&P that is one rating subcategory above such corporate issuer rating
The Collateral Loan is an unsecured obligation or is a Second Lien Obligation, but is not subordinate	The rating by S&P that is one rating subcategory below such corporate issuer rating
The Collateral Loan is subordinate	The rating by S&P that is two rating subcategories below such corporate issuer rating

(c) if the foregoing paragraphs are not applicable, but there is a rating by S&P on a secured obligation of the Obligor that is not a Second Lien Obligation and is not subordinate (the “other obligation”), the rating specified in the applicable row of the table below under “Relevant Rating” opposite the row in the table below that describes such Collateral Loan:

Collateral Loan	Relevant Rating
The Collateral Loan is a secured obligation, but is not a Second Lien Obligation and is not subordinate	The rating assigned by S&P to the other obligation
The Collateral Loan is an unsecured obligation or is a Second Lien Obligation, but is not subordinate	The rating by S&P that is one rating subcategory below the rating assigned by S&P to the other obligation
The Collateral Loan is subordinate	The rating by S&P that is two rating subcategories below the rating assigned by S&P to the other obligation

(d) if the foregoing paragraphs are not applicable, but there is a rating by S&P on an unsecured obligation of the Obligor (or, failing that, an obligation that is a Second Lien Obligation) but is not subordinate (the “other obligation”), the rating specified in the applicable row of the table below under “Relevant Rating” opposite the row in the table below that describes such Collateral Loan:

Collateral Loan	Relevant Rating
The Collateral Loan is a secured obligation, but is not a Second Lien Obligation and is not subordinate	The rating by S&P that is one rating subcategory above the rating assigned by S&P to the other obligation
The Collateral Loan is an unsecured obligation or is a Second Lien Obligation, but is not subordinate	The rating assigned by S&P to the other obligation
The Collateral Loan is subordinate	The rating by S&P that is one rating subcategory below the rating assigned by S&P to the other obligation

(e) if the foregoing paragraphs are not applicable, but there is a rating by S&P on an obligation of the Obligor that is subordinate (the “other obligation”), the rating specified in the applicable row of the table below under “Relevant Rating” opposite the row in the table below that describes such Collateral Loan:

Collateral Loan	Relevant Rating
The Collateral Loan is a secured obligation, but is not a Second Lien Obligation and is not subordinate	The rating by S&P that is two rating subcategories above the rating assigned by S&P to the other obligation
The Collateral Loan is an unsecured obligation or is a Second Lien Obligation, but is not subordinate	The rating by S&P that is one rating subcategory above the rating assigned by S&P to the other obligation
The Collateral Loan is subordinate	The rating assigned by S&P to the other obligation

(f) if the foregoing paragraphs are not applicable, then the S&P Rating shall be “CC”; provided that (x) if application has been made to S&P to rate a Collateral Loan and such Collateral Loan has a Moody’s Rating, then the S&P Rating with respect to such Collateral Loan shall, pending the receipt of such rating from S&P, be equal to the S&P Rating that is equivalent to such Moody’s Rating and (y) Collateral Loans constituting no more than 10% of the Aggregate Original Asset Value may be given an S&P Rating based on a rating given by Moody’s as provided in clause (x) (after giving effect to the addition of the relevant Collateral Loan, if applicable).

“Scheduled Distribution” means, with respect to any Collateral Loan, for each Due Date, the scheduled payment of principal and/or interest and/or fees due on such Due Date with respect to such Collateral Loan.

“SEC” means the Securities and Exchange Commission or any other governmental authority of the United States of America at the time administrating the Securities Act, the Investment Company Act or the Exchange Act.

“Second Lien Obligation” means any loan (and not a bond or similar security) that meets the following criteria:

(a) is not (and is not expressly permitted by its terms to become) subordinate in right of payment to any other obligation for borrowed money of the Obligor of such loan (excluding customary terms applicable to a second lien lender under customary intercreditor provisions, such as with respect to the liquidation of the Obligor or of specified collateral for such loan);

(b) is secured by a valid second priority perfected Lien in, to or on specified collateral securing the Obligor’s obligations under such loan (whether or not such loan is also secured by any higher or lower priority Lien on other collateral); provided that if such loan is also secured by a valid first priority perfected Lien in, to or on other specified collateral securing the Obligor’s obligations under such loan and otherwise satisfies the requirements of the definition of First Lien Obligation, then such loan shall be deemed to be a First Lien Obligation for the purposes of this Agreement;

(c) is secured, pursuant to such second priority perfected Lien, by collateral having a value (determined as set forth below) not less than the outstanding principal balance of such loan *plus* the aggregate outstanding principal balances of all other loans of equal or higher seniority secured by a first or second Lien in the same collateral;

(d) is not a loan which is secured solely or primarily by the common stock of its Obligor or any of its Affiliates; and

(e) such loan is priced by at least one independent sources (as evidenced by data from Loan X, Inc., Loan Pricing Corporation, MarkIt Partners or any other nationally recognized loan pricing service selected by the Administrative Agent).

The determination as to whether clause (c) of this definition is satisfied shall be based on the Collateral Manager's judgment at the time the loan is acquired by the Borrower (which value may include an assessment of the Obligor's cash flow, enterprise value, general financial condition and other attributes). The limitation set forth in clause (d) above shall not apply with respect to a loan made to a parent entity that is secured solely or substantially by the stock of one or more of the subsidiaries of such parent entity to the extent that the granting by any such subsidiary of a Lien on its own property would (1) in the case of a subsidiary that is not part of the same consolidated group as such parent entity for U.S. federal income tax purposes, result in a deemed dividend by such subsidiary to such parent entity for such tax purposes, (2) violate Law applicable to such subsidiary (whether the obligation secured is such loan or any other similar type of indebtedness owing to third parties) or (3) cause such subsidiary to suffer adverse economic consequences under capital adequacy or other similar rules, in each case, so long as (x) the Related Documents limit the incurrence of indebtedness by such subsidiary and (y) the aggregate amount of all such indebtedness is not material relative to the aggregate value of the assets of such subsidiary.

“Secured Parties” means the Administrative Agent, the Collateral Agent, the Custodian, the Collateral Administrator, the Securities Intermediary and the Lenders.

“Secured Party Representative” has the meaning assigned to such term in Section 12.09.

“Securities Act” means the Securities Act of 1933 and the rules and regulations promulgated thereunder, all as from time to time in effect.

“Securities Intermediary” has the meaning assigned to it in Section 8-102(a)(14) of the UCC.

“Security Entitlement” has the meaning specified in Section 8-102(a)(17) of the UCC.

“Solvent” as to any Person means that such Person is not “insolvent” within the meaning of Section 101(32) of the Bankruptcy Code or Section 271 of the New York Debtor and Creditor Law.

“Specified Eligible Investment” means an Eligible Investment meeting the requirements of Section 8.07(a) and that is available to the Collateral Agent, to be specified by the Collateral Manager to the Collateral Agent (with a copy to the Administrative Agent) on or prior to the Closing Date; provided that, so long as no Default or Event of Default shall have occurred and then be continuing, at any time with not less than five Business Days' notice to the Collateral Agent (with a copy to the Administrative Agent), the Collateral Manager may (and, if the then Specified Eligible Investment is no longer available to the Collateral Agent, shall) designate another Eligible Investment that meets the requirements of Section 8.07(a) and that is available to the Collateral Agent to be the Specified Eligible Investment for purposes hereof. After the occurrence and continuation of a Default or Event of Default, a Specified Eligible Investment shall mean an Eligible Investment meeting the requirements of Section 8.07(a) and which has been selected by the Administrative Agent.

“Structured Finance Obligation” means any debt obligation owing by a special purpose finance vehicle that is secured directly and primarily by, primarily referenced to, and/or primarily representing ownership of, a pool of receivables or a pool of other assets, including collateralized debt obligations, residential mortgage-backed securities, commercial mortgage-backed securities, other asset-backed securities, “future flow” receivable transactions and other similar obligations; provided that asset based lending facilities, loans to financial service companies, factoring businesses, health care providers and other genuine operating businesses do not constitute Structured Finance Obligations.

“Subject Laws” has the meaning assigned to such term in Section 4.01(f).

“Successor Collateral Manager” has the meaning assigned to such term in Section 14.07(c).

“Tangible Net Worth” means, at any time, the excess of the value of total assets (excluding patents, trademarks, copyrights, trade names, licenses, operating agreements, deferred or capitalized research and development costs, goodwill (including any amounts, however designated, representing the cost of acquisition of business and investments in excess of the book value thereof), unamortized debt discount and expense, deferred research and development costs, any write-up of asset value associated with intangible assets under GAAP, and any other assets treated as intangible assets under GAAP) over total liabilities, determined in accordance with GAAP, of the Equityholder and its Subsidiaries.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any taxing Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Trade Confirmation” means a confirmation of the Borrower’s acquisition of a Collateral Loan delivered to the Collateral Agent (with a copy to the Custodian and the Administrative Agent) by the Borrower pursuant to Section 13.03(a), and setting forth applicable information with respect to such Collateral Loan, which confirmation shall contain such information in respect of such Collateral Loan as the Custodian may reasonably require in order to enable the Custodian to perform its duties hereunder in respect of such Collateral Loan in the form of a customary trade confirmation as agreed to by, the Custodian and the Borrower from time to time.

“Tranche Size” means, in respect of any Collateral Loan, the aggregate principal amount of all of the borrowing facilities available to the Obligor under the terms of the relevant Underlying Loan Agreement as of the original effective date of the Underlying Loan Agreement. For purposes of determining the Tranche Size in respect of any Collateral Loan: (a) for Collateral Loans that are, in accordance with then-prevailing market practice, typically bought and sold together, the respective aggregate principal amount of the borrowing facilities available to the Obligor under the facilities evidenced by the relevant Underlying Loan Agreement shall be aggregated (and, for the avoidance of doubt, the respective aggregate principal amounts of all revolving facilities, term loan “A” tranches, term loan “B” tranches and similar loan tranches issued under a single credit agreement shall be aggregated); (b) the respective principal amounts of lines of credit and delayed draws that, in accordance with then-prevailing market practice, trade with any Collateral Loan shall be aggregated; and (c) the respective principal amount of any borrowing facilities that are, under then prevailing market practice, considered add-on facilities in respect of any Collateral Loan shall be aggregated with the principal amount of such Collateral Loan; provided that, in the case of clauses (a), (b) and (c) above, such facilities are pari passu in terms of repayment seniority and, with respect to appropriate price adjustments, buyers are typically indifferent between such facilities.

“UCC” means the New York Uniform Commercial Code; provided that if, by reason of any mandatory provisions of law, the perfection, the effect of perfection or non-perfection or priority of the security interests granted to the Collateral Agent pursuant to this Agreement are governed by the Uniform Commercial Code as in effect in a jurisdiction of the United States of America other than the State of New York, then “UCC” means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of such perfection, effect of perfection or non-perfection or priority.

“Uncertificated Security” has the meaning specified in Section 8-102(a)(18) of the UCC.

“Underlying Loan Agreement” means, with respect to any Collateral Loan, the document or documents evidencing the commercial loan agreement or facility pursuant to which such Collateral Loan is made.

“Underlying Note” means one or more promissory notes, if any, executed by an Obligor evidencing a Collateral Loan.

“Unfunded Reserve Account” has the meaning specified in Section 8.04.

“Unfunded Reserve Required Amount” has the meaning specified in Section 8.04.

“U.S. Tax Compliance Certificate” has the meaning specified in 12.03(g).

“Volcker Rule” means Section 13 of the U.S. Bank Holding Company Act of 1956, as amended, and the applicable rules and regulations thereunder.

“Warranty Collateral Loan” has the meaning assigned to such term in the Sale Agreement.

“Withdrawal Liability” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

Section 1.02. Rules of Construction

For all purposes of this Agreement and the other Facility Documents, except as otherwise expressly provided or unless the context otherwise requires, (a) singular words shall connote the plural as well as the singular and vice versa (except as indicated), as may be appropriate, (b) the words “herein,” “hereof” and “hereunder” and other words of similar import used in any Facility Document refer to such Facility Document as a whole and not to any particular article, schedule, section, paragraph, clause, exhibit or other subdivision thereof, (c) the headings, subheadings and table of contents set forth in any Facility Document are solely for convenience of reference and shall not constitute a part of such Facility Document nor shall they affect the meaning, construction or effect of any provision hereof, (d) references in any Facility Document to “include” or “including” shall mean include or including, as applicable, without limiting the generality of any description preceding such term, and for purposes hereof the rule of *ejusdem generis* shall not be applicable to limit a general statement, followed by or referable to an enumeration of specific matters, to matters similar to those specifically mentioned, (e) any definition of or reference to any Facility Document, agreement, instrument or other document shall be construed as referring to such Facility Document, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or any other Facility Document), (f) any reference in any Facility Document, including the introduction and recitals to such Facility Document, to any Person shall be construed to include such Person’s successors and assigns (subject to any restrictions set forth herein or in any other applicable agreement), (g) any reference to any law or regulation herein shall refer to such law or regulation as amended, modified or supplemented from time to time and (h) any Event of Default shall be continuing until expressly waived in writing by the Required Lenders.

Section 1.03. Computation of Time Periods

Unless otherwise stated in the applicable Facility Document, in the computation of a period of time from a specified date to a later specified date, the word “from” means “from and including”, the word “through” means “to and including” and the words “to” and “until” both mean “to but excluding”. Periods of days referred to in any Facility Document shall be counted in calendar days unless Business Days are expressly prescribed. Unless otherwise indicated herein, all references to time of day refer to Eastern standard time or Eastern daylight saving time, as in effect in New York City on such day.

Section 1.04. Collateral Value Calculation Procedures

In connection with all calculations required to be made pursuant to this Agreement with respect to Scheduled Distributions on any Collateral Loan, or any payments on any other assets included in the Collateral, with respect to the sale of Collateral Loans, and with respect to the income that can be earned on Scheduled Distributions on such Collateral Loans and on any other amounts that may be received for deposit in the Collection Account, the provisions set forth in this Section 1.04 shall be applied. The provisions of this Section 1.04 shall be applicable to any determination or calculation that is covered by this Section 1.04, whether or not reference is specifically made to Section 1.04, unless some other method of calculation or determination is expressly specified in the particular provision.

(a) All calculations with respect to Scheduled Distributions on any Collateral Loan shall be made on the basis of information as to the terms of each such Collateral Loan and upon reports of payments, if any, received on such Collateral Loan that are furnished by or on behalf of the Obligor of such Collateral Loan and, to the extent they are not manifestly in error, such information or reports may be conclusively relied upon in making such calculations.

(b) For purposes of calculating the Coverage Tests, except as otherwise specified in the Coverage Tests, such calculations will not include (i) scheduled interest and principal payments on Ineligible Collateral Loans unless or until such payments are actually made and (ii) ticking fees and other similar fees in respect of Collateral Loans, unless or until such fees are actually paid.

(c) For each Collection Period and as of any date of determination, the Scheduled Distribution on any Collateral Loan (other than a Defaulted Loan or an Ineligible Collateral Loan, which, except as otherwise provided herein, shall be assumed to have Scheduled Distributions of zero) shall be the total amount of (i) payments and collections to be received during such Collection Period in respect of such Collateral Loan, (ii) proceeds of the sale of such Collateral Loan received and, in the case of sales which have not yet settled, to be received during such Collection Period, which proceeds, if received as scheduled, will be available in a Collection Account and available for distribution at the end of such Collection Period and (iii) amounts referred to in clause (i) or (ii) above that were received in prior Collection Periods but were not disbursed on a previous Payment Date.

(d) Each Scheduled Distribution receivable with respect to a Collateral Loan shall be assumed to be received on the applicable Due Date.

(e) References in the Priority of Payments to calculations made on a “pro forma basis” shall mean such calculations after giving effect to all payments, in accordance with the Priority of Payments, that precede (in priority of payment) or include the clause in which such calculation is made.

(f) Notwithstanding any other provision of this Agreement to the contrary, all monetary calculations under this Agreement shall be in Dollars. For purposes of this Agreement, calculations with respect to all amounts received or required to be paid in a currency other than Dollars shall be valued at zero.

(g) For purposes of calculating compliance with the Coverage Tests under this Agreement in connection with the acquisition or disposition of a Collateral Loan or Eligible Investment, (i) for purposes of calculating the Borrowing Base Test, the settlement date (and not the trade date) with respect to any such Collateral Loan or Eligible Investment acquired or disposed of (other than a Collateral Loan or Eligible Investment disposed of in accordance with Section 10.01(a)(i) in order to cure a Borrowing Base Deficiency, which will be calculated using the trade date (and not the settlement date) with respect to any such disposition) or under consideration for acquisition or disposition shall be used to determine compliance with the Borrowing Base Test and whether such acquisition or disposition is permitted hereunder and (ii) for purposes of calculating any other Coverage Test, the trade date (and not the settlement date) with respect to any such Collateral Loan or Eligible Investment acquired or disposed of or under consideration for acquisition or disposition shall be used to determine compliance with such other Coverage Test and whether such acquisition or disposition is permitted hereunder; provided that the calculation thereof shall assume (and give pro forma effect to) (x) the making of the Advances to the Borrower hereunder and the capital contributions to the Borrower by the Equityholder in connection with the settlement of the acquisition of the Collateral Loans (based on the purchase price therefor) and (y) the repayment of an Advance to the Borrower upon settlement of any disposition of a Collateral Loan (based on the sale price therefor).

(h) Except as otherwise expressly provided herein, Ineligible Collateral Loans will (i) be treated as having an Asset Value of equal to zero and (ii) be excluded from the calculation of the Borrowing Base on and after the date such Collateral Loan constitutes an Ineligible Collateral Loan.

ARTICLE II ADVANCES

Section 2.01. Advances

(a) On the terms and subject to the conditions hereinafter set forth, including Article III, each Lender severally agrees to make a loan to the Borrower (each, an “Advance” and collectively, the “Advances”) on the Closing Date, on a pro rata basis in each case in an aggregate principal amount equal to such Lender’s Commitment and, as to all Lenders, in an aggregate principal amount up to but not exceeding the Borrowing Base as then in effect. Such borrowing of the Advances on the Closing Date is referred to herein as the “Borrowing”.

Section 2.02. Making of the Advances

(a) If the Borrower desires to make a Borrowing under this Agreement on the Closing Date it shall give the Collateral Agent and the Administrative Agent a written notice (each, a “Notice of Borrowing”) for such Borrowing (which notice shall be irrevocable and effective upon receipt) not later than 12:00 noon at least two (2) Business Days prior to the Closing Date.

The Notice of Borrowing shall be substantially in the form of Exhibit A hereto, dated the Closing Date, signed by a Responsible Officer of the Borrower, shall attach a Borrowing Base Calculation Statement, and shall otherwise be appropriately completed. The proposed date of the Borrowing specified in each Notice of Borrowing shall be the Closing Date.

The Administrative Agent shall notify each Lender of its receipt of such Notice of Borrowing by 4:30 p.m. on the day of receipt thereof.

(b) Each Lender shall, not later than 12:00 noon on the Closing Date, make its Percentage of the applicable Requested Amount available to the Administrative Agent in immediately available funds by disbursing such funds in Dollars to the account of the Administrative Agent in accordance with the wiring instruction set forth in the notification of Notice of Borrowing delivered by the Administrative Agent to the Lenders pursuant to Section 2.02(a). Once each Lender has funded its Percentage of the applicable Requested Amount, the Administrative Agent shall make the Requested Amount available to the Borrower by disbursing such funds in Dollars to the Principal Collection Subaccount.

Section 2.03. Evidence of Indebtedness; Notes

(a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to it and resulting from the Advance made by such Lender to the Borrower, from time to time, including the amounts of principal and interest thereon and paid to it, from time to time hereunder; provided that the failure of any Lender to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Advances in accordance with the terms of this Agreement.

(b) Any Lender may request that its Advance to the Borrower be evidenced by a Note. In such event, the Borrower shall promptly prepare, execute and deliver to such Lender a Note payable to such Lender and otherwise appropriately completed. Thereafter, the Advance of such Lender evidenced by such Note and interest thereon shall at all times (including after any assignment pursuant to Section 12.06(a)) be represented by a Note payable to such Lender (or registered assigns pursuant to Section 12.06(a)), except to the extent that such Lender (or assignee) subsequently returns any such Note for cancellation and requests that such Advance once again be evidenced as described in clause (a) of this Section 2.03.

Section 2.04. Payment of Principal and Interest

The Borrower shall pay principal and Interest on the Advances to the account of the Administrative Agent for disbursement to the Lenders as follows:

(a) On each applicable Payment Date, the Borrower shall pay principal on the Advances in an amount necessary to reduce the Advances Outstanding to the amounts set forth in the definition of "Mandatory Amortization Amount." The Borrower shall pay the outstanding principal amount of each Advance, together with all accrued and unpaid Interest thereon, and all other Obligations (other than contingent indemnification and reimbursement obligations for which no claim giving rise thereto has been asserted) on the Final Maturity Date.

(b) Interest shall accrue at the Interest Rate on the unpaid principal amount of each Advance from the Closing Date until such principal amount is Paid in Full. The Administrative Agent shall determine the unpaid Interest payable thereto prior to each Payment Date using the applicable Interest Rate for the related Interest Accrual Period to be paid by the Borrower with respect to each Advance on each Payment Date for the related Interest Accrual Period and shall advise each Lender and the Collateral Manager thereof and shall send a consolidated invoice of all such Interest to the Borrower on the third (3rd) Business Day prior to such Payment Date.

(c) Accrued Interest on each Advance shall be payable in arrears (i) on each Payment Date, and (ii) in connection with any prepayment in full of the Advances pursuant to Section 2.05(a); provided that (x) with respect to any prepayment in full of the Advances outstanding, accrued Interest on such amount through the date of prepayment may be payable on such date or as otherwise agreed to between the Lenders and the Borrower and (y) with respect to any partial prepayment of the Advances outstanding, accrued Interest on such amount through the date of prepayment shall be payable on the Payment Date following such prepayment.

(d) Subject in all cases to Section 2.04(e), the obligation of the Borrower to pay the Obligations, including the obligation of the Borrower to pay the Lenders the outstanding principal amount of the Advances and accrued interest thereon, shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms hereof (including Section 2.15), under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment which the Borrower or any other Person may have or have had against any Secured Party or any other Person.

(e) Notwithstanding any other provision of this Agreement, the obligations of the Borrower under this Agreement are limited recourse obligations of the Borrower payable solely from the Collateral in accordance with the Priority of Payments and, following realization of the Collateral, and application of the proceeds thereof in accordance with the Priority of Payments and, subject to Section 2.13, all obligations of and any claims against the Borrower hereunder or in connection herewith after such realization shall be extinguished and shall not thereafter revive. No recourse shall be had against any officer, director, employee, shareholder, Affiliate, member, manager, agent, partner, principal or incorporator of the Borrower or their respective successors or assigns for any amounts payable under this Agreement. It is understood that the foregoing provisions of this clause (e) shall not (i) prevent recourse to the Collateral for the sums due or to become due under any security, instrument or agreement which is part of the Collateral or (ii) constitute a waiver, release or discharge of any indebtedness or obligation evidenced by this Agreement until such Collateral has been realized. It is further understood that the foregoing provisions of this clause (e) shall not limit the right of any Person to name the Borrower as a party defendant in any proceeding or in the exercise of any other remedy under this Agreement, so long as no judgment in the nature of a deficiency judgment or seeking personal liability shall be asked for or (if obtained) enforced against the Borrower.

Section 2.05. Prepayment of Advances

(a) Optional Prepayments. The Borrower may, from time to time on any Business Day, voluntarily prepay Advances in whole or in part, without penalty or premium, subject to Section 2.10; provided that the Borrower shall have delivered to the Collateral Agent and the Administrative Agent written notice of such prepayment (such notice, a “Notice of Prepayment”) in the form of Exhibit B hereto not later than 12:00 noon one (1) Business Day prior to the date of such prepayment (provided that same day notice may be given to cure any non-compliance with the Coverage Tests). The Collateral Agent shall promptly notify the Lenders of such Notice of Prepayment. Each such Notice of Prepayment shall be irrevocable and effective upon receipt and shall be dated the date such notice is being given, signed by a Responsible Officer of the Borrower and otherwise appropriately completed. Each prepayment of any Advance by the Borrower pursuant to this Section 2.05(a) (other than a prepayment made in order to cure any non-compliance with the Coverage Tests) shall in each case be in a principal amount of at least \$500,000 or such lesser amount that may be agreed to by the Administrative Agent. If a Notice of Prepayment is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein.

(b) Mandatory Prepayments. The Borrower shall prepay the Advances on each Payment Date in the manner and to the extent provided in the Priority of Payments. The Borrower shall provide, in each Payment Date Report, notice of the aggregate amounts of Advances that are to be prepaid on the related Payment Date in accordance with the Priority of Payments.

(c) Borrowing Base Deficiency Cures.

(i) In addition to any other obligation of the Borrower to cure any Borrowing Base Deficiency pursuant to the terms of this Agreement, if any Borrowing Base Deficiency exists, then the Borrower may eliminate such Borrowing Base Deficiency in its entirety by effecting one or more (or any combination thereof) of the following actions: (A) deposit into or credit to the Collection Account Cash and Eligible Investments, (B) repay the Advances (together with any breakage payments pursuant to Section 2.10 and all accrued and unpaid costs and expenses of the Agents, Custodian, Collateral Administrator, Securities Intermediary and the Lenders for which the Borrower has received a reasonably detailed invoice prior to such date of repayment, in each case in respect of the amount so repaid), or (C) sell Collateral Loans in accordance with Section 10.01.

(ii) In connection with the proposed repayment of Advances pursuant to Section 2.05(c)(i), the Borrower (or the Collateral Manager on its behalf) shall deliver in accordance with Section 2.05(a) to the Administrative Agent (with a copy to the Collateral Agent, the Collateral Administrator and the Custodian) a Notice of Prepayment and a duly completed Borrowing Base Calculation Statement, updated to the date such repayment is being made and giving *pro forma* effect to such repayment.

(iii) Until such time as any Borrowing Base Deficiency has been cured in full and no other Default or Event of Default has occurred and is continuing, the Borrower shall not request the right to transfer (by sale, dividend, distribution or otherwise), and the Borrower shall not request that the Collateral Agent grant the release of any Lien on, or the transfer of, any Collateral Loan from the Collateral.

(d) Additional Prepayment Provisions. Each prepayment pursuant to this Section 2.05 shall be subject to Sections 2.04(c) and 2.10 and applied to the Advances in accordance with the Lenders' respective Percentages.

Section 2.06. Commitments

The Commitments of all Lenders shall automatically terminate upon the making of the Advances on the Closing Date and any unused Commitments shall expire and be automatically reduced to zero and terminated at 5:00 p.m. on the Closing Date. The Commitments of the Lenders once terminated may not be reinstated.

Section 2.07. Maximum Lawful Rate

It is the intention of the parties hereto that the interest on the Advances shall not exceed the maximum rate permissible under Applicable Law. Accordingly, anything herein or in any Note to the contrary notwithstanding, in the event any interest is charged to, collected from or received from or on behalf of the Borrower by the Lenders pursuant hereto or thereto in excess of such maximum lawful rate, then the excess of such payment over that maximum shall be applied first to the payment of amounts then due and owing by the Borrower to the Secured Parties under this Agreement (other than in respect of principal of and interest on the Advances) and then to the reduction of the outstanding principal amount of the Advances Outstanding.

Section 2.08. Several Obligations

The failure of any Lender to make any Advance to be made by it on the Closing Date shall not relieve any other Lender of its obligation to make its Advance on such date. Neither Agent shall be responsible for the failure of any Lender to make any Advance, and no Lender shall be responsible for the failure of any other Lender to make an Advance required to be made by such other Lender.

Section 2.09. Increased Costs

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, compulsory loan, insurance charge, special deposit or similar requirement against assets of, deposits with or for account of, or credit extended by, any Affected Person (except any such reserve requirement reflected in the Adjusted Eurodollar Rate);

(ii) subject any Secured Party to any Taxes (other than (A) Non-Excluded Taxes, (B) Taxes described in clauses (b) through (d) of the definition of "Excluded Taxes" and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Affected Person or the London interbank market any other condition, cost or expense, affecting this Agreement or Advances made by such Affected Person by reference to the LIBOR Rate or any participation therein;

and the result of any of the foregoing shall be to increase the cost to any Affected Person of making, continuing, converting into or maintaining any Advance (or of maintaining its obligation to make any Advance) or to increase the cost to, or to reduce the amount of any payment (whether of principal, interest, fees, compensation or otherwise) or sum received or receivable by, such Affected Person hereunder (whether of principal, interest, fees, compensation or otherwise), then the Borrower will pay to such Affected Person from time to time after receipt of a written demand by a Responsible Officer of such Affected Person in Dollars, such additional amount or amounts as will compensate such Affected Person for such additional costs incurred or reduction suffered within ten (10) days of receipt of such demand.

(b) Capital Requirements. If any Affected Person determines that any Change in Law regarding capital or liquidity requirements has or would have (but for the operation of this Section 2.09) the effect of reducing the rate of return on such Affected Person's capital or on the capital of such Affected Person's holding company, if any, as a consequence of this Agreement (or arising in connection herewith) or the Advances made by such Affected Person to a level below that which such Affected Person or such Affected Person's holding company could have achieved but for such Change in Law (taking into consideration such Affected Person's policies and the policies of such Affected Person's holding company with respect to capital adequacy or liquidity coverage) by an amount deemed to be material by such Affected Person, then from time to time after demand by such Affected Person, the Borrower will pay to such Affected Person in Dollars, such additional amount or amounts as will compensate such Affected Person or such Affected Person's holding company for any such reduction suffered or charge imposed within ten (10) days of receipt of such demand.

(c) Liquidity Support. If as a result of any event or circumstance similar to those described in clause (a) or (b) of this Section 2.09, any Affected Person is required to compensate a bank or other financial institution providing liquidity support, credit enhancement or other similar support to such Affected Person in connection with this Agreement or the funding or maintenance of Advances hereunder, then the Borrower shall pay to such Affected Person such additional amount or amounts as may be necessary to reimburse such Affected Person for any amounts payable or paid by it.

(d) Ratings. If the Administrative Agent determines that it is necessary or appropriate to obtain a credit rating on the Advances, the Borrower shall provide (no later than 60 days following receipt by the Borrower of such reasonable request), at the Administrative Agent's Expense, at least one credit rating agency designated by the Administrative Agent with all information and documents reasonably requested by such rating agency (to the extent such information or documents are in the possession of or reasonably available to the Borrower) and otherwise cooperate with such rating agency's review of the Facility Documents and transactions contemplated hereby.

(e) Calculation. In determining any amount provided for in this Section 2.09, the Affected Person may use any reasonable averaging and attribution methods. The Administrative Agent, on behalf of any Affected Person making a claim under this Section 2.09, shall submit to the Borrower a certificate of a Responsible Officer of the Affected Person setting forth in reasonable detail the basis for and the computations of such additional or increased costs, which certificate shall be conclusive absent manifest error. The Borrower shall pay such amount shown as due on any such certificate on the next Payment Date after receipt thereof.

(f) Delay in Requests. Failure or delay on the part of any Affected Person to demand compensation pursuant to this Section shall not constitute a waiver of such Affected Person right to demand such compensation; provided that the Borrower shall not be required to compensate an Affected Person pursuant to this Section for any increased costs or reductions incurred more than six months prior to the date that such Affected Person notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Affected Person's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six-month period referred to above shall be extended to include the period of retroactive effect thereof.

(g) Lending Office. Upon the occurrence of any event giving rise to the Borrower's obligation to pay additional amounts to a Lender pursuant to clauses (a) or (b) of this Section 2.09, such Lender will, if requested by the Borrower, use reasonable efforts (subject to overall policy considerations of such Lender) to designate a different lending office if such designation would reduce or obviate the obligations of the Borrower to make future payments of such additional amounts; provided that such designation is made on such terms that such Lender and its lending office suffer no unreimbursed cost or material legal or regulatory disadvantage (as reasonably determined by such Lender), with the object of avoiding future consequence of the event giving rise to the operation of any such provision.

(h) After-Tax Basis. The payment of amounts under this Section 2.09 shall be on an after Tax basis.

Section 2.10. Compensation; Breakage Payments

The Borrower agrees to compensate each Affected Person from time to time, on the Payment Dates (or the applicable date of prepayment) following such Affected Person's written request (which request shall set forth the basis for requesting such amounts) in accordance with the Priority of Payments, for all reasonable losses, expenses and liabilities (including any interest paid by such Affected Person to lenders of funds borrowed to make or carry an Advance bearing interest that was computed by reference to the LIBOR Rate and any loss sustained by such Affected Person in connection with the re-employment of such funds but excluding loss of anticipated profits), which such Affected Person may sustain: (i) if any payment, prepayment or conversion of any of the Borrower's Advances bearing interest that was computed by reference to the LIBOR Rate occurs on a date that is not the last day of the relevant Interest Accrual Period, and (ii) if any payment or prepayment of any Advance bearing interest that was computed by reference to the LIBOR Rate is not made on a Payment Date or pursuant to a Notice of Prepayment given by the Borrower. A certificate as to any amounts payable pursuant to this Section 2.10 submitted to the Borrower by any Lender (with a copy to the Agents, and accompanied by a reasonably detailed calculation of such amounts and a description of the basis for requesting such amounts) shall be conclusive in the absence of manifest error.

Section 2.11. Illegality; Inability to Determine Rates

(a) Notwithstanding any other provision in this Agreement, in the event of a Eurodollar Disruption Event, then the affected Lender shall promptly notify the Agents and the Borrower thereof, and such Lender's obligation to make or maintain Advances hereunder based on the Adjusted Eurodollar Rate shall be suspended until such time as such Lender may again make and maintain Advances based on the Adjusted Eurodollar Rate.

(b) Upon the occurrence of any event giving rise to a Lender's suspending its obligation to make or maintain Advances based on the Adjusted Eurodollar Rate pursuant to Section 2.11(a), such Lender will, if requested by the Borrower, use reasonable efforts (subject to overall policy considerations of such Lender) to designate a different lending office if such designation would enable such Lender to again make and maintain Advances based on the Adjusted Eurodollar Rate; provided that such designation is made on such terms that such Lender and its lending office suffer no unreimbursed cost or material legal or regulatory disadvantage (as reasonably determined by such Lender), with the object of avoiding future consequence of the event giving rise to the operation of any such provision.

(c) If, prior to the first day of any Interest Accrual Period or prior to the date of any Advance, as applicable, either (i) the Administrative Agent determines that for any reason adequate and reasonable means do not exist for determining the LIBOR Rate for the applicable Advances, or (ii) the Required Lenders determine and notify the Administrative Agent that the Adjusted Eurodollar Rate with respect to such Advances does not adequately and fairly reflect the cost to such Lenders of funding such Advances, the Administrative Agent will promptly so notify the Borrower, the Collateral Agent and each Lender. Thereafter, the obligation of the Lenders to make or maintain Advances based on the Adjusted Eurodollar Rate shall be suspended until the Administrative Agent (upon the instruction of the Required Lenders) revokes such notice.

Section 2.12. Prepayment Fee

If, prior to the scheduled Final Maturity Date, the Facility Amount is reduced in whole or in part at the option or election of the Borrower (other than through application of amounts on deposit in the Payment Account pursuant to Section 9.01), the Borrower shall pay to the Collateral Agent (for the account of the Lenders on a pro rata basis), a prepayment fee (a "Prepayment Fee") equal to the product of (i) the Facility Amount (in the event the Facility Amount is reduced in whole) or the amount of such reduction of the Facility Amount (in the event the Facility Amount is reduced in part) *multiplied by* (b) the percentage set forth below opposite the applicable time remaining to the scheduled Final Maturity Date on the date of such prepayment:

Time Remaining to Scheduled Final Maturity Date	Prepayment Fee Percentage
≥ 1.00 year	0.500%
< 1.00 Year but ≥ 0.75 Years	0.500%
< 0.75 Years but ≥ 0.50 Years	0.375%
< 0.50 Years but ≥ 0.25 Years	0.250%
< 0.25 Years but prior to the Final Maturity Date	0.125%

Such Prepayment Fee shall be payable on the date of the termination of this Agreement (in the event this Agreement is terminated in whole) or on the first Payment Date immediately succeeding the reduction of the Facility Amount (in the event the Facility Amount is reduced in part).

Section 2.13. Rescission or Return of Payment

The Borrower agrees that, if at any time (including after the occurrence of the Final Maturity Date) all or any part of any payment theretofore made by it to any Secured Party or any designee of a Secured Party is or must be rescinded or returned for any reason whatsoever (including the insolvency, bankruptcy or reorganization of the Borrower or any of its Affiliates), the obligation of the Borrower to make such payment to such Secured Party shall, for the purposes of this Agreement, to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence and this Agreement and any other applicable Facility Document shall continue to be effective or be reinstated, as the case may be, as to such obligations, all as though such payment had not been made.

Section 2.14. Post-Default Interest

During the existence of an Event of Default, all Obligations shall bear interest at the Post-Default Rate. Interest payable at the Post-Default Rate shall be payable on each Payment Date in accordance with the Priority of Payments.

Section 2.15. Payments Generally

(a) All amounts owing and payable to any Secured Party, any Affected Person or any Indemnified Party, in respect of the Advances and other Obligations, including the principal thereof, interest, fees, indemnities, expenses or other amounts payable under this Agreement or any other Facility Document, shall be paid by the Borrower to the applicable recipient in Dollars, in immediately available funds, in accordance with the Priority of Payments, and all without counterclaim, setoff, deduction, defense, abatement, suspension or deferment. Each Lender shall provide wire instructions to the Borrower and the Collateral Agent. Payments must be received by the Collateral Agent on or prior to 3:00 p.m. on a Business Day (the Collateral Agent shall then wire such funds to the Lenders prior to 4:00 p.m. on such Business Day); provided that, payments received by the Collateral Agent after 3:00 p.m. or payments received by the Lenders after 4:00 p.m. on a Business Day will be deemed to have been paid on the next following Business Day. At no time will the Collateral Agent have any duty (express or implied) to fund (or front or advance) any amount owing by the Borrower hereunder.

(b) Except as otherwise expressly provided herein, all computations of interest, fees and other Obligations shall be made on the basis of a year of 360 days for the actual number of days elapsed in computing interest on any Advance, the date of the making of the Advance shall be included and the date of payment shall be excluded; provided that, if an Advance is repaid on the same day on which it is made, one day's Interest shall be paid on such Advance. All computations made by the Collateral Agent or the Administrative Agent under this Agreement or any other Facility Document shall be conclusive absent manifest error.

(c) All payments under the Facility Documents shall be made in USD.

Section 2.16. Replacement of Lenders

(a) Notwithstanding anything to the contrary contained herein, in the event that (i) any Affected Person shall request reimbursement for amounts owing pursuant to Section 2.09 (each such Affected Person, a “Potential Terminated Lender”), (ii) the Borrower shall be required to reimburse any Affected Person for any Non-Excluded Taxes or pay any additional amounts to any Affected Person or any Governmental Authority for the account of any Affected Person pursuant to Section 12.03 (each such Affected Person, also a “Potential Terminated Lender”) and such Potential Terminated Lender has declined or is unable to designate a different lending office in accordance with Section 2.19, or (iii) any Lender does not give or approve any consent, waiver or amendment that requires the approval of all Lenders or all affected Lenders in accordance with the terms hereof and has been approved by the Required Lenders (such non-consenting Lender, also, a “Potential Terminated Lender”), the Borrower, at its sole expense and effort, shall be permitted, upon no less than ten (10) days written notice to the Administrative Agent and such Potential Terminated Lender, to require such Potential Terminated Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 12.06), all of its interests, rights (other than its existing rights to payments pursuant to Sections 2.09 and 12.03) and obligations under this Agreement and the related Facility Documents to an assignee permitted pursuant to Section 12.06 (a “Replacement Lender”) that shall assume such obligations (which assignee may be another Lender, if such Lender accepts such assignment); provided that:

(A) such Potential Terminated Lender shall have received payment of an amount equal to the outstanding principal of its Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Facility Documents (including any amounts under Section 2.10 but subject to Section 2.17) from the Replacement Lender (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(B) in the case of any such assignment resulting from a claim for compensation under Sections 2.09 or 12.03, such assignment will result in a reduction in such compensation or payments thereafter;

(C) such assignment does not conflict with applicable Laws; and

(D) in the case of an assignment based on clause (iv) above, the Replacement Lender shall have consented to the applicable amendment, waiver or consent.

(b) Each Potential Terminated Lender hereby agrees to take all actions reasonably necessary, at the sole expense of the Borrower, to permit a Replacement Lender to succeed to its rights and obligations hereunder. Upon the effectiveness of any such assignment to a Replacement Lender, such Replacement Lender shall become a “Lender” hereunder for all purposes of this Agreement and the other Facility Documents.

(c) No Lender shall be required to make any assignment or delegation pursuant to Section 2.16(a) if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

Section 2.17. Right of Setoff

The Borrower agrees that, in addition to (and without limitation of) any right of set-off that the Agents or any Lender may otherwise have, each of the Agents and the Lenders shall be entitled, at its option, to offset amounts owing by the Agents or such Lender, as the case may be, to the Borrower, in USD or in any other currency (irrespective of the place of payment or booking office of the obligation and regardless of whether such amounts are then due to the Borrower), against any amount payable by the Borrower to the Agents or such Lender, as the case may be, under this Agreement that is not paid when due. For this purpose, any amount owing by the Agents or any Lender to the Borrower may be converted by the Agents or such Lender, as the case may be, into the currency in which the amount payable by the Borrower to the Agents or such Lender, as the case may be, under this Agreement is denominated at the rate of exchange at which the Agents or such Lender, as the case may be, would be able, acting in a reasonable manner and in good faith, to purchase the relevant amount of such currency.

Section 2.18. Contractual Currency

To the fullest extent permitted by Applicable Law, if any judgment or order expressed in a currency other than the currency in which a payment is required by this Agreement is to be made by the Borrower (the "Contractual Currency") is rendered:

- (a) for the payment of any amount owing in respect of this Agreement; or
- (b) in respect of a judgment or order of another court for the payment of any amount described in the foregoing clause (a),

the recipient of such payment, after recovery in full of the aggregate amount to which the recipient of such payment is entitled pursuant to the judgment or order, will be entitled to receive promptly from the Borrower the amount of any shortfall of the Contractual Currency received by the recipient of such payment as a consequence of sums being paid in such other currency if such shortfall arises or results from any variation between the rate of exchange at which the Contractual Currency is converted into the currency of the judgment or order for the purposes of such judgment or order and the rate of exchange at which the recipient of such payment is able, acting in a reasonable manner and in good faith in converting the currency received into the Contractual Currency, to purchase the Contractual Currency with the amount of the currency of the judgment or order actually received by the recipient of such payment. The term "rate of exchange" includes any premiums and costs of exchange payable in connection with the purchase of or conversion into the Contractual Currency.

To the fullest extent permitted by Applicable Law, the obligations in this Section constitute separate and independent obligations from the other obligations in this Agreement and any related document, will be enforceable as separate and independent causes of action, will apply notwithstanding any indulgence granted by the recipient of such payment and will not be affected by judgment being obtained or claim or proof being made for any other sums payable in respect of this Agreement or any related document. To the extent permitted by Applicable Law, the Borrower hereby waives the right to invoke any defense of payment impossibility.

Section 2.19. Lending Offices; Changes Thereto

(a) Each Lender may at any time or from time to time designate, by written notice to the Administrative Agent to the extent not already reflected on Schedule 6, one or more domestic or foreign lending offices (which, for this purpose, may include branches or Affiliates of the respective Lender) for the various Advances made by such Lender (including by designating a separate lending office (or Affiliate) to act as such); provided that, for designations made after the Closing Date to the extent such designation shall result in increased costs under Section 2.09 in excess of those which would be charged in the absence of the designation of a different lending office (including a different Affiliate of the respective Lender), then the Borrower shall not be obligated to pay such excess increased costs (although the Borrower, in accordance with and pursuant to the other provisions of this Agreement, shall be obligated to pay the costs which would apply in the absence of such designation and any subsequent increased costs of the type described above resulting from changes after the date of the respective designation). Each lending office and Affiliate of any Lender designated as provided above shall, for all purposes of this Agreement, be treated in the same manner as the respective Lender (and shall be entitled to all indemnities and similar provisions in respect of its acting as such hereunder) and any designation of a lending office pursuant to this Section 2.19 shall not affect the obligation of the Borrower to repay any Obligations in accordance with the terms of this Agreement.

ARTICLE III
CONDITIONS PRECEDENT

Section 3.01. Conditions Precedent to the Making of the Advances

The obligation of each Lender to make its Advance hereunder on the Closing Date shall be subject to the conditions precedent that the Administrative Agent shall have received on or before the Closing Date the following deliverables, each in form and substance reasonably satisfactory to the Administrative Agent or, as applicable, the events set forth below shall have occurred (or such applicable conditions precedent have been waived by the Administrative Agent):

- (a) each of the Facility Documents duly executed and delivered by the parties thereto, which shall each be in full force and effect;
- (b) a certificate of a Responsible Officer of the Borrower certifying (i) as to its Constituent Documents, (ii) as to its resolutions or other action of its board of directors or board of managers or members approving this Agreement and the other Facility Documents to which it is a party and the transactions contemplated hereby and thereby, (iii) that its representations and warranties set forth in the Facility Documents to which it is a party are true and correct in all material respects as of the Closing Date (except to the extent such representations and warranties expressly relate to any earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date), (iv) to its knowledge, that no Default or Event of Default has occurred and is continuing, and (v) as to the incumbency and specimen signature of each of its Responsible Officers authorized to execute the Facility Documents to which it is a party;
- (c) true and complete copies certified by a Responsible Officer of the Borrower of all Governmental Authorizations, Private Authorizations and Governmental Filings, if any, required in connection with the transactions contemplated by this Agreement;
- (d) a certificate of a Responsible Officer of the Collateral Manager certifying (i) as to its Constituent Documents, (ii) as to its resolutions or other action of its board of directors approving this Agreement and the other Facility Documents to which it is a party and the transactions contemplated hereby and thereby, (iii) that its representations and warranties set forth in the Facility Documents to which it is a party are true and correct in all material respects as of the Closing Date (except to the extent such representations and warranties expressly relate to any earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date), (iv) that no Default or Event of Default has occurred and is continuing, and (v) as to the incumbency and specimen signature of each of its Responsible Officers authorized to execute the Facility Documents to which it is a party;

(e) proper financing statements (or the equivalent thereof in any applicable foreign jurisdiction), duly filed on or before the Closing Date, under the UCC with the Delaware Secretary of State, Division of Corporations and any other applicable filing office in any applicable jurisdiction that the Administrative Agent deems necessary or desirable in order to perfect the interests in the Collateral contemplated by this Agreement;

(f) copies of proper financing statement amendments (or the equivalent thereof in any applicable foreign jurisdiction), if any, necessary to release all security interests and other rights of any Person in the Collateral previously granted by the Borrower or any transferor;

(g) legal opinions (addressed to each of the Secured Parties) of (i) counsel to the Borrower and the Equityholder, covering customary corporate matters, substantive nonconsolidation of the Borrower with the Equityholder or the Collateral Manager, the true sale nature of any transfers to the Borrower of Collateral Loans from the Equityholder, and such other matters as the Administrative Agent and its counsel shall reasonably request, (ii) U.S. counsel to the Collateral Manager, covering corporate matters and such other matters as the Administrative Agent and its counsel shall reasonably request, and (iii) U.S. counsel to the Collateral Agent, the Collateral Administrator and the Custodian, covering corporate matters and such other matters as the Administrative Agent and its counsel shall reasonably request;

(h) evidence reasonably satisfactory to it that all of the Covered Accounts shall have been established;

(i) evidence that (i) all fees due and owing to the Administrative Agent and each Lender on or prior to the Closing Date have been received or will be received contemporaneously with the Closing Date; and (ii) the reasonable and documented fees and expenses of Winston & Strawn LLP, counsel to the Administrative Agent, and of Seward & Kissel LLP, counsel to the Collateral Agent, Custodian, Collateral Administrator and Securities Intermediary, in each case in connection with the transactions contemplated hereby (to the extent invoiced prior the Closing Date), shall have been paid by the Borrower;

(j) delivery of such Collateral (including any promissory note, executed assignment agreements and word or pdf copies of the principal credit agreement for each initial Collateral Loan, to the extent received by the Borrower) as required under this Agreement shall have been effected;

(k) a certificate of a Responsible Officer of the Borrower, dated as of the Closing Date, certifying to the effect that, in the case of each item of Collateral pledged to the Collateral Agent, (x) in the case of clause (i) through (iv) below, immediately prior to the Closing Date and (y) after giving effect to the transactions contemplated on the Closing Date:

(i) the Borrower is the owner of such Collateral free and clear of any Liens or claims of any nature whatsoever except for (A) those which are being released on the Closing Date and (B) Permitted Liens;

(ii) the Borrower has acquired its ownership in such Collateral in good faith without notice of any adverse claim, except as described in clause (i) above;

(iii) the Borrower has not assigned, pledged or otherwise encumbered any interest in such Collateral (or, if any such interest has been assigned, pledged or otherwise encumbered, it has been released) other than Permitted Liens;

(iv) the Borrower has full right to grant a security interest in and assign and pledge such Collateral to the Collateral Agent; and

(v) upon grant by the Borrower, the Collateral Agent has a first priority perfected security interest in the Collateral, except as permitted by this Agreement;

(l) the information required to be set forth in the Borrowing Base Calculation Statement and the Monthly Report in hard copy and in EXCEL or comparable format;

(m) a Notice of Borrowing with respect to the Advances requested to be made on the Closing Date (including the Borrowing Base Calculation Statement attached thereto, all duly completed) delivered in accordance with Section 2.02, demonstrating that each Coverage Test shall be satisfied after giving effect to the making of the Advances and the acquisition of the Collateral by the Borrower on the Closing Date;

(n) the Borrower and the Collateral Manager shall have received written notice from the Administrative Agent, evidencing the approval of the Administrative Agent in its sole discretion, of the loans to be added to the Collateral on the Closing Date;

(o) such other opinions, instruments, certificates and documents from the Borrower as the Agents or any Lender shall have reasonably requested; and

(p) after the making of the Advances and the deposit of any portion thereof into the Unfunded Reserve Account, the amount on deposit thereon is at least equal to the Unfunded Reserve Required Amount.

ARTICLE IV REPRESENTATIONS AND WARRANTIES

Section 4.01. Representations and Warranties of the Borrower

The Borrower represents and warrants to each of the Secured Parties on and as of each Measurement Date, as follows:

(a) Due Organization. The Borrower is a Delaware limited liability company, with full power and authority to own and operate its assets and properties, conduct the business in which it is now engaged and to execute and deliver and perform its obligations under this Agreement and the other Facility Documents to which it is a party.

(b) Due Qualification and Good Standing. The Borrower is validly existing and in good standing under the laws of its jurisdiction of organization. The Borrower is duly qualified to do business and, to the extent applicable, is in good standing in each other jurisdiction in which the nature of its business, assets and properties, including the performance of its obligations under this Agreement, the other Facility Documents to which it is a party and its Constituent Documents, requires such qualification, except where the failure to be so qualified or in good standing would not reasonably be expected to have a Material Adverse Effect.

(c) Due Authorization; Execution and Delivery; Legal, Valid and Binding; Enforceability. The execution and delivery by the Borrower of, and the performance of its obligations under the Facility Documents to which it is a party and the other instruments, certificates and agreements contemplated thereby are within its powers and have been duly authorized by all requisite action by it and have been duly executed and delivered by it and constitute its legal, valid and binding obligations enforceable against it in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally or general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(d) Non-Contravention. None of the execution and delivery by the Borrower of this Agreement or the other Facility Documents to which it is a party, the Borrowing, the making of the Advances or the pledge of the Collateral hereunder, the consummation of the transactions herein or therein contemplated, or compliance by it with the terms, conditions and provisions hereof or thereof, will (i) conflict with, or result in a breach or violation of, or constitute a default under its Constituent Documents, (ii) conflict with or contravene (A) any Applicable Law, (B) any indenture, agreement or other contractual restriction binding on or affecting it or any of its assets, including any Related Document, or (C) any order, writ, judgment, award, injunction or decree binding on or affecting it or any of its assets or properties or (iii) result in a breach or violation of, constitute a default under, or permit the acceleration of any obligation or liability in, any contractual obligation or any agreement or document to which it is a party or by which it or any of its assets are bound (or to which any such obligation, agreement or document relates).

(e) Governmental Authorizations; Private Authorizations; Governmental Filings. The Borrower has obtained, maintained and kept in full force and effect all Governmental Authorizations and Private Authorizations which are necessary for it to properly carry out its business, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect, and made all material Governmental Filings necessary for the execution and delivery by it of the Facility Documents to which it is a party, the Borrowing by the Borrower under this Agreement, the pledge of the Collateral by the Borrower under this Agreement and the performance by the Borrower of its obligations under this Agreement and the other Facility Documents to which it is a party, and no material Governmental Authorization, Private Authorization or Governmental Filing which has not been obtained or made is required to be obtained or made by it in connection with the execution and delivery by it of any Facility Document to which it is a party, the Borrowing by the Borrower under this Agreement, the pledge of the Collateral by the Borrower under this Agreement or the performance of its obligations under this Agreement and the other Facility Documents to which it is a party.

(f) Compliance with Agreements, Laws, Etc. The Borrower has duly observed and complied with all Applicable Laws relating to the conduct of its business and its assets, except where the failure to so observe or comply would not reasonably be expected to have a Material Adverse Effect. The Borrower has preserved and kept in full force and effect its legal existence. The Borrower has preserved and kept in full force and effect its rights, privileges, qualifications and franchises, except where the failure to do so would not reasonably be expected to result in a Material Adverse Effect. Without limiting the foregoing, neither the Borrower nor, to the knowledge of the Borrower, any Affiliate of the Borrower is (i) a country, territory, organization, person or entity named on a list of (or otherwise subject to Sanctions by) the Office of Foreign Asset Control, U.S. Department of the Treasury ("OFAC"); (ii) a Person that resides or has a place of business in a country or territory named on such lists or which is designated as a "Non-Cooperative Jurisdiction" by the Financial Action Task Force on Money Laundering, or whose subscription funds are transferred from or through such a jurisdiction; (iii) a "Foreign Shell Bank" within the meaning of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law on October 26, 2001)) (the "PATRIOT Act"), i.e., a foreign bank that does not have a physical presence in any country and that is not affiliated with a bank that has a physical presence and an acceptable level of regulation and supervision; or (iv) a person or entity that resides in or is organized under the laws of a jurisdiction designated by the United States Secretary of the Treasury under Sections 311 or 312 of the PATRIOT Act as warranting special measures due to money laundering concerns. The Borrower is in compliance with all applicable OFAC rules and regulations and also in compliance with all applicable provisions of the PATRIOT Act.

(g) Location. The Borrower's office in which the Borrower maintains its corporate books and records is located at the address for notices to the Borrower as set forth on Schedule 6 (as such location may change from time to time as notified to the Administrative Agent in accordance with Section 12.02). The Borrower's jurisdiction of organization of the Borrower is the jurisdiction referred to in Section 4.01(a).

(h) Investment Company Act. Assuming compliance by each of the Lenders and any participant with Section 12.06, neither the Borrower nor the pool of Collateral is required to register as an "investment company" under the Investment Company Act.

(i) Volcker Rule. The transactions contemplated by this Agreement and the other Facility Documents do not result in the Lenders holding an "ownership interest" in a "covered fund" for purposes of the Volcker Rule.

(j) Taxes. The Borrower has filed all U.S. federal Tax returns and all other material Tax returns which are required to be filed by it, if any, and has paid all U.S. federal Taxes and all other material Taxes shown to be due and payable on such returns, if any, or pursuant to any assessment received by any such Person other than any such taxes, assessments or charges that are being contested in good faith by appropriate proceedings and for which appropriate reserves in accordance with GAAP have been established.

(k) Tax Status. For U.S. federal income tax purposes, the Borrower is disregarded as an entity separate from its sole owner for U.S. federal income tax purposes, the Equityholder, within the meaning of Treasury Regulation Section 301.7701-3. The Equityholder is a United States Person within the meaning of Section 7701(a)(30) of the Code.

(l) Plan Assets. The assets of the Borrower are not treated as "plan assets" for purposes of Section 3(42) of ERISA and the Collateral is not deemed to be "plan assets" for purposes of Section 3(42) of ERISA. The Borrower has not taken, or omitted to take, any action which could result in any of the Collateral being treated as "plan assets" for purposes of Section 3(42) of ERISA or, assuming that the assets of the Lenders, the Administrative Agent and the Collateral Agent are not deemed to be "plan assets" for purposes of Section 3(42) of ERISA, the occurrence of any Prohibited Transaction in connection with the transactions contemplated hereunder.

(m) ERISA. Neither (i) the Borrower nor (ii) except as would not constitute a Material Adverse Effect, any member of its ERISA Group has, or during the past five years had, any liability or obligation with respect to any Plan or Multiemployer Plan.

(n) Solvency. After giving effect to each Advance hereunder, and the disbursement of the proceeds of such Advance, the Borrower is and will be Solvent.

(o) Indebtedness. The Borrower has no indebtedness, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than (a) indebtedness incurred under the terms of the Facility Documents and (b) indebtedness incurred pursuant to certain ordinary business expenses arising pursuant to the transactions contemplated by this Agreement and the other Facility Documents.

(p) Sanctions. None of (a) the Borrower, any Subsidiary or any of their respective directors, officers or employees, or (b) to the knowledge of any Responsible Officer of the Borrower, any agent of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the facility established hereby, is a Sanctioned Person. No Advance, use of proceeds or other transaction contemplated by this Agreement will violate applicable Sanctions.

(q) Information. The Notice of Borrowing, each Monthly Report, each Borrowing Base Calculation Statement, each Payment Date Report and all other written information, reports, certificates and statements furnished by or on behalf of the Borrower to any Secured Party for purposes of or in connection with this Agreement, the other Facility Documents or the transactions contemplated hereby or thereby is true, complete and correct in all material respects as of the date such information is stated or certified. All Collateral Loans included as Eligible Collateral Loans in the most recent calculation of the Coverage Tests required to be determined hereunder were Eligible Collateral Loans as of the date of such calculation is an accurate and complete listing of all the Collateral Loans contained in the Collateral as of the related date such Collateral Loan was included in the Collateral and the information contained therein with respect to the identity of such item of Collateral and the amounts owing thereunder is true and correct as of the related date such Collateral Loan was included in the Collateral.

(r) Environmental. With respect to each item of Related Security as of the date such Collateral Loan related to such Related Security was included in the Collateral, to the actual knowledge of a Responsible Officer of the Borrower (without independent inquiry): (a) the related Obligor's operations comply in all material respects with all applicable Environmental Laws; and (b) the related Obligor does not have any material contingent liability in connection with any release of any Hazardous Materials into the environment other than as materially mitigated by remediation reserves, indemnities, guaranties, acceptance into state-sponsored cleanup funds or other sources. As of the applicable date such Collateral Loan related to such Related Security was included in the Collateral, the Borrower has not received any written notice of, or inquiry from any governmental entity regarding, any material violation, alleged material violation, material non-compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws with regard to any of the Related Security.

(s) Representations Relating to the Collateral.

(i) The Borrower owns and has good and marketable and the sole legal title to all Collateral Loans (other than the Collateral Loans related to the Collateral Participation Interests, until any such Collateral Participation Interest is elevated to a full assignment) and other Collateral free and clear of any Lien, claim or encumbrance of any Person, other than Permitted Liens;

(ii) the Borrower has acquired its ownership in the Collateral Loans and other Collateral in good faith without notice of any adverse claim, other than Permitted Liens;

(iii) other than Permitted Liens, the Borrower has not pledged, assigned or sold (except as otherwise permitted under the Facility Documents), granted a security interest in, or otherwise conveyed (except as otherwise permitted under the Facility Documents) any of the Collateral;

(iv) the Borrower has full right to grant a security interest in and assign and pledge the Collateral to the Collateral Agent for the benefit of the Secured Parties (and has duly authorized such grant by all necessary action and the execution, delivery and performance of this Agreement and the other Facility Documents to which it is a party have been duly authorized by it by all necessary action);

(v) other than the security interest granted to the Collateral Agent for the benefit of the Secured Parties pursuant to this Agreement, the Borrower has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Collateral; the Borrower has not authorized the filing of and is not aware of any financing statements or any equivalent filing in any applicable jurisdiction against the Borrower that include a description of collateral covering the Collateral other than any financing statement or any equivalent filing in any applicable jurisdiction (A) relating to the security interest granted to the Collateral Agent hereunder or (B) any security interest that has been terminated or fully and validly assigned to the Collateral Agent or the Borrower on or prior to the date hereof; and the Borrower is not aware of any judgment, PBGC liens or Tax lien filings against the Borrower or any of its assets;

(vi) the Collateral constitutes Money, Cash, accounts (as defined in Section 9-102(a)(2) of the UCC), Instruments, general intangibles (as defined in Section 9-102(a)(42) of the UCC), Uncertificated Securities, Certificated Securities or security entitlements to financial assets resulting from the crediting of financial assets to a “securities account” (as defined in Section 8-501(a) of the UCC) or supporting obligations;

(vii) all Covered Accounts constitute “securities accounts” under Section 8-501(a) of the UCC or “deposit accounts” as defined in Section 9-102 of the UCC;

(viii) this Agreement creates a valid, continuing and, upon Delivery of Collateral, execution of the Account Control Agreement and filing of the financing statements referenced in clause (xi) below, perfected security interest (as defined in Section 1-201(37) of the UCC) in the Collateral in favor of the Collateral Agent, for the benefit and security of the Secured Parties, which security interest is prior to all other Liens and claims and is enforceable as such against creditors of and purchasers from the Borrower, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors’ rights generally or general principles of equity, regardless of whether considered in a proceeding in equity or at law;

(ix) the Borrower has received all consents and approvals required by the terms of the Related Documents in respect of such Collateral to the pledge hereunder to the Collateral Agent of its interest and rights in such Collateral;

(x) with respect to the Collateral that constitutes Security Entitlements:

(A) all such Collateral has been and will have been credited to the applicable Covered Account;

(B) the Securities Intermediary for each Covered Account has agreed to treat all assets (whether cash, a security, an instrument or any other property) credited to the Covered Accounts as Financial Assets; and

(C) either (x) the Borrower has caused or will have caused, on or prior to the Closing Date, the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under Applicable Law in order to perfect the security interest in the Collateral granted to the Collateral Agent, for the benefit and security of the Secured Parties, hereunder (which the Borrower hereby agrees may be an “all asset” filing) or (y)(A) the Borrower has delivered to the Collateral Agent a fully executed Account Control Agreement pursuant to which the Securities Intermediary has agreed to comply with all instructions originated by the Collateral Agent relating to the Covered Accounts without further consent of the Borrower or (B) the Borrower has taken all steps necessary to cause the Securities Intermediary to identify in its records the Collateral Agent as the Person having a Security Entitlement against the Securities Intermediary in each of the Covered Accounts; and

(xi) with respect to Collateral that constitutes accounts or general intangibles, the Borrower has caused or will have caused, on or prior to the Closing Date, the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under Applicable Law in order to perfect the security interest in the Collateral granted to the Collateral Agent, for the benefit and security of the Secured Parties, hereunder (which the Borrower hereby agrees may be an “all asset” filing).

Section 4.02. Representations and Warranties of the Collateral Manager and the Equityholder

The Collateral Manager and the Equityholder, as applicable, each represents and warrants to each of the Secured Parties on and as of each Measurement Date, as follows:

(a) Due Organization. The Collateral Manager is a corporation duly organized and validly existing under the laws of the State of Maryland, with full power and authority to own and operate its assets and properties, conduct the business in which it is now engaged and to execute and deliver and perform its obligations under this Agreement and the other Facility Documents to which it is a party. The Equityholder is a corporation duly organized and validly existing under the laws of the State of Maryland, with full power and authority to own and operate its assets and properties, conduct the business in which it is now engaged and to execute and deliver and perform its obligations under this Agreement and the other Facility Documents to which it is a party.

(b) Due Qualification and Good Standing. The Collateral Manager is in good standing in the State of Maryland. The Equityholder is in good standing in the state of Maryland. It is duly qualified to do business and, to the extent applicable, is in good standing in each other jurisdiction in which the nature of its business, assets and properties, including the performance of its obligations under this Agreement, the other Facility Documents to which it is a party and its Constituent Documents, requires such qualification, except where the failure to be so qualified or in good standing would not reasonably be expected to have a Material Adverse Effect.

(c) Due Authorization; Execution and Delivery; Legal, Valid and Binding; Enforceability. The execution and delivery by it, and the performance of its obligations under the Facility Documents to which it is a party and the other instruments, certificates and agreements contemplated thereby, are within its powers and have been duly authorized by all requisite action by it and have been duly executed and delivered by it and constitute its legal, valid and binding obligations enforceable against it in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors’ rights generally or general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(d) Non-Contravention. None of the execution and delivery by it of this Agreement or the other Facility Documents to which it is a party, the consummation of the transactions herein or therein contemplated, or compliance by it with the terms, conditions and provisions hereof or thereof, will (i) conflict with, or result in a breach or violation of, or constitute a default under its Constituent Documents, (ii) conflict with or contravene (A) any Applicable Law, (B) any indenture, agreement or other contractual restriction binding on or affecting it or any of its assets, including any Related Document, or (C) any order, writ, judgment, award, injunction or decree binding on or affecting it or any of its assets or properties or (iii) result in a breach or violation of, or constitute a default under, or permit the acceleration of any obligation or liability in any contractual obligation or any agreement or document to which it is a party or by which it or any of its assets are bound (or to which any such obligation, agreement or document relates), except in the case of clause (i) above, where such conflicts, breaches, violations or defaults would not reasonably be expected to have a Material Adverse Effect.

(e) Governmental Authorizations; Private Authorizations; Governmental Filings. It has obtained, maintained and kept in full force and effect all Governmental Authorizations and Private Authorizations which are necessary for it to properly carry out its business, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect, and made all material Governmental Filings necessary for the execution and delivery by it of the Facility Documents to which it is a party, and the performance by it of its obligations under this Agreement and the other Facility Documents to which it is a party, and no material Governmental Authorization, Private Authorization or Governmental Filing which has not been obtained or made is required to be obtained or made by it in connection with the execution and delivery by it of any Facility Document to which it is a party or the performance of its obligations under this Agreement and the other Facility Documents to which it is a party.

(f) Compliance with Agreements, Laws, Etc. It has duly observed and complied with all Applicable Laws relating to the conduct of its business and its assets, except where the failure to so observe or comply would not reasonably be expected to have a Material Adverse Effect. It has preserved and kept in full force and effect its legal existence. It has preserved and kept in full force and effect its rights, privileges, qualifications and franchises, except where the failure to do so would not reasonably be expected to result in a Material Adverse Effect. Without limiting the foregoing, neither it nor, to its knowledge, any of its Affiliates is (i) a country, territory, organization, person or entity named on an OFAC list; (ii) a Person that resides or has a place of business in a country or territory named on such lists or which is designated as a "Non-Cooperative Jurisdiction" by the Financial Action Task Force on Money Laundering, or whose subscription funds are transferred from or through such a jurisdiction; (iii) a "Foreign Shell Bank" within the meaning of the PATRIOT Act, i.e., a foreign bank that does not have a physical presence in any country and that is not affiliated with a bank that has a physical presence and an acceptable level of regulation and supervision; or (iv) a person or entity that resides in or is organized under the laws of a jurisdiction designated by the United States Secretary of the Treasury under Sections 311 or 312 of the PATRIOT Act as warranting special measures due to money laundering concerns. It is in compliance with all applicable OFAC rules and regulations and also in compliance with all applicable provisions of the PATRIOT Act.

(g) Taxes. It has filed all U.S. federal income tax returns and all other material tax returns which are required to be filed by it, if any, and has paid all U.S. federal income taxes and all other material taxes shown to be due and payable on such returns, if any, or pursuant to any assessment received by any such Person other than any such taxes, assessments or charges that are being contested in good faith by appropriate proceedings and for which appropriate reserves in accordance with GAAP have been established.

(h) Eligibility. Each Collateral Loan included in a Monthly Report or a Borrowing Base Calculation Statement required to be delivered by it under this Agreement as an Eligible Collateral Loan was, in fact, an Eligible Collateral Loan at such time.

(i) Investment Company Act; Investment Advisers Act of 1940; BDC Election. The Collateral Manager has elected to be treated as a business development company under the Investment Company Act. The Collateral Manager is managed by the Adviser, an investment adviser registered under the Investment Advisers Act of 1940, as amended.

Section 4.03. Representations and Warranties of the Collateral Agent and the Custodian.

Each of the Collateral Agent and the Custodian represents and warrants in its individual capacity and as Collateral Agent or Custodian, as applicable, as follows (and any successor Collateral Agent or Custodian appointed in accordance with this Agreement represents and warrants as follows in its individual capacity and as Collateral Agent or Custodian, as applicable):

(a) Organization and Corporate Power. It is a duly organized and validly existing national banking association in good standing under the laws of the United States. It has full power, authority and legal right to execute, deliver and perform its obligations as Collateral Agent or Custodian, as applicable, under this Agreement.

(b) Due Authorization. The execution and delivery of this Agreement and the consummation of the transactions provided for herein have been duly authorized by all necessary association or corporate action, as applicable, on its part, either in its individual capacity or as Collateral Agent or Custodian, as the case may be.

(c) No Violation. Its execution and delivery of this Agreement, its performance of the transactions contemplated hereby and the fulfillment of the terms hereof will not conflict with or violate, in any material respect, any Applicable Law.

(d) All Consents Required. All approvals, authorizations, consents, orders or other actions of any Person or Governmental Authority applicable to the Collateral Agent or the Custodian required in connection with the execution and delivery of this Agreement, the performance by the Collateral Agent or the Custodian, as applicable, of the transactions contemplated hereby and the fulfillment by the Collateral Agent or the Custodian, as applicable, of the terms hereof have been obtained.

(e) Validity, etc. This Agreement constitutes the legal, valid and binding obligation of the Collateral Agent and the Custodian, as applicable, enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable Insolvency Laws or general principles of equity (whether considered in a suit at law or in equity).

ARTICLE V
COVENANTS

Section 5.01. Affirmative Covenants of the Borrower

The Borrower covenants and agrees that, until the Final Maturity Date (and thereafter until the date that all Obligations, other than contingent indemnification obligations as to which no claim giving rise thereto has been asserted, have been Paid in Full):

(a) Compliance with Agreements, Laws, Etc. It shall (i) duly observe and comply in all material respects with all Applicable Laws relative to the conduct of its business or to its assets, (ii) preserve and keep in full force and effect its legal existence, (iii) preserve and keep in full force and effect its rights, privileges, qualifications and franchises, except where the failure to do so would not reasonably be expected to result in a Material Adverse Effect, (iv) comply with the terms and conditions of each Facility Document to which it is a party, its Constituent Documents and each Related Document to which it is a party and (v) obtain, maintain and keep in full force and effect all Governmental Authorizations, Private Authorizations and Governmental Filings which are necessary or appropriate to properly carry out its business and the transactions contemplated to be performed by it under the Facility Documents to which it is a party, its Constituent Documents and the Related Documents to which it is a party.

(b) Further Assurances.

(i) It shall promptly upon the reasonable request of either Agent or the Required Lenders (through the Administrative Agent), at the Borrower's expense, execute and deliver such further instruments and take such further action in order to maintain and protect the Collateral Agent's first-priority perfected security interest in the Collateral pledged by the Borrower for the benefit of the Secured Parties free and clear of any Liens (other than Permitted Liens). At the reasonable request of either Agent or the Required Lenders (through the Administrative Agent), the Borrower shall promptly take, at the Borrower's expense, such further action in order to establish and protect the rights, interests and remedies created or intended to be created under this Agreement in favor of the Secured Parties in the Collateral, including all actions which are necessary to (x) enable the Secured Parties to enforce their rights and remedies under this Agreement and the other Facility Documents, and (y) effectuate the intent and purpose of, and to carry out the terms of, the Facility Documents.

(ii) It shall ensure that each Permitted Subsidiary (A) is a wholly owned subsidiary of the Borrower, (B) will not sell, transfer, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (or permit such to occur or suffer such to exist) any part of its assets, except in compliance with the Borrower's rights and obligations under this Agreement and with such Permitted Subsidiary's Constituent Documents, (C) will not have any subsidiaries, (D) will not incur or guarantee any indebtedness, except indebtedness with respect to which the Borrower is the sole creditor, (E) will include in its Constituent Documents a limitation on its business such that it may only engage in the acquisition of assets permitted under this Agreement and the disposition of such assets and the proceeds thereof to the Borrower (and activities ancillary thereto) and (F) will distribute (including by way of interest payments) 100% of the proceeds of the assets acquired by such Permitted Subsidiary (net of applicable taxes and expenses payable by such Permitted Subsidiary) to the Borrower.

(c) Financial Statements; Other Information. It shall provide to the Administrative Agent or cause to be provided to the Administrative Agent:

(i) within 120 days after the end of each fiscal year of the Equityholder, an annual report containing an audited consolidated statement of assets and liabilities as of the end of such fiscal year, and audited consolidated statements of operations, changes in net assets, and cash flows, for the year then ended, prepared in accordance with GAAP, each reported on by independent public accountants of recognized national standing, which may or may not be the independent public accountants appointed by the Collateral Manager pursuant to Section 8.1Q (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Equityholder and its consolidated Subsidiaries on a consolidated basis;

(ii) within 60 days after the end of each of the first three quarters of each fiscal year of the Equityholder, an unaudited financial report of the Equityholder containing a consolidated statement of assets and liabilities, consolidated statements of operations, changes in net assets, and cash flows, and a market value report regarding the Equityholder's investments, in each case for the period then ended, all certified by one of its senior financial officers as presenting fairly in all material respects the financial condition and results of operations of the Equityholder and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(iii) within three Business Days after a Responsible Officer of the Borrower obtains actual knowledge of the occurrence and continuance of any (A) Default, (B) Event of Default, (C) a Borrowing Base Deficiency or (D) an Equity Coverage Deficiency a certificate of a Responsible Officer of the Borrower setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto; provided that the Borrower shall not be obligated to deliver such certificate with respect to a Default or Event of Default to the extent that a Responsible Officer of the Collateral Manager delivers a certificate with respect to such Default or Event of Default pursuant to Section 5.03(c);

(iv) to the extent available to the Collateral Manager (on behalf of the Borrower) pursuant to the Related Documents, on or prior to the Closing Date, audited financial statements of the related Obligor for the two (2) year period most recently ended with respect to the related Obligor;

(v) to the extent available to the Collateral Manager (on behalf of the Borrower) pursuant to the Related Documents, the annual audited financial statements with respect to each Obligor, which delivery shall be made within ten (10) Business Days after receipt by the Borrower or the Collateral Manager (on behalf of the Borrower) as specified in the Related Documents;

(vi) excerpts from the quarterly portfolio valuation report of the Equityholder relating to the Collateral Loans, which excerpts shall be the portions of such report with respect to the Collateral Loans and which delivery shall be made within sixty (60) days after the end of each of the first three quarters of each fiscal year of the Equityholder and within one hundred twenty (120) days after the end of each fiscal year of the Equityholder;

(vii) copies of any material amendment, restatement, supplement, waiver or other modification to the Related Documents of any Collateral Loan within ten (10) Business Days of the effectiveness of such amendment, restatement, supplement, waiver or other modification;

(viii) together with the financial statements delivered under clauses (i) and (ii) above, a certificate of a Responsible Officer of the Borrower setting forth a calculation of the Tangible Net Worth of the Equityholder and its Subsidiaries as of the end of the most recently ended fiscal quarter related to such financial statements;

(ix) from time to time such additional information regarding the Borrower's financial position or business and the Collateral (including reasonably detailed calculations of each Coverage Test) as the Administrative Agent or the Required Lenders (through the Administrative Agent) may reasonably request;

(x) within five (5) Business Days after a Responsible Officer of the Borrower, the Equityholder, or the Collateral Manager obtains actual knowledge thereof, notice of any material action, suit, proceeding, dispute, offset, deduction, defense or counterclaim with respect to (x) the Borrower, the Equityholder, or the Collateral Manager or (y) any Collateral that (A) is asserted by an Obligor with respect to such Obligor's obligations under any Related Document with respect to any Collateral (or portion thereof) or (B) could reasonably be expected to have a Material Adverse Effect;

(xi) within five (5) Business Days after a Responsible Officer of the Borrower, the Equityholder, or the Collateral Manager obtains actual knowledge thereof, notice of the occurrence of any ERISA Event and copies of any communications with all Governmental Authorities or any Multiemployer Plan with respect to such ERISA Event;

(xii) within five (5) Business Days after a Responsible Officer of the Borrower, the Equityholder, or the Collateral Manager obtains actual knowledge thereof, notice of any Insolvency Event related to any Obligor;

(xiii) within five (5) Business Days after a Responsible Officer of the Borrower, the Equityholder, or the Collateral Manager obtains actual knowledge thereof, notice of a default in any payment required under any Related Document;

(xiv) a Borrowing Base Calculation Statement on (A) each date on which the Borrower (or the Collateral Manager on its behalf) sells or substitutes any Collateral Loan, (B) the date on which a Responsible Officer of the Collateral Manager obtains knowledge of any Material Modification with respect to a Collateral Loan, (C) each Measurement Date and (D) each other date reasonably requested by the Administrative Agent upon at least two (2) Business Days' written notice to the Borrower;

(xv) to the extent reasonably available, financial reporting packages with respect to each Obligor including (A) each Obligor's (1) legal name and address, (2) jurisdiction, (3) audited financial statements delivered under clauses (iv) and (v) above and unaudited interim financial statements for the most recent fiscal year and (4) company forecasts including plans related to capital expenditures, if available to the Borrower or the Collateral Manager, (B) to the extent available to the Borrower or Collateral Manager and not otherwise included in clause (A), above, each Obligor's (1) business model and company strategy and (2) principal shareholders and management officers and (C) such other information as any Lender may reasonably require for regulatory purposes relating to the Collateral Loans or the transactions contemplated hereby and so notify in writing the Borrower and the Collateral Manager (including, without limitation, the Borrower's or the Collateral Manager's internal rating of such obligor); provided that such information is in the possession of the Borrower or the Collateral Manager, as applicable, or reasonably obtainable thereby without undue burden or expense and not subject to any applicable confidentiality restrictions prohibiting such disclosure to the Administrative Agent; and

(xvi) on each Business Day, a trade blotter, cash flow and position report of the Borrower.

Notwithstanding the foregoing, the requirement to deliver financial statements set forth in Section 5.01(c)(i)-(ii) will be satisfied at any such time as such financial statements are publicly posted on the official web site of the Equityholder, appropriately filed with the SEC, and notice of such posting is provided to the Administrative Agent through e-mail or upon receipt of such information through e-mail (with confirmation of receipt) or another delivery method acceptable to the Administrative Agent.

(d) Access to Records and Documents. It shall permit the Administrative Agent (or any Person designated by the Administrative Agent, subject to delivery of standard confidentiality agreements) to, upon reasonable advance notice and during normal business hours, visit and inspect and make copies thereof at reasonable intervals (i) its books, records and accounts relating to its business, financial condition, operations, assets and its performance under the Facility Documents and the Related Documents and to discuss the foregoing with its and such Person's officers, partners, employees and accountants, and (ii) all of its Related Documents, in each case as often as the Administrative Agent may reasonably request; provided that so long as no Event of Default has occurred, the Borrower shall be responsible for all costs and expenses for only one such visit per fiscal year by the Administrative Agent or its designees. The Administrative Agent shall provide 10 days' prior notice to the Lenders of any such visit and any Lender shall be permitted to accompany the Administrative Agent in such visit.

(e) Use of Proceeds. It shall use the proceeds of each Advance made hereunder solely:

(i) to fund or pay the purchase price of Eligible Loans or Eligible Investments owned or acquired by the Borrower in accordance with the terms and conditions set forth herein;

(ii) to fund additional extensions of credit under Delayed Drawdown Collateral Loans held by the Borrower in accordance with the terms of this Agreement; and

(iii) to fund the Unfunded Reserve Account on the Closing Date to the extent the Unfunded Reserve Account is required to be funded pursuant to Section 8.04.

Without limiting the foregoing, it shall use the proceeds of the Advances in a manner that does not, directly or indirectly, violate any provision of its Constituent Documents or any Applicable Law, including Regulation T, Regulation U and Regulation X. Further, the Borrower shall not use the proceeds of the Advances in a manner that would cause such credit extension to become a "covered transaction" as defined in Section 23A of the Federal Reserve Act (12 U.S.C. § 371c) and Regulation W (12 C.F.R. Part 223), including any transaction where any proceeds of the Advances are used for the benefit of, or transferred to, an affiliate of a Lender.

(f) Information and Reports. The Notice of Borrowing, each Monthly Report, each Borrowing Base Calculation Statement, each Payment Date Report and all other written information, reports, certificates and statements furnished by or on behalf of the Borrower to any Secured Party for purposes of or in connection with this Agreement, the other Facility Documents or the transactions contemplated hereby or thereby shall be true, complete and correct in all material respects as of the date such information is stated or certified and the delivery by or on behalf of the Borrower of the Notice of Borrowing and any such Monthly Report, Borrowing Base Calculation Statement, Payment Date Report or other written information, reports, certificates and statements shall be deemed to be a representation and warranty by the Borrower that such information is true, complete and correct in all material respects as of the date such information is stated or certified.

(g) No Other Business. The Borrower shall not engage in any business or activity other than borrowing Advances pursuant to this Agreement, funding, acquiring, owning, holding, administering, selling, enforcing, lending, exchanging, redeeming, pledging, contracting for the management of and otherwise dealing with Collateral Loans, Eligible Investments and the Collateral in connection therewith and entering into the Facility Documents, any applicable Related Documents and any other agreement contemplated by this Agreement.

(h) Tax Matters. The Borrower shall (and each Lender hereby agrees to) treat the Advances and the Notes as debt for U.S. federal income tax purposes and will take no contrary position, unless otherwise required pursuant to a closing agreement with the U.S. Internal Revenue Service or a non-appealable judgment of a court of competent jurisdiction. Notwithstanding any contrary agreement or understanding, the Collateral Manager, the Borrower, the Agents and the Lenders (and each of their respective employees, representatives or other agents) may disclose to any and all Persons, without limitation of any kind, the tax treatment and tax structure of the transactions contemplated by this Agreement and all materials of any kind (including opinions or other tax analyses) that are provided to them relating to such tax treatment and tax structure. The foregoing provision shall apply from the beginning of discussions between the parties. For this purpose, the tax treatment of a transaction is the purported or claimed U.S. tax treatment of the transaction under applicable U.S. federal, state or local law, and the tax structure of a transaction is any fact that may be relevant to understanding the purported or claimed U.S. tax treatment of the transaction under applicable U.S. federal, state or local law. For U.S. federal income tax purposes, the Borrower shall remain disregarded as an entity separate from its sole owner, the Equityholder, within the meaning of Treasury Regulation Section 301.7701-3. The Equityholder shall remain a United States Person within the meaning of Section 7701(a)(30) of the Code.

(i) Collections. The Borrower shall direct all Obligor (and related paying agents) to pay all Collections directly to the Collection Account. The Borrower shall transfer, or cause to be transferred, all Collections to the Collection Account by the close of business on the Business Day following the date such Collections are received by the Borrower, the Equityholder, the Collateral Manager or any of their respective Affiliates.

(j) Priority of Payments. The Borrower shall instruct (or cause the Collateral Manager to instruct) the Collateral Agent to apply all Interest Proceeds and Principal Proceeds solely in accordance with the Priority of Payments and the other provisions of this Agreement.

(k) Acquisition of Collateral Loans from the Equityholder. Any acquisition of Collateral Loans by the Borrower from the Equityholder shall be (i) effected pursuant to the Sale Agreement and subject in all respects to the terms and conditions set forth therein and (ii) for fair market value and no adverse selection procedures shall be employed by the Borrower (or the Collateral Manager on behalf of the Borrower) in selecting the Collateral Loans for acquisition.

(l) Certificate of Assignment for Closing Date Participation Interests. As soon as practicable, but in no event later than the date that is sixty (60) days after the Closing Date (or such longer period to which the Administrative Agent may agree), the Borrower shall deliver to the Custodian and the Administrative Agent a copy of the fully executed assignment agreement assigning the Collateral Loans related to the Closing Date Participation Interests directly to the Borrower, certified by an officer of the Borrower (or the Collateral Manager on behalf of the Borrower) and written evidence satisfactory to the Administrative Agent that the Borrower is recognized as the owner of record by the related administrative agent in respect of the Related Documents.

(m) Delivery of Loan Files. The Borrower (or the Collateral Manager on behalf of the Borrower) shall deliver to the Custodian for each Collateral Loan, each item referenced in the definition of "Loan File"; provided that, other than as set forth above with respect to any original assignment of any Collateral Loan or any original executed promissory note with respect to any Collateral Loan (each of which shall be delivered to the Custodian in sealed envelopes labeled appropriately), the requirements set forth in this Section 5.01(m) shall be satisfied by providing electronic copies of any Required Loan Document to the Custodian; provided, further, that any filed stamped document included in any Loan File shall be delivered as soon as they are reasonably available (but in no event later than 30 Business Days after the acquisition by the Borrower of the applicable Collateral Loan). Neither the Custodian nor the Collateral Administrator shall have any obligation to review any of the documents delivered to it hereunder.

Section 5.02. Negative Covenants of the Borrower

The Borrower covenants and agrees that, until the Final Maturity Date (and thereafter until the date that all Obligations, other than contingent indemnification obligations as to which no claim giving rise thereto has been asserted, have been Paid in Full):

(a) Restrictive Agreements. It shall not enter into or suffer to exist or permit to become effective any agreement that prohibits, limits or imposes any condition upon its ability to create, incur, assume or suffer to exist any Lien (other than Permitted Liens) upon any of its property or revenues constituting Collateral, whether now owned or hereafter acquired, to secure its obligations under the Facility Documents other than this Agreement and the other Facility Documents or to perform its obligations under the Facility Documents to which it is a party.

(b) Liquidation; Merger; Sale of Collateral. It shall not consummate any plan of liquidation, dissolution, partial liquidation, merger or consolidation (or suffer any liquidation, dissolution or partial liquidation) nor sell, transfer, exchange or otherwise dispose of any of its assets (other than dispositions permitted under this Agreement), or enter into an agreement or commitment to do so or enter into or engage in any business with respect to any part of its assets, except as expressly permitted by this Agreement and the other Facility Documents (including in connection with the repayment in full of the Obligations).

(c) Amendments to Constituent Documents, Etc. Without the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed), (i) it shall not amend, modify or take any action inconsistent with its Constituent Documents and (ii) it will not amend, modify or waive in any material respect any term or provision in any Facility Document (other than in accordance with any provision thereof requiring the consent of the Administrative Agent or all or a specified percentage of the Lenders).

(d) Liens. It shall not create, assume or suffer to exist any Lien on any of its assets now owned or hereafter acquired by it at any time, except for Permitted Liens or as otherwise expressly permitted by this Agreement and the other Facility Documents.

(e) Margin Requirements; Covered Transactions. It shall not (i) extend credit to others for the purpose of buying or carrying any Margin Stock in such a manner as to violate Regulation T or Regulation U or (ii) use all or any part of the proceeds of any Advance, whether directly or indirectly, and whether immediately, incidentally or ultimately, for any purpose that (A) violates the provisions of the Regulations of the Board of Governors, including, to the extent applicable, Regulation U and Regulation X or (B) would cause such credit extension to become a "covered transaction" as defined in Section 23A of the Federal Reserve Act (12 U.S.C. § 371c) and the Federal Reserve Board's Regulation W (12 C.F.R. Part 223), including any transaction where the proceeds of an Advance are used for the benefit of, or transferred to, an affiliate of a Lender.

(f) Changes to Filing Information. It shall not change its name or its jurisdiction of organization from that referred to in Section 4.01(a), unless it gives ten (10) days' prior written notice to the Agents and takes all actions that the Administrative Agent or the Required Lenders (through the Administrative Agent) reasonably request and determine to be necessary to protect and perfect the Collateral Agent's perfected security interest in the Collateral.

(g) Transactions with Affiliates. It shall not sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates (including sales of Defaulted Collateral Loans and other Collateral Loans), unless such transaction is upon terms no less favorable to the Borrower than it would obtain in a comparable arm's length transaction with a Person that is not an Affiliate (it being agreed that any purchase or sale at par shall be deemed to comply with this provision). The foregoing covenant shall not apply to the execution, delivery and performance of the Facility Documents or the Borrower's Constituent Documents and shall not prohibit the Equityholder from transferring Collateral Loans, Cash or other assets to the Borrower in whole or in part as a capital contribution to the Borrower.

(h) Subject Laws. It shall not utilize directly or indirectly the proceeds of any Advance for the benefit of any Person controlling, controlled by, or under common control with any other Person, whose name appears on the List of Specially Designated Nationals and Blocked Persons maintained by OFAC or otherwise in violation of any Subject Laws.

(i) No Claims Against Advances. Subject to Applicable Law, it shall not claim any credit on, make any deduction from, or dispute the enforceability of payment of the principal or interest payable (or any other amount) in respect of the Advances or assert any claim against any present or future Lender, by reason of the payment of any Taxes levied or assessed upon any part of the Collateral.

(j) Indebtedness; Guarantees; Securities; Other Assets. It shall not incur or assume or guarantee any indebtedness, obligations (including contingent obligations) or other liabilities, or issue any additional securities, whether debt or equity, in each case other than (i) the Obligations pursuant to or as expressly permitted by this Agreement and the other Facility Documents or (ii) pursuant to customary indemnification, expense reimbursement, funding obligations and similar provisions under the Related Documents. The Borrower shall not acquire any Collateral Loan or other property other than as expressly permitted hereunder.

(k) Validity of this Agreement. It shall not (i) permit the validity or effectiveness of this Agreement or any grant of Collateral hereunder to be impaired, or permit the Lien of this Agreement to be amended, hypothecated, subordinated, terminated or discharged, or permit any Person to be released from any covenant or obligation with respect to this Agreement and (ii) except as permitted by this Agreement, take any action that would permit the Lien of this Agreement not to constitute a valid first priority perfected security interest in the Collateral.

(l) Subsidiaries.

(i) It shall not have or permit the formation of any subsidiaries, other than Permitted Subsidiaries; provided, that to the extent any such subsidiary is formed, the Borrower shall (A) cause such Permitted Subsidiary to provide the Administrative Agent with such security documents (including security documents with respect to any real property of such new subsidiary), appropriate financing statements and, with respect to all property subject to a mortgage or deed of trust, fixture filings, all in form and substance satisfactory to the Administrative Agent (including being sufficient to grant the Administrative Agent a first priority perfected Lien (subject to Permitted Liens) in and to the assets of such newly formed or acquired subsidiary) and (B) provide to the Administrative Agent appropriate certificates and powers or financing statements, hypothecating all of the direct or beneficial ownership interest in such Permitted Subsidiary, in form and substance satisfactory to the Administrative Agent and all other documentation, including one or more opinions of counsel satisfactory in form and substance to the Administrative Agent, if requested by the Administrative Agent, which in its opinion is appropriate with respect to the execution and delivery of the applicable documentation referred to above (including policies of title insurance or other documentation with respect to all property subject to a Lien).

(ii) Any document, agreement, or instrument executed or issued pursuant to this Section shall be a Facility Document.

(iii) Nothing in clause (i)(A) above shall apply to any Obligor that becomes a Subsidiary of the Borrower in connection with a work-out or restructuring of a Collateral Loan or a bankruptcy of the related Obligor.

(m) Name. It shall not conduct business under any name other than its own.

(n) Employees. It shall not have any employees (other than officers and directors to the extent they are employees).

(o) Non-Petition. The Borrower shall not be party to any agreements under which it has any material obligation or liability (direct or contingent) without using commercially reasonable efforts to include customary “non-petition” and “limited recourse” provisions therein (and shall not amend or eliminate such provisions in any agreement to which it is party), except for loan agreements, related loan documents, bond indentures and related bond documents, any agreements related to the purchase and sale of any Collateral Loan which contain customary (as determined by the Collateral Manager) purchase or sale terms or which are documented using customary (as determined by the Collateral Manager) loan trading documentation, customary service contracts and engagement letters entered into in connection with the Collateral Loans and any agreement that does not impose a material obligation on the Borrower and that is of a type that customarily does not include “non-petition” or “limited recourse” provisions.

(p) Certificated Securities. The Borrower shall not acquire or hold any Certificated Securities in bearer form (other than securities not required to be in registered form under Section 163(f)(2)(A) of the Code) in a manner that does not satisfy the requirements of United States Treasury Regulations section 1.165-12(c) (as determined by the Collateral Manager).

(q) Enforcement.

(i) The Borrower shall not take any action that would release any Obligor from any of such Obligor’s covenants or obligations under any instrument or agreement included in the Collateral, except in the case of (A) repayment of Collateral Loans, (B) subject to the terms of this Agreement, (1) amendments to Collateral Loans in accordance with the Collateral Management Standard and (2) actions taken in connection with the work out or restructuring of any Collateral Loan in accordance with the provisions hereof, and (C) other actions by the Collateral Manager required hereby or otherwise to the extent not prohibited by, or in conflict with, this Agreement.

(ii) The Borrower shall not, without the prior written consent of the Administrative Agent and the Required Lenders, contract with other Persons (other than the Collateral Manager and the Collateral Administrator) for the performance of actions and obligations to be performed by the Borrower or the Collateral Manager hereunder. Notwithstanding any such arrangement, the Borrower shall remain primarily liable with respect thereto. The Borrower shall punctually perform, and use commercially reasonable efforts to cause the Collateral Manager and the Collateral Administrator to perform, all of their obligations and agreements contained in this Agreement or any other Facility Document to which such Person is a party.

(r) Amendments to Collateral Loans. The Borrower (and the Collateral Manager on its behalf) shall not consent to any amendment, waiver, consent or other modification of any Collateral Loan or any Related Document for any Collateral Loan (i) that would be a Material Modification, (ii) that would result in an Event of Default, (iii) after the occurrence and continuance of an Event of Default (including without limitation a Collateral Manager Default) or (iv) that would cause any Collateral Loan to become an Ineligible Collateral Loan, in each case without the prior written consent of the Administrative Agent in its sole discretion.

(s) ERISA. Neither it nor any member of its ERISA Group shall establish any Plan or Multiemployer Plan.

(t) Obligor Payment Instructions. The Borrower shall not make any change, or permit the Collateral Manager to make any change, in its instructions to Obligors, agent banks or administrative agents on the Collateral Loans regarding payments to be made with respect to the Collateral Loans to the Collection Account, unless the Administrative Agent has consented to such change. The Borrower further agrees that it shall (or it shall cause the Collateral Manager to) provide prompt notice to the Administrative Agent of any misdirected or errant payments made by any Obligor with respect to any Collateral Loan and direct such Obligor to make payments as required hereunder to the extent a Responsible Officer of the Borrower or the Collateral Manager, as applicable, has actual knowledge of such misdirected or errant payments.

Section 5.03. Affirmative Covenants of the Collateral Manager and the Equityholder

Each of the Collateral Manager and the Equityholder covenants and agrees that, until the Final Maturity Date (and thereafter until the date that all Obligations, other than contingent indemnification obligations as to which no claim giving rise thereto has been asserted, have been Paid in Full):

(a) Compliance with Agreements, Laws, Etc. It shall (i) duly observe and comply in all material respects with all Applicable Laws relative to the conduct of its business or to its assets, (ii) preserve and keep in full force and effect its legal existence, (iii) preserve and keep in full force and effect its rights, privileges, qualifications and franchises, except where the failure to do so would not reasonably be expected to result in a Material Adverse Effect, (iv) comply with the terms and conditions of each Facility Document to which it is a party, its Constituent Documents and each Related Document to which it is a party and (v) obtain, maintain and keep in full force and effect all Governmental Authorizations, Private Authorizations and Governmental Filings which are necessary or appropriate to properly carry out its business and the transactions contemplated to be performed by it under the Facility Documents to which it is a party, its Constituent Documents and the Related Documents to which it is a party.

(b) Information and Reports.

(i) The Notice of Borrowing, each Monthly Report, each Payment Date Report and all other written information, reports, certificates and statements furnished by the Collateral Manager to any Secured Party for purposes of or in connection with this Agreement, the other Facility Documents or the transactions contemplated hereby or thereby shall be true, complete and correct in all material respects as of the date such information is stated or certified.

(ii) The Collateral Manager shall provide to the Administrative Agent or cause to be provided to the Administrative Agent (with enough additional copies for each Lender):

(A) a Borrowing Base Calculation Statement on (w) each date on which the Borrower (or the Collateral Manager on its behalf) sells or substitutes any Collateral Loan, (x) the date on which a Responsible Officer of the Collateral Manager obtains knowledge of any Material Modification with respect to a Collateral Loan, (y) each Measurement Date and (z) each other date reasonably requested by the Administrative Agent upon at least two (2) Business Days' written notice to the Collateral Manager; and

(B) from time to time such additional information regarding the Collateral (including reasonably detailed calculations of the Coverage Tests) as the Required Lenders (through the Administrative Agent) may reasonably request in writing.

(iii) The Collateral Manager shall, on each Business Day, calculate each Coverage Test and provide such calculations (with all supporting calculations) to the Borrower, the Administrative Agent and the Collateral Administrator.

(iv) The Collateral Manager shall track the delivery to the Custodian of the Required Loan Documents with respect to each of the Collateral Loans owned by the Borrower.

(v) The Collateral Manager shall, no later than the fifth (5th) Business Day following the end of each month, provide (or cause to be provided) to the Borrower, the Administrative Agent and the Collateral Administrator a report with the information obligations specified for delivery by the Collateral Manager as set forth on Schedule 4 hereto.

(c) Notice of Default. Within three Business Days after a Responsible Officer of the Collateral Manager or the Equityholder obtains actual knowledge of the occurrence and continuance of any (A) Default or (B) Event of Default, the Collateral Manager or the Equityholder, as applicable, shall deliver to the Administrative Agent a certificate of a Responsible Officer of the Collateral Manager or the Equityholder, as applicable, setting forth the details thereof and the action which the Collateral Manager or the Equityholder, as applicable, is taking or proposes to take with respect thereto; provided that neither the Collateral Manager nor the Equityholder shall be obligated to deliver such certificate to the extent that a Responsible Officer of the Borrower delivers a certificate with respect to such Default or Event of Default pursuant to Section 5.01(c).

(d) Access to Records and Documents. It shall permit the Administrative Agent (or any Person designated by the Administrative Agent, subject to delivery of standard confidentiality agreements) to, upon reasonable advance notice and during normal business hours, visit and inspect and make copies thereof at reasonable intervals (i) its books, records and accounts relating to its business, financial condition, operations, assets and its performance under the Facility Documents and the Related Documents and to discuss the foregoing with its and such Person's officers, partners, employees and accountants, and (ii) all of its Related Documents, in each case as often as the Administrative Agent may reasonably request; provided that so long as no Event of Default or Collateral Manager Default has occurred, the Borrower shall be responsible for all costs and expenses for only one such visit per fiscal year by the Administrative Agent or its designees. The Administrative Agent shall provide 10 days' prior notice to the Lenders of any such visit and any Lender shall be permitted to accompany the Administrative Agent in such visit. Any such visit and inspection shall be made simultaneously with any visit and inspection pursuant to Section 5.01(e).

(e) Collections. It shall direct, or cause to be directed, all Obligors (and related paying agents) to pay all Collections directly to the Collection Account. It shall transfer, or cause to be transferred, all Collections to the Collection Account by the close of business on the Business Day following the date any Collections are received by it or any of its respective Affiliates.

Section 5.04. Negative Covenants of the Collateral Manager and the Equityholder

(a) Each of the Collateral Manager and the Equityholder covenants and agrees that, until the Final Maturity Date (and thereafter until the date that all Obligations, other than contingent indemnification obligations as to which no claim giving rise thereto has been asserted, have been Paid in Full), it shall not enter into or suffer to exist or permit to become effective any agreement that prohibits, limits or imposes any condition upon its ability to perform its obligations under the Facility Documents to which it is a party.

(b) Amendments to Collateral Loans. The Collateral Manager (on behalf of the Borrower) shall not consent to any amendment, waiver, consent or other modification of any Collateral Loan or any Related Document for any Collateral Loan (i) that would be a Material Modification, (ii) that would result in an Event of Default, (iii) after the occurrence and continuance of an Event of Default (including without limitation a Collateral Manager Default) or (iv) that would cause any Collateral Loan to become an Ineligible Collateral Loan, in each case without the prior written consent of the Administrative Agent in its sole discretion.

Section 5.05. Certain Undertakings Relating to Separateness

Without limiting any, and subject to all, other covenants of the Borrower, the Collateral Manager and the Equityholder contained in this Agreement:

(a) The Borrower shall maintain its accounts, books, accounting and other records separate from those of any other Person, except that the accounts of the Borrower may be included in the consolidated financial statements of the Equityholder or the Collateral Manager as required by GAAP or Applicable Law.

(b) The Borrower shall not commingle or pool any of their respective funds or assets with those of any Affiliate or any other Person, and it shall hold all of its assets in its own name, except as otherwise permitted or required under the Facility Documents.

(c) The Borrower shall pay its own debts, liabilities and expenses (including overhead expenses, if any) only out of its own assets as the same shall become due and shall not pay any separate debts, liabilities or expenses of the Collateral Manager or the Equityholder.

(d) The Borrower has observed, and shall observe in all material respects all (A) limited liability company formalities and (B) other organizational formalities, in each case to the extent necessary or advisable to preserve its separate existence, and shall preserve its existence, and it shall not, nor shall it permit any Affiliate or any other Person to, amend, modify or otherwise change its Constituent Documents in a manner that would adversely affect the existence of the Borrower as a bankruptcy-remote special purpose entity.

(e) The Borrower shall have at least one Independent Manager at all times.

(f) The Borrower shall not (A) guarantee, become obligated for, or hold itself or its credit out to be responsible for or available to satisfy, the debts or obligations of any other Person or (B) control the decisions or actions respecting the daily business or affairs of any other Person, except as permitted by or pursuant to the Facility Documents.

(g) The Borrower shall, at all times, hold itself out to the public as a legal entity separate and distinct from any other Person, shall not identify itself as a division of any other Person and shall correct any known misunderstanding regarding its separate identity; provided that the assets, liabilities and operating results of the Borrower may be consolidated for accounting purposes and included in consolidated financial statements of its equityholders or the Collateral Manager as required by GAAP or Applicable Law.

- (h) The Borrower shall maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any Affiliate or any other Person.
- (i) Any transaction between the Borrower and its Affiliates shall be on arm's-length terms.
- (j) Except as provided in the Facility Documents, the Borrower shall not grant a security interest or otherwise pledge its assets for the benefit of any other Person.
- (k) Except as provided in the Facility Documents, the Borrower shall not acquire any securities or debt instruments of the Collateral Manager, its Affiliates or any other Person (except for equity interests in Obligor in connection with the exercise of any remedies with respect to a Collateral Loan or any exchange offer, work-out or restructuring of a Collateral Loan).
- (l) The Borrower shall not make loans or advances to any Person, except for the Collateral Loans and as permitted by or pursuant to the Facility Documents.
- (m) The Borrower shall make no transfer of its Collateral Loans, except as permitted by or pursuant to the Facility Documents.
- (n) The Borrower shall file its own Tax returns, if any, as may be required under Applicable Law, to the extent that the Borrower is (1) not part of a consolidated group filing a consolidated return or returns or (2) not treated as a disregarded entity separate from its sole owner of another taxpayer for Tax purposes, within the meaning of Treasury Regulation Section 301.7701-3 and pay any Taxes so required to be paid by it under applicable Law.
- (o) The Borrower shall, to the extent used in its business, use separate stationery, invoices and checks.
- (p) The Borrower shall maintain adequate capital in light of its contemplated business operations; provided, however, that the foregoing shall not require the Equityholder to make additional capital contributions.
- (q) The Borrower shall at all times be organized as a single-purpose entity with Constituent Documents substantially similar to those in effect on the Closing Date.
- (r) The Borrower shall at all times conduct its business so that any assumptions made with respect to the Borrower in any "true sale" and "substantive non-consolidation" opinion letter delivered in connection with the Facility Documents will continue to be true and correct in all respects.

ARTICLE VI
EVENTS OF DEFAULT

Section 6.01. Events of Default

"Event of Default", wherever used herein, means the occurrence of any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

- (a) a default in the payment, when due and payable, of any interest or other amount (other than principal) owing hereunder and such default has not been cured within two (2) Business Days after the due date of such payment; or
- (b) (i) the Borrower fails to Pay in Full the Obligations on the Final Maturity Date or (ii) the failure to make payment of the Mandatory Amortization Amount on the applicable Payment Date and such default has not been cured within fifteen (15) Business Days after the due date of such payment; or
- (c) the Borrower or the pool of Collateral becomes, or becomes subject to regulation as, (i) an “investment company” under the Investment Company Act or (ii) a “covered fund” under the Volcker Rule; or
- (d) except as otherwise provided in this Section 6.01, a default in any material respect in the performance, or breach in any material respect, of any material covenant or agreement of the Borrower under this Agreement or the other Facility Documents to which it is a party, or the failure of any representation or warranty of the Borrower made in this Agreement or in any other Facility Document to be correct, in each case, in all material respects when the same shall have been made, and the continuation of such default, breach or failure for a period of thirty (30) days (provided that breaches of Sections 5.01(a)(ii), 5.01(c), 5.01(d), 5.01(e), 5.02 and 5.05 shall not have any cure period) after the earlier of (i) written notice to the Borrower and the Collateral Manager (which may be by e-mail) by either Agent, and (ii) actual knowledge of the Borrower or the Collateral Manager, as applicable; or
- (e) the rendering of one or more final judgments, decrees or orders by a court or arbitrator of competent jurisdiction for the payment of money in excess individually or in the aggregate of \$500,000 against the Borrower (exclusive of judgment amounts fully covered by insurance), and the Borrower shall not have either (x) discharged or provided for the discharge of any such judgment, decree or order in accordance with its terms or (y) perfected a timely appeal of such judgment, decree or order and caused the execution of same to be stayed during the pendency of the appeal, in each case, within thirty (30) days from the date of entry thereof; or
- (f) the Borrower shall have made payments of amounts in excess of \$500,000 in settlement of any litigation, claim or dispute (exclusive of settlement amounts fully covered by insurance); or
- (g) an Insolvency Event relating to the Borrower or the Equityholder occurs; or
- (h) (i) any Facility Document shall (except in accordance with its terms) terminate, cease to be effective or cease to be the legally valid, binding and enforceable obligation of the Borrower, the Collateral Manager or the Equityholder, (ii) the Borrower, the Collateral Manager, the Equityholder or any of their respective Affiliates shall, directly or indirectly, contest in any manner the effectiveness, validity, binding nature or enforceability of any Facility Document or any Lien purported to be created thereunder, or (iii) any Lien securing any obligation under any Facility Document shall, in whole or in part, cease to be a first priority perfected security interest of the Collateral Agent, except as otherwise expressly permitted in accordance with the applicable Facility Document (including, for the avoidance of doubt, as provided in Section 5.02(k)(ii)); or
- (i) (i) the Internal Revenue Service shall file notice of a Lien pursuant to Section 6323 of the Code with regard to any asset of the Borrower and such Lien shall not have been released within five Business Days or (ii) the PBGC shall file notice of a Lien pursuant to Section 4068 of ERISA with regard to any asset of the Borrower and such Lien shall not have been released within five (5) Business Days; or
- (j) a Change of Control occurs; or

(k) (i) failure of the Borrower to maintain at least one (1) Independent Manager, (ii) the removal of any Independent Manager of the Borrower without “cause” (as such term is defined in the organizational document of the Borrower) or without giving prior written notice to the Administrative Agent, each as required in the organizational documents of the Borrower, (iii) an Independent Manager of the Borrower which is not provided by a nationally recognized service identified in clause (b) of the definition of “Independent Manager” or such other service reasonably acceptable to the Administrative Agent shall be appointed without the consent of the Administrative Agent or (iv) the Borrower shall fail to qualify as a bankruptcy-remote entity based upon the criteria set forth in this Agreement, such that reputable counsel of national standing could no longer render a substantive nonconsolidation opinion with respect thereto; or

(l) any Monthly Report or Payment Date Report shall fail to be delivered when due and such failure shall continue for three (3) Business Days; or

(m) on any Monthly Report Determination Date, the Aggregate Principal Balance of all Defaulted Collateral Loans owned by the Borrower as of such date, calculated as a percentage of the sum of the Aggregate Principal Balance of all Collateral Loans owned by the Borrower as of such date, and in each case in accordance with the procedures set forth in Section 1.04, shall be greater than or equal to 40.0%; or

(n) any Coverage Test shall not be satisfied and such failure shall continue for two (2) Business Days; or

(o) a Collateral Manager Default occurs; or

(p) the Equityholder shall fail to maintain a Tangible Net Worth of at least \$230,000,000 and such failure shall continue for thirty (30) calendar days; or

(q) the Equityholder shall fail to maintain unencumbered liquidity (calculated as the sum of (i) unrestricted cash or cash equivalents and (ii) undrawn available liquidity under committed credit facilities of the Equityholder and its Subsidiaries (other than the Borrower)) in an amount at least equal to the greater of (x) \$5,000,000 and (y) the cumulative amount of principal payments in respect of indebtedness of the Equityholder and its Subsidiaries due or to become due in the subsequent ninety day period (other than in connection with an optional redemption thereof) and such failure shall continue for one (1) Business Day.

Section 6.02. Remedies.

(a) Upon the occurrence and during the continuance of any Event of Default, in addition to all rights and remedies specified in this Agreement and the other Facility Documents, including Article VII, and the rights and remedies of a secured party under Applicable Law, including the UCC, the Administrative Agent shall, at the request of, or may with the consent of, the Required Lenders, by notice to the Borrower (with a copy to the Collateral Agent), do any one or more of the following: declare the principal of and the accrued Interest on the Advances and all other amounts whatsoever payable by the Borrower hereunder to be forthwith due and payable, whereupon such amounts shall be immediately due and payable without presentment, demand, protest or other formalities of any kind, all of which are hereby waived by the Borrower; provided that, upon the occurrence of any Event of Default described in clause (g) of Section 6.01 with respect to the Borrower, the Advances and all such other amounts shall automatically become due and payable, without any further action by any party.

(b) Upon the occurrence and during the continuation of an Event of Default or a Collateral Manager Default, following written notice by the Administrative Agent (provided in its sole discretion or at the direction of the Required Lenders) to the Collateral Manager of the exercise of control rights with respect to the Collateral, the Administrative Agent may exercise such rights, including: (u) the exercise of the Collateral Manager's rights and obligations under the Facility Documents, including its unilateral power to (A) consent to modifications to Collateral Loans, (B) take any discretionary action with respect to Collateral Loans and (C) direct the acquisition, sales and other dispositions of Collateral Loans; (v) the termination of the Collateral Manager's rights to exercise any rights or take any action with respect to the Collateral; (w) the transfer of the Collateral Manager's rights and obligations under the Facility Documents to a Successor Collateral Manager; (x) if the Collateral Manager is not terminated or otherwise replaced in accordance with this Agreement, to require the Collateral Manager to obtain the consent of the Administrative Agent before agreeing to any modification of any Collateral Loan, taking any discretionary action with respect to any Collateral Loan or causing the Borrower to sell or otherwise dispose of any Collateral Loan; (y) if the Collateral Manager is not terminated or otherwise replaced in accordance with this Agreement, to require the Collateral Manager to cause the Borrower to sell or otherwise dispose of any Collateral Loan as directed by the Administrative Agent pursuant to Section 7.03, and (z) with respect to any specific Collateral Loan, to require the Collateral Manager to take such discretionary action with respect to such Collateral Loan as directed by the Administrative Agent.

(c) In connection with any sale or proposed sale of the Collateral during the continuance of an Event of Default (whether pursuant to the Facility Documents or Applicable Law), the Equityholder (or any Affiliate or designee thereof) shall have the exclusive right to purchase all Collateral Loans (but not in part) so long as (1) the Equityholder provides notice to the Administrative Agent of its intent to acquire and/or refinance the entire Collateral portfolio within three (3) Business Days of receipt of notice by the Collateral Manager from the Collateral Agent of the Collateral Agent's intent to liquidate the Collateral, (2) the Proceeds of such acquisition and/or refinancing shall be sufficient to Pay in Full all Obligations under the Facility Documents and the Equityholder's notice under clause (1) above shall include evidence reasonably satisfactory to the Administrative Agent of the sufficiency of such Proceeds to effect such Payment in Full and (3) such acquisition and/or refinancing shall be completed within ten (10) Business Days of the date of the Administrative Agent's notice of intent to liquidate the Collateral.

(d) Upon the occurrence and during the continuance of an Event of Default, upon notice from the Administrative Agent to the Collateral Agent, all amounts on deposit in the Covered Accounts shall be withdrawn by the Collateral Agent and deposited into the Principal Collection Subaccount for application in accordance with Section 9.01.

Section 6.03. Power of Attorney.

(a) The Borrower hereby irrevocably appoints the Administrative Agent as its true and lawful attorney (with full power of substitution) in its name, place and stead and at its expense, in connection with the enforcement of the rights and remedies provided for (and subject to the terms and conditions set forth) in this Agreement including without limitation the following powers: (i) to give any necessary receipts or acquittance for amounts collected or received hereunder, (ii) to make all necessary transfers of the Collateral in connection with any such sale or other disposition made pursuant hereto, (iii) to execute and deliver for value all necessary or appropriate bills of sale, assignments and other instruments in connection with any such sale or other disposition, the Borrower hereby ratifying and confirming all that such attorney (or any substitute) shall lawfully do hereunder and pursuant hereto, (iv) to sign any agreements, orders or other documents in connection with or pursuant to any Facility Document, (v) to give notice to the Obligors and related agents of the Collateral Agent's interest in the Collateral and the obligation to make payments as directed by the Administrative Agent and (vi) to exercise directly the Collateral Manager's rights and obligations under this Agreement, including the exercise of rights set forth in Section 6.02(b), if and to the extent that the Collateral Manager has not complied with any direction given by the Administrative Agent in accordance with this Agreement within three (3) Business Days after the Business Day on which such direction was given to the Collateral Manager; provided that no such direction or lapse of time shall be required after the occurrence and during the continuance of a Collateral Manager Default. Nevertheless, if so requested by the Administrative Agent, the Borrower shall ratify and confirm any such sale or other disposition by executing and delivering to the Administrative Agent all proper bills of sale, assignments, releases and other instruments as may be designated in any such request.

(b) No person to whom this power of attorney is presented as authority for the Administrative Agent to take any action or actions contemplated by clause (a) above shall inquire into or seek confirmation from the Borrower as to the authority of the Administrative Agent to take any action described below, or as to the existence of or fulfillment of any condition to the power of attorney described in clause (a) above, which is intended to grant to the Administrative Agent unconditionally the authority to take and perform the actions contemplated herein, and to the extent permitted by applicable Law, the Borrower irrevocably waives any right to commence any suit or action, in law or equity, against any person or entity that acts in reliance upon or acknowledges the authority granted under this power of attorney. The power of attorney granted in clause (a) above is coupled with an interest and may not be revoked or canceled by the Borrower until all obligations of the Borrower under the Facility Documents have been Paid in Full and the Administrative Agent has provided its written consent thereto.

(c) Notwithstanding anything to the contrary herein, the power of attorney granted pursuant to this Section 6.03 shall only be exercisable after the occurrence and during the continuance of an Event of Default.

ARTICLE VII
PLEDGE OF COLLATERAL;
RIGHTS OF THE COLLATERAL AGENT

Section 7.01. Grant of Security

(a) The Borrower hereby grants, pledges, transfers and collaterally assigns to the Collateral Agent, for the benefit of the Secured Parties, as collateral security for all Obligations, a continuing security interest in, and a Lien upon, all of the Borrower's right, title and interest in, to and under, the following property, in each case whether tangible or intangible, wheresoever located, and whether now owned by the Borrower or hereafter acquired and whether now existing or hereafter coming into existence (all of the property described in this Section 7.01(a) being collectively referred to herein as the "Collateral"):

(i) all Collateral Loans and Related Documents (including those listed, as of the Closing Date, in Schedule 5 hereto), both now and hereafter owned, including all Collections and other Proceeds thereon or with respect thereto;

(ii) each Covered Account and all Money and all investment property (including all securities, all security entitlements with respect to such Covered Account and all financial assets carried in such Covered Account) from time to time on deposit in or credited to each Covered Account;

(iii) all interest, dividends, stock dividends, stock splits, distributions and other Money or property of any kind distributed in respect of the Collateral Loans of the Borrower, which the Borrower is entitled to receive, including all Collections in respect of its Collateral Loans;

(iv) each Facility Document and all rights, remedies, powers, privileges and claims under or in respect thereto (whether arising pursuant to the terms thereof or otherwise available to the Borrower at law or equity), including the right to enforce each such Facility Document and to give or withhold any and all consents, requests, notices, directions, approvals, extensions or waivers under or with respect thereto, to the same extent as the Borrower could but for the assignment and security interest granted to the Collateral Agent under this Agreement;

(v) all Cash or Money;

(vi) all accounts, chattel paper, deposit accounts, financial assets, general intangibles, instruments, investment property, letter-of-credit rights and other supporting obligations relating to the foregoing (in each case as defined in the UCC);

(vii) all securities, loans and investments and, in each case as defined in the UCC, accounts, chattel paper, deposit accounts, instruments, financial assets, investment property, general intangibles, letter-of-credit rights, and supporting obligations with respect thereto, and all other property of any type or nature in which the Borrower has an interest (including the equity interests of each subsidiary of the Borrower), and all property of the Borrower which is delivered to the Collateral Agent by or on behalf of the Borrower (whether or not constituting Collateral Loans or Eligible Investments);

(viii) all Liens, Related Security, property, guaranties, supporting obligations, insurance and other agreements or arrangements of whatever character from time to time supporting or securing payment of the assets, investments and properties described above; and

(ix) all Proceeds of any and all of the foregoing.

(b) All terms used in this Section 7.01 but not defined in Section 1.01 shall have the respective meanings assigned to such terms in the UCC as applicable.

(c) The Borrower hereby collaterally assigns to the Collateral Agent, for the benefit of the Secured Parties, all of the Borrower's right and title to and interest in, to and under (but not any liabilities, duties or obligations under) the Closing Date Participation Agreement, the Related Documents for each Collateral Loan, all other agreements, documents and instruments evidencing, securing or guarantying any Collateral Loan and all other agreements, documents and instruments related to any of the foregoing but excluding any Excluded Amounts. The parties hereto agree that such collateral assignment to the Collateral Agent, for the benefit of the Secured Parties, shall terminate upon the Payment in Full of all outstanding Obligations.

Section 7.02. Release of Security Interest

If and only if all Obligations have been Paid in Full, the Collateral Agent, on behalf of the Secured Parties, shall, at the expense of the Borrower, promptly execute, deliver and file or authorize for filing such instruments as the Borrower shall reasonably request in order to reassign, release or terminate the Secured Parties' security interest in the Collateral. The Secured Parties acknowledge and agree that upon the sale or disposition of any Collateral by the Borrower in compliance with the terms and conditions of this Agreement, the security interest of the Secured Parties in such Collateral shall immediately terminate and the Collateral Agent, on behalf of the Secured Parties, shall, at the expense of the Borrower, execute, deliver and file or authorize for filing such instrument as the Borrower shall reasonably request to reflect or evidence such termination. Any and all actions under this Article VII in respect of the Collateral shall be without any recourse to, or representation or warranty by any Secured Party and shall be at the sole cost and expense of the Borrower.

Section 7.03. Rights and Remedies

The Collateral Agent (for itself and on behalf of the other Secured Parties) shall have all of the rights and remedies of a secured party under the UCC and other Applicable Law. Upon the occurrence and during the continuance of an Event of Default, the Collateral Agent or its designees shall, at the written direction of the Administrative Agent or the Required Lenders acting through the Administrative Agent, (a) instruct the Borrower to deliver any or all of the Collateral, the Related Documents and any other document relating to the Collateral to the Collateral Agent or its designees and otherwise give all instructions for the Borrower regarding the Collateral; (b) sell or otherwise dispose of the Collateral, all without judicial process or proceedings, it being understood that any such sale or disposition of the Collateral shall be subject to the provisions of Section 6.02(c); (c) take control of the Proceeds of any such Collateral; (d) subject to the provisions of the applicable Related Documents, exercise any consensual or voting rights in respect of the Collateral; (e) release, make extensions, discharges, exchanges or substitutions for, or surrender all or any part of the Collateral; (f) enforce the Borrower's rights and remedies with respect to the Collateral; (g) institute and prosecute legal and equitable proceedings to enforce collection of, or realize upon, any of the Collateral; (h) require that the Borrower immediately take all actions necessary to cause the liquidation of the Collateral in order to pay all amounts due and payable in respect of the Obligations, in accordance with the terms of the Related Documents; (i) redeem or withdraw or cause the Borrower to redeem or withdraw any asset of the Borrower to pay amounts due and payable in respect of the Obligations; (j) make copies of all books, records and documents relating to the Collateral; and (k) endorse the name of the Borrower upon any items of payment relating to the Collateral or upon any proof of claim in bankruptcy against an account debtor.

The Borrower hereby agrees that, upon the occurrence and during the continuance of an Event of Default, at the request of either Agent or the Required Lenders (acting through the Administrative Agent), it shall execute all documents and agreements which are necessary or appropriate to have the Collateral to be assigned to the Collateral Agent or its designee. For purposes of taking the actions described in clauses (a) through (k) of this Section 7.03 the Borrower hereby irrevocably appoints the Collateral Agent as its attorney-in-fact (which appointment being coupled with an interest and is irrevocable while any of the Obligations remain unpaid), with power of substitution, in the name of the Collateral Agent or in the name of the Borrower or otherwise, for the use and benefit of the Collateral Agent for the benefit of the Secured Parties, but at the cost and expense of the Borrower and, except as expressly required by Applicable Law, without notice to the Borrower.

Section 7.04. Remedies Cumulative

Each right, power, and remedy of the Agents and the other Secured Parties, or any of them, as provided for in this Agreement or in the other Facility Documents or now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power, or remedy provided for in this Agreement or in the other Facility Documents or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by the Agents or any other Secured Party of any one or more of such rights, powers, or remedies shall not preclude the simultaneous or later exercise by such Persons of any or all such other rights, powers, or remedies.

Section 7.05. Related Documents

(a) Each of the Borrower and the Collateral Manager hereby agrees that, to the extent not expressly prohibited by the terms of the Related Documents, after the occurrence and during the continuance of an Event of Default, it shall (i) upon the written request of either Agent, promptly forward to such Agent all material information and notices which it receives under or in connection with the Related Documents relating to the Collateral, and (ii) upon the written request of either Agent, act and refrain from acting in respect of any request, act, decision or vote under or in connection with the Related Documents relating to the Collateral only in accordance with the direction of the Administrative Agent (in its reasonable discretion).

(b) The Borrower agrees that, to the extent the same shall be in the Borrower's possession, it will hold all Related Documents relating to the Collateral in trust for the Collateral Agent on behalf of the Secured Parties, and upon request of either Agent following the occurrence and during the continuance of an Event of Default or as otherwise provided herein, promptly deliver the same to the Collateral Agent or its designee. In addition, in accordance with this Agreement, promptly following its acquisition of any Collateral Loan, the Borrower (or the Collateral Manager on its behalf) shall deliver to the Custodian the Required Loan Documents.

Section 7.06. Borrower Remains Liable

(a) Notwithstanding anything herein to the contrary, (i) the Borrower shall remain liable under the contracts and agreements included in and relating to the Collateral (including the Related Documents) to the extent set forth therein, and shall perform all of its duties and obligations under such contracts and agreements to the same extent as if this Agreement had not been executed, and (ii) the exercise by any Secured Party of any of its rights hereunder shall not release the Borrower from any of its duties or obligations under any such contracts or agreements included in the Collateral.

(b) No obligation or liability of the Borrower is intended to be assumed by the Administrative Agent or any other Secured Party under or as a result of this Agreement or the other Facility Documents, or the transactions contemplated hereby or thereby, including under any Related Document or any other agreement or document that relates to Collateral and, to the maximum extent permitted under provisions of Law, the Administrative Agent and the other Secured Parties expressly disclaim any such assumption.

Section 7.07. Protection of Collateral

The Borrower shall from time to time execute and deliver all such supplements and amendments hereto and file or authorize the filing of all such UCC-1 financing statements and continuation statements, instruments of further assurance and other instruments, and shall take such other action as may be necessary or advisable or desirable to secure the rights and remedies of the Secured Parties hereunder and to:

- (a) grant security more effectively on all or any portion of the Collateral;
- (b) maintain, preserve and perfect any grant of security made or to be made by this Agreement including the first priority nature of the Lien or carry out more effectively the purposes hereof;
- (c) perfect, publish notice of or protect the validity of any grant made or to be made by this Agreement (including any and all actions necessary or desirable as a result of changes in Law);

- (d) enforce any of the Collateral or other instruments or property included in the Collateral;
- (e) preserve and defend title to the Collateral and the rights therein of the Collateral Agent and the Secured Parties in the Collateral against the claims of all third parties; and
- (f) pay or cause to be paid any and all Taxes levied or assessed upon all or any part of the Collateral.

The Borrower hereby designates the Collateral Agent as its agent and attorney in fact to prepare and file any UCC-1 financing statement and continuation statement, and all other instruments, and take all other actions, required pursuant to this Section 7.07 if the Borrower fails to take any such action within ten (10) Business Days after either Agent's request therefor. Such designation shall not impose upon the Collateral Agent or the Administrative Agent or any other Secured Party, or release or diminish, the Borrower's obligations under this Section 7.07. The Borrower further authorizes the Collateral Agent to file UCC-1 financing statements, that name the Borrower as debtor and the Collateral Agent as secured party and that describes "all assets in which the debtor now or hereafter has rights" as the Collateral in which the Collateral Agent has a grant of security hereunder.

ARTICLE VIII ACCOUNTS, ACCOUNTINGS AND RELEASES

Section 8.01. Collection of Money

Except as otherwise expressly provided herein, the Collateral Agent may demand payment or delivery of, and shall receive and collect, directly and without intervention or assistance of any fiscal agent or other intermediary, all Money and other property payable to or receivable by the Collateral Agent pursuant to this Agreement, including all payments due on the Collateral, in accordance with the terms and conditions of such Collateral. The Collateral Agent shall segregate and hold all such Money and property received by it in trust for the Secured Parties and shall apply it as provided in this Agreement. Each Covered Account shall be established and maintained under the Account Control Agreement with a Qualified Institution. Any Covered Account may contain any number of subaccounts for the convenience of the Collateral Agent or as required by the Collateral Manager for convenience in administering the Covered Account or the Collateral.

Section 8.02. Collection Account

(a) In accordance with this Agreement and the Account Control Agreement, the Collateral Agent shall, on or prior to the Closing Date, establish at the Custodian a single, segregated trust account which shall be designated as the "Collection Account", which shall be maintained with the Custodian in accordance with the Account Control Agreement and which shall be subject to the Lien of the Collateral Agent. In addition, the Collateral Agent shall establish two segregated subaccounts within the Collection Account, one of which will be designated the "Interest Collection Subaccount" and one of which will be designated the "Principal Collection Subaccount". The Collateral Agent shall from time to time deposit into the Interest Collection Subaccount all Interest Proceeds received by the Collateral Agent. The Collateral Agent shall deposit promptly upon receipt thereof all Principal Proceeds (unless required to be deposited in the Unfunded Reserve Account pursuant to Section 8.04 or the Cash Diversion Reserve Account pursuant to Section 8.05) received by the Collateral Agent. All funds deposited from time to time in the Collection Account pursuant to this Agreement shall be held by the Collateral Agent as part of the Collateral and shall be applied to the purposes herein provided. Subject to Section 8.02(c), amounts in the Collection Account shall be reinvested pursuant to Section 8.07(a).

(b) If at any time the amount on deposit in the Unfunded Reserve Account is less than the Unfunded Reserve Required Amount, the Collateral Manager (on behalf of the Borrower) may, by delivery of a certificate of a Responsible Officer of the Collateral Manager, direct the Collateral Agent to, and upon receipt of such certificate the Collateral Agent shall, withdraw funds on deposit in the Principal Collection Subaccount representing Principal Proceeds and remit such funds as so directed by the Collateral Manager to meet the Borrower's funding obligations in respect of Delayed Drawdown Collateral Loans.

(c) The Collateral Agent shall transfer to the Payment Account, from the Collection Account for application pursuant to Section 9.01 (a), on each Payment Date, the amount set forth to be so transferred in the Payment Date Report for such Payment Date.

(d) The Collateral Manager may withdraw from the Collection Account any deposits thereto constituting Excluded Amounts if the Collateral Manager has, prior to such withdrawal, delivered to each Agent a report setting forth in reasonable detail the calculation of such Excluded Amounts.

Section 8.03. Payment Account

In accordance with this Agreement and the Account Control Agreement, the Collateral Agent shall, on or prior to the Closing Date, establish at the Custodian a single, segregated trust account, which shall be designated as the "Payment Account", which shall be maintained by the Borrower with the Custodian in accordance with the Account Control Agreement and which shall be subject to the Lien of the Collateral Agent. Except as provided in Section 9.01, the only permitted withdrawal from or application of funds on deposit in, or otherwise to the credit of, the Payment Account shall be to pay amounts due and payable under the Priority of Payments on the Payment Dates in accordance with their terms and the provisions of this Agreement. The Borrower shall not have any legal, equitable or beneficial interest in the Payment Account other than in accordance with this Agreement and the Priority of Payments.

Section 8.04. The Unfunded Reserve Account; Fundings

In accordance with this Agreement and the Account Control Agreement, the Collateral Agent shall, on or prior to the Closing Date, establish at the Custodian a single, segregated trust account, which shall be designated as the "Unfunded Reserve Account", which shall be maintained by the Borrower with the Custodian in accordance with the Account Control Agreement and which shall be subject to the Lien of the Collateral Agent. The only permitted deposits to or withdrawals from the Unfunded Reserve Account shall be in accordance with the provisions of this Agreement.

On the Closing Date, funds shall be deposited by the Borrower in the Unfunded Reserve Account, such that the sum of the amount of funds on deposit in the Unfunded Reserve Account shall be equal to or greater than an amount (the "Unfunded Reserve Required Amount") equal to the sum of:

- (a) the aggregate unfunded commitments in respect of all Delayed Drawdown Collateral Loans, *plus*
- (b) the aggregate amount of funds needed to settle purchases of Collateral Loans committed to be acquired by the Borrower on the Closing Date that have not yet settled.

Fundings of Delayed Drawdown Collateral Loans shall be made using, first, amounts on deposit in the Unfunded Reserve Account, then available Principal Proceeds.

Amounts on deposit in the Unfunded Reserve Account will be invested in overnight funds that are Eligible Investments selected by the Collateral Manager pursuant to Section 8.07(a) and earnings from all such investments will be deposited in the Interest Collection Subaccount as Interest Proceeds. Funds in the Unfunded Reserve Account (other than earnings from Eligible Investments therein) will be available solely to cover drawdowns on the Delayed Drawdown Collateral Loans and settle purchases of Collateral Loans committed to be acquired by the Borrower on the Closing Date; provided that, to the extent that the aggregate amount of funds on deposit therein at any time exceeds the Unfunded Reserve Required Amount, the Collateral Agent shall remit such excess to the Principal Collection Subaccount. In addition, following the occurrence of an Event of Default, funds in the Unfunded Reserve Account may be withdrawn by the Collateral Agent and deposited into the Principal Collection Subaccount at the direction of the Administrative Agent.

Section 8.05. The Cash Diversion Reserve Account

In accordance with this Agreement and the Account Control Agreement, the Collateral Agent shall, on or prior to the Closing Date, establish at the Custodian a single, segregated trust account, subject to the Lien of the Collateral Agent, which shall be designated as the “Cash Diversion Reserve Account”, which shall be maintained by the Borrower with the Custodian in accordance with the Account Control Agreement and which shall be subject to the Lien of the Collateral Agent. The only permitted deposits to or withdrawals from the Cash Diversion Reserve Account shall be in accordance with the provisions of this Agreement. The Borrower shall not have any legal, equitable or beneficial interest in the Cash Diversion Reserve Account other than in accordance with this Agreement and the Priority of Payments.

Amounts on deposit in the Cash Diversion Reserve Account will be invested in overnight funds that are Eligible Investments selected by the Collateral Manager pursuant to Section 8.07 and earnings from all such investments will be deposited in the Interest Collection Subaccount as Interest Proceeds. On each Payment Date, so long as no Default or Event of Default has occurred and is continuing or would result therefrom, funds in the Cash Diversion Reserve Account shall be withdrawn by the Collateral Agent and deposited into the Interest Collection Subaccount and applied in accordance with Section 9.01. In addition, (i) following the occurrence of an Event of Default, funds in the Cash Diversion Reserve Account may be withdrawn by the Collateral Agent and deposited into the Principal Collection Subaccount at the direction of the Administrative Agent and (ii) on the Final Maturity Date, funds in the Cash Diversion Reserve Account shall be withdrawn by the Collateral Agent and deposited into the Principal Collection Subaccount and applied in accordance with Section 9.01.

Section 8.06. The Custodial Account

In accordance with this Agreement and the Account Control Agreement, the Collateral Agent shall, on or prior to the Closing Date, establish at the Custodian a single, segregated trust account, which shall be designated as the “Custodial Account”, to which any Collateral shall be credited by the Securities Intermediary and which shall be subject to the Lien of the Collateral Agent. The Borrower shall not have any legal, equitable or beneficial interest in the Custodial Account other than in accordance with this Agreement. Funds on deposit in the Custodial Account shall remain uninvested.

Section 8.07. Reinvestment of Funds in Covered Accounts; Reports by Collateral Agent

(a) By delivery of a certificate of a Responsible Officer (which may be in the form of standing instructions), the Borrower (or the Collateral Manager on behalf of the Borrower) shall at all times direct the Collateral Agent to, and, upon receipt of such certificate, the Collateral Agent shall, invest all funds on deposit in the Collection Account, the Unfunded Reserve Account and the Cash Diversion Reserve Account in Eligible Investments having stated maturities no later than the Business Day preceding the next Payment Date (or such shorter maturities expressly provided herein). If, prior to the occurrence of an Event of Default, the Borrower shall not have given any such investment directions, the Collateral Agent shall seek instructions from the Collateral Manager within three (3) Business Days after transfer of any funds to such accounts and shall invest in Specified Eligible Investments that mature overnight until it shall receive written instructions from the Collateral Manager. After the occurrence and during the continuance of an Event of Default, the Collateral Agent shall invest and reinvest such funds as fully as practicable in Specified Eligible Investments maturing not later than the earlier of (i) thirty (30) days after the date of such investment (unless puttable at par to the issuer thereof) or (ii) the Business Day immediately preceding the next Payment Date (or such shorter maturities expressly provided herein). Except to the extent expressly provided otherwise herein, all interest, gain, loss and other income from such investments shall be deposited, credited or charged (as applicable) in and to the Interest Collection Subaccount. Absent its timely receipt of such instruction from the Collateral Manager or Administrative Agent, as applicable, in accordance with the foregoing, the Collateral Agent shall not be under an obligation to invest (or pay interest on) funds held hereunder. The Collateral Agent shall in no way be liable for any insufficiency in a Covered Account resulting from any loss relating to any such investment.

(b) The Collateral Agent agrees to give the Borrower prompt notice if any Covered Account or any funds on deposit in any Covered Account, or otherwise to the credit of a Covered Account, shall become subject to any writ, order, judgment, warrant of attachment, execution or similar process. All Covered Accounts shall remain at all times with the Custodian.

(c) The Collateral Agent shall supply, in a timely fashion, to the Borrower and the Collateral Manager any information regularly maintained by the Collateral Agent that the Borrower or the Collateral Manager may from time to time reasonably request with respect to the Collateral, the Covered Accounts and the other Collateral and provide any other requested information reasonably available to the Collateral Agent and required to be provided by Section 8.08 or to permit the Collateral Manager to perform its obligations hereunder or the Borrower's obligations hereunder that have been delegated to the Collateral Manager. The Collateral Agent shall promptly forward to the Collateral Manager copies of notices, periodic financial reports and other writings received by it from the Obligor of any Collateral Loan or from any Clearing Agency with respect to any Collateral Loan.

Section 8.08. Accountings

(a) Monthly. Not later than two (2) Business Days prior to the 21st calendar day of each calendar month (other than March, June, September and December in each year) (the "Monthly Reporting Date"), the Borrower shall compile and provide (or cause to be compiled and provided) to the Administrative Agent and the Collateral Manager a monthly report (which includes a Borrowing Base Calculation Statement prepared by the Collateral Manager and provided to the Collateral Agent for inclusion in the Monthly Report) (each, a "Monthly Report") in accordance with this Section 8.08. The Borrower shall compile and provide (or cause to be compiled and provided) to the Administrative Agent a loan data file (the "Data File") for the previous monthly period ending on the Monthly Report Determination Date (containing such information agreed upon by the Borrower (or the Collateral Manager on its behalf), and the Administrative Agent). The Borrower shall provide (or cause to be provided) the Data File at least two (2) Business Days prior to the Monthly Reporting Date. As used herein, the "Monthly Report Determination Date" with respect to any calendar month will be the last day of the prior calendar month. For the avoidance of doubt, the first Monthly Report shall be delivered on August 17, 2018 and shall be determined with respect to the Monthly Report Determination Date that is July 31, 2018. The Monthly Report for a calendar month shall be in a form reasonably acceptable to the Borrower, the Collateral Agent, the Collateral Manager and the Administrative Agent and shall contain the information with respect to the Collateral Loans and Eligible Investments included in the Collateral set forth in Schedule 2 hereto, and shall be determined as of the Monthly Report Determination Date for such calendar month.

(b) Payment Date Accounting. The Borrower shall render (or cause to be rendered) an accounting (each, a “Payment Date Report”), determined as of the close of business on each Determination Date preceding a Payment Date, and shall deliver such Payment Date Report to the Agents and the Collateral Manager not later than the second Business Day preceding the related Payment Date. The Payment Date Report shall be in a form reasonably acceptable to the Borrower, the Collateral Agent, the Collateral Manager and the Administrative Agent and shall contain the information set forth in Schedule 3 hereto.

In addition, the Borrower shall provide (or cause to be provided) in each Payment Date Report a statement setting forth in reasonable detail each amendment, modification or waiver under any Related Document for each Collateral Loan that constitutes a Material Modification that became effective since the immediately preceding Payment Date Report (or, in respect of the first Payment Date Report, from the Closing Date).

(c) Failure to Provide Accounting. If the Collateral Agent shall not have received any accounting provided for in this Section 8.08 on the first Business Day after the date on which such accounting is due to the Collateral Agent, the Collateral Agent shall notify the Collateral Manager who shall use reasonable efforts to obtain such accounting by the applicable Payment Date.

For the avoidance of doubt, the Borrower has engaged the Collateral Administrator pursuant to the Collateral Administration Agreement to compile and provide the information and reports to be provided in this Section 8.08.

Section 8.09. Release of Collateral

(a) If no Event of Default has occurred and is continuing, the Borrower may, by delivery of a certificate of a Responsible Officer of the Collateral Manager delivered to the Collateral Agent at least one (1) Business Day prior to the settlement date for any sale of any item of Collateral certifying that the sale of such security is being made in accordance with Section 10.01 and such sale complies with all applicable requirements of Section 10.01, direct the Collateral Agent to release or cause to be released such item from the Lien of this Agreement and, upon receipt of such certificate, the Collateral Agent (or Custodian, as applicable) shall deliver any such item, if in physical form, duly endorsed to the broker or purchaser designated in such certificate or, if such item is a Clearing Corporation Security, cause an appropriate transfer thereof to be made, in each case against receipt of the sales price therefor as specified by the Collateral Manager in such certificate; provided that the Collateral Agent may deliver any such item in physical form for examination in accordance with street delivery custom.

(b) Subject to the terms of this Agreement, the Collateral Agent (or Custodian, as applicable) shall, upon the receipt of a certificate of the Borrower, by delivery of a certificate of a Responsible Officer of the Collateral Manager, deliver any Collateral in accordance with such certificate, and execute such documents or instruments as are delivered by or on behalf of the Borrower and reasonably necessary to release or cause to be released such security from the Lien of this Agreement, which is set for any mandatory call or redemption or Payment in Full to the appropriate paying agent on or before the date set for such call, redemption or payment, in each case against receipt of the call or redemption price or Payment in Full thereof.

(c) As provided in Section 8.02(a), the Collateral Agent shall deposit any proceeds received by it from the disposition of a Collateral in the applicable subaccount of the Collection Account, unless simultaneously applied to the purchase of Eligible Investments as permitted under and in accordance with the requirements of this Article VIII.

(d) The Collateral Agent shall, upon receipt of a certificate of a Responsible Officer of the Borrower certifying that all Obligations of the Borrower hereunder and under the other Facility Documents have been satisfied, execute such documents or instruments as are delivered by or on behalf of the Borrower and reasonably necessary to release any remaining Collateral from the Lien of this Agreement.

(e) Any security, Collateral Loan or amounts that are released pursuant to Section 8.09(a) or (b) shall be automatically released from the Lien of this Agreement.

Section 8.10. Reports by Independent Accountants

(a) As of the Closing Date, the Collateral Manager has appointed a firm of independent certified public accountants, independent auditors or independent consultants (together with its successors, the “Independent Accountants”), in each case reasonably acceptable to the Administrative Agent, for purposes of reviewing and delivering the reports of such accountants required by this Agreement, which may be the firm of independent certified public accountants, independent auditors or independent consultants that performs accounting services for the Collateral Manager. The Collateral Manager may remove any firm of Independent Accountants at any time upon notice to, but without the consent of, the Administrative Agent. Upon any resignation by such firm or removal of such firm by the Collateral Manager, the Collateral Manager shall promptly appoint, by a certificate of a Responsible Officer of the Collateral Manager delivered to the Agents, a successor thereto that shall also be a firm of independent certified public accountants, independent auditors or independent consultants of recognized standing, which may be a firm of independent certified public accountants, independent auditors or independent consultants that performs accounting services for the Collateral Manager. The fees of such Independent Accountants and any successor shall be payable by the Borrower.

(b) The Collateral Manager will cause the Independent Accountants to furnish to the Administrative Agent (with a copy to the Collateral Agent), within 120 days of the end of each fiscal year of the Borrower, to the effect that such firm has applied certain agreed-upon procedures approved by the Administrative Agent (as such agreed-upon procedures may be updated from time to time in response to requests of the Administrative Agent) with respect to a selection of Monthly Reports and/or Payment Date Reports from the related fiscal year and, with respect to the Collateral Manager’s performance hereunder, to assist the Administrative Agent in determining that the Monthly Reports and Payment Date Reports for the related fiscal year were prepared in compliance with this Agreement, except for such exceptions as it believes to be immaterial and such other exceptions as will be set forth in such firm’s report (including, with respect to any such exceptions, an explanation of how each such exception arose and reflecting the input/explanation of the Collateral Manager thereto). Such reports pursuant to this clause (b) shall be at the expense of the Borrower.

(c) In the event the Independent Accountants appointed pursuant to clause (a) above require the Collateral Agent, as applicable, to agree to the procedures performed by such Independent Accountants with respect to any of the reports, statements of such Independent Accountants, or sign any agreement in connection therewith, the Collateral Agent, as applicable, shall, upon direction from the Borrower (or the Collateral Manager on behalf of the Borrower), so agree to the terms and conditions requested by such Independent Accountants as a condition to receiving documentation required by this Agreement; *it being understood and agreed* that the Collateral Agent shall deliver such agreement in conclusive reliance on such direction and shall make no inquiry or investigation as to, and shall have no obligation or responsibility in respect of, the terms of the engagement of such Independent Accountants by the Borrower or the sufficiency, validity or correctness of the agreed upon procedures in respect of such engagement. The Collateral Agent may require the delivery of a written direction to the execution of any such agreement required for the delivery of any report or statement of such Independent Accountants to the Collateral Agent under this Agreement. Upon direction from the Borrower (or the Collateral Manager on behalf of the Borrower), the Collateral Agent shall be authorized, without liability on its part, to execute and deliver any such agreement with such Independent Accountants, which agreement, to the extent so directed by the Borrower (or the Collateral Manager on behalf of the Borrower), may include, amongst other things, (i) an acknowledgement that the Borrower has agreed that the procedures by such Independent Accountants are sufficient for the relevant purposes, (ii) releases by the Collateral Agent any claims, liabilities and expenses arising out of or relating to such Independent Accountant's engagement, agreed-upon procedures or any report or statement issued by such Independent Accountants under any such engagement and acknowledgement of other limitations of liability in favor of such Independent Accountants and (iii) restrictions or prohibitions on the disclosure of any such reports, statements or other information or documents provided to it by such Independent Accountants.

ARTICLE IX
APPLICATION OF FUNDS

Section 9.01. Disbursements of Funds from Payment Account

(a) Notwithstanding any other provision in this Agreement, but subject to the other subsections of this Section 9.01, on each Payment Date, the Collateral Agent shall disburse amounts from the Collection Account to the Payment Account pursuant to Section 8.02 in accordance with the following priorities (the "Priority of Payments"):

(i) On each Payment Date, Interest Proceeds on deposit in the Interest Collection Subaccount (including amounts transferred from the Cash Diversion Reserve Account pursuant to Section 8.05), to the extent received on or before the related Determination Date (or, if such Determination Date is not a Business Day, the next succeeding Business Day) will be transferred into the Payment Account, to be applied in the following order of priority:

(A) to pay taxes, registration, registered office and filing fees, if any, of the Borrower or any subsidiary of the Borrower;

(B) (1) *first*, to pay all out-of-pocket costs and expenses of the Collateral Agent incurred in connection with any sale of Collateral or exercise of other remedial rights pursuant to Section 7.03; (2) *second*, to pay other Administrative Expenses in accordance with the priorities specified in the definition thereof; provided that the amount in this clause (B)(2) shall not exceed the Administrative Expense Cap for such Payment Date;

(C) prior to the occurrence of a Default or an Event of Default, to the Collateral Manager, to pay the Collateral Management Fee, plus any Collateral Management Fee that remains due and unpaid in respect of any prior Payment Dates as a result of insufficient funds, except, in each case, to the extent that the Collateral Manager elects to defer such current or previously due Collateral Management Fee pursuant to this Agreement;

(D) to each Lender, to pay accrued and unpaid Interest on the Advances and Prepayment Fees due to each such Lender and amounts payable to each such Lender under Section 2.10;

(E) to the Cash Diversion Reserve Account, in an amount necessary to cure (1) any Borrowing Base Deficiency and (2) any Equity Coverage Deficiency;

(F) to pay all Administrative Agent and Lender Expenses in accordance with the priorities specified in the definition thereof;

(G) after the occurrence and during the continuance of a Default or an Event of Default, to pay the principal of the Advances of each Lender (*pro rata*, based on each Lender's Percentage) until Paid in Full;

(H) (1) *first*, to the payment or application of amounts referred to in clause (B) above (in the same order of priority specified therein), to the extent not Paid in Full pursuant to applications under such clauses and without reference to the Administrative Expense Cap specified therein, (2) *second*, so long as no Default or Event of Default has occurred and is continuing, to the payment or application of amounts referred to in clause (C) above, to the extent not Paid in Full pursuant to the application under such clause and (3) *third*, to pay all other Obligations then due and owing (other than Advances Outstanding), including accrued and unpaid amounts owing to Affected Persons (if any) under Sections 2.09 and 12.03;

(I) for deposit into the Unfunded Reserve Account until the amounts on deposit therein are equal to the Unfunded Reserve Required Amount;

(J) if so elected by the Collateral Manager (in written notice to the Agents delivered on or prior to the related Determination Date) to be allocated at the discretion of the Collateral Manager to prepay the principal of the Advances of each Lender (*pro rata*, based on each Lender's Percentage); and

(K) so long as no Default or Event of Default has occurred or is continuing or would result therefrom, to the Borrower or its designee, which amounts may be distributed to the Equityholder.

(ii) On each Payment Date, Principal Proceeds on deposit in the Principal Collection Subaccount (including amounts transferred from the Cash Diversion Reserve Account pursuant to Section 8.05) to the extent received on or before the related Determination Date (or, if such Determination Date is not a Business Day, the next succeeding Business Day) will be transferred to the Payment Account to be applied in the following order of priority:

(A) to the payment of unpaid amounts under clauses (A) through (D) in clause (i) above (in the same order of priority specified therein), to the extent not paid in full thereunder;

(B) to pay the Advances of each Lender (*pro rata*, based on each Lender's Percentage) until the Advances are paid in full;

(C) to the payment of unpaid Administrative Agent and Lender Expenses, to the extent not paid in full under clause (F) in clause (i) above;

(D) to the payment of unpaid amounts under clause (H) in clause (i) above (in the same order of priority specified therein and without giving effect to the cap specified in such clause), to the extent not paid in full thereunder;

(E) to pay all other Obligations then due and owing; and

(F) to the Borrower or its designee, which amounts may be distributed to the Equityholder.

(b) If on any Payment Date the amount available in the Payment Account is insufficient to make the full amount of the disbursements required by the Payment Date Report, the Collateral Agent shall make the disbursements called for in the order and according to the priority set forth under Section 9.01(a) to the extent funds are available therefor.

ARTICLE X
SALE OF COLLATERAL LOANS;
PURCHASE OF ADDITIONAL COLLATERAL LOANS

Section 10.01. Sales of Collateral Loans

(a) Sales of Collateral Loans. Subject to the satisfaction of the conditions specified in Section 10.03, the Collateral Manager on behalf of the Borrower may, but will not be required to, direct the Collateral Agent to sell, and the Collateral Agent shall sell in the manner directed by the Collateral Manager, any Collateral Loan if such sale meets each of the requirements set forth below:

(i) no Default or Event of Default is continuing or would result upon giving effect thereto (unless, in the case of a Default, such Default will be cured upon giving effect to such sale and the application of the proceeds thereof);

(ii) upon giving effect thereto and the application of the proceeds thereof, no Borrowing Base Deficiency or Equity Coverage Deficiency shall exist; and

(iii) such sale is made for Cash.

Notwithstanding anything above that would otherwise prohibit the sale of a Collateral Loan after the occurrence or during the continuance of a Default or an Event of Default, if the Borrower entered into an agreement to sell any such Collateral prior to the occurrence of such Default or an Event of Default, but such sale did not settle prior to the occurrence of such Default or an Event of Default, then the Borrower shall be permitted to consummate such sale notwithstanding the occurrence of such Default or an Event of Default; provided that the settlement for such sale occurs within the customary settlement period for similar trades.

(b) Final Maturity Date Sale. Not later than 10 days prior to the Final Maturity Date, the Collateral Manager shall solicit bids for the sale of each remaining Collateral Loan to one or more buyers for a purchase price in cash payable on or prior to the Final Maturity Date. The Collateral Loans shall be sold to the highest bidder(s) therefor at a price at least equal to the greater of (i) (x) the sum of the Facility Amount *plus* (y) the aggregate of all other amounts owing by the Borrower on the Final Maturity Date *minus* (z) the aggregate amount of cash and other Eligible Investments available for application as Principal Proceeds in accordance with the Priority of Payments as of the Final Maturity Date and (ii) the aggregate Asset Value of such Collateral Loans being sold. The Collateral Manager shall furnish a certification to the Administrative Agent, the Custodian, the Collateral Agent, and the Collateral Administrator prior to such sale that the purchase price satisfies the foregoing requirements. If the Administrative Agent has not received such certification within ten (10) days of the Final Maturity Date, the Administrative Agent in its sole discretion may arrange for the sale and liquidation of such remaining Collateral Loans during the final ten (10) days before the Final Maturity Date.

(c) Sales of Equity Securities. The Borrower may sell any Equity Security at any time without restriction, and shall use its commercially reasonable efforts to effect the sale of any Equity Security, regardless of price, within forty-five (45) days of receipt if such Equity Security constitutes Margin Stock, unless such sale is prohibited by Applicable Law or contract, in which case such Equity Security should be sold as soon as such sale is permitted by Applicable Law or contract.

(d) Certain Restrictions.

(i) No Collateral Loan (other than a Warranty Collateral Loan) may be sold to an Affiliate of the Borrower without the prior written consent of the Administrative Agent and, in the case of a sale at a price less than the original percentage of par paid by the Borrower, the purchase price shall not be less than the Asset Value of such Collateral Loan.

(ii) The Principal Balance of all Equityholder Collateral Loans (other than Warranty Collateral Loans) sold pursuant to Section 10.01(a) to the Equityholder or an Affiliate thereof or released to the Equityholder pursuant to a dividend by the Borrower shall not in any twelve-month period exceed 20% of the Equityholder Purchased Loan Balance measured as of the first day of such twelve-month period.

(iii) The Principal Balance of all Defaulted Collateral Loans (other than Warranty Collateral Loans) that are Equityholder Collateral Loans sold pursuant to Section 10.01(a) to the Equityholder or an Affiliate thereof or released to the Equityholder pursuant to a dividend by the Borrower shall not in any twelve-month period exceed 10% of the Equityholder Purchased Loan Balance measured as of the first day of such twelve-month period.

(e) Application of Proceeds of Sales. The Collateral Manager on behalf of the Borrower shall deposit the proceeds of any sale effected pursuant to this Section 10.01 into the Principal Collection Account for disbursement in accordance with Section 9.01(a)(ii).

Section 10.02. Purchases of Additional Collateral Loans.

Other than the Collateral Loans acquired by the Borrower on the Closing Date, the Borrower shall not purchase any additional Collateral Loans.

Section 10.03. Conditions Applicable to All Sale and Purchase Transactions

(a) Any transaction effected under this Article X or in connection with the acquisition of additional Collateral Loans shall be for fair market value and, if effected with a Person that is an Affiliate of the Collateral Manager (or with an account or portfolio for which the Collateral Manager or any of its Affiliates serves as investment adviser), shall be (i) on terms no less favorable to the Borrower than would be the case if such Person were not an Affiliate or as otherwise expressly permitted in this Agreement and (ii) effected in accordance with all Applicable Laws.

(b) Upon each acquisition by the Borrower of a Collateral Loan on the Closing Date (i) all of the Borrower's right, title and interest to such Collateral Loan shall be subject to the Lien granted to the Collateral Agent pursuant to this Agreement and (ii) such Collateral Loan shall be Delivered to the Collateral Agent.

Section 10.04. Additional Equity Contributions

The Equityholder may, but shall have no obligation to, at any time or from time to time make a capital contribution to the Borrower for any purpose, including for the purpose of curing any Default or satisfying any Coverage Test. Each contribution shall be made in Cash or Eligible Investments. All Cash contributed to the Borrower shall be treated as Principal Proceeds, except to the extent that the Collateral Manager specifies that such Cash shall constitute Interest Proceeds and shall be deposited into the applicable Collection Account in accordance with Section 8.02 as designated by the Collateral Manager.

Section 10.05. Transfer of Warranty Collateral Loans.

The Borrower may transfer any Warranty Collateral Loan to the Equityholder, or to any third party at the Equityholder's direction, to consummate the sale or substitution of such Warranty Collateral Loan pursuant to, and in accordance with the terms of, Article VI of the Sale Agreement.

ARTICLE XI
THE AGENTS

Section 11.01. Authorization and Action

(a) Each Lender hereby irrevocably appoints and authorizes the Administrative Agent and the Collateral Agent to take such action as agent on its behalf and to exercise such powers under this Agreement and, to the extent applicable, the other Facility Documents as are delegated to such Agent by the terms hereof and thereof, together with such powers as are reasonably incidental thereto, subject to the terms hereof. No Agent shall have any duties or responsibilities, except those expressly set forth herein or in the other Facility Documents to which it is a party or any fiduciary relationship with any Secured Party and no implied covenants, functions, responsibilities, duties or obligations or liabilities on the part of such Agent shall be read into this Agreement or any other Facility Document to which such Agent is a party (if any) as duties on its part to be performed or observed. No Agent shall have or be construed to have any other duties or responsibilities in respect of this Agreement or any other Facility Document and the transactions contemplated hereby or thereby. As to any matters not expressly provided for by this Agreement or the other Facility Documents, no Agent shall be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the written instructions of the Required Lenders (or, with respect to the Collateral Agent, the Administrative Agent); provided that such Agent shall not be required to take any action which exposes such Agent, in its judgment, to personal liability, cost or expense or which is contrary to this Agreement, the other Facility Documents or Applicable Law, or would be, in its judgment, contrary to its duties hereunder, under any other Facility Document or under Applicable Law. Each Lender agrees that in any instance in which the Facility Documents provide that an Agent's consent may not be unreasonably withheld, provide for the exercise of such Agent's reasonable discretion, or provide to a similar effect, it shall not in its instructions (or by refusing to provide instruction) to such Agent withhold its consent or exercise its discretion in an unreasonable manner.

(b) If the Collateral Agent has been requested or directed by the Required Lenders to take any action pursuant to any provision of this Agreement or any other Facility Document, the Collateral Agent shall not be under any obligation to exercise any of the rights or powers vested in it by this Agreement or such Facility Document in the manner so requested unless it shall have been provided indemnity reasonably satisfactory to it against the costs, expenses and liabilities which may be incurred by it in compliance with or in performing such request or direction. No provision of this Agreement or any other Facility Document shall otherwise be construed to require the Collateral Agent to expend or risk its own funds or to take any action that could in its judgment cause it to incur any cost, expenses or liability, unless it is provided indemnity acceptable to it against any such expenditure, risk, costs, expense or liability. For the avoidance of doubt, the Collateral Agent shall not have any duty or obligation to take any action to exercise or enforce any power, right or remedy available to it under this Agreement or any other Facility Document or any Related Document unless and until directed by the Required Lenders (or the Administrative Agent on their behalf).

(c) Neither the Collateral Agent nor any officer, agent or representative thereof shall be personally liable for any action taken by any such Person in accordance with any notice given by the Required Lenders pursuant to the terms of this Agreement or any other Facility Document even if, at the time such action is taken by any such Person, the Required Lenders or Persons purporting to be the Required Lenders are not entitled to give such notice, except where the Responsible Officer of the Collateral Agent has actual knowledge (without any duty of inquiry or investigation on its part) that the Required Lenders or Persons purporting to be the Required Lenders are not entitled to give such notice. If any dispute or disagreement shall arise as to the allocation of any sum of money received by the Collateral Agent hereunder or under any Facility Document, the Collateral Agent shall have the right to deliver such sum to a court of competent jurisdiction and therein commence an action for interpleader.

(d) If in performing its duties under this Agreement, the Collateral Agent is required to decide between alternative courses of action, it may request written instructions from the Administrative Agent as to the course of action desired by it. If the Collateral Agent does not receive such instructions within five (5) Business Days after it has requested them, the Collateral Agent may, but shall be under no duty to, take or refrain from taking any such courses of action. The Collateral Agent shall act in accordance with instructions received after such five (5) Business Day period except to the extent it has already, in good faith, taken or committed itself to take, action inconsistent with such instructions.

Section 11.02. Delegation of Duties

Each Agent may execute any of its duties under this Agreement and each other Facility Document by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. No Agent shall be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

Section 11.03. Agents' Reliance, Etc.

(a) Neither Agent nor any of their respective directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement or any of the other Facility Documents, except for its or their own gross negligence or willful misconduct. Without limiting the generality of the foregoing, each Agent: (i) may consult with legal counsel (including counsel for the Borrower or the Collateral Manager or any of their Affiliates) and independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (ii) makes no warranty or representation to any Secured Party or any other Person and shall not be responsible to any Secured Party or any Person for any statements, warranties or representations (whether written or oral) made in or in connection with this Agreement or the other Facility Documents; (iii) shall not have any duty to monitor, ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement, the other Facility Documents or any Related Document on the part of the Borrower, the Collateral Manager or any other Person or to inspect the property (including the books and records) of the Borrower or the Collateral Manager; (iv) shall not be responsible to any Secured Party or any other Person for the due execution, legality, validity, enforceability, perfection, genuineness, sufficiency or value of any Collateral (or the validity, perfection, priority or enforceability of the Liens on the Collateral), this Agreement, the other Facility Documents, any Related Document or any other instrument or document furnished pursuant hereto or thereto; and (v) shall incur no liability under or in respect of this Agreement or any other Facility Document by relying on, acting upon (or by refraining from action in reliance on) any notice, consent, certificate (including, for the avoidance of doubt, the Borrowing Base Calculation Statement), instruction or waiver, report, statement, opinion, direction or other instrument or writing (which may be delivered by telecopier, email, cable or telex, if acceptable to it) believed by it to be genuine and believe by it to be signed or sent by the proper party or parties. No Agent shall have any liability to the Borrower or any Lender or any other Person for the Borrower's, the Collateral Manager's, any Lender's or any other Person's, as the case may be, performance of, or failure to perform, any of their respective obligations and duties under this Agreement or any other Facility Document.

(b) No Agent shall be liable for the actions or omissions of any other Agent (including concerning the application of funds), or under any duty to monitor or investigate compliance on the part of any other Agent with the terms or requirements of this Agreement, any Facility Document or any Related Document, or their duties hereunder or thereunder. Each Agent shall be entitled to assume the due authority of any signatory and genuineness of any signature appearing on any instrument or document it may receive (including each Notice of Borrowing received hereunder). No Agent shall be liable for any action taken in good faith and reasonably believed by it to be within the powers conferred upon it, or taken by it pursuant to any direction or instruction by which it is governed, or omitted to be taken by it by reason of the lack of direction or instruction required hereby for such action (including for refusing to exercise discretion or for withholding its consent in the absence of its receipt of, or resulting from a failure, delay or refusal on the part of the Required Lenders to provide, written instruction to exercise such discretion or grant such consent from the Required Lenders, as applicable). No Agent shall be liable for any error of judgment made in good faith unless it shall be proven by a court of competent jurisdiction that such Agent was grossly negligent in ascertaining the relevant facts. Nothing herein or in any Facility Document or Related Document shall obligate any Agent to advance, expend or risk its own funds, or to take any action which in its reasonable judgment may cause it to incur any expense or financial or other liability for which it is not adequately indemnified. No Agent shall be liable for any indirect, special, punitive or consequential damages (including lost profits) whatsoever, even if it has been informed of the likelihood thereof and regardless of the form of action. No Agent shall be charged with knowledge or notice of any matter unless actually known to a Responsible Officer of such Agent, or unless and to the extent written notice of such matter is received by such Agent at its address in accordance with Section 12.02. Any permissive grant of power to an Agent hereunder shall not be construed to be a duty to act. Neither Agent shall be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, entitlement order, approval or other paper or document. Neither Agent shall be liable for any error of judgment, or for any act done or step taken or omitted by it, in good faith, or for any mistakes of fact or law, or for anything that it may do or refrain from doing in connection herewith, except in the case of its willful misconduct or grossly negligent performance or omission of its duties.

(c) No Agent shall be responsible or liable for delays or failures in performance resulting from acts beyond its control. Such acts shall include acts of God, strikes, lockouts, riots, acts of war, epidemics, governmental regulations imposed after the fact, fire, communication line failures, computer viruses, power failures, earthquakes or other disasters.

(d) The delivery of reports and other documents and information to the Collateral Agent hereunder or under any other Facility Document is for informational purposes only and the Collateral Agent's receipt of such documents and information shall not constitute constructive notice of any information contained therein or determinable from information contained therein. The Collateral Agent is hereby authorized and directed to execute and deliver the other Facility Documents to which it is a party. Whether or not expressly stated in such Facility Documents, in performing (or refraining from acting) thereunder, the Collateral Agent shall have all of the rights, benefits, protections and indemnities which are afforded to it in this Agreement.

(e) Each Lender acknowledges that, except as expressly set forth in this Agreement, neither Agent has made any representation or warranty to it, and that no act by either Agent hereafter taken, including any consent and acceptance of any assignment or review of the affairs of the Borrower, shall be deemed to constitute any representation or warranty by such Agent to any Secured Party as to any matter. Each Lender represents to each Agent that it has, independently and without reliance upon such Agent and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower and the Collateral Manager, and made its own decision to enter into this Agreement and the other Facility Documents to which it is a party. Each Lender also represents that it will, independently and without reliance upon either Agent or any other Secured Party and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the Facility Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower and the Collateral Manager. Neither Agent shall have any duty or responsibility to provide any Secured Party with any credit or other information concerning the business, prospects, operations, property, financial or other condition or creditworthiness of the Borrower or Collateral Manager which may come into the possession of such Agent.

Section 11.04. Indemnification

Each of the Lenders agrees to indemnify and hold the Agents harmless (to the extent not reimbursed by or on behalf of the Borrower pursuant to Section 12.04 or otherwise) from and against any and all Liabilities which may be imposed on, incurred by, or asserted against the Agents in any way relating to or arising out of this Agreement or any other Facility Document or any Related Document or any action taken or omitted by the Agents under this Agreement or any other Facility Document or any Related Document; provided that no Lender shall be liable to any Agent for any portion of such Liabilities resulting from such Agent's gross negligence or willful misconduct; and provided, further, that no Lender shall be liable to the Collateral Agent for any portion of such Liabilities unless such Liabilities are imposed on, incurred by, or asserted against the Collateral Agent as a result of any action taken, or not taken, by the Collateral Agent at the direction of the Administrative Agent or such Lender or Lenders, as the case may be, in accordance with the terms and conditions set forth in this Agreement (it being understood and agreed that the Collateral Agent shall be under no obligation to exercise or to honor any of the rights or powers vested in it by this Agreement at the request or direction of the Administrative Agent or any of the Lenders (or other Persons authorized or permitted under the terms hereof to make such request or give such direction) pursuant to this Agreement or any other Facility Document, unless the Administrative Agent or such Lenders shall have provided to the Collateral Agent security or indemnity reasonably satisfactory to it against the costs, expenses (including reasonable and documented attorney's fees and expenses) and Liabilities which might reasonably be incurred by it in compliance with such request or direction, whether such indemnity is provided under this Section 11.04 or otherwise). The rights of the Agents and obligations of the Lenders under or pursuant to this Section 11.04 shall survive the termination of this Agreement, and the earlier removal or resignation of the any Agent hereunder.

Section 11.05. Successor Agents

(a) Subject to the terms of this Section 11.05, each Agent may, upon thirty (30) days' notice to the Lenders and the Borrower, resign as Administrative Agent or Collateral Agent, as applicable. If an Agent shall resign, then the Required Lenders shall appoint a successor agent. If for any reason a successor agent is not so appointed and does not accept such appointment within thirty (30) days of notice of resignation, such Agent may appoint a successor agent. The appointment of any successor Agent shall be subject to the prior written consent of the Borrower (which consent shall not be unreasonably withheld or delayed); provided that the consent of the Borrower to any such appointment shall not be required if (i) an Event of Default shall have occurred and is continuing or (ii) if such successor agent is a Lender or an Affiliate of such Agent or any Lender. Any resignation or removal of an Agent shall be effective upon the appointment of a successor agent pursuant to this Section 11.05. After the effectiveness of any retiring or removed Agent's resignation or removal hereunder as Agent, the retiring or removed Agent shall be discharged from its duties and obligations hereunder and under the other Facility Documents and the provisions of this Article XI shall continue in effect for its benefit with respect to any actions taken or omitted to be taken by it while it was Agent under this Agreement and under the other Facility Documents.

(b) Any Person (i) into which the Collateral Agent may be merged or consolidated, (ii) that may result from any merger or consolidation to which the Collateral Agent shall be a party, or (iii) that may succeed to the corporate trust properties and assets of the Collateral Agent substantially as a whole, shall be the successor to the Collateral Agent under this Agreement without further act of any of the parties to this Agreement.

(c) Subject to the terms of this Section 11.05(c) the Administrative Agent may, upon thirty (30) days' notice to the Collateral Manager, Collateral Agent, the Lenders and the Borrower, remove and discharge the Collateral Agent from the performance of its obligations under this Agreement and under the other Facility Documents without cause at any time. If the Collateral Agent shall be removed pursuant to this Section 11.05(c), then the Administrative Agent during such thirty (30) day period shall appoint a successor Collateral Agent. The appointment of any successor Collateral Agent pursuant to this Section 11.05(c) shall be subject to the prior written consent of the Borrower (provided that no Event of Default has occurred and is continuing) and the Required Lenders. If the Collateral Agent is removed pursuant to this Section 11.05(c), the Collateral Agent shall be removed in all other capacities in which it serves under this Agreement and under any of the other Facility Documents (including in its capacity as Custodian). Any removal of the Collateral Agent pursuant to this Section 11.05(c) shall be effective upon the appointment of a successor Collateral Agent pursuant to this Section 11.05(c) and the acceptance of such appointment by such successor. After the effectiveness of any removal of the Collateral Agent pursuant to this Section 11.05(c), the Collateral Agent shall be discharged from its duties and obligations hereunder and under the other Facility Documents (but not in its capacity as Lender, if applicable) and the provisions of this Article XII and Section 11.05(c) shall continue in effect for its benefit with respect to any actions taken or omitted to be taken by it while it was the Collateral Agent under this Agreement and under the other Facility Documents. In the event a successor Collateral Agent shall not be appointed within such thirty (30) day period, the Collateral Agent may petition a court of competent jurisdiction for the appointment of a successor Collateral Agent.

ARTICLE XII
MISCELLANEOUS

Section 12.01. No Waiver: Modifications in Writing

(a) No failure or delay on the part of any Secured Party exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. Any waiver of any provision of this Agreement or any other Facility Document, and any consent to any departure by any party to this Agreement or any other Facility Document from the terms of any provision of this Agreement or such other Facility Document, shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on the Borrower or the Collateral Manager in any case shall entitle the Borrower or the Collateral Manager to any other or further notice or demand in similar or other circumstances.

(b) No amendment, modification, supplement or waiver of this Agreement shall be effective unless signed by the Borrower, the Collateral Manager, the Administrative Agent and the Required Lenders; provided that:

(i) any Fundamental Amendment shall require the written consent of all Lenders; and

(ii) no such amendment, modification, supplement or waiver shall amend, modify or otherwise affect the rights or duties of any Agent hereunder without the prior written consent of such Agent.

Section 12.02. Notices, Etc.

(a) Except where telephonic instructions are authorized herein to be given, all notices, demands, instructions and other communications required or permitted to be given to or made upon any party hereto shall be in writing, unless otherwise expressly specified herein, and shall be (i) personally delivered or sent by registered, certified or express mail, postage prepaid, or by facsimile transmission, or by prepaid courier service, or by electronic mail (if the recipient has provided an email address) to the address, facsimile number or email address, as applicable, set forth with respect to such party on Schedule 6 (or, if not provided on Schedule 6 with respect to any party, such address, facsimile number or email address provided by such party in writing to the Administrative Agent) or (ii) in the case of notices to any Lender, posted to any electronic system approved by or set up by or at the direction of the Administrative Agent, and shall in each case be deemed to be given for purposes of this Agreement on the day that such writing is received by the intended recipient thereof or posted in accordance with the provisions of this Section 12.02. Unless otherwise specified in a notice sent or delivered in accordance with the foregoing provisions of this Section 12.02, notices, demands, instructions and other communications in writing shall be given to or made upon the respective parties hereto at their respective addresses (or to their respective facsimile numbers or email addresses) indicated in Schedule 6 (or, if not provided on Schedule 6 with respect to any party, such address, facsimile number or email address provided in writing by such party to the Administrative Agent), and, in the case of telephonic instructions or notices, by calling the telephone number or numbers indicated for such party in Schedule 6 (or, if not provided on Schedule 6 with respect to any party, such telephone number or numbers provided in writing by such party to the Administrative Agent). Each party shall notify the Administrative Agent in writing of any changes in the address, facsimile number, telephone number or email address to which notices to such Person should be directed, and of such other administrative information as the Administrative Agent shall reasonably request.

(b) BNYM (in any of its capacities hereunder) agrees to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail (or .pdf files of executed documents), facsimile transmission or other similar unsecured electronic methods, provided that any person providing such instructions or directions shall provide to BNYM an incumbency certificate listing such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If any party hereto elects to give BNYM e-mail or facsimile instructions (or instructions by a similar electronic method), BNYM's understanding of such instructions shall be deemed controlling. BNYM shall not be liable for any losses, costs or expenses arising directly or indirectly from BNYM's reasonable, good faith reliance upon and compliance with such instructions. Each of the parties hereto agrees to assume all risks arising out of its respective use of such electronic methods to submit instructions and directions to BNYM, including without limitation the risk of BNYM acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 12.03. Taxes

(a) For purposes of this Section 12.03, the term “applicable Law” includes FATCA.

(b) Any and all payments by, or on account of any obligation of the Borrower under any Facility Document shall be made without deduction or withholding for any Taxes, except as required by applicable Law. If any applicable Law (as determined in the good faith discretion of the applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by the Borrower, the Collateral Agent or the Administrative Agent, then the applicable Borrower, the Collateral Agent or the Administrative Agent (as applicable) shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable Law and, if such Tax is a Non-Excluded Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Secured Party receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) Without duplication of other amounts payable by the Borrower under this Section, the Borrower agrees to timely pay (or at the option of the Administrative Agent, timely reimburse it for the payment of) any present or future stamp, court or documentary, intangible, recording, filing, or similar Taxes that arise from any payment made hereunder, under the Notes or under any other Facility Document, or from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, this Agreement, the Notes or under any other Facility Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment, grant of a participation, designation of a new office for receiving payments by or on account of the Borrower or other transfer (other than an assignment or designation of a new office made pursuant to Section 2.16 or Section 12.03(h)) (collectively, the “Other Taxes”).

(d) The Borrower agrees to indemnify, within ten (10) days after demand therefor each of the Secured Parties for (i) the full amount of Non-Excluded Taxes (including any Non-Excluded Taxes imposed or asserted on or attributable to amounts payable under this Section 12.03) paid or payable by any Secured Party or required to be withheld or deducted from a payment to such Secured Party and (ii) any reasonable expenses arising therefrom or with respect thereto, whether or not such Non-Excluded Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability will be promptly delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender or other Secured Party and shall be conclusive absent manifest error.

(e) As soon as practicable after the date of any payment of Taxes pursuant to this Section 12.03, the Borrower will furnish to each Agent the original or a certified copy of a receipt issued by the relevant Governmental Authority evidencing payment thereof (or other evidence of payment as may be reasonably satisfactory to such Agent).

(f) If any payment is made by the Borrower (or the Collateral Manager on its behalf) to or for the account of any Secured Party after deduction for or on account of any Taxes and an indemnity payment or additional amounts are paid by the Borrower pursuant to this Section 12.03, then, if such Secured Party in its sole discretion, but acting in good faith, determines that it has received a refund of such Taxes, such Secured Party shall, to the extent that it can do so without prejudice apply for such refund and reimburse the Borrower (or the Collateral Manager, as applicable) such amount of any refund (but only to the extent of indemnity payments made under this Section with respect to Taxes giving rise to such refund) received (net of reasonable out-of-pocket expenses, including Taxes, incurred and without interest, other than interest received by the applicable Secured Party from the relevant Governmental Authority); provided that in the event that such Secured Party is required to repay such refund to the relevant taxing authority, the Borrower agrees to return the amount paid to such Secured Party pursuant to this paragraph (f) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority). Notwithstanding anything to the contrary in this paragraph (f), in no event will the Secured Party be required to pay any amount to an indemnifying party pursuant to this paragraph (f) the payment of which would place the Secured Party in a less favorable net after-Tax position than the Secured Party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require the Secured Party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(g) Each Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under this Agreement or any Facility Document shall deliver to the Borrower and each Agent, at the time or times reasonably requested by the Borrower or such Agent, such properly completed and executed documentation reasonably requested by the Borrower or such Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, each Lender, if reasonably requested by the Borrower or any Agent, shall deliver such other documentation prescribed by applicable Law or reasonably requested by the Borrower or such Agent as will enable the Borrower or such Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in sub-clauses (A), (B) and (D) of Section 12.03(g)(i)) shall not be required if, in the Lender's reasonable judgment, such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender (it being understood that providing any information currently required by any U.S. federal income tax withholding form shall not be considered prejudicial to the position of a Secured Party).

(i) Without limiting the generality of the foregoing.

(A) any Lender that is a U.S. Person (as defined in Section 7701(a)(30) of the Code) shall deliver to the Borrower and the Agents on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Agents), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Lender that is not a "United States person" under Section 7701(a)(30) of the Code (a "Non-U.S. Lender") shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Agents (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Non-U.S. Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or an Agent), whichever of the following is applicable:

(A) in the case of a foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Facility Document, executed originals of IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Facility Document, IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(B) executed originals of IRS Form W-8ECI;

(C) in the case of a Non-U.S. Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit E-1 to the effect that such Non-U.S. Lender is not a “bank” within the meaning of Section 881(C)(3)(A) of the Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”) and (y) executed originals of IRS Form W-8BEN-E; or

(D) to the extent a Non-U.S. Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit E-2 or Exhibit E-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Non-U.S. Lender is a partnership and one or more direct or indirect partners of such Non-U.S. Lender are claiming the portfolio interest exemption, such Non-U.S. Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit E-4 on behalf of each such direct and indirect partner;

(C) any Non-U.S. Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Agents (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Non-U.S. Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or Agents), executed originals of any other form prescribed by applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable Law to permit the Borrower or the Agents to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Facility Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code as applicable), such Lender shall deliver to the Borrower and the Agents at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Agents such documentation prescribed by applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Agents as may be necessary for the Borrower and the Agents to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender’s obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), “FATCA” shall include any amendments made to FATCA after the date of this Agreement.

On or before the date each Agent becomes a party to this Agreement, such Agent shall provide to the Borrower, two duly-signed, properly completed copies of the documentation prescribed in clause (i) or (ii) below, as applicable (together with all required attachments thereto): (i) IRS Form W-9 or any successor thereto, or (ii) (A) IRS Form W-8ECI or any successor thereto, and (B) with respect to payments received on account of any Lender, a U.S. branch withholding certificate on IRS Form W-8IMY or any successor thereto evidencing its agreement with the Borrower to be treated as a U.S. person for U.S. federal withholding purposes. At any time thereafter, such Agent shall provide updated documentation previously provided (or a successor form thereto) when any documentation previously delivered has expired or become obsolete or invalid or otherwise upon the reasonable request of the Borrower.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect it shall update such form or certification, provide such successor form, or promptly notify the Borrower and the Agents in writing of its legal inability to do so.

(h) If any Secured Party requires the Borrower to pay any additional amount to such Secured Party or any Governmental Authority for the account of such Secured Party or to indemnify such Secured Party pursuant to this Section 12.03, then such Secured Party shall use reasonable efforts to designate a different lending office for funding or booking its Advances hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if such Secured Party determines, in its sole discretion that such designation or assignment (i) would eliminate or reduce amounts payable pursuant to this Section 12.03 in the future and (ii) would not subject such Secured Party to any material unreimbursed cost or expense and would not otherwise be disadvantageous to such Secured Party. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Secured Party in connection with any such designation or assignment.

(i) Each Lender shall severally indemnify each Agent, within ten (10) days after demand therefor, for (i) any Non-Excluded Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified such Agent for such Non-Excluded Taxes, and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 12.06(c) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by such Agent in connection with any Facility Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the applicable Agent shall be conclusive absent manifest error. Each Lender hereby authorizes each Agent to set off and apply any and all amounts at any time owing to such Lender under any Facility Document or otherwise payable by such Agent to the Lender from any other source against any amount due to such Agent under this paragraph (i).

(j) Each party's obligations under this Section 12.03 shall survive the resignation or replacement of an Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Facility Documents.

Section 12.04. Costs and Expenses; Indemnification

(a) The Borrower agrees to promptly pay on demand all reasonable and documented out-of-pocket costs and expenses of the Agents in connection with the preparation, review, negotiation, reproduction, execution and delivery of this Agreement and the other Facility Documents, including the reasonable and documented fees and disbursements of one outside counsel for the Administrative Agent and one outside counsel for the Collateral Agent, costs and expenses of creating, perfecting, releasing or enforcing the Collateral Agent's security interests in the Collateral, including filing and recording fees, expenses and taxes, stamp or documentary taxes, search fees, UCC filing fees and the equivalent thereof in any foreign jurisdiction, if applicable, and all other related fees and expenses in connection therewith; and in connection with the administration and any modification or amendment of this Agreement, the Notes or any other Facility Document and advising the Agents as to their respective rights, remedies and responsibilities. The Borrower agrees to promptly pay on demand all reasonable and documented costs and expenses of each of the Secured Parties in connection with the enforcement of this Agreement, the Notes or any other Facility Document, including all reasonable and documented costs and expenses incurred by the Collateral Agent in connection with the preservation, collection, foreclosure or enforcement of the Collateral subject to the Facility Documents or any interest, right, power or remedy of the Collateral Agent or in connection with the collection or enforcement of any of the Obligations or the proof, protection, administration or resolution of any claim based upon the Obligations in any insolvency proceeding, including all reasonable fees and disbursements of attorneys, accountants, auditors, consultants, appraisers and other professionals engaged by the Collateral Agent. Without prejudice to its rights hereunder, the expenses and the compensation for the services of the Secured Parties are intended to constitute expenses of administration under any applicable bankruptcy law.

(b) The Borrower agrees to indemnify and hold harmless each Secured Party and each of their Affiliates and the respective officers, directors, employees, agents, managers of, and any Person controlling any of, the foregoing (each, an "Indemnified Party") from and against any and all Liabilities that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or by reason of the execution, delivery, enforcement, performance, administration of or otherwise arising out of or incurred in connection with this Agreement, any other Facility Document, any Related Document or any transaction contemplated hereby or thereby (and regardless of whether or not (x) any such transactions are consummated or (y) arising out of a suit, claim or other action brought by the Borrower, the Collateral Manager or the Equityholder or any third party), including any such Liability that is incurred or arises out of or in connection with, or by reason of any one or more of the following: (i) preparation for a defense of any investigation, litigation or proceeding arising out of, related to or in connection with this Agreement, any other Facility Document, any Related Document or any of the transactions contemplated hereby or thereby; (ii) any breach or alleged breach of any covenant by the Borrower or the Collateral Manger contained in any Facility Document; (iii) any representation or warranty made or deemed made by the Borrower or the Collateral Manger contained in any Facility Document or in any certificate, statement or report delivered in connection therewith is, or is alleged to be, false or misleading; (iv) any failure by the Borrower or the Collateral Manger to comply with any Applicable Law or contractual obligation binding upon it; (v) any failure to vest, or delay in vesting, in the Collateral Agent (for the benefit of the Secured Parties) a perfected security interest in all of the Collateral free and clear of all Liens (other than Permitted Liens); (vi) any action or omission, not expressly authorized by the Facility Documents, by the Borrower or any Affiliate of the Borrower which has the effect of impairing the validity or enforceability of the Collateral or the rights of the Agents or the other Secured Parties with respect thereto; (vii) the failure to file, or any delay in filing, financing statements, continuation statements or the equivalent thereof in any foreign jurisdiction or other similar instruments or documents under the UCC of any applicable jurisdiction or other Applicable Law with respect to any Collateral, whether at the time of any Advance or at any subsequent time; (viii) any dispute, claim, offset or defense (other than the discharge in bankruptcy of an Obligor) of an Obligor to the payment with respect to any Collateral (including a defense based on any Collateral Loan (or the Related Documents evidencing such Collateral Loan) not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms, except to the extent such unenforceability due to the bankruptcy of such Obligor), or any other claim resulting from any related property securing such Collateral Loan; (ix) the commingling of Collections on the Collateral at any time with other funds; (x) any failure by the Borrower to give reasonably equivalent value to the applicable seller, in consideration for the transfer by such seller to the Borrower of any item of Collateral or any attempt by any Person to void or otherwise avoid any such transfer under any statutory provision or common law or equitable action, including any provision of the Bankruptcy Code; (xi) the failure of the Borrower, the Collateral Manager or any of their respective agents or representatives to remit to the Collection Account, within one (1) Business Day of receipt, Collections on the Collateral Loans remitted to the Borrower, the Collateral Manager or any such agent or representative as provided in this Agreement; and (xii) any Default or Event of Default; except to the extent any such Liability is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted solely from such Indemnified Party's gross negligence or willful misconduct. In the case of an investigation, litigation or proceeding to which the indemnity in this paragraph applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by the Borrower, any of the Borrower's equityholders or creditors, an Indemnified Party or any other Person, whether or not an Indemnified Party is otherwise a party hereto. The Borrower shall not have any liability hereunder to any Indemnified Party to the extent an Indemnified Party effects any settlement of a matter that is (or could be) subject to indemnification hereunder without the prior written consent of the Borrower. The Borrower shall not, without the prior written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is a party (or, in the case of a threatened proceeding, could reasonably have been expected to be a party if such proceeding had been brought) and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement (i) does not include a statement as to or admission of, fault, culpability or a failure to act by or on behalf of any such Indemnified Party, and (ii) includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such proceeding. In no case shall the Borrower be responsible for any Indemnified Party's lost revenues or lost profits or for any indirect, special, punitive or consequential damages. This Section 12.04(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Indemnity by Equityholder. The Equityholder agrees to indemnify and hold harmless each Indemnified Party from and against any and all Liabilities that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with any acts or omissions of the Equityholder in connection with this Agreement, any other Facility Document, any Related Document or any transaction contemplated hereby or thereby (and regardless of whether or not (x) any such transactions are consummated or (y) arising out of a suit, claim or other action brought by the Borrower, the Collateral Manager or the Equityholder), including (but not limited to) any such Liability that is incurred or arises out of or in connection with, or by reason of any one or more of the following: (i) any breach or alleged breach of any covenant by the Equityholder contained in any Facility Document; (ii) any representation or warranty made or deemed made by the Equityholder contained in any Facility Document or in any certificate, statement or report delivered in connection therewith is, or is alleged to be, false or misleading; (iii) any failure by the Equityholder to comply with any Applicable Law or contractual obligation binding upon it; and (iv) any action or omission, not expressly authorized by the Facility Documents, by the Equityholder or any Affiliate of the Equityholder which has the effect of impairing the validity or enforceability of the Collateral or the rights of the Agents or the other Secured Parties with respect thereto; except to the extent any such Liability is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted solely from the gross negligence, fraud or willful misconduct of such Indemnified Party, any of its Affiliates or the respective officers, directors, employees, agents, managers of, and any Person controlling any of, the foregoing. In the case of an investigation, litigation or proceeding to which the indemnity in this paragraph applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by the Equityholder, any of the Equityholder's equityholders or creditors, an Indemnified Party or any other Person, whether or not an Indemnified Party is otherwise a party hereto. The Equityholder shall not have any liability hereunder to any Indemnified Party to the extent an Indemnified Party effects any settlement of a matter that is (or could be) subject to indemnification hereunder without the prior written consent of the Equityholder (which consent shall not be unreasonably withheld or delayed), but if settled with such consent or if there be a final judgment for the plaintiff, the Equityholder agrees to indemnify the Indemnified Party from and against any loss or liability by reason of such settlement or judgment to the extent set forth in this Section 12.04(c). The Equityholder shall not, without the prior written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is a party (or, in the case of a threatened proceeding, could reasonably have been expected to be a party if such proceeding had been brought) and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement (i) does not include a statement as to or admission of, fault, culpability or a failure to act by or on behalf of any such Indemnified Party, and (ii) includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such proceeding. In no case shall the Equityholder be responsible for any Indemnified Party's lost revenues or lost profits or for any indirect, special, punitive or consequential damages. This Section 12.04(c) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

Section 12.05. Execution in Counterparts

This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement. Delivery of an executed signature page of this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart hereof.

Section 12.06. Assignability

(a) Subject to the conditions set forth in this Section 12.06, each Lender may, with the consent of the Administrative Agent and the Borrower, assign to an assignee all or a portion of its rights and obligations under this Agreement (including all or a portion of its Advances Outstanding or interests therein owned by it); provided that such consent shall be deemed to have been granted by the Borrower if the Borrower shall not have objected in writing within five (5) Business Days of receipt of any such request for consent; and provided, further, that:

(i) each of the Borrower's and the Administrative Agent's consent to any such assignment (A) shall not be unreasonably withheld or delayed and (B) shall not be required if the assignee is a Permitted Assignee with respect to such assignor;

(ii) the Borrower's consent to any such assignment pursuant to this Section 12.06(a) shall not be required if an Event of Default shall have occurred (and not been waived by the Lenders in accordance with Section 12.01); and

(iii) notwithstanding anything herein to the contrary, each Lender may make an assignment to any Person without the consent of the Borrower or the Administrative Agent if such Lender makes a reasonable determination that its ownership of any of its rights or obligations hereunder is prohibited by Applicable Law (including, without limitation, the Volcker Rule), provided that each Lender agrees to use commercially reasonable efforts to make any such assignment to a Person that is not a business development company or any other Person that is identified by the Borrower in writing to the Administrative Agent and the Lenders on or before the Closing Date as a direct competitor of the Borrower, the Collateral Manager or any of their Affiliates; provided, however, that no bank or insurance company shall constitute a competitor for purposes of this Section 12.06(a)(iii).

The parties to each such assignment shall execute and deliver to the Administrative Agent (with a copy to the Collateral Agent) an Assignment and Acceptance and the applicable tax forms required by Sections 12.03(g) and 12.03(i), together with administrative details for the applicable assignee (if such assignee is not a current Lender). Notwithstanding any other provision of this Section 12.06, (x) no assignment shall be made to any natural person and (y) no assignment by any Lender to the Borrower or any of its Affiliates shall be permitted unless each Lender has been offered the opportunity to participate in any such assignment on a pro rata basis on the same terms.

(b) The Borrower may not assign its rights or obligations hereunder or any interest herein without the prior written consent of the Administrative Agent and the Lenders.

(c) (i) Any Lender may, without the consent of the Borrower, sell participations to Participants in all or a portion of such Lender's rights and obligations under this Agreement; provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (C) such Borrower, the Agents and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, and (D) each Participant shall have agreed to be bound by this Section 12.06(c), Section 12.06(e), Section 12.09 and Section 12.16. Any agreement pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement may provide that such Lender will not, without the consent of the Participant, agree to any Fundamental Amendment. Sections 2.09, 2.10, and 12.03 shall apply to each Participant as if it were a Lender and had acquired its interest by assignment pursuant to clause (a) of this Section; provided that (x) such Participant agrees to be subject to the provisions of Sections 2.16 and 12.03(g) as if it were an assignee under clause (a) of this Section and (y) no Participant shall be entitled to any amount under Section 2.09, 2.10, or 12.03 which is greater than the amount the related Lender would have been entitled to under any such Sections or provisions if the applicable participation had not occurred.

(ii) In the event that any Lender sells participations in any portion of its rights and obligations hereunder, such Lender as nonfiduciary agent for the Borrower shall maintain a register on which it enters the name of all participants in the Advances held by it and the principal amount (and stated interest thereon) of the portion of the Advance which is the subject of the participation (the "Participant Register"). An Advance may be participated in whole or in part only by registration of such participation on the Participant Register (and each Note, if any, shall expressly so provide). The Participant Register shall be available for inspection by the Borrower to the extent necessary for the Borrower to establish that such commitment, loan or other obligation is in registered form under Section 5f.103-1 of the United States Treasury Regulations or for the Borrower or any Agent to satisfy any information reporting requirement with respect to payments made to such Participant. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d) The Administrative Agent, on behalf of and acting solely for this purpose as the nonfiduciary agent of the Borrower, shall maintain at its address specified in Section 12.02 or such other address as the Administrative Agent shall designate in writing to the Lenders, a copy of this Agreement and each signature page hereto and each Assignment and Acceptance delivered to and accepted by it and a register (the "Register") for the recordation of the names and addresses of the Lenders and the aggregate outstanding principal amount of the Advances Outstanding maintained by each Lender under this Agreement (and any stated interest thereon). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrower, the Agents, the Collateral Administrator, the Securities Intermediary and the Lenders shall treat each Person whose name is recorded in the Register as a Lender and the owner of the amounts owing to it under the Facility Documents, as reflected in the Register, for all purposes of the Facility Documents. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice. An Advance (and a Note, if any, evidencing the same) may be assigned or sold in whole or in part only by registration of such assignment or sale on the Register (and each Note, if any, shall expressly so provide) and compliance with this Section 12.06.

(e) Notwithstanding anything to the contrary set forth herein or in any other Facility Document, each Lender hereunder, and each Participant, must at all times be a "qualified purchaser" as defined in the Investment Company Act (a "Qualified Purchaser") and a "qualified institutional buyer" as defined in Rule 144A under the Securities Act (a "QIB"). Each Lender represents to the Borrower, (i) on the date that it becomes a party to this Agreement (whether by being a signatory hereto or by entering into an Assignment and Acceptance) and (ii) on each date on which it makes an Advance hereunder, that it is a Qualified Purchaser and a QIB. Each Lender further agrees that it shall not assign, or grant any participations in, any of its Advances to any Person unless such Person is a Qualified Purchaser and a QIB.

(f) Notwithstanding any other provision of this Section 12.06, any Lender may at any time pledge or grant a security interest in all or any portion of its rights (including rights to payment of principal and interest) under this Agreement to secure obligations of such Lender, including any pledge or security interest granted to a Federal Reserve Bank, without notice to or consent of the Borrower or the Administrative Agent; provided that no such pledge or grant of a security interest shall release such Lender from any of its obligations hereunder or substitute any such pledgee or grantee for such Lender as a party hereto.

Section 12.07. Governing Law

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT AND ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER FACILITY DOCUMENT (EXCEPT, AS TO ANY OTHER FACILITY DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK.

Section 12.08. Severability of Provisions

Any provision of this Agreement or any other Facility Document which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 12.09. Confidentiality

Each Secured Party agrees to keep confidential, in accordance with procedures adopted by such Secured Party that are reasonably designed to assure the protection of confidential information delivered or disclosed to such Secured Party, all information provided to it by the Borrower or the Collateral Manager with respect to the Borrower, its Affiliates, the Collateral, the Related Documents, the Obligors, the Collateral Manager or any other information furnished to such Secured Party under or in connection with this Agreement (collectively, the “Borrower Information”); provided that nothing herein shall prevent any Secured Party from disclosing any Borrower Information (a) in connection with this Agreement and the other Facility Documents and not for any other purpose, (i) to any Secured Party or any Affiliate of a Secured Party, or (ii) any of their respective Affiliates, employees, directors, auditors, agents, attorneys, accountants and other professional advisors (collectively, the “Secured Party Representatives”), it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Borrower Information and instructed to keep such Borrower Information confidential, (b) subject to an agreement to comply with the provisions of this Section and to use the Borrower Information only in connection with this Agreement and the other Facility Documents and not for any other purpose, to any actual or bona fide prospective permitted assignees and Participants in any of the Secured Parties’ interests under or in connection with this Agreement or any actual or prospective party (or its Secured Party Representatives) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder, (c) to any Governmental Authority with jurisdiction over any Secured Party or any of its Affiliates or any Secured Party Representative, (d) in response to any order of any court or other Governmental Authority or as may otherwise be required to be disclosed pursuant to any Applicable Law (provided that such Secured Party will, to the extent permitted by law, endeavor to promptly notify the Borrower and the Collateral Manager in advance of such pending disclosure), (e) that is a matter of general public knowledge or that has heretofore been made available to the public by any Person other than any Secured Party or any Secured Party Representative, (f) in connection with the exercise of any remedy hereunder or under any other Facility Document or any action or proceeding relating to this Agreement or any other Facility Document or the enforcement of rights hereunder or thereunder, (g) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Secured Party Representatives (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (h) on a confidential basis to (i) any rating agency in connection with rating the Borrower or the credit facilities provided hereunder or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers or other market identifiers with respect to the credit facilities provided hereunder, or (i) with the consent of the Borrower.

Section 12.10. Merger

This Agreement and the other Facility Documents executed by the Administrative Agent or the Lenders taken as a whole incorporate the entire agreement between the parties hereto and thereto concerning the subject matter hereof and thereof and this Agreement and such other Facility Documents supersede any prior agreements among the parties relating to the subject matter thereof.

Section 12.11. Survival

All representations and warranties made hereunder, in the other Facility Documents and in any certificate delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery of this Agreement and the making of the Advances hereunder. The agreements in Sections 2.04(e), 2.09, 2.10, 2.12, 12.03, 12.04, 12.09, 12.16, 12.17, 12.19 and this Section 12.11 shall survive the termination of this Agreement in whole or in part, the Payment in Full of the principal of and interest on the Advances, any foreclosure under, or modification, release or discharge of, any or all of the Related Documents and the resignation or replacement of any Agent; provided that the agreements in Section 12.09 shall survive for a period of one year following the termination of this Agreement.

Section 12.12. Submission to Jurisdiction; Waivers; Etc.

Each party hereto hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement or the other Facility Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York in the Borough of Manhattan, the courts of the United States of America for the Southern District of New York, and the appellate courts of any of them;

(b) consents that any such action or proceeding may be brought in any court described in Section 12.12(a) and waives to the fullest extent permitted by Applicable Law any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such party at its address set forth in Section 12.02 or at such other address as may be permitted thereunder;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding against any Secured Party arising out of or relating to this Agreement or any other Facility Document any special, exemplary, punitive or consequential damages.

Section 12.13. IMPORTANT WAIVERS

(a) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER FACILITY DOCUMENT OR FOR ANY COUNTERCLAIM HEREIN OR THEREIN OR RELATING HERETO OR THERETO, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF THE EQUITYHOLDER, THE BORROWER, THE COLLATERAL MANAGER, THE AGENTS OR ANY OTHER AFFECTED PERSON. EACH PARTY HERETO ACKNOWLEDGES AND AGREES THAT IT HAS RECEIVED FULL AND SUFFICIENT CONSIDERATION FOR THIS PROVISION (AND EACH OTHER PROVISION OF EACH OTHER FACILITY DOCUMENT TO WHICH IT IS A PARTY) AND THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR ITS ENTERING INTO THIS AGREEMENT AND EACH SUCH OTHER FACILITY DOCUMENT. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY HEREBY WAIVES ANY RIGHT TO CLAIM OR RECOVER IN ANY LITIGATION WHATSOEVER INVOLVING ANY INDEMNIFIED PARTY, ANY SPECIAL, EXEMPLARY, PUNITIVE, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND OR NATURE WHATSOEVER OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES, WHETHER SUCH WAIVED DAMAGES ARE BASED ON STATUTE, CONTRACT, TORT, COMMON LAW OR ANY OTHER LEGAL THEORY, WHETHER THE LIKELIHOOD OF SUCH DAMAGES WAS KNOWN AND REGARDLESS OF THE FORM OF THE CLAIM OF ACTION; PROVIDED THAT THE FOREGOING SHALL NOT LIMIT THE INDEMNIFICATION OBLIGATIONS OF THE BORROWER, THE EQUITYHOLDER OR THE COLLATERAL MANAGER PURSUANT TO SECTION 12.04(B), SECTION 12.04(C) OR SECTION 14.06(B), RESPECTIVELY. NO PARTY OR INDEMNIFIED PARTY SHALL BE LIABLE FOR ANY DAMAGES ARISING FROM THE USE BY UNINTENDED RECIPIENTS OF ANY INFORMATION OR OTHER MATERIALS DISTRIBUTED BY IT THROUGH TELECOMMUNICATIONS, ELECTRONIC OR OTHER INFORMATION TRANSMISSION SYSTEMS IN CONNECTION WITH ANY FACILITY DOCUMENT OR THE TRANSACTIONS. EACH PARTY CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY OR AN INDEMNIFIED PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY OR AN INDEMNIFIED PARTY WOULD NOT SEEK TO ENFORCE ANY OF THE WAIVERS IN THIS SECTION 12.13 IN THE EVENT OF LITIGATION OR OTHER CIRCUMSTANCES. THE SCOPE OF SUCH WAIVERS IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THE FACILITY DOCUMENTS, REGARDLESS OF THEIR LEGAL THEORY. EACH PARTY ACKNOWLEDGES THAT THE WAIVERS IN THIS SECTION 12.13 ARE A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT SUCH PARTY HAS ALREADY RELIED ON SUCH WAIVERS IN ENTERING INTO THE FACILITY DOCUMENTS, AND THAT SUCH PARTY WILL CONTINUE TO RELY ON SUCH WAIVERS IN THEIR RELATED FUTURE DEALINGS UNDER THE FACILITY DOCUMENTS. EACH PARTY FURTHER REPRESENTS AND WARRANTS THAT IT HAS REVIEWED SUCH WAIVERS WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS RIGHT TO A JURY TRIAL AND OTHER RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THE WAIVERS IN THIS SECTION 12.13 ARE IRREVOCABLE, MEANING THAT THEY MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND SHALL APPLY TO ANY AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO ANY OF THE FACILITY DOCUMENTS. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.(f) THE PROVISIONS OF THIS SECTION 12.13 SHALL SURVIVE TERMINATION OF THE FACILITY DOCUMENTS AND THE INDEFEASIBLE PAYMENT IN FULL OF THE OBLIGATIONS.

Section 12.14. PATRIOT Act Notice

Each Agent and Lender hereby notifies the Borrower that, pursuant to the requirements of the PATRIOT Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Agent or Lender to identify the Borrower in accordance with the PATRIOT Act. The Borrower shall provide, to the extent commercially reasonable, such information and take such actions as are reasonably requested by any Lender or Agent in order to assist such Lender or Agent, as applicable, in maintaining compliance with the PATRIOT Act.

Section 12.15. Legal Holidays

In the event that the date of prepayment of Advances or the Final Maturity Date shall not be a Business Day, then notwithstanding any other provision of this Agreement or any other Facility Document, payment need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the nominal date of any such date of prepayment or Final Maturity Date, as the case may be, and interest shall accrue on such payment for the period from and after any such nominal date to but excluding such next succeeding Business Day.

Section 12.16. Non-Petition

Each of the Collateral Manager and each Secured Party hereby agrees not to institute against, or join, cooperate with or encourage any other Person in instituting against, the Borrower any bankruptcy, reorganization, receivership, arrangement, insolvency, moratorium or liquidation proceeding or other proceeding under federal or state bankruptcy or similar laws until at least one year and one day, or, if longer, the applicable preference period then in effect plus one day, after the Payment in Full of all outstanding Obligations; provided that nothing in this Section 12.16 shall preclude, or be deemed to prevent, any Secured Party (a) from taking any action prior to the expiration of the aforementioned one year and one day period, or, if longer, the applicable preference period then in effect, in (i) any case or proceeding voluntarily filed or commenced by the Borrower or (ii) any involuntary insolvency proceeding filed or commenced against the Borrower by a Person other than any such Secured Party, or (b) from commencing against the Borrower or any properties of the Borrower any legal action which is not a bankruptcy, reorganization, receivership, arrangement, insolvency, moratorium or liquidation proceeding or other proceeding under federal or state bankruptcy or similar laws.

Section 12.17. Waiver of Setoff

Each of the Borrower, the Collateral Manager and the Equityholder hereby waives any right of setoff it may have or to which it may be entitled under this Agreement or any Applicable Law from time to time against the Administrative Agent, any Lender or its respective assets.

Section 12.18. Option to Acquire Rating

Each party hereto hereby acknowledges and agrees that the Administrative Agent (at the expense of the Lender or Lenders requesting such rating) may, at any time and in its sole discretion, obtain a public rating for the loan facility evidenced by this Agreement. The Borrower and the Collateral Manager hereby agree to use commercially reasonable efforts, at the request of the Administrative Agent, to cooperate with the acquisition and maintenance of any such rating.

Section 12.19. Acknowledgment and Consent to Bail-In of EEA Financial Institutions

(a) Notwithstanding anything to the contrary in any Facility Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender that is an EEA Financial Institution arising under any Facility Document, except to the extent such liability is excluded under the Bail-In Legislation from the scope of any Bail-In Action, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (i) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender that is an EEA Financial Institution; and
- (ii) the effects of any Bail-in Action on any such liability, including, if applicable:
 - (A) a reduction in full or in part or cancellation of any such liability (including without limitation a reduction in any accrued or unpaid interest in respect of such liability);

(B) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Facility Document; or

(C) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority

ARTICLE XIII

CUSTODIAN

Section 13.01. Appointment of Custodian

(a) Appointment and Acceptance. The Borrower and the Agents each hereby appoints the Custodian as document custodian of the Loan Files delivered to it for all Collateral Loans owned by the Borrower at any time during the term of this Agreement, on the terms and conditions set forth in this Agreement (which shall include any addendum hereto which is hereby incorporated herein and made a part of this Agreement), and the Custodian hereby accepts such appointment and agrees to perform the services and duties set forth in this Agreement with respect to it, subject to and in accordance with the provisions hereof.

(b) Instructions. The Borrower agrees that it shall from time to time provide, or cause to be provided, to the Custodian all necessary instructions and information, and shall respond promptly to all inquiries and requests of the Custodian as may reasonably be necessary to enable the Custodian to perform its duties hereunder.

(c) Collateral Agent. The Custodian shall take and retain custody of the Loan Files delivered by the Borrower hereunder in accordance with the terms and conditions of this Agreement, all for the benefit of the Collateral Agent and the other Secured Parties, in order to perfect under the UCC the Collateral Agent's security interest therein for the benefit of the Secured Parties. In taking and retaining custody of the Loan Files, the Custodian shall be deemed to be acting as the agent of Collateral Agent for the benefit of the Secured Parties; provided that the Custodian makes (a) no warranty or representation and shall have no responsibility for the enforceability, completeness, validity, sufficiency, value, genuineness, ownership or transferability of the Collateral Loans and (b) no representation as to the existence, perfection or priority of any lien on the Collateral Loans or the Required Loan Documents. It is expressly agreed and acknowledged that the Custodian is not guaranteeing performance of or assuming any liability for the obligations of the other parties hereto or any parties to the Collateral Loans.

Section 13.02. Duties of Custodian

(a) Segregation. All Loan Files held by the Custodian for the account of the Borrower hereunder shall be (a) subject to the lien of the Collateral Agent on behalf of the Secured Parties, (b) physically segregated from other loans and non-cash property in the possession of the Custodian and (c) identified by the Custodian as subject to this Agreement.

(b) Register. The Custodian shall maintain a register (in book-entry form or in such other form as it shall deem necessary or desirable) of the Collateral Loans for which it holds Loan Files under this Agreement containing such information as the Borrower and the Custodian may reasonably agree; provided that, with respect to such Collateral Loans, all Loan Files shall be held in safekeeping by the Custodian, individually segregated from the securities and investments of any other Person and marked so as to clearly identify such Loan Files as the property of the Borrower as set forth in this Agreement.

Section 13.03. Delivery of Collateral Loans to Custodian.

(a) The Collateral Manager (on behalf of the Borrower) shall deliver, or cause to be delivered (which may be via email, except for the original promissory note, if any) promptly (and in any event within five (5) Business Days of receipt) to the Custodian all of the Loan Files for each Collateral Loan owned by the Borrower at any time during the term of this Agreement at the address identified herein. The Custodian shall not be responsible for any Collateral Loan or related Loan File until actually received by it. In connection with each delivery of a Loan File to the Custodian, the Collateral Manager shall represent and warrant that the Loan Files delivered to the Custodian include all of the documents listed in the related Document Checklist and all of such documents and the information contained in any Trade Confirmation are complete in all material respects.

(b) Notwithstanding anything herein to the contrary, delivery of the Collateral Loans acquired by the Borrower which constitute Noteless Loans or which are otherwise not evidenced by a "security" or "instrument" as defined in Section 8-102 and Section 9-102(a)(47) of the UCC, respectively, shall be made by delivery to the Custodian of a copy of the loan register with respect to such Noteless Loan evidencing registration of such Collateral Loan on the books and records of the applicable Obligor or bank agent to the name of the Borrower (or its nominee) or a copy (which may be a facsimile copy) of an assignment agreement in favor of the Borrower as assignee. Any duty on the part of the Custodian with respect to the custody of such Collateral Loans shall be limited to the exercise of reasonable care by the Custodian in the physical custody of the related Loan Files delivered to it.

(c) The Custodian may assume the genuineness of any document in a Loan File it may receive and the genuineness and due authority of any signatures appearing thereon, and shall be entitled to assume that each document it may receive is what it purports to be. If an original "security" or "instrument" as defined in Section 8-102 and Section 9-102(a)(47) of the UCC, respectively, is or shall be or become available with respect to any Collateral Loan to be held by the Custodian under this Agreement, it shall be the sole responsibility of the Borrower to make or cause delivery thereof to the Custodian, and the Custodian shall not be under any obligation at any time to determine whether any such original "security" or "instrument" has been or is required to be issued or made available in respect of any Collateral Loan or to compel or cause delivery thereof to the Custodian.

Section 13.04. Release of Documents/Control By Agents.

(a) The Custodian shall release and ship for delivery, or direct its agents or sub-custodians to release and ship for delivery, as the case may be, Loan Files of the Borrower held by the Custodian, its agents or its sub-custodians from time to time upon receipt of Proper Instructions (specifying, among other things, the Collateral Loans and Loan Files to be released and delivery instructions and other information as may be necessary to enable the Custodian to release and ship such Loan Files), which may be standing instructions (in a form acceptable to the Custodian) in accordance with this Agreement.

(b) Upon receipt by the Custodian from the Administrative Agent or the Collateral Agent, of written notice of the occurrence of an Event of Default indicating the Administrative Agent's intent to prohibit the Custodian from accepting instructions from or on behalf of the Borrower (each such notice, a "Block Notice"), the Custodian shall no longer accept or act upon Proper Instructions or other instructions from the Borrower (or the Collateral Manager on its behalf) hereunder with respect to the Collateral Loans or the Loan Files. From and after its receipt of a Block Notice, the Custodian shall only comply with Proper Instructions from the Collateral Agent or Administrative Agent.

Section 13.05. Records.

The Custodian shall create and maintain complete and accurate records relating to its activities under this Agreement with respect to the Collateral Loans or other property of the Borrower held for the benefit of the Collateral Agent and the other Secured Parties under this Agreement. All such records shall be the property of the Borrower and, upon reasonable advance notice, shall at all times during the regular business hours of the Custodian be open for inspection by duly authorized officers, employees or agents of the Borrower, the Collateral Agent and the Administrative Agent.

Section 13.06. Reporting

(a) If requested by the Borrower, the Collateral Agent or the Administrative Agent, the Custodian shall render an itemized report of the Loan Files held pursuant to this Agreement as of the end of each month and such other matters as the parties may agree from time to time in form and substance reasonably satisfactory to the Collateral Agent and the Administrative Agent.

(b) The Custodian shall have no duty or obligation to undertake any market valuation of the Collateral Loans under any circumstance.

Section 13.07. Certain General Terms

(a) No Duty to Examine Underlying Instruments. Nothing herein shall obligate the Custodian to review or examine the terms of any underlying instrument, certificate, credit agreement, indenture, loan agreement, promissory note or any other document contained in the Loan Files evidencing or governing any Collateral Loan to determine the validity, sufficiency, marketability or enforceability of any Collateral Loan (and shall have no responsibility for the genuineness or completeness thereof) or otherwise.

(b) Resolution of Discrepancies. In the event of any discrepancy between the information set forth in any report provided by the Custodian to the Borrower and any information contained in the books or records of the Borrower, the Borrower (or the Collateral Manager, on behalf of the Borrower) shall promptly notify the Custodian thereof and the parties shall cooperate to diligently resolve the discrepancy.

(c) Improper Instructions. Notwithstanding anything herein to the contrary, the Custodian shall not be obligated to take any action (or forebear from taking any action), which it reasonably determines to be contrary to the terms of this Agreement or Applicable Law. In no instance shall the Custodian be obligated to provide services on any day that is not a Business Day.

(d) Proper Instructions.

(i) Each of the Collateral Agent, Administrative Agent, the Collateral Manager and the Borrower will give a notice to the Custodian, in a form acceptable to the Custodian, specifying the names and specimen signatures of Persons authorized to give Proper Instructions (collectively, "Authorized Persons" and each, an "Authorized Person") which notice shall be signed by an Authorized Person set forth on Schedule 7 or otherwise previously certified to the Custodian. The Custodian shall be entitled to rely upon the identity and authority of such Persons until it receives written notice from an Authorized Person of the Borrower, the Administrative Agent, the Collateral Manager or the Collateral Agent, as applicable, to the contrary. The initial Authorized Persons are set forth on Schedule 7 attached hereto and made a part hereof (as such Schedule 7 may be modified from time to time by written notice from the Borrower, the Administrative Agent, the Collateral Manager or the Collateral Agent, as applicable, to the Custodian); and

(ii) The Custodian shall have no responsibility or liability to the Borrower (or any other Person) and shall be indemnified and held harmless by the Borrower in the event that a subsequent written confirmation of an oral instruction fails to conform to the oral instructions received by the Custodian. The Custodian shall not have an obligation to act in accordance with purported instructions to the extent that they conflict with Applicable Law or regulations. The Custodian shall not be liable for any loss resulting from a delay while it obtains clarification of any Proper Instruction.

(e) Actions Permitted Without Express Authority. The Custodian may, at its discretion, without express authority from the Borrower, the Collateral Agent or any other Person, attend to all nondiscretionary details in connection with the sale, exchange, substitution, purchase, transfer and other dealings with the Collateral Loans.

(f) Evidence of Authority. The Custodian shall be protected in acting upon any instruction, notice, request, consent, certificate instrument or paper reasonably believed by it to be genuine and to have been properly executed or otherwise given by or on behalf of the Borrower, the Collateral Agent or Administrative Agent, as applicable, by an Authorized Person thereof. The Custodian may receive and accept a certificate signed by any Authorized Person as conclusive evidence of:

- (i) the authority of any Person to act in accordance with such certificate; or
- (ii) any determination or of any action by such Person as described in such certificate,

and such certificate may be considered as in full force and effect until receipt by the Custodian of written notice to the contrary from an Authorized Person of the Borrower, the Collateral Agent or Administrative Agent, as applicable.

(g) Receipt of Communications. Any communication received by the Custodian on a day which is not a Business Day or after 3:30 p.m. (or such other time as is agreed by the Borrower and the Custodian from time to time) on a Business Day will be deemed to have been received on the next Business Day; provided that in the case of communications so received after 3:30 p.m. on a Business Day the Custodian will use its commercially reasonable efforts to process such communications as soon as possible after receipt.

(h) In the event that (i) the Borrower, the Administrative Agent, the Collateral Manager, the Custodian or the Collateral Agent shall be served by a third party with any type of levy, attachment, writ or court order with respect to any Loan File or a document included within a Loan File or (ii) a third party shall institute any court proceeding by which any Loan File or a document included within a Loan File shall be required to be delivered other than in accordance with the provisions of this Agreement, the party receiving such service shall promptly deliver or cause to be delivered to the other parties to this Agreement (to the extent not prohibited by Applicable Law) copies of all court papers, orders, documents and other materials concerning such proceedings. The Custodian shall, to the extent permitted by law, continue to hold and maintain all the Loan Files that are the subject of such proceedings pending a final, nonappealable order of a court of competent jurisdiction permitting or directing disposition thereof. Upon final determination of such court, the Custodian shall dispose of such Loan File or a document included within such Loan File as directed by the Administrative Agent, which shall give a direction consistent with such determination. Expenses of the Custodian incurred as a result of such proceedings shall be borne by the Borrower.

Section 13.08. Compensation of Custodian

(a) Fees. The Custodian shall be entitled to compensation for its services in accordance with the terms of the Collateral Agent Fee Letter.

(b) Expenses. The Borrower agrees to pay or reimburse to the Custodian upon its request from time to time all reasonable and documented costs, disbursements, advances, and expenses (including reasonable fees and expenses of legal counsel) incurred in connection with the preparation or execution of this Agreement, or in connection with the transactions contemplated hereby or the administration of this Agreement or performance by the Custodian of its duties and services under this Agreement (including costs and expenses of any action deemed necessary by the Custodian to collect any amounts owing to it under this Agreement).

(c) Priority of Payments. Amounts owing to the Custodian hereunder shall be payable in accordance with the Priority of Payments.

Section 13.09. Responsibility of Custodian

(a) General Duties. The Custodian shall have no duties, obligations or responsibilities under this Agreement or with respect to the Collateral Loans, except for such duties as are expressly and specifically set forth in this Agreement, and the duties and obligations of the Custodian shall be determined solely by the express provisions of this Agreement. No implied duties, obligations or responsibilities shall be read into this Agreement against, or on the part of, the Custodian.

(b) Instructions.

(i) The Custodian shall be entitled to refrain from taking any action unless it has such instruction (in the form of Proper Instructions) from the Borrower (or the Collateral Manager on the Borrower's behalf), the Administrative Agent or the Collateral Agent, as applicable, as it reasonably deems necessary, and shall be entitled to require, upon notice to the Borrower, the Administrative Agent or the Collateral Agent, as applicable, that Proper Instructions to it be in writing. The Custodian shall have no liability for any action (or forbearance from action) taken pursuant to any Proper Instruction of the Borrower, the Administrative Agent or the Collateral Agent, as applicable.

(ii) Whenever the Custodian is entitled or required to receive or obtain any communications or information pursuant to or as contemplated by this Agreement, it shall be entitled to receive the same in writing, in form, content and medium reasonably acceptable to it and otherwise in accordance with any applicable term of this Agreement; and whenever any report or other information is required to be produced or distributed by the Custodian it shall be in form, content and medium reasonably acceptable to it and the Borrower, and otherwise in accordance with any applicable term of this Agreement.

(iii) In case any reasonable question arises as to its duties hereunder, the Custodian may, prior to the occurrence of an Event of Default, request instructions from the Collateral Manager and may, after the occurrence of an Event of Default, request instructions from the Administrative Agent, and shall be entitled at all times to refrain from taking any action unless it has received instructions from the Collateral Manager or the Administrative Agent, as applicable. The Custodian shall in all events have no liability, risk or cost for any action taken pursuant to and in compliance with the instruction of the Administrative Agent.

(c) General Standards of Care. Notwithstanding any terms herein contained to the contrary, the acceptance by the Custodian of its appointment hereunder is expressly subject to the following terms, which shall govern and apply to each of the terms and provisions of this Agreement (whether or not so stated therein):

(i) The Custodian may rely on and shall be protected in acting or refraining from acting upon any written notice, instruction, statement, certificate, request, waiver, consent, opinion, report, receipt or other paper or document furnished to it (including any of the foregoing provided to it by telecopier or electronic means), not only as to its due execution and validity, but also as to the truth and accuracy of any information therein contained, which it in good faith believes to be genuine and signed or presented by the proper person (which in the case of any instruction from or on behalf of the Borrower shall be an Authorized Person); and the Custodian shall be entitled to presume the genuineness and due authority of any signature appearing thereon. The Custodian shall not be bound to make any independent investigation into the facts or matters stated in any such notice, instruction, statement, certificate, request, waiver, consent, opinion, report, receipt or other paper or document; provided that if the form thereof is specifically prescribed by the terms of this Agreement, the Custodian shall examine the same to determine whether it substantially conforms on its face to such requirements hereof.

(ii) Neither the Custodian nor any of its directors, officers or employees shall be liable to anyone for any error of judgment, or for any act done or step taken or omitted to be taken by it (or any of its directors, officers or employees), or for any mistake of fact or law, or for anything which it may do or refrain from doing in connection herewith, unless such action constitutes gross negligence or willful misconduct on its part and in breach of the terms of this Agreement. The Custodian shall not be liable for any action taken by it in good faith and reasonably believed by it to be within powers conferred upon it, or taken by it pursuant to any direction or instruction by which it is governed hereunder, or omitted to be taken by it by reason of the lack of direction or instruction required hereby for such action.

(iii) In no event shall the Custodian be liable for any indirect, special, punitive or consequential damages (including lost profits) whether or not it has been advised of the likelihood of such damages.

(iv) The Custodian may consult with, and obtain advice from, legal counsel selected in good faith with respect to any question as to any of the provisions hereof or its duties hereunder, or any matter relating hereto, and the written opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Custodian in good faith in accordance with the opinion and directions of such counsel; the reasonable cost of such services shall be reimbursed pursuant to Section 13.08(b) and (c) above.

(v) The Custodian shall not be deemed to have notice of any fact, claim or demand with respect hereto unless actually known by an officer charged with responsibility for administering this Agreement or unless (and then only to the extent) received in writing by the Custodian and specifically referencing this Agreement.

(vi) No provision of this Agreement shall require the Custodian to expend or risk its own funds, or to take any action (or forbear from action) hereunder which might in its judgment involve any expense or any financial or other liability unless it shall be furnished with acceptable indemnification. Nothing herein shall obligate the Custodian to commence, prosecute or defend legal proceedings in any instance, whether on behalf of the Borrower or on its own behalf or otherwise, with respect to any matter arising hereunder, or relating to this Agreement or the services contemplated hereby.

(vii) The permissive right of the Custodian to take any action hereunder shall not be construed as a duty.

(viii) The Custodian may act or exercise its duties or powers hereunder through agents or attorneys, and the Custodian shall not be liable or responsible for the actions or omissions of any such agent or attorney appointed and maintained with reasonable due care.

(ix) The Custodian shall not be responsible or liable for delays or failures in performance resulting from acts beyond its control. Such acts shall include acts of God, strikes, lockouts, riots, acts of war, epidemics, governmental regulations imposed after the fact, fire, communication line failures, computer viruses, power failures, earthquakes or other disasters.

(x) All indemnifications contained in this Agreement in favor of the Custodian shall survive the termination of this Agreement.

(xi) Each of the protections, reliances, indemnities and immunities offered to the Collateral Agent in Article XI shall be afforded to the Custodian.

(d) Indemnification: Collateral Agent's Lien.

(i) The Borrower shall and does hereby indemnify and hold harmless the Custodian for and from any and all costs and expenses (including reasonable attorney's fees and expenses), and any and all losses, damages, claims and liabilities (collectively, "Losses"), that may arise, be brought against or incurred by the Custodian, as a result of, relating to, or arising out of this Agreement, or the administration or performance of the Custodian's duties hereunder, or the relationship between the Borrower and the Custodian created hereby, other than such liabilities, losses, damages, claims, costs and expenses as are directly caused by the Custodian's own actions constituting gross negligence or willful misconduct. Without limiting the foregoing, after the receipt of a Block Notice, the parties hereto agree that the Lenders shall indemnify and hold harmless the Custodian and its directors, officers, employees and agents from and against any and all Losses incurred as a result of the Custodian's compliance with the Collateral Agent's or Administrative Agent's (each acting at the direction of the Lenders) direction or instruction in connection with this Agreement (except to the extent due to the Custodian's willful misconduct or gross negligence) solely to the extent that such Losses shall not have been reimbursed by the Borrower.

(ii) Each of the Borrower, the Collateral Agent and the Custodian hereby agrees that the Loan Files in respect of the Collateral Loans are being held by the Custodian hereunder to perfect the lien of the Collateral Agent, on behalf of the Secured Parties, in the Collateral Loans in accordance with this Agreement.

(e) In the event that (a) the Borrower, the Collateral Agent, the Collateral Manager, the Administrative Agent, the Lenders or the Custodian shall be served by a third party with any type of levy, attachment, writ or court order with respect to any Loan File or a document included within a Loan File or (b) a third party shall institute any court proceeding by which any Loan File or a document included within a Loan File shall be required to be delivered otherwise than in accordance with the provisions of this Agreement, the party receiving such service shall promptly deliver, or cause to be delivered, to the other parties to this Agreement and the Administrative Agent copies of all court papers, orders, documents and other materials concerning such proceedings. The Custodian shall, to the extent permitted by Law, continue to hold and maintain all the Loan Files that are the subject of such proceedings pending a final, nonappealable order of a court of competent jurisdiction permitting or directing disposition thereof. Upon final determination of such court, the Custodian shall dispose of such Loan File or any document included within such Loan File as directed by the Collateral Agent or the Administrative Agent, which shall give a direction consistent with such determination. Expenses of the Custodian incurred as a result of such proceedings shall be borne by the Borrower and paid as an Administrative Expense.

(f) Payment of Fees, Etc. Upon termination of this Agreement or resignation of the Custodian, the Borrower shall pay to the Custodian such compensation, and shall likewise reimburse the Custodian for its reasonable and documented costs, expenses and disbursements, as may be due as of the date of such termination or resignation (or removal, as the case may be) all in accordance with the Priority of Payments. All indemnifications in favor of the Custodian under this Agreement shall survive the termination of this Agreement, or any resignation or removal of the Custodian.

(g) Final Report. In the event of any resignation or removal of the Custodian, the Custodian shall provide to the Borrower a complete final report or data file transfer of any confidential information as of the date of such resignation or removal.

(h) Representations of the Custodian. The Custodian hereby represents and warrants to the Borrower that:

- (i) it has the power and authority to enter into and perform its obligations under this Agreement; and
- (ii) it has duly authorized and executed this Agreement so as to constitute its valid and binding obligations.

Section 13.10. Resignation and Removal; Appointment of Successor.

(a) The Custodian may, at any time, resign under this Agreement by giving not less than thirty (30) days advance written notice thereof to the Borrower, the Collateral Manager, the Collateral Agent and the Administrative Agent.

(b) Notwithstanding anything to the contrary contained in this Agreement, no resignation or removal of the Custodian and no appointment of a successor Custodian pursuant to this Article XIII shall become effective until the acceptance of such appointment by the successor Custodian under Section 13.10(g) and the assumption by such successor Custodian of the duties and obligations of the Custodian hereunder.

(c) The Custodian may be removed at any time by the Administrative Agent (i) upon thirty (30) days' notice (with the prior written consent of the Collateral Manager) or (ii) at any time if (A) a Default or an Event of Default shall have occurred and be continuing, or (B) the Custodian shall become incapable of acting or shall become the subject of an Insolvency Event. Notice of any such removal shall be sent by the Administrative Agent to the Custodian, the Borrower, the Lenders and the Collateral Manager.

(d) If the Custodian shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of the Custodian for any reason (other than resignation with no replacement within 90 days), the Borrower shall, promptly after becoming aware of such resignation, removal, incapacity or vacancy, appoint a successor collateral custodian by written instrument, executed by a Responsible Officer of the Borrower, one copy of which shall be delivered to the retiring Custodian and one copy to the successor Custodian, together with a copy to the Administrative Agent and the Lenders; *provided* that such successor Custodian shall be appointed only upon the prior written consent of the Administrative Agent and, prior to the occurrence of a Default or an Event of Default, the Collateral Manager (in each case which consent shall not be unreasonably withheld, conditioned or delayed). In the case of a resignation by the Custodian, if no successor Custodian shall have been appointed and an instrument of acceptance by a successor Custodian shall not have been delivered to the resigning Custodian and the Administrative Agent within 90 days after the giving of such notice of resignation, the Administrative Agent may appoint a successor Custodian or the resigning Custodian may petition any court of competent jurisdiction to appoint a successor Custodian.

(e) Upon termination of this Agreement or resignation of the Custodian, the Borrower shall pay to the Custodian such compensation, and shall likewise reimburse the Custodian for its reasonable and documented costs, expenses and disbursements, as may be due as of the date of such termination or resignation (or removal, as the case may be) all in accordance with the Priority of Payments. All indemnifications in favor of the Custodian under this Agreement shall survive the termination of this Agreement, or any resignation or removal of the Custodian.

(f) In the event of any resignation or removal of the Custodian, the Custodian (at the expense of the Borrower) shall provide to the Borrower a complete final report or data file transfer of any confidential information as of the date of such resignation or removal.

(g) Each successor Custodian appointed hereunder shall execute, acknowledge and deliver to the Borrower, the Collateral Manager, the Administrative Agent, the Lenders and the retiring Custodian an instrument accepting such appointment. Upon delivery of the required instruments, the resignation or removal of the retiring Custodian shall become effective and such successor Custodian, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of the retiring Custodian; but, on request of the Borrower, the Collateral Manager, the Administrative Agent or the successor Custodian, such retiring Custodian shall (i) execute and deliver an instrument transferring to such successor Custodian all the rights, powers and trusts of the retiring Custodian and (ii) execute and deliver such further documents and instruments and take such further action as may be reasonably requested in order to effect the transfer of the rights, powers, duties and obligations of the Custodian hereunder. Upon request of any such successor Custodian, the Borrower shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Custodian all such rights, powers and trusts.

ARTICLE XIV

COLLATERAL MANAGEMENT

Section 14.01. Designation of the Collateral Manager

(a) Initial Collateral Manager. The servicing, administering and collection of the Collateral shall be conducted by the Person designated as the Collateral Manager hereunder in accordance with this Section 14.01. Oxford Square Capital Corp. is hereby appointed as, and hereby accepts such appointment and agrees to perform the duties and responsibilities, of Collateral Manager pursuant to the terms hereof.

(b) Subcontracts. The Collateral Manager may, with the prior written consent of the Administrative Agent, subcontract with any other Person for servicing, administering or collecting the Collateral; provided that (i) the Collateral Manager shall select any such Person with reasonable care and shall be solely responsible for the fees and expenses payable to such Person, (ii) the Collateral Manager shall not be relieved of, and shall remain liable for, the performance of the duties and obligations of the Collateral Manager pursuant to the terms hereof without regard to any subcontracting arrangement and (iii) any such subcontract shall be subject to the provisions hereof.

Section 14.02. Duties of the Collateral Manager

(a) Duties. The Collateral Manager shall take or cause to be taken all such actions as may be necessary or advisable to service, administer and collect on the Collateral from time to time, all in accordance with Applicable Law and the Collateral Management Standard, in good faith and with reasonable care using a degree of skill and care no less than that exercised by institutional managers of national standing relating to assets of the nature and character of the Collateral Loans; provided that to the extent not inconsistent with the foregoing, the Collateral Manager shall, in performing its duties under this Agreement and the other Facility Documents, follow its customary standards, policies and procedures and exercise a degree of skill and attention no less than that which it exercises with respect to comparable assets that it manages for itself and for other clients having similar investment objectives and restrictions. Without limiting the foregoing, the duties of the Collateral Manager shall include the following:

- (i) directing the acquisition, sale or substitution of Collateral in accordance with Article X;
- (ii) supervising the Collateral, including communicating with Obligors, executing amendments, providing consents and waivers, exercising voting rights, enforcing and collecting on the Collateral and otherwise managing the Collateral on behalf of the Borrower;
- (iii) preparing and submitting claims to Obligors on each Collateral Loan;
- (iv) maintaining appropriate books of account and servicing records with respect to the Collateral (including copies of the Related Documents) reasonably necessary or advisable for the services to be performed hereunder;
- (v) promptly delivering to the Administrative Agent or the Collateral Agent, from time to time, such information and servicing records (including information relating to its performance under this Agreement) as the Administrative Agent or the Collateral Agent may from time to time reasonably request;
- (vi) notifying the Administrative Agent of any material action, suit, proceeding, dispute, offset, deduction, defense or counterclaim (A) that is or is threatened to be asserted by an Obligor with respect to any Collateral Loan (or portion thereof) of which it has actual knowledge or has received notice; or (B) that could reasonably be expected to have a Material Adverse Effect;
- (vii) maintaining the perfected security interest of the Collateral Agent, for the benefit of the Secured Parties, in the Collateral;
- (viii) maintaining and causing to be maintained in the possession of the Custodian for the benefit of the Lender(s) the Loan Files for the Collateral Loans;

(ix) instructing the Obligors or, if applicable, the administrative agents on the Collateral Loans to make payments directly into the Collection Account; and

(x) complying with such other duties and responsibilities as required of the Collateral Manager by this Agreement.

It is acknowledged and agreed that the Borrower possesses only such rights with respect to the enforcement of rights and remedies with respect to the Collateral Loans and the underlying assets securing such Collateral Loans under the Related Documents as have been transferred to the Borrower with respect to the related Collateral Loan, and therefore, for all purposes under this Agreement, the Collateral Manager shall perform its administrative and management duties hereunder only to the extent that, as a lender under the Related Documents, the Borrower has the right to do so.

(b) The Administrative Agent, each Lender, the Collateral Agent and the other Secured Parties shall not have any obligation or liability with respect to any Collateral, nor shall any of them be obligated to perform any of the obligations of the Collateral Manager hereunder.

Section 14.03. Authorization of the Collateral Manager

The Borrower hereby authorizes the Collateral Manager to take any and all reasonable steps in its name and on its behalf necessary or desirable in the determination of the Collateral Manager and not inconsistent with the pledge of the Collateral by the Borrower to the Collateral Agent, on behalf of the Secured Parties hereunder, to collect all amounts due under any and all Collateral, including endorsing its name on checks and other instruments representing Collections, executing and delivering any and all instruments of satisfaction or cancellation, or of partial or full release or discharge, and all other comparable instruments, with respect to the Collateral and, after the delinquency of any Collateral and to the extent permitted under and in compliance with Applicable Law, to commence proceedings with respect to enforcing payment thereof, to the same extent as the Collateral Manager could have done if it owned such Collateral. The Borrower shall furnish the Collateral Manager (and any successors thereto) with any powers of attorney and other documents necessary or appropriate to enable the Collateral Manager to carry out its collateral management duties hereunder, and shall cooperate with the Collateral Manager to the fullest extent in order to ensure the collectability of the Collateral. In no event shall the Collateral Manager be entitled to make the Collateral Agent, the Administrative Agent, any Lender or any other Secured Party a party to any litigation without such party's express prior written consent, or to make the Borrower a party to any litigation (other than any foreclosure or similar collection procedure) without the Administrative Agent's consent. Following the occurrence of an Event of Default (unless otherwise waived by the Lenders in accordance with Section 12.01), the Administrative Agent (acting in its sole discretion or at the direction of the Required Lenders) may provide notice to the Collateral Manager (with a copy to the Collateral Agent) that the Secured Parties are exercising their control rights with respect to the Collateral in accordance with Section 6.02(b).

Section 14.04. Realization Upon Defaulted Collateral Loans

The Collateral Manager will use reasonable efforts consistent with the Collateral Management Standard, this Agreement and the Related Documents to exercise (on behalf of the Borrower) available remedies (which may include liquidating, foreclosing upon or repossessing, as applicable, or otherwise comparably converting the ownership of any related property) with respect to any Defaulted Collateral Loan. The Collateral Manager will comply with the Collateral Management Standard, this Agreement, the Related Documents and Applicable Law in realizing upon such related property, and employ practices and procedures, including reasonable efforts, consistent with the Collateral Management Standard, this Agreement and the Related Documents, to enforce all obligations of Obligors. The Collateral Manager will remit to the Collection Account the recoveries received in connection with the sale or disposition of related property relating to any Defaulted Collateral Loan hereunder.

Section 14.05. Compensation

As compensation for its administrative and management activities hereunder, the Collateral Manager or its designee shall be entitled to receive the Collateral Management Fee pursuant to the Priority of Payments.

The Collateral Manager may, in its sole discretion, elect to irrevocably waive payment of any or all of any Collateral Management Fee otherwise due on any Payment Date by notice to the Borrower, the Collateral Administrator and the Collateral Agent no later than the Determination Date immediately prior to such Payment Date. Any such Collateral Management Fee, once waived, shall not thereafter become due and payable and any claim of the Collateral Manager therein shall be extinguished.

The Collateral Manager may, in its sole discretion, elect to defer payment of all or a portion of the Collateral Management Fee on any Payment Date by providing written notice to the Collateral Agent of such election no later than the Determination Date immediately prior to such Payment Date. The Collateral Manager may elect to receive payment of all or any portion of the deferred Collateral Management Fee on any Payment Date to the extent of funds available to pay such amounts in accordance with the Priority of Payments by providing notice to the Collateral Agent and the Administrative Agent of such election and the amount of such fees to be paid on or before three (3) Business Days preceding such Payment Date.

If and to the extent that there are insufficient funds to pay any Collateral Management Fee in full on any Payment Date or if any Collateral Management Fee has accrued but is not yet due and payable, the amount due or accrued and unpaid will be deferred and will be payable on such later Payment Date on which funds are available in accordance with the Priority of Payments.

Section 14.06. Expense Reimbursement; Indemnification

(a) The Collateral Manager shall be responsible for the ordinary expenses incurred by it in the performance of its obligations under this Agreement; provided, however, that any extraordinary expenses incurred by the Collateral Manager in the performance of such obligations (including, but not limited to, (i) any reasonable expenses incurred by it (whether for its own account or advanced by the Collateral Manager on behalf of the Borrower) to employ outside lawyers, consultants or other advisors reasonably necessary in connection with the evaluation, transfer, acquisition, disposition, retention, workout or restructuring of any Collateral Loan (or other asset held by the Borrower) or any reasonable expenses incurred by it in connection with obtaining advice from counsel with respect to its obligations under this Agreement and (ii) any other reasonable out-of-pocket fees and expenses incurred in connection with the evaluation, transfer, acquisition, disposition, retention, workout or restructuring of any Collateral Loan (or other asset held by the Borrower) (including, without limitation, travel and due diligence expenses and the Borrower's pro rata share of software and services costs for record keeping and fund administration)) shall be reimbursed by the Borrower. To the extent that such expenses are incurred in connection with obligations that are also held by any Affiliate of the Borrower or any other account managed by the Collateral Manager, the Collateral Manager shall allocate the expenses among the accounts in a fair and equitable manner. Any amounts payable pursuant to this Section 14.06 shall constitute "Administrative Expenses" hereunder and shall be reimbursed by the Borrower to the extent funds are available therefor in accordance with the Priority of Payments. Other than as stated above, the Borrower shall bear, and shall pay directly in accordance with this Agreement, all costs and expenses incurred by it in connection with its organization, operation or liquidation.

(b) The Collateral Manager agrees to indemnify and hold harmless each Indemnified Party from and against any and all Liabilities that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with any acts or omissions of the Collateral Manager in connection with this Agreement, any other Facility Document, any Related Document or any transaction contemplated hereby or thereby (and regardless of whether or not (x) any such transactions are consummated or (y) arising out of a suit, claim or other action brought by the Borrower, the Collateral Manager or the Equityholder), including any such Liability that is incurred or arises out of or in connection with, or by reason of any one or more of the following: (i) any breach of any covenant by the Collateral Manager contained in any Facility Document; (ii) any representation or warranty made or deemed made by the Collateral Manager contained in any Facility Document or in any certificate, statement or report delivered in connection therewith is, or is alleged to be, false or misleading in any material respect; (iii) any failure by the Collateral Manager to comply with any Applicable Law or contractual obligation binding upon it; (iv) any action or omission, not expressly authorized by the Facility Documents, by the Collateral Manager which has the effect of impairing the validity or enforceability of the Collateral or the rights of the Agents or the other Secured Parties with respect thereto; (v) the commingling by the Collateral Manager of Collections on the Collateral at any time with other funds; (vi) the failure of the Collateral Manager or any of its agents or representatives to remit to the Collection Account, within two (2) Business Days of receipt, Collections on the Collateral Loans remitted to the Collateral Manager or any such agent or representative as provided in this Agreement; and (vii) the treatment or representation, in any computations made by it in connection with any Monthly Report, Payment Date Report, Borrowing Base Calculation Statement or other report prepared by it hereunder of any commercial loans as Eligible Loans, which were Ineligible Collateral Loans as of the date of any such computation; except to the extent any such Liability is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted solely from such Indemnified Party's gross negligence or willful misconduct. In the case of an investigation, litigation or proceeding to which the indemnity in this paragraph applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by the Collateral Manager, any of the Collateral Manager's equityholders or creditors, an Indemnified Party or any other Person, whether or not an Indemnified Party is otherwise a party hereto. The Collateral Manager shall not have any liability hereunder to any Indemnified Party to the extent an Indemnified Party effects any settlement of a matter that is (or could be) subject to indemnification hereunder without the prior written consent of the Collateral Manager. The Collateral Manager shall not, without the prior written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is a party (or, in the case of a threatened proceeding, could reasonably have been expected to be a party if such proceeding had been brought) and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement (i) does not include a statement as to or admission of, fault, culpability or a failure to act by or on behalf of any such Indemnified Party, and (ii) includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such proceeding. In no case shall the Collateral Manager be responsible for any Indemnified Party's lost revenues or lost profits or for any indirect, special, punitive or consequential damages. This Section 14.06(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

Section 14.07. The Collateral Manager Not to Resign; Assignment; Collateral Manager Default

(a) The Collateral Manager shall not resign from the obligations and duties hereby imposed on it.

(b) The Collateral Manager may not assign its rights or obligations hereunder or any interest herein without the prior written consent of the Administrative Agent other than to a Person that becomes a successor or assignee Collateral Manager hereunder in accordance with the terms hereof.

(c) Upon the occurrence of an Event of Default, notwithstanding anything herein to the contrary, the Administrative Agent, with notice to the Borrower, the Equityholder, and the Required Lenders, may terminate all of the rights and obligations of the Collateral Manager as “Collateral Manager” under this Agreement. The Administrative Agent, with notice to the Borrower, the Equityholder, and the Required Lenders, shall appoint a successor Collateral Manager (the “Successor Collateral Manager”), which, for the avoidance of doubt may be the Administrative Agent or any Lender, and such Successor Collateral Manager shall accept its appointment by a written assumption in a form acceptable to the Administrative Agent in its sole discretion. Until a successor Collateral Manager is appointed as set forth above, the Collateral Manager shall (i) unless otherwise notified by the Administrative Agent, continue to act in such capacity in accordance with Section 14.02 and (ii) as requested by the Administrative Agent in its sole discretion (A) terminate some or all of its activities as Collateral Manager hereunder by the Administrative Agent in its sole discretion as necessary or desirable, (B) provide such information as may be requested by the Administrative Agent to facilitate the transition of the performance of such activities to the Administrative Agent or any agent thereof and (C) take all other actions requested by the Administrative Agent, in each case to facilitate the transition of the performance of such activities to the Administrative Agent or any agent thereof.

(d) Upon its appointment, the Successor Collateral Manager shall be the successor in all respects to the Collateral Manager with respect to collateral management functions under this Agreement and shall be subject to all the responsibilities, duties and liabilities relating thereto placed on the Collateral Manager by the terms and provisions hereof, and all references in this Agreement to the Collateral Manager shall be deemed to refer to the Successor Collateral Manager; provided that the Successor Collateral Manager shall have (i) no liability with respect to any action performed by the terminated Collateral Manager prior to the date that the Successor Collateral Manager becomes the successor to the Collateral Manager or any claim of a third party based on any alleged action or inaction of the terminated Collateral Manager, (ii) no obligation to pay any taxes required to be paid by the Collateral Manager; provided that the Successor Collateral Manager shall pay any income taxes for which it is liable, (iii) no obligation to pay any of the fees and expenses of any other party to the transactions contemplated hereby, and (iv) no liability or obligation with respect to any Collateral Manager indemnification obligations of any prior Collateral Manager, including the original Collateral Manager.

(e) Notwithstanding anything contained in this Agreement to the contrary, a Successor Collateral Manager is authorized to accept and rely on all of the accounting, records (including computer records) and work of the prior Collateral Manager relating to the Collateral Loans (collectively, the “Predecessor Collateral Manager Work Product”) without any audit or other examination thereof, and such Successor Collateral Manager shall have no duty, responsibility, obligation or liability for the acts and omissions of the prior Collateral Manager. If any error, inaccuracy, omission or incorrect or non-standard practice or procedure (collectively, “Errors”) exist in any Predecessor Collateral Manager Work Product and such Errors make it materially more difficult to service or should cause or materially contribute to the Successor Collateral Manager making or continuing any Errors (collectively, “Continued Errors”), such Successor Collateral Manager shall have no duty, responsibility, obligation or liability for such Continued Errors; provided that such Successor Collateral Manager agrees to use its best efforts to prevent further Continued Errors. In the event that the Successor Collateral Manager becomes aware of Errors or Continued Errors, it shall, with the prior consent of the Administrative Agent, use its best efforts to reconstruct and reconcile such data as is commercially reasonable to correct such Errors and Continued Errors and to prevent future Continued Errors.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

OXFORD SQUARE FUNDING 2018, LLC,
as Borrower

By: _____
Name:
Title:

OXFORD SQUARE CAPITAL CORP.,
as Collateral Manager

By: _____
Name:
Title:

OXFORD SQUARE CAPITAL CORP.,
as Equityholder

By: _____
Name:
Title:

[Signature Page to Credit and Security Agreement]

CITIBANK, N.A., as Administrative Agent and a
Lender

By: _____

Name:

Title:

[Signature Page to Credit and Security Agreement]

THE BANK OF NEW YORK MELLON TRUST
COMPANY, NATIONAL ASSOCIATION,
as Collateral Agent and Custodian

By: _____
Name:
Title:

[Signature Page to Credit and Security Agreement]

[\(Back To Top\)](#)

Section 3: EX-10.2 (EXHIBIT 10.2)

Exhibit 10.2

Execution Version

SALE, CONTRIBUTION AND MASTER PARTICIPATION AGREEMENT

by and between

OXFORD SQUARE FUNDING 2018, LLC,
as the Buyer

and

OXFORD SQUARE CAPITAL CORP.,
as the Seller

June 21, 2018

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SCHEDULES

SCHEDULE I	Loan List
SCHEDULE II	Closing Date Participations

THIS SALE, CONTRIBUTION AND MASTER PARTICIPATION AGREEMENT (such agreement as amended, modified, supplemented or restated from time to time, the "Agreement") is dated as of June 21, 2018 (the "Purchase Date"), by and between **OXFORD SQUARE CAPITAL CORP.**, a Maryland corporation, as the seller (in such capacity, the "Seller") and **OXFORD SQUARE FUNDING 2018, LLC**, a Delaware limited liability company, as the buyer (in such capacity, the "Buyer").

WITNESSETH:

WHEREAS, the Buyer desires to purchase from the Seller and the Seller desires to sell to the Buyer certain assets originated, purchased or underwritten by the Seller in its normal course of business, together with, among other things, the related rights of payment thereunder and the interest of the Seller in the Underlying Assets and other interests securing the payments to be made under such loans.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

ARTICLE I

GENERAL

Section 1.1 **Defined Terms.**

Capitalized terms used but not defined herein have the meanings provided in the Credit and Security Agreement (as defined below). As used herein, the following terms have the meanings provided below.

"Agreement": Defined in the Preamble.

"Buyer": Defined in the Preamble.

"Collateral Loan": A commercial loan or a Participation with respect to a commercial loan purchased by the Buyer pursuant to this Agreement.

"Credit and Security Agreement": The Credit and Security Agreement, dated as of June 21, 2018 among Buyer, as the borrower, the Seller, as the collateral manager, each of the Lenders from time to time party thereto, Citibank, N.A., as the administrative agent, The Bank of New York Mellon Trust Company, National Association, as the collateral agent and custodian, and Oxford Square Capital Corp., as the equityholder, as amended, restated, supplemented or otherwise modified from time to time.

"Early Termination": Defined in Section 8.1.

“Insolvency Laws”: The Bankruptcy Code and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, suspension of payments, or similar debtor relief laws from time to time in effect affecting the rights of creditors generally.

“Insolvency Proceeding”: Any case, action or proceeding before any court or other Governmental Authority relating to any Insolvency Event.

“Loan List”: The list of Collateral Loans provided by the Seller to the Buyer on the Purchase Date and incorporated as Schedule I to this Agreement by reference.

“Material Adverse Effect”: (a) With respect to the Seller, a material adverse effect on (i) the business, assets, financial condition, operations, performance or properties of the Seller, (ii) the validity, enforceability or collectability of this Agreement against Seller, (iii) the rights and remedies of Buyer with respect to matters arising under this Agreement, (iv) the ability of Seller to perform its obligations under this Agreement, or (v) the status, existence, perfection, priority or enforceability of Buyer’s interest in the Transferred Assets and (b) with respect to the Buyer, a material adverse effect on (i) the business, assets, financial condition, operations, performance or properties of the Buyer, (ii) the validity, enforceability or collectability of this Agreement against Buyer, (iii) the rights and remedies of Seller with respect to matters arising under this Agreement and (iv) the ability of Buyer to perform its obligations under this Agreement.

“Participation”: Defined in Section 2.4(a).

“Purchase”: The purchase by the Buyer of Transferred Assets from the Seller pursuant to Section 2.1.

“Purchase Date”: Defined in the Preamble.

“Purchase Price”: Defined in Section 2.2.

“Repurchase Amount”: For any Warranty Collateral Loan for which a payment or substitution is being made pursuant to this Agreement, as of any time of determination, the sum of (i) the greater of (a) an amount equal to the Purchase Price paid by the Buyer for such Collateral Loan (excluding purchased accrued interest and original issue discount) less all payments of principal received in connection with such Warranty Collateral Loan since the date it became a Transferred Asset and (b) the Asset Value of such Warranty Collateral Loan, and (ii) any accrued and unpaid interest thereon since the last Payment Date; provided, however, that the Seller and/or the Buyer may elect to designate a portion of the Repurchase Amount for such Warranty Collateral Loan in an amount not to exceed the Returned Portion Limit as a return of capital to the Seller, in its capacity as the sole member of the Buyer, and, in such event, the Repurchase Amount payable with respect to such Warranty Collateral Loan shall be reduced by that portion of the Repurchase Amount of such Warranty Collateral that was so returned.

“Returned Portion Limit”: For any Warranty Collateral Loan for which a payment or substitution is being made pursuant to this Agreement, (a) the Principal Balance of such Warranty Collateral Loan less (b) the result of (i) the Asset Value for such Warranty Collateral Loan multiplied by (ii) the Advance Rate as of the date it became a Transferred Asset.

“Seller”: Defined in the Preamble.

“Substituted Collateral Loan”: Any Warranty Collateral Loan with respect to which the Seller has substituted in a replacement Collateral Loan pursuant to Article VI.

“Transferred Assets”: Defined in Section 2.1(a).

“Underlying Assets”: With respect to a Collateral Loan, any property or other assets designated and pledged as collateral to secure repayment of such Collateral Loan, including, without limitation, to the extent provided for in the relevant Underlying Loan Agreement, a pledge of the stock, membership or other ownership interests in the related Obligor and all Proceeds from any sale or other disposition of such property or other assets.

“Warranty Event”: As to any Collateral Loan, (a) a breach of any representation or warranty relating to such Collateral Loan under this Agreement (other than any representation or warranty that the Collateral Loan satisfies the criteria of the definition of Eligible Loan) and the failure of the Buyer to cure such breach, or cause the same to be cured, within thirty (30) days after the earlier to occur of the Buyer’s receipt of notice thereof from the Administrative Agent or the Buyer becoming aware thereof or (b) in the case of a Participation, such Participation is not elevated to a full assignment under Section 2.4 within 45 days of the Purchase Date.

“Warranty Collateral Loan”: Any Collateral Loan (a) that fails to satisfy any criteria set forth in clause (B) of the definition of Eligible Loan as of the date of acquisition of such Loan, or (b) with respect to which a Warranty Event has occurred.

Section 1.2 **Other Terms.**

All accounting terms used but not specifically defined herein shall be construed in accordance with GAAP. All terms used in Article 9 of the UCC in the State of New York, and used but not specifically defined herein, are used herein as defined in such Article 9.

Section 1.3 **Computation of Time Periods.**

Unless otherwise stated in this Agreement, in the computation of a period of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding.”

Section 1.4 **Interpretation.**

In this Agreement, unless a contrary intention appears:

- (i) the singular number includes the plural number and vice versa;
- (ii) reference to any Person includes such Person’s successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement;

- (iii) reference to any gender includes each other gender;
- (iv) reference to day or days without further qualification mean calendar days;
- (v) reference to any time means New York City, New York time;
- (vi) reference to any agreement (including any Facility Document), document or instrument means such agreement, document or instrument as amended, modified, supplemented, restated or replaced and in effect from time to time in accordance with the terms thereof and, if applicable, the terms of the other Facility Documents, and reference to any promissory note includes any promissory note that is an extension or renewal thereof or a substitute or replacement therefor;
- (vii) reference to any delivery or transfer to the Custodian with respect to the Collateral in this Agreement means delivery or transfer to the Custodian for the benefit of the Collateral Agent on behalf of the Secured Parties;
- (viii) reference to “including” means “including, without limitation”; and
- (ix) reference to any Applicable Law means such Applicable Law as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder, and reference to any Section or other provision of any Applicable Law means that provision of such Applicable Law from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such Section or other provision.

ARTICLE II

SALE, TRANSFER AND ASSIGNMENT

Section 2.1 Sale, Transfer and Assignment.

(a) On the terms and subject to the conditions set forth in this Agreement (including the conditions to Purchase set forth in Article III), on the Purchase Date, the Seller hereby sells, transfers, assigns, sets over and otherwise conveys to the Buyer, and the Buyer hereby purchases and takes from the Seller, in its capacity as lender of record, all right, title and interest (whether now existing, owned or hereafter acquired or arising and wherever located) of the Seller, in the property identified in clauses (i) through (iii) below and other property consisting of, arising out of, or related to any of the following (but excluding any such property constituting Excluded Amounts that are for the account of Seller) (collectively, the “Transferred Assets”):

- (i) The Collateral Loans identified by the Seller and which are listed on the Loan List attached hereto, including for the avoidance of doubt any Participations of Collateral Loans which are listed on Schedule II attached hereto (pending the effectiveness of the assignment thereof in accordance with Section 2.4) and any Substituted Collateral Loans transferred to the Buyer in connection with a Warranty Event, together with all monies due or to become due in payment of such Collateral Loans on and after the Purchase Date, including all Collections;

(ii) all Underlying Loan Agreements, Underlying Notes and Related Documents (including, without limitation, any participation or assignment agreements or any similar agreements related thereto) with respect to the Collateral Loans (including for the avoidance of doubt any Participations) referred to in clause (i) above;

(iii) all Liens, property, guaranties, supporting obligations, insurance and other agreements or arrangements of whatever character from time to time supporting or securing payment of any of the foregoing; and

(iv) all income and Proceeds of the foregoing.

Without limiting the foregoing, the term “Transferred Assets” (i) shall, for all purposes of this Agreement, be deemed to include any Collateral Loan (including for the avoidance of doubt any Participation with respect thereto) acquired by the Buyer in a transaction in which the Buyer is the designee of the Seller under the instruments of conveyance relating to the applicable Collateral Loan (including for the avoidance of doubt any Participation with respect thereto), subject in each case to the terms of this Agreement (including the representations, warranties, covenants and indemnities of the Seller set forth herein) and (ii) shall include only the rights and obligations of the Seller in its capacity as lender of record and only with respect to the Collateral Loans described on the Loan List (and shall exclude any rights or obligations (i) as administrative agent for any Collateral Loan and (ii) as lender under any loan not included in the Loan List).

(b) The Seller shall be deemed to have certified, and hereby does certify, with respect to the Transferred Assets to be purchased by the Buyer on the Purchase Date, that its representations and warranties contained in Article IV are true and correct on and as of the Purchase Date. The Seller and the Buyer acknowledge that the representations and warranties of the Seller in Article IV will run to and be for the benefit of the Collateral Agent on behalf of the Secured Parties, and the Collateral Agent on behalf of the Secured Parties may enforce, directly without joinder of the Buyer, the repurchase obligations of the Seller with respect to breaches of certain of the representations and warranties set forth herein.

(c) Except as specifically provided in this Agreement, the sale and purchase of Transferred Assets under this Agreement shall be without recourse to the Seller; it being understood that the Seller shall be liable to the Buyer for all representations, warranties, covenants and indemnities made by the Seller pursuant to the terms of this Agreement.

(d) Except for future funding obligations under any Transferred Assets, the Buyer, the Collateral Agent, the Administrative Agent, each Lender and the other Secured Parties shall not have any obligation or liability to any Obligor (including any obligation to perform any of the obligations of the Seller (including any obligation with respect to any other related agreements)). Except as set forth in the immediately preceding sentence, no such obligation or liability is intended to be assumed by the Buyer, the Collateral Agent, the Administrative Agent, the Lenders or the Secured Parties, and any such assumption is expressly disclaimed.

(e) In connection with the Purchase of Transferred Assets hereunder, the Seller shall deliver, or cause to be delivered, to the Custodian no later than 12:00 noon on the Purchase Date (i) the related Document Checklist and (ii) each of the other Required Loan Documents. Promptly after the Purchase of Transferred Assets hereunder, the Seller shall deliver, or cause to be delivered, to the Collateral Agent with a copy to the Custodian and the Administrative Agent a properly completed Trade Confirmation, if any, on which the Custodian may conclusively rely without further inquiry or investigation, and shall deliver to the Custodian the Loan Files for the Transferred Assets.

(f) In connection with the transfers contemplated by this Agreement, the Seller hereby grants to each of the Buyer, the Collateral Agent and the Collateral Manager an irrevocable, non-exclusive license to use, without royalty or payment of any kind, all software used by the Seller to account for the Transferred Assets, to the extent necessary to allow the Buyer, the Collateral Agent or the Collateral Manager to administer the Transferred Assets, whether such software is owned by the Seller or is owned by others and used by the Seller under license agreements with respect thereto; provided that should the consent of any licensor of such software be required for the grant of the license described herein, to be effective, the Seller hereby agrees that upon the request of the Buyer or the Collateral Agent, the Seller will use its best reasonable efforts to obtain the consent of such third-party licensor either before the Closing Date or as soon as possible thereafter. The license granted hereby shall be irrevocable until the Final Maturity Date and shall terminate on the date this Agreement terminates in accordance with its terms. The Seller shall take such action requested by the Buyer or the Collateral Agent, from time to time hereafter, that may be necessary or appropriate to ensure that the Buyer has an enforceable ownership interest and that Collateral Agent (and its assigns), for the benefit of the Secured Parties, under the Credit and Security Agreement have an enforceable security interest in the Transferred Assets purchased by the Buyer as contemplated by this Agreement.

(g) In connection with the Purchase by the Buyer of the Transferred Assets as contemplated by this Agreement, the Seller shall, at its own expense, indicate clearly and unambiguously in its computer files and its financial statements, on or prior to the Purchase Date, that the Transferred Assets have been purchased by the Buyer in accordance with this Agreement.

(h) The Seller agrees to deliver to the Buyer, the Administrative Agent, the Collateral Agent and the Custodian on or before the Purchase Date a computer file containing a true, complete and correct Loan List of all Collateral Loans to be sold or otherwise conveyed hereunder on the Purchase Date (which shall contain the related Principal Balance, Loan number (if any) and Obligor name for each Collateral Loan) as of the Purchase Date. Such file or list shall be delivered to the Buyer as confidential and proprietary, and is automatically incorporated into and made a part of this Agreement.

(i) It is the intention of the parties hereto that the conveyance of all right, title and interest of the Seller in and to any Transferred Assets to the Buyer as provided in this Section 2.1 shall constitute an absolute transfer conveying good title, free and clear of any Lien (other than Permitted Liens) and that the Transferred Assets shall not be part of the Seller's bankruptcy estate in the event of an Insolvency Event with respect to the Seller. Furthermore, it is not intended that such conveyance be deemed a pledge of the Collateral Loans and the other Transferred Assets to the Buyer to secure a debt or other obligation of the Seller. If, however, notwithstanding the intention of the parties, the conveyance provided for in this Section 2.1 is determined to be a transfer for security, then this Agreement shall constitute a "security agreement" within the meaning of Article 9 of the UCC and the Seller shall be deemed to have granted (and hereby grants) to the Buyer a duly perfected, first priority "security interest" within the meaning of Article 9 of the UCC in all right, title and interest in and to the Transferred Assets, now existing and hereafter created, to secure the prompt and complete payment of a loan deemed to have been made in an amount equal to the aggregate Purchase Price of the Transferred Assets together with all of the other obligations of the Seller hereunder. The Seller and the Buyer shall file or cause to be filed a UCC-1 financing statement naming the Seller, as debtor, the Buyer, as secured party, and the Collateral Agent, as assignee secured party, listing all of the Transferred Assets pledged hereunder as collateral thereunder. The Buyer shall have, in addition to the rights and remedies which it may have under this Agreement, all other rights and remedies provided to a secured creditor under the UCC and other Applicable Law, which rights and remedies shall be cumulative.

Section 2.2 Purchase Price.

The purchase price for each Transferred Asset sold to the Buyer by the Seller under this Agreement shall be a dollar amount equal to the "cost" therefor, as set forth on Schedule I attached hereto (the "Purchase Price").

Section 2.3 Payment of Purchase Price.

(a) The Purchase Price for the Transferred Assets sold by the Seller to the Buyer on the Purchase Date shall be paid in a combination of (i) immediately available funds and (ii) if the Buyer does not have sufficient funds to pay the full amount of the Purchase Price, by means of a capital contribution by the Seller to the Buyer.

(b) Notwithstanding any provision herein to the contrary, the Seller may on the Purchase Date elect to designate all or a portion of the Transferred Assets proposed to be transferred to the Buyer on such date as a capital contribution to the Buyer. In such event, the cash portion of the Purchase Price payable with respect to such transfer shall be reduced by that portion of the Purchase Price of the Transferred Assets that was so contributed; provided that Transferred Assets contributed to the Buyer as capital shall constitute Transferred Assets for all purposes of this Agreement and shall be subject to all representations, warranties, covenants and indemnities hereunder relating to the Transferred Assets.

(c) Upon the payment of the Purchase Price for the Purchase, title to the Transferred Assets included in the Purchase shall vest in the Buyer (subject, in the case of any Participation, to the effectiveness of the assignment of the related Collateral Loan in accordance with Section 2.4), whether or not the conditions precedent to the Purchase and the other covenants and agreements contained herein were in fact satisfied; provided that the Buyer shall not be deemed to have waived any claim it may have under this Agreement for the failure by the Seller in fact to satisfy any such condition precedent, covenant or agreement.

Section 2.4 Actions Pending Completion of Assignments of Collateral Loans.

(a) With respect to the Collateral Loans identified on Schedule II hereto, pending the receipt of any required consents to, and the effectiveness of, the assignment of each such Collateral Loan from the Seller to the Buyer in accordance with the applicable underlying instrument, the Seller hereby sells to the Buyer an undivided 100% participation in such Collateral Loan and the related Transferred Assets (each, a “Participation”). The Participations will not include any rights that are not permitted to be participated pursuant to the terms of the underlying instruments. Except as specifically provided in this Agreement, such sale of the Participations shall be without recourse to the Seller (including, without limitation, with regard to collectability), and shall constitute an absolute sale of each such Participation. Each of the Participations has the following characteristics: (i) the Participation represents an undivided participating interest in 100% of the underlying Collateral Loan and its proceeds (including Collections); (ii) the Seller does not provide any guaranty of payments to the holder of the Participation or other form of recourse (except as specifically provided in this Agreement) or credit support; and (iii) the Participation represents a pass through of all of the payments made on the Collateral Loan (including the Collections) and will last for the same length of time as such Collateral Loan. For the avoidance of doubt, each Participation will terminate automatically upon the settlement of the assignment of the underlying Collateral Loan.

(b) Each Party shall use commercially reasonable efforts to, as soon as reasonably practicable after the Purchase Date, but in any event no later than 45 days after the Purchase Date, cause the Buyer to become a lender under the underlying instrument with respect to the Seller’s interest in the applicable Collateral Loan and take such action as shall be mutually agreeable in connection therewith and in accordance with the terms and conditions of the underlying instrument and consistent with the terms of this Agreement.

(c) Pending settlement of the assignment of a Collateral Loan in accordance with the applicable underlying instruments, the Seller shall comply with any written instructions provided to the Seller by or on behalf of the Buyer with respect to voting rights to be exercised by holders of the applicable Collateral Loan, other than with respect to any voting rights that are not permitted to be participated pursuant to the terms of the applicable underlying instrument (and such restrictions, requirements or prohibitions are hereby incorporated by reference as if set forth herein).

ARTICLE III

CONDITIONS PRECEDENT

Section 3.1 Condition Precedent to Closing and Purchase.

The closing and Purchase hereunder are subject to the satisfaction of the following conditions precedent:

(a) counterparts of this Agreement executed on behalf of the Seller shall have been delivered to the Buyer.

(b) all representations and warranties of the Seller contained in Sections 4.1 and 4.2 shall be true and correct in all material respects on and as of the Purchase Date;

(c) the Seller shall have delivered to the Buyer a Loan List that is true, accurate and complete in all respects as of the Purchase Date and the Buyer shall have consented to the Purchase of such Transferred Assets;

(d) on and as of the Purchase Date, the Seller shall have performed all of the covenants and agreements required to be performed by it on or prior to such date pursuant to the provisions of this Agreement;

(e) no Applicable Law shall prohibit or enjoin, and no order, judgment or decree of any federal, state or local court or governmental body, agency or instrumentality shall prohibit or enjoin, the making of the Purchase by the Buyer in accordance with the provisions hereof; and

(f) the Seller shall have paid all fees, costs and expenses required to be paid by it on the Purchase Date.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Section 4.1 Seller's Representations and Warranties.

As of the Purchase Date, the Seller represents and warrants to the Buyer for the benefit of the Buyer and each of its successors and assigns that:

(a) Organization and Good Standing. The Seller has been duly organized, and is validly existing as a corporation in good standing under the laws of the State of Maryland, with all requisite corporate power and authority to own or lease its properties and conduct its business as such business is presently conducted, and had at all relevant times, and now has, all necessary power, authority and legal right to acquire, own, sell, underwrite, refer, designate and grant interests in the Transferred Assets.

(b) Due Qualification. The Seller has obtained all necessary qualifications, licenses and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business requires such qualification, licenses or approvals, except where the failure to be so qualified, licensed or approved would not have a Material Adverse Effect with respect to the Seller.

(c) Power and Authority; Due Authorization; Execution and Delivery. The Seller (i) has all necessary corporate power, authority and legal right to (a) execute and deliver this Agreement, (b) carry out the terms of this Agreement, and (c) acquire, own, sell, underwrite, refer, designate and grant interests in the Transferred Assets on the terms and conditions provided herein, and (ii) has duly authorized by all necessary corporate action the execution, delivery and performance of this Agreement and the acquisition, sale, underwriting, referral, designation and grant of an interest in the Transferred Assets on the terms and conditions herein provided. This Agreement has been duly executed and delivered by the Seller.

(d) Binding Obligation. This Agreement constitutes a legal, valid and binding obligation of the Seller enforceable against the Seller in accordance with its respective terms, except as such enforceability may be limited by Insolvency Laws and by general principles of equity (whether considered in a suit at law or in equity).

(e) No Violation. The consummation of the transactions contemplated by this Agreement and the fulfillment of the terms hereof will not (i) conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, the Seller's Constituent Documents or any contractual obligation of the Seller, (ii) result in the creation or imposition of any Lien upon any of the Seller's properties pursuant to the terms of any such contractual obligation, other than this Agreement, or (iii) violate any Applicable Law.

(f) No Proceedings. There is no litigation, proceeding or investigation pending or, to the best knowledge of the Seller, threatened against the Seller, before any Governmental Authority (i) asserting the invalidity of this Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or (iii) seeking any determination or ruling that could reasonably be expected to have a Material Adverse Effect with respect to the Seller.

(g) All Consents Required. All approvals, authorizations, consents, orders, licenses or other actions of any Person or of any Governmental Authority (if any) required for the due execution, delivery and performance by the Seller of this Agreement have been obtained.

(h) Bulk Sales. The execution, delivery and performance of this Agreement and the transactions contemplated hereby do not require compliance with any "bulk sales" act or similar law by the Seller.

(i) Solvency. The Seller is not the subject of any Insolvency Proceedings or Insolvency Event. The transactions under this Agreement do not and will not render the Seller not Solvent.

(j) Taxes. The Seller has filed or caused to be filed all tax returns that are required to be filed by it and has timely paid all Taxes due.

(k) Exchange Act Compliance: Regulations T, U and X. None of the transactions contemplated herein (including the use of the proceeds from the sale of the Transferred Assets) will violate or result in a violation of Section 7 of the Exchange Act, or any regulations issued pursuant thereto, including Regulations T, U and X of the Board of Governors of the Federal Reserve System, 12 C.F.R., Chapter II. The Seller does not own or intend to carry or purchase, and no proceeds from the sale of the Transferred Assets will be used to carry or purchase, any "margin stock" within the meaning of Regulation U or to extend "purpose credit" within the meaning of Regulation U.

(l) Security Interest.

(i) this Agreement creates a valid and continuing security interest (as defined in the applicable UCC) in the Transferred Assets in favor of the Buyer and the Collateral Agent, as assignee, for the benefit of the Secured Parties, which security interest is prior to all other Liens, and is enforceable as such against creditors of and purchasers from the Seller;

(ii) the Transferred Assets constitute “instruments”, “general intangibles”, “certificated securities”, “uncertificated securities”, “deposit accounts”, “investment property,” “proceeds” (each as defined in the applicable UCC) and/or such other category of collateral under the applicable UCC as to which the Seller has complied with its obligations under this Section 4.1(l);

(iii) the Seller owns and has good and marketable title to the Transferred Assets purchased by the Buyer hereunder on the Purchase Date, and is transferring such Transferred Assets to the Buyer free and clear of any Lien of any Person (other than Permitted Liens);

(iv) the Seller has received all consents and approvals required by the terms of any Collateral Loan, if any, to the sale and granting of a security interest in the Collateral Loans hereunder to the Buyer and the Collateral Agent as assignee, on behalf of the Secured Parties;

(v) the Seller has caused the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under Applicable Law in order to perfect the security interest in the Transferred Assets granted hereunder to the Buyer and the Collateral Agent, as assignee, on behalf of the Secured Parties;

(vi) other than the security interest granted to the Buyer pursuant to this Agreement and the Collateral Agent, as assignee, on behalf of the Secured Parties, pursuant to the Credit and Security Agreement and other than security interests that are released in connection with the transfer of Transferred Assets to the Buyer, the Seller has not pledged, assigned, sold, granted a security interest in or otherwise conveyed any of the Transferred Assets. The Seller has not authorized the filing of and is not aware of any financing statements against the Seller that include a collateral description covering the Transferred Assets other than any financing statement (A) relating to the security interest granted to the Buyer under this Agreement and the Collateral Agent, as assignee, on behalf of the Secured Parties under the Credit and Security Agreement, (B) that has been terminated or for which a release or partial release (which releases at least any collateral constituting Transferred Assets) has been filed and/or fully and validly assigned to the Buyer on or prior to the Purchase Date or (C) relating to Permitted Liens. The Seller is not aware of the filing of any judgment or tax lien filings against the Seller with respect to, or that would attach to, any Transferred Assets;

(vii) other than in the case of Noteless Loans and Participations (pending the effectiveness of the assignment of the related Collateral Loans in accordance with Section 2.4), all original executed copies of each underlying promissory note (if any) that constitutes or evidences each Collateral Loan included in the Transferred Assets that is evidenced by a promissory note has been, or subject to the delivery requirements contained herein, will be delivered to the Custodian or its bailee;

(viii) none of the underlying promissory notes (if any) that constitute or evidence the Collateral Loans included in the Transferred Assets has any marks or notations indicating that they have been pledged, assigned or otherwise conveyed to any Person other than the Buyer (and by the Buyer to the Collateral Agent, on behalf of the Secured Parties);

(ix) with respect to Transferred Assets that constitute a “certificated security,” if any, (A) such certificated security has been delivered to the Custodian registered in the name of the Collateral Agent or its affiliated nominee or endorsed to the Collateral Agent or in blank, (B) the Seller has caused the Custodian to agree to continuously identify on its books and records that such certificated security is credited to the appropriate Covered Account and (C) the Seller has caused the Custodian to agree to maintain continuous possession of such certificated security; and

(x) with respect to Transferred Assets that constitute an “uncertificated security”, if any, the Seller has caused the issuer of such uncertificated security to (A) register the Collateral Agent as the registered owner of such uncertificated security or (B) to agree to comply with instructions of the Collateral Agent without further consent of the Buyer, upon original issue or registration of transfer by the issuer of such uncertificated security;

(m) Reports Accurate. All information, exhibits, financial statements, documents, books, records or reports furnished or to be furnished by the Seller to the Buyer in connection with this Agreement and the Transferred Assets are true, complete and correct in all material respects.

(n) Location of Offices. The Seller’s location (within the meaning of Article 9 of the UCC) is Maryland. The office where the Seller keeps all the Records is at the address of the Seller referred to in Section 10.2 hereof (or at such other locations as to which the notice and other requirements specified in Section 5.2(c) shall have been satisfied). The Seller’s principal place of business is Connecticut.

(o) Tradenames. The Seller has no trade names, fictitious names, assumed names or “doing business as” names or other names under which it has done or is doing business.

(p) Sale Agreement. This Agreement together with the Required Loan Documents are the only agreements pursuant to which the Seller sells or otherwise transfers the Transferred Assets to the Buyer.

(q) Value Given. The Buyer has given reasonably equivalent value to the Seller in consideration for the transfer to the Buyer of the Transferred Assets as contemplated by this Agreement (including for such purpose the portion of the Purchase Price that is treated as a capital contribution from the Seller to the Buyer), the Purchase has not been made for or on account of an antecedent debt owed by the Seller to the Buyer, and no such transfer is or may be voidable or subject to avoidance under any section of the Bankruptcy Code. The transfer of such Transferred Assets by the Seller to the Buyer is on fair and reasonable terms that are no less favorable than would be obtained in a comparable arm’s-length transaction.

(r) Accounting. The Seller accounts for the transfers to the Buyer from the Seller of interests in Transferred Assets as sales of such Transferred Assets for consolidated accounting purposes and for legal and, where relevant, tax purposes on its books, records and financial statements, in each case consistent with GAAP and with the requirements set forth herein, provided that for federal income tax reporting purposes, the Buyer is treated as a “disregarded entity” and, therefore, the transfer of Transferred Assets by the Seller to the Buyer hereunder will not be recognized.

(s) Special Purpose Entity. The Buyer is an entity with assets and liabilities separate and distinct from those of the Seller and any Affiliates thereof, and the Seller hereby acknowledges that the Collateral Agent, the Administrative Agent, the Lenders and the other Secured Parties are entering into the transactions contemplated by the Credit and Security Agreement in reliance upon the Buyer’s identity as a legal entity that is separate from the Seller and from each other Affiliate of the Seller. Therefore, from and after the date of execution and delivery of this Agreement, the Seller shall take all reasonable steps, including all steps that the Buyer or the Administrative Agent may from time to time reasonably request, to maintain the Buyer’s identity as a legal entity that is separate from the Seller and from each other Affiliate of the Seller, and to make it manifest to third parties that the Buyer is an entity with assets and liabilities distinct from those of the Seller and each other Affiliate thereof and not just a division of the Seller or any such other Affiliate. Without limiting the generality of the foregoing and in addition to the other covenants set forth herein, the Seller shall take all reasonable steps to ensure that the Buyer has not and will not take, refrain from taking, or fail to take (as applicable) any action described in Section 5.05 of the Credit and Security Agreement.

(t) Confirmation from the Seller. Each of the Buyer and the Seller is aware that the filing of a voluntary petition under the Bankruptcy Code for the purpose of making any Transferred Assets or any other assets of the Buyer available to satisfy claims of the creditors of the Seller would not result in making such assets available to satisfy such creditors under the Bankruptcy Code. The Seller will not cause the Buyer to file a voluntary petition under the Bankruptcy Code or Insolvency Laws.

(u) ERISA. The Seller does not maintain, nor are any employees of the Seller permitted to participate in, a Pension Plan.

(v) Compliance with Law. The Seller has complied in all respects with all Applicable Laws to which it may be subject, and no item of the Transferred Assets contravenes any Applicable Laws.

(w) Set-Off, etc. As of the Purchase Date for a Transferred Asset, such Transferred Asset has not been compromised, adjusted, extended, satisfied, subordinated, rescinded, set-off or modified by the Seller or by the Obligor thereof, and such Transferred Asset is not subject to compromise, adjustment, extension, satisfaction, subordination, rescission, set-off, counterclaim, defense, abatement, suspension, deferment, deduction, reduction, termination or modification, whether arising out of transactions concerning such Transferred Assets or otherwise, by the Seller or by the Obligor with respect thereto, except for amendments, extension and modifications, if any, to such Transferred Asset otherwise permitted under the Facility Documents.

(x) Full Payment. As of the Purchase Date, the Seller has no actual knowledge of any fact which leads it to expect that any Transferred Assets will not be paid in full.

(y) Representations and Warranties for Benefit of the Buyer's Assignees: Each of the representations and warranties of the Seller contained in this Agreement is true and correct in all material respects on the Purchase Date, and the Seller hereby makes each such representation and warranty to, and for the benefit of the Collateral Agent, the Administrative Agent, the Lenders and the other Secured Parties.

(z) USA PATRIOT Act. Neither the Seller nor any Affiliate of the Seller is (i) a country, territory, organization, person or entity named on an Office of Foreign Asset Control (OFAC) list; (ii) a Person that resides or has a place of business in a country or territory named on such lists or which is designated as a "Non-Cooperative Jurisdiction" by the Financial Action Task Force on Money Laundering, or whose subscription funds are transferred from or through such a jurisdiction; (iii) a "Foreign Shell Bank" within the meaning of the USA PATRIOT Act, i.e., a foreign bank that does not have a physical presence in any country and that is not affiliated with a bank that has a physical presence and an acceptable level of regulation and supervision; or (iv) a person or entity that resides in or is organized under the laws of a jurisdiction designated by the United States Secretary of the Treasury under Sections 311 or 312 of the USA PATRIOT Act as warranting special measures due to money laundering concerns.

It is understood and agreed that the representations and warranties provided in this Section 4.1 shall survive (x) the sale and assignment or contribution of the Transferred Assets by the Seller to the Buyer and (y) any subsequent transfer of the Transferred Assets by the Buyer (including its grant of a first priority perfected security interest in, to and under the Transferred Assets pursuant to the Credit and Security Agreement) and such representations and warranties, may not be waived by any party hereto without the consent of the Administrative Agent.

Section 4.2 Representations and Warranties of the Seller Relating to the Agreement and the Transferred Assets.

The Seller hereby represents and warrants to the Buyer, as of the Purchase Date:

(a) Binding Obligation, Valid Transfer and Security Interest. This Agreement constitutes a valid transfer to the Buyer of all right, title and interest of the Seller in, to and under all of the Transferred Assets, free and clear of any Lien of any Person claiming through or under the Seller or its Affiliates, except for Permitted Liens, and subject, in the case of any Participation, to the effectiveness of the assignment of the related Collateral Loan in accordance with Section 2.4. If the conveyances contemplated by this Agreement are determined to be a transfer for security, then this Agreement constitutes a grant of a security interest in all of the Transferred Assets to the Buyer which upon the delivery of the Required Loan Documents to the Custodian, the crediting of Collateral Loans to the Covered Accounts and the filing of the financing statements described in Section 2.1(i) and, in the case of additional Collateral Loans on the Purchase Date, shall be a valid and enforceable first priority perfected security interest in all Transferred Assets, subject only to the security interest granted to the Collateral Agent, on behalf of the Secured Parties, pursuant to the Credit and Security Agreement. Neither the Seller nor any Person claiming through or under Seller shall have any claim to or interest in any Covered Account and if this Agreement constitutes the grant of a security interest in such property, except for the interest of the Seller in such property as a debtor for purposes of the UCC.

(b) Eligibility of Transferred Assets. As of the Purchase Date, (i) Schedule I and Schedule II provide an accurate and complete listing of all the Collateral Loans and other Transferred Assets hereunder as of the Purchase Date and the information contained therein with respect to the identity of such Collateral Loans and other Transferred Assets and the amounts owing thereunder is true and correct as of the Purchase Date, (ii) each such Collateral Loan is an Eligible Loan as of the Purchase Date, (iii) the Buyer owns all right, title and interest in and to each such Transferred Asset, free and clear of any Lien of any Person (other than Liens released in connection with the sale of such Transferred Asset to the Buyer and the security interest granted to the Collateral Agent, on behalf of the Secured Parties, pursuant to the Credit and Security Agreement) and in compliance with all Applicable Laws, (iv) with respect to each such Transferred Asset, all consents, licenses, approvals or authorizations of or registrations or declarations of any Governmental Authority or any Person required to be obtained, effected or given in connection with the transfer of an ownership interest in such Transferred Asset to the Buyer have been duly obtained, effected or given and are in full force and effect (other than, in the case of any Participation, the effectiveness of the assignment of the related Collateral Loan in accordance with Section 2.4), and (v) the representations and warranties set forth in Section 4.2(a) are true and correct with respect to each Transferred Asset.

(c) No Fraud. Each Collateral Loan was originated without any fraud or material misrepresentation by the Seller or, to the best of the Seller's knowledge, on the part of the Obligor.

It is understood and agreed that the representations and warranties provided in this Section 4.2 shall survive (x) the sale and assignment or contribution of the Transferred Assets by the Seller to the Buyer and (y) any subsequent transfer of the Transferred Assets by the Buyer (including its grant of a perfected security interest in, to and under the Transferred Assets pursuant to the Credit and Security Agreement which, shall be a first priority security interest) and such representations and warranties, may not be waived by any party hereto without the consent of the Administrative Agent.

Section 4.3 Representations and Warranties of the Buyer.

The Buyer hereby represents and warrants to the Seller, as of the Purchase Date, that:

(a) Organization and Good Standing. The Buyer has been duly organized and is validly existing as a limited liability company in good standing under the laws of the State of Delaware, with all requisite power and authority to own or lease its properties and conduct its business as such business is presently conducted, and had at all relevant times, and now has, all necessary power, authority and legal right to acquire and own the Transferred Assets.

(b) Due Qualification. The Buyer is duly qualified to do business and is in good standing as a limited liability company, and has obtained all necessary qualifications, licenses and approvals in all jurisdictions in which the ownership or lease of property or the conduct of its business requires such qualifications, licenses or approvals, except where the failure to be so qualified, licensed or approved would not have a Material Adverse Effect with respect to the Buyer.

(c) Power and Authority; Due Authorization; Execution and Delivery. The Buyer (i) has all necessary limited liability company power, authority and legal right to (a) execute and deliver this Agreement, (b) carry out the terms of this Agreement, and (ii) has duly authorized by all necessary limited liability company action the execution, delivery and performance of this Agreement and the purchase of the Transferred Assets on the terms and conditions herein provided. This Agreement has been duly executed and delivered by the Buyer.

(d) Binding Obligation. This Agreement constitutes a legal, valid and binding obligation of the Buyer enforceable against the Buyer in accordance with its terms, except as such enforceability may be limited by Insolvency Laws and by general principles of equity (whether considered in a suit at law or in equity).

(e) No Violation. The consummation of the transactions contemplated by this Agreement and the fulfillment of the terms hereof will not (i) conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, the Buyer's Constituent Documents or any contractual obligation of the Buyer, (ii) result in the creation or imposition of any Lien (other than the security interest granted to the Buyer pursuant to this Agreement and the security interest granted to the Collateral Agent, on behalf of the Secured Parties, pursuant to the Credit and Security Agreement) upon any of the Buyer's properties pursuant to the terms of any such contractual obligation, other than this Agreement, or (iii) violate any Applicable Law.

(f) No Proceedings. There is no litigation, proceeding or investigation pending or, to the best knowledge of the Buyer, threatened against the Buyer, before any Governmental Authority (i) asserting the invalidity of this Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or (iii) seeking any determination or ruling that could reasonably be expected to have Material Adverse Effect with respect to the Buyer.

(g) All Consents Required. All approvals, authorizations, consents, orders, licenses or other actions of any Person or of any Governmental Authority (if any) required for the due execution, delivery and performance by the Buyer of this Agreement have been obtained.

(h) Value Given. The Buyer has given reasonably equivalent value to the Seller as consideration for the transfer to the Buyer of such Transferred Assets as contemplated by this Agreement, no such transfer has been made for or on account of an antecedent debt owed by the Seller or any such other Person to the Buyer, and no such transfer is or may be voidable or subject to avoidance as to the Buyer under any section of the Bankruptcy Code. The transfer of such Transferred Assets by the Seller to the Buyer is on fair and reasonable terms that are no less favorable than would be obtained in a comparable arm's-length transaction.

ARTICLE V

COVENANTS

Section 5.1 Affirmative Covenants of the Seller.

From the date hereof until the Final Maturity Date:

(a) Compliance with Laws. The Seller will comply in all material respects with all Applicable Laws, including those with respect to the Transferred Assets or any part thereof, except for instances of non-compliance that could not reasonably be expected to have a Material Adverse Effect with respect to the Seller.

(b) Preservation of Corporate Existence. The Seller will preserve and maintain its corporate existence, rights, franchises and privileges in the jurisdiction of its incorporation, and qualify and remain qualified in good standing as a foreign corporation in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualification has had, or could reasonably be expected to have, a Material Adverse Effect with respect to the Seller.

(c) Performance and Compliance with Transferred Assets. The Seller will, at its expense, timely and fully perform and comply with all provisions, covenants and other promises required to be observed by it under the Transferred Assets and all other agreements related to such Transferred Assets.

(d) Protection of Interest in Transferred Assets. All Transferred Assets acquired by the Buyer from the Seller will be acquired pursuant to and in accordance with the terms of this Agreement and the Required Loan Documents and the Seller will, (i) at its expense take all action necessary to perfect, protect and more fully evidence the Buyer's or its assignee's ownership of or security interest in such Transferred Assets free and clear of any Lien other than Permitted Liens, including (A) filing and maintaining (at its expense) effective financing statements against the Seller, in all necessary or appropriate filing offices, and filing continuation statements, amendments or assignments with respect thereto in such filing offices, and (B) executing or causing to be executed such other instruments or notices as may be necessary or appropriate, and (ii) take all additional action that the Buyer and the Collateral Agent may reasonably request to perfect, protect and more fully evidence the respective interests of the parties to this Agreement in the Transferred Assets.

(e) Deposit of Collections. The Seller will instruct the administrative agent under each Transferred Asset or the applicable Obligors thereof if no administrative agent exists to make all payments relating to all Transferred Assets directly to the applicable Covered Account. In the event any payments relating to any Transferred Assets are remitted directly to the Seller or any Affiliate of the Seller, the Seller will remit such payments (or will cause all such payments to be remitted) directly to the applicable Covered Account within two (2) Business Days following receipt thereof, and, at all times prior to such remittance, the Seller will itself hold or, if applicable, will cause such payments to be held in trust for the exclusive benefit of the Buyer and the Secured Parties.

(f) Taxes. The Seller will file and pay any and all Taxes required to meet its obligations with respect thereto under this Agreement.

(g) Adverse Claims. The Seller will not create, or participate in the creation of, or permit to exist, any Liens in relation to the Collection Account.

(h) Notices. The Seller will furnish to the Buyer, the Collateral Agent and the Administrative Agent:

(i) Representations and Warranties. Forthwith upon receiving knowledge of the same, but in any event no later than 10 Business Days after receiving such knowledge of the same, the Seller shall notify the Buyer, the Collateral Agent and the Administrative Agent if any representation or warranty set forth in Section 4.1 was incorrect at the time it was given or deemed to have been given and at the same time deliver to the Buyer, the Collateral Agent and the Administrative Agent a written notice setting forth in reasonable detail the nature of such facts and circumstances. In particular, but without limiting the foregoing, the Seller shall notify the Buyer, the Collateral Agent and the Administrative Agent in the manner set forth in the preceding sentence before the Purchase Date of any facts or circumstances within the knowledge of the Seller which would render any of the said representations and warranties untrue at the date when such representations and warranties were made or deemed to have been made; and

(ii) Notice of Material Events. Promptly upon becoming aware thereof, but in any event no later than 10 Business Days after becoming aware thereof, notice of any other event or circumstances that, in the reasonable judgment of the Seller, is likely to have a Material Adverse Effect with respect to Seller.

(i) Separate Identity. The Seller acknowledges that the Collateral Agent, the Administrative Agent, the Lenders and the other Secured Parties are entering into the transactions contemplated by this Agreement and the Credit and Security Agreement in reliance upon the Buyer's identity as a legal entity that is separate from the Seller and each other Affiliate of the Seller. Accordingly, from and after the date of execution and delivery of this Agreement, the Seller will take all reasonable steps, including all steps that the Buyer, the Collateral Agent or the Administrative Agent may from time to time reasonably request, to maintain the Buyer's identity as a legal entity that is separate from the Seller and each other Affiliate of the Seller and to make it manifest to third parties that the Buyer is an entity with assets and liabilities distinct from those of the Seller and each other Affiliate thereof and not just a division of the Seller or any such other Affiliate. Without limiting the generality of the foregoing and in addition to the other covenants set forth herein, the Seller agrees that:

(i) the Seller will take all other actions necessary on its part to ensure that the Buyer is at all times in compliance with Section 5.05 of the Credit and Security Agreement;

(ii) the Seller shall maintain corporate records and books of account separate from those of the Buyer;

(iii) the annual financial statements of the Seller shall disclose the effects of the Seller's transactions in accordance with GAAP and the annual financial statements of the Seller shall note that the assets of the Buyer, including the Transferred Assets, are not available to pay creditors of the Seller or any other Affiliate of the Seller;

(iv) the resolutions, agreements and other instruments underlying the transactions described in this Agreement shall be continuously maintained by the Seller as official records;

(v) the Seller shall maintain an arm's-length relationship with the Buyer and will not hold itself out as being liable for the debts of the Buyer;

(vi) the Seller shall keep its assets and its liabilities wholly separate from those of the Buyer; and

(vii) the Seller will avoid the appearance, and promptly correct any known misperception of any of the Seller's creditors, that the assets of the Buyer are available to pay the obligations and debts of the Seller.

(j) Cooperation with Requests for Information or Documents. The Seller will cooperate fully with all reasonable requests of the Buyer regarding the provision of any information or documents, necessary or desirable, including the provision of such information or documents in electronic or machine-readable format, to allow each of the Buyer and its assignees to carry out their responsibilities under the Facility Documents.

(k) Payment Performance and Discharge of Obligations. The Seller will pay, perform and discharge all of its obligations and liabilities, including all taxes, assessments and governmental charges upon its income and properties, when due, the non-payment, performance or discharge of which would reasonably be expected to have a Material Adverse Effect with respect to the Seller, unless and only to the extent that such obligations, liabilities, taxes, assessments and governmental charges shall be contested in good faith and by appropriate proceedings and that, to the extent required by GAAP, proper and adequate book reserves relating thereto are established by the Seller and then only to the extent that a bond is filed in cases where the filing of a bond is necessary to avoid the creation of a Lien against any of its properties.

(l) Copies of Other Information. The Seller will deliver to the Buyer, the Collateral Agent and the Administrative Agent promptly, from time to time, such other information, documents, records or reports respecting the Transferred Assets or the conditions or operations, financial or otherwise, of the Seller as the Buyer, the Collateral Agent or the Administrative Agent may from time to time reasonably request in order to perform their obligations hereunder or under any other Facility Document or to protect the interests of the Buyer, the Administrative Agent, the Collateral Agent and the Secured Parties under or as contemplated by this Agreement and the other Facility Documents.

(m) Mergers, Acquisitions, Sales, etc.

(i) Any Person into which the Seller may be merged or consolidated, or any Person resulting from such merger or consolidation to which the Seller is a party, or any Person succeeding by acquisition or transfer to substantially all of the assets and the business of the Seller shall be the successor to the Seller hereunder, without execution or filing of any paper or any further act on the part of any of the parties hereto, notwithstanding anything herein to the contrary.

(ii) The merger or consolidation of the Seller or transfer of substantially all of its assets and its business as described in this Section 5.1(m), shall not be effected unless the Seller shall have provided 30 days' prior written notice thereof to the Administrative Agent, the Collateral Agent and the Custodian and the Administrative Agent shall have consented thereto in accordance with Section 14.07 of the Credit and Security Agreement.

Section 5.2 Negative Covenants of the Seller.

From the date hereof until the Final Maturity Date:

(a) Loans Not to be Evidenced by Instruments. The Seller will take no action (and will not cause Collateral Manager to take any action) to cause any Collateral Loan that is not, as of the related Purchase Date, evidenced by an Instrument, to be so evidenced except in connection with the enforcement or collection of such Collateral Loan or unless such Instrument is promptly delivered to the Custodian, together with an Indorsement in blank, as collateral security for such Collateral Loan.

(b) Security Interests. Except as otherwise permitted herein, and in the Credit and Security Agreement, the Seller will not and will not cause or permit the Buyer to sell, pledge, assign or transfer to any other Person, or grant, create, incur, assume or suffer to exist any Lien on any Transferred Assets, whether now existing or hereafter acquired or any interest, therein. The Seller will promptly notify the Buyer, the Collateral Agent, the Administrative Agent and the Custodian of the existence of any Lien other than as permitted in the immediately preceding sentence on any Transferred Assets and the Seller shall defend the right, title and interest of the Buyer, and the Collateral Agent for the benefit of the Secured Parties, in, to and under the Transferred Assets against all claims of third parties; provided that nothing in this Section 5.2(b) shall prevent or be deemed to prohibit the Seller from suffering to exist Permitted Liens upon any of the Transferred Assets and Liens permitted in the immediately preceding sentence.

(c) Change of Name or Location of Loan Files. The Seller shall not change its name, move the location of its principal place of business and chief executive office, change the offices where it keeps the records from the location referred to in Section 10.2, or change the jurisdiction of its incorporation, unless the Seller has given at least 30 days' prior written notice to the Buyer, the Custodian, the Collateral Agent and the Administrative Agent and has taken all actions required under the UCC of each relevant jurisdiction in order to continue the first priority perfected security interest of the Buyer and the Collateral Agent, for the benefit of the Secured Parties, in the Transferred Assets.

(d) Accounting of Purchases. The Seller will not account for or treat (whether in financial statements or otherwise) the transactions contemplated hereby in any manner other than as a sale or contribution of the Transferred Assets by the Seller to the Buyer; provided that for federal income tax reporting purposes, the Buyer is treated as a "disregarded entity" and, therefore, the transfer of Transferred Assets by the Seller to the Buyer hereunder will not be recognized; and provided, further, that nothing shall prevent Seller from showing the Transferred Assets as consolidated assets of the Seller and its consolidated subsidiaries on Seller's consolidated financial statements.

(e) Constituent Documents. The Seller will not cause or permit the Buyer to amend, modify, waive or terminate any provision the Buyer's Constituent Documents except in accordance with the Credit and Security Agreement.

(f) Changes in Payment Instructions to Obligors. The Seller will not add or terminate any Covered Account or make any change in its instructions to the administrative agent under each Transferred Asset or the applicable Obligors thereof if no administrative agent exists, regarding payments to be made with respect to the Transferred Assets to any Covered Account, unless the Administrative Agent has consented to such addition, termination or change (which consent shall not be unreasonably withheld).

(g) Extension or Amendment of Transferred Assets. Except as otherwise permitted under the Credit and Security Agreement, the Seller will not extend, amend or otherwise modify the terms of any Transferred Assets (including the Underlying Assets).

ARTICLE VI

REMOVAL OR REPLACEMENT OF WARRANTY COLLATERAL LOANS

If on any day a Collateral Loan is (or becomes) a Warranty Collateral Loan, no later than five (5) Business Days following the earlier of knowledge by the Seller of such Collateral Loan becoming a Warranty Collateral Loan or receipt by the Seller from the Buyer of written notice thereof, the Seller shall either: (a) make a deposit to the Collection Account in immediately available funds in an amount equal to the sum of (i) the Repurchase Amount of such Collateral Loan at such time, (ii) any expenses or fees with respect to such Collateral Loan and (iii) costs and damages incurred by the Administrative Agent or by any Lender in connection with any violation by such Collateral Loan of any Applicable Law; or (b) substitute for such Warranty Collateral Loan a Substituted Collateral Loan so long as, in each case, (1) no Event of Default has occurred and is continuing and, immediately after giving effect to such substitution, no Default or Event of Default shall have occurred, (2) such Substituted Collateral Loan is an Eligible Loan, (3) all applicable conditions precedent set forth in Section 3.1 have been satisfied with respect to each Substituted Collateral Loan to be acquired by the Borrower in connection with such substitution, and (4) the Borrowing Base Test shall be satisfied immediately after giving effect to such substitution. In either of the foregoing instances, the Seller may (in its discretion) accept retransfer of each such Warranty Collateral Loan and any related Underlying Assets. Upon the transfer of each Warranty Collateral Loan, the Buyer shall (if and when the Seller elects to accept the retransfer of such Warranty Collateral Loan or directs the Buyer to transfer such Collateral Loan to a third party) automatically and without further action be deemed to transfer, assign and set-over to or at the direction of the Seller, without recourse, representation or warranty, all the right, title and interest of the Buyer in, to and under such Warranty Collateral Loan and all future monies due or to become due with respect thereto, the Underlying Assets, all Proceeds of such Warranty Collateral Loan, all rights to security for any such Warranty Collateral Loan, and all Proceeds and products of the foregoing. The Buyer shall (if and when the Seller elects to accept the retransfer of such Warranty Collateral Loan or directs the Buyer to transfer such Collateral Loan to a third party), at the request and sole expense of the Seller, execute such documents and instruments of transfer, assignment and release as may be prepared by the Seller and take other such actions as shall reasonably be requested by the Seller to effect the transfer of such Warranty Collateral Loan pursuant to this Article VI. It is understood and agreed that, with respect to a Warranty Collateral Loan, repurchase of such Warranty Collateral Loan by the Seller (or a third party) or substitution by the Seller of a Substitute Collateral Loan for such Warranty Collateral Loan shall be the sole remedies available to the Buyer and its assignees hereunder and any other beneficiary of the Buyer's rights hereunder (but shall not limit any claims under Section 9.1 in respect of any Indemnified Amounts).

ARTICLE VII

ADDITIONAL RIGHTS AND OBLIGATIONS IN RESPECT OF THE TRANSFERRED ASSETS

Section 7.1 Rights of the Buyer.

(a) The Seller hereby authorizes the Buyer, the Collateral Manager, the Collateral Agent and the Administrative Agent, on behalf of the Secured Parties, and/or their respective designees or assignees to each take any and all steps in the Seller's name and on behalf of the Seller that the Buyer, the Collateral Manager, the Collateral Agent and/or the Administrative Agent, on behalf of the Secured Parties, and/or their respective designees or assignees determine are reasonably necessary or appropriate to collect all amounts due under any and all Transferred Assets and to enforce or protect the Buyer's, the Administrative Agent's and the Collateral Agent's, on behalf of the Secured Parties, rights under this Agreement, including endorsing the name of the Seller on checks and other instruments representing Collections and enforcing such Transferred Assets.

(b) Except as set forth in the Credit and Security Agreement, the Buyer shall have no obligation to account for, replace, substitute or return any Transferred Assets to the Seller.

(c) The Buyer shall have the unrestricted right to further assign, transfer, deliver, hypothecate, subdivide or otherwise deal with the Transferred Assets and all of the Buyer's right, title and interest in, to and under this Agreement, on whatever terms the Buyer shall determine, subject to the Credit and Security Agreement.

(d) The Buyer shall have the sole right to retain any gains or profits created by buying, selling or holding the Transferred Assets and shall have the sole risk of and responsibility for losses or damages created by such buying, selling or holding.

Section 7.2 Responsibilities of the Seller.

Notwithstanding anything to the contrary contained herein, the Seller agrees to deliver directly to the Custodian (for the Buyer's account), within two (2) Business Days after receipt thereof, any Collections that it receives, in the form so received, and agrees that all such Collections shall be deemed to be received in trust for the Buyer and shall be maintained and segregated separate and apart from all other funds and monies of the Seller until delivery of such Collections to the applicable Covered Account.

Section 7.3 Rights With Respect to Loan Files.

At any time when a Collateral Manager other than Oxford Square Capital Corp. has been designated a Collateral Manager pursuant to Section 14.07 or 14.08 of the Credit and Security Agreement, the Seller shall, at the request of the Buyer and the Collateral Agent, assemble copies of all of the Loan Files in its possession which evidence the Transferred Assets originated by the Seller, or which are otherwise necessary or desirable to collect such Transferred Assets, and make the same available to the Buyer or the Collateral Agent at a place selected by the Collateral Agent.

Section 7.4 Notice to Administrative Agent and Collateral Agent.

The Seller agrees that, concurrently with its delivery to the Buyer, copies of all notices, reports, documents and other information required to be delivered by the Seller to the Buyer hereunder shall be delivered by the Seller to the Administrative Agent and the Collateral Agent.

ARTICLE VIII

SURVIVAL

Section 8.1 Survival of Certain Provisions.

Notwithstanding any provision contained herein to the contrary, the Seller's representations, covenants and obligations set forth in Articles IV, V, VI and VII create and constitute the continuing obligation of the parties hereto in accordance with its terms, and shall remain in full force and effect until the Final Maturity Date; provided that the rights and remedies with respect to any breach of any representation and warranty made or deemed made by the Seller pursuant to Article IV and the provisions of Article VI, the indemnification and payment provisions of Article IX and the provisions of Sections 9.1, 10.3, 10.6, 10.7, 10.8 and 10.16 shall be continuing and shall survive any termination of this Agreement.

ARTICLE IX
INDEMNIFICATION

Section 9.1 Indemnification by the Seller.

(a) Without limiting any other rights that the Buyer, any assignee of the Buyer or any of such Persons' respective shareholders, officers, employees, agents, or Affiliates (each an "Indemnified Party") may have hereunder or under Applicable Law, the Seller hereby agrees to indemnify each Indemnified Party from and against any and all damages, losses, claims, liabilities and related costs and expenses, including reasonable attorneys' fees and disbursements (all of the foregoing being collectively referred to as "Indemnified Amounts"), awarded against or incurred by such Indemnified Party or any of them as a result of any of the Indemnified Matters (as defined below), excluding, however, (a) Indemnified Amounts to the extent resulting from the gross negligence, bad faith or willful misconduct on the part of the applicable Indemnified Party, and (b) Indemnified Amounts that have the effect of recourse for non-payment of the Transferred Assets due to credit problems of the Obligors (including bankruptcy or insolvency). If the Seller has made any indemnity payment pursuant to this Section 9.1 and such payment fully indemnified the recipient thereof and the recipient thereafter collects any payments from others in respect of such Indemnified Amounts, then the recipient shall repay to the Seller an amount equal to the amount it has collected from others in respect of such indemnified amounts. As used herein, "Indemnified Matters" means:

(i) any representation or warranty made or deemed made by the Seller, or any of its officers under or in connection with this Agreement, which shall have been false, incorrect or misleading in any material respect when made or deemed made or delivered;

(ii) the failure by the Seller to comply with any term, provision or covenant contained in this Agreement or any agreement executed in connection with this Agreement, or with any Applicable Law, with respect to any Transferred Assets or the nonconformity of any Transferred Assets with any such Applicable Law, or any breach by the Seller of its contractual obligations with respect to any Transferred Assets;

(iii) the failure to vest and maintain vested in the Buyer, an ownership interest in the Transferred Assets, together with all Collections, free and clear of any Lien (other than Permitted Liens or other Liens to which the Administrative Agent has consented in its sole discretion) whether existing at the time of the Purchase or at any time thereafter;

(iv) the failure to file, or any delay in filing, financing statements, continuation statements or other similar instruments or documents under the UCC of any applicable jurisdiction or other Applicable Laws with respect to any Transferred Assets, whether at the time of the Purchase or at any subsequent time which are required by this Agreement or the other Facility Documents;

(v) at the time of conveyance of a Transferred Asset, the existence of any dispute, claim, offset or defense (other than the discharge in bankruptcy of an Obligor) of an Obligor to the payment with respect to any Transferred Assets (including a defense based on the Transferred Assets not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms);

(vi) any inability to obtain any judgment in, or utilize the court or other adjudication system of, any state in which an Obligor may be located as a result of the failure of the Seller to qualify to do business or file any notice or business activity report or any similar report;

(vii) any action taken by the Seller in the enforcement or collection of any Transferred Assets;

(viii) any claim, suit or action of any kind arising out of or in connection with Environmental Laws that arose prior to the date any Transferred Asset was sold or otherwise transferred to Buyer, including any vicarious liability resulting from any act or omission of the Seller;

(ix) the failure by Seller to pay when due any Taxes for which the Seller is liable, including sales, excise or personal property taxes payable in connection with the Transferred Assets;

(x) any repayment by the Indemnified Party of any amount previously distributed hereunder or under any Facility Document to the Seller, in each case which amount the Indemnified Party believes in good faith is required to be repaid;

(xi) the comingling of Collections on the Transferred Assets at any time with other funds of the Seller;

(xii) any investigation, litigation or proceeding related to this Agreement arising from any act or omission of the Seller or the Seller's use of proceeds of Purchases or the security interest in the Transferred Assets;

(xiii) the failure of the Seller or any of its agents or representatives to remit to the Buyer Collections on the Transferred Assets remitted to the Seller or any such agent or representative as provided in this Agreement; or

(xiv) any attempt by the Seller, any creditor of Seller or any trustee or debtor-in-possession for the Seller to void the purchases made hereunder under statutory provisions or common law or equitable action.

(b) Any amounts subject to the indemnification provisions of this Section 9.1 shall be paid by the Seller to the Indemnified Party within five (5) Business Days following such Person's demand therefor.

(c) If for any reason the indemnification provided above in this Section 9.1 is unavailable to the Indemnified Party or is insufficient to hold an Indemnified Party harmless, then the Seller shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by such Indemnified Party on the one hand and the Seller, on the other hand, but also the relative fault of such Indemnified Party as well as any other relevant equitable considerations; provided that the Seller shall have no contribution obligation under this Section 9.1(c) if the payment of any such amounts would have the effect of recourse for nonpayment of the Collateral Loans included in the Transferred Assets due to credit problems of the related Obligors.

(d) The obligations of the Seller under this Section 9.1 shall survive the termination of this Agreement.

(e) Indemnification under Section 9.1 shall be in an amount necessary to make the Indemnified Party whole after taking into account any tax consequences to the Indemnified Party of the receipt of the indemnity provided hereunder, including the effect of such tax or refund on the amount of tax measured by net income or profits that is or was payable by the Indemnified Party.

Section 9.2 Assignment of Indemnities.

The Seller acknowledges that, pursuant to the Credit and Security Agreement, the Buyer shall assign its rights of indemnity granted hereunder to the Collateral Agent, for the benefit of the Secured Parties. Upon such assignment, (i) the Collateral Agent, on behalf of the Secured Parties, shall have all rights of the Buyer hereunder and may in turn assign such rights as permitted under the Credit and Security Agreement, and (ii) the obligations of the Seller under this Article IX shall inure to the Collateral Agent. The Seller agrees that, upon such assignment, the Lenders, the other Secured Parties, and the Collateral Agent or the assignee of any such Person, as applicable, may enforce directly, without joinder of the Buyer, the indemnities set forth in this Article IX.

ARTICLE X

MISCELLANEOUS

Section 10.1 Amendments and Waivers.

Except as provided in this Section 10.1, no amendment, waiver or other modification of any provision of this Agreement shall be effective unless signed by the Buyer and Seller and consented to in writing by the Administrative Agent, other than an amendment to this Agreement to incorporate by reference a Loan List on the related Purchase Date. The Buyer shall provide not less than ten (10) Business Days' prior written notice of any such amendment to the Administrative Agent.

Section 10.2 Notices, Etc.

All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including communication by facsimile copy or electronic mail) and mailed, e-mailed, transmitted or delivered, as to each party hereto, at its address set forth below or at such other address as shall be designated by such party in a written notice to the other parties hereto.

To the Seller:

Oxford Square Capital Corp.
8 Sound Shore Drive, Suite 255
Greenwich, CT 06830
Attention: Saul Rosenthal
Tel: (203) 983-5275
Fax: (203) 983-5290

To the Buyer:

Oxford Square Funding 2018, LLC
c/o Oxford Square Capital Corp.
8 Sound Shore Drive, Suite 255
Greenwich, CT 06830
Attention: Saul Rosenthal
Tel: (203) 983-5275
Fax: (203) 983-5290

With a copy to:

Oxford Square Capital Corp.
8 Sound Shore Drive, Suite 255
Greenwich, CT 06830
Attention: Saul Rosenthal
Tel: (203) 983-5275
Fax: (203) 983-5290

To the Administrative Agent:

Citibank, N.A.
390 Greenwich Street, 4th Floor
New York, New York 10013
Attention: Victoria Chant
Tel: (212) 723-6078
Fax: (646) 291-5779

To the Collateral Agent:

The Bank of New York Mellon Trust Company, National Association
601 Travis Street, 16th Floor
Houston, TX 77002
Attention: Global Corporate Trust – Oxford Square Funding 2018, LLC
Tel: (713) 483-6000
Fax: (713) 483-6001

To the Collateral Manager:

Oxford Square Capital Corp.
8 Sound Shore Drive, Suite 255
Greenwich, CT 06830
Attention: Saul Rosenthal
Tel: (203) 983-5275
Fax: (203) 983-5290

All such notices and communications shall be effective, upon receipt, or in the case of (a) notice by mail, five (5) days after being deposited in the United States mail, first class postage prepaid, (b) notice by e-mail, when verbal communication of receipt is obtained, or (c) notice by facsimile copy, when verbal communication of receipt is obtained.

Section 10.3 Binding Effect; Benefit of Agreement.

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. The Collateral Agent, the Administrative Agent, the Lenders and the other Secured Parties shall be third-party beneficiaries of this Agreement.

Section 10.4 GOVERNING LAW; CONSENT TO JURISDICTION; WAIVER OF OBJECTION TO VENUE.

THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. EACH OF THE PARTIES HERETO HEREBY AGREES TO THE NON-EXCLUSIVE JURISDICTION OF ANY FEDERAL COURT LOCATED WITHIN THE STATE OF NEW YORK. EACH OF THE PARTIES HERETO HEREBY WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS, AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER IN ANY OF THE AFOREMENTIONED COURTS AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT.

Section 10.5 WAIVER OF JURY TRIAL.

TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO HEREBY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE BETWEEN THE PARTIES HERETO ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP BETWEEN ANY OF THEM IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. INSTEAD, ANY SUCH DISPUTE RESOLVED IN COURT WILL BE RESOLVED IN A BENCH TRIAL WITHOUT A JURY.

Section 10.6 Costs, Expenses and Taxes.

(a) In addition to the rights of indemnification granted under Article IX hereof, the Seller agrees to pay on demand all reasonable costs and expenses of the Buyer or its assignees incurred in connection with the preparation, execution, delivery, administration (including periodic auditing), renewal, amendment or modification of, or any waiver or consent issued in connection with, this Agreement and the other documents to be delivered hereunder or in connection herewith, including the reasonable fees and out-of-pocket expenses of counsel with respect thereto and with respect to advising the Buyer or its assignees as to its rights and remedies under this Agreement and the other documents to be delivered hereunder or in connection herewith, and all reasonable costs and expenses, if any (including reasonable counsel fees and expenses), incurred by the Buyer or its assignees in connection with the enforcement of this Agreement and the other documents to be delivered hereunder or in connection herewith.

(b) The Seller shall pay on demand any and all stamp, sales, excise and other taxes and fees payable or determined to be payable to any Governmental Authority in connection with the execution, delivery, filing and recording of this Agreement and the other documents to be delivered hereunder.

(c) The Seller shall pay on demand all other reasonable costs, expenses and Taxes (excluding income taxes) incurred by the Buyer or its assignees under or in connection with this Agreement.

Section 10.7 No Proceedings.

The Seller hereby agrees that it will not institute against, or join any other Person in instituting against, the Buyer any Insolvency Proceeding so long as there shall not have elapsed one year and one day since the Final Maturity Date.

Section 10.8 Recourse Against Certain Parties.

(a) No recourse under or with respect to any obligation, covenant or agreement (including, without limitation, the payment of any fees or any other obligations) of the Seller as contained in this Agreement or any other agreement, instrument or document entered into by it pursuant hereto or in connection herewith shall be had against any partner, stockholder, incorporator, authorized representative, officer, employee or director of the Seller by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise it being expressly agreed and understood that the agreements of the Seller contained in this Agreement and all of the other agreements, instruments and documents entered into by it pursuant hereto or in connection herewith are, in each case, solely the corporate obligations of the Seller, and that no personal liability whatsoever shall attach to or be incurred by any partner, stockholder, incorporator, authorized representative, officer, employee or director of the Seller, or any of them, under or by reason of any of the obligations, covenants or agreements of the Seller contained in this Agreement or in any other such instruments, documents or agreements, or which are implied therefrom, and that any and all personal liability of each partner, stockholder, incorporator, authorized representative, officer, employee or director of the Seller, or any of them, for breaches by the Seller of any such obligations, covenants or agreements, which liability may arise either at common law or at equity, by statute or constitution, or otherwise, is hereby expressly waived as a condition of and in consideration for the execution of this Agreement. The provisions of this Section 10.8(a) shall survive the termination of this Agreement.

(b) No recourse under or with respect to any obligation, covenant or agreement (including, without limitation, the payment of any fees or any other obligations) of the Buyer as contained in this Agreement or any other agreement, instrument or document entered into by it pursuant hereto or in connection herewith shall be had against any member, manager, authorized representative, officer, employee or director of the Buyer by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise it being expressly agreed and understood that the agreements of the Buyer contained in this Agreement and all of the other agreements, instruments and documents entered into by it pursuant hereto or in connection herewith are, in each case, solely the limited liability company obligations of the Buyer, and that no personal liability whatsoever shall attach to or be incurred by any authorized representative, member, manager, officer, employee or director of the Buyer or any of them, under or by reason of any of the obligations, covenants or agreements of the Buyer contained in this Agreement or in any other such instruments, documents or agreements, or which are implied therefrom, and that any and all personal liability of each authorized representative, member, manager, officer, employee or director of the Buyer, or any of them, for breaches by the Buyer of any such obligations, covenants or agreements, which liability may arise either at common law or at equity, by statute or constitution, or otherwise, is hereby expressly waived as a condition of and in consideration for the execution of this Agreement. The provisions of this Section 10.8(b) shall survive the termination of this Agreement.

Section 10.9 Protection of Right, Title and Interest in the Transferred Assets; Further Action Evidencing Purchases.

(a) The Seller shall cause this Agreement, all amendments hereto and/or all financing statements and continuation statements and any other necessary documents covering the Buyer's right, title and interest to the Transferred Assets to be promptly recorded, registered and filed, and at all times to be kept recorded, registered and filed, all in such manner and in such places as may be required by law fully to preserve and protect the right, title and interest of the Buyer hereunder to all property comprising the Transferred Assets. The Seller shall deliver to the Buyer the file-stamped copies of, or filing receipts for, any document recorded, registered or filed as provided above, as soon as available following such recording, registration or filing. The Seller shall cooperate fully with the Buyer in connection with the obligations set forth above and will execute any and all documents reasonably required to fulfill the intent of this Section 10.9(a).

(b) The Seller agrees that from time to time, at its expense, it will promptly execute and deliver all instruments and documents, and take all actions, that the Buyer, the Collateral Agent, on behalf of the Secured Parties, may reasonably request in order to perfect, protect or more fully evidence the Purchases hereunder and the security and/or interest granted in the Transferred Assets, or to enable the Buyer or the Collateral Agent, as applicable, to exercise and enforce their rights and remedies hereunder or under any Facility Document. At any time the Buyer or the Collateral Agent may direct the Seller or any Collateral Manager to notify each administrative agent under each Transferred Asset or the applicable Obligors thereof if no administrative agent exists, at the Seller's expense, of the interest of the Buyer and the interest of the Collateral Agent for the benefit of the Secured Parties in the Transferred Assets under this Agreement and may direct that payments of all amounts due or that become due under any or all of the Transferred Assets be made directly to the Buyer or the Collateral Agent, on behalf of the Secured Parties.

(c) If the Seller fails to perform any of its obligations hereunder, the Buyer or the Collateral Agent may (but shall not be required to) perform, or cause performance of, such obligation; and the Buyer's or the Collateral Agent's costs and expenses incurred in connection therewith shall be payable by the Seller as provided in Article IX. The Seller irrevocably authorizes the Buyer or the Collateral Agent at any time and from time to time at the Buyer's or the Collateral Agent's sole discretion and appoints the Collateral Agent as its attorney-in-fact to act on behalf of the Seller (i) to execute on behalf of the Seller and to file financing statements on behalf of the Seller, as debtor, necessary or desirable in the Collateral Agent's sole discretion to perfect and to maintain the perfection and priority of the interest of the Buyer (and its assignees) in the Transferred Assets and (ii) to file a carbon, photographic or other reproduction of this Agreement or any financing statement with respect to the Transferred Assets as a financing statement in such offices as the Collateral Agent in its sole discretion deems necessary or desirable to perfect and to maintain the perfection and priority of the interests of the Buyer (and its assignees) in the Transferred Assets. This appointment is coupled with an interest and is irrevocable.

Section 10.10 Execution in Counterparts; Severability; Integration.

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts (including by facsimile), each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby. This Agreement and any agreements or letters (including fee letters) executed in connection herewith contains the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof, superseding all prior oral or written understandings.

Section 10.11 Waiver of Setoff.

(a) The Seller's obligations under this Agreement shall not be affected by any right of setoff, counterclaim, recoupment, defense or other right the Seller might have against the Buyer, the Collateral Agent, the Lenders, the other Secured Parties or any assignee of such Persons, all of which rights are hereby waived by the Seller.

(b) The Buyer shall have the right to set-off against the Seller any amounts to which the Seller may be entitled hereunder and to apply such amounts to any claims the Buyer may have against the Seller from time to time under this Agreement. Upon any such set-off, the Buyer shall give notice of the amount thereof and the reasons therefor to the Seller.

Section 10.12 Heading and Exhibits.

The headings herein are for purposes of references only and shall not otherwise affect the meaning or interpretation of any provision hereof. The schedules and exhibits attached hereto and referred to herein shall constitute a part of this Agreement and are incorporated into this Agreement for all purposes.

Section 10.13 Rights of Inspection.

Prior to the Closing Date and periodically thereafter at the discretion of the Buyer, the Seller will permit the Buyer to review the Collateral Manager's collection and administration of the Transferred Assets in order to assess compliance by the Collateral Manager with the Credit and Collection Policy, as well as with this Agreement and may conduct an audit of the Transferred Assets and Required Loan Documents in conjunction with such a review. Such review shall be reasonable in scope and shall be completed in a reasonable period of time. The Seller shall be required to bear the expense of no more than two such reviews within any 12-month period and any additional reviews shall be at the expense of the Buyer. Without limiting the foregoing provisions of this Section 10.13, from time to time on request of the Buyer, the Seller shall permit certified public accountants or other auditors acceptable to the Buyer to conduct, at the Seller's expense, a review of the Required Loan Documents and all other documentation regarding the Transferred Assets.

Section 10.14 Assignment.

Notwithstanding anything to the contrary contained herein, this Agreement may not be assigned by the Buyer or the Seller except as permitted by this Section 10.14 or by the Credit and Security Agreement. Simultaneously with the execution and delivery of this Agreement, the Buyer shall assign all of its right, title and interest herein to the Collateral Agent for the benefit of the Secured Parties, to which assignment the Seller hereby expressly consents. Upon assignment, the Seller agrees to perform its obligations hereunder for the benefit of the Collateral Agent for the benefit of the Secured Parties and the Collateral Agent, in such capacity, shall be a third party beneficiary hereof. The Collateral Agent on behalf of the Secured Parties under the Credit and Security Agreement upon such assignment may enforce the provisions of this Agreement, exercise the rights of the Buyer and enforce the obligations of the Seller hereunder without joinder of the Buyer.

Section 10.15 No Waiver; Cumulative Remedies.

No failure to exercise and no delay in exercising, on the part of the Buyer or the Seller, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exhaustive of any rights, remedies, powers and privileges provided by law. Any waiver of this Agreement shall be effective only in the specific instance and for the specific purpose for which given.

[Signatures appear on following page.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

BUYER:

OXFORD SQUARE FUNDING 2018, LLC

By: _____

Jonathan H. Cohen
Manager

SELLER:

OXFORD SQUARE CAPITAL CORP.

By: _____

Saul Rosenthal
President

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Section 4: EX-10.3 (EXHIBIT 10.3)

Exhibit 10.3

EXECUTION VERSION

COLLATERAL ADMINISTRATION AGREEMENT

This COLLATERAL ADMINISTRATION AGREEMENT, dated as of June 21, 2018 (this “**Agreement**”), is entered into by and among OXFORD SQUARE FUNDING 2018, LLC, a limited liability company formed under the laws of the State of Delaware (the “**Borrower**”), OXFORD SQUARE CAPITAL CORP., a Maryland corporation, as collateral manager (in such capacity, the “**Collateral Manager**”), and THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION (“**BNYM**”), as collateral administrator under and for purposes of this Agreement (in such capacity, the “**Collateral Administrator**”).

WITNESSETH:

WHEREAS, pursuant to the terms of that certain Credit and Security Agreement dated as of June 21, 2018 (the “**Credit Agreement**”), by and among the Borrower, the lenders from time to time party thereto (the “**Lenders**”), Citibank, N.A., as administrative agent (in such capacity, the “**Administrative Agent**”), BNYM, as collateral agent (in such capacity, the “**Collateral Agent**”) and as custodian (in such capacity, the “**Custodian**”) and Oxford Square Capital Corp., as equityholder, (the “**Equityholder**”), the Borrower has pledged certain collateral (the “**Collateral**”), which includes, among other things, all of the Collateral Loans and Eligible Investments as security for the Advances and other Obligations;

WHEREAS, the Borrower wishes to engage BNYM to act as Collateral Administrator to perform certain administrative duties with respect to the Collateral pursuant to the terms of this Agreement; and

WHEREAS, BNYM is prepared to perform as Collateral Administrator certain specified obligations of the Borrower, or the Collateral Manager, on its behalf, under the Credit Agreement (and certain other services) as specified herein, upon and subject to the terms of this Agreement (but without assuming the obligations or liabilities of the Borrower or the Collateral Manager under the Credit Agreement);

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. **Definitions.** Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in the Credit Agreement. The rules of construction set forth in Section 1.02 of the Credit Agreement shall apply to this Agreement as if fully set forth herein.

2. Powers and Duties of Collateral Administrator.

(a) The Borrower hereby appoints BNYM as, and BNYM hereby accepts the appointment to act as, the Collateral Administrator pursuant to the terms of this Agreement, until the earlier to occur of (i) BNYM's resignation or removal as the Collateral Administrator pursuant to Section 7 hereof and (ii) the termination of this Agreement pursuant to Section 6 hereof. In such capacity, the Collateral Administrator shall assist the Borrower and the Collateral Manager in connection with maintaining a database of certain characteristics with respect to the Collateral on an ongoing basis as provided herein and in providing to the Borrower and the Collateral Manager certain reports, schedules and calculations, all as more particularly described in Section 2(b) below (in each case, such reports, schedules and calculations shall be prepared in such form and content, and in such greater detail, as may be mutually agreed upon by the parties hereto from time to time and as may be required by the Credit Agreement) based upon information and data received from the Borrower and/or the Collateral Manager, as required to be prepared and delivered (or which are necessary to be prepared and delivered in order that certain other reports, schedules and calculations can be prepared and delivered) under Article VIII of the Credit Agreement. BNYM's duties and authority to act as Collateral Administrator hereunder are limited to the duties and authority specifically set forth in this Agreement. By entering into, or performing its duties under, this Agreement, the Collateral Administrator shall not be deemed to assume any obligations or liabilities of the Borrower or the Collateral Manager under the Credit Agreement or any other Facility Document, and nothing herein contained shall be deemed to release, terminate, discharge, limit, reduce, diminish, modify, amend or otherwise alter in any respect the duties, obligations or Liabilities of the Borrower or the Collateral Manager under or pursuant to the Credit Agreement or any other Facility Document.

(b) The Collateral Administrator shall perform the following general functions from time to time:

- (i) Promptly, and in any event within thirty (30) days after the Closing Date, create a collateral database with respect to the Collateral (the "**Collateral Database**");
- (ii) Update the Collateral Database promptly and on an ongoing basis for changes, including for ratings changes as provided by the Collateral Manager, and to reflect the sale or other disposition of the Collateral Loans included in the Collateral (the "**Portfolio Collateral**") from time to time, in each case based upon, and to the extent of, information furnished to the Collateral Administrator by or on behalf of the Borrower or the Collateral Manager as may be reasonably required by the Collateral Administrator, or by the agents for the Obligors from time to time, or based on information maintained by BNYM in its capacity as Collateral Agent under the Credit Agreement;
- (iii) Provide information contained in the Collateral Database to the Collateral Manager on behalf of the Borrower, as the Collateral Administrator and the Collateral Manager shall reasonably agree, including by way of reasonable electronic access (by access to the Collateral Administrator's internet website) to the reports generated by the Collateral Administrator pursuant to this Agreement;
- (iv) Track the receipt and daily allocation of cash to the Collection Account (and any subaccounts thereto) with respect to Interest Proceeds and Principal Proceeds and the outstanding balance therein, and any withdrawals therefrom and, on each Business Day, provide to the Borrower and the Collateral Manager daily reports reflecting such actions to the Covered Accounts as of the close of business on the preceding Business Day;

- (v) [Reserved].
- (vi) Reasonably cooperate with the Independent Accountants appointed by the Borrower in the preparation by such accountants of the reports required under Section 8.09 of the Credit Agreement;
- (vii) Not later than three (3) Business Days prior to the day on which each Monthly Report or Payment Date Report is required to be provided by the Borrower pursuant to Section 8.07 of the Credit Agreement, the Collateral Administrator shall prepare the relevant report using the information contained in the Collateral Database and, subject to the Collateral Administrator's receipt from the Collateral Manager of information with respect to the Collateral that is required for the preparation of the Monthly Report or Payment Date Report, provide the results of such calculations to the Collateral Manager so that the Collateral Manager may confirm such results. Upon approval by the Collateral Manager, the Borrower shall deliver the Monthly Report or Payment Date Report, as applicable, in accordance with Section 8.07 of the Credit Agreement; and
- (viii) So long as the same Person serves as the Collateral Administrator hereunder and as the Collateral Agent under the Credit Agreement, provide such other information with respect to the Collateral as may be in the possession of the Collateral Administrator or the Collateral Agent, or as may be required by the Credit Agreement, as the Borrower or the Collateral Manager may reasonably request in writing from time to time.

(c) The Borrower and the Collateral Manager shall cooperate with the Collateral Administrator in connection with the matters described herein, including calculations and information relating to the Monthly Reports and the Payment Date Reports or as otherwise reasonably requested hereunder. Without limiting the generality of the foregoing, the Collateral Manager shall advise in a timely manner the Collateral Administrator of the results of any determinations required or permitted to be made by it or the Borrower (or Collateral Manager on its behalf) under the Credit Agreement and supply the Collateral Administrator with such other information as is maintained by the Collateral Manager that the Collateral Administrator may from time to time request with respect to the Collateral and reasonably needed to complete the reports and certificates required to be prepared by the Collateral Administrator hereunder or required to permit the Collateral Administrator to perform its obligations hereunder (including determinations of Original Asset Value, Aggregate Principal Balance and the Borrowing Base, as applicable) and any other information that may be reasonably required under the Credit Agreement with respect to a Collateral Loan or Eligible Investment (including as to its designation as a Delayed Drawdown Collateral Loan, Defaulted Collateral Loan, DIP Collateral Loan, Noteless Loan, PIK Loan, Partial PIK Loan, Credit Risk Collateral Loan, Eligible Loan, Ineligible Collateral Loan, Equity Security, First Lien Obligation, Second Lien Obligation, Specified Eligible Investment, Structured Finance Obligation, Certificated Security or Uncertificated Security). Nothing herein shall obligate the Collateral Administrator to determine independently the correct characterization or categorization of any item of Collateral under the Credit Agreement (it being understood that any such characterization or categorization shall be based exclusively upon the determination and notification received by the Collateral Administrator from the Collateral Manager). The Collateral Manager shall review and verify the contents of the aforesaid reports. To the extent any of the information in such reports, instructions or certificates conflicts with information, data or calculations in the records of the Collateral Manager, the Collateral Manager shall notify the Collateral Administrator of such discrepancy and use commercially reasonable efforts to assist the Collateral Administrator in reconciling such discrepancy. The Collateral Manager further agrees to send such reports, instructions, statements and certificates to the Borrower for execution. In addition, the Collateral Manager shall provide prompt notice to the Collateral Administrator upon the Collateral Manager's obtaining knowledge of a Collateral Loan becoming a Defaulted Collateral Loan.

(d) If, in performing its duties under this Agreement, the Collateral Administrator is required to decide between alternative courses of action, the Collateral Administrator may request written instructions from the Borrower or the Collateral Manager acting on behalf of the Borrower as to the course of action desired by it. If the Collateral Administrator does not receive such instructions within two (2) Business Days after it has requested them, the Collateral Administrator may, but shall be under no duty to, take or refrain from taking any such courses of action. The Collateral Administrator shall act in accordance with instructions received after such two (2) Business Day period except to the extent it has already taken, or committed itself to take, action inconsistent with such instructions. The Collateral Administrator shall be entitled to rely on the advice of legal counsel and independent accountants in performing its duties hereunder and shall be deemed to have acted in good faith if it acts in accordance with such advice.

(e) The Collateral Administrator shall have no obligation to determine the Original Asset Value or the price of any Collateral in connection with any actions or duties under this Agreement. Nothing herein shall prevent the Collateral Administrator or any of its Affiliates from engaging in other businesses or from rendering services of any kind to any Person.

3. Compensation. The Borrower agrees to pay, and the Collateral Administrator shall be entitled to receive, compensation for, and reimbursement for all expenses in connection with, the Collateral Administrator's performance of the duties called for herein and as provided in the Collateral Agent Fee Letter; provided that such amounts will be payable solely from and pursuant to Section 9.01 of the Credit Agreement.

4. Limitation of Responsibility of the Collateral Administrator; Indemnification.

(a) The Collateral Administrator will have no responsibility under this Agreement other than to render the services expressly called for hereunder in good faith and without willful misconduct or gross negligence of its duties hereunder. The Collateral Administrator shall incur no liability to anyone in acting upon any signature, instrument, statement, notice, resolution, request, direction, consent, order, certificate, report, opinion, bond or other document or paper reasonably believed by it to be genuine and reasonably believed by it to be signed by the proper party or parties. The Collateral Administrator may exercise any of its rights or powers hereunder or perform any of its duties hereunder either directly or by or through agents or attorneys, and the Collateral Administrator shall not be responsible for any misconduct or negligence on the part of any agent (other than an Affiliate of the Collateral Administrator) or attorney appointed hereunder with due care by it. Neither the Collateral Administrator nor any of its affiliates, directors, officers, shareholders, agents or employees will be liable to any other parties hereto, the Borrower, the Collateral Manager or any other Person, except by reason of acts or omissions by the Collateral Administrator constituting willful misconduct or gross negligence of the Collateral Administrator's duties hereunder. The Collateral Administrator shall in no event have any liability for the actions or omissions of the Borrower, the Collateral Manager, the Custodian (but only if not the same Person as the Collateral Administrator) or any other Person, and shall have no liability for any inaccuracy or error in any duty performed by it that results from or is caused by inaccurate, untimely or incomplete information or data received by it from the Borrower, the Collateral Manager, the Custodian (but only if not the same Person as the Collateral Administrator) or another Person except to the extent that such inaccuracies or errors are caused by the Collateral Administrator's own bad faith, willful misconduct, gross negligence or reckless disregard of its duties hereunder. The Collateral Administrator shall not be liable for failing to perform or any delay in performing its specified duties hereunder which results from or is caused by a failure or delay on the part of the Borrower, the Collateral Manager, the Custodian (but only if not the same Person as the Collateral Administrator) or any other Person in furnishing necessary, timely and accurate information to the Collateral Administrator. The duties and obligations of the Collateral Administrator and its employees or agents shall be determined solely by the express provisions of this Agreement and they shall not be under any obligation or duty except for the performance of such duties and obligations as are specifically set forth herein, and no implied covenants shall be read into this Agreement against them.

(b) The Collateral Administrator may rely conclusively on any notice, certificate or other document (including telecopier or other electronically transmitted instructions, documents or information) furnished to it hereunder and reasonably believed by it in good faith to be genuine. The Collateral Administrator shall not be liable for any action taken by it in good faith and reasonably believed by it to be within the discretion or powers conferred upon it, or taken by it pursuant to any direction or instruction by which it is governed hereunder, or omitted to be taken by it by reason of the lack of direction or instruction required hereby for such action. The Collateral Administrator shall not be bound to make any investigation into the facts or matters stated in any certificate, report or other document; provided, however, that, if the form thereof is prescribed by this Agreement, the Collateral Administrator shall examine the same to determine whether it conforms on its face to the requirements hereof. The Collateral Administrator shall not be deemed to have knowledge or notice of any matter unless actually known to a Responsible Officer of the Collateral Administrator responsible for the administration of this Agreement. Under no circumstances shall the Collateral Administrator be liable for indirect, punitive, special or consequential damages under or pursuant to this Agreement, its duties or obligations hereunder or arising out of or relating to the subject matter hereof. It is expressly acknowledged by the Borrower and the Collateral Manager that application and performance by the Collateral Administrator of its various duties hereunder (including recalculations to be performed in respect of the matters contemplated hereby) shall be based upon, and in reliance upon, data and information provided to it by the Collateral Manager (and/or the Borrower) with respect to the Collateral, and the Collateral Administrator shall have no responsibility for the accuracy of any such information or data provided to it by such Persons. Nothing herein shall impose or imply any duty or obligation on the part of the Collateral Administrator to verify, investigate or audit any such information or data, or to determine or monitor on an independent basis whether any obligor under the Collateral is in default or in compliance with the underlying documents governing or securing such securities, from time to time, the role of the Collateral Administrator hereunder being solely to perform certain mathematical computations and data comparisons and to provide certain reports and other deliveries, as provided herein. For purposes of monitoring changes in ratings, the Collateral Administrator shall be entitled to use and rely (in good faith) exclusively upon one or more reputable electronic financial information reporting services, and shall have no liability for any inaccuracies in the information reported by, or other errors or omissions of, any such services.

(c) The Borrower shall, and hereby agrees to, reimburse, indemnify and hold harmless the Collateral Administrator and its affiliates, directors, officers, shareholders, agents and employees for and from any and all reasonable and documented out-of-pocket losses, damages, liabilities, demands, charges, costs, expenses (including the reasonable and documented out-of-pocket fees and expenses of outside counsel and other experts) and claims of any nature in respect of, or arising from any acts or omissions performed or omitted by the Collateral Administrator, its affiliates, directors, officers, shareholders, agents or employees pursuant to or in connection with the terms of this Agreement, or in the performance or observance of its duties or obligations under this Agreement; provided the same are in good faith and without willful misconduct and/or gross negligence on the part of the Collateral Administrator. For the avoidance of doubt, the obligations of the Borrower under this Section 4(c) shall be payable only in accordance with the order specified in the priorities set forth in Section 9.01 of the Credit Agreement and shall survive the termination of this Agreement and any earlier resignation or removal of the Collateral Administrator.

(d) Nothing herein shall obligate the Collateral Administrator to determine independently any characteristic of a Collateral Loan, or to evaluate or verify the Collateral Manager's characterization of any Collateral Loan, including whether any item of Collateral is a Delayed Drawdown Collateral Loan, Defaulted Collateral Loan, DIP Collateral Loan, Noteless Loan, PIK Loan, Partial PIK Loan, Credit Risk Collateral Loan, Eligible Loan, Ineligible Collateral Loan, Equity Security, First Lien Obligation, Second Lien Obligation, Specified Eligible Investment, Structured Finance Obligation, Certificated Security or Uncertificated Security, any such determination being based exclusively upon notification the Collateral Administrator receives from the Collateral Manager or from (or in its capacity as) the Collateral Agent (based upon notices received by the Collateral Agent from the obligor, trustee or agent bank under an underlying governing document, or similar source) and nothing herein shall obligate the Collateral Administrator to review or examine any underlying instrument or contract evidencing, governing or guaranteeing or securing any Collateral Loan in order to verify, confirm, audit or otherwise determine any characteristic thereof.

(e) Without limiting the generality of any terms of this Section 4, the Collateral Administrator shall have no liability for any failure, inability or unwillingness on the part of the Collateral Manager or the Borrower or the Collateral Agent, if not the same Person as the Collateral Administrator, to provide accurate and complete information on a timely basis to the Collateral Administrator, or otherwise on the part of any such party to comply with the terms of this Agreement or the Credit Agreement and shall have no liability for any inaccuracy or error in the performance or observance on the Collateral Administrator's part of any of its duties hereunder that is caused by or results from any such inaccurate, incomplete or untimely information received by it, or other failure on the part of any such other party to comply with the terms hereof.

5. No Joint Venture. Nothing contained in this Agreement (a) shall constitute the Borrower, the Collateral Administrator and the Collateral Manager as members of any partnership, joint venture, association, syndicate, unincorporated business or other separate entity, (b) shall be construed to impose any liability as such on any of them or (c) shall be deemed to confer on any of them any express, implied or apparent authority to incur any obligation or liability on behalf of the others.

6. Term. This Agreement shall continue in effect so long as the Credit Agreement remains in effect with respect to the Obligations, unless this Agreement has been previously terminated in accordance with Section 7 hereof.

7. Termination.

(a) This Agreement may be terminated without cause by any party upon not less than ninety (90) days' written notice to each other party. If at any time, prior to payment in full of all Obligations, the Collateral Administrator shall resign or be removed as Collateral Agent under the Credit Agreement, such resignation or removal shall be deemed a resignation or removal of the Collateral Administrator hereunder.

(b) At the option of the Borrower (with the prior written consent or at the direction of the Administrative Agent), this Agreement may be terminated upon thirty (30) days' written notice of termination from the Borrower (or the Collateral Manager on behalf of the Borrower) to the Collateral Administrator if any of the following events shall occur:

- (i) The Collateral Administrator shall, in violation of its duty of care hereunder, default in the performance of any of its material duties under this Agreement and shall not cure such default within thirty (30) days (or, if such default cannot be cured in such time, the Collateral Administrator shall not have given within thirty (30) days such assurance of cure as shall be reasonably satisfactory to the Borrower, the Collateral Manager and the Administrative Agent and cured such default within the time so assured);
- (ii) A court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Collateral Administrator in any involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appoint a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Collateral Administrator or for any substantial part of its property, or order the winding up or liquidation of its affairs; or

- (iii) The Collateral Administrator shall commence a voluntary case under applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator or similar official of the Collateral Administrator or for any substantial part of its property, or shall make any general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due.

If any of the events specified in clauses (ii) or (iii) of this Section 7(b) shall occur, the Collateral Administrator shall give written notice thereof to the Collateral Manager, the Administrative Agent and the Borrower within one (1) Business Day after the occurrence of such event.

(c) Except when the Collateral Administrator shall be removed pursuant to subsection (b) of this Section 7 or shall resign pursuant to subsection (d) of this Section 7, no removal or resignation of the Collateral Administrator shall be effective until the date as of which a successor collateral administrator reasonably acceptable to the Administrative Agent, the Borrower and the Collateral Manager shall have agreed in writing to assume all of the Collateral Administrator's duties and obligations pursuant to this Agreement and shall have executed and delivered an agreement in form and content reasonably satisfactory to the Administrative Agent, the Borrower, the Collateral Manager and the Collateral Agent. Upon any resignation or removal of the Collateral Administrator hereunder, the Borrower shall promptly, and in any case within thirty (30) days after the related notice of resignation or removal, appoint a qualified successor consented to by the Administrative Agent to act as collateral administrator hereunder and cause such successor collateral administrator to execute and deliver an agreement accepting such appointment as described in the preceding sentence. If the Borrower fails to appoint such a qualified successor which duly accepts its appointment by properly executing and delivering such an agreement within such time, the retiring Collateral Administrator shall be entitled to petition a court of competent jurisdiction for the appointment of a successor to serve as collateral administrator hereunder and shall be indemnified pursuant to Section 4(c) for the reasonable costs and expenses thereof.

(d) Notwithstanding the foregoing, the Collateral Administrator may resign its duties hereunder without any requirement that a successor collateral administrator be obligated hereunder and without any liability for further performance of any duties hereunder (i) immediately upon the termination (whether by resignation or removal) of BNYM as Collateral Agent under the Credit Agreement, or (ii) upon thirty (30) days' notice to the Collateral Manager and the Administrative Agent upon any reasonable determination by BNYM that the taking of any action, or performance of any duty, on its part as the Collateral Administrator pursuant to the terms of this Agreement would be in conflict with or in violation of its duties or obligations as the Collateral Agent under the Credit Agreement or (iii) upon at least sixty (60) days' prior written notice of termination to the Collateral Manager, the Administrative Agent and the Borrower upon the occurrence of any of the following events and the failure to cure such event within such sixty (60) day notice period: (A) failure of the Borrower to pay any of the amounts specified in Section 3 hereof within sixty (60) days after such amount is due pursuant to Section 3 hereof (to the extent not already paid to the Collateral Administrator pursuant to Section 9.01 of the Credit Agreement) or (B) failure of the Borrower to provide any indemnity payment to Collateral Administrator pursuant to the terms of this Agreement, as the case may be, within sixty (60) days of the receipt by the Borrower of the written request for such payment or reimbursement (to the extent not already paid to the Collateral Administrator pursuant to Section 9.01 of the Credit Agreement).

(e) Any corporation into which the Collateral Administrator may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Collateral Administrator shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Collateral Administrator, shall be the successor of the Collateral Administrator hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto.

8. Representations and Warranties.

(a) The Collateral Manager hereby represents and warrants to the Collateral Administrator and the Borrower as follows:

- (i) The Collateral Manager is a corporation duly organized and validly existing under the laws of the State of Maryland, with full power and authority to own and operate its assets and properties, conduct the business in which it is now engaged and to execute and deliver and perform its obligations under this Agreement and the other Facility Documents to which it is a party.
- (ii) The Collateral Manager is in good standing in the State of Maryland. The Collateral Manager is duly qualified to do business and, to the extent applicable, is in good standing in each other jurisdiction in which the nature of its business, assets and properties, including the performance of its obligations under this Agreement, the other Facility Documents to which it is a party and its Constituent Documents, requires such qualification, except where the failure to be so qualified or in good standing could not reasonably be expected to have a Material Adverse Effect.
- (iii) The execution and delivery by the Collateral Manager of, and the performance of its obligations under the Facility Documents to which it is a party and the other instruments, certificates and agreements contemplated thereby are within its powers and have been duly authorized by all requisite action by it and have been duly executed and delivered by it and constitute its legal, valid and binding obligations enforceable against it in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally or general principles of equity, regardless of whether considered in a proceeding in equity or at law.

- (iv) None of the execution and delivery by the Collateral Manager of this Agreement or the other Facility Documents to which it is a party, the consummation of the transactions herein or therein contemplated, or compliance by it with the terms, conditions and provisions hereof or thereof, will (1) conflict with, or result in a breach or violation of, or constitute a default under its Constituent Documents, (2) conflict with or contravene (A) any Applicable Law, (B) any indenture, agreement or other contractual restriction binding on or affecting it or any of its assets, including any Related Document, or (C) any order, writ, judgment, award, injunction or decree binding on or affecting it or any of its assets or properties or (3) result in a breach or violation of, or constitute a default under, or permit the acceleration of any obligation or liability in any contractual obligation or any agreement or document to which it is a party or by which it or any of its assets are bound (or to which any such obligation, agreement or document relates), except in the case of clause (1) above, where such conflicts, breaches, violations or defaults could not reasonably be expected to have a Material Adverse Effect.
- (v) The Collateral Manager has obtained, maintained and kept in full force and effect all Governmental Authorizations and Private Authorizations which are necessary for it to properly carry out its business, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect, and made all material Governmental Filings necessary for the execution and delivery by it of the Facility Documents to which it is a party, and the performance by the Collateral Manager of its obligations under this Agreement and the other Facility Documents to which it is a party, and no material Governmental Authorization, Private Authorization or Governmental Filing which has not been obtained or made is required to be obtained or made by it in connection with the execution and delivery by it of any Facility Document to which it is a party or the performance of its obligations under this Agreement and the other Facility Documents to which it is a party.
- (vi) The Collateral Manager has duly observed and complied in all material respects with all Applicable Laws relating to the conduct of its business and its assets. The Collateral Manager has preserved and kept in full force and effect its legal existence. The Collateral Manager has preserved and kept in full force and effect its rights, privileges, qualifications and franchises, except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect. Without limiting the foregoing, neither the Collateral Manager nor, to the Collateral Manager's knowledge, any Affiliate of the Collateral Manager is (1) a country, territory, organization, person or entity named on an OFAC list; (2) a Person that resides or has a place of business in a country or territory named on such lists or which is designated as a "NonCooperative Jurisdiction" by the Financial Action Task Force on Money Laundering, or whose subscription funds are transferred from or through such a jurisdiction; (3) a "Foreign Shell Bank" within the meaning of the PATRIOT Act, i.e., a foreign bank that does not have a physical presence in any country and that is not affiliated with a bank that has a physical presence and an acceptable level of regulation and supervision; or (4) a person or entity that resides in or is organized under the laws of a jurisdiction designated by the United States Secretary of the Treasury under Sections 311 or 312 of the PATRIOT Act as warranting special measures due to money laundering concerns. The Collateral Manager is in compliance with all applicable OFAC rules and regulations and also in compliance with all applicable provisions of the PATRIOT Act.

- (b) The Borrower hereby represents and warrants to the Collateral Administrator and the Collateral Manager as follows:
- (i) The Borrower is a limited liability company formed and validly existing under the laws of the State of Delaware, with full power and authority to own and operate its assets and properties, conduct the business in which it is now engaged and to execute and deliver and perform its obligations under this Agreement and the other Facility Documents to which it is a party.
 - (ii) The Borrower is in good standing in the State of Delaware. The Borrower is duly qualified to do business and, to the extent applicable, is in good standing in each other jurisdiction in which the nature of its business, assets and properties, including the performance of its obligations under this Agreement, the other Facility Documents to which it is a party and its Constituent Documents, requires such qualification, except where the failure to be so qualified or in good standing could not reasonably be expected to have a Material Adverse Effect.
 - (iii) The execution and delivery by the Borrower of, and the performance of its obligations under the Facility Documents to which it is a party and the other instruments, certificates and agreements contemplated thereby are within its powers and have been duly authorized by all requisite action by it and have been duly executed and delivered by it and constitute its legal, valid and binding obligations enforceable against it in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally or general principles of equity, regardless of whether considered in a proceeding in equity or at law.
 - (iv) None of the execution and delivery by the Borrower of this Agreement or the other Facility Documents to which it is a party, the Borrowings or the pledge of the Collateral hereunder, the consummation of the transactions herein or therein contemplated, or compliance by it with the terms, conditions and provisions hereof or thereof, will (1) conflict with, or result in a breach or violation of, or constitute a default under its Constituent Documents, (2) conflict with or contravene (A) any Applicable Law, (B) any indenture, agreement or other contractual restriction binding on or affecting it or any of its assets, including any Related Document, or (C) any order, writ, judgment, award, injunction or decree binding on or affecting it or any of its assets or properties or (3) result in a breach or violation of, constitute a default under, or permit the acceleration of any obligation or liability in, any contractual obligation or any agreement or document to which it is a party or by which it or any of its assets are bound (or to which any such obligation, agreement or document relates).

- (v) The Borrower has obtained, maintained and kept in full force and effect all Governmental Authorizations and Private Authorizations which are necessary for it to properly carry out its business, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect, and made all material Governmental Filings necessary for the execution and delivery by it of the Facility Documents to which it is a party, the Borrowings by the Borrower under this Agreement, the pledge of the Collateral by the Borrower under this Agreement and the performance by the Borrower of its obligations under this Agreement and the other Facility Documents to which it is a party, and no material Governmental Authorization, Private Authorization or Governmental Filing which has not been obtained or made is required to be obtained or made by it in connection with the execution and delivery by it of any Facility Document to which it is a party, the Borrowings by the Borrower under this Agreement, the pledge of the Collateral by the Borrower under this Agreement or the performance of its obligations under this Agreement and the other Facility Documents to which it is a party.

- (vi) The Borrower has duly observed and complied in all material respects with all Applicable Laws relating to the conduct of its business and its assets. The Borrower has preserved and kept in full force and effect its legal existence. The Borrower has preserved and kept in full force and effect its rights, privileges, qualifications and franchises, except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect. Without limiting the foregoing, neither the Borrower nor to the Borrower's knowledge, any Affiliate of the Borrower is (1) a country, territory, organization, person or entity named on an OFAC list; (2) a Person that resides or has a place of business in a country or territory named on such lists or which is designated as a "NonCooperative Jurisdiction" by the Financial Action Task Force on Money Laundering, or whose subscription funds are transferred from or through such a jurisdiction; (3) a "Foreign Shell Bank" within the meaning of the PATRIOT Act, i.e., a foreign bank that does not have a physical presence in any country and that is not affiliated with a bank that has a physical presence and an acceptable level of regulation and supervision; or (4) a person or entity that resides in or is organized under the laws of a jurisdiction designated by the United States Secretary of the Treasury under Sections 311 or 312 of the PATRIOT Act as warranting special measures due to money laundering concerns. The Borrower is in compliance with all applicable OFAC rules and regulations and also in compliance with all applicable provisions of the PATRIOT Act.

(c) The Collateral Administrator hereby represents and warrants to the Collateral Manager and the Borrower as follows:

- (i) The Collateral Administrator is a national banking association duly organized, validly existing and in good standing under the laws of the United States of America and has full organizational power and authority to execute, deliver and perform this Agreement and all obligations required hereunder and has taken all necessary corporate action to authorize this Agreement on the terms and conditions hereof, the execution, delivery and performance of this Agreement and all obligations required hereunder. No consent of any other Person including stockholders or other equity holders and creditors of the Collateral Administrator, and no license, permit, approval or authorization of, exemption by, notice or report to, or registration, filing or declaration with, any governmental authority, except those that have been obtained, is required by the Collateral Administrator in connection with this Agreement or the execution, delivery, performance, validity or enforceability of this Agreement and the obligations imposed upon it hereunder. When executed and delivered by the Collateral Administrator and the other parties hereto, this Agreement will constitute the legal, valid and binding obligations of the Collateral Administrator enforceable against the Collateral Administrator in accordance with its terms, subject, as to enforcement, (a) to the effect of bankruptcy, insolvency or similar laws affecting generally the enforcement of creditors' rights as such laws would apply in the event of any bankruptcy, receivership, insolvency or similar event applicable to the Collateral Administrator and (b) to general equitable principles (whether enforceability of such principles is considered in a proceeding at law or in equity).
- (ii) The execution, delivery and performance of this Agreement and the documents and instruments required hereunder will not violate any provision of any existing law or regulation binding on the Collateral Administrator, or any order, judgment, award or decree of any court, arbitrator or governmental authority binding on the Collateral Administrator, or the articles of association or by-laws, as amended, of the Collateral Administrator.

9. Amendments. This Agreement may not be amended, changed, modified or terminated (except as otherwise expressly provided herein) except by the Collateral Manager, the Borrower and the Collateral Administrator in writing with the prior written consent of the Administrative Agent.

10. Governing Law. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT AND ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK (WITHOUT REGARD TO ITS CHOICE OF LAWS RULES OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

11. Submission to Jurisdiction; Waivers; Etc. Each party hereto hereby irrevocably and unconditionally (a) submits for itself and its property in any legal action or proceeding relating to this Agreement or the other Facility Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York in the Borough of Manhattan, the courts of the United States of America for the Southern District of New York, and the appellate courts of any of them; (b) consents that any such action or proceeding may be brought in any court described in Section 11(a) and waives to the fullest extent permitted by Applicable Law any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same; (c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such party at its address set forth in Section 13 or at such other address as may be permitted thereunder; (d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law; and (e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding against any Secured Party arising out of or relating to this Agreement or the other Facility Documents any special, exemplary, punitive or consequential damages.

12. IMPORTANT WAIVERS.

(a) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER FACILITY DOCUMENT OR FOR ANY COUNTERCLAIM HEREIN OR THEREIN OR RELATING HERETO OR THERETO, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF THE EQUITYHOLDER, THE BORROWER, THE COLLATERAL MANAGER, THE AGENTS OR ANY OTHER AFFECTED PERSON. EACH PARTY HERETO ACKNOWLEDGES AND AGREES THAT IT HAS RECEIVED FULL AND SUFFICIENT CONSIDERATION FOR THIS PROVISION (AND EACH OTHER PROVISION OF EACH OTHER FACILITY DOCUMENT TO WHICH IT IS A PARTY) AND THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR ITS ENTERING INTO THIS AGREEMENT AND EACH SUCH OTHER FACILITY DOCUMENT. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY HEREBY WAIVES ANY RIGHT TO CLAIM OR RECOVER IN ANY LITIGATION WHATSOEVER INVOLVING ANY INDEMNIFIED PARTY, ANY SPECIAL, EXEMPLARY, PUNITIVE, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND OR NATURE WHATSOEVER OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES, WHETHER SUCH WAIVED DAMAGES ARE BASED ON STATUTE, CONTRACT, TORT, COMMON LAW OR ANY OTHER LEGAL THEORY, WHETHER THE LIKELIHOOD OF SUCH DAMAGES WAS KNOWN AND REGARDLESS OF THE FORM OF THE CLAIM OF ACTION. NO PARTY OR INDEMNIFIED PARTY SHALL BE LIABLE FOR ANY DAMAGES ARISING FROM THE USE BY UNINTENDED RECIPIENTS OF ANY INFORMATION OR OTHER MATERIALS DISTRIBUTED BY IT THROUGH TELECOMMUNICATIONS, ELECTRONIC OR OTHER INFORMATION TRANSMISSION SYSTEMS IN CONNECTION WITH ANY FACILITY DOCUMENT OR THE TRANSACTIONS; PROVIDED THAT THE FOREGOING SHALL NOT LIMIT THE INDEMNIFICATION OBLIGATIONS OF THE BORROWER PURSUANT TO SECTION 4(C) EACH PARTY CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY OR AN INDEMNIFIED PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT BUYER OR AN INDEMNIFIED PARTY WOULD NOT SEEK TO ENFORCE ANY OF THE WAIVERS IN THIS SECTION 12 IN THE EVENT OF LITIGATION OR OTHER CIRCUMSTANCES. THE SCOPE OF SUCH WAIVERS IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THE FACILITY DOCUMENTS, REGARDLESS OF THEIR LEGAL THEORY. EACH PARTY ACKNOWLEDGES THAT THE WAIVERS IN THIS SECTION 12 ARE A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT SUCH PARTY HAS ALREADY RELIED ON SUCH WAIVERS IN ENTERING INTO THE FACILITY DOCUMENTS, AND THAT SUCH PARTY WILL CONTINUE TO RELY ON SUCH WAIVERS IN THEIR RELATED FUTURE DEALINGS UNDER THE FACILITY DOCUMENTS. EACH PARTY FURTHER REPRESENTS AND WARRANTS THAT IT HAS REVIEWED SUCH WAIVERS WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS RIGHT TO A JURY TRIAL AND OTHER RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THE WAIVERS IN THIS SECTION 12 ARE IRREVOCABLE, MEANING THAT THEY MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND SHALL APPLY TO ANY AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO ANY OF THE FACILITY DOCUMENTS. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT. THE PROVISIONS OF THIS SECTION 12 SHALL SURVIVE TERMINATION OF THE FACILITY DOCUMENTS AND THE INDEFEASIBLE PAYMENT IN FULL OF THE OBLIGATIONS.

13. Notices. Any notice, report or other communication given hereunder shall be delivered in writing, electronically, via facsimile or addressed to the address for each such party set forth in the Credit Agreement, or to such other address as any party shall have provided to the other parties in writing. All notices required or permitted to be given hereunder shall be in writing and shall be deemed given if such notice is mailed by first class mail, postage prepaid, hand delivered, sent by overnight courier service guaranteeing next day delivery or sent by electronic mail or by telecopy (facsimile) in legible form to the address of such party as provided above. The Collateral Administrator agrees to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided that any person providing such instructions or directions shall provide to the Collateral Administrator an incumbency certificate listing such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Borrower or the Collateral Manager elects to give the Collateral Administrator e-mail or facsimile instructions (or instructions by a similar electronic method), the Collateral Administrator's understanding of such instructions shall be deemed controlling. The Collateral Administrator shall not be liable for any losses, costs or expenses arising directly or indirectly from the Collateral Administrator's reasonable, good faith reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction, unless such subsequent written instruction expressly revokes such prior instruction and the Collateral Administrator had not yet commenced compliance with such prior instruction. Each of the Borrower and the Collateral Manager agrees to assume all risks arising out of their respective use of such electronic methods to submit instructions and directions to the Collateral Administrator, including without limitation the risk of the Collateral Administrator acting on unauthorized instructions, and the risk of interception and misuse by third parties.

14. Successors and Assigns. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of each of the Collateral Manager, the Borrower and the Collateral Administrator; provided, however, that the Collateral Administrator may not assign its rights and obligations hereunder without the prior written consent of the Collateral Manager, the Administrative Agent and the Borrower, except that the Collateral Administrator may delegate to, employ as agent, or otherwise cause any duty or obligation hereunder to be performed by, any direct or indirect wholly owned subsidiary of the Collateral Administrator or its successors without the prior written consent of the Collateral Manager, the Administrative Agent or the Borrower (provided that in such event the Collateral Administrator shall remain responsible for the performance of its duties as the Collateral Administrator hereunder). Notwithstanding the foregoing, the Collateral Administrator consents to the pledge of its rights under this Agreement by the Borrower to the Collateral Agent, as provided in the granting language set forth in Section 7.01 of the Credit Agreement. The parties hereto, and their successors and assigns intend that the Administrative Agent shall be a third party beneficiary of this Agreement.

15. Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement. Delivery of an executed signature page of this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart hereof.

16. Severability. Any provision of this Agreement or any other Facility Document which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

17. Conflict with the Credit Agreement. If this Agreement shall require that any action be taken with respect to any matter and the Credit Agreement shall require that a different action be taken with respect to such matter, and such actions shall be mutually exclusive, or if this Agreement should otherwise conflict with the Credit Agreement, the Collateral Administrator shall notify the Collateral Manager and act in accordance with the Collateral Manager's instructions.

18. Subordination. The Collateral Administrator agrees that the payment of all amounts to which it is entitled pursuant to this Agreement shall be subordinated to the extent set forth in the Credit Agreement (as if it were a party to the Credit Agreement, in the case of any successor Collateral Administrator that is not also serving as Collateral Agent under the Credit Agreement).

19. Survival. Notwithstanding anything herein to the contrary, Section 4 and all indemnifications set forth or provided for in this Agreement shall survive the termination of this Agreement.

20. No Petition in Bankruptcy. The Collateral Administrator agrees not to file or join in the filing of an involuntary petition in bankruptcy against the Borrower for the nonpayment of the Collateral Administrator's fees or other amounts payable by the Borrower under this Agreement until the payment in full of all Obligations issued under the Credit Agreement and the expiration of a period equal to one year and one day or, if longer, the applicable preference period under the Bankruptcy Code plus ten (10) days following said payment. The provisions of this Section 20 shall survive termination of this Agreement.

21. Limited Recourse Against Borrower. Notwithstanding any other provision of this Agreement, each of the parties hereto hereby agrees that any obligations of the Borrower under this Agreement are limited recourse obligations of the Borrower, payable solely from the Collateral in accordance with Article IX of the Credit Agreement, and following realization of the Collateral, all obligations of the Borrower under this Agreement and any claims of a party hereto shall be extinguished and shall not thereafter revive. No recourse shall be had against any officer, director, employee, manager or member of the Borrower or its successors and assigns for the payment of any amounts payable under this Agreement. The provisions of this Section 21 shall survive the termination of this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Collateral Administration Agreement to be executed and delivered as of the day first above written.

OXFORD SQUARE FUNDING 2018, LLC,
as Borrower

By: _____
Name:
Title:

OXFORD SQUARE CAPITAL CORP., as Collateral Manager

By: _____
Name:
Title:

[Signature Page to Collateral Administration Agreement]

THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL
ASSOCIATION, as Collateral Administrator

By: _____
Name:
Title:

[Signature Page to Collateral Administration Agreement]

ACKNOWLEDGED AND AGREED TO BY:

CITIBANK, N.A., as Administrative Agent

By: _____
Name:
Title:

[Signature Page to Collateral Administration Agreement]

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Section 5: EX-99.1 (EXHIBIT 99.1)

Exhibit 99.1

OXSQ Announces New Credit Facility

GREENWICH, CT – 6/21/2018 – Oxford Square Capital Corp. (NasdaqGS: OXSQ) (NasdaqGS: OXSQL) (the “Company,” “we,” “us,” or “our”) announced today that on June 21, 2018, Oxford Square Funding 2018, LLC (“OXSQ Funding”), a special purpose vehicle that is a wholly-owned subsidiary of the Company, entered into a credit facility (the “Facility”) with Citibank, N.A. Pricing under the Facility is generally based on 3-month LIBOR plus 2.25% per annum. Pursuant to the terms of the credit agreement governing the Facility, OXSQ Funding has borrowed approximately \$95.2 million. The Facility will mature on June 21, 2020, and is subject to periodic repayment prior to such date from collections on OXSQ Funding’s loan assets and certain other mandatory payment requirements.

About Oxford Square Capital Corp.

Oxford Square Capital Corp. is a publicly-traded business development company principally investing in syndicated bank loans and debt and equity tranches of collateralized loan obligation (“CLO”) vehicles. CLO investments may also include warehouse facilities, which are financing structures intended to aggregate loans that may be used to form the basis of a CLO vehicle.

Forward-Looking Statements

This press release contains forward-looking statements subject to the inherent uncertainties in predicting future results and conditions. Any statements that are not statements of historical fact (including, but not limited to, statements containing the words “believes,” “plans,” “anticipates,” “expects,” “estimates” and similar expressions) should also be considered to be forward-looking statements. Certain factors could cause actual results and conditions to differ materially from those projected in these forward-looking statements. These factors are identified from time to time in our filings with the Securities and Exchange Commission. We undertake no obligation to update such statements to reflect subsequent events, except as may be required by law.

Contact:
Bruce Rubin
203-983-5280

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