

**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): **May 17, 2012**

FS Investment Corporation

(Exact name of Registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

814-00757
(Commission
File Number)

26-1630040
(I.R.S. Employer
Identification No.)

Cira Centre
2929 Arch Street, Suite 675
Philadelphia, Pennsylvania
(Address of principal executive offices)

19104
(Zip Code)

Registrant's telephone number, including area code: **(215) 495-1150**

None
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing 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))
-

Item 1.01 Entry into a Material Definitive Agreement.

On May 17, 2012, FS Investment Corporation's ("FSIC") newly-formed, wholly-owned, special purpose financing subsidiary, Walnut Street Funding LLC ("Walnut Street"), entered into a revolving credit facility (the "Credit Facility") with Wells Fargo Securities, LLC, as administrative agent, and Wells Fargo Bank, National Association (collectively with Wells Fargo Securities, LLC, "Wells Fargo"), as the sole lender, collateral agent, account bank and collateral custodian under the Credit Facility. The Credit Facility provides for borrowings in an aggregate principal amount up to \$250,000,000 on a committed basis.

FSIC may contribute cash or loans to Walnut Street from time to time and will retain a residual interest in any assets contributed through its ownership of Walnut Street or will receive fair market value for any loans sold to Walnut Street. Walnut Street may purchase additional loans from various sources. Walnut Street has appointed FSIC to manage its portfolio of loans pursuant to the terms of a collateral management agreement. Walnut Street's obligations to Wells Fargo under the Credit Facility are secured by a first priority security interest in substantially all of the assets of Walnut Street, including its portfolio of loans. The obligations of Walnut Street under the Credit Facility are non-recourse to FSIC.

Pricing under the Credit Facility is based on the London Interbank Offered Rate ("LIBOR") for an interest period equal to the weighted average LIBOR interest period of eligible loans owned by Walnut Street, plus a spread ranging between 1.50% and 2.75% per annum, depending on the composition of the portfolio of loans for the relevant period. Interest is payable quarterly in arrears. Beginning four months after May 17, 2012, Walnut Street will be subject to a non-usage fee to the extent the aggregate principal amount available under the Credit Facility has not been borrowed. Any amounts borrowed under the Credit Facility will mature, and all accrued and unpaid interest thereunder will be due and payable, on May 17, 2017. Walnut Street paid a structuring fee and incurred certain other customary costs and expenses in connection with obtaining the Credit Facility.

Borrowings under the Credit Facility are subject to compliance with a borrowing base, pursuant to which the amount of funds advanced to Walnut Street varies depending upon the types of loans in Walnut Street's portfolio.

The occurrence of certain events described as "Collateral Control Events" in the credit agreement which governs the Credit Facility triggers (i) a requirement that Walnut Street obtain the consent of Wells Fargo prior to entering into any transaction with respect to portfolio assets and (ii) the right of Wells Fargo to direct Walnut Street to enter into transactions with respect to any portfolio assets, in each case in Wells Fargo's sole discretion. Collateral Control Events include non-performance of any obligation under the transaction documents by Walnut Street, FSIC, FB Income Advisor, LLC, FSIC's investment adviser, or GSO / Blackstone Debt Funds Management LLC, FSIC's investment sub-adviser, and other events with respect to such entities that are adverse to Wells Fargo and the secured parties under the Credit Facility.

In connection with the Credit Facility, Walnut Street has made certain representations and warranties and is required to comply with various covenants, reporting requirements and other customary requirements for similar facilities. In addition to customary events of default included in financing transactions, the Credit Facility contains the following events of default: (a) the failure to make principal payments when due or interest payments within three business days of when due; (b) a borrowing base deficiency that is not cured in accordance with the terms of the Credit Facility; (c) the insolvency or bankruptcy of Walnut Street or FSIC; (d) the resignation or removal of FSIC as collateral manager; (e) the failure of FSIC to maintain an asset coverage ratio of greater than or equal to 2:1; (f) the failure of FSIC to have a net asset value of at least \$200,000,000; and (g) the failure of Walnut Street to qualify as a bankruptcy-remote entity. Upon the occurrence and during the continuation of an event of default, Wells Fargo may declare the outstanding advances and all other obligations under the Credit Facility immediately due and payable. During the continuation of an event of default, Walnut Street must pay interest at a default rate.

Borrowings of Walnut Street will be considered borrowings of FSIC for purposes of complying with the asset coverage requirements under the Investment Company Act of 1940, as amended, applicable to business development companies.

The foregoing descriptions of the Credit Facility and related agreements as set forth in this Item 1.01 are summaries only and are each qualified in all respects by the provisions of such agreements, copies of which are attached hereto as Exhibits 10.1 through 10.4 and are incorporated by reference herein.

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

The information in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.03.

Forward-Looking Statements

This Current Report on Form 8-K may contain certain forward-looking statements, including statements with regard to the future performance of FSIC. Words such as “believes,” “expects,” “projects,” and “future” or similar expressions are intended to identify forward-looking statements. These forward-looking statements are subject to the inherent uncertainties in predicting future results and conditions. Certain factors could cause actual results to differ materially from those projected in these forward-looking statements, and some of these factors are enumerated in the filings FSIC makes with the Securities and Exchange Commission. FSIC undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

EXHIBIT NUMBER	DESCRIPTION
10.1	Loan and Servicing Agreement, dated as of May 17, 2012, among Walnut Street Funding LLC, Wells Fargo Securities, LLC, Wells Fargo Bank, National Association, and the other lender parties thereto.
10.2	Purchase and Sale Agreement, dated as of May 17, 2012, by and between Walnut Street Funding LLC and FS Investment Corporation.
10.3	Collateral Management Agreement, dated as of May 17, 2012, by and between Walnut Street Funding LLC and FS Investment Corporation.
10.4	Securities Account Control Agreement, dated as of May 17, 2012, by and between Walnut Street Funding LLC and Wells Fargo Bank, National Association.

SIGNATURE

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

FS Investment Corporation

Date: May 18, 2012

By: /s/ Michael C. Forman
Michael C. Forman
President and Chief Executive Officer

EXHIBIT INDEX

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U.S. \$250,000,000

LOAN AND SERVICING AGREEMENT

Dated as of May 17, 2012

Among

WALNUT STREET FUNDING LLC,
as the Borrower

WELLS FARGO SECURITIES, LLC,
as the Administrative Agent

EACH OF THE CONDUIT LENDERS AND INSTITUTIONAL LENDERS FROM TIME TO TIME PARTY HERETO,
as the Lenders

EACH OF THE LENDER AGENTS FROM TIME TO TIME PARTY HERETO,
as the Lender Agents

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as the Collateral Agent, Account Bank and Collateral Custodian

TABLE OF CONTENTS

Page

ARTICLE I.

DEFINITIONS

Section 1.01	Certain Defined Terms	1
Section 1.02	Other Terms	40
Section 1.03	Computation of Time Periods	40
Section 1.04	Instruction by Borrower Advisors	40
Section 1.05	Paydown of Partially Eligible Loans	41
Section 1.06	Interpretation	41

ARTICLE II.

THE FACILITY

Section 2.01	Variable Funding Note and Advances	42
Section 2.02	Procedure for Advances	43
Section 2.03	Yield and Non-Usage Fees	44
Section 2.04	Remittance Procedures	44
Section 2.05	Instructions to the Collateral Agent and the Account Bank	48
Section 2.06	Borrowing Base Deficiency Payments	48
Section 2.07	Discretionary Sales, Substitutions, Lien Release Dividends and Purchases	49
Section 2.08	Payments and Computations, Etc	53
Section 2.09	Increased Costs; Capital Adequacy	54
Section 2.10	Taxes	56
Section 2.11	Assignment of Certain Documents	58
Section 2.12	Grant of a Security Interest	58
Section 2.13	Evidence of Debt	59
Section 2.14	Survival of Representations and Warranties	59
Section 2.15	Release of Loans	60
Section 2.16	Treatment of Amounts Received by the Borrower	60
Section 2.17	Repayment; Reduction of Commitments	60
Section 2.18	Collections and Allocations	61
Section 2.19	Reinvestment of Principal Collections	62
Section 2.20	Commitment Increases and Joinder of New Lenders	63
Section 2.21	Defaulting Lenders	63

ARTICLE III.
CONDITIONS PRECEDENT

Section 3.01	Conditions Precedent to Effectiveness	65
Section 3.02	Conditions Precedent to All Advances	68
Section 3.03	Advances Do Not Constitute a Waiver	70

ARTICLE IV.
REPRESENTATIONS AND WARRANTIES

Section 4.01	Representations and Warranties of the Borrower	70
Section 4.02	Representations and Warranties of the Borrower Relating to the Agreement and the Collateral Portfolio	78
Section 4.03	Representations and Warranties of the Collateral Agent	79
Section 4.04	Representations and Warranties of each Lender	79
Section 4.05	Representations and Warranties of the Collateral Custodian	79

ARTICLE V.
GENERAL COVENANTS

Section 5.01	Affirmative Covenants of the Borrower	80
Section 5.02	Negative Covenants of the Borrower	86
Section 5.03	Affirmative Covenants of the Collateral Agent	89
Section 5.04	Negative Covenants of the Collateral Agent	90
Section 5.05	Affirmative Covenants of the Collateral Custodian	90
Section 5.06	Negative Covenants of the Collateral Custodian	90

ARTICLE VI.
ADMINISTRATION AND SERVICING OF CONTRACTS

Section 6.01	[Reserved]	91
Section 6.02	Collateral Management Duties	91
Section 6.03	Authorization of the Collateral Manager	91
Section 6.04	Collection of Payments; Accounts	92
Section 6.05	Management of REO Assets	93
Section 6.06	[Reserved]	94
Section 6.07	Reports to the Administrative Agent; Account Statements; Servicing Information	94
Section 6.08	Annual Statement as to Compliance	96
Section 6.09	Annual Independent Public Accountant's Review of Collateral Management Reports	96
Section 6.10	[Reserved]	97
Section 6.11	Collateral Control Events	97

ARTICLE VII.
EVENTS OF DEFAULT

Section 7.01	Events of Default	99
Section 7.02	Additional Remedies of the Administrative Agent	103

ARTICLE VIII.
INDEMNIFICATION

Section 8.01	Indemnities by the Borrower	105
Section 8.02	Notices	108
Section 8.03	Legal Proceedings	108
Section 8.04	After-Tax Basis	109

ARTICLE IX.
THE ADMINISTRATIVE AGENT AND LENDER AGENTS

Section 9.01	The Administrative Agent	109
Section 9.02	The Lender Agents	112
Section 9.03	Non-Receipt of Funds by the Administrative Agent	115

ARTICLE X.
COLLATERAL AGENT

Section 10.01	Designation of Collateral Agent	115
Section 10.02	Duties of Collateral Agent	116
Section 10.03	Merger or Consolidation	118
Section 10.04	Collateral Agent Compensation	118
Section 10.05	Collateral Agent Removal	118
Section 10.06	Limitation on Liability	118
Section 10.07	Collateral Agent Resignation	120

ARTICLE XI.
COLLATERAL CUSTODIAN

Section 11.01	Designation of Collateral Custodian	120
Section 11.02	Duties of Collateral Custodian	121
Section 11.03	Merger or Consolidation	123
Section 11.04	Collateral Custodian Compensation	123

Section 11.05	Collateral Custodian Removal	123
Section 11.06	Limitation on Liability	124
Section 11.07	Collateral Custodian Resignation	125
Section 11.08	Release of Documents	125
Section 11.09	Return of Required Loan Documents	126
Section 11.10	Access to Certain Documentation and Information Regarding the Collateral Portfolio; Due Diligence on the Borrower Advisors	126
Section 11.11	Bailment	127

ARTICLE XII.

MISCELLANEOUS

Section 12.01	Amendments and Waivers	127
Section 12.02	Notices, Etc	129
Section 12.03	No Waiver; Remedies	129
Section 12.04	Binding Effect; Assignability; Multiple Lenders	129
Section 12.05	Term of This Agreement	130
Section 12.06	GOVERNING LAW; JURY WAIVER	130
Section 12.07	Costs, Expenses and Taxes	131
Section 12.08	No Proceedings	131
Section 12.09	Recourse Against Certain Parties	132
Section 12.10	Execution in Counterparts; Severability; Integration	134
Section 12.11	Consent to Jurisdiction; Service of Process	134
Section 12.12	Characterization of Conveyances Pursuant to the Purchase and Sale Agreement	134
Section 12.13	Confidentiality	136
Section 12.14	Non-Confidentiality of Tax Treatment	137
Section 12.15	Waiver of Set Off	137
Section 12.16	Headings and Exhibits	137
Section 12.17	Ratable Payments	138
Section 12.18	Failure of Borrower or Collateral Manager to Perform Certain Obligations	138
Section 12.19	Power of Attorney	138
Section 12.20	Intent of the Parties	138
Section 12.21	Limitation on Liability	139

LIST OF SCHEDULES AND EXHIBITS

SCHEDULES

SCHEDULE I	Prior Names, Tradenames, Fictitious Names and “Doing Business As” Names
SCHEDULE II	Agreed-Upon Procedures For Independent Public Accountants
SCHEDULE III	Moody’s Industry Classification Group List

EXHIBITS

EXHIBIT A	Form of Approval Notice
EXHIBIT B	Intentionally Omitted
EXHIBIT C	Form of Borrowing Base Certificate
EXHIBIT D	Form of Disbursement Request
EXHIBIT E	Form of Joinder Supplement
EXHIBIT F	Form of Notice of Borrowing
EXHIBIT G	Form of Notice of Reduction (Reduction of Advances Outstanding)
EXHIBIT H	Form of Notice of Reduction (Reduction of Maximum Facility Amount)
EXHIBIT I	Form of Variable Funding Note
EXHIBIT J	Form of Certificate of Closing Attorneys
EXHIBIT K	Form of Collateral Management Report
EXHIBIT L	Form of Collateral Manager Certificate (Collateral Management Report)
EXHIBIT M	Form of Release of Required Loan Documents
EXHIBIT N	Form of Transferee Letter
EXHIBIT O	Intentionally Omitted
EXHIBIT P	Form of Officer’s Certificate (Solvency)
EXHIBIT Q	Form of Notice and Request for Consent to Lien Release Dividend

ANNEXES

ANNEX A	Addresses for Notices
ANNEX B	Commitments

THIS LOAN AND SERVICING AGREEMENT (as amended, modified, waived, supplemented, restated or replaced from time to time, this "Agreement") is made as of May 17, 2012, among:

(1) WALNUT STREET FUNDING LLC, a Delaware limited liability company (together with its successors and assigns in such capacity, the "Borrower");

(2) EACH OF THE CONDUIT LENDERS FROM TIME TO TIME PARTY HERETO (together with its respective successors and assigns in such capacity, each a "Conduit Lender" and collectively, the "Conduit Lenders");

(3) EACH OF THE INSTITUTIONAL LENDERS FROM TIME TO TIME PARTY HERETO (together with its respective successors and assigns in such capacity, each an "Institutional Lender", collectively, the "Institutional Lenders" and, together with the Conduit Lenders, the "Lenders");

(4) EACH OF THE LENDER AGENTS FROM TIME TO TIME PARTY HERETO (together with its respective successors and assigns in such capacity, each a "Lender Agent" and collectively, the "Lender Agents");

(5) WELLS FARGO SECURITIES, LLC, as Administrative Agent (together with its successors and assigns in such capacity, the "Administrative Agent"); and

(6) WELLS FARGO BANK, NATIONAL ASSOCIATION, as the Collateral Agent (together with its successors and assigns in such capacity, the "Collateral Agent"), the Account Bank (as defined herein) and the Collateral Custodian (together with its successors and assigns in such capacity, the "Collateral Custodian").

PRELIMINARY STATEMENT

The Lenders have agreed, on the terms and conditions set forth herein, to provide a secured revolving credit facility which shall provide for Advances under the Variable Funding Note(s) from time to time in an aggregate principal amount not to exceed the Borrowing Base. The proceeds of the Advances will be used to finance the Borrower's purchase of Eligible Loans either (i) from the Seller pursuant to the Purchase and Sale Agreement between the Borrower and the Seller or (ii) that the Borrower funds or acquires from a third party seller as approved by the Administrative Agent in accordance herewith. Accordingly, the parties agree as follows:

ARTICLE I.

DEFINITIONS

Section 1.01 Certain Defined Terms.

(a) Certain capitalized terms used throughout this Agreement are defined above or in this Section 1.01.

(b) As used in this Agreement and the exhibits, schedules and annexes thereto (each of which is hereby incorporated herein and made a part hereof), the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

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

“Account Bank” means Wells Fargo, in its capacity as the “Securities Intermediary” pursuant to the Securities Account Control Agreement.

“Action” has the meaning assigned to that term in Section 8.06.

“Additional Amount” has the meaning assigned to that term in Section 2.10(a).

“Adjusted Borrowing Value” means for any Eligible Loan on any date of determination, an amount equal to the Assigned Value of such Eligible Loan at such time *multiplied* by the Outstanding Balance of such Loan; provided that the parties hereby agree that the Adjusted Borrowing Value of any Loan that is no longer an Eligible Loan shall be zero.

“Administrative Agent” means Wells Fargo Securities, LLC, in its capacity as administrative agent for the Lender Agents, together with its successors and assigns, including any successor appointed pursuant to Article IX.

“Advance” means each loan advanced by the Lenders to the Borrower on an Advance Date pursuant to Article II.

“Advance Date” means, with respect to any Advance, the date on which such Advance is made.

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

“Advisory Agreements” means (i) the Collateral Advisor Agreement and (ii) the Investment Sub-Advisory Agreement between the Collateral Advisor and the Collateral Sub-Advisor.

“Affected Party” has the meaning assigned to that term in Section 2.09(a).

“Affiliate” means, when used with respect to a Person, any other Person controlling, controlled by or under common control with such Person. For the purposes of this definition, “control” means, when used with respect to any specified Person, the power to vote 20% or more of the voting securities of such Person or to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing; provided, that for purposes of determining whether any Loan is an Eligible Loan, the term Affiliate shall not include any Affiliate relationship which may exist solely as a result of direct or indirect ownership of, or control by, a common Financial Sponsor.

“Agented Loan” means any Loan other than a Third Party Agented Loan (i) originated by the Seller as a part of a syndicated loan transaction that has been closed (without regard to any contemporaneous or subsequent syndication of such Loan) prior to the Pledge of such Loan, (ii) with respect to which the Seller is the administrative agent, and (iii) with respect to which, upon an assignment of the promissory note under the Purchase and Sale Agreement to the Borrower, the Borrower, as assignee of the note, will have all of the rights but none of the obligations of the Seller with respect to such note and the Underlying Collateral.

“Agreement” has the meaning assigned in the preamble hereto.

“Applicable Law” means for any Person all existing and future laws, rules, regulations (including temporary and final income tax regulations), statutes, treaties, codes, ordinances, permits, certificates, orders, licenses of and interpretations by any Governmental Authority applicable to such Person (including, without limitation, predatory and abusive lending laws, usury laws, the Federal Truth-in-Lending Act, the Equal Credit Opportunity Act, the Fair Credit Billing Act, the Fair Credit Reporting Act, the Fair Debt Collection Practices Act, the Federal Trade Commission Act, the Magnuson-Moss Warranty Act, the Federal Reserve Board’s Regulations “B” and “Z”, the Servicemembers Civil Relief Act of 2003 and state adaptations of the National Consumer Act and of the Uniform Consumer Credit Code and all other consumer credit laws and equal credit opportunity and disclosure laws) and applicable judgments, decrees, injunctions, writs, awards or orders of any court, arbitrator or other administrative, judicial, or quasi-judicial tribunal or agency of competent jurisdiction.

“Applicable Percentage” means, for each Eligible Loan, the corresponding percentage for the type of Loan (such type to be determined as of the Cut-Off Date of each Loan and set forth on the Approval Notice pertaining to such Loan) set forth below:

<u>Loan Type</u>	<u>Applicable Percentage</u>
Broadly Syndicated Loan	75.0%
Large Middle Market Loan	70.0%
Traditional Middle Market Loan	67.5%
Fixed Rate Loan	50.0%
Second Lien Loan	25.0%

“Applicable Spread” means, with respect to any Lender and/or Lender Agent, the “applicable spread” set forth in the applicable Lender Fee Letter.

“Approval Notice” means, with respect to any Eligible Loan, the written notice, in substantially the form attached hereto as Exhibit A, evidencing the approval by the Administrative Agent, in its sole discretion, of the acquisition of such Eligible Loan by the Borrower.

“Approval Right” has the meaning assigned to that term in Section 3.02(c).

“Approved Broker Dealer” means each of ABN Amro, Bank of America Merrill Lynch, The Bank of New York Company, Inc., Barclays, BNP Paribas SA, Citigroup, Inc., Credit Suisse, Deutsche Bank AG, The Goldman Sachs Group, Inc., HSBC, JPMorgan Chase & Co., Macquarie, Mitsubishi, Morgan Stanley, Royal Bank of Canada, The Royal Bank of Scotland Group plc, Societe Generale, Suntrust, UBS and Wells Fargo.

“Approved Valuation Firm” means each of Duff & Phelps Corp., FTI Consulting, Inc., Houlihan Lokey Howard & Zukin, Lincoln International LLC, Valuation Research Corporation, American Appraisal Associates, Inc., Deloitte LLP, Ernst & Young, LLP, KPMG, Sterling Valuation Group, and any other nationally recognized accounting firm or valuation firm as approved by the Administrative Agent in its sole discretion.

“Asset Coverage Ratio” means, with respect to the Collateral Manager, the ratio, determined on a consolidated basis, without duplication, and in accordance with GAAP as required by and in accordance with, the 1940 Act as affected by any orders of the Securities and Exchange Commission issued to the Collateral Manager, to be determined by the Board of Directors of the Collateral Manager and reviewed by its auditors, of (a) the fair market value of the total assets of the Collateral Manager and its Subsidiaries less all liabilities (other than Indebtedness, including Indebtedness hereunder) of the Collateral Manager and its Subsidiaries, to (b) the aggregate amount of Indebtedness of the Collateral Manager and its Subsidiaries; provided, that the calculation of the Asset Coverage Ratio shall not include Subsidiaries that are not required to be included in consolidated reports by the 1940 Act (which includes any subsidiary licensed by the Small Business Administration to operate under the Small Business Investment Act of 1958).

“Assigned Value” means, with respect to each Loan, (i) prior to the occurrence of a Value Adjustment Event with respect to such Loan, the least of (A) the Purchase Price of such Loan (expressed as a percentage of par), (B) the value of such Loan (expressed as a percentage of par and exclusive of any post-acquisition PIK Interest or other accrued and unpaid interest thereon) determined by the Administrative Agent in its sole discretion on the date such Loan was acquired by the Borrower (provided that, in no event shall such value be lower than the price that would be determined pursuant to clause (b)(ii) of this definition) and (C) the par value of such Loan, and (ii) after the occurrence of a Value Adjustment Event with respect to such Loan, as determined below:

(a) If a Value Adjustment Event of the type described in clauses (g) or (i) of the definition thereof with respect to such Loan occurs, the Assigned Value of such Loan will be zero.

(b) If a Value Adjustment Event of the type described in clauses (a), (b), (c), (d), (e), (f) or (h) of the definition thereof with respect to such Loan occurs:

(i) unless such Loan is a Broadly Syndicated Loan, the Assigned Value shall be determined by the Administrative Agent in its sole discretion;

(ii) if such Loan is a Broadly Syndicated Loan, the Assigned Value shall be the value (expressed as a percentage of par) assigned to such Loan by LoanX Mark-It Partners, Loan Pricing Corporation or another nationally recognized pricing service selected by the Borrower (or the Collateral Manager on its behalf) and approved in writing by the Administrative Agent; provided that, if the Administrative Agent, in its sole discretion, determines that the value assigned by the applicable pricing service(s) is not current or accurate or is not available, the value for such Loan (expressed as a percentage of par) shall be determined by (A) the average of the bid side prices obtained from three (3) Approved Broker Dealers or (B) if a value cannot be obtained pursuant to the means contemplated by clause (A), the lower of the bid side prices obtained from two (2) Approved Broker Dealers or (C) if a value cannot be obtained pursuant to the means contemplated by either clause (A) or (B), the bid side price obtained from one (1) Approved Broker Dealer; provided, further, that if the Administrative Agent, in its sole discretion, determines that any bid side price obtained from any applicable Approved Broker Dealer(s) is not current or accurate or is not available, then such price will not be eligible for consideration in clauses (A), (B) or (C). If no Assigned Value can be determined under clauses (A), (B) or (C), then the value for such Loan (expressed as a percentage of par) shall be determined by the Administrative Agent in its sole discretion. The Assigned Value of such Loan shall be the value assigned by the Administrative Agent until the Assigned Value is otherwise determined pursuant to this clause (ii) (subject to clause (c) below); and

(iii) notwithstanding clauses (i) and (ii) above, at all times more than 12 months after the occurrence of a Value Adjustment Event of the type described in clauses (c), (d) or (e) of the definition thereof with respect to such Loan, the Assigned Value of such Loan will be zero.

(c) If the Borrower or the Collateral Manager disagrees with the Administrative Agent's determination of the Assigned Value of a Loan, it may (at the expense of the Borrower) retain any Approved Valuation Firm to value such Loan and if the value (expressed as a percentage of par) determined by such Approved Valuation Firm is greater than the Administrative Agent's determination of the Assigned Value, such Approved Valuation Firm's valuation shall become the Assigned Value of such Loan; provided that (i) such Approved Valuation Firm must value such Loan within twenty (20) days after the related Approval Notice or the Borrower's receipt of the notice pursuant to clause (e) below, as applicable, and (ii) the Assigned Value of such Loan shall be the value (expressed as a percentage of par) determined by the Administrative Agent until such Approved Valuation Firm has determined its value.

(d) After the initial determination by the Administrative Agent of the Assigned Value of a Loan pursuant to clause (b), the Administrative Agent may only decrease the Assigned Value of such Loan during the continuance of the applicable Value Adjustment Event or after the occurrence of another Value Adjustment Event.

(e) The Administrative Agent shall promptly notify the Borrower or the Collateral Manager of any change effected by the Administrative Agent to the Assigned Value of any Loan.

“Authorized Person” means, with respect to any Person, any other duly authorized Person by appropriate organizational process (a copy of which has been delivered to the Administrative Agent) to whom, with respect to a particular matter, such matter is referred because of such Person’s knowledge of and familiarity with the particular subject.

“Available Collections” means all cash collections and other cash proceeds with respect to any Loan, including, without limitation, all Principal Collections, all Interest Collections, all proceeds of any sale or disposition (in part or in whole) with respect to such Loan, cash proceeds or other funds received by the Borrower or any Borrower Advisor with respect to any Underlying Collateral (including from any guarantors), all other amounts on deposit in the Controlled Accounts from time to time, and all proceeds of Permitted Investments with respect to the Controlled Accounts.

“Bankruptcy Code” means Title 11, United States Code, 11 U.S.C. §§ 101 *et seq.*, as amended from time to time.

“Bankruptcy Event” means, with respect to a specified Person, (a) the filing of a decree or order for relief by a court having jurisdiction over such Person or any substantial part of its property in an involuntary case under any applicable Bankruptcy 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, order or appointment shall remain unstayed and in effect for a period of sixty (60) consecutive days, (b) the commencement by such Person of a voluntary case under any applicable Bankruptcy 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, (c) 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 (d) the failure by such Person generally to pay its debts as such debts become due.

“Bankruptcy Laws” means 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.

“Bankruptcy Proceeding” means any case, action or proceeding before any court or other Governmental Authority relating to any Bankruptcy Event.

“Base Rate” means, on any date, a fluctuating *per annum* interest rate equal to the higher of (a) the Prime Rate or (b) the Federal Funds Rate *plus* 1.5%; provided that, notwithstanding the foregoing, on any date LIBOR exceeds the higher of the rates specified in clauses (a) and (b), the Base Rate shall be increased by such excess for such date.

“Borrower” has the meaning assigned to that term in the preamble hereto.

“Borrower Advisors” means, collectively, the Collateral Manager, the Collateral Advisor and the Collateral Sub-Advisor.

“Borrower Parties” means, collectively, the Borrower, the Equityholder, the Seller and the Borrower Advisors.

“Borrowing Base” means, as of any date of determination, an amount equal to the least of:

(a) (i) the aggregate sum of the products of (A) the Applicable Percentage for each Eligible Loan as of such date and (B) the Adjusted Borrowing Value of such Eligible Loan as of such date, *plus* (ii) the amount on deposit in and the value of all Permitted Investments credited to the Principal Collection Account on such date; or

(b) (i) the aggregate sum of the Adjusted Borrowing Values of all Eligible Loans as of such date *minus* (ii) the Minimum Equity Amount, *plus* (iii) the amount on deposit in and the value of all Permitted Investments credited to the Principal Collection Account on such date; or

(c) the Maximum Facility Amount;

provided that, for the avoidance of doubt, any Loan which is not an Eligible Loan shall not be included in any calculation of “Borrowing Base”.

“Borrowing Base Certificate” means a certificate setting forth the calculation of the Borrowing Base as of the applicable date of determination substantially in the form of Exhibit C hereto, prepared by the Borrower or the Collateral Manager.

“Borrowing Base Deficiency” means, as of any date of determination, the extent to which the aggregate Advances Outstanding on such date exceeds the Borrowing Base.

“Breakage Fee” means, for Advances which are repaid (in whole or in part) on any date other than a Payment Date, the breakage costs, if any, related to such repayment, based upon the assumption that the applicable Lender funded its loan commitment in the London Interbank Eurodollar market and using any reasonable attribution or averaging methods which the Lender deems appropriate and practical, it hereby being understood that the amount of any loss, costs or expense payable by the Borrower to any Lender as Breakage Fee shall be determined in the respective Lender Agent’s reasonable discretion and shall be conclusive absent manifest error.

“Broadly Syndicated Loan” means any Loan that (i) is broadly syndicated, (ii) is not (and cannot by its terms become) subordinate in right of payment to any obligation of the Obligor in any bankruptcy, reorganization, insolvency, moratorium or liquidation proceedings, (iii) is secured by a pledge of collateral, which security interest is validly perfected and first priority under Applicable Law (subject to Liens described in clause (b) (other than clause (v) thereof) of the definition of Permitted Liens), (iv) the Borrower or the Collateral Manager determines in good faith that the value of the collateral securing such Loan (or the enterprise value of the underlying business) on or about the time of origination equals or exceeds the outstanding principal balance of such Loan *plus* the aggregate outstanding balances of all other loans of equal or higher seniority secured by the same collateral, (v) has a Tranche Size of \$250,000,000 or greater, (vi) at the time such Loan is acquired by the Borrower, it is rated by

both S&P and Moody's (or the Obligor is rated by both S&P and Moody's) and such ratings are not lower than "B3" by Moody's and "B-" by S&P and (vii) has an Outstanding Balance that, when aggregated with the Outstanding Balances of all other Broadly Syndicated Loans to such Obligor, is less than (a) for up to ten (10) Obligors at any one time, \$5,000,000 or (b) with respect to any Obligor not covered by clause (a), \$4,000,000. For the avoidance of doubt, if the Outstanding Balance of a Loan is greater than the applicable threshold in clause (vii), such Loan is not a Broadly Syndicated Loan.

"Business Day" means a day of the year other than (i) Saturday or a Sunday or (ii) any other day on which commercial banks in New York, New York, Columbia, Maryland or Charlotte, North Carolina are not open for business; provided, that, if any determination of a Business Day shall relate to an Advance bearing interest at LIBOR, the term "Business Day" shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

"Capital Lease Obligations" means, with respect to any entity, the obligations of such entity to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such entity under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"Cash Interest Expense" means, with respect to any Obligor for any period, the amount which, in conformity with GAAP, would be set forth opposite the caption "interest expense" (exclusive of any PIK Interest) or any like caption reflected on the most recent financial statements delivered by such Obligor to the Borrower for such period.

"Closing Date" means May 17, 2012.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collateral Advisor" means FB Income Advisor, LLC, a Delaware limited liability company in its capacity as collateral advisor.

"Collateral Advisor Agreement" means the Investment Advisory and Administrative Services Agreement between the Collateral Manager and the Collateral Advisor.

"Collateral Agent" has the meaning assigned to that term in the preamble hereto.

"Collateral Agent Expenses" means the expenses set forth in the Wells Fargo Corporate Trust Fee Letter and any other accrued and unpaid reasonable and documented out-of-pocket expenses (including reasonable and documented attorneys' fees, costs and expenses) and indemnity amounts payable by the Borrower to the Collateral Agent under the Transaction Documents.

"Collateral Agent Fees" means the fees set forth in the Wells Fargo Corporate Trust Fee Letter, as such fee letter may be amended, restated, supplemented and/or otherwise modified from time to time.

“Collateral Agent Termination Notice” has the meaning assigned to that term in Section 10.05.

“Collateral Control Event” has the meaning assigned to that term in Section 6.11.

“Collateral Custodian” means Wells Fargo, not in its individual capacity, but solely as collateral custodian pursuant to the terms of this Agreement.

“Collateral Custodian Expenses” means the expenses set forth in the Wells Fargo Corporate Trust Fee Letter and any other accrued and unpaid reasonable and documented out-of-pocket expenses (including reasonable and documented attorneys’ fees, costs and expenses) and indemnity amounts payable by the Borrower to the Collateral Custodian under the Transaction Documents.

“Collateral Custodian Fees” means the fees set forth in the Wells Fargo Corporate Trust Fee Letter, as such fee letter may be amended, restated, supplemented and/or otherwise modified from time to time.

“Collateral Custodian Termination Notice” has the meaning assigned to that term in Section 11.05.

“Collateral File” means, for each Loan, (a) copies of each of the Required Loan Documents and (b) any other portion of the Loan File which is not part of the Required Loan Documents.

“Collateral Management Report” has the meaning assigned to that term in Section 6.07(b).

“Collateral Manager” means FS Investment Corporation or any other Person then authorized, pursuant to the Management Agreement, to service, administer, and collect on the Loans and exercise rights and remedies in respect of the same.

“Collateral Management Standard” means, with respect to any Loans included in the Collateral Portfolio, to service and administer such Loans on behalf of the Secured Parties in accordance with Applicable Law, the terms of this Agreement, the Loan Agreements, all customary and usual servicing practices for loans like the Loans and, to the extent consistent with the foregoing, (i) with reasonable care, using a degree of skill and diligence not less than that with which the Borrower or Collateral Manager, as applicable, services and administers loans for its own account or for the account of its Affiliates having similar lending objectives and restrictions, and (ii) to the extent not inconsistent with clause (i), in a manner consistent with the customary standards, policies and procedures followed by institutional managers of national standing relating to assets of the nature and character of the Collateral Portfolio and without regard to any relationship that the Collateral Manager or any Affiliate thereof may have with any Obligor or any Affiliate of any Obligor. Solely pursuant to Section 6.11(a), the “Collateral Management Standard” shall apply to each Borrower Advisor.

“Collateral Manager Certificate” has the meaning assigned to that term in Section 6.07(c).

“Collateral Portfolio” means all right, title, and interest (whether now owned or hereafter acquired or arising, and wherever located) of the Borrower in the property identified below in clauses (a) through (e) and all accounts, cash and currency, chattel paper, tangible chattel paper, electronic chattel paper, copyrights, copyright licenses, equipment, fixtures, contract rights, general intangibles, instruments, certificates of deposit, certificated securities, uncertificated securities, financial assets, securities entitlements, commercial tort claims, deposit accounts, inventory, investment property, letter-of-credit rights, software, supporting obligations, accessions, or other property consisting of, arising out of, or related to any of the following (in each case excluding the Retained Interest and the Excluded Amounts):

(a) the Loans, and all monies due or to become due in payment under such Loans on and after the related Cut-Off Date, including, but not limited to, all Available Collections;

(b) the Portfolio Assets with respect to the Loans referred to in clause (a);

(c) the Controlled Accounts and all Permitted Investments purchased with funds on deposit in the Controlled Accounts;

(d) the Borrower’s equity interests in any Portfolio Subsidiary;

(e) any Loan or other asset received in exchange for an Eligible Loan in connection with any workout or other restructuring of such asset (it being understood, for the avoidance of doubt, that such Loan or other asset shall not be an Eligible Loan unless it meets each of the criteria set forth in such definition); and

(f) all income and Proceeds of the foregoing.

“Collateral Sub-Advisor” means GSO/Blackstone Debt Funds Management LLC, a Delaware limited liability company, in its capacity as Collateral Sub-Advisor.

“Collection Account” means account number 48031700 at the Account Bank in the name of the Borrower subject to the Lien of the Collateral Agent for the benefit of the Secured Parties including any sub-account thereof; provided, that the funds deposited therein (including any interest and earnings thereon) from time to time shall constitute the property and assets of the Borrower, and the Borrower shall be solely liable for any Taxes payable with respect to the Collection Account.

“Collection Date” means the date on which the aggregate outstanding principal amount of the Advances have been repaid in full and all Yield and Fees and all other Obligations have been paid in full (other than contingent liability obligations as to which no claim has been made), and the Borrower shall have no further right to request any additional Advances.

“Collection Period” means, (i) as to the initial Payment Date, the period beginning on the Closing Date and ending on, and including, the Determination Date immediately preceding such Payment Date and (ii) as to any subsequent Payment Date, the period beginning on the first day after the most recently ended Collection Period and ending on, and including, the Determination Date immediately preceding such Payment Date, or, with respect to the final Collection Period, the Collection Date.

“Commercial Paper Notes” means, any short-term promissory notes of any Conduit Lender issued by such Conduit Lender in the commercial paper market.

“Commitment” means, with respect to each Lender, (i) prior to the end of the Reinvestment Period, the dollar amount set forth opposite such Lender’s name on Annex B hereto or the amount set forth as such Lender’s “Commitment” on Schedule I to the Joinder Supplement relating to such Lender, as applicable (after giving effect to any decrease pursuant to Section 2.17 or increase pursuant to Section 2.20) and (ii) on or after the Reinvestment Period, such Lender’s Pro Rata Share of the aggregate Advances Outstanding.

“Conduit Lender” means each commercial paper conduit as may from time to time become a Lender hereunder by executing and delivering a Joinder Supplement to the Administrative Agent and the Borrower as contemplated by Section 2.20.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise.

“Controlled Accounts” means the Collection Account, the Interest Collection Account and the Principal Collection Account.

“Credit Risk Loan” means an Eligible Loan that, in the Borrower or the Collateral Manager’s reasonable commercial judgment (as certified by the Borrower or the Collateral Manager to the Administrative Agent and the Lenders), is declining in value or has a significant risk of declining in credit quality or price in the near term.

“Cure Plan” means a plan submitted by the Borrower to the Administrative Agent satisfying the requirements of Section 2.06(c).

“Cure Plan Sale” means a sale of a Loan pursuant to an approved Cure Plan.

“Cut-Off Date” means, with respect to each Loan, the date such Loan is Pledged hereunder.

“Defaulting Lender”: Any Lender that has (or, with respect to clause (iv) of this definition, has a direct or indirect parent company that has) (i) failed to fund any portion of the Advances on the date required to be funded by it hereunder, (ii) otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within three Business Days of the date when due, unless such amount is the subject of a good faith dispute, (iii) notified the Borrower, the Administrative Agent or any other Lender in writing that it does not intend to comply with any of its funding obligations under this Agreement or has made a public statement to the effect that it does not intend to comply or has failed to comply with its funding obligations under this Agreement or generally under other agreements in which it commits or is obligated to extend credit, or (iv) become or is not Solvent or has become the subject of a Bankruptcy Proceeding, or has had a receiver, conservator, trustee or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment.

“Determination Date” means the 4th day of each January, April, July and October.

“DIP Loan”: Any Loan (i) with respect to which the related Obligor is a debtor-in-possession as defined under the Bankruptcy Code, (ii) which has the priority allowed pursuant to Section 364 of the Bankruptcy Code and (iii) the terms of which have been approved by a court of competent jurisdiction (the enforceability of which is not subject to any pending contested matter or proceeding).

“Disbursement Request” means a disbursement request from the Borrower to the Administrative Agent and the Collateral Agent in the form attached hereto as Exhibit D in connection with a disbursement request from the Principal Collection Account in accordance with Section 2.19.

“Discretionary Sale” has the meaning set forth in Section 2.07(b).

“Dollars” means the lawful currency of the United States of America.

“EBITDA” means, with respect to any period and any Loan, the meaning of “EBITDA”, “Adjusted EBITDA” or any comparable definition in the Loan Agreement for each such Loan, together with all reasonable add-backs and exclusions as designated in such Loan Agreement, and in any case that “EBITDA”, “Adjusted EBITDA” or such comparable definition is not defined in such Loan Agreement, an amount, for the principal obligor on such Loan and any of its parents or Subsidiaries that are obligated pursuant to the Loan Agreement for such Loan (determined on a consolidated basis without duplication in accordance with GAAP) equal to earnings from continuing operations for such period *plus* interest expense, income taxes and unallocated depreciation and amortization for such period (to the extent deducted in determining earnings from continuing operations for such period), and any other item the Borrower and the Administrative Agent mutually deem to be appropriate.

“Eligible Assignee” means any commercial bank or insurance company.

“Eligible Loan”: Each Loan (A) for which the Administrative Agent and/or the Collateral Agent have received (or, in accordance with the definition of “Required Loan Documents,” will receive) the related Required Loan Documents; (B) with respect to which an Approval Notice has been executed by the Administrative Agent; and (C) that satisfies each of the following eligibility requirements (unless the Administrative Agent, with the prior consent of the Required Lenders, agrees to waive any such eligibility requirement with respect to such Loan):

(a) such Loan is a Broadly Syndicated Loan, a Fixed Rate Loan, a Large Middle Market Loan, a Traditional Middle Market Loan or a Second Lien Loan;

(b) after giving effect to such Loan as an Eligible Loan, as of the related Cut-Off Date, the aggregate Outstanding Balance of all Eligible Loans made to the applicable Obligor is not greater than \$15,000,000; provided that the aggregate Outstanding

Balance of all Eligible Loans made to up to three (3) Obligor may be up to \$25,000,000 for each such Obligor; provided, further, that only the portion of the Loans in excess of this threshold will be deemed to have not satisfied this clause (b);

(c) such Loan is denominated and payable solely in Dollars;

(d) such Loan does not constitute Margin Stock;

(e) such Loan does not require the Borrower to make advances in respect of such Loan at any time after the Borrower's purchase of such

Loan;

(f) the acquisition of such Loan will not cause the Borrower or the Collateral Portfolio to be required to register as an investment company under the 1940 Act;

(g) such Loan does not constitute a DIP Loan;

(h) the principal Underlying Collateral for such Loan is not real property;

(i) such Loan, together with the Loan Agreement related thereto, is in full force and effect and constitutes the legal, valid and binding obligation of the related Obligor and each guarantor thereof (if applicable), enforceable against such Obligor and each such guarantor in accordance with its terms, subject to customary bankruptcy, insolvency and equity limitations;

(j) such Loan is in the form of and is treated as indebtedness of the related Obligor for U.S. federal income tax purposes;

(k) as of the related Cut-Off Date, such Loan is not delinquent in payment of any amount under the related Loan Agreement or other related transaction documents;

(l) none of the acquisition, sale, transfer or assignment of such Loan nor the granting of a security interest hereunder to the Collateral Agent will (i) violate, conflict with or contravene any Applicable Law or any contractual or other restriction, limitation or encumbrance binding on the Borrower or (ii) cause any Lender to fail to comply with any Applicable Law or request or directive (whether or not having the force of law) from any banking or other Governmental Authority having jurisdiction over such Lender;

(m) such Loan is eligible under the applicable Loan Agreement (giving effect to the provisions of Sections 9-406 and 9-408 of the UCC) to be sold, transferred or assigned to the Borrower and to have a security interest therein granted to the Collateral Agent, as agent for the Secured Parties (subject to the rights of any applicable agents under the terms of the related Loan Agreement);

(n) such Loan is not subject to, or the subject of any assertions in respect of, any litigation, dispute or offset, and contains provisions substantially to the effect that the Obligor's and each guarantor's (if applicable) payment obligations thereunder are absolute and unconditional without any right of rescission, setoff, counterclaim or defense for any reason against the Borrower or any assignee;

(o) immediately after giving effect to its acquisition of such Loan and at all times it is owned by the Borrower, the Borrower (i) has good and marketable title to, and is the sole owner of, such Loan, and the Borrower has granted to the Collateral Agent for the benefit of the Secured Parties a valid and perfected first priority (subject to Permitted Liens) Lien in the Loan and related Loan Agreement and (ii) has not granted a Lien in the Loan or the related Loan Agreement to any Person other than to the Collateral Agent hereunder;

(p) such Loan (or the acquisition thereof) is not subject to and will not subject any Secured Party or any Affiliate thereof to any Tax, fee or other governmental charge payable to any Governmental Authority;

(q) the Obligor with respect to such Loan and each guarantor (if applicable) thereof had full legal capacity to execute and deliver the related Loan Agreement;

(r) all material consents, licenses, approvals or authorizations of, or registrations or declarations with, any Governmental Authority or any other Person required by the Borrower or under the Related Loan Agreement under Applicable Law to be obtained, effected or given in connection with the making, acquisition, transfer or performance of such Loan have been duly obtained, effected or given and are in full force and effect;

(s) such Loan requires the related Obligor to pay customary maintenance, repair, insurance and taxes, together with all other ancillary costs and expenses, with respect to the Underlying Collateral of such Loan;

(t) such Loan and any Underlying Collateral (i) comply in all respects with all Applicable Laws and (ii) have not, and will not, be used by the related Obligor in any manner or for any purpose that would result in any material risk of liability being imposed upon the Borrower or any Secured Party under any Applicable Law;

(u) such Loan has a term to stated maturity that does not exceed seven (7) years;

(v) the Loan Agreement for such Loan does not contain a confidentiality provision that would prohibit any Secured Party from accessing all necessary information with regard to such Loan, so long as such Secured Party has agreed to maintain the confidentiality of such information in accordance with the provisions of such Loan Agreement;

(w) after giving effect to such Loan as an Eligible Loan, the aggregate Outstanding Balance of all Fixed Rate Loans is not more than 10% of the aggregate Outstanding Balance of all Eligible Loans; provided that, only the portion of the Loans in excess of such threshold will be deemed to have not satisfied this clause (w);

(x) if such Loan is a Fixed Rate Loan, it is not also a Second Lien Loan;

(y) such Loan, and any payment made with respect to such Loan, is not currently withholding any tax (or similar governmental charge) unless the Obligor thereon is making “gross-up” payments that cover the full amount of such withheld tax (or similar governmental charge) on an after-tax basis;

(z) after giving effect to such Loan as an Eligible Loan, the aggregate Outstanding Balance of all Eligible Loans that are Second Lien Loans is not more than 20% of the aggregate Outstanding Balance of all Eligible Loans; provided that, only the portion of the Loans in excess of such threshold will be deemed to have not satisfied this clause (z);

(aa) to the actual knowledge of the Borrower, no written or verbal notice of, or inquiry from any Governmental Authority regarding, any violation, alleged violation, non compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws with regard to any of the Underlying Collateral, nor does the Borrower have knowledge or reason to believe that any such notice will be received or is being threatened, other than, in each case, as notified to the Administrative Agent in writing on or prior to the applicable Cut-Off Date or promptly after obtaining actual knowledge of any such notice or inquiry; provided that, unless otherwise permitted by the Administrative Agent, from and after the Borrower obtaining such actual knowledge, the related Loans will no longer be counted as Eligible Loans for purposes of calculating the Borrowing Base; and

(bb) the Obligor with respect to such Loan is an Eligible Obligor.

“Eligible Obligor”: On any date of determination, any Obligor that:

(a) is a business organization (and not a natural person) duly organized and validly existing under the laws of its jurisdiction of organization;

(b) is not a Governmental Authority;

(c) is not an Affiliate of the Borrower or any Borrower Advisor;

(d) is organized and incorporated in the United States or any State thereof or Canada;

(e) as of the related Cut-Off Date, there are no proceedings pending or, to the best of the Borrower’s or the Equityholder’s knowledge, threatened (i) asserting that such Obligor is not Solvent or (ii) pursuant to which such Obligor, any other obligated party or any Governmental Authority has asserted that such Loan or the related Loan Agreement is illegal or unenforceable;

(f) as of the related Cut-Off Date, is not the subject of and, to the best of the Borrower’s or the Equityholder’s knowledge is not threatened with any proceeding which would result in, an Insolvency Event with respect to such Obligor;

(g) to the actual knowledge of the Borrower, none of such Obligor’s operations is the subject of a material Federal or state investigation evaluating whether any remedial action, involving expenditures, is needed to respond to a release of any Hazardous

Materials into the environment, other than, in each case, as notified to the Administrative Agent in writing on or prior to the applicable Cut-Off Date or promptly after obtaining actual knowledge of any such investigation; provided that, unless otherwise permitted by the Administrative Agent, from and after the Borrower obtaining such actual knowledge, the related Loans will no longer be counted as Eligible Loans for purposes of calculating the Borrowing Base; and

(h) to the actual knowledge of the Borrower, such Obligor does not have any material contingent liability in connection with any release of any Hazardous Materials into the environment, other than, in each case, as notified to the Administrative Agent in writing on or prior to the applicable Cut-Off Date or promptly after obtaining actual knowledge of any such material contingent liability; provided that, unless otherwise permitted by the Administrative Agent, from and after the Borrower obtaining such actual knowledge, the related Loans will no longer be counted as Eligible Loans for purposes of calculating the Borrowing Base.

“Eligible Repurchase Obligations” means repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States or any agency or instrumentality thereof the obligations of which are backed by the full faith and credit of the United States, in either case entered into with a depository institution or trust company (acting as principal) described in the definition of Permitted Investments.

“Environmental Laws” means any and all foreign, federal, state and local laws, statutes, ordinances, rules, regulations, permits, licenses, approvals, binding interpretations and orders of courts or Governmental Authorities, relating to the protection of human health from exposure to Hazardous Materials or the environment, including, but not limited to, 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, without limitation, 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, each as amended or supplemented from time to time.

“Equityholder” means FS Investment Corporation, as the owner of 100% of the membership interests in the Borrower.

“ERISA” means the United States Employee Retirement Income Security Act of 1974, as amended from time to time.

“ERISA Affiliate” means (a) any corporation that is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Code) as the Borrower or the Collateral Manager, as applicable, (b) a trade or business (whether or not

incorporated) under common control (within the meaning of Section 414(c) of the Code) with the Borrower or the Collateral Manager, as applicable, or (c) a member of the same affiliated service group (within the meaning of Section 414(m) of the Code) as the Borrower or the Collateral Manager, as applicable, any corporation described in clause (a) above or any trade or business described in clause (b) above.

“Eurodollar Disruption Event” means occurrence of any of the following: (a) any Liquidity Bank or any Institutional Lender shall have notified the Administrative Agent in writing of a determination by such Liquidity Bank or any of its assignees or participants or such Institutional 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 United States dollars in the London interbank market to fund any Advance, (b) the Administrative Agent is unable to determine LIBOR for any reason, (c) any Liquidity Bank or any Institutional Lender shall have notified the Administrative Agent in writing of a determination by such Liquidity Bank or any of its assignees or participants or such Institutional Lender, as applicable, that the rate at which deposits of United States dollars are being offered to such Liquidity Bank or any of its assignees or participants or such Institutional Lender in the London interbank market does not accurately reflect the cost to such Liquidity Bank, such assignee or such participant or such Institutional Lender of making, funding or maintaining any Advance or (d) any Liquidity Bank or any Institutional Lender shall have notified the Administrative Agent in writing of the inability of such Liquidity Bank or any of its assignees or participants or such Institutional Lender, as applicable, to obtain United States dollars in the London interbank market to make, fund or maintain any Advance.

“Event of Default” has the meaning assigned to that term in Section 7.01.

“Excepted Persons” has the meaning assigned to that term in Section 12.13(a).

“Exchange Act” means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“Excluded Amounts” means (a) any amount received in any Controlled Account with respect to any Loan included as part of the Collateral Portfolio, which amount is attributable to the payment of any Tax, fee or other charge imposed by any Governmental Authority on such Loan or on any Underlying Collateral, or (b) any amount received in any Controlled Account representing (i) any amount representing a reimbursement of insurance premiums, (ii) any escrows relating to Taxes, insurance and other amounts in connection with Loans which are held in an escrow account for the benefit of the Obligor and the secured party pursuant to escrow arrangements under a Loan Agreement and (iii) any amount received in any Controlled Account with respect to any Loan that is sold or transferred by the Borrower pursuant to Section 2.07, to the extent such amount is attributable to a time after the effective date of such replacement or sale.

“Excluded Taxes” has the meaning assigned to that term in Section 2.10(a).

“Facility Maturity Date” means the earliest to occur of (i) the Stated Maturity Date, (ii) the date of the declaration or automatic occurrence of the Facility Maturity Date pursuant to Section 7.01 and (iii) the Collection Date.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively more comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof.

“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 overnight federal funds rates as in Federal Reserve Board Statistical Release H.15(519) or any successor or substitute publication selected by the Administrative Agent (or, if such day is not a Business Day, for the next preceding Business Day), or, if for any reason such rate is not available on any day, the rate determined, in the sole discretion of the Administrative Agent, to be the rate at which overnight federal funds are being offered in the national federal funds market at 9:00 a.m. on such day.

“Fees” means the Non-Usage Fee and all other fees payable to each Lender or Lender Agent pursuant to the terms of any Lender Fee Letter.

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

“Financial Sponsor” means any Person, including any Subsidiary of such Person, whose principal business activity is acquiring, holding, and selling investments (including controlling interests) in otherwise unrelated companies that each are distinct legal entities with separate management, books and records and bank accounts, whose operations are not integrated with one another and whose financial condition and creditworthiness are independent of the other companies so owned by such Person.

“Fixed Rate Loan” means a Loan that is (i) a fixed rate loan or a fixed rate bond, (ii) is not (and cannot by its terms become) subordinate in right of payment to any obligation of the Obligor in any bankruptcy, reorganization, insolvency, moratorium or liquidation proceedings, (iii) is secured by a pledge of collateral, which security interest is validly perfected and first priority under Applicable Law (subject to Liens described in clause (b) (other than clause (v) thereof) of the definition of Permitted Liens), and (iv) the Borrower or the Collateral Manager determines in good faith that the value of the collateral securing the loan (or the enterprise value of the underlying business) on or about the time of origination equals or exceeds the outstanding principal balance of the loan *plus* the aggregate outstanding balances of all other loans of equal or higher seniority secured by the same collateral.

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

“Governmental Authority” means, with respect to any Person, any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any body or entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any court or arbitrator having jurisdiction over such Person.

“Hazardous Materials” means all hazardous or toxic materials subject to any Environmental Law, including, without limitation, materials listed in 49 C.F.R. § 172.010, materials defined as hazardous pursuant to § 101(14) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 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 such materials classified as being “in inventory”, “usable work in process” or similar classification that would, if classified as unusable, be included in the foregoing definition.

“Highest Required Investment Category” means (a) with respect to ratings assigned by Moody’s, “Aa2” or “P-1” for one-month instruments, “Aa2” and “P-1” for three-month instruments, “Aa2” and “P-1” for six-month instruments and “Aaa” 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+” for short-term instruments and “AAA” for long-term instruments.

“Indebtedness” means (i) with respect to any Obligor under any Loan, the meaning of “Indebtedness” or any comparable definition in the Loan Agreement for each such Loan, and in any case that “Indebtedness” or such comparable definition is not defined in such Loan Agreement, without duplication, (a) all obligations of such entity for borrowed money, (b) all obligations of such entity evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such entity under conditional sale or other title retention agreements relating to property acquired by such entity, (d) all obligations of such entity in respect of the deferred purchase price of property or services (excluding current accounts payable and trade payables incurred in the ordinary course of business), (e) all indebtedness of others secured by (or for which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such entity, whether or not the indebtedness secured thereby has been assumed, (f) all guarantees by such entity of indebtedness of others, (g) all Capital Lease Obligations of such entity, (h) all obligations, contingent or otherwise, of such entity as an account party in respect of letters of credit and letters of guaranty and (i) all obligations, contingent or otherwise, of such entity in respect of bankers’ acceptances; and (ii) for all other purposes, with respect to any Person at any date, (a) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services (other than current liabilities incurred in the ordinary course of business and payable in accordance with customary trade practices) or that is evidenced by a note, bond, debenture or similar instrument or other evidence of indebtedness customary for indebtedness of that type, (b) all Capital Lease Obligations of such Person, (c) all obligations of such Person in respect of acceptances issued or created for the account of such Person, (d) all liabilities secured by any Lien on any property owned by such Person even though such Person has not assumed or otherwise become liable for the payment thereof, (e) all indebtedness, obligations or liabilities of that Person in respect of derivatives (on a net basis, to the extent the same are reported by such Person on a net basis), and (f) all obligations under direct or indirect guaranties in respect of obligations (contingent or otherwise) to purchase or otherwise acquire, or to otherwise assure a creditor against loss in respect of, indebtedness or obligations of others of the kind referred to in clauses (a) through (e) of this clause (ii).

“Indemnified Amounts” has the meaning assigned to that term in Section 8.01.

“Indemnified Party” has the meaning assigned to that term in Section 8.01.

“Indemnity Letter” means that certain Indemnity Letter, dated as of the date hereof, given by the Collateral Advisor to the Administrative Agent, on behalf of the Secured Parties.

“Independent Director” means a natural person who, (A) has not been for the three-year period prior to his or her appointment as an Independent Director, and during the continuation of his or her service as Independent Director is not: (i) an employee, director, stockholder, member, manager, partner or officer of the Borrower or any of their respective Affiliates (other than his or her service as an Independent Director of the Borrower or other Affiliates that are structured to be “bankruptcy remote” and does not hold, either directly or indirectly, any equity interests in the Borrower or in any direct or indirect parent or Subsidiary thereof); (ii) a customer, creditor, service provider (including a provider of professional services) or supplier of the Borrower or any of their Affiliates (other than his or her service as an Independent Director of the Borrower or other Affiliates of the Borrower that are structured to be “bankruptcy remote”); (iii) any member of the immediate family of a person described in (i) or (ii), or (iv) a Person that controls (whether directly, indirectly or otherwise) any of (i), (ii) or (iii), (B) has, (i) prior experience as an Independent Director for a corporation or limited liability company whose charter documents required the unanimous consent of all Independent Directors thereof before such corporation or limited liability company 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 CT Corporation, Corporation Service Company, National Registered Agents, Inc., Wilmington Trust Company, Stewart Management Company, Lord Securities Corporation or, if none of those companies is then providing professional Independent Directors, another nationally-recognized company reasonably approved by the Administrative Agent, in each case that is not an Affiliate of the Borrower and that provides professional Independent Directors and other corporate services in the ordinary course of its business and (C) is employed by a nationally recognized company that routinely provides professional Independent Directors and other corporate services in the ordinary course of its business. A natural person who otherwise satisfies the foregoing definition and satisfies subparagraphs (i) and (ii) by reason of being the Independent Director of a “bankruptcy remote” Affiliate shall be qualified to serve as an Independent Director of the Borrower, provided that the fees that such individual earns from serving as an Independent Director of Affiliates of the Borrower in any given year constitute in the aggregate less than five percent (5%) of such individual’s annual income for that year.

“Indorsement” has the meaning specified in Section 8-102(a)(11) of the UCC, and “Indorsed” has a corresponding meaning.

“Ineligible Portion” has the meaning assigned to that term in Section 1.05.

“Initial Advance” means the first Advance made pursuant to Article II.

“Institutional Lender” means (i) Wells Fargo and (ii) each financial institution other than a Conduit Lender which may from time to time become a Lender hereunder by executing and delivering a Joinder Supplement to the Administrative Agent and the Borrower as contemplated by Section 2.20.

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

“Insurance Policy” means, with respect to any Loan, an insurance policy covering liability and physical damage to, or loss of, the Underlying Collateral.

“Insurance Proceeds” means any amounts received on or with respect to a Loan under any Insurance Policy or with respect to any condemnation proceeding or award in lieu of condemnation other than (i) any such amount received which is required to be used to restore, improve or repair the related property or required to be paid to the Obligor under the Loan Agreement or (ii) any such amount for which the Borrower or the Collateral Manager has consented, in its reasonable business discretion, to be used to restore, improve or repair the related property or otherwise to be paid to the Obligor under the Loan Agreement.

“Interest” means, with respect to any period and any Loan, for the Obligor on such Loan and any of its parents or Subsidiaries that are obligated under the Loan Agreement for such Loan (determined on a consolidated basis without duplication in accordance with GAAP), the meaning of “Interest” or any comparable definition in the Loan Agreement for each such Loan and in any case that “Interest” or such comparable definition is not defined in such Loan Agreement, all interest in respect of Indebtedness (including the interest component of any payments in respect of Capital Lease Obligations) accrued or capitalized during such period (whether or not actually paid during such period).

“Interest Collection Account” means account number 48031701 at the Account Bank in the name of the Borrower subject to the Lien of the Collateral Agent for the benefit of the Secured Parties including any sub-account thereof; provided, that the funds deposited therein (including any interest and earnings thereon) from time to time shall constitute the property and assets of the Borrower, and the Borrower shall be solely liable for any Taxes payable with respect to the Interest Collection Account.

“Interest Collections” means, (i) with respect to any Loan, all payments and collections attributable to interest on such Loan, including, without limitation, all scheduled payments of interest and payments of interest relating to principal prepayments, all guaranty payments attributable to interest and proceeds of any liquidations, sales, dispositions or securitizations attributable to interest on such Loan and (ii) amendment fees, late fees, waiver fees, prepayment fees or other fees received in respect of Loans.

“Interest Coverage Ratio” means, with respect to any Loan for any Relevant Test Period, either (a) the meaning of “Interest Coverage Ratio” or comparable definition set forth in the related Loan Agreement, or (b) in the case of any Loan with respect to which the related Loan Agreement does not include a definition of “Interest Coverage Ratio” or comparable definition, the ratio of (i) EBITDA to (ii) Cash Interest Expense of such Obligor as of such Relevant Test Period, as calculated by a Borrower Advisor in good faith.

“Joinder Supplement” means an agreement among the Borrower, a Lender, its Lender Agent and the Administrative Agent in the form of Exhibit E to this Agreement (appropriately completed) delivered in connection with a Person becoming a Lender hereunder after the Closing Date.

“Large Middle Market Loan” means any Loan that is not a Broadly Syndicated Loan and (i) is syndicated (but not a “club” syndication as determined by the Administrative Agent in its sole discretion), (ii) is not (and cannot by its terms become) subordinate in right of payment to any obligation of the Obligor in any bankruptcy, reorganization, insolvency, moratorium or liquidation proceedings, (iii) is secured by a pledge of collateral, which security interest is validly perfected and first priority under Applicable Law (subject to Liens described in clause (b) (other than clause (v) thereof) of the definition of Permitted Liens), (iv) the Borrower or the Collateral Manager determines in good faith that the value of the collateral securing such Loan (or the enterprise value of the underlying business) on or about the time of origination equals or exceeds the outstanding principal balance of such Loan *plus* the aggregate outstanding balances of all other loans of equal or higher seniority secured by the same collateral, (v) has a Tranche Size of at least \$200,000,000 and (vi) as of the applicable Cut-Off Date, has an EBITDA for the prior twelve calendar months of at least \$60,000,000 (after giving pro forma effect to any acquisition in connection therewith).

“Lender” means any Institutional Lender or Conduit Lender, and/or any other Person to whom an Institutional Lender or Conduit Lender assigns any part of its rights and obligations under this Agreement and the other Transaction Documents in accordance with the terms of Section 12.04.

“Lender Agent” means, with respect to (i) Wells Fargo, Wells Fargo; (ii) each Conduit Lender which may from time to time become party hereto, the Person designated as the “Lender Agent” with respect to such Conduit Lender in the applicable Joinder Supplement and (iii) each Institutional Lender which may from time to time become a party hereto, each shall be deemed to be its own Lender Agent, and, in each case, each of their respective successors and assigns (and each shall be deemed to be its own Lender Agent).

“Lender Fee Letter” means each fee letter agreement that shall be entered into by and among the Borrower, the applicable Lender and the related Lender Agent, if applicable, in connection with the transactions contemplated by this Agreement, as amended, modified, waived, supplemented, restated or replaced from time to time.

“LIBOR” means, for any day during the Collection Period, with respect to any Advance (or portion thereof) (a) the rate *per annum* appearing on Reuters Screen LIBOR01 Page (or any successor or substitute page) as the London interbank offered rate for deposits in dollars at approximately 11:00 a.m., London time, for such day, provided, if such day is not a Business Day, the immediately preceding Business Day, for a three-month maturity; and (b) if no rate specified in clause (a) of this definition so appears on Reuters Screen LIBOR01 Page (or any successor or substitute page), the interest rate *per annum* at which dollar deposits of \$5,000,000 and for a three-month maturity are offered by the principal London office of Wells Fargo in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, for such day.

“Lien” means any mortgage or deed of trust, pledge, hypothecation, collateral assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, claim, preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale, lease or other title retention agreement, sale subject to a repurchase obligation, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing); provided that, in no event shall an operating lease in and of itself be deemed to be a Lien.

“Lien Release Dividend” has the meaning assigned to that term in Section 2.07(e).

“Lien Release Dividend Date” means the date specified by the Borrower, which date may be any Business Day, provided written notice is given in accordance with Section 2.07(e).

“Liquidity Agreement” means any agreement entered into in connection with this Agreement pursuant to which a Liquidity Bank agrees to make purchases from or advances to, or purchase assets from, any Conduit Lender in order to provide liquidity support for such Conduit Lender’s Advances hereunder.

“Liquidity Bank” means the Person or Persons who provide liquidity support to any Conduit Lender pursuant to a Liquidity Agreement in connection with the issuance by such Conduit Lender of Commercial Paper Notes.

“LLC Agreement” means the Limited Liability Company Agreement of the Borrower, dated as of the date hereof, as amended, supplemented or otherwise modified from time to time.

“Loan” means the portion of any commercial loan or note (or, if such asset is a Fixed Rate Loan, either a commercial loan, note or a bond) that the Borrower Advisors direct the Borrower to fund to or acquire from the Seller or any third party seller, which loan, note or bond includes, without limitation, (i) the Required Loan Documents and Loan File, and (ii) all right, title and interest of such seller in and to such loan, note or bond and any Underlying Collateral, but excluding, in each case, the Retained Interest and Excluded Amounts, and which loan, note or bond was acquired from or funded to and owned by the Borrower on the applicable Cut-Off Date (as set forth on the Loan Tape delivered on such Cut-Off Date).

“Loan Agreement” means the loan agreement, credit agreement or other agreement pursuant to which a Loan has been issued or created and each other agreement that governs the terms of or secures the obligations represented by such Loan or of which the holders of such Loan are the beneficiaries.

“Loan Checklist” means an electronic or hard copy, as applicable, of a checklist delivered by or on behalf of the Borrower to the Collateral Custodian, for each Loan, of all Required Loan Documents to be included within the respective Loan File, which shall specify whether such document is an original or a copy and which shall include the identification number and name of the Obligor with respect to such Loan.

“Loan File” means, with respect to each Loan, a file containing (a) each of the documents and items as set forth on the Loan Checklist with respect to such Loan and (b) duly executed originals (to the extent required by the definition of “Required Loan Documents”) and copies of any other reasonably available Records relating to such Loans and Portfolio Assets pertaining thereto.

“Loan Register” has the meaning assigned to that term in Section 5.01(hh).

“Loan Tape” means the loan tape to be delivered in connection with each Collateral Management Report and on each applicable Cut-Off Date, which tape shall include (but not be limited to) the aggregate Outstanding Balance of all Loans and, with respect to each Loan, the following information:

(a) name of the related Obligor;

(b) calculation of the Senior Net Leverage Ratio provided in the applicable Approval Notice (provided that if any other positions in such Loan existed on the date of such Approval Notice, then the Senior Net Leverage Ratio utilized for the position with the earliest of such other Cut-Off Dates shall apply) and for the most recent Relevant Test Period;

(c) calculation of the Interest Coverage Ratio provided in the applicable Approval Notice (provided that if any other positions in such Loan existed on the date of such Approval Notice, then the Interest Coverage Ratio utilized for the position with the earliest of such other Cut-Off Dates shall apply) and for the most recent Relevant Test Period;

(d) calculation of the Total Net Leverage Ratio on the applicable Cut-Off Date (provided that if any other positions in such Loan existed on the date of such Approval Notice, then the Total Net Leverage Ratio utilized for the position with the earliest of such other Cut-Off Dates shall apply) and for the most recent Relevant Test Period;

(e) collection status (number of days past due);

(f) loan status (whether in default or on non-accrual status);

(g) scheduled maturity date;

(h) date and amount of next Scheduled Payment;

(i) loan rate of interest (and reference rate, if applicable);

(j) LIBOR floor (if applicable);

(k) Outstanding Balance;

(l) par amount;

(m) the portion of the Outstanding Balance of such Loan that is in excess of the threshold set forth in clauses (b), (w) and/or (z) of the definition of “Eligible Loan”;

- (n) Assigned Value;
- (o) Purchase Price;
- (p) Moody's asset and Obligor rating (if available);
- (q) S&P asset and Obligor rating (if available);
- (r) Loan type (Broadly Syndicated Loan, Fixed Rate Loan, Large Middle Market Loan, Traditional Middle Market Loan or Second Lien Loan);
- (s) the applicable industry classification set forth on Schedule III;
- (t) whether such Loan has been subject to a Value Adjustment Event (and of what type);
- (u) whether such Loan has been subject to any Material Modification;
- (v) the applicable Cut-Off Date;
- (w) the Adjusted Borrowing Value of such Loan;
- (x) the Tranche Size of such Loan;
- (y) the EBITDA of such Loan over the twelve-month period for the most Relevant Test Period;
- (z) the revenue of the related Obligor(s) during the twelve-month period for the most Relevant Test Period; and
- (aa) the Collateral Manager's risk rating of such Loan, as determined in accordance with its current internal rating system.

“Management Agreement” means the Collateral Management Agreement, dated as of the date hereof, between the Borrower and the Collateral Manager relating to the management of the Collateral Portfolio of the Borrower, as amended, supplemented or otherwise modified from time to time.

“Margin Stock” means “margin stock” as such term is defined in Regulation T, U or X of the Federal Reserve Board.

“Material Adverse Effect” means, with respect to any event or circumstance, a material adverse effect on (a) the business, condition (financial or otherwise), operations, performance or properties of the Seller, any Borrower Advisor or the Borrower, (b) the validity, enforceability or collectability of this Agreement or any other Transaction Document or the validity, enforceability or collectability of the Loans generally or any material portion of the Loans, (c) the rights and remedies of the Collateral Agent, the Collateral Custodian, the Account Bank, the Administrative Agent, any Lender, any Lender Agent and the Secured Parties with respect to matters arising under this Agreement or any other Transaction Document, (d) the

ability of each of the Borrower and Collateral Manager to perform their respective obligations under the Transaction Documents, or (e) the status, existence, perfection, priority or enforceability of the Collateral Agent's, the Administrative Agent's or the other Secured Parties' lien on the Collateral Portfolio, in each case as determined in the reasonable discretion of the Required Lenders.

“Material Modification” means any amendment or waiver of, or modification or supplement to, a Loan Agreement governing a Loan executed or effected on or after the Cut-Off Date for such Loan which:

(a) reduces or forgives any or all of the principal amount due under such Loan;

(b) (i) waives one or more interest payments, (ii) permits any interest due in cash to be deferred or capitalized and added to the principal amount of such Loan (other than (x) any deferral or capitalization already allowed by the terms of the Loan Agreement of any PIK Loan or (y) in addition to existing cash interest payments), or (iii) reduces the spread or coupon when the Interest Coverage Ratio for any Relevant Test Period with respect to such Loan is less than 1.50:1.00 (prior to giving effect to such reduction in the spread or coupon) (for the avoidance of doubt, automatic changes in grid pricing existing on the Cut-Off Date do not constitute “Material Modifications” under this clause (b));

(c) contractually or structurally subordinates such Loan by operation of (i) any priority of payment provisions, (ii) turnover provisions, (iii) the transfer of assets in order to limit recourse to the related Obligor (other than where such transfer is not intended to avoid or limit recourse but is a *bona fide* disposition transaction which results in the repayment of indebtedness from any net proceeds) or (iv) the granting of Liens (other than Permitted Liens) on any of the Underlying Collateral securing such Loan;

(d) substitutes, alters or releases the Underlying Collateral securing such Loan and each such substitution, alteration or release, as determined in the sole discretion of the Administrative Agent, materially and adversely affects the value of such Loan;

(e) amends, waives, forbears, supplements or otherwise modifies (i) the meaning of “Senior Net Leverage Ratio” or Interest Coverage Ratio” or any respective comparable definitions in the Loan Agreement for such Loan or (ii) any term or provision of such Loan Agreement referenced in or utilized in the calculation of the “Senior Net Leverage Ratio” or “Interest Coverage Ratio” or any respective comparable definitions for such Loan, in either case in a manner that, in the sole discretion of the Administrative Agent, is materially adverse to the Secured Parties; or

(f) delays or extends the stated maturity date of such Loan.

“Maximum Facility Amount” means the aggregate Commitments as then in effect, after giving effect to any decrease pursuant to Section 2.17 or increase pursuant to Section 2.20; provided that at all times after the Reinvestment Period, the Maximum Facility Amount shall mean the aggregate Advances Outstanding at such time. As of the Closing Date, the Maximum Facility Amount is \$250,000,000.

“Middle Market Loan” means any Large Middle Market Loan or any Traditional Middle Market Loan.

“Minimum Equity Amount” means the greater of (i) the sum of the Adjusted Borrowing Value of all Eligible Loans attributable to the three Obligor collectively comprising the largest aggregate Adjusted Borrowing Value included in the Borrowing Base and (ii) \$50,000,000.

“Moody’s” means Moody’s Investors Service, Inc. (or its successors in interest).

“Mortgage” means the mortgage, deed of trust or other instrument creating a Lien on an interest in real property securing a Loan, including the assignment of leases and rents related thereto.

“Multiemployer Plan” means a “multiemployer plan” as defined in Section 4001(a)(3) of ERISA to which the Borrower or any ERISA Affiliate contributes or has any obligation to contribute on behalf of its employees or to which the Borrower or any ERISA Affiliate has any liability.

“Non-Usage Fee” means, with respect to any Lender and/or Lender Agent, the “non-usage fee” set forth in the applicable Lender Fee Letter.

“Noteless Loan” means a Loan with respect to which the Loan Agreements (i) do not require the Obligor to execute and deliver a promissory note to evidence the indebtedness created under such Loan or (ii) require any holder of the indebtedness created under such Loan to affirmatively request a promissory note from the related Obligor.

“Notice and Request for Consent to Lien Release Dividend” has the meaning assigned to that term in Section 2.07(e)(i).

“Notice of Borrowing” means an irrevocable written notice of borrowing from the Borrower to the Administrative Agent and each Lender Agent in the form attached hereto as Exhibit F.

“Notice of Reduction” means a notice of (a) any reduction of the Advances Outstanding pursuant to Section 2.17(a), in the form attached hereto as Exhibit G or (b) any termination of this Agreement or reduction in part of the Maximum Facility Amount pursuant to Section 2.17(b), in the form attached hereto as Exhibit H.

“Obligations” means all present and future indebtedness and other liabilities and obligations (howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or due or to become due) of the Borrower to the Lenders, the Lender Agents, the Administrative Agent, the Account Bank, the Collateral Agent or the Collateral Custodian arising under this Agreement and/or any other Transaction Document and shall include, without limitation, all liability for principal of and interest on the Advances, Breakage Fees, indemnifications and other amounts due or to become due by the Borrower to the Lenders, the Lender Agents, the Administrative Agent, the Collateral Agent, the Collateral Custodian and the Account Bank under this Agreement and/or any other Transaction Document, any Lender Fee

Letter and costs and expenses payable by the Borrower to the Lenders, the Lender Agents, the Administrative Agent, the Account Bank, the Collateral Agent or the Collateral Custodian, in each case, under the Transaction Documents, including attorneys' fees, costs and expenses, including without limitation, interest, fees and other obligations that accrue after the commencement of an insolvency proceeding (in each case whether or not allowed as a claim in such insolvency proceeding).

"Obligor" means, collectively, each Person obligated to make payments under a Loan Agreement, including any guarantor thereof.

"Officer's Certificate" means a certificate signed by a director, a manager, the president, the secretary, an assistant secretary, the chief financial officer, treasurer, assistant treasurer or any vice president, as an authorized officer, of any Person.

"Opinion of Counsel" means a written opinion of counsel, which opinion and counsel are acceptable to the Administrative Agent in its sole discretion.

"Outstanding Balance" means the principal balance of a Loan, expressed exclusive of PIK Interest and any other accrued and unpaid interest.

"Participant Register" has the meaning assigned to that term in Section 2.13(b).

"Payment Date" means the 15th day of each January, April, July and October or, if such day is not a Business Day, the next succeeding Business Day, commencing October 15, 2012; provided, that the final Payment Date shall occur on the Collection Date.

"Payment Duties" has the meaning assigned to that term in Section 10.02(b)(ii).

"Pension Plan" has the meaning assigned to that term in Section 4.01(x).

"Permitted Investments" means any of:

(a) direct obligations of, and obligations fully guaranteed as to full and timely payment by, the United States (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States);

(b) demand deposits, time deposits or certificates of deposit of depository institutions or trust companies incorporated under the laws of the United States or any state thereof and subject to supervision and examination by federal or state banking or depository institution authorities; provided that at the time of the Issuer's investment or contractual commitment to invest therein, the commercial paper, if any, and short-term unsecured debt obligations (other than such obligation whose rating is based on the credit of a Person other than such institution or trust company) of such depository institution or trust company shall have a credit rating from Moody's and S&P in the Highest Required Investment Category granted by Moody's and S&P;

(c) commercial paper having, at the time of the issuer's investment or contractual commitment to invest therein, a rating in the Highest Required Investment Category granted by Moody's and S&P;

(d) demand deposits, time deposits or certificates of deposit that are fully insured by the FDIC and either have a rating on their certificates of deposit or short-term deposits from Moody's and S&P of "P-1" and "A-1+" respectively;

(e) notes that are payable on demand or bankers' acceptances issued by any depository institution or trust company referred to in clause (b) above;

(f) investments in taxable money market funds or other regulated investment companies having, at the time of the Issuer's investment or contractual commitment to invest therein, a rating of the Highest Required Investment Category from Moody's or S&P;

(g) time deposits (having maturities of not more than 90 days) by an entity the commercial paper of which has, at the time of the Issuer's investment or contractual commitment to invest therein, a rating of the Highest Required Investment Category granted by Moody's and S&P;

(h) Eligible Repurchase Obligations with a rating of the Highest Required Investment Category from Moody's and a rating of "A-1" or higher from S&P;

(i) Wells Fargo Advantage Money Market Funds – Government Money Market Fund;

(j) Wells Fargo Money Market Deposit Account; or

(k) any similar investment approved by the Administrative Agent.

Permitted Investments may include, without limitation, those investments issued by or made with Wells Fargo or for which Wells Fargo or an Affiliate provided services and receives compensation.

"Permitted Liens" means,

(a) with respect to the interest of the Borrower in the Loans included in the Collateral, Liens in favor of the Collateral Agent created pursuant to this Agreement; and

(b) with respect to the interest of the Borrower in the rest of the Collateral Portfolio (including any Underlying Collateral): (i) materialmen's, warehousemen's, mechanics' and other Liens arising by operation of law in the ordinary course of business for sums not due or sums that are being contested in good faith, (ii) purchase money security interests in certain items of equipment, (iii) Liens for 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, (iv) other customary Liens permitted with respect thereto, (v) Liens in favor of the Collateral Agent created pursuant to this Agreement, (vi) with respect to

Agented Loans or Third Party Agented Loans, Liens in favor of the lead agent, the collateral agent or the paying agent for the benefit of all holders of Indebtedness of such Obligor and (vii) with respect to any Underlying Collateral, Liens permitted by the applicable Loan Agreement.

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

“PIK Interest” means interest accrued on a Loan that is added to the principal amount of such Loan instead of being paid as interest as it accrues.

“PIK Loan” means a Loan which provides for a portion of the interest that accrues thereon to be added to the principal amount of such Loan for some period of the time prior to such Loan requiring the current cash payment of such previously capitalized interest, which cash payment shall be treated as an Interest Collection at the time it is received.

“Pledge” means the pledge of any Eligible Loan or other Portfolio Asset pursuant to Article II.

“Portfolio Assets” means all Loans owned by the Borrower, together with all proceeds thereof and other assets or property related thereto, including all right, title and interest of the Borrower in and to:

(a) any amounts on deposit in any cash reserve, collection, custody or lockbox accounts securing the Loans;

(b) all rights with respect to the Loans to which the Seller or any third party seller is entitled as lender under the applicable Loan Agreement;

(c) the Controlled Accounts, together with all cash and investments in each of the foregoing other than amounts earned on investments therein;

(d) any Underlying Collateral securing a 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 Cut-Off Date and all liquidation proceeds;

(e) all Required Loan Documents, the Loan Files related to any Loan, any Records, and the documents, agreements, and instruments included in the Loan Files or Records;

(f) all Insurance Policies with respect to any Loan;

(g) all Liens, guaranties, indemnities, warranties, letters of credit, accounts, bank accounts and property subject thereto from time to time purporting to secure or support payment of any Loan, together with all UCC financing statements, mortgages or similar filings signed or authorized by an Obligor relating thereto;

(h) the Purchase and Sale Agreement (including, without limitation, rights of recovery of the Borrower against the Seller) and the assignment to the Collateral Agent, for the benefit of the Secured Parties, of all UCC financing statements filed by the Borrower against the Seller under or in connection with the Purchase and Sale Agreement;

(i) the Management Agreement (including, without limitation, any rights of the Borrower against the Collateral Manager);

(j) all records (including computer records) with respect to the foregoing; and

(k) all collections, income, payments, proceeds and other benefits of each of the foregoing.

“Portfolio Subsidiary” means any Person (a) in which the Borrower (i) has made an investment in the ordinary course of business that is accounted for under GAAP as a portfolio investment of the Borrower, (ii) has received an equity interest in connection with an REO Asset, (iii) has received an “equity kicker” in connection with its acquisition of any Loan, (iv) owns an equity interest and that is created as a “blocker” vehicle to address tax-specific issues or (v) has acquired an equity interest in connection with a relatively contemporaneous exchange or conversion of a Loan into equity interests and (b) that meets each of the requirements set forth in each of Section 5.01(b) and Section 5.02(a).

“Prime Rate” means the rate announced by Wells Fargo 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 Wells Fargo or any other specified financial institution in connection with extensions of credit to debtors.

“Principal Collection Account” means account number 48031702 at the Account Bank in the name of the Borrower subject to the Lien of the Collateral Agent for the benefit of the Secured Parties including any sub-account thereof; provided, that the funds deposited therein (including any interest and earnings thereon) from time to time shall constitute the property and assets of the Borrower, and the Borrower shall be solely liable for any Taxes payable with respect to the Principal Collection Account.

“Principal Collections” means (i) any amounts deposited by the Borrower in accordance with Section 2.06(a)(i) or Section 2.07, (ii) with respect to any Loan, all amounts received which are not Interest Collections, including, without limitation, all Recoveries, all Insurance Proceeds, all scheduled payments of principal and principal prepayments and all guaranty payments and proceeds of any liquidations, sales, dispositions or securitizations, in each case, attributable to the principal of such Loan, (iii) all earnings on investments in any Principal Collection Account and (iv) all payments made by the Collateral Manager to the Borrower pursuant to Section 14 of the Management Agreement.

“Pro Rata Share” means, with respect to each Lender, the percentage obtained by dividing the Commitment of such Lender (as determined under clause (i) of the definition of “Commitment”), by the aggregate Commitments of all the Lenders (as determined under clause (i) of the definition of “Commitment”).

“Proceeds” means, with respect to any Collateral Portfolio, all property that is receivable or received when such Collateral Portfolio is collected, sold, liquidated, foreclosed, exchanged, or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes all rights to payment with respect to any insurance relating to such Collateral Portfolio.

“Purchase and Sale Agreement” means that certain purchase and sale agreement, dated the date of this Agreement, by and between the Seller, as the seller, and the Borrower, as the purchaser, as such agreement may from time to time be amended, supplemented or otherwise modified in accordance with the terms thereof.

“Purchase Price” means, with respect to any Loan, an amount (expressed as a percentage) equal to (i) the aggregate purchase price paid by the Borrower (as applicable) for such Loan (expressed exclusive of accrued interest and original issue discount) (or if different principal amounts of such Loan were purchased at different purchase prices, the weighted average of such purchase prices) divided by (ii) the principal balance of such Loan outstanding as of the date of such purchase (expressed exclusive of accrued interest and original issue discount); provided that any Loan acquired by the Borrower in connection with a primary syndication of such Loan and with a “Purchase Price” equal to or greater than 95% (including, for the avoidance of doubt, in excess of 100%) shall be deemed to have a “Purchase Price” equal to 100%.

“Records” means all documents relating to the Loans, including books, records and other information executed in connection with the origination or acquisition of the Collateral Portfolio or maintained with respect to the Collateral Portfolio and the related Obligors that the Borrower, the Seller or the Collateral Manager have generated, in which the Borrower or the Seller has obtained an interest.

“Recoveries” means, as of the time any Underlying Collateral with respect to any Loan is sold, discarded or abandoned (after a determination by the Borrower or the Collateral Manager that such Underlying Collateral has little or no remaining value) or otherwise determined to be fully liquidated by the Borrower or the Collateral Manager, the proceeds from the sale of the Underlying Collateral, the proceeds of any related Insurance Policy, any distributions from a Portfolio Subsidiary formed to hold an REO Asset, any other recoveries with respect to such Loan, as applicable, the Underlying Collateral, and amounts representing late fees and penalties, net of any amounts received that are required under such Loan, as applicable, to be refunded to the related Obligor.

“Register” has the meaning assigned to that term in Section 2.13(a).

“Reinvestment Period” shall mean the date commencing on the Closing Date and ending on the earliest to occur of (i) May 17, 2015 and (ii) the Facility Maturity Date.

“Relevant Test Period” means, with respect to any Loan, the relevant test period for the reporting and calculation of the applicable financial covenants included in the Loan Agreement for each such Loan, including financial covenants comparable to Total Net Leverage Ratio, Senior Net Leverage Ratio or Interest Coverage Ratio, as applicable, for such Loan in the applicable Loan Agreement or, if no such period is provided for therein, for Obligors delivering

monthly financing statements, each period of the last 12 consecutive reported calendar months, and for Obligor delivering quarterly financing statements, each period of the last four consecutive reported fiscal quarters of the principal Obligor on such Loan; provided that with respect to any Loan for which the relevant test period is not provided for in the Loan Agreement, if an Obligor is a newly-formed entity or such Loan has been newly issued or amended and restated as to which 12 consecutive calendar months have not yet elapsed, “Relevant Test Period” shall initially include the period from the date of formation of such Obligor to the end of the twelfth calendar month or fourth fiscal quarter (as the case may be) from the date of formation, and shall subsequently include each period of the last 12 consecutive reported calendar months or four consecutive reported fiscal quarters (as the case may be) of such Obligor.

“REO Asset” means, with respect to any Loan, any Underlying Collateral that has been foreclosed on or repossessed from the current Obligor by the Borrower, and is being managed by a Borrower Advisor on behalf of and in the name of any Portfolio Subsidiary, for the benefit of the Secured Parties and any other equity holder of such Portfolio Subsidiary.

“REO Management Standard” has the meaning assigned to that term in Section 6.05(a).

“Reportable Event” has the meaning assigned to that term in Section 4.01(x).

“Reporting Date” means the date that is (a) two Business Days before each Payment Date and (b) the seventh Business Day after each Reporting Determination Date.

“Reporting Determination Date” means the 20th day of each February, March, May, June, August, September, November and December, or, if such day is not a Business Day, the next succeeding Business Day.

“Required Lenders” means (a) at any time when there are two or fewer Lenders, each Lender and (b) at all other times, the Lenders representing an aggregate of more than 50% of the aggregate Commitments of the Lenders then in effect; provided that with respect to clause (b), at least two Lenders will be required, one of which is Wells Fargo; provided further that the Commitment held or deemed held by any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

“Required Loan Documents” means, for each Loan, the following documents or instruments, all as specified on the related Loan Checklist:

(a) other than in the case of a Noteless Loan, (i) if the Borrower is the sole lender on such Loan or in the case of any Agented Loan, the original or, if accompanied by an original “lost note” affidavit and indemnity, a copy of the executed underlying promissory note, endorsed by the Borrower or the prior holder of record either in blank or to the Collateral Agent (and evidencing an unbroken chain of endorsements from each prior holder thereof evidenced in the chain of endorsements either in blank or to the Collateral Agent) with any endorsement to the Collateral Agent to be in the following form: “Wells Fargo Bank, National Association, as Collateral Agent for the Secured Parties” or (ii) in the case of any Third Party Agented Loan, a copy of the executed underlying promissory note, endorsed by the Borrower or

the prior holder of record either in blank or to the Collateral Agent (and evidencing an unbroken chain of endorsements from each prior holder thereof evidenced in the chain of endorsements either in blank or to the Collateral Agent) with any endorsement to the Collateral Agent to be in the following form: “Wells Fargo Bank, National Association, as Collateral Agent for the Secured Parties”;

(b) in the case of any Noteless Loan, (i) an executed copy of each assignment and assumption agreement, transfer document or instrument specified in the related Loan Agreement (or, if no form is specified, the Loan Syndications and Trading Association form of assignment) relating to such Loan evidencing the assignment of such Noteless Loan either (1) from the Seller to the Borrower and from the Borrower either to the Collateral Agent or in blank or (2) from any prior third party owner thereof directly to the Borrower (at the direction of a Borrower Advisor) and from the Borrower either to the Collateral Agent or in blank, and (ii) in the case of an Agented Loan or a Third Party Agented Loan, a copy of the Loan Register with respect to such Noteless Loan, as described in Section 5.01(hh);

(c) originals or copies of each of the following, to the extent applicable to the related Loan: (i) any related loan agreement, credit agreement, note purchase agreement, security agreement (if separate from any Mortgage) and (ii) if the Borrower is the sole lender on such Loan or in the case of any Agented Loan, any sale and servicing agreement, acquisition agreement, subordination agreement, intercreditor agreement or similar instruments, guarantee, Insurance Policy or similar material operative document, in each case together with any amendment or modification thereto; and

(d) if any Loan is secured by a Mortgage, either (x) if the Borrower is the sole lender on such Loan or in the case of any Agented Loan, (I) the original executed Mortgage, the original executed assignment of leases and rents, if any, and the originals of all intervening assignments, if any, of the Mortgage and assignments of leases and rents with evidence of recording thereon or (II) copies thereof certified by the public recording offices where such documents were recorded to be true and complete copies thereof in those instances where the public recording offices retain the original or where the original recorded documents are lost, or (y) in the case of any Third Party Agented Loan, copies thereof certified by the Borrower, by closing counsel or by a title company or escrow company to be true and complete copies thereof where the originals have been transmitted for recording; provided that, solely for purposes of the Review Criteria, the Collateral Custodian shall have no duty to ascertain whether any certification set forth in this subsection (d)(y) has been received, other than a certification which has been clearly delineated as being provided by the Borrower or (z) copies certified by the public recording offices where such documents were recorded to be true and complete copies thereof in those instances where the public recording offices retain the original or where the original recorded documents are lost.

“Required Reports” means, collectively, the Collateral Management Report required pursuant to Section 6.07(b), the Collateral Manager Certificate required pursuant to Section 6.07(c), the financial statements of the Equityholder required pursuant to Section 6.07(d), the financial statements and valuation reports of each Obligor required pursuant to Section 6.07(e), the annual statements as to compliance required pursuant to Section 6.08, and the annual independent public accountant’s report required pursuant to Section 6.09.

“Restricted Junior Payment” means (i) any dividend or other distribution, direct or indirect, on account of any class of membership interests of the Borrower now or hereafter outstanding, except a dividend paid solely in interests of that class of membership interests or in any junior class of membership interests of the Borrower; (ii) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any class of membership interests of the Borrower now or hereafter outstanding, (iii) any payment made to redeem, purchase, repurchase or retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire membership interests of the Borrower now or hereafter outstanding, and (iv) any payment of management fees by the Borrower. For the avoidance of doubt, (x) payments and reimbursements due to a Borrower Advisor in accordance with this Agreement or any other Transaction Document do not constitute Restricted Junior Payments, and (y) distributions by the Borrower to holders of its membership interests of Loan or of cash or other proceeds relating thereto which have been substituted or transferred in connection with a Lien Release Dividend by the Borrower in accordance with this Agreement shall not constitute Restricted Junior Payments.

“Retained Interest” means, with respect to any Loan, (a) all obligations of the Borrower to make advances thereon after the related Cut-Off Date, (b) all of the obligations of the Borrower, if any, of or owing to the agent(s) under the documentation evidencing such Loan and (c) the applicable portion of the interests, rights and obligations under the documentation evidencing such Loan that relate to such portion(s) of the indebtedness that is owned by another lender.

“Review Criteria” has the meaning assigned to that term in Section 11.02(b)(i).

“S&P” means Standard & Poor’s Ratings Group, a division of The McGraw-Hill Companies, Inc. (or its successors in interest).

“Scheduled Payment” means each scheduled payment of principal and/or interest required to be made by an Obligor on the related Loan, as adjusted pursuant to the terms of the related Loan Agreement.

“Second Lien Loan” means any Loan that (i) is secured by a pledge of collateral (including all of the applicable Obligor’s assets constituting collateral for such Loan (whether or not there is also a security interest of a higher or lower priority in additional collateral)) which security interest is validly perfected and second priority under Applicable Law (subject to Liens described in clause (b) (other than clause (v) thereof) of the definition of Permitted Liens), (ii) is *pari passu* in right of payment with the Indebtedness of the holders of the first priority security interest (other than with respect to receipt of the proceeds of liquidated collateral following an event of default) and (iii) pursuant to an intercreditor agreement between the Borrower (or the applicable agent) and the holder of such first priority security interest, the amount of Indebtedness covered by such first priority security interest is limited in terms of aggregate outstanding amount or percent of outstanding principal.

“Secured Party” means each of the Administrative Agent, each Lender (together with its successors and assigns), each Lender Agent, each Affected Party, each Indemnified Party, the Collateral Custodian, the Collateral Agent and the Account Bank.

“Securities Account Control Agreement”: The Securities Account Control Agreement, dated as of the date hereof, among the Borrower, the Collateral Agent and Wells Fargo as the Securities Intermediary, as the same may be amended, modified, waived, supplemented or restated from time to time.

“Securities Act” means the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Seller” means FS Investment Corporation, in its capacity as the seller under the Purchase and Sale Agreement, together with its successors and assigns in such capacity.

“Senior Net Leverage Ratio” means, with respect to any Loan for any Relevant Test Period, the meaning of “Senior Net Leverage Ratio” or any comparable definition relating to first lien senior secured (or such applicable lien or applicable level within the capital structure) indebtedness (including, without limitation, such Loan) in the Loan Agreement for each such Loan, and in any case that “Senior Net Leverage Ratio” or such comparable definition is not defined in such Loan Agreement, the ratio of (a) first lien senior secured (or such applicable lien or applicable level within the capital structure) Indebtedness (including, without limitation, such Loan) of the applicable Obligor as of the date of determination *minus* the Unrestricted Cash of such Obligor as of such date to (b) EBITDA of such Obligor with respect to the applicable Relevant Test Period, in each case as calculated by the Borrower or the Collateral Manager in good faith using information from and calculations consistent with relevant compliance statements and financial reporting packages provided by the relevant Obligor.

“Solvent” means, as to any Person at any time, having a state of affairs such that all of the following conditions are met: (a) the fair value of the property of such Person is greater than the amount of such Person’s liabilities (including contingent liabilities) as such value is established and liabilities evaluated for purposes of Section 101(32) of the Bankruptcy Code; (b) the present fair saleable value of the property of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts and other liabilities as they become absolute and matured; (c) such Person is able to realize upon its property and pay its debts and other liabilities (including disputed, contingent and unliquidated liabilities) as they mature in the normal course of business; (d) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person’s ability to pay as such debts and liabilities mature; and (e) such Person is not engaged in a business or a transaction, and does not propose to engage in a business or a transaction, for which such Person’s property assets would constitute unreasonably small capital.

“State” means one of the fifty states of the United States or the District of Columbia.

“Stated Maturity Date” means May 17, 2017.

“Subsidiary” means with respect to a person, a corporation, partnership or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such

corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such person.

“Substitution” has the meaning set forth in Section 2.07(a).

“Taxes” means any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities (including penalties, interest and additions to tax) with respect thereto, whether now or hereafter imposed, levied, collected, withheld or assessed by any taxation authority or other Governmental Authority.

“Third Party Agented Loan” means any Loan which is agented by a Person other than the Seller or any of its Affiliates as part of a syndicated loan transaction.

“Total Net Leverage Ratio” means, with respect to any Loan for any Relevant Test Period, the meaning of “Total Net Leverage Ratio” or any comparable definition in the Loan Agreement for each such Loan, and in any case that “Total Net Leverage Ratio” or such comparable definition is not defined in such Loan Agreement, the ratio of (a) Indebtedness *minus* Unrestricted Cash to (b) EBITDA, in each case as calculated by the Borrower or the Collateral Manager in good faith using information from and calculations consistent with relevant compliance statements and financial reporting packages provided by the relevant Obligor.

“Traditional Middle Market Loan” means any Loan (other than a Broadly Syndicated Loan or a Large Middle Market Loan) that (i) is not (and cannot by its terms become) subordinate in right of payment to any obligation of the Obligor in any bankruptcy, reorganization, insolvency, moratorium or liquidation proceedings, (ii) is secured by a pledge of collateral, which security interest is validly perfected and first priority under Applicable Law (subject to Liens described in clause (b) (other than clause (v) thereof) of the definition of Permitted Liens), and (iii) a Borrower or the Collateral Manager determines in good faith that the value of the collateral securing such Loan (or the enterprise value of the underlying business) on or about the time of origination equals or exceeds the outstanding principal balance of such Loan *plus* the aggregate outstanding balances of all other loans of equal or higher seniority secured by the same collateral.

“Tranche Size” means, with respect to any Loan, the dollar value of the tranche (including any last-out component but excluding any second lien or unsecured tranche) of Indebtedness of the applicable Obligor currently held or contemplated for purchase by the Borrower; provided that any *pari passu* tranche of Indebtedness that is broadly syndicated with the same material terms and issued by the same Obligor pursuant to the same Loan Agreement may be included in the calculation of Tranche Size in the sole discretion of the Administrative Agent.

“Transaction Documents” means this Agreement, the Variable Funding Note(s), any Joinder Supplement, the Advisory Agreements, the Indemnity Letter, the LLC Agreement, the Management Agreement, the Purchase and Sale Agreement, the Securities Account Control Agreement, the Wells Fargo Corporate Trust Fee Letter, each Lender Fee Letter and any additional document the execution of which is necessary or appropriate to carrying out the terms of the foregoing documents.

“Transferee Letter” has the meaning assigned to that term in Section 12.04(a).

“UCC” means the Uniform Commercial Code as from time to time in effect in the specified jurisdiction.

“Underlying Collateral” means, with respect to a Loan, any property or other assets designated and pledged or mortgaged as collateral to secure repayment of such Loan, as applicable, including, without limitation, mortgaged property and/or 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.

“United States” means the United States of America.

“Unmatured Collateral Control Event” means any event that, if it continues uncured, will, with lapse of time, notice or lapse of time and notice, constitute a Collateral Control Event.

“Unmatured Event of Default” means any event that, if it continues uncured, will, with lapse of time, notice or lapse of time and notice, constitute an Event of Default.

“Unrestricted Cash” means the meaning of “Unrestricted Cash” or any comparable definition in the Loan Agreement for each such Loan, and in any case that “Unrestricted Cash” or such comparable definition is not defined in such Loan Agreement, all cash available for use for general corporate purposes and not held in any reserve account or legally or contractually restricted for any particular purposes or subject to any lien (other than blanket liens permitted under or granted in accordance with such Loan Agreement).

“Value Adjustment Event” means, with respect to any Loan, the occurrence of any one or more of the following events after the related Cut-Off Date:

(a) the Interest Coverage Ratio for any Relevant Test Period of the related Obligor with respect to such Loan is (A) less than 85% of the Interest Coverage Ratio with respect to such Loan provided in the applicable Approval Notice (provided that if any other positions in such Loan existed on its Cut-Off Date then the Interest Coverage Ratio utilized for the position with the earliest of such other Cut-Off Dates shall apply) and (B) less than 1.50 to 1.00;

(b) the Senior Net Leverage Ratio for any Relevant Test Period of the related Obligor with respect to such Loan is (A) more than 0.50x higher than such Senior Net Leverage Ratio provided in the applicable Approval Notice (provided that if any other positions in such Loan existed on its Cut-Off Date then the Senior Net Leverage Ratio utilized for the position with the earliest of such other Cut-Off Dates shall apply) and (B) greater than 3.50 to 1.00;

(c) an Obligor payment default under such Loan (after giving effect to any grace and/or cure period set forth in the Loan Agreement, but not to exceed three (3) Business Days);

(d) any Obligor default (other than a payment default) under any Loan for which the Borrower (or agent or required lenders pursuant to the related Loan Agreement, as applicable) has elected to exercise any of its rights and remedies under the applicable Loan Agreement in case of such default thereunder (including, but not limited to, acceleration of the debt);

(e) a Bankruptcy Event with respect to the related Obligor;

(f) the occurrence of a Material Modification (in accordance with clauses (b)-(f) of the definition thereof) with respect to such Loan;

(g) the occurrence of a Material Modification (in accordance with clause (a) of the definition thereof) with respect to such Loan;

(h) the failure of the Borrower to deliver any financial reporting package monthly, quarterly or annually with respect to such Loan pursuant to Section 6.07(e) no later than 45 days after the end of each month, 60 days after the end of each quarter and 130 days after the end of each fiscal year, respectively (or such greater number of days as allowed by the applicable Loan Agreement (including any grace periods thereunder), but which shall in no case exceed 150 days after the end of each fiscal year), unless otherwise agreed to by the Administrative Agent in its sole discretion; or

(i) the Borrower decides not to defend the right, title and interest of the Collateral Agent on such Loan because the cost to defend the applicable claims exceeds the value of such Loan pursuant to Section 5.01(u).

“Variable Funding Note” has the meaning assigned to such term in Section 2.01(a).

“Wells Fargo” means Wells Fargo Bank, National Association, a national banking association, in its individual capacity, and its successors and assigns.

“Wells Fargo Corporate Trust Fee Letter” means the Wells Fargo Corporate Trust Fee Letter, dated as of the date hereof, between the Collateral Agent, the Collateral Custodian, the Account Bank, the Borrower and the Administrative Agent, as such letter may be amended, modified, supplemented, restated or replaced from time to time.

“Yield” means with respect to any Collection Period, the sum for each day in such Collection Period determined in accordance with the following formula:

$$\frac{YR \times L}{D}$$

where:

- YR = the Yield Rate applicable on such day;
L = the Advances Outstanding on such day;
and
D = 360 or, to the extent the Yield Rate is the Base Rate, 365 or 366 days, as applicable;

provided that (i) no provision of this Agreement shall require the payment or permit the collection of Yield in excess of the maximum permitted by Applicable Law and (ii) Yield shall not be considered paid by any distribution if at any time such distribution is later required to be rescinded by any Lender to the Borrower or any other Person for any reason including, without limitation, such distribution becoming void or otherwise avoidable under any statutory provision or common law or equitable action, including, without limitation, any provision of the Bankruptcy Code.

“Yield Rate” means, as of any date of determination, an interest rate *per annum* equal to LIBOR for such date *plus* the Applicable Spread; provided that if a Lender shall have notified the applicable Lender Agent in writing that a Eurodollar Disruption Event has occurred, the Yield Rate shall be equal to the Base Rate *plus* the Applicable Spread until such Lender Agent shall have notified the Administrative Agent that such Eurodollar Disruption Event has ceased.

Section 1.02 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 1.03 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 1.04 Instruction by Borrower Advisors.

If any Secured Party receives contradictory instructions or direction from the Borrower or any one or more Borrower Advisors pursuant to the terms of this Agreement or any other Transaction Document, such Secured Party shall seek clarification from the Collateral Manager (and shall be entitled to rely on such instructions or directions in accordance with terms hereof or thereof) and shall not be liable for any action taken or omitted to be taken in connection with any such instructions or directions.

Section 1.05 Paydown of Partially Eligible Loans.

If any portion of a Loan is not an Eligible Loan solely because of the threshold set forth in clause (b), (w) and/or (z) of the definition of "Eligible Loan" (each such portion, an "Ineligible Portion"), each decrease in the Outstanding Balance of such Loan shall be applied *pro rata* to both the Eligible Loan and the Ineligible Portion; provided that if the Borrower is selling such Loan in accordance with the terms hereof, the decrease in the Outstanding Balance of such Loan shall be applied first to the Ineligible Portion and then to the Eligible Loan. If the Outstanding Balance of such Eligible Loan portion is reduced below the threshold set forth in clause (b), (w) and/or (z) of the definition of "Eligible Loan", the Borrower may submit the Ineligible Portion of such Loan for approval by the Administrative Agent in its sole discretion as an Eligible Loan.

Section 1.06 Interpretation.

In each Transaction Document, unless a contrary intention appears:

(a) the singular number includes the plural number and vice versa;

(b) reference to any Person includes such Person's successors and assigns but only if such successors and assigns are not prohibited by the Transaction Documents;

(c) reference to any gender includes each other gender;

(d) reference to day or days without further qualification means calendar days;

(e) reference to any time means Charlotte, North Carolina time;

(f) reference to the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation";

(g) reference to any agreement (including any Transaction Document), document or instrument means such agreement, document or instrument as amended, modified, waived, 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 Transaction Documents, and reference to any promissory note includes any promissory note that is an extension or renewal thereof or a substitute or replacement therefor;

(h) 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;

(i) reference to the “occurrence” of an Event of Default means after any grace period applicable to such Event of Default and shall not include any Event of Default that has been waived in accordance with the terms of this Agreement; and

(j) for purposes of this Agreement, a Collateral Control Event or an Event of Default shall be deemed to be continuing unless it is waived in accordance with Section 12.01.

ARTICLE II.

THE FACILITY

Section 2.01 Variable Funding Note and Advances.

(a) Variable Funding Note. The Borrower has heretofore delivered or shall, on the date hereof (and on the terms and subject to the conditions hereinafter set forth), deliver, to each Lender Agent, at the address set forth on Annex A to this Agreement, and on the effective date of any Joinder Supplement, to each additional Lender Agent, at the address set forth in the applicable Joinder Supplement, a duly executed variable funding note (the “Variable Funding Note”), in substantially the form of Exhibit I, in an aggregate face amount equal to the applicable Lender’s Commitment as of the Closing Date or the effective date of any Joinder Supplement, as applicable, and otherwise duly completed. Interest shall accrue on the Variable Funding Note, and the Variable Funding Note shall be payable, as described herein.

(b) Advances. On the terms and conditions hereinafter set forth, from time to time from the Closing Date until the end of the Reinvestment Period, the Lenders shall make Advances under the Variable Funding Notes, secured by the Collateral Portfolio, to the Borrower. Under no circumstances shall any Lender be required to make any Advance if after giving effect to such Advance and the addition to the Collateral Portfolio of the Eligible Loans being acquired by the Borrower using the proceeds of such Advance, (i) an Event of Default or Collateral Control Event has occurred and is continuing or would result therefrom or an Unmatured Event of Default exists or would result therefrom or (ii) the aggregate Advances Outstanding would exceed the Borrowing Base. Notwithstanding anything to the contrary herein, no Lender shall be obligated to provide the Borrower with aggregate funds in connection with an Advance that would exceed the lesser of (x) such Lender’s unused Commitment then in effect and (y) the aggregate unused Commitments then in effect.

(c) Notations on Variable Funding Note. Each Lender Agent is hereby authorized to enter on a schedule attached to the Variable Funding Note with respect to each Conduit Lender and each Institutional Lender a notation (which may be computer generated) with respect to each Advance under the Variable Funding Note made by the applicable Lender of: (i) the date and principal amount thereof, and (ii) each repayment of principal thereof, and any such recordation shall, absent manifest error, constitute prima facie evidence of the accuracy of the information so recorded. The failure of any Lender Agent to make any such notation on the schedule attached to any Variable Funding Note shall not limit or otherwise affect the obligation of the Borrower to repay the Advances in accordance with their respective terms as set forth herein.

Section 2.02 Procedure for Advances.

(a) Subject to the limitations set forth in Section 2.01(b), the Borrower may request an Advance from the Lenders by delivering at the specified times the information and documents set forth in this Section 2.02.

(b) No later than 2:00 p.m. at least one (1) Business Day and not more than five (5) Business Days prior to the proposed Advance Date, the Borrower shall, or shall cause the Collateral Manager to, deliver:

(i) to the Administrative Agent (with a copy to the Collateral Agent and the Collateral Custodian) written notice of such proposed Advance Date (including a duly completed Borrowing Base Certificate updated to the date such Advance is requested and giving *pro forma* effect to the Advance requested and the use of the proceeds thereof);

(ii) to the Administrative Agent a wire disbursement and authorization form, to the extent not previously delivered; and

(iii) to the Administrative Agent (with a copy to the Collateral Agent and the Collateral Custodian) a duly completed Notice of Borrowing which shall (A) specify the desired amount of such Advance, which amount must be at least equal to \$500,000, to be allocated to each Lender in accordance with its Pro Rata Share, (B) specify the proposed Advance Date for such Advance, (C) specify the Loan(s), if any, to be financed on such Advance Date (including the appropriate file number, a description of the Obligor, original loan balance, Outstanding Balance, Assigned Value and Purchase Price for each Loan and identifying each Loan by type and proposed Advance Rate applicable to each such Loan) and (D) include a representation that all conditions precedent for an Advance described in Article III hereof have been met. Each Notice of Borrowing shall be irrevocable. If any Notice of Borrowing is received by the Administrative Agent after 2:00 p.m. on the Business Day prior to the Business Day for which such Advance is requested or on a day that is not a Business Day, such Notice of Borrowing shall be deemed to be received by the Administrative Agent at 9:00 a.m. on the next Business Day.

(c) On the proposed Advance Date, subject to the limitations set forth in Section 2.01(b) and upon satisfaction of the applicable conditions set forth in Article III, (i) each Lender shall make available to the Administrative Agent in same day funds, at such bank or other location reasonably designated by the Administrative Agent from time to time, an amount equal to such Lender's Pro Rata Share of the least of (A) the amount requested by the Borrower for such Advance, (B) the aggregate unused Commitments then in effect and (C) an amount equal to the amount by which the Borrowing Base exceeds Advances Outstanding on such Advance Date (after giving effect to the use of such Advance for the purchase of Eligible Loans) and (ii) the Administrative Agent shall make the aggregate amount received from the Lenders available to the Borrower at such bank or other location reasonably designated by Borrower in the Notice of Borrowing given pursuant to this Section 2.02.

(d) On each Advance Date, the obligation of each Lender to remit its Pro Rata Share of any such Advance shall be several from that of each other Lender and the failure of any Conduit Lender or Institutional Lender to so make such amount available to the Borrower shall not relieve any other Lender of its obligation hereunder.

(e) Subject to Section 2.04 and the other terms, conditions, provisions and limitations set forth herein, the Borrower may (i) borrow, repay or prepay and reborrow Advances without any penalty, fee or premium on and after the Closing Date and prior to the end of the Reinvestment Period and (ii) repay or prepay Advances without any penalty, on and after the Closing Date and prior to the Facility Maturity Date.

Section 2.03 Yield and Non-Usage Fees.

(a) The Borrower shall pay Yield to the Administrative Agent in accordance with Section 2.04 for *pro rata* distribution to each applicable Lender (either directly or through the applicable Lender Agent). The Administrative Agent shall calculate the Yield in accordance with each Lender Fee Letter for each Lender's portion of the Advances (including unpaid Yield related thereto, if any, due and payable on a prior Payment Date) to be paid by the Borrower on each Payment Date for the related Collection Period and shall advise the Borrower Advisors and the Collateral Agent thereof on the third Business Day prior to such Payment Date.

(b) The Borrower shall pay Non-Usage Fee to the Administrative Agent in accordance with Section 2.04 for *pro rata* distribution to each applicable Lender (either directly or through the applicable Lender Agent). The Administrative Agent shall determine the Non-Usage Fee in accordance with each Lender Fee Letter accrued with respect to each Lender's unutilized Commitment to be paid by the Borrower on each Payment Date for the related Collection Period and shall advise the Borrower Advisors and the Collateral Agent thereof on the third Business Day prior to such Payment Date.

(c) Any determination that a Eurodollar Disruption Event has occurred shall be communicated to the Borrower by written notice from the Administrative Agent promptly after the Administrative Agent learns of such occurrence.

Section 2.04 Remittance Procedures. The Borrower shall cause the Collateral Manager and, if it fails to do so, the Administrative Agent may, instruct the Collateral Agent, to apply funds on deposit in the Controlled Accounts as described in this Section 2.04; provided that, at any time after delivery of Notice of Exclusive Control (as defined in the Securities Account Control Agreement) during the occurrence and continuance of an Event of Default, the Administrative Agent shall instruct the Collateral Agent to apply funds on deposit in the Controlled Accounts as described in this Section 2.04.

(a) Interest Payments Absent an Event of Default. On each Payment Date prior to the Facility Maturity Date, so long as no Event of Default has occurred and is continuing, the Collateral Agent shall (as directed pursuant to the first paragraph of this Section 2.04) transfer Interest Collections held by the Account Bank in the Interest Collection Account, in accordance with the Collateral Management Report, to the following Persons in the following amounts, calculated as of the Determination Date immediately preceding any Payment Date, and priority:

(i) *pari passu* to (a) the Collateral Agent, in payment in full of all accrued Collateral Agent Fees and Collateral Agent Expenses, (b) the Collateral Custodian in payment in full of all accrued Collateral Custodian Fees and Collateral Custodian Expenses and (c) the Account Bank in payment in full of all accrued fees and expenses due under the Wells Fargo Corporate Trust Fee Letter; provided that amounts payable with respect to Collateral Agent Expenses, Collateral Custodian Expenses and the Account Bank pursuant to this clause (i) (and Section 2.04(b)(i) and (c)(i), if applicable) shall not, collectively, exceed \$100,000 *per annum*;

(ii) to the Administrative Agent in payment in full of all costs and expenses (other than as set forth in clause (a)(iii)) incurred in connection with the exercise of its rights during a Collateral Control Event;

(iii) to the agents and advisers retained by the Administrative Agent in payment of fees and expenses incurred in connection with the Administrative Agent's exercise of its rights during a Collateral Control Event; provided that amounts payable pursuant to this clause (iii) during any calendar year shall not exceed an amount equal to 0.50% of the average aggregate Outstanding Balance during such calendar year;

(iv) *pro rata*, in accordance with the amounts due under this clause, to each Lender Agent, for the account of the applicable Lender, all Yield and the Non-Usage Fee that is accrued and unpaid as of the last day of the related Collection Period;

(v) *pro rata*, to each Lender Agent (for the account of the applicable Lender) and the Administrative Agent, all accrued and unpaid fees, expenses (including attorneys' fees, costs and expenses) and indemnity amounts payable by the Borrower to the Administrative Agent, any Lender Agent or any Lender under the Transaction Documents;

(vi) to each Lender Agent for the account of the applicable Lender, an amount necessary to satisfy any existing Borrowing Base Deficiency, *pro rata* in accordance with the amount of Advances Outstanding;

(vii) *pari passu* to (a) the Collateral Agent, in payment in full of all accrued Collateral Agent Expenses to the extent not previously paid, (b) the Collateral Custodian in payment in full of all accrued Collateral Custodian Expenses to the extent not previously paid, and (c) the Account Bank in payment in full of all accrued expenses to the extent not previously paid;

(viii) to pay any other amounts due (other than with respect to the repayment of Advances) under this Agreement and the other Transaction Documents (including any indemnity amounts due from the Borrower hereunder and thereunder); and

(ix) to the Borrower, any remaining amounts.

(b) **Principal Payments Absent an Event of Default.** On each Payment Date, so long as no Event of Default has occurred and is continuing, and in any case prior to the Facility Maturity Date, the Collateral Agent shall (as directed pursuant to the first paragraph of this Section 2.04) transfer Principal Collections held by the Account Bank in the Principal Collection Account, in accordance with the Collateral Management Report, to the following Persons in the following amounts, calculated as of the Determination Date immediately preceding any Payment Date, and priority:

(i) to pay amounts due under Section 2.04(a)(i) through (v), to the extent not paid thereunder;

(ii) (a) prior to the end of the Reinvestment Period, to each Lender Agent for the account of the applicable Lender, an amount necessary to satisfy any existing Borrowing Base Deficiency, *pro rata* in accordance with the amount of Advances Outstanding or (b) after the end of the Reinvestment Period, to each Lender Agent for the account of the applicable Lender, an amount necessary to pay the Advances Outstanding *pro rata* in accordance with each Lender's Pro Rata Share of the Advances Outstanding until paid in full;

(iii) prior to the end of the Reinvestment Period and during the continuance of a Collateral Control Event, to each Lender Agent for the account of the applicable Lender, an amount equal to each Lender's Pro Rata Share of the Advances Outstanding;

(iv) *pari passu* to (a) the Collateral Agent, in payment in full of all accrued Collateral Agent Expenses to the extent not previously paid, (b) the Collateral Custodian in payment in full of all accrued Collateral Custodian Expenses to the extent not previously paid, and (c) the Account Bank in payment in full of all accrued expenses to the extent not previously paid;

(v) to pay any other amounts due under this Agreement and the other Transaction Documents (including any indemnity amounts due from the Borrower hereunder and thereunder); and

(vi) to the Borrower, any remaining amounts.

(c) **Payment Date Transfers Upon the Occurrence of an Event of Default.** On each Payment Date or as requested by the Administrative Agent on any Business Day, if an Event of Default has occurred and is continuing, or in any case after the Facility Maturity Date, the Collateral Agent shall (as directed pursuant to the first paragraph of this Section 2.04) transfer collected funds held by the Account Bank in the Interest Collection Account and the Principal Collection Account, in accordance with the Collateral Management Report, to the following Persons in the following amounts, calculated as of the Determination Date immediately preceding any Payment Date, and priority:

(i) *pari passu* to (a) the Collateral Agent, in payment in full of all accrued Collateral Agent Fees and Collateral Agent Expenses, (b) the Collateral Custodian in payment in full of all accrued Collateral Custodian Fees and Collateral Custodian Expenses and (c) the Account Bank in payment in full of all accrued fees and expenses

due under the Wells Fargo Corporate Trust Fee Letter; provided that amounts payable with respect to Collateral Agent Expenses, Collateral Custodian Expenses and the Account Bank pursuant to this clause (i) (and Section 2.04(a)(i) and (b)(i), if applicable) shall not, collectively, exceed \$100,000 *per annum*;

(ii) to the Administrative Agent in payment in full of all costs and expenses (other than as set forth in clause (c)(iii)) incurred in connection with the exercise of its rights during a Collateral Control Event;

(iii) to the agents and advisers retained by the Administrative Agent in payment of fees and expenses incurred in connection with the Administrative Agent's exercise of its rights during a Collateral Control Event; provided that amounts payable with respect to this clause (iii) during any calendar year shall not exceed an amount equal to 0.50% of the average aggregate Outstanding Balance during such calendar year

(iv) *pro rata*, in accordance with the amounts due under this clause, to each Lender Agent, for the account of the applicable Lender, all Yield and the Non-Usage Fee that is accrued and unpaid as of the last day of the related Collection Period;

(v) *pro rata*, to each Lender Agent (for the account of the applicable Lender) and the Administrative Agent, as applicable, all accrued and unpaid fees, expenses (including attorneys' fees, costs and expenses) and indemnity amounts payable by the Borrower to the Administrative Agent, any Lender Agent or any Lender under the Transaction Documents;

(vi) to each Lender Agent for the account of the applicable Lender, an amount equal to each Lender's Pro Rata Share of the Advances Outstanding;

(vii) *pari passu* to (a) the Collateral Agent, in payment in full of all accrued Collateral Agent Expenses to the extent not previously paid, (b) the Collateral Custodian in payment in full of all accrued Collateral Custodian Expenses to the extent not previously paid, and (c) the Account Bank in payment in full of all accrued expenses to the extent not previously paid;

(viii) to pay any other amounts due under this Agreement and the other Transaction Documents (including any indemnity amounts due from the Borrower hereunder and thereunder); and

(ix) to the Borrower, any remaining amounts.

(d) Insufficiency of Funds. For the sake of clarity, the parties hereby agree that if the funds on deposit in the applicable Controlled Account are insufficient to pay any amounts due and payable on a Payment Date or otherwise, the Borrower shall nevertheless remain responsible for, and shall pay when due, all amounts payable under this Agreement and the other Transaction Documents in accordance with the terms of this Agreement and the other Transaction Documents.

Section 2.05 Instructions to the Collateral Agent and the Account Bank. All instructions and directions given to the Collateral Agent or the Account Bank by the Borrower or on behalf of the Borrower by a Borrower Advisor or by the Administrative Agent pursuant to Section 2.04 shall be in writing (and instructions and directions transmitted to the Collateral Agent or the Account Bank by facsimile or e-mail shall constitute "in writing" for this purpose), and such written instructions and directions shall be delivered with a written certification that such instructions and directions are in compliance with the provisions of Section 2.04. The Borrower shall, or shall cause any Borrower Advisor to, immediately transmit to the Administrative Agent by facsimile or e-mail a copy of all instructions and directions given to the Collateral Agent or the Account Bank by or on behalf of the Borrower pursuant to Section 2.04. The Administrative Agent shall promptly transmit to the Borrower Advisors and the Borrower by facsimile or e-mail a copy of all instructions and directions given to the Collateral Agent or the Account Bank by the Administrative Agent, pursuant to Section 2.04. If either the Administrative Agent or Collateral Agent disagrees with the computation of any amounts to be paid or deposited by the Borrower or on behalf of the Borrower, under Section 2.04 or otherwise pursuant to this Agreement, or upon their respective instructions, it shall so notify the Borrower, the Borrower Advisors and the Collateral Agent in writing and in reasonable detail to identify the specific disagreement. If such disagreement cannot be resolved within two (2) Business Days, the determination of the Administrative Agent as to such amounts shall be conclusive and binding on the parties hereto absent manifest error. In the event the Collateral Agent or the Account Bank receives instructions from any Borrower Advisor or the Borrower after the occurrence and during the continuation of an Event of Default which conflict with any instructions received from the Administrative Agent, the Collateral Agent or the Account Bank, as applicable, shall rely on and follow the instructions given by the Administrative Agent.

Section 2.06 Borrowing Base Deficiency Payments.

(a) Notwithstanding any other obligation of the Borrower to cure any Borrowing Base Deficiency pursuant to the terms of this Agreement, if, on any day prior to the Collection Date, any Borrowing Base Deficiency exists, then the Borrower shall, within 3 Business Days from the date of the occurrence of such Borrowing Base Deficiency (or such longer period as provided below in connection with a Cure Plan), eliminate such Borrowing Base Deficiency in its entirety by effecting (or, in the case of clause (iv), initiating) one or more (or any combination thereof) of the following actions in order to eliminate such Borrowing Base Deficiency as of such date of determination: (i) deposit cash in Dollars into the Principal Collection Account (including, without limitation, cash contributed by the Equityholder), (ii) repay Advances (together with any Breakage Fees, and all accrued and unpaid costs and expenses of the Administrative Agent, the Lender Agents and the Lenders, in each case in respect of the amount so prepaid), (iii) subject to the approval of the Administrative Agent, in its sole discretion, Pledge additional Eligible Loans and/or (iv) submit a Cure Plan that satisfies the requirements of Section 2.06(c) and is approved in writing (which approval must be given within 3 Business Days from the date of the occurrence of such Borrowing Base Deficiency and may be by electronic communication) by the Administrative Agent in its sole discretion. If the Borrower initiates a Cure Plan in accordance with clause (iv) above, then the Borrower must eliminate such Borrowing Base Deficiency in accordance with such Cure Plan within 10 Business Days from the date of the occurrence of such Borrowing Base Deficiency.

(b) No later than 2:00 p.m. on the Business Day prior to any proposed repayment of Advances or Pledge of additional Eligible Loans pursuant to Section 2.06(a), the Borrower (or the Collateral Manager on its behalf) shall deliver (i) to the Administrative Agent (with a copy to the Collateral Agent and the Collateral Custodian), notice of such repayment or Pledge and a duly completed Borrowing Base Certificate, updated to the date such repayment or Pledge is being made and giving *pro forma* effect to such repayment or Pledge, and (ii) to the Administrative Agent, if applicable, a description of any Eligible Loan and each Obligor of such Eligible Loan to be Pledged and added to the updated Loan Tape. Any notice pertaining to any repayment or any Pledge pursuant to this Section 2.06 shall be irrevocable.

(c) Each Cure Plan submitted pursuant to Section 2.06(a)(iv) shall include, as applicable, (i) a request for an Approval Notice for each Loan to be purchased, Pledged or sold pursuant to such Cure Plan, (ii) trade tickets identifying each Loan to be purchased, Pledged or sold and the related settlement dates (which settlement dates must be no later than 10 Business Days after the related Borrowing Base Deficiency occurred), (iii) the amount to be deposited into the Principal Collection Account, (iv) the amount of Advances to be repaid and (v) a written certification the Borrower has caused the Collateral Manager to provide with respect to such Cure Plan that the Collateral Manager believes that such Cure Plan will produce sufficient proceeds to cure the related Borrowing Base Deficiency and that such proceeds will be applied within 10 Business Days of the date the related Borrowing Base Deficiency occurred to cure such Borrowing Base Deficiency.

Section 2.07 Discretionary Sales, Substitutions, Lien Release Dividends and Purchases.

(a) Substitutions. Subject to Sections 2.07(c) and (d), during the Reinvestment Period the Borrower may, or to the extent a Substitution is required under the Purchase and Sale Agreement, shall sell any Loan and replace such Loan with another Eligible Loan (each such sale and replacement, a “Substitution”) so long as (i) immediately after giving effect to such Substitution, no Event of Default, Unmatured Event of Default or Collateral Control Event shall have occurred and be continuing, (ii) each substitute Loan acquired by the Borrower in connection with a Substitution shall be an Eligible Loan, (iii) 100% of the proceeds from the sale of the Loan(s) to be replaced in connection with such Substitution are either applied by the Borrower to acquire the substitute Loan(s) or deposited in the Collection Account, (iv) all conditions precedent set forth in Section 3.02 have been satisfied with respect to each Loan to be acquired by the Borrower in connection with such Substitution and (v) immediately after giving effect to such Substitution, no Borrowing Base Deficiency exists; provided that, notwithstanding anything to the contrary set forth in Section 3.02, in the event a Borrowing Base Deficiency shall have existed immediately prior to giving effect to such Substitution, the Borrower may effect a Substitution so long as, immediately after giving effect to such Substitution and any other action taken pursuant to Section 2.06 substantially contemporaneous therewith, such Borrowing Base Deficiency is reduced or cured.

(b) Discretionary Sales. Upon not less than one (1) Business Day’s prior written notice to the Administrative Agent, the Borrower shall be permitted, subject to clauses (c) and (d) below, to sell Loans (each, a “Discretionary Sale”) so long as (i) immediately after giving effect to such Discretionary Sale, no Event of Default, Unmatured Event of Default

or Collateral Control Event shall have occurred and be continuing, (ii) unless the Administrative Agent shall have provided prior written consent, the sale price of any such Loan sold pursuant to a Discretionary Sale shall be equal to or greater than its Adjusted Borrowing Value, (iii) immediately after giving effect to such Discretionary Sale, no Borrowing Base Deficiency exists and (iv) 100% of the proceeds from the sale of the Loan(s) in connection with such Discretionary Sale are deposited in the Collection Account; provided that, in the event a Borrowing Base Deficiency shall have existed immediately prior to giving effect to such Discretionary Sale, the Borrower may, with the prior consent of the Administrative Agent in its sole discretion, effect a Discretionary Sale so long as, immediately after giving effect to such Discretionary Sale and any other action taken pursuant to Section 2.06 substantially contemporaneous therewith, such Borrowing Base Deficiency is reduced or cured.

(c) Conditions to Sales and Substitutions. Any Discretionary Sale or sale pursuant to a Substitution effected pursuant to Sections 2.07 (a) or (b) shall be subject to the satisfaction of the following conditions:

(i) the Borrower shall deliver a Borrowing Base Certificate to the Administrative Agent;

(ii) the Borrower shall deliver a list of all Loans to be sold or substituted to the Administrative Agent and the Trustee;

(iii) the Borrower shall be deemed to have certified to the Administrative Agent that no selection procedures adverse to the interests of the Administrative Agent or the Lenders were utilized by the Borrower in the selection of the Loans to be sold or substituted;

(iv) the Borrower shall notify the Administrative Agent and the Account Bank of any amount to be deposited into the Collection Account in connection with any sale or substitution;

(v) the Borrower shall be deemed to have certified to the Administrative Agent that the representations and warranties contained in Section 4.1 and 4.2 hereof shall continue to be correct in all material respects following any sale or substitution, except to the extent any such representation or warranty relates to an earlier date;

(vi) any repayment of Advances Outstanding in connection with any sale or substitution of Loans hereunder shall comply with the requirements set forth in Section 2.17(b);

(vii) the Administrative Agent shall have provided its prior written consent to any such sale or substitution to an Affiliate of the Borrower or any Borrower Advisor;

(viii) the Administrative Agent shall have provided its prior written consent to any such sale or substitution after the occurrence of an Unmatured Event of Default, Event of Default or a Collateral Control Event;

(ix) the Borrower shall pay an amount equal to all Breakage Fees and other accrued and unpaid costs and expenses (including, without limitation, reasonable legal fees) of the Administrative Agent, the Lenders and the Collateral Custodian in connection with any such sale or substitution (including, but not limited to, expenses incurred in connection with the release of the Lien of the Collateral Agent on behalf of the Secured Parties and any other party having an interest in the Loan in connection with such sale or substitution).

(d) Limitations on Sales, Substitutions and Lien Release Dividends.

(i) The aggregate Outstanding Balance of all Loans subject to a Value Adjustment Event described in clauses (c), (e) or (g) of the definition thereof which are included in a Lien Release Dividend or sold by the Borrower to the Seller in connection with a Substitution or a Discretionary Sale, in each case during the 12-month period immediately preceding the proposed Lien Release Dividend, Substitution or Discretionary Sale, shall not exceed 10% of the highest aggregate Outstanding Balance of the Collateral Portfolio during any month of such 12-month period.

(ii) The aggregate Outstanding Balance of all Loans which are sold by the Borrower in connection with a Substitution or a Discretionary Sale shall not exceed (i) during the first 12 months after the Closing Date, 50% of the highest aggregate Outstanding Balance of the Collateral Portfolio during any month of such 12-month period and (ii) during any 12 month rolling period thereafter (or such lesser number of months as shall have elapsed since the one-year anniversary of the Closing Date), 20% of the highest aggregate Outstanding Balance of the Collateral Portfolio during any month of such 12 month period (or such lesser period); provided that, the foregoing limitation set forth in this clause (d) shall not apply with respect to any Substitution or Discretionary Sale (A) with the prior written consent of the Administrative Agent, of a Loan which is reasonably expected to be refinanced or paid off in full by the applicable Obligor, (B) of a Credit Risk Loan, (C) of a Loan with an Assigned Value of zero or (D) in connection with a Cure Plan Sale; provided, further, that, notwithstanding the foregoing, the aggregate of the Substitutions and Discretionary Sales by the Borrower to the Seller permitted hereunder on any date of determination shall not exceed 20% of the aggregate Outstanding Balance of all Loans conveyed by the Seller to the Borrower pursuant to the Purchase and Sale Agreement through such date (the Outstanding Balance of each such Loan, for purposes of this proviso, being that on the date of conveyance under the Purchase and Sale Agreement); and further provided, that the limitation set forth in the immediately preceding proviso shall not apply with respect to any Substitution or Discretionary Sale by the Borrower to the Seller (x) with the prior written consent of the Administrative Agent, of a Loan which is reasonably expected to be refinanced or paid off in full within 90 days by the applicable Obligor, or (y) of a Loan with an Assigned Value of zero.

(e) Lien Release Dividend. Notwithstanding any provision contained in this Agreement to the contrary, provided no Event of Default or Collateral Control Event has occurred and no Unmatured Event of Default exists, on a Lien Release Dividend Date, the Borrower may dividend any Loan, or portions thereof, to the Equityholder (each, a "Lien Release

Dividend”), subject to the restriction set forth in clause (d)(i) above and the following terms and conditions, as certified by the Borrower to the Administrative Agent (with a copy to the Collateral Agent and the Collateral Custodian):

(i) The Borrower and the Equityholder shall have given the Administrative Agent, with a copy to the Collateral Agent and the Collateral Custodian, at least five (5) Business Days prior written notice requesting that the Administrative Agent consent to the effectuation of a Lien Release Dividend, in the form of Exhibit Q hereto (a “Notice and Request for Consent to Lien Release Dividend”), which consent shall be given in the sole and absolute discretion of the Administrative Agent;

(ii) On any Lien Release Dividend Date, no more than four Lien Release Dividends shall have been made during the 12-month period immediately preceding the proposed Lien Release Dividend Date;

(iii) After giving effect to the Lien Release Dividend on the Lien Release Dividend Date, (A) no Borrowing Base Deficiency, Event of Default, Collateral Control Event or Unmatured Event of Default shall exist, (B) the representations and warranties contained in Sections 4.01 and 4.02 and in the Management Agreement shall continue to be correct, except to the extent relating to an earlier date, (C) the eligibility of any Loan remaining as part of the Collateral Portfolio after the Lien Release Dividend will be redetermined as of such date, (D) no claim shall have been asserted or proceeding commenced challenging the enforceability or validity of any of the Required Loan Documents and (E) there shall have been no Material Adverse Effect on any Borrower Advisor or the Borrower;

(iv) Such Lien Release Dividend must be in compliance with Applicable Law and may not (A) be made with the intent to hinder, delay or defraud any creditor of the Borrower or (B) leave the Borrower, immediately after giving effect to the Lien Release Dividend, not Solvent;

(v) On or prior to the Lien Release Dividend Date, the Borrower shall have (A) delivered to the Administrative Agent, the Collateral Agent and the Collateral Custodian, a list specifying all Loans or portions thereof to be transferred pursuant to such Lien Release Dividend and the Administrative Agent shall have approved the same in its sole discretion and (B) obtained all corporate or similar authorizations, consents and approvals required to effectuate the Lien Release Dividend;

(vi) A portion of a Loan may be transferred pursuant to a Lien Release Dividend provided that (A) such transfer does not have an adverse effect on the portion of such Loan remaining as a part of the Collateral Portfolio, any other aspect of the Collateral Portfolio, the Lenders, the Lender Agents, the Administrative Agent or any other Secured Party and (B) a new promissory note (other than with respect to a Noteless Loan) for the portion of the Loan remaining as a part of the Collateral Portfolio has been executed, and the original thereof has been endorsed to the Collateral Agent and delivered to the Collateral Custodian;

(vii) Unless waived by the Administrative Agent in its sole discretion, each Loan, or portion thereof, as applicable, shall be transferred at a value equal to the Outstanding Balance thereof, exclusive of any accrued and unpaid interest or PIK Interest thereon;

(viii) The Borrower shall deliver a Borrowing Base Certificate (including a calculation of the Borrowing Base after giving effect to such Lien Release Dividend) to the Administrative Agent;

(ix) The Borrower shall have paid in full an aggregate amount equal to the sum of all amounts due and owing to the Administrative Agent, the Lenders, the Lender Agents, the Collateral Agent or the Collateral Custodian, as applicable, under this Agreement and the other Transaction Documents, to the extent accrued to such date (including, without limitation, Breakage Fees) with respect to the Loans to be transferred pursuant to such Lien Release Dividend and incurred in connection with the transfer of such Loans pursuant to such Lien Release Dividend; and

(x) The Borrower hereby agrees to pay the reasonable legal fees and expenses of the Administrative Agent, the Collateral Agent and the Collateral Custodian in connection with any Lien Release Dividend (including, but not limited to, expenses incurred in connection with the release of the Lien of the Collateral Agent, on behalf of the Secured Parties, and any other party having an interest in the Loan in connection with such Lien Release Dividend).

(f) Purchases. The Borrower may (i) with the prior written consent of the Administrative Agent in its sole discretion, purchase Loans other than Eligible Loans and (ii) purchase Loans that are not Eligible Loans solely because of the threshold set forth in clause (b), (w) and/or (z) of the definition of "Eligible Loan". For the avoidance of doubt, no such purchases may be made with amounts on deposit in any Controlled Account or any Advance proceeds.

Section 2.08 Payments and Computations, Etc.

(a) All amounts to be paid or deposited by the Borrower hereunder shall be paid or deposited in accordance with the terms hereof no later than 2:00 p.m. on the day when due in lawful money of the United States in immediately available funds to the Collection Account or such other account as is designated by the Administrative Agent. The Borrower shall, to the extent permitted by Applicable Law, pay to the Secured Parties interest on all amounts not paid or deposited when due (taking into account any grace periods) to any of the Secured Parties hereunder at 2.0% *per annum* above the Base Rate (other than with respect to any Advances Outstanding, which shall accrue at the Yield Rate), payable on demand, from the date of such nonpayment until such amount is paid in full (as well after as before judgment); provided, that such interest rate shall not at any time exceed the maximum rate permitted by Applicable Law. Any Obligation hereunder shall not be reduced by any distribution of any portion of Available Collections if at any time such distribution is rescinded or required to be returned by any Lender to the Borrower or any other Person for any reason. All computations of interest and all computations of Yield, Non-Usage Fees and other fees hereunder shall be made on the basis of a

year of 360 days for the actual number of days (including the first but excluding the last day) elapsed, other than calculations with respect to the Base Rate, which shall be based on a year consisting of 365 or 366 days, as applicable.

(b) Whenever any payment hereunder shall be stated to be due on a day other than a Business Day, such payment shall instead be due on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of Yield or any fee payable hereunder, as the case may be.

(c) If any Advance requested by the Borrower and approved by the Lender Agents and the Administrative Agent pursuant to Section 2.02 is not for any reason whatsoever, except as a result of the gross negligence or willful misconduct of, or failure to fund such Advance on the part of, the Lenders, the Administrative Agent or an Affiliate thereof, made or effectuated, as the case may be, on the date specified therefor, the Borrower shall indemnify such Lender against any loss, cost or expense incurred by such Lender related thereto (other than any such loss, cost or expense solely due to the gross negligence or willful misconduct or failure to fund such Advance on the part of the Lenders, the Administrative Agent or an Affiliate thereof), including, without limitation, any loss (including cost of funds and reasonable out-of-pocket expenses), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund Advances or maintain the Advances. Any such Lender shall provide to the Borrower documentation setting forth the amounts of any loss, cost or expense referred to in the previous sentence, such documentation to be conclusive absent manifest error.

Section 2.09 Increased Costs; Capital Adequacy.

(a) If, due to either (i) the introduction of or any change following the date hereof (including, without limitation, any change by way of imposition or increase of reserve requirements) in or in the interpretation, administration or application arising following the date hereof of any Applicable Law (including, without limitation, any law or regulation resulting in any payments paid under this Agreement or any other Transaction Document being subject to any Tax including by reason of any change to the basis or rate of taxation on any payments, except for Taxes on the overall net income of such party), in each case whether foreign or domestic or (ii) the compliance with any guideline or request following the date hereof from any central bank or other Governmental Authority (whether or not having the force of law), there shall be any increase in the cost to the Administrative Agent, any Lender, any Lender Agent, any Liquidity Bank or any Affiliate, successor or assign thereof (each of which shall be an "Affected Party") of agreeing to make or making, funding or maintaining any Advance (or any reduction of the amount of any payment (whether of principal, interest, fee, compensation or otherwise) to any Affected Party hereunder), as the case may be, or there shall be any reduction in the amount of any sum received or receivable by an Affected Party under this Agreement, under any other Transaction Document or any Liquidity Agreement, the Borrower shall, from time to time, after written demand by the Administrative Agent (which demand shall be accompanied by a statement setting forth in reasonable detail the basis for such demand), on behalf of such Affected Party, pay to the Administrative Agent, on behalf of such Affected Party, additional amounts sufficient to compensate such Affected Party for such increased costs or reduced payments within thirty (30) days after such demand; provided, that the amounts payable under

this Section 2.09 shall be without duplication of amounts payable under Section 2.10; provided, further, that an Affected Party claiming additional amounts under this Section 2.09 agrees to use commercially reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to designate a different lending office if the making of such a designation would avoid the need for, or reduce the amount of, such increased cost that may thereafter accrue and would not, in the reasonable judgment of such Affected Party, be otherwise disadvantageous to such Affected Party.

(b) If either (i) the introduction of or any change following the date hereof in or in the interpretation, administration or application arising following the date hereof of any law, guideline, rule or regulation, directive or request or (ii) the compliance by any Affected Party with any law, guideline, rule, regulation, directive or request following the date hereof, from any central bank, any Governmental Authority or agency, including, without limitation, compliance by an Affected Party with any request or directive regarding capital adequacy, has or would have the effect of reducing the rate of return on the capital of any Affected Party, as a consequence of its obligations hereunder or any related document or arising in connection herewith or therewith to a level below that which any such Affected Party could have achieved but for such introduction, change or compliance (taking into consideration the policies of such Affected Party with respect to capital adequacy), by an amount deemed by such Affected Party to be material, then, from time to time, after demand by such Affected Party (which demand shall be accompanied by a statement setting forth in reasonable detail the basis for such demand), the Borrower shall pay the Administrative Agent on behalf of such Affected Party such additional amounts as will compensate such Affected Party for such reduction.

(c) 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 Party is required to compensate a bank or other financial institution providing liquidity support, credit enhancement or other similar support to such Affected Party in connection with this Agreement or the funding or maintenance of Advances hereunder, then within ten days after demand by such Affected Party, the Borrower shall pay to such Affected Party such additional amount or amounts as may be necessary to reimburse such Affected Party for any amounts payable or paid by it.

(d) In determining any amount provided for in this Section 2.09, the Affected Party may use any reasonable averaging and attribution methods. The Administrative Agent, on behalf of any Affected Party making a claim under this Section 2.09, shall submit to the Borrower a certificate 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.

(e) Failure or delay on the part of any Affected Party to demand compensation pursuant to this Section 2.09 shall not constitute a waiver of such Affected Party's right to demand or receive such compensation; provided, however, that the Borrower shall not be responsible for costs under this Section 2.09 arising more than 90 days prior to receipt by the Borrower of the demand from the Affected Party pursuant to this Section 2.09.

Section 2.10 Taxes.

(a) All payments made by or on behalf of the Borrower under this Agreement and the other Transaction Documents will be made free and clear of and without deduction or withholding for or on account of any Taxes, except as required by Applicable Law. If any Taxes are required by Applicable Law to be withheld from any amounts payable to any Indemnified Party (including, for purposes of this Section 2.10(a) and Section 2.10(b), any assignee, participant, or successors), then the amount payable to such Person will be increased (the amount of such increase, an “Additional Amount”) such that every net payment received under this Agreement and the other Transaction Documents, after withholding for or on account of any Taxes (including, without limitation, any Taxes on such increase) is not less than the amount that would have been received had no such deduction or withholding been made. The foregoing obligation to pay Additional Amounts with respect to payments required to be made under this Agreement will not, however, apply with respect to (i) Taxes imposed on or measured by net income (however denominated), branch profits Taxes, or franchise Taxes imposed on the relevant Indemnified Party, in each case, (x) by a taxing jurisdiction in which any such Person is organized or conducts business, or (y) as a result of any other present or former connection between such Indemnified Party and the jurisdiction imposing such Tax (other than connections arising as a result of such Person having executed, delivered or performed its obligations or received payments under, or enforced, this Agreement or any of the other Transaction Documents), (ii) in the case of any Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender pursuant to a law in effect on the date on which (x) such Lender becomes a party hereto or (y) such Lender changes its lending office (other than pursuant to a request by the Borrower), except, in each case, to the extent that, pursuant to this Section 2.10, amounts with respect to such Taxes were payable either to such Lender’s transferor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (iii) Taxes attributable to an Indemnified Party’s failure to comply with Section 2.10(d), and (iv) any Taxes imposed under FATCA (or any amended or successor version of FATCA that is substantively comparable and not materially more onerous to comply with) (“Excluded Taxes”).

(b) The Borrower will indemnify each Indemnified Party and each of its beneficial owners for the full amount of Taxes that are not Excluded Taxes and are payable by such Person in respect of payments made under this Agreement or any other Transaction Documents, and for the full amount of Taxes that are not Excluded Taxes imposed by any jurisdiction on amounts payable under this Section 2.10 imposed on or paid by such Person, and for any liability (including penalties, interest and expenses) arising therefrom or with respect thereto. All payments in respect of this indemnification shall be made within 10 days from the date a written invoice therefor is delivered to the Borrower, which invoice shall be conclusive absent manifest error.

(c) Within 30 days after the date of any payment by or on behalf of the Borrower of any Taxes, the Borrower will furnish to the applicable Indemnified Party, and to the Administrative Agent at the applicable address set forth on this Agreement, evidence reasonably satisfactory to the applicable Indemnified Party and the Administrative Agent of payment thereof.

(d) (i) If any Lender is not created or organized under the laws of the United States or a political subdivision thereof, such Lender shall, if it is legally able to do so, deliver to the Borrower, with a copy to the Administrative Agent, (x) on or prior to the date on which such Lender becomes a party to this Agreement, two (or such other number as may from time to time be prescribed by Applicable Law) duly completed copies of IRS Form W-8BEN or Form W-8ECI or Form W-8IMY (together with appropriate attachments) (or any successor forms), as appropriate, to permit the Borrower to make payments hereunder for the account of such assignee without or at a reduced rate of deduction or withholding of United States federal income Taxes and (y) copies (in such numbers as may from time to time be prescribed by Applicable Law or regulations) of such additional, amended or successor forms, certificates or statements as the Borrower requests that may be required under Applicable Law to permit the Borrower to make payments hereunder for the account of such Lender without or at a reduced rate of deduction or withholding of United States federal income or similar Taxes, provided, that such Lender shall not be required to deliver any form, certificate, or statement pursuant to clause (y) of this Section 2.10(d)(i) if in such Lender's reasonable judgment the completion, execution or delivery of such form, certificate or statement would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) If a Lender is a United States Person (as that term is defined in Section 7701(a)(30) of the Code), such Lender shall deliver to the Borrower, with a copy to the Administrative Agent, on or prior to the date such Lender becomes a party to this Agreement, two duly completed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. Federal backup withholding tax.

(iii) If a payment made to a Lender under any Transaction 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 Administrative Agent at the time or times prescribed by Applicable Law and at such time or times reasonably requested by the Borrower or the Administrative Agent 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 Administrative Agent as may be necessary for the Borrower and the Administrative Agent 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 (iii), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(iv) Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 2.10(d) expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(e) If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified or paid Additional

Amounts pursuant to this Section 2.10, it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made or Additional Amounts paid under this Section with respect to the Indemnified Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (e) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (e), in no event will the indemnified party be required to pay any amount to any indemnifying party pursuant to this paragraph (e) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the indemnification payments or Additional Amounts giving rise to such refund had never been paid. This paragraph shall not be construed to require any indemnified 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.

(f) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower (and, with respect to the obligations to provide refunds of amounts paid under this Section 2.10 pursuant to subsection (e), the other parties) contained in this Section 2.10 shall survive the termination of this Agreement.

Section 2.11 Assignment of Certain Documents. The Borrower hereby assigns to the Administrative Agent, for the ratable benefit of the Secured Parties to secure the Obligations hereunder, all of the Borrower's right, title and interest in and to, but none of its obligations under, the Purchase and Sale Agreement and the Management Agreement and any UCC financing statements filed thereunder or in connection therewith. In furtherance and not in limitation of the foregoing, the Borrower hereby assigns collaterally to the Administrative Agent for the benefit of the Secured Parties to secure the Obligations its right to indemnification under 9.1 of the Purchase and Sale Agreement. The Borrower confirms that the Administrative Agent, on behalf of the Secured Parties, shall have the right to enforce the Borrower's rights and remedies under the Purchase and Sale Agreement, the Management Agreement and any UCC financing statements filed thereunder or in connection therewith for the benefit of the Secured Parties, upon the occurrence and during the continuation of an Event of Default. The parties hereto agree that such collateral assignment to the Collateral Agent, for the benefit of the Secured Parties, shall automatically terminate upon the Collection Date. Notwithstanding anything to the contrary herein or in the Management Agreement, the Administrative Agent agrees that the assignment of the Management Agreement provided for in this Section 2.11 does not include an assignment of the Borrower's right to terminate the Management Agreement or the Collateral Manager's rights and responsibilities thereunder.

Section 2.12 Grant of a Security Interest. To secure the prompt, complete and indefeasible payment in full when due, whether by lapse of time, acceleration or otherwise, of the Obligations and the performance by the Borrower of all of the covenants and obligations to be performed by it pursuant to this Agreement and each other Transaction Document, whether now or hereafter existing, due or to become due, direct or indirect, or absolute or contingent, the Borrower hereby grants a security interest to the Collateral Agent, on behalf of the Secured

Parties, in all of the Borrower's right, title and interest in, to and under (but none of the obligations under) all of the Collateral Portfolio, whether now existing or hereafter arising or acquired by the Borrower, and wherever the same may be located. For the avoidance of doubt, the Collateral Portfolio shall not include any Excluded Amounts, and the Borrower does not hereby assign, pledge or grant a security interest in any such amounts. Anything herein to the contrary notwithstanding, (a) the Borrower shall remain liable under the Collateral Portfolio to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by the Collateral Agent, for the benefit of the Secured Parties, of any of its rights in the Collateral Portfolio shall not release the Borrower from any of its duties or obligations under the Collateral Portfolio and (c) none of the Administrative Agent, the Collateral Agent, any Lender (nor its successors and assigns), any Lender Agent, any Liquidity Bank nor any Secured Party shall have any obligations or liability under the Collateral Portfolio by reason of this Agreement, nor shall the Administrative Agent, the Collateral Agent, any Lender (nor its successors and assigns), any Lender Agent, any Liquidity Bank nor any Secured Party be obligated to perform any of the obligations or duties of the Borrower thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

Section 2.13 Evidence of Debt. (a) The Administrative Agent shall maintain, solely for this purpose as the agent of the Borrower, at its address referred to in Section 12.02, a copy of each assignment and acceptance agreement delivered to and accepted by it and a register for the recordation of the names and addresses of the Lenders, and the principal amounts and stated interest owing to each Lender pursuant to the terms of this Agreement and the other Transaction Documents (the "Register"). No assignment by a Lender of its rights hereunder or under any Transaction Document shall be effective unless a corresponding entry is made in the Register pursuant to this Section 2.13(a). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrower, the Administrative Agent, each Lender and each Lender Agent shall treat each person whose name is recorded in the Register as a Lender under this Agreement for all purposes of this Agreement. The Register shall be available for inspection by the Borrower or any Lender Agent at any reasonable time and from time to time upon reasonable prior notice.

(b) Each Lender that sells a participation of its rights hereunder shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain (or cause to be maintained) a register (the "Participant Register") on which it will record the name and address of each participant and the principal amounts and stated interest of each participant's interest in such rights. 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. No Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person except to the extent that such disclosure is necessary to establish that an interest under this Agreement with respect to which the Lender has sold a participation is maintained "in registered form" within the meaning of Treasury Regulations Section 5f.103-1(c).

Section 2.14 Survival of Representations and Warranties. It is understood and agreed that the representations and warranties set forth in Sections 4.01, 4.02 and in Section 4 of the Management Agreement are made and are true and correct on the date of this Agreement and on each Cut-Off Date unless such representations and warranties are made as of a specific date.

Section 2.15 Release of Loans.

(a) The Borrower may obtain the release of (i) any Loan (and the related Portfolio Assets pertaining thereto) sold or substituted in accordance with the applicable provisions of Section 2.07 and any Portfolio Assets pertaining to such Loan and (ii) any Collateral Portfolio that expires by its terms and all amounts in respect thereof have been paid in full by the related Obligor and deposited in the Collection Account. The Collateral Agent, for the benefit of the Secured Parties, shall at the sole expense of the Borrower and at the direction of the Administrative Agent, execute such documents and instruments of release as may be prepared by the Borrower (or the Collateral Manager on its behalf), give notice of such release to the Collateral Custodian (in the form of Exhibit M) (unless the Collateral Custodian and Collateral Agent are the same Person) and take other such actions as shall reasonably be requested by the Borrower to effect such release of the Lien created pursuant to this Agreement. Upon receiving such notification by the Collateral Agent as described in the immediately preceding sentence, if applicable, the Collateral Custodian shall deliver the Required Loan Documents to the Borrower.

(b) Upon the occurrence of the Collection Date, the respective remaining interests in the Portfolio Assets of each Lender, each Lender Agent, the Collateral Agent and the Administrative Agent, including their security interest therein, shall be automatically released to the Borrower, for no consideration but at the sole expense of the Borrower, free and clear of any Lien resulting solely from an act by any Lender, any Lender Agent, the Collateral Agent or the Administrative Agent but without any other representation or warranty, express or implied, by or recourse against any Lender, any Lender Agent, the Collateral Agent or the Administrative Agent, and the Collateral Agent or the Administrative Agent shall promptly provide evidence of any such release as the Borrower may request, at the sole expense of the Borrower (and the Collateral Agent shall take the actions contemplated by Section 2.15(a), with respect to such release).

Section 2.16 Treatment of Amounts Received by the Borrower. Amounts received by the Borrower pursuant to Section 2.07 on account of Loans shall be treated as payments of Principal Collections or Interest Collections, as applicable, on Loans hereunder.

Section 2.17 Repayment; Reduction of Commitments.

(a) Except as expressly permitted or required herein, including, without limitation, any repayment necessary to cure a Borrowing Base Deficiency, Advances may only be prepaid in whole or in part at the option of the Borrower at any time by delivering a Notice of Reduction (which notice shall include a Borrowing Base Certificate) to the Administrative Agent, the Collateral Agent and the Lender Agents no later than 2:00 p.m. at least one Business Day prior to such reduction. Upon any prepayment (x) in part, the Borrower shall also pay all accrued and unpaid costs and expenses of Administrative Agent, Lender Agents and Lenders related to such prepayment and (y) in whole, the Borrower shall also pay in full all accrued and unpaid Yield, Breakage Fees (solely to the extent such prepayment occurs on any day other than

a Payment Date) and all accrued and unpaid costs and expenses of Administrative Agent, Lender Agents and Lenders related to such prepayment; provided that no reduction in Advances Outstanding shall be given effect unless sufficient funds have been remitted to pay all such amounts in full, as determined by the Administrative Agent, in its sole discretion. The Administrative Agent shall apply amounts received from the Borrower pursuant to this Section 2.17(a) to the payment of any Breakage Fees and to the *pro rata* reduction of the Advances Outstanding. Any notice relating to any repayment pursuant to this Section 2.17(a) shall be irrevocable.

(b) The Borrower may, at any time after the one year anniversary of the Closing Date, upon three (3) Business Days' prior delivery of a Notice of Reduction (which notice shall include a Borrowing Base Certificate) to the Administrative Agent, the Collateral Agent and the Lender Agents, either (i) cause the Collection Date to occur upon payment in full of all Advances Outstanding, all accrued and unpaid Yield, any Breakage Fees, all accrued and unpaid costs and expenses of the Administrative Agent, Lender Agents and Lenders and all other Obligations (other than unmatured contingent indemnification obligations) or (ii) reduce in part the portion of the Maximum Facility Amount that exceeds the sum of all Advances Outstanding, all accrued and unpaid Non-Usage Fee (*pro rata* with respect to the portion of the Maximum Facility Amount so reduced) and all accrued and unpaid costs and expenses of the Administrative Agent, Lender Agents and Lenders relating to such partial termination. Any termination of this Agreement shall be subject to Section 12.05.

Section 2.18 Collections and Allocations.

(a) Collections. The Borrower shall cause the Collateral Manager to promptly identify any collections received as being on account of Interest Collections or Principal Collections and shall transfer, or cause to be transferred, all such Available Collections received directly by it to the Collection Account by the close of business not later than one (1) Business Day after such Collections are received. Upon the transfer of Available Collections to the Collection Account, the Borrower shall cause the Collateral Manager to segregate Principal Collections and Interest Collections and transfer the same to the Principal Collection Account and the Interest Collection Account, respectively. The Borrower shall cause the Collateral Manager to report the amount of Principal Collections and Interest Collections on deposit in the Principal Collection Account and the Interest Collection Account, in each case on each Reporting Date in the Collateral Management Report delivered pursuant to Section 6.07(b).

(b) Initial Deposits. On and after the Cut-Off Date with respect to any Loan, the Borrower shall cause each Borrower Advisor to deposit into the Collection Account all Available Collections received in respect of Eligible Loans being transferred to and included as part of the Collateral Portfolio on such date.

(c) Excluded Amounts. The Borrower may (or may cause the Collateral Manager to) withdraw from the applicable Controlled Account any deposits thereto constituting Excluded Amounts if the Borrower has caused the Collateral Manager to, prior to such withdrawal, deliver to the Administrative Agent and the Collateral Agent a report setting forth the calculation of such Excluded Amounts and the Administrative Agent agrees in writing that the form and substance of the report is satisfactory to the Administrative Agent in its sole discretion.

(d) Investment of Funds. Prior to Notice of Exclusive Control (as defined in the Securities Account Control Agreement), the Borrower or the Collateral Manager may, pursuant to written instruction (which may be in the form of standing instructions), direct the Collateral Agent to invest, or cause the investment of, funds on deposit in the Controlled Accounts in Permitted Investments, from the date of this Agreement until the Collection Date. Absent any such written instruction, such funds shall not be invested. A Permitted Investment acquired with funds deposited in any Controlled Account shall mature not later than the Business Day immediately preceding any Payment Date, and shall not be sold or disposed of prior to its maturity. All such Permitted Investments shall be registered in the name of the Account Bank or its nominee and shall be credited to a Controlled Account; provided that compliance shall be the responsibility of the Borrower and not the Collateral Agent and Account Bank. All income and gain realized from any such investment, as well as any interest earned on deposits in any Controlled Account shall be distributed in accordance with the provisions of Article II hereof. During the occurrence and continuation of a Borrowing Base Deficiency, the Borrower shall deposit in the Collection Account (with respect to investments made hereunder of funds held therein), an amount equal to the amount of any actual loss incurred, in respect of any such investment, promptly upon realization of such loss. None of the Account Bank, the Collateral Agent, the Administrative Agent, any Lender Agent or any Lender shall be liable for the amount of any loss incurred, in respect of any investment, or lack of investment, of funds held in any Controlled Account, other than with respect to fraud or their own gross negligence or willful misconduct. The parties hereto acknowledge that Permitted Investments may include those investments in which the Collateral Agent or any of its Affiliates provides services and receives reasonable compensation.

(e) Rights of Withdrawal. Until the Collection Date, neither the Borrower nor any Borrower Advisor shall have any rights of direction or withdrawal, with respect to amounts held in any Controlled Account, except to the extent explicitly set forth in Section 2.04 or Section 2.19.

Section 2.19 Reinvestment of Principal Collections.

On the terms and conditions hereinafter set forth as certified in writing to the Collateral Agent, the Lender Agents and Administrative Agent, prior to the end of the Reinvestment Period, the Borrower may (or may cause the Collateral Manager), to the extent of any Principal Collections on deposit in the Principal Collection Account:

(a) withdraw such funds for the purpose of reinvesting in additional Eligible Loans to be Pledged hereunder; provided that the following conditions are satisfied:

(i) all conditions precedent set forth in Section 3.02 have been satisfied;

(ii) (x) no Event of Default, Unmatured Event of Default or Collateral Control Event has occurred or exists or would result from such withdrawal and reinvestment, and (y) no Borrowing Base Deficiency exists or would result from such withdrawal and

reinvestment; provided that if as a result of such withdrawal and reinvestment any Borrowing Base Deficiency would be decreased, such withdrawal and reinvestment will be permitted;

(iii) the representations and warranties contained in Sections 4.01, 4.02 and in Section 4 of the Management Agreement shall continue to be correct in all respects, except to the extent relating to an earlier date;

(iv) the Borrower provides or causes the Collateral Manager to provide, same day written notice to the Administrative Agent and the Collateral Agent by facsimile or email (to be received no later than 2:00 p.m. on such day) of the request to withdraw Principal Collections and the amount of such request;

(v) the notice required in clause (iv) above shall be accompanied by an Approval Notice, a Disbursement Request and a Borrowing Base Certificate, each executed by the Borrower and an Authorized Person of the Collateral Manager; and

(vi) the Borrower provides (or causes the Collateral Manager to provide) to the Administrative Agent by facsimile (to be received no later than 2:00 p.m. on that same day) a statement reflecting the total amount on deposit as of the opening of business on such day in the Principal Collection Account; or

(b) withdraw such funds for the purpose of making payments in respect of the Advances Outstanding at such time in accordance with and subject to the terms of Section 2.17.

Upon the satisfaction of the applicable conditions set forth in this Section 2.19 (as certified by the Borrower to the Collateral Agent and the Administrative Agent), the Collateral Agent will release funds from the Principal Collection Account to the Borrower in an amount not to exceed the lesser of (A) the amount requested and (B) the amount on deposit in the Principal Collection Account on such day.

Section 2.20 Commitment Increases and Joinder of New Lenders. The Borrower may, with the prior written consent of the Administrative Agent, (i) add additional Persons as Lenders and/or (ii) increase the Commitment of any Lender, in each case which shall increase the Maximum Facility Amount by the amount of the Commitment of each such existing or additional Lender. Each additional Lender and its applicable Lender Agent shall become a party hereto by executing and delivering to the Administrative Agent and the Borrower a Joinder Supplement and a Transferee Letter. Along with its written consent, the Administrative Agent will deliver to the Borrower an updated Annex B reflecting the new or increased Commitment of each such existing or additional Lender.

Section 2.21 Defaulting Lenders.

(a) Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

(i) such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in Section 12.01;

(ii) any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, or otherwise), shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, as the Borrower may request (so long as no Unmatured Event of Default, Collateral Control Event or Event of Default exists), to the funding of any Advance in respect of which that Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *third*, if so determined by the Administrative Agent and the Borrower, to be held in a non-interest bearing deposit account and released in order to satisfy obligations of such Defaulting Lender to fund Advances under this Agreement; *fourth*, so long as no Unmatured Event of Default, Collateral Control Event or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by such Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *fifth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post cash collateral pursuant to this Section 2.21 shall be deemed paid to and redirected by that Defaulting Lender, and each Lender irrevocably consents hereto;

(iii) during any period in which there is a Defaulting Lender, for purposes of computing the amount of the obligation of each non-Defaulting Lender to Advances, the Commitment of such Defaulting Lender shall be deemed to be zero; and

(iv) for any period during which such Lender is a Defaulting Lender, such Defaulting Lender shall not be entitled to receive any Non-Usage Fee for any period during which such Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to such Defaulting Lender).

(b) If the Administrative Agent determines in its sole discretion that a Defaulting Lender should no longer be deemed to be a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any cash collateral), such Lender will, to the extent applicable, purchase that portion of outstanding Advances of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Advances to be held on a *pro rata* basis by the Lenders in accordance with their respective Commitments (without giving effect to Section 2.21(a)(iii) above), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrowers while such Lender was a Defaulting Lender; provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

ARTICLE III.

CONDITIONS PRECEDENT

Section 3.01 Conditions Precedent to Effectiveness.

(a) This Agreement shall be effective upon satisfaction of the conditions precedent that:

(i) each Transaction Document shall have been duly executed by, and delivered to, the parties thereto, and the Administrative Agent shall have received copies of the Advisory Agreements and such other documents, instruments, agreements, certificates and legal opinions as the Administrative Agent shall reasonably request in connection with the transactions contemplated by this Agreement, each in form and substance satisfactory to the Administrative Agent;

(ii) any and all information submitted to each Lender, Lender Agent and the Administrative Agent by any Borrower Party or any of their Affiliates is true, accurate, complete in all material respects and not misleading in any material respect;

(iii) each Borrower Party's underwriting, servicing, collection, operating, and reporting procedures and systems are satisfactory to the Administrative Agent in its sole discretion;

(iv) a satisfactory review by the Administrative Agent of all organizational documents and material contracts of each Borrower Party (including, without limitation, the Advisory Agreements);

(v) a satisfactory review by the Administrative Agent of business, financial, legal, tax and accounting due diligence relating to transactions contemplated hereby, each Borrower Party and the transactions contemplated hereunder are satisfactory to the Administrative Agent in its sole discretion;

(vi) in the reasonable judgment of the Administrative Agent and each Lender Agent, there not having been any change in Applicable Law which adversely affects any Lender's or the Administrative Agent's entering into the transactions contemplated by the Transaction Documents or material disruption after October 20, 2011 in the financial, banking or commercial loan or capital markets generally;

(vii) the Administrative Agent and the Lenders shall have received, sufficiently in advance of the Closing Date, all documentation and other information required by bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56;

(viii) a satisfactory due diligence review by the Administrative Agent of each Loan submitted for consideration in the initial Collateral Portfolio;

(ix) the Administrative Agent and each Institutional Lender shall have received each required approval (including, without limitation, from its internal credit committee);

(x) the Administrative Agent and the Lenders shall have received the fees (including fees, disbursements and other charges of counsel to the Administrative Agent) to be received on the Closing Date referred to herein or in any other Transaction Document;

(xi) since October 20, 2011, no material adverse change has occurred in the financial condition of the Equityholder, the Seller, any Borrower Advisor or the Borrower or in any material portion of the assets in the initial Collateral Portfolio;

(xii) the Administrative Agent shall have received satisfactory evidence that the Seller, the Borrower and the Collateral Manager have obtained all required consents and approvals of all Persons to the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party and the consummation of the transactions contemplated hereby or thereby;

(xiii) the Collateral Manager and the Borrower shall each have delivered to the Administrative Agent a certificate as to whether such Person is Solvent in the form of Exhibit P;

(xiv) the Borrower and the Collateral Manager shall have delivered to the Administrative Agent a certification that no Unmatured Event of Default, Event of Default or Collateral Control Event has occurred and is continuing;

(xv) the Administrative Agent shall have received (i) the customary executed legal opinion or opinions of Dechert LLP, counsel to the Borrower and the Collateral Manager, covering enforceability, grant and perfection of the security interests on the Collateral Portfolio and non-consolidation of the Borrower and (ii) bring-down legal opinions of Dechert LLP covering the enforceability of the Advisory Agreements as of the Closing Date, in each case, in form and substance acceptable to the Administrative Agent in its reasonable discretion;

(xvi) all corporate and other proceedings, and all documents, instruments and other legal matters in connection with the transactions contemplated by this Agreement and the other Transaction Documents shall be reasonably satisfactory in form and substance to the Administrative Agent;

(xvii) each Lender shall have received a duly executed copy of its Variable Funding Note, in a principal amount equal to the Commitment of such Lender;

(xviii) the UCC-1 financing statement is in proper form for filing in the filing office of the appropriate jurisdiction;

(xix) the Administrative Agent shall have received a secretary's certificate of each of the Collateral Manager and the Borrower that includes a copy of the resolutions

(or other authorizing instruments, if applicable), in form and substance satisfactory to the Administrative Agent, of the Board of Directors (or similar governing or managing body) of such Person authorizing (i) the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party, (ii) in the case of the Borrower, the borrowings contemplated hereunder, and (iii) in the case of the Borrower, the granting by it of the Liens created pursuant to the Transaction Documents, certified by the Secretary or an Assistant Secretary (or other authorized Person) of such Person as of the Closing Date, which certification shall be in form and substance satisfactory to the Administrative Agent and shall state that the resolutions, or other authorizing instruments, if applicable, thereby certified have not been amended, modified, revoked or rescinded;

(xx) the Administrative Agent shall have received a certificate of each of the Collateral Manager and the Borrower, dated the Closing Date, as to the incumbency and signature of the officers of such Person executing any Transaction Document, which certificate shall be which certification shall be included in the certificate delivered in respect of such Person pursuant to Section 3.1(a)(xi) and satisfactory in form and substance to the Administrative Agent and shall be executed by an Authorized Person of such Person;

(xxi) the Administrative Agent shall have received true and complete copies of the organizational documents of each of the Collateral Manager and the Borrower, certified as of the Closing Date as complete and correct copies thereof by the Secretary or an Assistant Secretary (or other authorized Person) of such Person, which certification shall be included in the certificate delivered in respect of such Person pursuant to Section 3.1(a)(xix) and shall be in form and substance satisfactory to the Administrative Agent;

(xxii) the Administrative Agent shall have received certificates dated as of a recent date from the Secretary of State or other appropriate authority, evidencing the good standing of each of the Collateral Manager and the Borrower (i) in the jurisdiction of its organization and (ii) in each other jurisdiction where its ownership, lease or operation of property or the conduct of its business requires it to qualify as a foreign Person except, as to this subclause (ii), where the failure to so qualify could not reasonably be expected to have a Material Adverse Effect;

(xxiii) the Administrative Agent shall have received evidence in form and substance satisfactory to it that all filings, recordings, registrations and other actions, including, without limitation, the filing of duly executed financing statements on form UCC-1 necessary or, in the opinion of the Administrative Agent, desirable to perfect the Liens created, or purported to be created, by the Transaction Documents shall have been completed;

(xxiv) the Administrative Agent shall have received the results of a recent search by a Person satisfactory to the Administrative Agent, of the UCC, judgment and tax lien filings which may have been filed with respect to personal property of the Borrower, and bankruptcy and pending lawsuits with respect to the Borrower and the results of such search shall be satisfactory to the Administrative Agent; and

(xxv) the Borrower shall have received the executed legal opinion or opinions of Locke Lord LLP, counsel to the Collateral Agent, the Collateral Custodian and the Account Bank, covering enforceability of the Transaction Documents to which the each such Person is a party.

(b) By its execution and delivery of this Agreement, the Borrower hereby certifies that each of the conditions precedent to the effectiveness of this Agreement set forth in this Section 3.01 have been satisfied.

Section 3.02 Conditions Precedent to All Advances. Each Advance under this Agreement, each Pledge of a Loan hereunder, each Substitution and each Discretionary Sale (each, a "Transaction") shall be subject to the further conditions precedent that:

(a) On the related Advance Date, the following statements shall be true and correct, and the Borrower by entering into such Transaction shall be deemed to have certified that:

(i) the Borrower shall have delivered, or shall have caused the Collateral Manager to deliver, to the Administrative Agent (with a copy to the Collateral Custodian and the Collateral Agent) no later than 2:00 p.m. on the Business Day prior to such Transaction: (A) if such Transaction is an Advance, a Notice of Borrowing, (B) a Borrowing Base Certificate and (C) an updated Loan Tape;

(ii) if the Advance Date is a Cut-Off Date, the Borrower shall have delivered to the Collateral Custodian (with a copy to the Administrative Agent), no later than 2:00 p.m. on the date of such Advance, (A) an Approval Notice, (B) an executed copy of each assignment and assumption agreement, transfer document or instrument relating to each Loan to be Pledged evidencing the assignment of such Loan from any prior third party owner thereof directly to the Borrower, and (C) a faxed or e-mailed copy of the duly executed original promissory notes of the Loans to be Pledged (and, in the case of any Noteless Loan, a fully executed assignment agreement) and if any Loans to be Pledged are closed in escrow, a certificate (in the form of Exhibit J) from the closing attorneys of such Loans certifying the possession of the Required Loan Documents; provided that, notwithstanding the foregoing, the Borrower shall cause the Loan Checklist and the Required Loan Documents to be in the possession of the Collateral Custodian within two (2) Business Days of any related Advance Date as to any Loans;

(b) On and as of the date of such Transaction, after giving effect to such Transaction the Borrower shall certify as follows:

(i) no Unmatured Event of Default, Collateral Control Event, event which, if it continues uncured, will, with notice or lapse of time, constitute a Collateral Control Event, Event of Default or Borrowing Base Deficiency exists or would result from such Transaction (other than, with respect to any Pledge of an Eligible Loan necessary to cure a Borrowing Base Deficiency in accordance with Section 2.06, an Unmatured Event of Default arising solely pursuant to such Borrowing Base Deficiency);

(ii) since the Closing Date, no material adverse change has occurred in the ability of the Seller, any Borrower Advisor or the Borrower to perform its obligations under any Transaction Document;

(iii) other than Permitted Liens, no Liens exist in respect of Taxes which are prior to the lien of the Collateral Agent on the Eligible Loans to be Pledged on the date of such Transaction; and

(iv) the representations and warranties contained in Sections 4.01, 4.02 and in Section 4 of the Management Agreement are true and correct in all respects, and there exists no breach of any covenant contained in Sections 5.01, 5.02, or Section 5 of the Management Agreement before and after giving effect to the Transaction to take place on the date of such Transaction and to the application of proceeds therefrom, on and as of such day as though made on and as of such date (other than any representation and warranty that is made as of a specific date).

(c) The Administrative Agent shall have approved in its sole and absolute discretion each of the Eligible Loans identified on an updated Loan Tape for inclusion in the Collateral Portfolio on the applicable Advance Date (the "Approval Right").

(d) No Applicable Law shall prohibit, 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 such Advances by any Lender or the proposed Pledge of Eligible Loans in accordance with the provisions hereof.

(e) With respect to an Advance, the proposed Advance Date shall be during the Reinvestment Period.

(f) All terms and conditions of the Purchase and Sale Agreement required to be satisfied in connection with the assignment of each Eligible Loan being Pledged hereunder on such Advance Date (and the Portfolio Assets related thereto), including, without limitation, the perfection of the Borrower's interests therein, shall have been satisfied in full, and all filings (including, without limitation, UCC filings) required to be made by any Person and all actions required to be taken or performed by any Person in any jurisdiction to give the Collateral Agent, for the benefit of the Secured Parties, a first priority perfected security interest (subject only to Permitted Liens) in such Eligible Loans and the Portfolio Assets related thereto and the proceeds thereof shall have been made, taken or performed.

(g) The Borrower shall have paid all fees then required to be paid, including all fees required hereunder and under the applicable Lender Fee Letters and the Wells Fargo Corporate Trust Fee Letter and shall have reimbursed the Lenders, the Administrative Agent, each Lender Agent, the Collateral Custodian, the Account Bank and the Collateral Agent for all fees, reasonable and documented out-of-pocket costs and expenses of closing the transactions contemplated hereunder and under the other Transaction Documents, including the reasonable and documented attorney fees and any other legal and document preparation costs incurred by the Administrative Agent.

(h) All filings (including, without limitation, UCC filings) required to be made by any Person and all actions required to be taken or performed by any Person in any jurisdiction to give the Collateral Agent, for the benefit of the Secured Parties, a first priority perfected security interest (subject only to Permitted Liens) in any Eligible Loans to be Pledged in connection with such Transaction and the Portfolio Assets related thereto and the proceeds thereof shall have been made, taken or performed.

The failure of the Borrower to satisfy any of the foregoing conditions precedent in respect of any Advance (that has not been waived by the Administrative Agent in its sole discretion) shall give rise to a right of the Administrative Agent, at the direction of the Required Lenders, to rescind the related Advance and direct the Borrower to pay to the Administrative Agent, for the *pro rata* accounts of the Lenders, an amount equal to the Advances made during any such time that any of the foregoing conditions (that were not waived by the Administrative Agent in its sole discretion) precedent were not satisfied.

Section 3.03 Advances Do Not Constitute a Waiver. No Advance made hereunder shall constitute a waiver of any condition to any Lender's obligation to make such an advance unless such waiver is in writing and executed by such Lender.

ARTICLE IV.

REPRESENTATIONS AND WARRANTIES

Section 4.01 Representations and Warranties of the Borrower. The Borrower hereby represents and warrants, as of the Closing Date, as of each applicable Cut-Off Date, as of each applicable Advance Date, as of each Determination Date and as of each other date provided under this Agreement or the other Transaction Documents on which such representations and warranties are required to be (or deemed to be) made (unless a specific date is specified below):

(a) Organization, Good Standing and Due Qualification. The Borrower is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware, has the power and all licenses necessary to own its assets, to transact the business in which it is engaged and to enter into and perform its obligations pursuant to this Agreement, and is duly qualified and in good standing under the laws of each jurisdiction where the transaction of such business, the ownership of the Loans and the Collateral Portfolio and the entering into and performance of its obligations pursuant to this Agreement requires such qualification.

(b) Power and Authority; Due Authorization; Execution and Delivery. The Borrower has the limited liability company power, authority and legal right to make, deliver and perform this Agreement and each of the Transaction Documents to which it is a party and all of the transactions contemplated hereby and thereby, and has taken all necessary action to authorize the execution, delivery and performance of this Agreement and each of the Transaction Documents to which it is a party, and to grant to the Collateral Agent, for the benefit of the Secured Parties, a first priority perfected security interest in the Collateral Portfolio on the terms and conditions of this Agreement, subject only to Permitted Liens.

(c) Binding Obligation. This Agreement and each of the Transaction Documents to which the Borrower is a party constitutes the legal, valid and binding obligation of the Borrower, enforceable against it in accordance with their respective terms, except as the enforceability hereof and thereof may be limited by Bankruptcy Laws and by general principles of equity (whether such enforceability is considered in a proceeding in equity or at law).

(d) All Consents Required. No consent of any other party and no consent, license, approval or authorization of, or registration or declaration with, any Governmental Authority, bureau or agency is required in connection with the execution, delivery or performance by the Borrower of this Agreement or any Transaction Document to which it is a party or the validity or enforceability of this Agreement or any such Transaction Document or the Loans or the transfer of an ownership interest or security interest in such Loans, other than such as have been met or obtained and are in full force and effect.

(e) No Violation. The execution, delivery and performance of this Agreement and all other agreements and instruments executed and delivered or to be executed and delivered pursuant hereto or thereto in connection with the Pledge of the Collateral Portfolio will not (i) create any Lien on the Collateral Portfolio other than Permitted Liens or (ii) violate any Applicable Law or the formation documents of the Borrower or (iii) violate any material contract or other material agreement to which the Borrower is a party or by which the Borrower or any property or assets of the Borrower may be bound.

(f) No Proceedings. There is no litigation or administrative proceeding or investigation pending or, to the actual knowledge of the Borrower, threatened against the Borrower or any properties of the Borrower, before any Governmental Authority (i) asserting the invalidity of this Agreement or any other Transaction Document to which the Borrower is a party, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or any other Transaction Document to which the Borrower is a party or (iii) seeking any determination or ruling that could reasonably be expected to have a Material Adverse Effect on the Transaction Documents or the transactions contemplated hereby or thereby.

(g) Selection Procedures. In selecting the Loans to be Pledged pursuant to this Agreement, no selection procedures were employed which are intended to be adverse to the interests of the Lenders.

(h) Bulk Sales. The grant of the security interest in the Collateral Portfolio by the Borrower to the Collateral Agent, for the benefit of the Secured Parties, pursuant to this Agreement, is in the ordinary course of business for the Borrower and is not subject to the bulk transfer or any similar statutory provisions in effect in any applicable jurisdiction.

(i) Pledge of Collateral Portfolio. Except as otherwise expressly permitted by the terms of this Agreement, no item of Collateral Portfolio has been sold, transferred, assigned or pledged by the Borrower to any Person, other than as contemplated by Article II and the Pledge of such Collateral Portfolio to the Collateral Agent, for the benefit of the Secured Parties, pursuant to the terms of this Agreement.

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

(k) Sole Purpose. The Borrower has been formed solely for the purpose of engaging in transactions of the types contemplated by this Agreement, and has not engaged in any business activity other than the negotiation, execution and to the extent applicable, performance of this Agreement and the transactions contemplated by the Transaction Documents.

(l) No Injunctions. No injunction, writ, restraining order or other order of any nature adversely affects the Borrower's performance of its obligations under this Agreement or any Transaction Document to which the Borrower is a party.

(m) Taxes. The Borrower is an entity disregarded from its owner for U.S. federal income tax purposes. The Borrower has filed or caused to be filed (on a consolidated basis or otherwise) on a timely basis all tax returns (including, without limitation, all foreign, federal, state, local and other material tax returns) required to be filed by it (subject to any extensions to file properly obtained by the same), is not liable for material Taxes payable by any other Person and has paid or made adequate provisions for the payment of all material Taxes, assessments and other governmental charges due and payable from the Borrower except for those Taxes being contested in good faith by appropriate proceedings and in respect of which it has established proper reserves on its books. Other than a Permitted Lien, no Tax lien or similar adverse claim has been filed, and no claim is being asserted with respect to any such Tax, assessment or other governmental charge. Any Taxes, fees and other governmental charges due and payable by the Borrower, as applicable, in connection with the execution and delivery of this Agreement and the other Transaction Documents and the transactions contemplated hereby or thereby have been paid or shall have been paid if and when due.

(n) Location. The Borrower's jurisdiction of formation (within the meaning of Article 9 of the UCC) is Delaware. The chief executive office of the Borrower (and the location of the Borrower's records regarding the Collateral Portfolio (other than those delivered to the Collateral Custodian)) is located at the address set forth on Annex A to this Agreement (or at such other address as shall be designated by such party in a written notice to the other parties hereto).

(o) Tradenames. Except as permitted hereunder, the Borrower's legal name is as set forth in this Agreement. Except as permitted hereunder, the Borrower has not changed its name since its formation; does not have tradenames, fictitious names, assumed names or "doing business as" names other than as disclosed on Schedule I hereto (as such schedule may be updated from time to time by the Administrative Agent upon receipt of a notice delivered to the Administrative Agent pursuant to Section 5.02(p)); the Borrower's only jurisdiction of formation is Delaware, and, except as permitted hereunder, the Borrower has not changed its jurisdiction of formation.

(p) Solvency. The Borrower is not the subject of any Bankruptcy Proceeding or Bankruptcy Event. The Borrower is Solvent, and the transactions under this Agreement and any other Transaction Document to which the Borrower is a party do not and will not render the Borrower not Solvent. The Borrower is paying its debts as they become due (subject to any applicable grace period) and, after giving effect to the transactions contemplated hereby, will have adequate capital to conduct its business.

(q) No Subsidiaries. The Borrower has no Subsidiaries, other than any Portfolio Subsidiaries.

(r) Value Given. The Borrower has given fair consideration and reasonably equivalent value to the Seller or the applicable third party seller in exchange for the purchase of the Loans (or any number of them). No such transfer has been made for or on account of an antecedent debt and no such transfer is or may be voidable or subject to avoidance under any section of the Bankruptcy Code.

(s) Information Accurate. All information, financial statements of the Borrower, documents, books, records or reports furnished by the Borrower to any Secured Party in connection with this Agreement are true, complete and correct in all material respects; provided that, solely with respect to written or electronic information furnished to a Secured Party which was provided from an Obligor with respect to a Loan, such information need only be accurate, true and correct to the knowledge of the Borrower.

(t) Exchange Act Compliance; Regulations T, U and X. None of the transactions contemplated herein or in the other Transaction Documents (including, without limitation, the use of proceeds from the Pledge of the Collateral Portfolio) will violate or result in a violation of Section 7 of the Exchange Act, or any regulations issued pursuant thereto, including, without limitation, Regulations T, U and X of the Board of Governors of the Federal Reserve System, 12 C.F.R., Chapter II. The Borrower does not own or intend to carry or purchase, and no proceeds from the Advances 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.

(u) No Adverse Agreements. There are no agreements in effect adversely affecting the rights of the Borrower to make, or cause to be made, the grant of the security interest in the Collateral Portfolio contemplated by Section 2.12.

(v) Event of Default/Unmatured Event of Default. No event has occurred which constitutes an Unmatured Event of Default or an Event of Default.

(w) Credit and Collection Policy. Each of the Loans was underwritten or acquired and is being serviced in conformance with the standard underwriting, credit, collection, operating and reporting procedures and systems of the Collateral Manager.

(x) ERISA. Except as would not reasonably be expected to constitute a Material Adverse Effect, (i) the present value of all benefits vested under all “employee pension benefit plans,” as such term is defined in Section 3 of ERISA which are subject to Title IV of ERISA and maintained by the Borrower, or in which employees of the Borrower are entitled to participate, other than a Multiemployer Plan (the “Pension Plans”), does not exceed the value of the assets of the Pension Plan allocable to such vested benefits (based on the value of such assets as of the most recent annual financial statements reflecting such amounts), (ii) no non-exempt prohibited transaction, within the meaning of Section 406 of ERISA or Section 4975 of the Code, has occurred with respect to any Pension Plan, (iii) no application for a waiver of the minimum funding standard pursuant to Section 412 of the Code has been made with respect to any Pension Plan, (iv) neither the Borrower nor any ERISA Affiliate has any withdrawal liability with respect to a Multiemployer Plan, (v) no reportable events within the meaning of 4043 of ERISA, other than those events as to which the 30 day notice period referred to in Section 4043(c) of ERISA has been waived, (each a “Reportable Event”) have occurred with respect to any Pension Plans that, in the aggregate, could subject the Borrower to any material tax, penalty or other liability and (vi) no notice of intent to terminate a Pension Plan has been filed, no Pension Plan been terminated under Section 4041(f) of ERISA, the Pension Benefit Guaranty Corporation has not instituted proceedings to terminate, or appoint a trustee to administer a Pension Plan, and no event has occurred or condition exists that constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan. None of the Collateral Portfolio constitutes “plan assets” within the meaning of 29 CFR 2510.3-101, as amended by Section 3(42) of ERISA, by reason of a Pension Plan’s investment in the Borrower or its direct or indirect parent companies.

(y) Allocation of Charges. There is not any agreement or understanding between any Borrower Advisor and the Borrower (other than the Transaction Documents and other than as expressly set forth herein, as disclosed in writing to the Administrative Agent prior to the Closing Date, or as consented to by the Administrative Agent), providing for the allocation or sharing of obligations to make payments or otherwise in respect of any taxes, fees, assessments or other governmental charges.

(z) Broker-Dealer. The Borrower is not required to register as a broker-dealer under the provisions of the Exchange Act.

(aa) Instructions to Obligors. The Collection Account is the only account to which Obligors have been instructed by the Borrower, or a Borrower Advisor on the Borrower’s behalf, to send Principal Collections and Interest Collections on the Collateral Portfolio. The Borrower has not granted any Person other than the Collateral Agent, on behalf of the Secured Parties, an interest in any Controlled Account.

(bb) Investment Company Act. The Borrower is not required to register as an “investment company” under the provisions of the 1940 Act.

(cc) Compliance with Law. The Borrower has complied in all respects with all Applicable Law to which it may be subject, and no item of the Collateral Portfolio contravenes any Applicable Law (including, without limitation, all applicable predatory and abusive lending laws, laws, rules and regulations related to licensing, truth in lending, fair credit billing, fair credit reporting equal credit opportunity, fair debt collection practices and privacy).

(dd) Set-Off, etc. No Loan has been compromised, adjusted, extended, satisfied, subordinated, rescinded, set-off or modified by the Borrower, the Seller or the Obligor thereof, and no Collateral Portfolio is 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 the Collateral Portfolio or otherwise, by the Borrower, the Seller or the Obligor with respect thereto, except, in each case, for amendments, extensions and modifications, if any, to such Collateral Portfolio otherwise permitted pursuant to the Management Agreement.

(ee) Full Payment. As of the applicable Cut-Off Date in respect of a Loan, the Borrower has no knowledge of any fact which should lead it to expect that such Loan will not be paid in full.

(ff) Environmental. With respect to each item of Underlying Collateral as of the applicable Cut-Off Date for the Loan related to such Underlying Collateral, to the actual knowledge of an Authorized Person of the Borrower: (a) the related Obligor's operations comply in all respects with all applicable Environmental Laws; (b) none of the related Obligor's operations is the subject of a federal or state investigation evaluating whether any remedial action, involving expenditures, is needed to respond to a release of any Hazardous Materials into the environment; and (c) the related Obligor does not have any material contingent liability in connection with any release of any Hazardous Materials into the environment. As of the applicable Cut-Off Date for the Loan related to such Underlying Collateral, none of the Borrower, the Seller nor any Borrower Advisor has received any written notice of, or written inquiry from any Governmental Authority regarding, any violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws with regard to any of the Underlying Collateral, nor does any such Person have knowledge or reason to believe that any such notice will be received or is being threatened.

(gg) USA PATRIOT Act. Neither the Borrower nor any Affiliate of the Borrower 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.

(hh) Accuracy of Representations and Warranties. Each representation or warranty by the Borrower contained herein or in any certificate or other document furnished by the Borrower pursuant hereto or in connection herewith is true and correct in all respects.

(ii) Confirmation from Seller. The Borrower has received in writing from the Seller confirmation that the Seller will not cause the Borrower to file a voluntary bankruptcy petition under the Bankruptcy Code.

(jj) [Reserved].

(kk) Security Interest.

(i) This Agreement creates a valid and continuing security interest (as defined in the applicable UCC) in the Collateral Portfolio in favor of the Collateral Agent, on behalf of the Secured Parties, which security interest is prior to all other Liens (except for Permitted Liens), and is enforceable as such against creditors of and purchasers from the Borrower;

(ii) the Collateral Portfolio may from time to time be comprised of “instruments”, “security entitlements”, “general intangibles”, “tangible chattel paper”, “accounts”, “certificated securities”, “uncertificated securities”, “securities accounts”, “deposit accounts”, “supporting obligations” or “insurance” (each as defined in the applicable UCC), real property and/or such other category of collateral under the applicable UCC as to which the Borrower has complied with its obligations under this Section 4.01(kk);

(iii) with respect to Collateral Portfolio that constitute “security entitlements”:

a. all of such security entitlements have been credited to one of the Controlled Accounts and the securities intermediary for each Controlled Account has agreed to treat all assets credited to such Controlled Account as “financial assets” within the meaning of the applicable UCC;

b. the Borrower has taken all steps necessary to cause the securities intermediary to identify in its records the Borrower as the Person having a security entitlement against the securities intermediary in each of the Controlled Accounts; and

c. the Controlled Accounts are not in the name of any Person other than the Borrower, subject to the lien of the Collateral Agent, for the benefit of the Secured Parties. The securities intermediary of any Controlled Account which is a “securities account” under the UCC has agreed to comply with the entitlement orders and instructions of the Borrower, the Collateral Manager and the Collateral Agent (acting at the direction of the Administrative Agent) in accordance with the Transaction Documents, including causing cash to be invested in Permitted Investments; provided that, upon the delivery of a Notice of Exclusive Control (as defined under the Securities Account Control Agreement) by the Collateral Agent (acting at the direction of the Administrative Agent) following the occurrence and during the continuance of an Event of Default, the securities intermediary has agreed to only follow the entitlement orders and instructions of the Collateral Agent, on behalf of the Secured Parties, including with respect to the investment of cash in Permitted Investments.

- (iv) all Controlled Accounts constitute “securities accounts” as defined in the applicable UCC;
- (v) the Borrower owns and has good and marketable title to (or with respect to assets securing any Loans, a valid security interest in) the Collateral Portfolio free and clear of any Lien (other than Permitted Liens) of any Person;
- (vi) the Borrower has received all consents and approvals required by the terms of any Loan to the granting of a security interest in the Loans hereunder to the Collateral Agent, on behalf of the Secured Parties;
- (vii) the Borrower 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 Collateral Portfolio and that portion of the Loans in which a security interest may be perfected by filing granted to the Collateral Agent, on behalf of the Secured Parties, under this Agreement; provided that filings in respect of real property shall not be required;
- (viii) other than as expressly permitted by the terms of this Agreement and the security interest granted to the Collateral Agent, on behalf 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 Portfolio. The Borrower has not authorized the filing of and is not aware of any financing statements against the Borrower that include a description of collateral covering the Collateral Portfolio other than any financing statement (A) relating to the security interests granted to the Borrower under the Purchase and Sale Agreement, or (B) that has been terminated and/or fully and validly assigned to the Collateral Agent on or prior to the date hereof. The Borrower is not aware of the filing of any judgment or Tax lien filings against the Borrower;
- (ix) all original executed copies of each underlying promissory note or copies of each Loan Register, as applicable, that constitute or evidence each Loan has been, or subject to the delivery requirements contained herein, will be delivered to the Collateral Custodian;
- (x) other than in the case of Noteless Loans, the Borrower has received, or subject to the delivery requirements contained herein will receive, a written acknowledgment from the Collateral Custodian that the Collateral Custodian, as the bailee of the Collateral Agent, is holding the underlying promissory notes that constitute or evidence the Loans solely on behalf of and for the Collateral Agent, for the benefit of the Secured Parties; provided that the acknowledgement of the Collateral Custodian set forth in Section 11.11 may serve as such acknowledgement;
- (xi) none of the underlying promissory notes, or Loan Registers, as applicable, that constitute or evidence the Loans has any marks or notations indicating that they have been pledged, assigned or otherwise conveyed to any Person other than the Collateral Agent, on behalf of the Secured Parties;

(xii) with respect to any Collateral Portfolio that constitutes a “certificated security,” such certificated security has been delivered to the Collateral Custodian and, if in registered form, has been specially Indorsed to the Collateral Agent or in blank by an effective Indorsement or has been registered in the name of the Collateral Agent, upon original issue or registration of transfer by the Borrower of such certificated security and has been credited to a Controlled Account; and

(xiii) with respect to any Collateral Portfolio that constitutes an “uncertificated security”, that the Borrower has caused the issuance of such uncertificated security to be registered to the Collateral Agent, on behalf of the Secured Parties, as the registered owner of such uncertificated security.

Section 4.02 Representations and Warranties of the Borrower Relating to the Agreement and the Collateral Portfolio. The Borrower hereby represents and warrants, as of the Closing Date, as of each applicable Cut-Off Date, as of each applicable Advance Date, as of each Determination Date and as of each other date provided under this Agreement or the other Transaction Documents on which such representations and warranties are required to be (or deemed to be) made (unless a specific date is specified below):

(a) Valid Transfer and Security Interest. This Agreement constitutes a grant of a security interest in all of the Collateral Portfolio to the Collateral Agent, for the benefit of the Secured Parties, which upon the filing of the financing statement referred to in Section 3.01, shall be a valid and first priority perfected security interest in the Loans forming a part of the Collateral Portfolio and in that portion of the Loans in which a security interest may be perfected by filing subject only to Permitted Liens. Neither the Borrower nor any Person claiming through or under the Borrower shall have any claim to or interest in the Controlled Accounts, except for the interest of the Borrower in such property as a debtor for purposes of the UCC.

(b) Eligibility of Collateral Portfolio. (i) The Loan Tape and the information contained in each Notice of Borrowing, is an accurate and complete listing of all the Loans contained in the Collateral Portfolio as of the related Cut-Off Date and the information contained therein with respect to the identity of such item of Collateral Portfolio and the amounts owing thereunder is true and correct as of the related Cut-Off Date, (ii) each Loan designated on the related Borrowing Base Certificate as an Eligible Loan and each Loan included as an Eligible Loan in the related calculation of Borrowing Base or Borrowing Base Deficiency is an Eligible Loan as of the date of such certificate or calculation and (iii) with respect to each item of Collateral Portfolio, 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 by the Borrower in connection with the transfer of a security interest in each item of Collateral Portfolio to the Collateral Agent, for the benefit of the Secured Parties, have been duly obtained, effected or given and are in full force and effect.

(c) No Fraud. Each Loan was originated without any fraud or misrepresentation by the Seller or, to the best of the Borrower’s and each Borrower Advisor’s knowledge, on the part of the Obligor.

Section 4.03 Representations and Warranties of the Collateral Agent. The Collateral Agent in its individual capacity and as Collateral Agent represents and warrants as follows:

(a) Organization; Power and Authority. It is a duly organized and validly existing national banking association in good standing under the laws of the United States. It has full corporate power, authority and legal right to execute, deliver and perform its obligations as Collateral Agent 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 action on its part, either in its individual capacity or as Collateral Agent, as the case may be.

(c) No Conflict. The execution and delivery of this Agreement, the performance of the transactions contemplated hereby and the fulfillment of the terms hereof will not conflict with, result in any breach of its articles of incorporation or bylaws or any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under any indenture, contract, agreement, mortgage, deed of trust, or other instrument to which the Collateral Agent is a party or by which it or any of its property is bound.

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

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

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

Section 4.04 Representations and Warranties of each Lender. Each Lender hereby individually represents and warrants, as to itself, that it is (a) either a Qualified Institutional Buyer under Rule 144A of the Securities Act or an institutional "Accredited Investor" as defined in Rule (1)-501(a)(1)-(3) or (7) under the Securities Act and (b) a "qualified purchaser" under the 1940 Act.

Section 4.05 Representations and Warranties of the Collateral Custodian. The Collateral Custodian in its individual capacity and as Collateral Custodian represents and warrants as follows:

(a) Organization; Power and Authority. It is a duly organized and validly existing national banking association in good standing under the laws of the United States. It has full corporate power, authority and legal right to execute, deliver and perform its obligations as Collateral Custodian 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 action on its part, either in its individual capacity or as Collateral Custodian, as the case may be.

(c) No Conflict. The execution and delivery of this Agreement, the performance of the transactions contemplated hereby and the fulfillment of the terms hereof will not conflict with, result in any breach of its articles of incorporation or bylaws or any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under any indenture, contract, agreement, mortgage, deed of trust, or other instrument to which the Collateral Custodian is a party or by which it or any of its property is bound.

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

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

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

ARTICLE V.

GENERAL COVENANTS

Section 5.01 Affirmative Covenants of the Borrower.

From the Closing Date until the Collection Date:

(a) Organizational Procedures and Scope of Business. The Borrower will observe all organizational procedures required by its formation documents and the laws of its jurisdiction of formation. Without limiting the foregoing, the Borrower will limit the scope of its business to: (i) the acquisition of Loans and the ownership and management of the Portfolio Assets and the related assets in the Collateral Portfolio; (ii) the sale, transfer or other disposition of Loans and any equity issued by or assets of any Portfolio Subsidiary, as and when permitted under the Transaction Documents; (iii) entering into and performing under the Transaction Documents; (iv) consenting or withholding consent as to proposed amendments, waivers and

other modifications of the Loan Agreements to the extent not in conflict with the terms of this Agreement or any other Transaction Document; and (v) exercising any rights (including but not limited to voting rights and rights arising in connection with a Bankruptcy Event with respect to an Obligor or the consensual or non-judicial restructuring of the debt or equity of an Obligor) or remedies in connection with the Loans and participating in the committees (official or otherwise) or other groups formed by creditors of an Obligor to the extent not in conflict with the terms of this Agreement or any other Transaction Document; and (vi) engaging in any activity and to exercise any powers permitted to limited liability companies under the laws of the State of Delaware that are incident to the foregoing and necessary, convenient or advisable to accomplish the foregoing.

(b) Special Purpose Entity Requirements. The Borrower will at all times: (i) maintain at least one Independent Director; (ii) maintain its own separate books and records and bank accounts; (iii) hold itself out to the public and all other Persons as a legal entity separate from any other Person; (iv) have a Board of Managers separate from that of any other Person; (v) file its own tax returns, except to the extent that the Borrower is treated as a “disregarded entity” for tax purposes and is not required to file taxes under Applicable Law, and pay any Taxes so required to be paid under Applicable Law, except for those Taxes being contested in good faith by appropriate proceedings and in respect of which the Borrower has established proper reserves on its books in accordance with GAAP; (vi) not commingle its assets with assets of any other Person; (vii) conduct its business in its own name and strictly comply with all organizational formalities to maintain its separate existence; (viii) maintain separate financial statements; provided, however, that the Borrower’s assets may be included in a consolidated financial statement of its Affiliate if (A) appropriate notation shall be made on such consolidated financial statements to indicate the separateness of the Borrower from such Affiliate and to indicate that the Borrower’s assets and credit are not available to satisfy the debts and other obligations of such Affiliate or any other Person and (B) such assets shall also be listed on the Borrower’s own separate balance sheet; (ix) pay its own liabilities only out of its own funds; (x) maintain an arm’s-length relationship with the Seller each of its other Affiliates; (xi) not hold out its credit or assets as being available to satisfy the obligations of others; (xii) allocate fairly and reasonably any overhead expenses that are shared with an Affiliate, including for shared office space; (xiii) use separate stationery, invoices and checks; (xiv) except as expressly permitted by this Agreement, not pledge its assets as security for the obligations of any other Person; (xv) correct any known misunderstanding regarding its separate identity; (xvi) maintain adequate capital in light of its contemplated business purpose, transactions and liabilities and pay its operating expenses and liabilities from its own assets; (xvii) cause its Board of Managers to meet at least annually or act pursuant to written consent and keep minutes of such meetings and actions and observe in all respects all other Delaware limited liability company formalities; (xviii) not acquire the obligations or any securities of its Affiliates; (xix) cause the managers, officers, agents and other representatives of the Borrower to act at all times with respect to the Borrower consistently and in furtherance of the foregoing and in the best interests of the Borrower; and (xx) maintain at least one special member, who, upon the dissolution of such sole member or the withdrawal or the disassociation of the sole member from the Borrower, shall immediately become the special member of the Borrower in accordance with the LLC Agreement.

(c) Preservation of Company Existence. The Borrower will maintain its limited liability company existence in good standing under the laws of its jurisdiction of formation and will promptly obtain and thereafter maintain qualifications to do business as a limited liability company in any other jurisdiction in which it does business and in which it is required to so qualify under Applicable Law.

(d) Compliance with Legal Opinions. The Borrower shall take all other actions necessary to maintain the accuracy of the factual assumptions set forth in the legal opinions of Dechert LLP, as special counsel to the Borrower relating to the issues of substantive consolidation and true sale of the Loans.

(e) Deposit of Collections. The Borrower shall promptly (but in no event later than one Business Day after receipt) deposit or cause to be deposited into the Collection Account any and all Available Collections received by the Borrower, any Borrower Advisor or any of their respective Affiliates.

(f) Disclosure of Purchase Price. The Borrower shall disclose to the Administrative Agent and the Lender Agents the Purchase Price for each Loan proposed to be transferred to the Borrower.

(g) Obligor Defaults and Bankruptcy Events. The Borrower shall give, or shall cause the Collateral Manager to give, notice to the Administrative Agent and the Lender Agents within two (2) Business Days of the Borrower's, the Seller's or any Borrower Advisor's actual knowledge of the occurrence of any default by an Obligor under any Loan or any Bankruptcy Event with respect to any Obligor under any Loan.

(h) Required Loan Documents. The Borrower shall deliver to the Collateral Custodian a hard copy (or, unless an original signature is required, electronic copy) of the Required Loan Documents and the Loan Checklist pertaining to each Loan within two (2) Business Days of the Cut-Off Date pertaining to such Loan.

(i) Taxes. The Borrower will file or cause to be filed its tax returns and pay any and all Taxes imposed on it or its property as required by the Transaction Documents (except as otherwise contemplated in Section 4.01(m)).

(j) Notice of Events of Default and Value Adjustment Events. The Borrower will provide the Administrative Agent and each Lender Agent (with a copy to the Collateral Agent) with prompt written notice of the occurrence of each Value Adjustment Event, Collateral Control Event, Event of Default and each Unmatured Event of Default of which the Borrower has knowledge or has received notice. In addition, no later than two (2) Business Days following the Borrower's knowledge or notification of the occurrence of any Event of Default, Collateral Control Event or Unmatured Event of Default, the Borrower will provide to the Administrative Agent and each Lender Agent a written statement of an Authorized Person of the Borrower setting forth the details of such event and the action that will be taken with respect thereto.

(k) Notice of Material Events. The Borrower shall promptly notify the Administrative Agent and each Lender Agent of any event or other circumstance that is reasonably likely to have a Material Adverse Effect.

(l) Notice of Income Tax Liability. The Borrower shall furnish to the Administrative Agent and each Lender Agent telephonic or facsimile notice within 10 Business Days (confirmed in writing within five (5) Business Days thereafter) of the receipt of revenue agent reports or other written proposals, determinations or assessments of the Internal Revenue Service or any other taxing authority which propose, determine or otherwise set forth positive adjustments (i) to the Tax liability of the Borrower or any "affiliated group" (within the meaning of Section 1504(a)(1) of the Code) of which the Borrower is a member in an amount equal to or greater than \$1,000,000 in the aggregate, or (ii) to the Tax liability of the Borrower itself in an amount equal to or greater than \$500,000 in the aggregate. Any such notice shall specify the nature of the items giving rise to such adjustments and the amounts thereof.

(m) [Reserved.]

(n) Notice of Breaches of Representations and Warranties under this Agreement. The Borrower shall promptly notify the Administrative Agent and each Lender if any representation or warranty set forth in Section 4.01 or Section 4.02 was incorrect at the time it was given or deemed to have been given and at the same time deliver to the Collateral Agent, the Administrative Agent and the Lender Agents a written notice setting forth in reasonable detail the nature of such facts and circumstances. In particular, but without limiting the foregoing, the Borrower shall notify the Administrative Agent and each Lender Agent in the manner set forth in the preceding sentence before any Cut-Off Date of any facts or circumstances within the knowledge of the Borrower 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.

(o) Notice of Breaches of Representations and Warranties under the Purchase and Sale Agreement. Promptly after receiving knowledge or notice of the same, the Borrower confirms and agrees that the Borrower will send to the Administrative Agent, each Lender Agent and the Collateral Agent a notice of (i) any breach of any representation, warranty, agreement or covenant under the Purchase and Sale Agreement or (ii) any event or occurrence that, upon notice, or upon the passage of time or both, would constitute such a breach.

(p) Notice of Proceedings. The Borrower shall notify the Administrative Agent and each Lender Agent, as soon as possible and in any event within three (3) Business Days, after the Borrower receives notice or obtains knowledge thereof, of any settlement of, material judgment (including a material judgment with respect to the liability phase of a bifurcated trial) in or commencement of any material labor controversy, material litigation, material action, material suit or material proceeding before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, affecting the Collateral Portfolio, the Transaction Documents, the Collateral Agent's, for the benefit of the Secured Parties, interest in the Collateral Portfolio, or the Borrower, the Seller, any Borrower Advisor or any of their respective Affiliates. For purposes of this Section 5.01(p), (i) any settlement, judgment, labor controversy, litigation, action, suit or proceeding affecting the Collateral Portfolio, the Transaction Documents, the Collateral Agent's, for the benefit of the Secured Parties, interest in the Collateral Portfolio, or the Borrower in excess of \$500,000 shall be deemed to be material, (ii) any settlement, judgment, labor controversy, litigation, action, suit or proceeding affecting any Borrower Party, the Seller or any of their respective Affiliates (other

than the Borrower, the Collateral Sub-Advisor or any Affiliates of the Collateral Sub-Advisor) in excess of \$1,000,000 shall be deemed to be material and (iii) any settlement, judgment, labor controversy, litigation, action, suit or proceeding affecting the Collateral Sub-Advisor that would be reasonably likely to result in a Material Adverse Effect shall be deemed to be material.

(q) Notice of ERISA Reportable Events. The Borrower shall promptly notify the Administrative Agent and each Lender Agent after receiving notice of any Reportable Event, and provide them with a copy of such notice.

(r) Notice of Accounting Changes. As soon as possible and in any event within five (5) Business Days after the effective date thereof, the Borrower will provide to the Administrative Agent and, upon request, each Lender Agent notice of any change in the accounting policies of the Borrower.

(s) Additional Documents. The Borrower shall provide the Administrative Agent and each Lender Agent with copies of such documents as the Administrative Agent or any Lender Agent may reasonably request evidencing the accuracy of the representations set forth in this Agreement.

(t) Protection of Security Interest. With respect to the Collateral Portfolio acquired by the Borrower, the Borrower will (i) (at the expense of the Borrower) take all action necessary to perfect, protect and more fully evidence the Borrower's ownership of such Collateral Portfolio free and clear of any Lien other than the Lien created hereunder and Permitted Liens, including, without limitation, executing or causing to be executed such other instruments or notices as may be necessary or appropriate, (ii) (at the expense of the Borrower) take all action necessary to cause a valid, subsisting and enforceable first priority perfected security interest, subject only to Permitted Liens, to exist in favor of the Collateral Agent (for the benefit of the Secured Parties) in the Borrower's interests in all of the Collateral Portfolio being Pledged hereunder including the filing of a UCC financing statement in the applicable jurisdiction adequately describing the Collateral Portfolio (which may include an "all asset" filing), and naming the Borrower as debtor and the Collateral Agent as the secured party, and filing continuation statements, amendments or assignments with respect thereto in such filing offices, (including any amendments thereto or assignments thereof), (iii) permit the Administrative Agent, any Lender or their respective agents or representatives to visit the offices of the Borrower during normal office hours and upon reasonable advance notice examine and make copies of all documents, books, records and other information concerning the Collateral Portfolio and discuss matters related thereto with any of the officers or employees of the Borrower having knowledge of such matters (provided that, unless an Event of Default shall be continuing, the Borrower shall only be liable for the costs and expenses of two such visits per calendar year), and (iv) take all additional action that the Administrative Agent, any Lender Agent or the Collateral Agent may reasonably request to perfect, protect and more fully evidence the respective first priority perfected security interests of the parties to this Agreement in the Collateral Portfolio, or to enable the Administrative Agent or the Collateral Agent to exercise or enforce any of their respective rights hereunder.

(u) Liens. The Borrower will promptly notify the Administrative Agent and the Lender Agents of the existence of any Lien on the Collateral Portfolio (other than Permitted

Liens) and the Borrower shall defend the right, title and interest of the Collateral Agent, for the benefit of the Secured Parties, in, to and under the Collateral Portfolio against all claims of third parties (unless the reasonably anticipated costs to defend such claims exceeds the value of any Loan and prior written notice has been provided to the Administrative Agent).

(v) Other Documents. At any time from time to time upon prior written request of the Administrative Agent or any Lender Agent, at the sole expense of the Borrower, the Borrower will promptly and duly execute and deliver such further instruments and documents and take such further actions as the Administrative Agent or any Lender Agent may reasonably request for the purposes of obtaining or preserving the full benefits of this Agreement including the first priority security interest (subject only to Permitted Liens) granted hereunder and of the rights and powers herein granted (including, among other things, authorizing the filing of such UCC financing statements as the Administrative Agent may request).

(w) Compliance with Law. The Borrower shall at all times comply in all material respects with all Applicable Law (including, without limitation, Environmental Laws and all federal securities laws), and the Borrower shall do or cause to be done all things necessary to preserve and maintain in full force and effect its legal existence, and all licenses material to its business.

(x) Proper Records. The Borrower shall at all times keep proper books of records and accounts in which full, true and correct entries shall be made of its transactions in accordance with GAAP and set aside on its books from its earning for each fiscal year all such proper reserves in accordance with GAAP.

(y) Satisfaction of Obligations. The Borrower shall pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its obligations of whatever nature, except where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves with respect thereto have been provided on the books of the Borrower.

(z) Performance of Covenants. The Borrower shall observe, perform and satisfy all the material terms, provisions, covenants and conditions required to be observed, performed or satisfied by it, and shall pay when due all costs, fees and expenses required to be paid by it, under the Transaction Documents.

(aa) Tax Treatment. The Borrower and the Lenders shall (and the Borrower shall cause the Seller to) treat the Advances advanced hereunder as indebtedness for U.S. federal income tax purposes and file any and all tax forms in a manner consistent therewith.

(bb) Maintenance of Records. The Borrower will maintain records with respect to the Collateral Portfolio and the conduct and operation of its business and will furnish the Administrative Agent and each Lender Agent, upon the reasonable request by the Administrative Agent and each Lender Agent, information with respect to the Collateral Portfolio and the conduct and operation of its business.

(cc) Obligor Notification Forms. The Borrower shall furnish the Collateral Agent and the Administrative Agent with an appropriate power of attorney to send (at the

Administrative Agent's discretion on the Collateral Agent's behalf, after the occurrence of an Event of Default) Obligor notification forms to give notice to the Obligors of the Collateral Agent's interest in the Collateral Portfolio and the obligation to make payments as directed by the Administrative Agent on the Collateral Agent's behalf.

(dd) Officer's Certificate. On each anniversary of the date of this Agreement, the Borrower shall deliver an Officer's Certificate, in form and substance reasonably acceptable to the Collateral Agent and the Administrative Agent, providing (i) a certification, based upon a review and summary of UCC search results, that there is no other interest in the Collateral Portfolio perfected by filing of a UCC financing statement other than in favor of the Collateral Agent and Permitted Liens and (ii) a certification, based upon a review and summary of tax and judgment lien searches satisfactory to the Administrative Agent, that there is no other interest in the Collateral Portfolio based on any tax or judgment lien.

(ee) Continuation Statements. The Borrower shall, not earlier than six months and not later than three months prior to the fifth anniversary of the date of filing each financing statement filed pursuant to this Agreement or in connection with any Advance hereunder, unless the Collection Date shall have occurred, authorize and deliver and file or cause to be filed an appropriate continuation statement with respect to such financing statement.

(ff) Disregarded Entity. The Borrower will be disregarded as an entity separate from its owner pursuant to Treasury Regulation Section 301.7701-3(b), and neither the Borrower nor any other Person on its behalf shall make an election to be treated as other than an entity disregarded from its owner under Treasury Regulation Section 301.7701-3(c).

(gg) Withholding. If the provisions of Sections 1471 through 1474 of the Code or any regulations promulgated thereunder become applicable to any payments to the Borrower made in respect of the Collateral Portfolio, the Borrower shall exercise its best efforts to avoid the imposition of any withholding tax in respect of such payments under those provisions.

(hh) Loan Register. In the case of Agented Loans, the Borrower shall maintain, or cause to be maintained, with respect to each Noteless Loan a register (which may be in physical or electronic form and readily identifiable as the loan register) (each, a "Loan Register") in which it will record, or cause to be recorded, (v) the amount of such Noteless Loan, (w) the amount of any principal or interest due and payable or to become due and payable from the Obligor thereunder, (x) the amount of any sum in respect of such Noteless Loan received from the Obligor, (y) the date of origination of such Noteless Loan and (z) the maturity date of such Noteless Loan.

Section 5.02 Negative Covenants of the Borrower.

From the Closing Date until the Collection Date:

(a) Special Purpose Entity Requirements. The Borrower shall not (i) guarantee any obligation of any Person, including any Affiliate or become obligated for the debts of any other Person or hold out its credit as being available to pay the obligations of any other Person; (ii) engage, directly or indirectly, in any business, other than the actions required or permitted to be performed under Section 5.01(a); (iii) incur, create or assume any Indebtedness,

other than Indebtedness incurred under the Transaction Documents; (iv) make or permit to remain outstanding any loan or advance to, or own or acquire any stock or securities of, any Person, except that the Borrower may invest in those Loans and other investments permitted under the Transaction Documents and may make any advance required or expressly permitted to be made pursuant to any provisions of the Transaction Documents and permit the same to remain outstanding in accordance with such provisions; (v) fail to be Solvent; (vi) create, form or otherwise acquire any Subsidiaries or own any equity interest in any other entity, other than any Portfolio Subsidiaries, (vii) release, sell, transfer, convey or assign any Loan unless in accordance with the Transaction Documents, (viii) except for capital contributions or capital distributions permitted under the terms and conditions of this Agreement and properly reflected on the books and records of the Borrower, enter into any transaction with an Affiliate of the Borrower except on commercially reasonable terms similar to those available to unaffiliated parties in an arm's-length transaction; (ix) identify itself as a department or division of any other Person; or (x) own any asset or property other than the Loans, the Portfolio Assets, any Portfolio Subsidiaries and the related assets in the Collateral Portfolio and incidental personal property necessary for the ownership or operation of these assets.

(b) Requirements for Material Actions. The Borrower shall not fail to provide (and at all times the Borrower's organizational documents shall reflect) that the unanimous consent of all members (including the consent of the Independent Director(s)) is required for the Borrower to (i) be adjudicated bankrupt or insolvent or seek any relief under any law relating to relief from debts or the protection of debtors, (ii) institute or consent to the institution of bankruptcy or insolvency proceedings against it, (iii) file a petition seeking or consent to reorganization or relief under any applicable federal or state law relating to bankruptcy or insolvency, (iv) seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian or any similar official for the Borrower or a substantial part of its property, (v) make any assignment for the benefit of the Borrower's creditors, (vi) admit in writing its inability to pay its debts generally as they become due, or (vii) take any action in furtherance of any of the foregoing.

(c) Protection of Title. The Borrower shall not take any action which would directly or indirectly impair or adversely affect Borrower's title to the Collateral Portfolio.

(d) Transfer Limitations. The Borrower shall not transfer, assign, convey, grant, bargain, sell, set over, deliver or otherwise dispose of, or pledge or hypothecate, directly or indirectly, any interest in the Collateral Portfolio to any person other than the Collateral Agent for the benefit of the Secured Parties, or engage in financing transactions or similar transactions with respect to the Collateral Portfolio with any person other than the Administrative Agent and the Lenders, in each case, except as otherwise expressly permitted by the terms of this Agreement.

(e) Liens. The Borrower shall not create, incur or permit to exist any lien, encumbrance or security interest in or on any of the Collateral Portfolio subject to the security interest granted by the Borrower pursuant to this Agreement, other than Permitted Liens.

(f) Organizational Documents. The Borrower shall not modify or terminate any of its organizational or operational documents without the prior written consent of the Administrative Agent.

(g) Merger, Acquisitions, Sales, etc. The Borrower shall not change its organizational structure, enter into any transaction of merger or consolidation or amalgamation, or asset sale (other than pursuant to Section 2.07), or liquidate, wind up or dissolve itself (or suffer any liquidation, winding up or dissolution) without the prior written consent of the Administrative Agent.

(h) Use of Proceeds. The Borrower will use the proceeds of the Advances only to acquire Eligible Loans, to make distributions to its member in accordance with the terms hereof or to pay related expenses (including expenses payable hereunder).

(i) Limited Assets. The Borrower shall not hold or own any assets that are not part of the Collateral Portfolio.

(j) Tax Treatment. The Borrower shall not elect to be treated as a corporation for U.S. federal income tax purposes and shall take all reasonable steps necessary to avoid being treated as a corporation (or as a publicly traded partnership, taxable mortgage pool or other entity taxable as a corporation) for U. S. federal income tax purposes.

(k) Extension or Amendment of Loans. The Borrower will not, unless so directed by the Collateral Manager in accordance with the Management Agreement, extend, amend or otherwise modify the terms of any Loan (including the related Underlying Collateral).

(l) Purchase and Sale Agreement. The Borrower will not amend, modify, waive or terminate any provision of the Purchase and Sale Agreement without the prior written consent of the Administrative Agent.

(m) Restricted Junior Payments. The Borrower shall not make any Restricted Junior Payment unless (i) no Event of Default, Collateral Control Event, Unmatured Collateral Control Event or Unmatured Event of Default (including, without limitation a Borrowing Base Deficiency) has occurred or would result therefrom and (ii) such Restricted Junior Payments are made with either (A) the proceeds of an Advance or (B) funds received by the Borrower pursuant to Section 2.04(a)(ix) or Section 2.04(b)(vi).

(n) ERISA Matters. The Borrower will not (a) engage, and will exercise its best efforts not to permit any ERISA Affiliate to engage, in any prohibited transaction with respect to a Pension Plan (within the meaning of ERISA Section 406(a) or (b) or Code Section 4975) for which an exemption is not available or has not previously been obtained from the United States Department of Labor, (b) fail to meet the minimum funding standard set forth in Section 302(a) of ERISA and Section 412(a) of the Code with respect to any Pension Plan other than a Multiemployer Plan, (c) fail to make any payments to a Multiemployer Plan that the Borrower or any ERISA Affiliate may be required to make under the agreement relating to such Multiemployer Plan or any law pertaining thereto, (d) terminate any Pension Plan so as to result, directly or indirectly in any liability to the Borrower, or (e) permit to exist any occurrence of any Reportable Event.

(o) Instructions to Obligors. The Borrower will not make any change, or permit any Borrower Advisor to make any change, in its instructions to Obligors regarding payments to be made with respect to the Collateral Portfolio to the Collection Account unless the Administrative Agent has consented to such change.

(p) Change of Jurisdiction, Location, Names or Location of Loan Files. The Borrower shall not change the jurisdiction of its formation, make any change to its limited liability company name or use any tradenames, fictitious names, assumed names, "doing business as" names or other names (other than those listed on Schedule I hereto, as such schedule may be revised from time to time to reflect name changes and name usage permitted under the terms of this Section 5.02(o) after compliance with all terms and conditions of this Section 5.02(o) related thereto) unless, prior to the effective date of any such change in the jurisdiction of its formation, name change or use, the Borrower receives prior written consent from the Administrative Agent of such change and delivers to the Administrative Agent such financing statements as the Administrative Agent may request to reflect such name change or use, together with such Opinions of Counsel and other documents and instruments as the Administrative Agent may request in connection therewith. The Borrower will not change the location of its chief executive office unless prior to the effective date of any such change of location, the Borrower notifies the Administrative Agent of such change of location in writing. The Borrower will not move, or consent to the Collateral Custodian or any Borrower Advisor moving, the Loan Files from the location thereof on the Closing Date, unless the Administrative Agent shall consent to such move in writing (such consent not to be unreasonably withheld or delayed) and the Borrower shall, in advance of such move, provide the Administrative Agent with such Opinions of Counsel and other documents and instruments as the Administrative Agent may reasonably request in connection therewith.

(q) Allocation of Charges. The Borrower shall not suffer to exist any agreement or understanding between any Borrower Advisor and the Borrower (other than the Transaction Documents, and as expressly set forth herein, as disclosed to the Administrative Agent in writing prior to the Closing Date, or as consented to by the Administrative Agent), providing for the allocation or sharing of obligations to make payments or otherwise in respect of any Taxes, fees, assessments or other governmental charges.

(r) Taxable Mortgage Pool Matters. The sum of the Outstanding Balances of all Loans owned by the Borrower that are principally secured by an interest in real property (within the meaning of Treasury Regulation Section 3.01.7701(i)-1(d)(3)) shall not at any time exceed 35% of the Outstanding Balance of the Collateral Portfolio.

Section 5.03 Affirmative Covenants of the Collateral Agent.

From the Closing Date until the Collection Date:

(a) Compliance with Law. The Collateral Agent will comply in all material respects with all Applicable Law.

(b) Preservation of Existence. The Collateral Agent will preserve and maintain its existence, rights, franchises and privileges in the jurisdiction of its formation and

qualify and remain qualified in good standing in each jurisdiction where failure to preserve and maintain such existence, rights, franchises, privileges and qualification could reasonably be expected to have a Material Adverse Effect.

Section 5.04 Negative Covenants of the Collateral Agent.

From the Closing Date until the Collection Date, the Collateral Agent will not make any changes to the Collateral Agent Fees without the prior written approval of the Administrative Agent.

Section 5.05 Affirmative Covenants of the Collateral Custodian.

From the Closing Date until the Collection Date:

(a) Compliance with Law. The Collateral Custodian will comply in all material respects with all Applicable Law.

(b) Preservation of Existence. The Collateral Custodian will preserve and maintain its existence, rights, franchises and privileges in the jurisdiction of its formation and qualify and remain qualified in good standing in each jurisdiction where failure to preserve and maintain such existence, rights, franchises, privileges and qualification could reasonably be expected to have a Material Adverse Effect.

(c) Location of Required Loan Documents. Subject to Article XI of this Agreement, the Required Loan Documents shall remain at all times in the possession of the Collateral Custodian at the address set forth on Annex A to this Agreement unless notice of a different address is given in accordance with the terms hereof or unless the Administrative Agent agrees to allow certain Required Loan Documents to be released to a Borrower Advisor on a temporary basis in accordance with the terms hereof, except as such Required Loan Documents may be released pursuant to the terms of this Agreement.

Section 5.06 Negative Covenants of the Collateral Custodian.

From the Closing Date until the Collection Date:

(a) Required Loan Documents. The Collateral Custodian will not dispose of any documents constituting the Required Loan Documents in any manner that is inconsistent with the performance of its obligations as the Collateral Custodian pursuant to this Agreement and will not dispose of any Collateral Portfolio except as contemplated by this Agreement.

(b) No Changes in Collateral Custodian Fees. The Collateral Custodian will not make any changes to the Collateral Custodian Fees without the prior written approval of the Administrative Agent.

ARTICLE VI.

ADMINISTRATION AND SERVICING OF CONTRACTS

Section 6.01 [Reserved].

Section 6.02 Collateral Management Duties.

The Borrower shall cause the Collateral Manager to comply with each of the Collateral Manager's duties under the Management Agreement.

Section 6.03 Authorization of the Collateral Manager.

(a) Each of the Borrower, the Administrative Agent, each Lender Agent and each Lender hereby authorizes the Collateral Manager (including any successors thereto) 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 sale of the Collateral Portfolio by the Seller to the Borrower under the Purchase and Sale Agreement and the Pledge of the Collateral Portfolio by the Borrower to the Collateral Agent on behalf of the Secured Parties hereunder, to collect all amounts due under any and all Collateral Portfolio, including, without limitation, endorsing any of their names on checks and other instruments representing Interest Collections and Principal 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 Portfolio and, after the delinquency of any Collateral Portfolio and to the extent permitted under and in compliance with Applicable Law, to commence proceedings with respect to enforcing payment thereof. The Borrower and the Collateral Agent on behalf of the Secured Parties shall (and the Borrower shall cause the Seller to) 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 their servicing and administrative duties hereunder, and shall cooperate with the Collateral Manager to the fullest extent in order to ensure the collectability of the Collateral Portfolio. In no event shall the Borrower permit the Collateral Manager to make the Secured Parties, the Administrative Agent, the Collateral Agent, any Lender or any Lender Agent 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 routine foreclosure or collection procedure or other routine enforcement of the obligations of any Obligor owing to the Borrower) without the Administrative Agent's and each Lender Agent's consent.

(b) After the declaration of the Facility Maturity Date, at the direction of the Administrative Agent, the Borrower shall cause each Borrower Advisor to take such action as the Administrative Agent may deem necessary or advisable to enforce collection of the Collateral Portfolio; provided, that the Administrative Agent may, at any time that an Event of Default has occurred, notify any Obligor with respect to any Collateral Portfolio of the assignment of such Collateral Portfolio to the Collateral Agent on behalf of the Secured Parties and direct that payments of all amounts due or to become due be made directly to the Administrative Agent or any servicer, collection agent or account designated by the Administrative Agent and, upon such notification and at the expense of the Borrower, the Administrative Agent may enforce collection of any such Collateral Portfolio, and adjust, settle or compromise the amount or payment thereof.

Section 6.04 Collection of Payments; Accounts.

(a) Controlled Accounts. Each of the parties hereto hereby agrees that (i) each Controlled Account is intended to be a “securities account” within the meaning of the UCC and (ii) except as otherwise expressly provided herein and in the Securities Account Control Agreement, prior to the delivery of a Notice of Exclusive Control (as defined in the Securities Account Control Agreement, as applicable), the Borrower shall be entitled to exercise the rights that comprise each Financial Asset held in each Controlled Account which is a securities account; provided that after the delivery of a Notice of Exclusive Control (as defined in the Securities Account Control Agreement) such rights shall be exclusively held by the Collateral Agent (acting at the direction of the Administrative Agent). Each of the parties hereto hereby agrees to cause the securities intermediary that holds any money or other property for the Borrower in a Controlled Account that is a securities account to agree with the parties hereto that (A) the cash and other property (subject to Section 6.04(b) below with respect to any property other than investment property, as defined in Section 9-102(a)(49) of the UCC) is to be treated as a Financial Asset under Article 8 of the UCC and (B) regardless of any provision in any other agreement, for purposes of the UCC, with respect to the Controlled Accounts, New York shall be deemed to be the securities intermediary’s jurisdiction (within the meaning of Section 8-110(e) of the UCC). All securities or other property underlying any Financial Assets credited to the Controlled Accounts in the form of securities or instruments shall be registered in the name of the Account Bank or if in the name of the Borrower or the Collateral Agent, Indorsed to the Account Bank, Indorsed in blank, or credited to another securities account maintained in the name of the Account Bank, and in no case will any Financial Asset credited to the Controlled Accounts be registered in the name of the Borrower, payable to the order of the Borrower or specially Indorsed to the Borrower, except to the extent the foregoing have been specially Indorsed to the Account Bank or Indorsed in blank.

(b) Loan Agreements. Notwithstanding any term hereof (or any term of the UCC that might otherwise be construed to be applicable to a “securities intermediary” as defined in the UCC) to the contrary, none of the Collateral Agent, the Collateral Custodian nor any securities intermediary shall be under any duty or obligation in connection with the acquisition by the Borrower, or the grant by the Borrower to the Collateral Agent, of any Loan in the nature of a loan to examine or evaluate the sufficiency of the documents or instruments delivered to it by or on behalf of the Borrower under the related Loan Agreements, or otherwise to examine the Loan Agreements, in order to determine or compel compliance with any applicable requirements of or restrictions on transfer (including without limitation any necessary consents). The Collateral Custodian shall hold any Instrument delivered to it evidencing any Loan granted to the Collateral Agent hereunder as custodial agent for the Collateral Agent in accordance with the terms of this Agreement.

(c) Adjustments. If (i) any Borrower Advisor makes a deposit into the Collection Account in respect of an Interest Collection or Principal Collection of a Loan and such Interest Collection or Principal Collection was received by such Borrower Advisor in the form of a check that is not honored for any reason or (ii) any Borrower Advisor makes a mistake

with respect to the amount of any Interest Collection or Principal Collection and deposits an amount that is less than or more than the actual amount of such Interest Collection or Principal Collection, the Borrower shall cause such Borrower Advisor to appropriately adjust the amount subsequently deposited into the Collection Account to reflect such dishonored check or mistake. Any Scheduled Payment in respect of which a dishonored check is received shall be deemed not to have been paid.

Section 6.05 Management of REO Assets.

(a) If, in the reasonable business judgment of the Borrower, it becomes necessary to convert any Loan into an REO Asset in accordance with the Management Agreement, the Borrower shall transfer and assign such Loan (or the portion thereof owned by the Borrower) to a Portfolio Subsidiary using a contribution agreement reasonably acceptable to the Administrative Agent. Any equity interests of the Portfolio Subsidiary acquired by the Borrower shall immediately become a part of the Collateral Portfolio and be subject to the grant of a security interest under Section 2.12 and, if certificated, shall be promptly delivered to the Collateral Custodian, each undated and duly Indorsed in blank. The Portfolio Subsidiary shall be formed and operated pursuant to organizational documents reasonably acceptable to the Administrative Agent. After execution thereof, the Borrower shall prevent the Portfolio Subsidiary from agreeing to any amendment or other modification of the Portfolio Subsidiary organizational documents without first obtaining the written consent of the Administrative Agent. The Borrower shall manage each Portfolio Subsidiary (i) in accordance with Applicable Law, (ii) with reasonable care and diligence, (iii) in accordance with the applicable Portfolio Subsidiary's organizational documents and (iv) with a view toward maximizing Recoveries on the applicable REO Asset (collectively, the "REO Management Standard"). The Borrower will cause all "Distributable Cash" (or any comparable definition set forth in the Portfolio Subsidiary's organizational documents) to be deposited into the Collection Account within two (2) Business Days of receipt thereof.

(b) In the event that title to any Underlying Collateral is acquired on behalf of a Portfolio Subsidiary for the benefit of its equity owners in foreclosure, by deed in lieu of foreclosure or upon abandonment or reclamation from bankruptcy, the deed or certificate of sale shall be taken in the name of such Portfolio Subsidiary. The Borrower shall use commercially reasonable efforts to cause each REO Asset to be managed, conserved, protected and operated solely for the purpose of its prompt disposition and sale.

(c) Notwithstanding any provision to the contrary contained in this Agreement, the Borrower shall not (nor shall permit the Portfolio Subsidiary to) obtain title to any Underlying Collateral as a result of or in lieu of foreclosure or otherwise, obtain title to any direct or indirect partnership interest in any Obligor pledged pursuant to a pledge agreement and thereby be the beneficial owner of Underlying Collateral, have a receiver of rents appointed with respect to, and shall not otherwise acquire possession of, or take any other action with respect to, any Underlying Collateral if, as a result of any such action, the Portfolio Subsidiary would be considered to hold title to, to be a "mortgagee-in-possession" of, or to be an "owner" or "operator" of, such Underlying Collateral within the meaning of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended from time to time, or any comparable state or local Environmental Law, unless the Borrower has previously

determined in accordance with the REO Management Standard, based on an updated Phase I environmental assessment report generally prepared in accordance with the ASTM Phase I Environmental Site Assessment Standard E 1527-05, as may be amended or, with respect to residential property, a property inspection and title report, that:

(i) such Underlying Collateral is in compliance in all material respects with applicable Environmental Laws; and

(ii) there are no circumstances present at such Underlying Collateral relating to the use, management or disposal of any hazardous materials for which investigation, testing, monitoring, containment, clean-up or remediation would reasonably be expected to be required by the owner, occupier or operator of the Underlying Collateral under applicable federal, state or local law or regulation.

In the event that the Phase I or other environmental assessment first obtained by the Borrower with respect to Underlying Collateral indicates that such Underlying Collateral may not be in compliance with applicable Environmental Laws or that hazardous materials may be present but does not definitively establish such fact, the Borrower shall immediately sell or substitute the related Loan in accordance with Section 2.07.

Section 6.06 [Reserved].

Section 6.07 Reports to the Administrative Agent; Account Statements; Servicing Information.

(a) Notice of Borrowing. On each Advance Date, on each reduction of Advances Outstanding pursuant to Section 2.17(a), on any termination of this Agreement or reduction in part of the Maximum Facility Amount pursuant to Section 2.17(b) and on each reinvestment of Principal Collections pursuant to Section 2.19, the Borrower (or the Collateral Manager on its behalf) will provide a Notice of Borrowing or a Notice of Reduction, as applicable, and a Borrowing Base Certificate, each updated to no sooner than the Business Day preceding such date, to the Administrative Agent (with a copy to the Collateral Agent).

(b) Collateral Management Report. On each Reporting Date, the Borrower will cause the Collateral Manager to deliver to each Lender Agent, the Administrative Agent, the Collateral Agent and any Liquidity Bank, a monthly statement including (i) a Borrowing Base Certificate calculated as of the immediately prior Determination Date, (ii) the Loan Tape calculated as of the immediately prior Determination Date, (iii) in connection with any month in which a Payment Date occurs, amounts to be remitted pursuant to Section 2.04 to the applicable parties (which shall include any applicable wiring instructions of the parties receiving payment), and (iv) any other information the Collateral Manager may deem relevant with respect to any Loan (such monthly statement, a "Collateral Management Report"). Each Collateral Management Report shall be signed by an Authorized Person of the Collateral Manager and the Borrower and shall be substantially in the form of Exhibit K.

(c) Collateral Manager Certificate. Together with each Collateral Management Report, the Borrower shall cause the Collateral Manager to submit to the Administrative Agent, each Lender Agent, the Collateral Agent and any Liquidity Bank a

certificate substantially in the form of Exhibit L (a “Collateral Manager Certificate”), signed by an Authorized Person of the Collateral Manager, which shall include a certification by such Authorized Person that, to the knowledge of each such Authorized Person, no Collateral Control Event or Event of Default has occurred (in each case except as specified therein) and no Unmatured Event of Default exists.

(d) Financial Statements. The Borrower shall cause the Equityholder to submit to the Administrative Agent, each Lender Agent, any Liquidity Bank and the Collateral Agent, (i) within 45 days after the end of each of its first three fiscal quarters (excluding the fiscal quarter ending on the date specified in clause (ii)), commencing March 31, 2012, consolidated unaudited financial statements of the Equityholder for the most recent fiscal quarter, and (ii) within 120 days after the end of each fiscal year, commencing with the fiscal year ended December 31, 2012, consolidated audited financial statements of the Equityholder, audited by a firm of nationally recognized independent public accountants, as of the end of such fiscal year.

(e) Obligor Financial Statements; Valuation Reports; Other Reports. The Borrower will (pursuant to Section 6.07(g)) cause the Collateral Manager to deliver to the Administrative Agent, the Collateral Agent and, upon request, any Lender Agent, with respect to each Obligor, (i) to the extent received by the Borrower and/or the Collateral Manager pursuant to the Loan Agreement, the complete financial reporting package with respect to such Obligor and with respect to each Loan for such Obligor (including any financial statements, management discussion and analysis, executed covenant compliance certificates, and related covenant calculations with respect to such Obligor and with respect to each Loan for such Obligor) provided to the Borrower and/or the Collateral Manager either monthly or quarterly, as the case may be, by such Obligor, which delivery shall be made within 10 Business Days after the Collateral Manager’s or the Borrower’s receipt thereof, (ii) the annual budget (along with subsequent changes thereto) with respect to such Obligor and provided to the Borrower and/or the Collateral Manager by such Obligor, which delivery shall be made within 10 Business Days after receipt by the Borrower and/or the Collateral Manager, (iii) a monthly or quarterly, as the case may be, update to the portfolio summary prepared by the Collateral Manager with respect to such Obligor and with respect to each Loan for such Obligor, which delivery shall be made no later than 45 days after receipt by the Borrower and/or the Collateral Manager of the information set forth in clause (e)(i) above and (iv) the portfolio update prepared by the Collateral Manager with respect to each Obligor on a quarterly basis, which delivery shall be made no later than 90 days after the end of each calendar quarter and 120 days after the end of each fiscal year. The Collateral Manager will promptly deliver to the Administrative Agent and any Lender Agent, upon reasonable request and to the extent received by the Borrower and/or the Collateral Manager, all other documents and information required to be delivered by the Obligor to the Borrower with respect to any Loan included in the Collateral Portfolio.

(f) Amendments to Loans. The Borrower shall cause the Collateral Manager to deliver to the Administrative Agent, the Collateral Custodian and, upon request, any Lender Agent, a copy of any material amendment, restatement, supplement, waiver or other modification to the Loan Agreement of any Loan (along with any internal documents prepared by the Collateral Manager and provided to its investment committee in connection with such amendment, restatement, supplement, waiver or other modification) within 10 Business Days of the effectiveness of such amendment, restatement, supplement, waiver or other modification.

(g) Website Access to Information. Notwithstanding anything to the contrary contained herein, information required to be delivered or submitted to any Secured Party pursuant to the Management Agreement and this Article VI shall be posted on a secured website (including IntraLinks or similar services or the Collateral Manager's proprietary restricted-access server) to which the Administrative Agent and, upon request, any Lender Agent have access or upon receipt of such information through e-mail or another delivery method acceptable to the Administrative Agent.

(h) Additional Information. The Borrower will cause the Collateral Manager to deliver to the requesting party any financial or other information in connection with this Agreement, the other Transaction Documents or the transactions contemplated hereby or thereby reasonably requested by the Administrative Agent, any Lender Agent or the Collateral Agent.

Section 6.08 Annual Statement as to Compliance.

The Borrower will cause the Collateral Manager to provide to the Administrative Agent, each Lender Agent and the Collateral Agent within 90 days following the end of each fiscal year of the Collateral Manager, commencing with the fiscal year ending on December 31, 2012, a fiscal report signed by an Authorized Person of the Collateral Manager certifying that (a) a review of the activities of the Collateral Manager, and the Collateral Manager's performance pursuant to this Agreement, for the fiscal period ending on the last day of such fiscal year has been made under such Person's supervision and (b) the Collateral Manager has performed or has caused to be performed in all material respects all of its obligations under this Agreement and the other Transaction Documents throughout such year and, except as set forth in such report, no Collateral Control Event has occurred.

Section 6.09 Annual Independent Public Accountant's Review of Collateral Management Reports

The Borrower will cause a firm of nationally recognized independent public accountants (who may also render other services to the Borrower Advisors and who may include, without limitation, McGladrey & Pullen, LLP) to furnish to the Administrative Agent, each Lender Agent and the Collateral Agent within 90 days following the end of each fiscal year of the Borrower, commencing with the fiscal year ending on December 31, 2012, a report covering such fiscal year to the effect that such accountants have applied certain agreed-upon procedures (a copy of which procedures are attached hereto as Schedule II) to certain documents and records relating to the Collateral Portfolio under any Transaction Document, compared the information contained in the Collateral Management Reports and the Collateral Manager Certificates delivered during the period covered by such report with such documents and records and that no matters came to the attention of such accountants that caused them to believe that such servicing was not conducted in compliance with this Article VI, except for such exceptions as such accountants shall believe to be immaterial and such other exceptions as shall be set forth in such statement. In the event such independent public accountants require the Collateral Custodian or Collateral Agent to agree to the procedures to be performed by such firm in any of the reports

required to be prepared pursuant to this Section 6.09, the Collateral Manager shall direct the Collateral Custodian or Collateral Agent in writing to so agree; it being understood and agreed that the Collateral Custodian or Collateral Agent shall deliver such letter of agreement in conclusive reliance upon the direction of the Collateral Manager, and the Collateral Custodian or Collateral Agent has not made any independent inquiry or investigation as to, and shall have no obligation or liability in respect of, the sufficiency, validity or correctness of such procedures. Notwithstanding anything to the contrary herein, if the Collateral Custodian, Administrative Agent, any Lender Agent or the Collateral Agent fail within 75 days following the end of each fiscal year of the Borrower to execute any documentation required by the independent public accountants selected by the Borrower prior to the delivery of any report contemplated by this Section 6.09, then the Borrower shall have no obligation to furnish any report covering such fiscal year pursuant to this Section 6.09.

Section 6.10 [Reserved].

Section 6.11 Collateral Control Events. Notwithstanding anything to the contrary herein, if any of the following events (each a "Collateral Control Event") shall occur and be continuing:

(a) any failure on the part of any Borrower Advisor duly to (i) observe or perform in any material respect any other covenants or agreements of such Borrower Advisor set forth in any Transaction Documents to which such Borrower Advisor is a party (including, without limitation, any delegation of such Borrower Advisor's duties that is not expressly permitted by the Transaction Documents) or (ii) comply in any material respect with the Collateral Management Standard regarding the servicing of the Collateral Portfolio and in each case the same continues unremedied for a period of thirty (30) days (if such failure can be remedied) after the earlier to occur of (x) the date on which written notice of such failure requiring the same to be remedied shall have been given to such Borrower Advisor by the Administrative Agent, the Borrower or the Collateral Agent (at the direction of the Administrative Agent) and (y) the date on which a Authorized Person of such Borrower Advisor acquires knowledge thereof;

(b) a Bankruptcy Event occurs with respect to any Borrower Advisor;

(c) (i) a change of control occurs with respect to the Collateral Manager or (ii) as determined in the sole discretion of the Administrative Agent, a change of control that materially and adversely affects any Secured Party hereunder occurs with respect to the Collateral Advisor or the Collateral Sub-Advisor ("control" being defined for purposes of this definition as the possession, direct or indirect, of the power to direct or cause the direction of the management, actions and policies of a person, whether through voting rights, ownership rights, or by contract or otherwise);

(d) any representation, warranty or certification made by the Collateral Manager in any Transaction Document or in any certificate delivered pursuant to any Transaction Document shall prove to have been incorrect when made, which inaccuracy has a Material Adverse Effect and which continues to be unremedied for a period of thirty (30) days after the earlier to occur of (i) the date on which written notice of such incorrectness requiring

the same to be remedied shall have been given to the Collateral Manager by the Administrative Agent, the Borrower or the Collateral Agent (at the direction of the Administrative Agent) and (ii) the date on which a Authorized Person of the Collateral Manager acquires knowledge thereof;

(e) the occurrence of an Event of Default;

(f) no investment professionals of the Collateral Sub-Advisor who from time to time manage non-investment grade loans on behalf of other clients of the Collateral Sub-Advisor are actively involved in advising the Collateral Advisor on the selection and management of the assets of the Borrower on a basis consistent with the Collateral Sub-Advisor's existing practices or failure of the Collateral Advisor to follow such advice on a basis consistent with the Collateral Advisor's existing practices, in each case as determined by the Administrative Agent in its reasonable discretion;

(g) the rendering against the Collateral Manager or the Collateral Advisor of one or more final judgments, decrees or orders for the payment of money individually or in the aggregate (as to each such Person) in excess of the lesser of (x) 3% of the net asset value of such Person and (y) \$2,000,000, and such Person shall not have discharged or provided for the discharge of any such judgment, decree or order in accordance with its terms and such judgment, decree or order continues unsatisfied and in effect for any period of more than sixty (60) consecutive days without a stay of execution;

(h) the Collateral Manager or the Collateral Advisor defaults in making any payment required to be made under an agreement for borrowed money (other than this Agreement) to which it is a party individually or in the aggregate (as to each such Person) in excess of the lesser of (x) 3% of the net asset value of such Person and (y) \$2,000,000, and such default is not cured within the applicable cure period, if any, provided for under such agreement;

(i) any failure of the Borrower to cause the Collateral Manager, Collateral Advisor or Collateral Sub-Advisor to deliver (i) any required Collateral Management Report on or before the date occurring three Business Days after the date such report is required to be made or given, as the case may be or (ii) any other Required Reports hereunder on or before the date occurring three Business Days after the date such report is required to be made or given, as the case may be, in each case under the terms of this Agreement;

(j) the failure of (i) FS Investment Corporation to be the Collateral Manager (unless it is replaced by the Collateral Sub-Advisor or another Person acceptable to the Administrative Agent in its sole discretion), (ii) FB Income Advisor, LLC to be the Collateral Advisor (unless it is replaced by the Collateral Sub-Advisor or another Person acceptable to the Administrative Agent in its sole discretion) or (iii) GSO/Blackstone Debt Funds Management LLC to be the Collateral Sub-Advisor (unless it is replaced by one of its Affiliates that is acceptable to the Administrative Agent in its sole discretion);

(k) the Collateral Sub-Advisor fails to have at least \$3,000,000,000 of total commercial loans under management at fair value as reported by it in its most recent quarterly financial statement;

(l) any merger or consolidation of the Collateral Manager that does not comply with the provisions of Section 5(h) of the Management Agreement;

or

(m) either (i) the organizational documents of either the Collateral Manager or the Collateral Advisor fail to be in full force and effect or (ii) the organizational documents of the Collateral Manager are amended in a manner adverse to any Secured Party without the prior written consent of the Administrative Agent;

then (i) the Borrower shall not permit the Collateral Manager to consent to modifications to Loans or to any acquisition or disposition of Loans hereunder (each, a "Collateral Portfolio Transaction") and under each other Transaction Document, (ii) the Borrower shall cause the Collateral Manager to have the prior written consent of the Administrative Agent in its sole discretion prior to directing the Borrower to enter into any Collateral Portfolio Transaction, (iii) the Borrower shall cause the Collateral Manager to direct the Borrower to acquire or dispose of any Loan as directed by the Administrative Agent in its sole discretion and (iv) the Borrower shall cause all amounts which are directed to be paid to the Collateral Manager pursuant to Section 2.04 to be paid instead to the Administrative Agent for its own account. Unless explicitly set forth in any Transaction Document, the Borrower shall not permit the Collateral Manager to be relieved of any of its rights, duties or obligations under this Agreement or any other Transaction Document.

ARTICLE VII.

EVENTS OF DEFAULT

Section 7.01 Events of Default. If any of the following events (each, an "Event of Default") shall occur:

(a) failure on the part of the Seller or the Borrower to make any payment required by the terms of any Transaction Document within three (3) Business Days of the day such payment or deposit is required to be made; or

(b) the Borrower defaults in making any payment required to be made under one or more agreements (other than this Agreement) to which it is a party in an aggregate principal amount (individually or in the aggregate) in excess of \$500,000, and such default is not cured within the applicable cure period, if any, provided for under such agreement; or

(c) the Equityholder defaults in making any payment required to be made under an agreement for borrowed money (other than this Agreement) to which it is a party individually or in the aggregate in excess of the lesser of (x) 3% of the net asset value of the Equityholder and (y) \$2,000,000, and such default is not cured within the applicable cure period, if any, provided for under such agreement; or

(d) any failure on the part of the Borrower or the Seller duly to observe or perform in any material respect any other covenants or agreements of the Borrower or the Seller set forth in this Agreement or the other Transaction Documents to which the Borrower or the Seller is a party and the same continues unremedied for a period of 30 days (if such failure can

be remedied) after the earlier to occur of (i) the date on which written notice of such failure requiring the same to be remedied shall have been given to the Borrower or the Seller by the Administrative Agent or Collateral Agent and (ii) the date on which the Borrower or the Seller acquires knowledge thereof; or

(e) the occurrence of a Bankruptcy Event relating to the Borrower or the Equityholder; or

(f) the Borrower or the Equityholder makes any assignment or attempted assignment of its respective rights or obligations under this Agreement or any other Transaction Document without first obtaining the specific written consent of the Administrative Agent, which consent may be withheld in the exercise of its sole and absolute discretion;

(g) any representation, warranty or certification made by the Borrower, the Seller or the Equityholder in any Transaction Document or in any certificate delivered pursuant to any Transaction Document shall prove to have been incorrect when made in any material respect, and continues to be unremedied for a period of 30 days after the earlier to occur of (i) the date on which written notice of such incorrectness requiring the same to be remedied shall have been given to the Borrower, the Seller or the Equityholder by the Administrative Agent or the Collateral Agent (which shall be given at the direction of the Administrative Agent) and (ii) the date on which a Authorized Person of the Borrower, the Seller or the Equityholder acquires knowledge thereof; or

(h) any Borrower Party fails to observe or perform any covenant, agreement or obligation with respect to the management and distribution of funds received with respect to the Collateral Portfolio, and such failure is not cured within three (3) Business Days; or

(i) any security interest securing any obligation under any Transaction Document shall, in whole or in part, cease to be a first priority perfected security interest except for Permitted Liens and as otherwise expressly permitted to be released in accordance with the applicable Transaction Document; or

(j) (1) 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 and the Borrower 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 or (2) 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 the lesser of (x) 3% of the net asset value of the Equityholder and (y) \$2,000,000 against the Equityholder and the Equityholder 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; or

(k) the Borrower shall have made payments of amounts in excess of \$500,000 in the settlement of any litigation, claim or dispute (excluding payments made from insurance proceeds); or

(l) (1) any material provision of any Transaction Document or any lien or security interest granted hereunder or thereunder, shall (except in accordance with its terms), in whole or in part, terminate, cease to be effective or cease to be the legally valid, binding and enforceable obligation of the Borrower, the Seller or the Collateral Manager or (2) the Borrower or any other Person shall, directly or indirectly, contest in writing in any manner the effectiveness, validity, binding nature or enforceability of any Transaction Document, any material provision thereof or any lien or security interest thereunder, or

(m) the Borrower shall become required to register as an "investment company" within the meaning of the 1940 Act or the arrangements contemplated by the Transaction Documents shall require registration by the Borrower as an "investment company" within the meaning of the 1940 Act; or

(n) the occurrence of a Borrowing Base Deficiency that is not cured pursuant to Section 2.06; or

(o) the failure of the Equityholder to own, directly or through one or more wholly owned Subsidiaries, 100% of the economic interests of the Borrower; or

(p) (i) failure of the Borrower to maintain at least one Independent Director, (ii) the removal of any Independent Director without cause or prior written notice to the Administrative Agent (in each case as required by the organization documents of the Borrower) or (iii) an Independent Director of the Borrower which is not pre-approved by this Agreement or the Administrative Agent shall be appointed without the consent of the Administrative Agent; provided that if the Borrower shall fail to have an Independent Director as a result of the voluntary resignation or incapacitation of the sole Independent Director, the Borrower shall have five (5) Business Days to replace such Independent Director; or

(q) the failure of the Collateral Manager to maintain, at the end of any fiscal quarter, an Asset Coverage Ratio of greater than or equal to 2:1;

(r) the failure of the Collateral Manager to have a net asset value of at least \$200,000,000;

(s) the occurrence of any material adverse development with respect to the Borrower, any Borrower Advisor, or Equityholder that has impaired or is reasonably expected to impair the Borrower's ability to perform its obligations under this Agreement or under any of the other Transaction Documents, in each case in the good faith commercially reasonable judgment of the Administrative Agent and which has not been waived pursuant to Section 12.01; or

(t) the removal or resignation of any Borrower Advisor, in each case without the prior written consent of the Administrative Agent; or

(u) either (i) the organizational documents of the Collateral Manager or the Collateral Advisor shall fail to be in full force and effect or (ii) the organizational documents of the Collateral Manager shall have been amended in a manner adverse to any Secured Party without the prior written consent of the Administrative Agent; or

(v) any of (i) any organizational documents or other material contracts to which the Borrower is a party shall fail to be in full force and effect or shall have been amended without the prior written consent of the Agent, (ii) the Advisory Agreements shall fail to be in full force and effect or shall have been amended in any manner adverse to any Secured Party (as determined by the Administrative Agent in its sole discretion) without the prior written consent of the Administrative Agent, (iii) any organizational documents or Transaction Documents to which the Collateral Manager is a party shall fail to be in full force and effect or shall have been amended without the prior written consent of the Administrative Agent or (iv) any other contract to which the Collateral Manager is a party shall be amended without the prior written consent of the Administrative Agent if the effect of such amendment in the Administrative Agent's good faith commercially reasonable judgment is to materially impair the Collateral Manager's ability to perform its obligations under the Transaction Documents or to materially impair any Secured Party's or the Borrower's rights and remedies against the Collateral Manager under the Transaction Documents; or

(w) the Borrower shall fail to qualify as a bankruptcy-remote entity based upon customary criteria such that reputable counsel could no longer render a substantive nonconsolidation opinion with respect to the Borrower and the Seller; or

(x) the Internal Revenue Service shall file notice of a lien pursuant to Section 6323 of the Code with regard to any assets of the Borrower and such lien shall not have been released within ten (10) Business Days, or the Pension Benefit Guaranty Corporation shall file notice of a lien pursuant to Section 4068 of ERISA with regard to any of the assets of the Borrower and such lien shall not have been released within ten (10) Business Days; or

(y) failure to pay, on the Facility Maturity Date, all outstanding Obligations; or

(z) except as otherwise permitted by this Agreement, all or substantially all of the assets of the Borrower cease to be part of the Collateral Portfolio;

then the Administrative Agent or the Required Lenders, may, by notice to the Borrower, declare the Facility Maturity Date to have occurred; provided, that, in the case of any event described in Section 7.01(e) above, the Facility Maturity Date shall be deemed to have occurred automatically upon the occurrence of such event. Upon any such declaration or automatic occurrence, (i) the Borrower shall cease purchasing Loans, (ii) the Administrative Agent or the Required Lenders may declare the Obligations to be immediately due and payable in full (without presentment, demand, protest or notice of any kind all of which are hereby waived by the Borrower), and (iii) all proceeds and distributions in respect of the Portfolio Assets shall be distributed by the Collateral Agent (at the direction of the Administrative Agent) as described in Section 2.04(c) (provided that the Borrower shall in any event remain liable to pay such Advances and all such amounts and Obligations immediately in accordance with Section 2.04(e) hereof). In addition,

upon any such declaration or upon any such automatic occurrence, the Collateral Agent, on behalf of the Secured Parties and at the direction of the Administrative Agent, shall have, in addition to all other rights and remedies under this Agreement or otherwise, all other rights and remedies provided under the UCC of the applicable jurisdiction and other Applicable Law, which rights shall be cumulative. Without limiting any obligation of the Collateral Manager hereunder, the Borrower confirms and agrees that the Collateral Agent, on behalf of the Secured Parties and at the direction of the Administrative Agent, (or any designee thereof, including, without limitation, the Collateral Manager), following an Event of Default, shall, at its option, have the sole right to enforce the Borrower's rights and remedies under each Assigned Document, but without any obligation on the part of the Administrative Agent, the Lenders, the Lender Agents or any of their respective Affiliates to perform any of the obligations of the Borrower under any such Assigned Document. If any Event of Default shall have occurred, the Yield Rate shall be increased pursuant to the increase set forth in the definition of "Applicable Spread", effective as of the date of the occurrence of such Event of Default, and shall apply after the occurrence of such Event of Default.

Section 7.02 Additional Remedies of the Administrative Agent.

(a) If, upon the Administrative Agent's or the Required Lenders' declaration that the Obligations are immediately due and payable pursuant to Section 7.01 upon the occurrence of an Event of Default, then the Collateral Agent (acting as directed by the Administrative Agent) shall have the right, in its own name and as agent for the Secured Parties, to immediately sell (at the Borrower's expense) in a commercially reasonable manner, in a recognized market (if one exists) at such price or prices as the Administrative Agent may reasonably deem satisfactory, any or all of the Collateral Portfolio and apply the proceeds thereof to the Obligations pursuant to Section 7.02(e).

(b) The parties recognize that it may not be possible to sell all of the Collateral Portfolio on a particular Business Day, or in a transaction with the same purchaser, or in the same manner because the market for the assets constituting the Collateral Portfolio may not be liquid. Accordingly, the Administrative Agent may elect, in its sole discretion, the time and manner of liquidating any of the Collateral Portfolio, and nothing contained herein shall obligate the Administrative Agent or the Collateral Agent (acting as directed by the Administrative Agent) to liquidate any of the Collateral Portfolio on the date the Administrative Agent or the Required Lenders declare the Obligations to be immediately due and payable pursuant to Section 7.01 or to liquidate all of the Collateral Portfolio in the same manner or on the same Business Day.

(c) If the Collateral Agent (acting as directed by the Administrative Agent) or the Administrative Agent proposes to sell the Collateral Portfolio or any part thereof in one or more parcels at a public or private sale, at the request of the Collateral Agent or the Administrative Agent, as applicable, the Borrower and the Collateral Manager shall make available to (i) the Administrative Agent, on a timely basis, all information (including any information that the Borrower and the Collateral Manager is required by Applicable Law or contract to be kept confidential) relating to the Collateral Portfolio subject to sale, including, without limitation, copies of any disclosure documents, contracts, financial statements of the applicable Obligors, covenant certificates and any other materials requested by the

Administrative Agent, and (ii) each prospective bidder, on a timely basis, all reasonable information relating to the Collateral Portfolio subject to sale, including, without limitation, copies of any disclosure documents, contracts, financial statements of the applicable Obligor, covenant compliance certificates and any other materials requested by each such bidder.

(d) The Borrower agrees (and, to the full extent that it may lawfully so agree) that neither it nor anyone claiming through or under it will set up, claim or seek to take advantage of any appraisal, valuation, stay, extension or redemption law now or hereafter in force in any locality where any Collateral Portfolio may be situated in order to prevent, hinder or delay the enforcement or foreclosure of this Agreement, or the absolute sale of any of the Collateral Portfolio or any part thereof, or the final and absolute putting into possession thereof, immediately after such sale, of the purchasers thereof, and the Borrower, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may be lawful so to do, the benefit of all such laws, and any and all right to have any of the properties or assets constituting the Collateral Portfolio marshaled upon any such sale, and agrees that the Collateral Agent, or the Administrative Agent on its behalf, or any court having jurisdiction to foreclose the security interests granted in this Agreement may sell the Collateral Portfolio as an entirety or in such parcels as the Collateral Agent (acting at the direction of the Administrative Agent) or such court may determine.

(e) Any amounts received from any sale or liquidation of the Collateral Portfolio pursuant to this Section 7.02 in excess of the Obligations will be applied by the Collateral Agent (as directed by the Administrative Agent) in accordance with the provisions of Section 2.04(c), or as a court of competent jurisdiction may otherwise direct.

(f) The Administrative Agent, the Lender Agents and the Lenders shall have, in addition to all the rights and remedies provided herein and provided by applicable federal, state, foreign, and local laws (including, without limitation, the rights and remedies of a secured party under the UCC of any applicable state, to the extent that the UCC is applicable, and the right to offset any mutual debt and claim), all rights and remedies available to the Lenders at law, in equity or under any other agreement between any Lender and the Borrower.

(g) Except as otherwise expressly provided in this Agreement, no remedy provided for by this Agreement shall be exclusive of any other remedy, each and every remedy shall be cumulative and in addition to any other remedy, and no delay or omission to exercise any right or remedy shall impair any such right or remedy or shall be deemed to be a waiver of any Event of Default.

(h) The Borrower hereby irrevocably appoints each of the Collateral Agent and the Administrative Agent 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 in this Agreement, including without limitation the following powers: (a) to give any necessary receipts or acquittance for amounts collected or received hereunder, (b) to make all necessary transfers of the Collateral Portfolio in connection with any such sale or other disposition made pursuant hereto, (c) 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, and (d) to sign any agreements, orders or other documents in connection with or pursuant to any Transaction Document. Nevertheless, if so requested by the Collateral Agent or the Administrative Agent, the Borrower shall ratify and confirm any such sale or other disposition by executing and delivering to the Collateral Agent or the Administrative Agent or all proper bills of sale, assignments, releases and other instruments as may be designated in any such request.

ARTICLE VIII.

INDEMNIFICATION

Section 8.01 Indemnities by the Borrower.

(a) Without limiting any other rights which the Affected Parties, the Secured Parties, the Administrative Agent, the Lenders, the Lender Agents, the Collateral Agent, the Account Bank, the Collateral Custodian or any of their respective Affiliates may have hereunder or under Applicable Law, the Borrower hereby agrees to indemnify the Affected Parties, the Secured Parties, Administrative Agent, the Lenders, the Lender Agents, the Collateral Agent, the Account Bank, the Collateral Custodian and each of their respective Affiliates, assigns, officers, directors, employees and agents (each, an "Indemnified Party") from and against any and all damages, losses, claims, liabilities and related costs and expenses, including reasonable and documented attorneys' fees and disbursements (all of the foregoing being collectively referred to as "Indemnified Amounts"), awarded against or actually incurred by such Indemnified Party arising out of or as a result of this Agreement or in respect of any of the Collateral Portfolio, excluding, however, Indemnified Amounts to the extent resulting solely from (x) gross negligence, bad faith or willful misconduct on the part of an Indemnified Party or (y) Loans which are uncollectible due to the Obligor's financial inability to pay. Without limiting the foregoing, the Borrower shall indemnify each Indemnified Party for Indemnified Amounts relating to or resulting from any of the following (to the extent not resulting from the conditions set forth in (x) or (y) above):

(i) any Loan treated as or represented by the Borrower to be an Eligible Loan which is not at the applicable time an Eligible Loan, or the purchase or origination by any party of any Loan which violates Applicable Law;

(ii) reliance on any representation or warranty made or deemed made by the Borrower, the Collateral Manager or any of their respective officers under or in connection with this Agreement or any Transaction Document, which shall have been false or incorrect in any respect when made or deemed made or delivered;

(iii) the failure by the Borrower or the Collateral Manager 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 item of Collateral Portfolio, or the nonconformity of any item of Collateral Portfolio with any such Applicable Law;

(iv) the failure to vest and maintain vested in the Collateral Agent, for the benefit of the Secured Parties, a first priority perfected security interest in the Collateral Portfolio, free and clear of any Lien other than Permitted Liens, whether existing at the time of the related Advance or at any time thereafter;

(v) on each Business Day prior to the Collection Date, the occurrence of a Borrowing Base Deficiency and the same continues unremedied for ten (10) Business Days;

(vi) 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 Law with respect to any Loans included in the Collateral Portfolio or the other Portfolio Assets related thereto, whether at the time of any Advance or at any subsequent time;

(vii) any dispute, claim, offset or defense (other than the discharge in bankruptcy of an Obligor) to the payment of any Loan included in the Collateral Portfolio (including, without limitation, a defense based on such Loan (or the Loan Agreement evidencing such Loan) not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms), or any other claim resulting from the sale of the merchandise or services related to such Collateral Portfolio or the furnishing or failure to furnish such merchandise or services;

(viii) any failure of the Borrower or the Collateral Manager to perform its duties or obligations in accordance with the provisions of the Transaction Documents to which it is a party or any failure by the Collateral Manager, the Borrower or any Affiliate thereof to perform its respective duties under any Collateral Portfolio;

(ix) 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 Borrower or the Seller to qualify to do business or file any notice or business activity report or any similar report;

(x) any action taken by the Borrower or any Borrower Advisor in the enforcement or collection of the Collateral Portfolio;

(xi) any products liability claim or personal injury or property damage suit or other similar or related claim or action of whatever sort arising out of or in connection with the Underlying Collateral or services that are the subject of any Collateral Portfolio;

(xii) any claim, suit or action of any kind arising out of or in connection with Environmental Laws (including, but not limited to, with respect to any REO Asset) including any vicarious liability;

(xiii) the failure by the Borrower to pay when due any Taxes for which the Borrower is liable, including, without limitation, sales, excise or personal property Taxes payable in connection with the Collateral Portfolio;

(xiv) any repayment by the Administrative Agent, the Lender Agents, the Lenders or a Secured Party of any amount previously distributed in payment of Advances or payment of Yield or Fees or any other amount due hereunder, which amount the Administrative Agent, the Lender Agents, the Lenders or a Secured Party believes in good faith is required to be repaid;

(xv) the commingling by the Borrower or the Collateral Manager of payments and collections required to be remitted to the Collection Account with other funds;

(xvi) any investigation, litigation or proceeding related to this Agreement (or the Transaction Documents), or the use of proceeds of Advances or the security interest in the Collateral Portfolio, or the administration of the Loans by the Borrower or the Collateral Manager;

(xvii) any failure by the Borrower to give reasonably equivalent value to the Seller or applicable third party seller in consideration for the transfer by the Seller or such third party seller to the Borrower of any item of Collateral Portfolio 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, without limitation, any provision of the Bankruptcy Code;

(xviii) the use of the proceeds of any Advance in a manner other than as provided in this Agreement and the Transaction Documents;

(xix) any failure of the Borrower, the Collateral Manager or any of their respective agents or representatives to remit to the Collection Account within two (2) Business Days of receipt, payments and collections with respect to the Collateral Portfolio remitted to the Borrower, the Collateral Manager or any such agent or representative.

(b) Any amounts subject to the indemnification provisions of this Section 8.01 shall be paid by the Borrower to the Administrative Agent on behalf of the applicable Indemnified Party within two (2) Business Days of the Administrative Agent's written demand therefor on behalf of the applicable Indemnified Party (and the Administrative Agent shall pay such amounts to the applicable Indemnified Party promptly after the receipt by the Administrative Agent of such amounts). The Administrative Agent, on behalf of any Indemnified Party making a request for indemnification under this Section 8.01, shall submit to the Borrower a certificate setting forth in reasonable detail the basis for and the computations of the Indemnified Amounts with respect to which such indemnification is requested, which certificate shall be conclusive absent demonstrable error.

(c) If for any reason the indemnification provided above in this Section 8.01 is unavailable to the Indemnified Party or is insufficient to hold an Indemnified Party harmless in respect of any losses, claims, damages or liabilities, then the Borrower shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages or liabilities in such proportion as is appropriate to reflect not only the relative benefits received by such Indemnified Party on the one hand and the Borrower on the other hand but also the relative fault of such Indemnified Party as well as any other relevant equitable considerations.

(d) If the Borrower has made any payments in respect of Indemnified Amounts to the Administrative Agent on behalf of an Indemnified Party pursuant to this Section 8.01 and such Indemnified Party thereafter collects any of such amounts from others, such Indemnified Party will promptly repay such amounts collected to the Borrower in an amount equal to the amount it has collected from others in respect of such Indemnified Amounts, without interest.

(e) The obligations of the Borrower under this Section 8.01 shall survive the resignation or removal of the Administrative Agent, the Lenders, the Lender Agents, the Collateral Manager, the Collateral Agent, the Account Bank or the Collateral Custodian and the termination of this Agreement.

Section 8.02 Notices.

Each applicable Indemnified Party shall deliver to the Borrower under Section 8.01 within a reasonable time after such Indemnified Party's receipt thereof, copies of all notices and documents (including court papers) received by such Indemnified Party relating to the claim giving rise to the Indemnified Amounts.

Section 8.03 Legal Proceedings.

In the event an Indemnified Party becomes involved in any action, claim, or legal, governmental or administrative proceeding (an "Action") for which it seeks indemnification hereunder, the Indemnified Party shall promptly notify the Borrower in writing of the nature and particulars of the Action; provided that its failure to do so shall not relieve the Borrower of its obligations hereunder except to the extent such failure has a material adverse effect on the Borrower. Upon written notice to the Indemnified Party acknowledging in writing that the indemnification provided hereunder applies to the Indemnified Party in connection with the Action (subject to the exclusion in the first sentence of Section 8.01), the Borrower may assume the defense of the Action at its expense with counsel reasonably acceptable to the Indemnified Party. The Indemnified Party shall have the right to retain separate counsel in connection with the Action, and the Borrower shall not be liable for the legal fees and expenses of the Indemnified Party after the Borrower has done so; provided that if the Indemnified Party determines in good faith that there may be a conflict between the positions of the Indemnified Party and the Borrower in connection with the Action, or that the Borrower is not conducting the defense of the Action in a manner reasonably protective of the interests of the Indemnified Party, the legal fees and expenses of the Indemnified Party shall be paid by the Borrower; provided, further, that the Borrower shall not, in connection with any one Action or separate but substantially similar or related Actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the fees or expenses of more than one separate firm of attorneys (and any required local counsel) for such Indemnified Party, which firm (and local counsel, if any) shall be designated in writing to the Borrower by the Indemnified Party. If the Borrower elects to assume the defense of the Action, it shall have full control over the conduct of such defense; provided that the Borrower and its counsel shall, as reasonably requested by the

Indemnified Party or its counsel, consult with and keep them informed with respect to the conduct of such defense. The Borrower shall not settle an Action without the prior written approval of the Indemnified Party unless such settlement provides for the full and unconditional release of the Indemnified Party from all liability in connection with the Action. The Indemnified Party shall reasonably cooperate with the Borrower in connection with the defense of the Action.

Section 8.04 After-Tax Basis. Indemnification under Section 8.01 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.

ARTICLE IX.

THE ADMINISTRATIVE AGENT AND LENDER AGENTS

Section 9.01 The Administrative Agent.

(a) Appointment. Each Lender Agent and each Secured Party hereby appoints and authorizes the Administrative Agent as its agent hereunder and hereby further authorizes the Administrative Agent to appoint additional agents to act on its behalf and for the benefit of each Lender Agent and each Secured Party. Each Lender Agent and each Secured Party further authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement and the other Transaction Documents as are delegated to the Administrative Agent by the terms hereof and thereof, together with such powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary contained elsewhere in this Agreement or in any other Transaction Document, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth in this Agreement, nor shall the Administrative Agent have or be deemed to have any fiduciary relationship with any Lender or Lender Agent, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Transaction Document or otherwise exist against the Administrative Agent. Without limiting the generality of the foregoing sentence, the use of the term "agent" in this Agreement with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

(b) Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement or any other Transaction Document by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects with reasonable care.

(c) Administrative Agent's Reliance, Etc. Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them as Administrative Agent under or in connection with this

Agreement or any of the other Transaction Documents, except for its or their own gross negligence or willful misconduct. Each Lender, Lender Agent and each Secured Party hereby waives any and all claims against the Administrative Agent or any of its Affiliates for any action taken or omitted to be taken by the Administrative Agent or any of its Affiliates under or in connection with this Agreement or any of the other Transaction Documents, except for its or their own gross negligence or willful misconduct. Without limiting the foregoing, the Administrative Agent: (i) may consult with legal counsel (including counsel for the Borrower and the Seller), 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 and shall not be responsible for any statements, warranties or representations made in or in connection with this Agreement; (iii) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement or any of the other Transaction Documents on the part of any Borrower Party or to inspect the property (including the books and records) of the Borrower or the Borrower Advisors; (iv) shall not be responsible for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any of the other Transaction Documents 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 of the other Transaction Documents by acting upon any notice (including notice by telephone), consent, certificate or other instrument or writing (which may be by facsimile) believed by it to be genuine and signed or sent by the proper party or parties.

(d) Actions by Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Transaction Document unless it shall first receive such advice or concurrence of the Lender Agents as it deems appropriate and, if it so requests, it shall first be indemnified to its satisfaction by the Lenders and Lender Agents against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Transaction Document in accordance with a request or consent of the Lender Agents; provided, that, notwithstanding anything to the contrary herein, the Administrative Agent shall not be required to take any action hereunder if the taking of such action, in the reasonable determination of the Administrative Agent, shall be in violation of any Applicable Law or contrary to any provision of this Agreement or shall expose the Administrative Agent to liability hereunder or otherwise. In the event the Administrative Agent requests the consent of a Lender Agent pursuant to the foregoing provisions and the Administrative Agent does not receive a consent (either positive or negative) from such Person within ten Business Days of such Person's receipt of such request, then such Lender or Lender Agent shall be deemed to have declined to consent to the relevant action.

(e) Notice of Event of Default, Unmatured Event of Default or Collateral Control Event. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of an Event of Default, Unmatured Event of Default or Collateral Control Event, unless the Administrative Agent has received written notice from a Lender, Lender Agent, the Borrower or any Borrower Advisor referring to this Agreement, describing such Event of Default, Unmatured Event of Default or Collateral Control Event and stating that such notice is a "Notice of Event of Default," "Notice of Unmatured Event of Default" or "Notice of Collateral

Control Event,” as applicable. The Administrative Agent shall (subject to Section 9.01(c)) take such action with respect to such Event of Default, Unmatured Event of Default or Collateral Control Event as may be requested by the Lender Agents acting jointly or as the Administrative Agent shall deem advisable or in the best interest of the Lender Agents.

(f) Credit Decision with Respect to the Administrative Agent. Each Lender Agent and each Secured Party acknowledges that none of the Administrative Agent or any of its Affiliates has made any representation or warranty to it, and that no act by the Administrative Agent hereinafter taken, including any consent to and acceptance of any assignment or review of the affairs of the Borrower, the Seller, the Borrower Advisors or any of their respective Affiliates or review or approval of any of the Collateral Portfolio, shall be deemed to constitute any representation or warranty by any of the Administrative Agent or its Affiliates to any Lender Agent as to any matter, including whether the Administrative Agent has disclosed material information in its possession. Each Lender Agent and each Secured Party acknowledges that it has, independently and without reliance upon the Administrative Agent, or any of the Administrative Agent’s Affiliates, and based upon such documents and information as it has deemed appropriate, made its own evaluation and decision to enter into this Agreement and the other Transaction Documents to which it is a party. Each Lender Agent and each Secured Party also acknowledges that it will, independently and without reliance upon the Administrative Agent, or any of the Administrative Agent’s Affiliates, and based on such documents and information as it shall deem appropriate at the time, continue to make its own decisions in taking or not taking action under this Agreement and the other Transaction Documents to which it is a party. Each Lender Agent and each Secured Party hereby agrees that the Administrative Agent shall not have any duty or responsibility to provide any Lender Agent with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of the Borrower, the Seller, the Borrower Advisors or their respective Affiliates which may come into the possession of the Administrative Agent or any of its Affiliates.

(g) Indemnification of the Administrative Agent. Each Lender Agent agrees to indemnify the Administrative Agent (to the extent not reimbursed by the Borrower or the Borrower Advisors), ratably in accordance with the Pro Rata Share of its related Lender, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Administrative Agent in any way relating to or arising out of this Agreement or any of the other Transaction Documents, or any action taken or omitted or decision made by the Administrative Agent hereunder or thereunder; provided that the Lender Agents shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent’s gross negligence or willful misconduct; provided, further, that no action taken in accordance with the directions of the Lender Agents shall be deemed to constitute gross negligence or willful misconduct for purposes of this Article IX. Without limitation of the foregoing, each Lender Agent agrees to reimburse the Administrative Agent, ratably in accordance with the Pro Rata Share of its related Lender, promptly upon demand for any out-of-pocket expenses (including counsel fees) incurred by the Administrative Agent in connection with the administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or

responsibilities under, this Agreement and the other Transaction Documents, to the extent that such expenses are incurred in the interests of or otherwise in respect of the Lender Agents or Lenders hereunder and/or thereunder and to the extent that the Administrative Agent is not reimbursed for such expenses by the Borrower or the Borrower Advisors.

(h) Successor Administrative Agent. The Administrative Agent may resign at any time, effective upon the appointment and acceptance of a successor Administrative Agent as provided below, by giving at least thirty (30) days' written notice thereof to each Lender Agent and the Borrower and may be removed at any time with cause by the Lender Agents acting jointly. Upon any such resignation or removal, the Lender Agents acting jointly shall appoint a successor Administrative Agent; provided that, so long as no Unmatured Default, Event of Default, Unmatured Collateral Control Event or Collateral Control Event has occurred and is continuing, the appointment of a successor Administrative Agent shall require the consent of the Borrower (such consent not to be unreasonably withheld or delayed). Each Lender Agent agrees that it shall not unreasonably withhold or delay its approval of the appointment of a successor Administrative Agent. If no such successor Administrative Agent shall have been so appointed, and shall have accepted such appointment, within 30 days after the retiring Administrative Agent's giving of notice of resignation or the removal of the retiring Administrative Agent, then the retiring Administrative Agent may, on behalf of the Secured Parties, appoint a successor Administrative Agent which successor Administrative Agent shall be either (i) a commercial bank organized under the laws of the United States or of any state thereof and have a combined capital and surplus of at least \$50,000,000 or (ii) an Affiliate of such a bank. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Administrative Agent's resignation or removal hereunder as Administrative Agent, the provisions of this Article IX shall continue to inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement.

(i) Payments by the Administrative Agent. Unless specifically allocated to a specific Lender Agent pursuant to the terms of this Agreement, all amounts received by the Administrative Agent on behalf of the Lender Agents shall be paid by the Administrative Agent to the Lender Agents in accordance with their related Lender's respective Pro Rata Shares in the applicable Advances Outstanding, or if there are no Advances Outstanding in accordance with their related Lender's most recent Commitments, on the Business Day received by the Administrative Agent, unless such amounts are received after 12:00 noon on such Business Day, in which case the Administrative Agent shall use its reasonable efforts to pay such amounts to each Lender Agent on such Business Day, but, in any event, shall pay such amounts to such Lender Agent not later than the following Business Day.

Section 9.02 The Lender Agents.

(a) Authorization and Action. Each Lender, respectively, hereby designates and appoints its applicable Lender Agent to act as its agent hereunder and under each other Transaction Document, and authorizes such Lender Agent to take such actions as agent on its behalf and to exercise such powers as are delegated to such Lender Agent by the terms of this

Agreement and the other Transaction Documents, together with such powers as are reasonably incidental thereto. No Lender Agent shall have any duties or responsibilities, except those expressly set forth herein or in any other Transaction Document, or any fiduciary relationship with its related Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities on the part of such Lender Agent shall be read into this Agreement or any other Transaction Document or otherwise exist for such Lender Agent. In performing its functions and duties hereunder and under the other Transaction Documents, each Lender Agent shall act solely as agent for its related Lender and does not assume nor shall be deemed to have assumed any obligation or relationship of trust or agency with or for the Borrower or the Borrower Advisors or any of the Borrower's or the Borrower Advisor's successors or assigns. No Lender Agent shall be required to take any action that exposes such Lender Agent to personal liability or that is contrary to this Agreement, any other Transaction Document or Applicable Law. The appointment and authority of each Lender Agent hereunder shall terminate upon the indefeasible payment in full of all Obligations. Each Lender Agent hereby authorizes the Administrative Agent to file any UCC financing statement deemed necessary by the Administrative Agent on behalf of such Lender Agent (the terms of which shall be binding on such Lender Agent).

(b) Delegation of Duties. Each Lender Agent may execute any of its duties under this Agreement and each other Transaction 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 Lender Agent shall be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

(c) Exculpatory Provisions. Neither any Lender Agent nor any of its directors, officers, agents or employees shall be (i) liable for any action lawfully taken or omitted to be taken by it or them under or in connection with this Agreement or any other Transaction Document (except for its, their or such Person's own gross negligence or willful misconduct), or (ii) responsible in any manner to its related Lender for any recitals, statements, representations or warranties made by the Borrower or the Borrower Advisors contained in Article IV, any other Transaction Document or any certificate, report, statement or other document referred to or provided for in, or received under or in connection with, this Agreement or any other Transaction Document, or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement, any other Transaction Document or any other document furnished in connection herewith or therewith, or for any failure of the Borrower or any Borrower Advisor to perform its obligations hereunder or thereunder, or for the satisfaction of any condition specified in this Agreement, or for the perfection, priority, condition, value or sufficiency of any collateral pledged in connection herewith. No Lender Agent shall be under any obligation to its related Lender to ascertain or to inquire as to the observance or performance of any of the agreements or covenants contained in, or conditions of, this Agreement or any other Transaction Document, or to inspect the properties, books or records of the Borrower or the Borrower Advisors. No Lender Agent shall be deemed to have knowledge of any Collateral Control Event, Event of Default or Unmatured Event of Default unless such Lender Agent has received notice from the Borrower or its related Lender.

(d) Reliance by Lender Agent. Each Lender Agent shall in all cases be entitled to rely, and shall be fully protected in relying, upon any document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper

Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Borrower), independent accountants and other experts selected by such Lender Agent. Each Lender Agent shall in all cases be fully justified in failing or refusing to take any action under this Agreement or any other Transaction Document unless it shall first receive such advice or concurrence of its related Lender as it deems appropriate and it shall first be indemnified to its satisfaction by its related Lender; provided that, unless and until such Lender Agent shall have received such advice, such Lender Agent may take or refrain from taking any action, as the Lender Agent shall deem advisable and in the best interests of its related Lender. Each Lender Agent shall in all cases be fully protected in acting, or in refraining from acting, in accordance with a request of its related Lender, and such request and any action taken or failure to act pursuant thereto shall be binding upon its related Lender.

(e) Non-Reliance on Lender Agent. Each Lender expressly acknowledges that neither its related Lender Agent, nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates has made any representations or warranties to it and that no act by such Lender Agent hereafter taken, including, without limitation, any review of the affairs of the Borrower or the Borrower Advisors, shall be deemed to constitute any representation or warranty by such Lender Agent. Each Lender represents and warrants to its related Lender Agent that it has and will, independently and without reliance upon its related Lender Agent, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, prospects, financial and other conditions and creditworthiness of the Borrower and made its own decision to enter into this Agreement, the other Transaction Documents and all other documents related hereto or thereto.

(f) Lender Agents are in their Respective Individual Capacities. Each Lender Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Borrower or any Affiliate of the Borrower as though such Lender Agent were not a Lender Agent hereunder. With respect to Advances pursuant to this Agreement, each Lender Agent shall have the same rights and powers under this Agreement in its individual capacity as any Lender and may exercise the same as though it were not a Lender Agent, and the terms "Lender," and "Lenders," shall include the Lender Agent in its individual capacity.

(g) Successor Lender Agent. Each Lender Agent may, upon five days' notice to the Borrower and its related Lender, and such Lender Agent will, upon the direction of its related Lender resign as the Lender Agent for such Lender. If any Lender Agent shall resign, then its related Lender during such five day period shall appoint a successor agent. If for any reason no successor agent is appointed by such Lender during such five day period, then effective upon the termination of such five day period, and the Borrower shall make all payments in respect of the Obligations due to such Lender directly to such Lender, and for all purposes shall deal directly with such Lender. After any retiring Lender Agent's resignation hereunder as a Lender Agent, the provisions of Articles VIII and IX shall inure to its benefit with respect to any actions taken or omitted to be taken by it while it was a Lender Agent under this Agreement.

Section 9.03 Non-Receipt of Funds by the Administrative Agent

Unless the Administrative Agent shall have been notified in writing by a Lender prior to the date an Advance is to be made by such Lender (which notice shall be effective upon receipt) that such Lender does not intend to make its portion of such Advance available to the Administrative Agent, the Administrative Agent shall assume that such Lender has made such proceeds available to the Administrative Agent on such date, and the Administrative Agent may in reliance upon such assumption (but shall not be required to) make available to the Borrower a corresponding amount. If such corresponding amount is not in fact made available to the Administrative Agent by such Lender, the Administrative Agent shall be entitled to recover such corresponding amount from such Lender. If such Lender does not pay such corresponding amount forthwith upon the Administrative Agent's demand therefor, the Administrative Agent will promptly notify the Borrower and the Borrower shall immediately pay such corresponding amount to the Administrative Agent. The Administrative Agent shall also be entitled to recover interest on such corresponding amount in respect of each day from the date such corresponding amount was made available by the Administrative Agent to the Borrower to the date such corresponding amount is recovered by the Administrative Agent, without duplication, from either the Borrower or such Lender at a per annum rate equal to the then-applicable Yield Rate. A certificate of the Administrative Agent submitted to the Borrower or any Lender with respect to any amount owing under this Section 9.03 shall be conclusive in the absence of manifest error.

ARTICLE X.

COLLATERAL AGENT

Section 10.01 Designation of Collateral Agent.

(a) Initial Collateral Agent. Each of the Borrower, the Lender Agents and the Administrative Agent hereby designate and appoint the Collateral Agent to act as its agent for the purposes of perfection of a security interest in the Collateral Portfolio and hereby authorizes the Collateral Agent to take such actions on its behalf and on behalf of each of the Secured Parties and to exercise such powers and perform such duties as are expressly granted to the Collateral Agent by this Agreement. The Collateral Agent hereby accepts such agency appointment to act as Collateral Agent pursuant to the terms of this Agreement, until its resignation or removal as Collateral Agent pursuant to the terms hereof.

(b) Successor Collateral Agent. Upon the Collateral Agent's receipt of a Collateral Agent Termination Notice from the Administrative Agent of the designation of a successor Collateral Agent pursuant to the provisions of Section 10.05, the Collateral Agent agrees that it will terminate its activities as Collateral Agent hereunder.

(c) Secured Party. The Administrative Agent, the Lender Agents and the Lenders hereby appoint Wells Fargo, in its capacity as Collateral Agent hereunder, as their agent for the purposes of perfection of a security interest in the Collateral Portfolio. Wells Fargo, in its capacity as Collateral Agent hereunder, hereby accepts such appointment and agrees to perform the duties set forth in Section 10.02(b).

Section 10.02 Duties of Collateral Agent.

(a) Appointment. The Borrower, the Lender Agents and the Administrative Agent each hereby appoints Wells Fargo to act as Collateral Agent, for the benefit of the Secured Parties. The Collateral Agent hereby accepts such appointment and agrees to perform the duties and obligations with respect thereto set forth herein.

(b) Duties. On or before the initial Advance Date, and until its removal pursuant to Section 10.05, the Collateral Agent shall perform, on behalf of the Secured Parties, the following duties and obligations:

(i) the Collateral Agent shall re-calculate (based solely on information provided to the Collateral Agent by the Collateral Manager) amounts to be remitted pursuant to Section 2.04 to the applicable parties and notify the Collateral Manager and the Administrative Agent in the event of any discrepancy between the Collateral Agent's calculations and the Collateral Management Report (such dispute to be resolved in accordance with Section 2.05); and

(ii) the Collateral Agent shall make payments pursuant to the terms of the Collateral Management Report or as otherwise directed in accordance with Sections 2.04 or 2.05 (the "Payment Duties").

(iii) The Collateral Agent shall provide to the Borrower and the Collateral Manager a copy of all written notices and communications identified as being sent to it in connection with the Loans and the other Collateral Portfolio held hereunder which it receives from the related Obligor, participating bank and/or agent bank.

(iv) The Collateral Agent shall assist and reasonably cooperate with the independent certified public accountants in the preparation of those reports required under Section 6.09.

(v) The Collateral Agent shall provide the Borrower and the Collateral Manager with such other information as may be reasonably requested by the Borrower or the Collateral Manager.

(c) (i) The Administrative Agent, each Lender Agent and each Secured Party further authorizes the Collateral Agent to take such action as agent on its behalf and to exercise such powers under this Agreement and the other Transaction Documents as are expressly delegated to the Collateral Agent by the terms hereof and thereof, together with such powers as are reasonably incidental thereto. In furtherance, and without limiting the generality of the foregoing, each Secured Party hereby appoints the Collateral Agent (acting at the direction of the Administrative Agent) as its agent to execute and deliver all further instruments and documents, and take all further action that the Administrative Agent deems or the Required Lenders deem necessary or desirable in order to perfect, protect or more fully evidence the security interests granted by the Borrower hereunder, or to enable any of them to exercise or enforce any of their respective rights hereunder, including, without limitation, the execution by the Collateral Agent as secured party/assignee of such financing or continuation statements, or amendments thereto or assignments thereof, relative to all or any of the Loans now existing or

hereafter arising, and such other instruments or notices, as may be necessary or appropriate for the purposes stated hereinabove. Nothing in this Section 10.02(c) shall be deemed to relieve the Borrower or any Borrower Advisor of their respective obligations to protect the interest of the Collateral Agent (for the benefit of the Secured Parties) in the Collateral Portfolio, including to file financing and continuation statements in respect of the Collateral Portfolio in accordance with Section 5.01(s).

(ii) The Administrative Agent may direct the Collateral Agent to take any such incidental action hereunder. With respect to other actions which are incidental to the actions specifically delegated to the Collateral Agent hereunder, the Collateral Agent shall not be required to take any such incidental action hereunder, but shall be required to act or to refrain from acting (and shall be fully protected in acting or refraining from acting) upon the direction of the Administrative Agent; provided that the Collateral Agent shall not be required to take any action hereunder at the request of the Administrative Agent, any Secured Party or otherwise if the taking of such action, in the reasonable determination of the Collateral Agent, (x) shall be in violation of any Applicable Law or contrary to any provisions of this Agreement or (y) shall expose the Collateral Agent to liability hereunder or otherwise (unless it has received indemnity which it reasonably deems to be satisfactory with respect thereto). In the event the Collateral Agent requests the consent of the Administrative Agent and the Collateral Agent does not receive a consent (either positive or negative) from the Administrative Agent within 10 Business Days of its receipt of such request, then the Administrative Agent shall be deemed to have declined to consent to the relevant action.

(iii) Except as expressly provided herein, the Collateral Agent shall not be under any duty or obligation to take any affirmative action to exercise or enforce any power, right or remedy available to it under this Agreement (x) unless and until (and to the extent) expressly so directed by the Administrative Agent or (y) prior to the Facility Maturity Date (and upon such occurrence, the Collateral Agent shall act in accordance with the written instructions of the Administrative Agent pursuant to clause (x)). The Collateral Agent shall not be liable for any action taken, suffered or omitted by it in accordance with the request or direction of any Secured Party, to the extent that this Agreement provides such Secured Party the right to so direct the Collateral Agent, or the Administrative Agent. The Collateral Agent shall not be deemed to have notice or knowledge of any matter hereunder, including an Event of Default, unless an Authorized Person of the Collateral Agent has knowledge of such matter or written notice thereof is received by the Collateral Agent.

(d) If, in performing its duties under this Agreement, the Collateral Agent is required to decide between alternative courses of action, the Collateral Agent 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 two (2) 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 two (2) Business Day period except to the extent it has already, in good faith, taken or committed itself to take, action inconsistent with such instructions. The Collateral Agent 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) Concurrently herewith, the Administrative Agent directs the Collateral Agent and the Collateral Agent is authorized to enter into the Securities Account Control Agreement. For the avoidance of doubt, all of the Collateral Agent's rights, protections and immunities provided herein shall apply to the Collateral Agent for any actions taken or omitted to be taken under the Securities Account Control Agreement in such capacity.

Section 10.03 Merger or Consolidation.

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 properties and assets of the Collateral Agent substantially as a whole, which Person in any of the foregoing cases executes an agreement of assumption to perform every obligation of the Collateral Agent hereunder, shall be the successor to the Collateral Agent under this Agreement without further act of any of the parties to this Agreement.

Section 10.04 Collateral Agent Compensation.

As compensation for its Collateral Agent activities hereunder, the Collateral Agent shall be entitled to the Collateral Agent Fees and Collateral Agent Expenses from the Borrower as set forth in the Wells Fargo Corporate Trust Fee Letter, payable to the extent of funds available therefor pursuant to the provisions of Section 2.04. The Collateral Agent's entitlement to receive the Collateral Agent Fees shall cease (excluding any unpaid outstanding amounts as of that date) on the earliest to occur of: (i) its removal as Collateral Agent pursuant to Section 10.05, (ii) its resignation as Collateral Agent pursuant to Section 10.07 or (iii) the termination of this Agreement.

Section 10.05 Collateral Agent Removal.

The Collateral Agent may be removed, with or without cause, by the Administrative Agent by notice given in writing to the Collateral Agent (the "Collateral Agent Termination Notice"); provided, notwithstanding its receipt of a Collateral Agent Termination Notice, the Collateral Agent shall continue to act in such capacity until a successor Collateral Agent has been appointed and has agreed to act as Collateral Agent hereunder; provided that the Collateral Agent shall continue to receive compensation of its fees and expenses in accordance with Section 10.04 above while so serving as the Collateral Agent prior to a successor Collateral Agent being appointed.

Section 10.06 Limitation on Liability.

(a) The Collateral Agent may conclusively rely on and shall be fully protected in acting upon any certificate, instrument, opinion, notice, letter, telegram or other document delivered to it and that in good faith it reasonably believes to be genuine and that has been signed by the proper party or parties. The Collateral Agent may rely conclusively on and shall be fully protected in acting upon (a) the written (including electronic) instructions of any designated officer of the Administrative Agent or (b) the verbal instructions of the Administrative Agent.

(b) The Collateral Agent may consult counsel satisfactory to it and the advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(c) The Collateral Agent shall not 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.

(d) The Collateral Agent makes no warranty or representation and shall have no responsibility (except as expressly set forth in this Agreement) as to the content, enforceability, completeness, validity, sufficiency, value, genuineness, ownership or transferability of the Collateral Portfolio, and will not be required to and will not make any representations as to the validity or value (except as expressly set forth in this Agreement) of any of the Collateral Portfolio. The Collateral Agent shall not be obligated to take any legal action hereunder that might in its judgment involve any expense or liability unless it has been furnished with an indemnity reasonably satisfactory to it.

(e) The Collateral Agent shall have no duties or responsibilities except such duties and responsibilities as are specifically set forth in this Agreement and no covenants or obligations shall be implied in this Agreement against the Collateral Agent.

(f) The Collateral Agent shall not be required to expend or risk its own funds in the performance of its duties hereunder.

(g) It is expressly agreed and acknowledged that the Collateral Agent is not guaranteeing performance of or assuming any liability for the obligations of the other parties hereto or any parties to the Collateral Portfolio.

(h) Subject in all cases to the last sentence of Section 2.05, in case any reasonable question arises as to its duties hereunder, the Collateral Agent may, prior to the occurrence of an Event of Default or the Facility Maturity Date, request instructions from the Borrower Advisors and may, after the occurrence of an Event of Default or the Facility Maturity Date, 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 any Borrower Advisor or the Administrative Agent, as applicable. The Collateral Agent 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. In no event shall the Collateral Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Collateral Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

(i) The Collateral Agent shall not be liable for the acts or omissions of the Collateral Custodian under this Agreement and shall not be required to monitor the performance

of the Collateral Custodian. Notwithstanding anything herein to the contrary, the Collateral Agent shall have no duty to perform any of the duties of the Collateral Custodian under this Agreement.

Section 10.07 Collateral Agent Resignation.

The Collateral Agent may resign at any time by giving not less than 90 days written notice thereof to the Administrative Agent and with the consent of the Administrative Agent, which consent shall not be unreasonably withheld. Upon receiving such notice of resignation, the Administrative Agent shall promptly appoint a successor collateral agent or collateral agents (provided that, so long as no Unmatured Default, Event of Default, Unmatured Collateral Control Event or Collateral Control Event has occurred and is continuing, the appointment of a successor collateral agent or collateral agents shall require the consent of the Borrower (such consent not to be unreasonably withheld or delayed)) by written instrument, in duplicate, executed by the Administrative Agent, one copy of which shall be delivered to the Collateral Agent so resigning and one copy to the successor collateral agent or collateral agents, together with a copy to the Borrower, the Borrower Advisors and Collateral Custodian. If no successor collateral agent shall have been appointed and an instrument of acceptance by a successor Collateral Agent shall not have been delivered to the Collateral Agent within 45 days after the giving of such notice of resignation, the resigning Collateral Agent may petition any court of competent jurisdiction for the appointment of a successor Collateral Agent. Notwithstanding anything herein to the contrary, the Collateral Agent may not resign prior to a successor Collateral Agent being appointed.

ARTICLE XI.

COLLATERAL CUSTODIAN

Section 11.01 Designation of Collateral Custodian.

(a) Initial Collateral Custodian. The role of Collateral Custodian with respect to the Required Loan Documents shall be conducted by the Person designated as Collateral Custodian hereunder from time to time in accordance with this Section 11.01. Each of the Borrower, the Lender Agents and the Administrative Agent hereby designate and appoint the Collateral Custodian to act as its agent and hereby authorizes the Collateral Custodian to take such actions on its behalf and to exercise such powers and perform such duties as are expressly granted to the Collateral Custodian by this Agreement. The Collateral Custodian hereby accepts such agency appointment to act as Collateral Custodian pursuant to the terms of this Agreement, until its resignation or removal as Collateral Custodian pursuant to the terms hereof.

(b) Successor Collateral Custodian. Upon the Collateral Custodian's receipt of a Collateral Custodian Termination Notice from the Administrative Agent of the designation of a successor Collateral Custodian pursuant to the provisions of Section 11.05, the Collateral Custodian agrees that it will terminate its activities as Collateral Custodian hereunder.

Section 11.02 Duties of Collateral Custodian.

(a) Appointment. The Borrower, the Lender Agents and the Administrative Agent each hereby appoints Wells Fargo to act as Collateral Custodian, for the benefit of the Secured Parties. The Collateral Custodian hereby accepts such appointment and agrees to perform the duties and obligations with respect thereto set forth herein.

(b) Duties. From the Closing Date until its removal pursuant to Section 11.05, the Collateral Custodian shall perform, on behalf of the Secured Parties, the following duties and obligations:

(i) The Collateral Custodian shall take and retain custody of the Required Loan Documents delivered by the Borrower pursuant to Section 3.02 in accordance with the terms and conditions of this Agreement, all for the benefit of the Secured Parties. Within five (5) Business Days of its receipt of any Required Loan Documents, the related Loan Tape and a hard copy of the Loan Checklist, the Collateral Custodian shall review the Required Loan Documents to confirm that (A) such Required Loan Documents have been executed (either an original or a copy, as indicated on the Loan Checklist) and have no mutilated pages, (B) filed stamped copies of the UCC and other filings (to the extent required by the Required Loan Documents) are included, (C) if listed on the Loan Checklist, a copy of an Insurance Policy with respect to any real or personal property constituting the Underlying Collateral is included, and (D) the related original balance (based on a comparison to the note or assignment agreement, as applicable), Loan number and Obligor name, as applicable, with respect to such Loan is referenced on the related Loan Tape (such items (A) through (D) collectively, the "Review Criteria"). Notwithstanding anything herein to the contrary, the Collateral Custodian's obligation to review the Required Loan Documents shall be limited to reviewing such Required Loan Documents based on the information provided on the Loan Checklist. If, at the conclusion of such review, the Collateral Custodian shall determine that (i) the original balance of the Loan with respect to which it has received Required Loan Documents is less than as set forth on the Loan Tape, the Collateral Custodian shall notify the Administrative Agent and the Borrower and the Borrower Advisors of such discrepancy within one Business Day, or (ii) any Review Criteria is not satisfied, the Collateral Custodian shall within one Business Day notify the Borrower and the Borrower Advisors of such determination and provide the Borrower and the Borrower Advisors with a list of the non-complying Loans and the applicable Review Criteria that they fail to satisfy. The Borrower shall have five (5) Business Days after notice or knowledge thereof to correct any non-compliance with any Review Criteria. In addition, if requested in writing (in the form of Exhibit M) by the Borrower and approved by the Administrative Agent within 10 Business Days of the Collateral Custodian's delivery of such report, the Collateral Custodian shall return any Loan which fails to satisfy a Review Criteria to the Borrower. Other than the foregoing, the Collateral Custodian shall not have any responsibility for reviewing any Required Loan Documents. Notwithstanding anything to the contrary contained herein, the Collateral Custodian shall have no duty or obligation with respect to any Loan checklist delivered to it in electronic form.

(ii) In taking and retaining custody of the Required Loan Documents, the Collateral Custodian shall be deemed to be acting as the agent of the Secured Parties; provided that the Collateral Custodian makes no representations as to the existence, perfection or priority of any Lien on the Required Loan Documents or the instruments therein; and provided, further, that, the Collateral Custodian's duties shall be limited to those expressly contemplated herein.

(iii) All Required Loan Documents shall be kept in fire resistant vaults, rooms or cabinets at the locations specified on the address of the Collateral Custodian set forth on Annex A to this Agreement, or at such other office as shall be specified to the Administrative Agent and the Borrower by the Collateral Custodian in a written notice delivered at least 30 days prior to such change. All Required Loan Documents shall be placed together with an appropriate identifying label and maintained in such a manner so as to permit retrieval and access. The Collateral Custodian shall segregate the Required Loan Documents on its inventory system and will not commingle the physical Required Loan Documents with any other files of the Collateral Custodian other than those, if any, relating to the Borrower and its Affiliates and Subsidiaries; provided, however, the Collateral Custodian shall segregate any commingled files upon written request of the Administrative Agent and the Borrower.

(iv) On each Reporting Date, the Collateral Custodian shall provide a written report to the Administrative Agent and the Borrower and the Borrower Advisors (in a form mutually agreeable to the Administrative Agent and the Collateral Custodian) identifying each Loan for which it holds Required Loan Documents and the applicable Review Criteria that any Loan fails to satisfy.

(c) (i) The Collateral Custodian agrees to cooperate with the Administrative Agent and the Collateral Agent and deliver any Required Loan Documents to the Collateral Agent or Administrative Agent (pursuant to a written request in the form of Exhibit M), as applicable, as requested in order to take any action that the Administrative Agent deems necessary or desirable in order to perfect, protect or more fully evidence the security interests granted by the Borrower hereunder, or to enable any of them to exercise or enforce any of their respective rights hereunder, including any rights arising with respect to Article VII. In the event the Collateral Custodian receives instructions from the Collateral Agent, any Borrower Advisors or the Borrower which conflict with any instructions received by the Administrative Agent, the Collateral Custodian shall rely on and follow the instructions given by the Administrative Agent.

(ii) The Administrative Agent may direct the Collateral Custodian to take any such incidental action hereunder. With respect to other actions which are incidental to the actions specifically delegated to the Collateral Custodian hereunder, the Collateral Custodian shall not be required to take any such incidental action hereunder, but shall be required to act or to refrain from acting (and shall be fully protected in acting or refraining from acting) upon the direction of the Administrative Agent; provided that the Collateral Custodian shall not be required to take any action hereunder at the request of the Administrative Agent, any Secured Party or otherwise if the taking of such action, in the reasonable determination of the Collateral Custodian, (x) shall be in violation of any

Applicable Law or contrary to any provisions of this Agreement or (y) shall expose the Collateral Custodian to liability hereunder or otherwise (unless it has received indemnity which it reasonably deems to be satisfactory with respect thereto). In the event the Collateral Custodian requests the consent of the Administrative Agent and the Collateral Custodian does not receive a consent (either positive or negative) from the Administrative Agent within 10 Business Days of its receipt of such request, then the Administrative Agent shall be deemed to have declined to consent to the relevant action.

(iii) The Collateral Custodian shall not be liable for any action taken, suffered or omitted by it in accordance with the request or direction of any Secured Party, to the extent that this Agreement provides such Secured Party the right to so direct the Collateral Custodian, or the Administrative Agent. The Collateral Custodian shall not be deemed to have notice or knowledge of any matter hereunder, including an Event of Default, unless an Authorized Person of the Collateral Custodian has knowledge of such matter or written notice thereof is received by the Collateral Custodian.

Section 11.03 Merger or Consolidation.

Any Person (i) into which the Collateral Custodian may be merged or consolidated, (ii) that may result from any merger or consolidation to which the Collateral Custodian shall be a party, or (iii) that may succeed to the properties and assets of the Collateral Custodian substantially as a whole, which Person in any of the foregoing cases executes an agreement of assumption to perform every obligation of the Collateral Custodian hereunder, shall be the successor to the Collateral Custodian under this Agreement without further act of any of the parties to this Agreement.

Section 11.04 Collateral Custodian Compensation.

As compensation for its Collateral Custodian activities hereunder, the Collateral Custodian shall be entitled to the Collateral Custodian Fees from the Borrower as set forth in the Wells Fargo Corporate Trust Fee Letter, payable pursuant to the extent of funds available therefor pursuant to the provisions of Section 2.04. The Collateral Custodian's entitlement to receive the Collateral Custodian Fees shall cease (excluding any unpaid outstanding amounts as of that date) on the earlier to occur of: (i) its removal as Collateral Custodian pursuant to Section 11.05, (ii) its resignation as Collateral Custodian pursuant to Section 11.07 of this Agreement or (iii) the termination of this Agreement.

Section 11.05 Collateral Custodian Removal.

The Collateral Custodian may be removed, with or without cause, by the Administrative Agent by notice given in writing to the Collateral Custodian (the "Collateral Custodian Termination Notice"); provided, notwithstanding its receipt of a Collateral Custodian Termination Notice, the Collateral Custodian shall continue to act in such capacity until a successor Collateral Custodian acceptable to the Borrower has been appointed, has agreed to act as Collateral Custodian hereunder, and has received all Required Loan Documents held by the Collateral Custodian being removed.

Section 11.06 Limitation on Liability.

(a) The Collateral Custodian may conclusively rely on and shall be fully protected in acting upon any certificate, instrument, opinion, notice, letter, telegram or other document delivered to it and that in good faith it reasonably believes to be genuine and that has been signed by the proper party or parties. The Collateral Custodian may rely conclusively on and shall be fully protected in acting upon (a) the written (including electronic) instructions of any designated officer of the Administrative Agent or (b) the verbal instructions of the Administrative Agent.

(b) The Collateral Custodian may consult counsel satisfactory to it and the advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(c) The Collateral Custodian shall not 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.

(d) The Collateral Custodian makes no warranty or representation and shall have no responsibility (except as expressly set forth in this Agreement) as to the content, enforceability, completeness, validity, sufficiency, value, genuineness, ownership or transferability of the Collateral Portfolio, and will not be required to and will not make any representations as to the validity or value (except as expressly set forth in this Agreement) of any of the Collateral Portfolio. The Collateral Custodian shall not be obligated to take any legal action hereunder that might in its judgment involve any expense or liability unless it has been furnished with an indemnity reasonably satisfactory to it.

(e) The Collateral Custodian shall have no duties or responsibilities except such duties and responsibilities as are specifically set forth in this Agreement and no covenants or obligations shall be implied in this Agreement against the Collateral Custodian.

(f) The Collateral Custodian shall not be required to expend or risk its own funds in the performance of its duties hereunder.

(g) It is expressly agreed and acknowledged that the Collateral Custodian is not guaranteeing performance of or assuming any liability for the obligations of the other parties hereto or any parties to the Collateral Portfolio.

(h) Subject in all cases to the last sentence of Section 11.02(c)(i), in case any reasonable question arises as to its duties hereunder, the Collateral Custodian may, prior to the occurrence of an Event of Default or the Facility Maturity Date, request instructions from the Borrower Advisors and may, after the occurrence of an Event of Default or the Facility Maturity Date, 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 Borrower Advisors or the Administrative Agent, as applicable. The Collateral 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. In no event shall the Collateral Custodian be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Collateral Custodian has been advised of the likelihood of such loss or damage and regardless of the form of action.

Section 11.07 Collateral Custodian Resignation.

Collateral Custodian may resign and be discharged from its duties or obligations hereunder, not earlier than 90 days after delivery to the Administrative Agent of written notice of such resignation specifying a date when such resignation shall take effect. Upon the effective date of such resignation, or if the Administrative Agent gives Collateral Custodian written notice of an earlier termination hereof, Collateral Custodian shall (i) be reimbursed for any costs and expenses Collateral Custodian shall incur in connection with the termination of its duties under this Agreement and (ii) deliver all of the Required Loan Documents in the possession of Collateral Custodian to the Administrative Agent or to such Person as the Administrative Agent may designate to Collateral Custodian in writing upon the receipt of a request in the form of Exhibit M; provided that the Borrower shall consent to any successor Collateral Custodian appointed by the Administrative Agent (such consent not to be unreasonably withheld). Notwithstanding anything herein to the contrary, the Collateral Custodian may not resign prior to a successor Collateral Custodian being appointed.

Section 11.08 Release of Documents.

(a) Release for Servicing. From time to time and as appropriate for the enforcement or servicing of any of the Collateral Portfolio, the Collateral Custodian is hereby authorized (unless and until such authorization is revoked by the Administrative Agent), upon written receipt from the Borrower (or the Collateral Manager on its behalf) of a request for release of documents and receipt in the form annexed hereto as Exhibit M, to release to the Borrower (or the Collateral Manager on its behalf) within two (2) Business Days of receipt of such request, the related Required Loan Documents or the documents set forth in such request and receipt to such Person. All documents so released shall be held by the Borrower (or the Collateral Manager on its behalf) in trust for the benefit of the Collateral Agent, on behalf of the Secured Parties in accordance with the terms of this Agreement. The Borrower (or the Collateral Manager on its behalf) shall return to the Collateral Custodian the Required Loan Documents or other such documents (i) promptly upon the request of the Administrative Agent, or (ii) when the Borrower's need therefor in connection with such foreclosure or servicing no longer exists, unless the Loan shall be liquidated, in which case, the Borrower (or the Collateral Manager on its behalf) shall deliver an additional request for release of documents to the Collateral Custodian and receipt certifying such liquidation from the Borrower (or the Collateral Manager on its behalf) to the Collateral Custodian, all in the form annexed hereto as Exhibit M.

(b) Limitation on Release. The foregoing provision with respect to the release to the Borrower (or the Collateral Manager on its behalf) of the Required Loan Documents and documents by the Collateral Custodian upon request by such Person shall be operative until revoked by the Administrative Agent; provided, that at no time shall the Required Loan Documents with respect to more than 10 Loans be on release pursuant to this Section 11.08 without the prior written consent of the Administrative Agent. The Administrative Agent may

revoke such authority if an Event of Default or a Collateral Control Event has occurred. Promptly after delivery to the Collateral Custodian of any request for release of documents, the Borrower (or the Collateral Manager on its behalf) shall provide notice of the same to the Administrative Agent. Any additional Required Loan Documents or documents requested to be released by the Borrower (or the Collateral Manager on its behalf) may be released only upon written authorization of the Administrative Agent. The limitations of this paragraph shall not apply to the release of Required Loan Documents to the Collateral Manager pursuant to the immediately succeeding subsection.

(c) Release for Payment. Upon receipt by the Collateral Custodian of the Borrower's (or the Collateral Manager's on its behalf) request for release of documents and receipt in the form annexed hereto as Exhibit M (which certification shall include a statement to the effect that all amounts received in connection with such payment or repurchase have been credited to the Collection Account as provided in this Agreement), the Collateral Custodian shall promptly release the related Required Loan Documents to such requesting Person.

Section 11.09 Return of Required Loan Documents.

The Borrower may, with the prior written consent of the Administrative Agent (such consent not to be unreasonably withheld), require that the Collateral Custodian return each Required Loan Document (a) delivered to the Collateral Custodian in error or (b) released from the Lien of the Collateral Agent hereunder pursuant to Section 2.15, in each case by submitting to the Collateral Custodian and the Administrative Agent a written request in the form of Exhibit M hereto (signed by both the Borrower and the Administrative Agent) specifying the Required Loan Documents to be so returned and reciting that the conditions to such release have been met (and specifying the Section or Sections of this Agreement being relied upon for such release). The Collateral Custodian shall upon its receipt of each such request for return executed by the Borrower and the Administrative Agent promptly, but in any event within five (5) Business Days, return the Required Loan Documents so requested to the Borrower.

Section 11.10 Access to Certain Documentation and Information Regarding the Collateral Portfolio; Due Diligence on the Borrower Advisors.

The Collateral Custodian shall provide to the Administrative Agent and each Lender Agent access to the Required Loan Documents and all other documentation regarding the Collateral Portfolio including in such cases where the Administrative Agent and each Lender Agent is required in connection with the enforcement of the rights or interests of the Secured Parties, or by applicable statutes or regulations, to review such documentation, such access being afforded without charge but only (i) upon two (2) Business Days prior written request, (ii) during normal business hours and (iii) subject to the Borrower Advisors' and the Collateral Custodian's normal security and confidentiality procedures. Prior to the Closing Date and periodically thereafter at the discretion of the Administrative Agent and each Lender Agent, the Administrative Agent and each Lender Agent may review any Borrower Advisor's collection and administration of the Collateral Portfolio in order to assess compliance by the Collateral Manager with the Collateral Management Standard, as well as with this Agreement and may diligence the Collateral Portfolio, and Required Loan Documents in conjunction with such a review. Without limiting the foregoing provisions of this Section 11.10, from time to time on

request of the Administrative Agent, the Collateral Custodian shall permit certified public accountants or other auditors acceptable to the Administrative Agent to conduct, at the expense of the Borrower, a review of the Required Loan Documents and all other documentation regarding the Collateral Portfolio. The Borrower shall cause each Borrower Advisor to provide access to its records and other documentation to the Administrative Agent and each Lender Agent as contemplated by this Section 11.10.

Section 11.11 Bailment.

The Collateral Custodian agrees that, with respect to any Required Loan Documents at any time or times in its possession or held in its name, the Collateral Custodian shall be the agent and bailee of the Collateral Agent, for the benefit of the Secured Parties, for purposes of perfecting (to the extent not otherwise perfected) the Collateral Agent's security interest in the Collateral Portfolio and for the purpose of ensuring that such security interest is entitled to first priority status under the UCC.

ARTICLE XII.

MISCELLANEOUS

Section 12.01 Amendments and Waivers.

Except as provided in this Section 12.01, no amendment, waiver or other modification of any provision of this Agreement shall be effective without the written agreement of the Borrower, the Administrative Agent and the Required Lenders; provided, that no amendment, waiver or consent shall:

(a) increase the Commitment of any Lender or the amount of Advances of any Lender, in any case, without the written consent of such Lender;

(b) waive, extend or postpone any date fixed by this Agreement or any other Transaction Document for any payment or mandatory prepayment of principal, interest, fees or other amounts due to the Lenders (or any of them) or any scheduled or mandatory reduction of the Commitment hereunder or under any other Transaction Document without the written consent of each Lender directly and adversely affected thereby;

(c) reduce the principal of, or the Yield Rate on, any Advance or Obligation, or any fees or other amounts payable hereunder or under any other Transaction Document without the written consent of each Lender directly and adversely affected thereby;

(d) change Section 2.04 or any related definitions or provisions in a manner that would alter the order of application of proceeds or would alter the pro rata sharing of payments required thereby, in each case, without the written consent of each Lender directly and adversely affected thereby;

(e) change any provision of this Section or reduce the percentages specified in the definition of "Required Lenders," or any other provision hereof specifying the number or

percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender directly affected thereby;

(f) consent to the assignment or transfer by the Borrower or the Collateral Manager of such Person's rights and obligations under any Transaction Document to which it is a party (except as expressly permitted hereunder), in each case, without the written consent of each Lender;

(g) release all or substantially all of the Collateral or release any Transaction Document (other than as specifically permitted or contemplated in this Agreement or the applicable Transaction Document) without the written consent of each Lender; or

(h) materially adversely affect the rights or obligations of the Collateral Agent, the Account Bank or the Collateral Custodian without the written agreement of the Collateral Agent, the Account Bank or the Collateral Custodian, as applicable;

provided further, that (i) any amendment of the Agreement that is solely for the purpose of adding a Lender may be effected without the written consent of the Borrower or any Lender, (ii) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent, affect the rights or duties of the Administrative Agent under this Agreement or any other Transaction Document, (iii) any amendment of the Agreement that a Lender is advised by its legal or financial advisors to be necessary or desirable in order to avoid the consolidation of the Borrower with such Lender for accounting purposes may be effected without the written consent of the Borrower or any other Lender, (iv) no amendment, waiver or consent shall, unless in writing and signed by the Conduit Lender, affect the obligations of the Conduit Lender under this Agreement or any other Transaction Document and (v) the Administrative Agent and the Borrower shall be permitted to amend any provision of the Transaction Documents (and such amendment shall become effective without any further action or consent of any other party to any Transaction Document) if the Administrative Agent and the Borrower shall have jointly identified an obvious error or any error or omission of a technical or immaterial nature in any such provision. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that the Commitment of such Lender may not be increased or extended without the consent of such Lender.

Section 12.02 Notices, Etc. All notices and other communications hereunder shall, unless otherwise stated herein, be in writing (which shall include facsimile communication and communication by e-mail) and faxed, e-mailed or delivered, to each party hereto, at its address set forth on Annex A to this Agreement or at such other address as shall be designated by such party in a written notice to the other parties hereto. All such notices and communications shall be effective upon receipt, or in the case of (a) notice by mail, five days after being deposited in the United States mail, first class postage prepaid, (b) notice by e-mail, when verbal or electronic communication of receipt is obtained, or (c) notice by facsimile copy, when verbal communication of receipt is obtained.

Section 12.03 No Waiver; Remedies. No failure on the part of the Administrative Agent, the Collateral Agent, any Lender or any Lender Agent to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by Applicable Law.

Section 12.04 Binding Effect; Assignability; Multiple Lenders.

(a) This Agreement shall be binding upon and inure to the benefit of the Borrower, the Administrative Agent, each Lender, the Lender Agents, the Collateral Agent, the Account Bank, the Collateral Custodian and their respective successors and permitted assigns. With the written consent of the Administrative Agent (such consent not to be unreasonably withheld), each Lender and their respective successors and assigns may assign, or grant a security interest or sell a participation interest in, (i) this Agreement and such Lender's rights and obligations hereunder and interest herein in whole or in part (including by way of the sale of participation interests therein) and/or (ii) any Advance (or portion thereof) or any Variable Funding Note (or any portion thereof) to:

(i) prior to the occurrence of an Event of Default:

a. any Eligible Assignee with 90 days (or such shorter period as agreed to by the Borrower) prior written notice specifying the name of such Eligible Assignee to the Borrower;

b. any other Person with the prior written consent of the Borrower (such consent not to be unreasonably withheld);

c. any Affiliate of such Lender with prior written notice to the Borrower; or

d. any Person, if required by any change in Applicable Law with prior written notice to the Borrower; and

(ii) after the occurrence of any Event of Default, any Person with prior written notice to the Borrower;

; provided that, (y) any Conduit Lender shall not need prior consent to at any time assign, or grant a security interest or sell a participation interest in, any Advance (or portion thereof) to a Liquidity Bank or any commercial paper conduit sponsored by a Liquidity Bank or an Affiliate of its related Lender Agent and (z) if any Lender becomes a Defaulting Lender, unless such Lender shall have been deemed to no longer be a Defaulting Lender pursuant to Section 2.21(b), then the Administrative Agent shall have the right to cause such Defaulting Lender to assign its entire interest in the Advances and this Agreement pursuant to this Section 12.04(a) to a transferee selected by the Administrative Agent. Any such assignee shall execute and deliver to the Borrower and the Administrative Agent a fully-executed Transferee Letter substantially in the form of Exhibit N hereto (a "Transferee Letter") and a fully-executed Joinder Supplement. The parties to any such assignment, grant or sale of a participation interest shall execute and deliver to the related Lender Agent for its acceptance and recording in its books and records, such agreement or document as may be satisfactory to such parties and the applicable Lender Agent. The Borrower shall not (nor shall it permit the Seller, the Collateral Manager or the Equityholder to) assign, or permit any Lien to exist upon, any of its rights or obligations hereunder or under any Transaction Document or any interest herein or in any Transaction Document without the prior written consent of each Lender Agent and the Administrative Agent.

(b) Notwithstanding any other provision of this Section 12.04, any Lender may at any time pledge or grant a security interest in all or any portion of its rights (including, without limitation, rights to payment of principal and interest) under this Agreement to secure obligations of such Lender 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.

(c) Each Affected Party and each Indemnified Party shall be an express third party beneficiary of this Agreement.

Section 12.05 Term of This Agreement.

This Agreement, including, without limitation, the Borrower's representations and covenants set forth in Articles IV and V shall remain in full force and effect until the Collection Date; provided that the rights and remedies with respect to any breach of any representation and warranty made or deemed made by the Borrower pursuant to Articles III and IV and the indemnification and payment provisions of Article VIII, IX and Article XII and the provisions of Section 2.09, Section 2.10, Section 12.07, Section 12.08 and Section 12.09 shall be continuing and shall survive any termination of this Agreement.

Section 12.06 GOVERNING LAW; JURY WAIVER.

THIS AGREEMENT SHALL, IN ACCORDANCE WITH SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK. EACH OF THE PARTIES HERETO WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION ARISING DIRECTLY OR INDIRECTLY OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREUNDER.

Section 12.07 Costs, Expenses and Taxes.

(a) In addition to the rights of indemnification granted to the Collateral Agent, the Account Bank, the Administrative Agent, the Lenders, the Lender Agents, the Collateral Custodian and their respective Affiliates under Section 2.09, Section 2.10 and Section 8.01 hereof, the Borrower agrees to pay on demand all reasonable and documented out-of-pocket costs and expenses of the Administrative Agent, the Lenders, the Lender Agents, the Collateral Agent, the Account Bank and the Collateral Custodian incurred in connection with the preparation, execution, delivery, administration (including periodic auditing), syndication, renewal, amendment or modification of, any waiver or consent issued in connection with, this Agreement, the Transaction Documents and the other documents to be delivered hereunder or in connection herewith, including, without limitation, the reasonable and documented expenses of counsel for the Administrative Agent, the Lenders, the Lender Agents, the Collateral Agent, the Account Bank and the Collateral Custodian with respect thereto and with respect to advising the Administrative Agent, the Lenders, the Lender Agents, the Collateral Agent, the Account Bank and the Collateral Custodian as to their respective rights and remedies under this Agreement and the other documents to be delivered hereunder or in connection herewith, and all reasonable and documented out-of-pocket costs and expenses, if any (including counsel fees and expenses), incurred by the Administrative Agent, the Lenders, the Lender Agents, the Collateral Agent, the Account Bank or the Collateral Custodian in connection with the enforcement or potential enforcement of this Agreement or any Transaction Document by such Person and the other documents to be delivered hereunder or in connection herewith.

(b) The Borrower 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, enforcement or recording of, or any performance, receipt or perfection of a security interest under, this Agreement, the other Transaction Documents or any other document providing liquidity support, credit enhancement or other similar support to the Lenders in connection with this Agreement or the funding or maintenance of Advances hereunder.

(c) The Borrower shall pay on demand, and indemnify each Indemnified Person, its assignees and participants, and their respective successors on an after-Tax basis for, all other out-of-pocket costs and expenses incurred by the Administrative Agent, the Lenders, the Lender Agents, the Collateral Agent, the Collateral Custodian and the Account Bank, including, without limitation, all costs and expenses incurred by the Administrative Agent, the Lender Agents and the Lenders in connection with periodic audits of the Borrower's or the Collateral Manager's books and records.

Section 12.08 No Proceedings.

(a) Each of the parties hereto (other than the Administrative Agent with the consent of each Lender Agent) agrees that it will not institute against, or join any other Person in instituting against, the Borrower any proceedings of the type referred to in the definition of Bankruptcy Event so long as there shall not have elapsed one year and one day (or such longer preference period as shall then be in effect) since the Collection Date.

(b) Each of the parties hereto (other than any Conduit Lender) hereby agrees that it will not institute against, or join any other Person in instituting against, any Conduit Lender, the Administrative Agent or any Liquidity Banks any Bankruptcy Proceeding so long as any commercial paper issued by such Conduit Lender shall be outstanding and there shall not have elapsed one year and one day (or such longer preference period as shall then be in effect) since the last day on which any such commercial paper shall have been outstanding.

Section 12.09 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 Administrative Agent, the Lenders, the Lender Agents or any other Secured Party as contained in this Agreement or any other agreement, instrument or document entered into by the Administrative Agent, the Lenders, the Lender Agents or any Secured Party pursuant hereto or in connection herewith shall be had against any administrator of the Administrative Agent, the Lenders, the Lender Agents, any other Secured Party or any incorporator, affiliate, stockholder, officer, employee or director of the Administrative Agent, the Lenders, the Lender Agents, any other Secured Party or of any such administrator, as such, 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 each party hereto contained in this Agreement and all of the other agreements, instruments and documents entered into by the Administrative Agent, the Lenders, the Lender Agents or any other Secured Party pursuant hereto or in connection herewith are, in each case, solely the corporate obligations of such party (and nothing in this Section 12.09 shall be construed to diminish in any way such corporate obligations of such party), and that no personal liability whatsoever shall attach to or be incurred by any administrator of the Administrative Agent, the Lenders, the Lender Agents, any other Secured Party, or any incorporator, stockholder, affiliate, officer, employee or director of the Administrative Agent, the Lenders, the Lender Agents or any other Secured Party or of any such administrator, as such, or any of them, under or by reason of any of the obligations, covenants or agreements of the Administrative Agent, the Lenders, the Lender Agents or any other Secured Party contained in this Agreement or in any other such instruments, documents or agreements, or are implied therefrom, and that any and all personal liability of every such administrator of the Administrative Agent, the Lenders, the Lender Agents or any other Secured Party and each incorporator, stockholder, affiliate, officer, employee or director of the Administrative Agent, the Lenders, the Lender Agents or any other Secured Party or of any such administrator, or any of them, for breaches by the Administrative Agent, the Lenders, the Lender Agents or any other Secured Party of any such obligations, covenants or agreements, which liability may arise either at common law or in equity, by statute or constitution, or otherwise, is hereby expressly waived as a condition of and in consideration for the execution of this Agreement; provided that the foregoing non-recourse provisions shall in no way affect any rights any Secured Party might have against any incorporator, affiliate, stockholder, officer, employee or director of the Borrower, any Borrower Advisor or the Collateral Custodian to the extent of any fraud, misappropriation, embezzlement or any other financial crime constituting a felony by such Person.

(b) Notwithstanding anything in this Agreement to the contrary, no claim may be made by the Borrower or any other Person affiliated with or related to the Borrower against the Administrative Agent, the Lenders, the Lender Agents or any Secured Party or their respective Affiliates, directors, officers, employees, attorneys or agents for any special, indirect, consequential or punitive damages in respect to any claim for breach of contract or any other theory of liability arising out of or related to the transactions contemplated by this Agreement, or any act, omission or event occurring in connection therewith; and the Borrower hereby waives, releases, and agrees not to sue upon any claim for any such damages, whether or not accrued and whether or not known or suspected.

(c) No obligation or liability to any Obligor under any of the Loans is intended to be assumed by the Administrative Agent, the Lenders, the Lender Agents or any Secured Party under or as a result of this Agreement and the transactions contemplated hereby.

(d) Notwithstanding anything in this Agreement to the contrary, no Conduit Lender shall have any obligation to pay any amount required to be paid by it hereunder in excess of any amount available to such Conduit Lender after paying or making provision for the payment of its Commercial Paper Notes. All payment obligations of each Conduit Lender hereunder are contingent on the availability of funds in excess of the amounts necessary to pay its Commercial Paper Notes; and each of the other parties hereto agrees that it will not have a claim under Section 101(5) of the Bankruptcy Code if and to the extent that any such payment obligation owed to it by a Conduit Lender exceeds the amount available to such Conduit Lender to pay such amount after paying or making provision for the payment of its Commercial Paper Notes.

(e) The provisions of this Section 12.09 shall survive the termination of this Agreement.

Section 12.10 Execution in Counterparts; Severability; Integration. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, 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. Delivery of an executed counterpart of a signature page to this Agreement by e-mail in portable document format (.pdf) or facsimile shall be effective as delivery of a manually executed counterpart of this Agreement. In the event that 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 other than any fee letter delivered by the Borrower to the Administrative Agent and the Lender Agents.

Section 12.11 Consent to Jurisdiction; Service of Process.

(a) Each party hereto hereby irrevocably submits to the non-exclusive jurisdiction of any New York State or Federal court sitting in New York City in any action or proceeding arising out of or relating to the Transaction Documents, and each party hereto hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court. The parties hereto hereby irrevocably waive, to the fullest extent they may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding. The parties hereto agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(b) The Borrower agrees that service of process may be effected by mailing a copy thereof by registered or certified mail, postage prepaid, to the Borrower at its address specified in Annex A or at such other address as the Administrative Agent shall have been notified in accordance herewith. Nothing in this Section 12.11 shall affect the right of the Lenders, the Lender Agents or the Administrative Agent to serve legal process in any other manner permitted by law.

Section 12.12 Characterization of Conveyances Pursuant to the Purchase and Sale Agreement.

(a) It is the express intent of the parties hereto that the conveyance of Eligible Loans by the Seller to the Borrower as contemplated by the Purchase and Sale Agreement be, and be treated for all purposes (other than accounting purposes and subject to the tax characterization of the Borrower and the Advances) as, a sale by the Seller of such Eligible Loans. It is, further, not the intention of the parties that such conveyance be deemed a pledge of the Eligible Loans by the Seller to the Borrower to secure a debt or other obligation of the Seller. However, in the event that, notwithstanding the intent of the parties, the Eligible Loans are held to continue to be property of the Seller, then the parties hereto agree that: (i) the Purchase and

Sale Agreement shall also be deemed to be a security agreement under Applicable Law; (ii) as set forth in the Purchase and Sale Agreement, the transfer of the Eligible Loans provided for in the Purchase and Sale Agreement shall be deemed to be a grant by the Seller to the Borrower of a first priority security interest (subject only to Permitted Liens) in all of the Seller's right, title and interest in and to the Eligible Loans and all amounts payable to the holders of the Eligible Loans in accordance with the terms thereof and all proceeds of the conversion, voluntary or involuntary, of the foregoing into cash, instruments, securities or other property, including, without limitation, all amounts from time to time held or invested in the Controlled Accounts, whether in the form of cash, instruments, securities or other property; (iii) the possession by the Borrower (or the Collateral Custodian on its behalf) of Loans and such other items of property as constitute instruments, money, negotiable documents or chattel paper shall be, subject to clause (iv), for purposes of perfecting the security interest pursuant to the UCC; and (iv) acknowledgements from Persons holding such property shall be deemed acknowledgements from custodians, bailees or agents (as applicable) of the Borrower for the purpose of perfecting such security interest under Applicable Law. The parties further agree that any assignment of the interest of the Borrower pursuant to any provision hereof shall also be deemed to be an assignment of any security interest created pursuant to the terms of the Purchase and Sale Agreement. The Borrower shall, to the extent consistent with this Agreement and the other Transaction Documents, take such actions as may be necessary to ensure that, if the Purchase and Sale Agreement was deemed to create a security interest in the Eligible Loans, such security interest would be deemed to be a perfected security interest of first priority (subject only to Permitted Liens) under Applicable Law and will be maintained as such throughout the term of this Agreement.

(b) It is the intention of each of the parties hereto that the Eligible Loans conveyed by the Seller to the Borrower pursuant to the Purchase and Sale Agreement shall constitute assets owned by the Borrower and shall not be part of the Seller's estate in the event of the filing of a bankruptcy petition by or against the Seller under any bankruptcy or similar law.

(c) The Borrower agrees to treat, and shall cause the Seller to treat, for all purposes (other than accounting purposes and subject to the tax characterization of the Borrower and the Advances), the transactions effected by the Purchase and Sale Agreement as sales of assets to the Borrower. The Borrower hereby agrees to cause the Seller to reflect in the Seller's financial records and to include a note in the publicly filed annual and quarterly financial statements of the Equityholder indicating that: (i) assets related to transactions (including transactions pursuant to the Transaction Documents) that do not meet SFAS 140 requirements for accounting sale treatment are reflected in the consolidated balance sheet of the Equityholder, as finance receivables pledged and non-recourse, secured borrowings (or the applicable financial statements are otherwise footnoted to explain that such assets are maintained separately from the assets of the Borrower and that such assets are not available to pay the debts of the Equityholder) and (ii) those assets are owned by a special purpose entity that is consolidated in the financial statements of the Equityholder, and the creditors of that special purpose entity have received ownership and/or security interests in such assets and such assets are not intended to be available to the creditors of sellers (or any affiliate of the sellers) of such assets to that special purpose entity.

Section 12.13 Confidentiality.

(a) Each of the Administrative Agent, the Lenders, the Lender Agents, the Borrower, the Account Bank, the Collateral Agent and the Collateral Custodian shall maintain and shall cause each of its employees and officers to maintain the confidentiality of the Agreement and all information with respect to the other parties, including all information regarding the business of the Borrower obtained by it or them in connection with the structuring, negotiating and execution of the transactions contemplated herein, except that each such party and its officers and employees may (i) disclose such information to its external accountants, investigators, auditors, attorneys or other agents, including any Approved Broker Dealer or Approved Valuation Firm, engaged by such party in connection with any due diligence or comparable activities with respect to the transactions and Loans contemplated herein and the agents of such Persons ("Excepted Persons"); provided that each Excepted Person shall, as a condition to any such disclosure, agree for the benefit of the Administrative Agent, the Lenders, the Lender Agents, the Borrower, the Account Bank, the Collateral Agent and the Collateral Custodian that such information shall be kept confidential and used solely in connection with such Excepted Person's evaluation of, or relationship with, the Borrower and its affiliates, (ii) disclose the existence of the Agreement, but not the financial terms thereof, (iii) disclose such information as is required by Applicable Law (including, without limitation, public filings with the Securities and Exchange Commission) and (iv) disclose the Agreement and such information in any suit, action, proceeding or investigation (whether in law or in equity or pursuant to arbitration) involving any of the Transaction Documents for the purpose of defending itself, reducing its liability, or protecting or exercising any of its claims, rights, remedies, or interests under or in connection with any of the Transaction Documents. Notwithstanding the foregoing provisions of this Section 12.13(a), the Borrower Advisors may, subject to Applicable Law and the terms of any Loan Agreements, make available copies of the documents in the Collateral Files and such other documents it holds in its capacity as a Borrower Advisor pursuant to the terms of the Transaction Documents, to any of its creditors. It is understood that the financial terms that may not be disclosed except in compliance with this Section 12.13(a) include, without limitation, all fees and other pricing terms, and all Events of Default, Collateral Control Events, and priority of payment provisions.

(b) Anything herein to the contrary notwithstanding, the Borrower hereby consents to the disclosure of any nonpublic information with respect to it (i) to the Administrative Agent, the Lenders, the Lender Agents, the Account Bank, the Collateral Agent or the Collateral Custodian by each other, (ii) by the Administrative Agent, the Lenders, the Lender Agents, the Account Bank, the Collateral Agent and the Collateral Custodian to any prospective or actual assignee or participant of any of them provided such Person agrees to hold such information confidential, or (iii) by the Administrative Agent, the Lenders, the Lender Agents, the Account Bank, the Collateral Agent and the Collateral Custodian to any commercial paper dealer or provider of a surety, guaranty or credit or liquidity enhancement to any Lender or any Person providing financing to, or holding equity interests in, any Conduit Lender, as applicable, and to any officers, directors, employees, outside accountants and attorneys of any of the foregoing, provided each such Person is informed of the confidential nature of such information. In addition, the Lenders, the Lender Agents, the Administrative Agent, the Collateral Agent, the Account Bank and the Collateral Custodian may disclose any such nonpublic information as required pursuant to any law, rule, regulation, direction, request or order of any judicial, administrative or regulatory authority or proceedings (whether or not having the force or effect of law).

(c) Notwithstanding anything herein to the contrary, the foregoing shall not be construed to prohibit (i) disclosure of any and all information that is or becomes publicly known; (ii) disclosure of any and all information (a) if required to do so by any applicable statute, law, rule or regulation, (b) to any government agency or regulatory body having or claiming authority to regulate or oversee any respects of the Lenders', the Lender Agents', the Administrative Agent's, the Collateral Agent's, the Account Bank's or the Collateral Custodian's business or that of their affiliates, (c) pursuant to any subpoena, civil investigative demand or similar demand or request of any court, regulatory authority, arbitrator or arbitration to which the Administrative Agent, any Lender, any Lender Agent, the Collateral Agent, the Collateral Custodian or the Account Bank or an officer, director, employer, shareholder or affiliate of any of the foregoing is a party, (d) in any preliminary or final offering circular, registration statement or contract or other document approved in advance by the Borrower or (e) to any affiliate, independent or internal auditor, agent, employee or attorney of the Collateral Agent or the Collateral Custodian having a need to know the same, provided that the disclosing party advises such recipient of the confidential nature of the information being disclosed; or (iii) any other disclosure authorized by the Borrower.

Section 12.14 Non-Confidentiality of Tax Treatment.

All parties hereto agree that each of them and each of their employees, representatives, and other agents may disclose to any and all Persons, without limitation of any kind, the tax treatment and tax structure of the transaction and all materials of any kind (including, without limitation, opinions or other tax analyses) that are provided to any of them relating to such tax treatment and tax structure. "Tax treatment" and "tax structure" shall have the same meaning as such terms have for purposes of Treasury Regulation Section 1.6011-4; provided that with respect to any document or similar item that in either case contains information concerning the tax treatment or tax structure of the transaction as well as other information, the provisions of this Section 12.13 shall only apply to such portions of the document or similar item that relate to the tax treatment or tax structure of the transactions contemplated hereby.

Section 12.15 Waiver of Set Off.

Each of the parties hereto hereby waives any right of setoff it may have or to which it may be entitled under this Agreement from time to time against the Administrative Agent, the Lenders, the Lender Agents or their respective assets.

Section 12.16 Headings 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 12.17 Ratable Payments.

If any Lender, whether by setoff or otherwise, shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of setoff, or otherwise) on account of Advances owing to it (other than pursuant to Breakage Fees, Section 2.09 or Section 2.10) in excess of its ratable share of payments on account of the Advances obtained by all the Lenders, such Lender shall forthwith purchase from the other Lenders such participations in the Advances owing to them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; provided, that, if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (i) the amount of such Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered.

Section 12.18 Failure of Borrower or Collateral Manager to Perform Certain Obligations.

If the Borrower fails, or fails to cause the Collateral Manager, as applicable, to perform any of its agreements or obligations under Section 5.01(s), Section 5.02(p) or the Management Agreement, the Administrative Agent may (but shall not be required to) itself perform, or cause performance of, such agreement or obligation, and the expenses of the Administrative Agent incurred in connection therewith shall be payable by the Borrower upon the Administrative Agent's demand therefor.

Section 12.19 Power of Attorney.

The Borrower irrevocably authorizes the Administrative Agent and appoints the Administrative Agent as its attorney-in-fact to act on behalf of the Borrower (i) to file financing statements necessary or desirable in the Administrative Agent's sole discretion to perfect and to maintain the perfection and priority of the interest of the Secured Parties in the Collateral Portfolio and (ii) to file a carbon, photographic or other reproduction of this Agreement or any financing statement with respect to the Collateral Portfolio as a financing statement in such offices as the Administrative Agent in its sole discretion deems necessary or desirable to perfect and to maintain the perfection and priority of the interests of the Secured Parties in the Collateral Portfolio. This appointment is coupled with an interest and is irrevocable.

Section 12.20 Intent of the Parties.

It is the intent and understanding of each party hereto that the Advances are loans from the Lenders to the Borrower and do not constitute a "security" within the meaning of Section 8-102(15) of the UCC.

Section 12.21 Limitation on Liability.

Notwithstanding anything herein to the contrary, it is understood and agreed that no Borrower Advisor assumes any liability or obligation of the Borrower, including without limitation any of the Obligations.

[Signature pages to follow.]

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.

THE BORROWER:

WALNUT STREET FUNDING LLC as the Borrower

By: /s/ Gerald F. Stahlecker

Name: Gerald F. Stahlecker

Title: Executive Vice President

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

THE ADMINISTRATIVE AGENT:

WELLS FARGO SECURITIES, LLC, as the Administrative Agent

By: /s/ Jason Powers

Name: Jason Powers

Title: Managing Director

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

INSTITUTIONAL LENDER:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as an Institutional Lender

By: /s/ Raj Shah

Name: Raj Shah

Title: Managing Director

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

THE COLLATERAL AGENT:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as the Collateral Agent

By: /s/ José M. Rodriguez

Name: José M. Rodriguez

Title: Vice President

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

THE ACCOUNT BANK:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as the Account Bank

By: /s/ José M. Rodriguez

Name: José M. Rodriguez

Title: Vice President

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

THE COLLATERAL CUSTODIAN:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as the Collateral
Custodian

By: /s/ José M. Rodriguez

Name: José M. Rodriguez

Title: Vice President

Notices for Addresses

If to the Borrower (or any Borrower Advisor c/o the Borrower):

Walnut Street Funding LLC
c/o FS Investment Corporation
Cira Centre
2929 Arch Street, Suite 675
Philadelphia, PA 19104
Attn: Bill Goebel, Chief Financial Officer and Ken Miller, Vice President
Telephone: (215) 495-1169
Fax: (215) 222-4649
Email: bill.goebel@franklinsquare.com

Annex A-1

If to the Administrative Agent:

Wells Fargo Securities, LLC
One Wells Fargo Center, Mail Code: D1053-082
Charlotte, North Carolina 28288
Attention: Jason Powers
Fax: (704) 374-6495
Confirmation No: (704) 383-3702

If to the Institutional Lender:

Wells Fargo Bank, National Association
One Wells Fargo Center, Mail Code: D1053-082
Charlotte, North Carolina 28288
Attention: Raj Shah
Fax: (704) 715-0067
Confirmation No: (704) 374-6230

If to the Collateral Agent:

Wells Fargo Bank, National Association
9062 Old Annapolis Rd.
Columbia, Maryland 21045
Attn: CDO Trust Services – Walnut Street Funding LLC
Fax: (410) 715-3748
Phone: (410) 884-2000

If to the Account Bank:

Wells Fargo Bank, National Association
9062 Old Annapolis Rd.
Columbia, Maryland 21045
Attn: CDO Trust Services – Walnut Street Funding LLC
Fax: (410) 715-3748
Phone: (410) 884-2000

If to the Collateral Custodian:

Wells Fargo Bank, National Association
ABS Custody Vault
1055 10th Avenue SE
MAC N9401-011
Minneapolis, MN 55414
Attention: Corporate Trust Services - Asset-Backed Securities Vault
Phone: (612) 667-8058
Fax: (612) 667-1080

With a copy to:

Wells Fargo Bank, National Association
Sixth Street and Marquette Avenue
MAC N9311-161
Minneapolis, MN 55479
Attention: Corporate Trust Services – Asset-Backed Administration
Phone: (612) 667-8058
Fax: (612) 667-3464

With a copy to:

Wells Fargo Bank, National Association
9062 Old Annapolis Rd.
Columbia, Maryland 21045
Attn: CDO Trust Services - Walnut Street Funding LLC
Fax: (410) 715-3748
Phone: (410) 884-2000

Commitments

<u>Conduit Lender</u>	<u>Commitment</u>
N/A	N/A
<u>Institutional Lender</u>	<u>Commitment</u>
Wells Fargo Bank, National Association	\$250,000,000

Annex B-1

PURCHASE AND SALE AGREEMENT

by and between

WALNUT STREET FUNDING LLC,

as the Purchaser

and

FS INVESTMENT CORPORATION,

as the Seller

Dated as of May 17, 2012

TABLE OF CONTENTS

		Page
ARTICLE I.	DEFINITIONS	1
Section 1.1	General.	1
Section 1.2	Specific Terms.	2
Section 1.3	Other Terms.	5
Section 1.4	Computation of Time Periods.	5
Section 1.5	Certain References.	5
ARTICLE II.	SALE AND PURCHASE OF THE ELIGIBLE LOANS AND OTHER PORTFOLIO ASSETS	5
Section 2.1	Sale and Purchase of the Eligible Loans and the Other Portfolio Assets.	5
Section 2.2	Purchase Price.	7
Section 2.3	Payment of Purchase Price.	8
Section 2.4	Nature of the Sales.	8
ARTICLE III.	CONDITIONS OF SALE AND PURCHASE	10
Section 3.1	Conditions Precedent to Effectiveness.	10
Section 3.2	Conditions Precedent to All Purchases.	11
ARTICLE IV.	REPRESENTATIONS AND WARRANTIES	12
Section 4.1	Representations and Warranties of the Seller.	12
Section 4.2	Representations and Warranties of the Seller Relating to the Agreement and the Sale Portfolio.	18
Section 4.3	Representations and Warranties of the Purchaser.	19
ARTICLE V.	COVENANTS OF THE SELLER	20
Section 5.1	Protection of Title of the Purchaser.	20
Section 5.2	Affirmative Covenants of the Seller.	23
Section 5.3	Negative Covenants of the Seller.	27
ARTICLE VI.	REPURCHASES AND SUBSTITUTION BY THE SELLER	28
Section 6.1	Repurchase of Loans.	28
Section 6.2	Substitution of Loans.	29

ARTICLE VII.	ADDITIONAL RIGHTS AND OBLIGATIONS IN RESPECT OF THE SALE PORTFOLIO	31
Section 7.1	Rights of the Purchaser.	31
Section 7.2	Rights With Respect to Loan Files.	31
Section 7.3	Notice to Collateral Agent, Administrative Agent and each Lender Agent.	31
ARTICLE VIII.	SELLER TERMINATION EVENTS	32
Section 8.1	Seller Termination Events.	32
Section 8.2	Survival of Certain Provisions.	33
ARTICLE IX.	INDEMNIFICATION	34
Section 9.1	Indemnification by the Seller.	34
Section 9.2	Assignment of Indemnities.	35
ARTICLE X.	MISCELLANEOUS	35
Section 10.1	Liability of the Seller.	35
Section 10.2	Limitation on Liability.	35
Section 10.3	Amendments; Limited Agency.	35
Section 10.4	Waivers; Cumulative Remedies.	35
Section 10.5	Notices.	36
Section 10.6	Merger and Integration.	36
Section 10.7	Severability of Provisions.	36
Section 10.8	GOVERNING LAW; JURY WAIVER.	36
Section 10.9	Consent to Jurisdiction; Service of Process.	36
Section 10.10	Costs, Expenses and Taxes.	37
Section 10.11	Counterparts.	37
Section 10.12	Bankruptcy Non-Petition and Limited Recourse; Claims.	37
Section 10.13	Binding Effect; Assignability.	38
Section 10.14	Waiver of Setoff.	38
Section 10.15	Headings and Exhibits.	39
Section 10.16	Rights of Inspection.	39
Section 10.17	Subordination.	39
Section 10.18	Confidentiality.	39

SCHEDULES AND EXHIBITS

Schedule I - Sale Portfolio List

Exhibit A - Form of Loan Assignment

Exhibit B - Form of Officer's Purchase Date Certificate

Exhibit C - Form of Power of Attorney for Seller

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT, dated as of May 17, 2012, by and between FS INVESTMENT CORPORATION, a Maryland corporation, as the seller (the "Seller") and WALNUT STREET FUNDING LLC, a Delaware limited liability company, as the purchaser (the "Purchaser").

WITNESSETH:

WHEREAS, the Purchaser has agreed to Purchase (as hereinafter defined) from the Seller from time to time, and the Seller has agreed to Sell (as hereinafter defined) to the Purchaser from time to time, certain Loans related thereto on the terms set forth herein;

WHEREAS, it is contemplated that the Loans Purchased hereunder may be Pledged by the Purchaser pursuant to the Loan and Servicing Agreement (as defined herein) and the related Transaction Documents, to the Collateral Agent, for the benefit of the Secured Parties; and

WHEREAS, the Seller agrees that all representations, warranties, covenants and agreements made by the Seller herein with respect to the Sale Portfolio (as defined herein) have been assigned by the Purchaser to the Collateral Agent for the benefit of the Secured Parties and, as such, shall also be for the benefit of any Secured Party.

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Purchaser and the Seller, intending to be legally bound, hereby agree as follows:

ARTICLE I.

DEFINITIONS

Section 1.1 General. The specific terms defined in this Article include the plural as well as the singular. Words herein importing a gender include the other gender. References herein to "writing" include printing, typing, lithography and other means of reproducing words in visible form. References to agreements and other contractual instruments include all subsequent amendments thereto or changes therein entered into in accordance with their respective terms and not prohibited by this Agreement or the Loan and Servicing Agreement (as hereinafter defined). References herein to Persons include their successors and assigns permitted hereunder or under the Loan and Servicing Agreement. The terms "include" or "including" mean "include without limitation" or "including without limitation". The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision, and Article, Section, Schedule and Exhibit references, unless otherwise specified, refer to Articles and Sections of and

Schedules and Exhibits to this Agreement. References 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. Capitalized terms used herein but not defined herein shall have the respective meanings assigned to such terms in the Loan and Servicing Agreement, *provided* that, if, within such definition in the Loan and Servicing Agreement a further term is used which is defined herein, then such further term shall have the meaning given to such further term herein.

Section 1.2 Specific Terms. Whenever used in this Agreement, the following words and phrases, unless the context otherwise requires, shall have the following meanings:

“Agreement” means this Purchase and Sale Agreement, as the same may be amended, restated, waived, supplemented and/or otherwise modified from time to time hereafter.

“Available Collections” means all cash collections and other cash proceeds with respect to any Loan, including, without limitation, all Principal Collections, all Interest Collections, all proceeds of any sale or disposition (in part or in whole) with respect to such Loan, cash proceeds or other funds received by the Seller or the Collateral Manager with respect to any Underlying Collateral (including from any guarantors).

“Early Termination” has the meaning specified in Section 8.1.

“Facility Financing Statements” has the meaning specified in Section 3.1(iv).

“Indemnified Amounts” has the meaning specified in Section 9.1(a).

“Indemnified Party” has the meaning specified in Section 9.1(a).

“Loan and Servicing Agreement” means that certain Loan and Servicing Agreement, dated as of the Closing Date, by and among the Purchaser, as the Borrower, Wells Fargo Securities, LLC, as the Administrative Agent, each of the Conduit Lenders and Institutional Lenders from time to time party thereto, each of the Lender Agents from time to time party thereto and Wells Fargo Bank, National Association, as the Collateral Agent, as the Account Bank and as the Collateral Custodian, as such may be amended, restated, supplemented or otherwise modified from time to time pursuant to the terms thereof.

“Loan” means any loan listed on Schedule I hereto, as the same may be amended, supplemented, restated or replaced from time to time, and all accounts, payment intangibles, instruments and other property related to the foregoing.

“Loan Assignment” means a Loan Assignment executed by the Seller and accepted by the Purchaser, substantially in the form of Exhibit A attached hereto.

“Non-Consolidation/True Sale Opinion” has the meaning specified in Section 4.1(ii).

“Pension Plan” has the meaning specified in Section 4.1(r).

“Portfolio Assets” means all Loans owned by the Seller, together with all proceeds thereof and other assets or property related thereto, including all right, title and interest of the Seller in and to:

- (a) any amounts on deposit in any cash reserve, collection, custody or lockbox accounts securing the Loans;
- (b) all rights with respect to the Loans to which the Seller is entitled as lender under the applicable Loan Agreement;
- (c) any Underlying Collateral securing a 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 Cut-Off Date and all liquidation proceeds;
- (d) all Required Loan Documents, the Loan Files related to any Loan, any Records, and the documents, agreements, and instruments included in the Loan Files or Records;
- (e) all Insurance Policies with respect to any Loan;
- (f) all Liens, guaranties, indemnities, warranties, letters of credit, accounts, bank accounts and property subject thereto from time to time purporting to secure or support payment of any Loan, together with all UCC financing statements, mortgages or similar filings signed or authorized by an Obligor relating thereto;
- (g) all records (including computer records) with respect to the foregoing; and
- (h) all collections, income, payments, proceeds and other benefits of each of the foregoing.

“Purchase” means a purchase by the Purchaser of an Eligible Loan and the related Portfolio Assets from the Seller pursuant to Article II.

“Purchase Date” has the meaning specified in Section 2.1(b).

“Purchase Price” has the meaning specified in Section 2.2.

“Purchaser” has the meaning specified in the Preamble.

“Purchaser Restricted Junior Payment” means (i) any dividend or other distribution, direct or indirect, on account of any class of membership interests of the Purchaser now or hereafter outstanding, except a dividend paid solely in interests of that class of membership interests or in any junior class of membership interests of the Purchaser; (ii) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any class of membership interests of the Purchaser now or hereafter outstanding, (iii) any payment made to redeem, purchase, repurchase or retire, or to obtain the

surrender of, any outstanding warrants, options or other rights to acquire membership interests of the Purchaser now or hereafter outstanding, and (iv) any payment of management fees by the Purchaser. For the avoidance of doubt, (x) payments and reimbursements due to the Collateral Manager in accordance with the Transaction Documents do not constitute Purchaser Restricted Junior Payments, and (y) distributions by the Purchaser to holders of its membership interests of Loans or of cash or other proceeds relating thereto which have been substituted or transferred in connection with a Lien Release Dividend by the Purchaser in accordance with the Loan and Servicing Agreement shall not constitute Purchaser Restricted Junior Payments.

“Replaced Loan” has the meaning specified in Section 6.2(b)(i).

“Repurchase Price” means, with respect to a Loan to be repurchased pursuant to Article VI hereof, an amount equal to the Purchase Price less all Principal Collections received in respect of such Loan from the Purchase Date to the date of repurchase hereunder.

“Sale” and “Sell” have the meanings specified in Section 2.1(a), and the term “Sold” shall have the corresponding meaning.

“Sale Portfolio” means all right, title, and interest (whether now owned or hereafter acquired or arising, and wherever located) of the Seller in the property identified below in clauses (i) through (iii) and all accounts, cash and currency, chattel paper, tangible chattel paper, electronic chattel paper, copyrights, copyright licenses, equipment, fixtures, contract rights, general intangibles, instruments, certificates of deposit, certificated securities, uncertificated securities, financial assets, securities entitlements, commercial tort claims, deposit accounts, inventory, investment property, letter-of-credit rights, software, supporting obligations, accessions, or other property consisting of, arising out of, or related to any of the following (in each case excluding the Retained Interest and the Excluded Amounts):

(i) the Loans, and all monies due or to become due in payment under such Loans on and after the related Cut-Off Date, including, but not limited to, all Available Collections;

(ii) the Portfolio Assets with respect to the Loans referred to in clause (i); and

(iii) all income and Proceeds of the foregoing.

“Schedule I” means the schedule of all Sale Portfolio that is Sold by the Seller to the Purchaser on a Purchase Date, as supplemented on any subsequent Purchase Date by the “Schedule I” attached to the applicable Loan Assignment, and incorporated herein by reference, as such schedule may be supplemented and amended from time to time pursuant to the terms hereof, which schedule shall, together with all supplements and amendments thereto, be included in and made part of the Loan Schedule attached to the Loan and Servicing Agreement.

“Seller Purchase Event” means with respect to any Loan, the occurrence of a breach of the Seller’s representations and warranties under Section 4.2 on the Cut-Off Date for such Loan.

“Seller Termination Event” has the meaning specified in Section 8.1(a).

“Substitute Eligible Loan” has the meaning specified in Section 6.2(a).

“Substitution” has the meaning specified in Section 6.2(a).

“Transfer Taxes” means any tax, fee or governmental charge payable by the Purchaser, the Seller or any other Person to any federal, state or local government arising from or otherwise related to the Sale of any Loan, the related Underlying Collateral (if any) and/or any other related Portfolio Assets from the Seller to the Purchaser under this Agreement (excluding taxes measured by net income).

Section 1.3 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 1.4 Computation of Time Periods. Unless otherwise stated in this Agreement, in the computation of a period of time from a specified date to later specified date, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding”. Reference to days or days without further qualification means calendar days. Reference to any time means Charlotte, North Carolina time.

Section 1.5 Certain References. All references to the Outstanding Balance of a Loan as of a Purchase Date shall refer to the close of business on such day.

ARTICLE II.

SALE AND PURCHASE OF THE ELIGIBLE LOANS AND OTHER PORTFOLIO ASSETS

Section 2.1 Sale and Purchase of the Eligible Loans and the Other Portfolio Assets.

(a) Subject to the terms and conditions of this Agreement (including the conditions to Purchase set forth in Article III), on and after the Closing Date, the Seller hereby agrees to (i) sell, transfer and otherwise convey (collectively, “Sell” and any such sale, transfer and/or other conveyance, a “Sale”), from time to time, to the Purchaser, without recourse (except to the extent specifically provided herein), and the Purchaser hereby agrees to purchase, all right, title and interest of the Seller (whether now owned or hereafter acquired or arising, and wherever located) in and to certain Sale Portfolio designated by the Seller and accepted by the Purchaser and (ii) in furtherance of the Sale, transfer, or cause the deposit into, the Collection Account of all Available Collections received by the Seller on account of any Sale Portfolio hereunder on and after the Purchase Date with respect to such Sale Portfolio, in each case, within two (2) Business Days of the receipt thereof. The Seller hereby acknowledges that each Sale to the Purchaser hereunder is absolute and irrevocable, without reservation or retention of any interest whatsoever by the Seller.

(b) To the extent the Seller desires to effectuate any Sale, the Seller shall on or prior to any Business Day prior to a Seller Termination Event execute and deliver to the Purchaser a proposed Loan Assignment identifying the Sale Portfolio to be Sold by the Seller to the Purchaser on such date and to the extent such Sale is accepted for Purchase by the Purchaser, the Purchaser shall accept such Loan Assignment (each such date of acceptance, a “Purchase Date”). From and after such Purchase Date, the Sale Portfolio listed on Schedule I to the related Loan Assignment shall be deemed to be listed on Schedule I hereto and constitute part of the Sale Portfolio hereunder.

(c) On or before any Purchase Date with respect to the Sale Portfolio to be acquired by the Purchaser on such date, the Seller shall provide the Purchaser with an Officer’s Certificate, in the form of Exhibit B hereto, signed by an Authorized Person certifying, as of such Purchase Date, to each of the items in Section 4.2.

(d) On and after each Purchase Date hereunder and upon payment of the Purchase Price therefor, the Purchaser shall own the Sale Portfolio Sold by the Seller to the Purchaser on such Purchase Date, and the Seller shall not take any action inconsistent with such ownership and shall not claim any ownership interest in such Sale Portfolio.

(e) Except as specifically provided in this Agreement, the Sale and Purchase of the Sale Portfolio under this Agreement shall be without recourse to the Seller; it being understood that the Seller shall be liable to the Purchaser for all representations, warranties, covenants and indemnities made by the Seller pursuant to the terms of this Agreement, all of which obligations are limited so as not to constitute recourse to the Seller for the credit risk of the Obligors.

(f) Neither the Purchaser nor any assignee of the Purchaser (including the Secured Parties) shall have any obligation or liability to any Obligor or client of the Seller (including any obligation to perform any obligation of the Seller, including with respect to any other related agreements) in respect of the Sale Portfolio. No such obligation or liability is intended to be assumed by the Purchaser or any assignee of the Purchaser (including the Secured Parties) and any such assumption is expressly disclaimed. Without limiting the generality of the foregoing, the Sale of the Sale Portfolio by the Seller to the Purchaser pursuant to this Agreement does not constitute and is not intended to result in a creation or assumption by the Purchaser or any assignee of the Purchaser (including the Secured Parties), of any obligation of the Seller, as lead agent, collateral agent or paying agent under any Agented Loan.

(g) In connection with each Purchase of Sale Portfolio hereunder, the Seller shall cause to be delivered to the Collateral Custodian (with a copy to the Administrative Agent), no later than 2:00 p.m. one Business Day prior to the related Purchase Date, a faxed or e-mailed copy of the duly executed original promissory notes of the Loans (and, in the case of any Noteless Loan, a fully executed assignment agreement) and if any Loans are closed in escrow, a certificate (in the form of Exhibit J to the Loan and Servicing Agreement) from the closing attorneys of such Loans certifying the possession of the Required Loan Documents; *provided* that, notwithstanding the foregoing, the Seller shall cause the Loan Checklist and the Required Loan Documents to be in the possession of the Collateral Custodian within two (2) Business Days after the related Purchase Date.

(h) In accordance with the Loan and Servicing Agreement, certain documents relating to Sale Portfolio shall be delivered to and held in trust by the Collateral Custodian for the benefit of the Purchaser and its assignees, and the Purchaser hereby instructs the Seller to cause such documents to be delivered to the Collateral Custodian. Such delivery to the Collateral Custodian of such documents and the possession thereof by the Collateral Custodian is at the will of the Purchaser and its assignees and in a custodial capacity for their benefit only.

(i) The Seller shall provide all information, and any other reasonable assistance, to the Collateral Manager, the Collateral Custodian and the Collateral Agent necessary for the Collateral Manager, the Collateral Custodian and the Collateral Agent, as applicable, to conduct the management, administration and collection of the Sale Portfolio Purchased hereunder in accordance with the terms of the Loan and Servicing Agreement.

(j) In connection with the Purchase by the Purchaser of Sale Portfolio as contemplated by this Agreement, the Seller further agrees that it shall, at its own expense, mark its books and records in a manner that accurately ensures all assets which constitute Sale Portfolio are clearly marked as being held in the Purchaser's name.

(k) The Seller further agrees to deliver to the Purchaser on or before each Purchase Date a computer file containing a true, complete and correct list of all Loans to be Sold hereunder on such Purchase Date, identified by Obligor's name and Outstanding Balance as of the related Cut-Off Date. Such file or list shall be marked as Schedule I to the applicable Loan Assignment and shall be delivered to the Purchaser as confidential and proprietary, and is hereby incorporated into and made a part of Schedule I to this Agreement, as such Schedule I may be supplemented and amended from time to time.

(l) The Seller shall, at all times, continue to fulfill its obligations (if any remain after the Sale) under the terms of all Loan Agreements related to any Sale Portfolio purchased hereunder, including without limitation any obligations pertaining to any Retained Interest.

(m) The Seller and the Purchaser each acknowledge with respect to itself that the representations and warranties of the Seller in Sections 4.1 and 4.2 hereof and of the Purchaser in Section 4.3 hereof, and the covenants and agreements of the Seller herein, including without limitation, in Article V and Article VI hereof, will run to and be for the benefit of the Purchaser, which has assigned the same as collateral security to the Collateral Agent (on behalf of the Secured Parties) pursuant to the Loan and Servicing Agreement and the Collateral Agent (on behalf of the Secured Parties) may enforce directly (without joinder of the Purchaser when enforcing against the Seller), the obligations of the Seller or the Purchaser, as applicable, with respect to breaches of such representations, warranties, covenants and all other obligations as set forth in this Agreement.

Section 2.2 Purchase Price.

The purchase price for each item of Sale Portfolio Sold to the Purchaser hereunder on the applicable Purchase Date (the "Purchase Price") shall be in a dollar amount equal to the fair market value (which may be a combination of cash and equity contribution) of

such Loan as determined from time to time by the Seller and the Purchaser; provided, however, that the Seller shall not be bound by the Purchase Price for accounting purposes. Each of the Purchaser and the Seller hereby agree that the fair market value of each Loan Sold hereunder as of the related Purchase Date shall not be less than the Adjusted Borrowing Value of such Loan on the related Purchase Date.

Section 2.3 Payment of Purchase Price.

(a) The Purchase Price for any Sale Portfolio Sold by the Seller to the Purchaser on any Purchase Date shall be paid in a combination of: (i) immediately available funds; and (ii) if the Purchaser does not have sufficient funds to pay the full amount of the Purchase Price (after taking into account the proceeds the Purchaser expects to receive pursuant to the Advances under the Loan and Servicing Agreement), by means of a capital contribution by the Seller to the Purchaser.

(b) The portion of such Purchase Price to be paid in immediately available funds shall be paid by wire transfer on the applicable Purchase Date to an account designated by the Seller on or before such Purchase Date or by means of proper accounting entries being entered upon the accounts and records of the Seller and the Purchaser on the applicable Purchase Date.

(c) In connection with each delivery of a Loan Assignment, the Seller hereunder shall be deemed to have certified, with respect to the Sale Portfolio to be Sold by it on such day, that its representations and warranties contained in Sections 4.1 and 4.2 are true and correct in all respects on and as of such day, with the same effect as though made on and as of such day (other than any representation or warranty that is made as of a specific date), that no Seller Termination Event has occurred or would result therefrom and no event that upon the passage of time would constitute a Seller Termination Event exists or would result therefrom.

(d) Upon the payment of the Purchase Price for any Purchase, title to the Sale Portfolio included in such Purchase shall vest in the Purchaser, whether or not the conditions precedent to such Purchase and the other covenants and agreements contained herein were in fact satisfied; *provided* that the Purchaser 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 Nature of the Sales.

(a) It is the express intent of the parties hereto that the Sale of the Sale Portfolio by the Seller to the Purchaser hereunder be, and be treated for all purposes (other than tax and accounting purposes) as an absolute sale by the Seller (free and clear of any Lien, security interest, charge or encumbrance other than Permitted Liens) of such Sale Portfolio. It is, further, not the intention of the parties that such Sale be deemed a pledge of the Sale Portfolio by the Seller to the Purchaser to secure a debt or other obligation of the Seller. However, in the event that, notwithstanding the intent of the parties, the Sale Portfolio is held to continue to be property of the Seller, then the parties hereto agree that: (i) this Agreement shall also be deemed to be, and hereby is, a "security agreement" within the meaning of Article 9 of the UCC; (ii) the

transfer of the Sale Portfolio provided for in this Agreement shall be deemed to be a grant by the Seller to the Purchaser of, and the Seller hereby grants, a first priority security interest (subject only to Permitted Liens) in all of the Seller's right, title and interest in and to the Sale Portfolio and all amounts payable to the holders of the Sale Portfolio in accordance with the terms thereof and all proceeds of the conversion, voluntary or involuntary, of the foregoing into cash, instruments, securities or other property, including, without limitation, all amounts from time to time held or invested in the Controlled Accounts, whether in the form of cash, instruments, securities or other property, 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 Sale Portfolio together with all of the other obligations of the Seller hereunder; (iii) the possession by the Purchaser (or the Collateral Custodian on behalf of the Collateral Agent, for the benefit of the Secured Parties) of Sale Portfolio and such other items of property as constitute instruments, money, negotiable documents or chattel paper shall be, subject to clause (iv), for purposes of perfecting the security interest pursuant to the UCC; and (iv) acknowledgements from Persons holding such property shall be deemed acknowledgements from custodians, bailees or agents (as applicable) of the Purchaser for the purpose of perfecting such security interest under Applicable Law. The parties further agree in such event that any assignment of the interest of the Purchaser pursuant to any provision hereof shall also be deemed to be an assignment of any security interest created pursuant to the terms of this Agreement. The Seller shall, to the extent consistent with this Agreement and the other Transaction Documents, take such actions as may be necessary to ensure that, if this Agreement were deemed to create a security interest in the Sale Portfolio, such security interest would be deemed to be a perfected security interest of first priority (subject only to Permitted Liens) under Applicable Law and will be maintained as such throughout the term of this Agreement. The Purchaser 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.

(b) It is the intention of each of the parties hereto that the Sale Portfolio Sold by the Seller to the Purchaser pursuant to this Agreement shall constitute assets owned by the Purchaser and shall not be part of the Seller's estate in the event of the filing of a bankruptcy petition by or against the Seller under any bankruptcy or similar law.

(c) The Purchaser agrees to treat, and shall cause the Seller to treat, for all purposes (other than tax and accounting purposes), the transactions effected by this Agreement as sales of assets to the Purchaser. The Seller agrees to reflect in the Seller's financial records and to include a note in its the publicly filed annual and quarterly financial statements of indicating that: (i) assets related to transactions (including transactions pursuant to the Transaction Documents) that do not meet SFAS 140 requirements for accounting sale treatment are reflected in its consolidated balance sheet as finance receivables pledged and non-recourse, secured borrowings and (ii) those assets are owned by a special purpose entity that is consolidated in its financial statements, and the creditors of that special purpose entity have received ownership and/or security interests in such assets and such assets are not intended to be available to the creditors of sellers (or any affiliate of the sellers) of such assets to that special purpose entity.

ARTICLE III.

CONDITIONS OF SALE AND PURCHASE

Section 3.1 Conditions Precedent to Effectiveness. This Agreement shall be effective upon the satisfaction of the conditions precedent that the Purchaser shall have received on or before the Closing Date, in form and substance satisfactory to the Purchaser, all of the following:

(i) a copy of this Agreement duly executed by each of the parties hereto;

(ii) a certificate of any director, the Secretary or Assistant Secretary of the Seller, dated the Closing Date, certifying (A) the names and true signatures of the incumbent directors and/or officers of the Seller authorized to sign on behalf of the Seller this Agreement, the Loan Assignments and all other documents to be executed by the Seller hereunder or in connection herewith (on which certificate the Purchaser and its assignees may conclusively rely until such time as the Purchaser and such assignees shall receive from the Seller, a revised certificate meeting the requirements of this Section 3.1(ii)), (B) that the copy of the certificate of incorporation of the Seller is a complete and correct copy and that such certificate of incorporation has not been amended, modified or supplemented and is in full force and effect, (C) that the copy of the incorporation documents of the Seller are a complete and correct copy, and that such incorporation documents have not been amended, modified or supplemented and are in full force and effect, and (D) the resolutions of the board of directors of the Seller approving and authorizing the execution, delivery and performance by the Seller of this Agreement, the Loan Assignments and all other documents to be executed by the Seller hereunder or in connection herewith;

(iii) a good standing certificate, dated as of a recent date for the Seller, issued by the applicable Governmental Authority of the Seller's jurisdiction of incorporation;

(iv) filed, original copies of proper financing statements (the "Facility Financing Statements") describing the Sale Portfolio, and naming the Seller as the "Debtor/Seller", the Purchaser as "Secured Party/Buyer" and the Collateral Agent, for the benefit of the Secured Parties, as "Total Assignee", or other similar instruments or documents, in form and substance sufficient for filing under the UCC or any comparable law of any and all jurisdictions as may be necessary to perfect the Purchaser's security interest in all Sale Portfolio;

(v) copies of properly authorized termination statements or statements of release (on Form UCC-3) or other similar instruments or documents, if any, in form and substance sufficient for filing under the UCC or any comparable law of any and all jurisdictions as may be necessary to release all security interests and similar rights of any Person in the Sale Portfolio previously granted by the Seller;

(vi) copies of tax and judgment lien searches in all jurisdictions reasonably requested by the Purchaser or its assignees and requests for information (or a similar UCC search report certified by a party acceptable to the Purchaser and its assigns), dated a date reasonably near to the Closing Date, and with respect to such requests for information or UCC searches, listing all effective financing statements which name the Seller (under its present name and any previous name) as debtor and which are filed in the District of Columbia, together with copies of such financing statements (none of which shall cover any Sale Portfolio);

(vii) all instruments in connection with the transactions contemplated by this Agreement shall be satisfactory in form and substance to the Purchaser, each Lender Agent and the Administrative Agent, and the Purchaser, each Lender Agent and the Administrative Agent shall have received from the Seller copies of all documents (including, without limitation, records of corporate proceedings, approvals and opinions) relevant to the transactions herein contemplated as the Purchaser, each Lender Agent and the Administrative Agent may have requested;

(viii) any necessary third party consents to the closing of the transactions contemplated hereby, in form and substance satisfactory to the Purchaser;

(ix) the Seller shall have paid all fees then required to be paid by it on the Closing Date; and

(x) one or more favorable Opinions of Counsel from counsel to the Seller with respect to the perfection and enforceability of the security interest hereunder and such other matters as the Purchaser or any assignee thereof may reasonably request.

Section 3.2 Conditions Precedent to All Purchases. The Purchase to take place on the initial Purchase Date and each Purchase to take place on a subsequent Purchase Date hereunder shall be subject to the further conditions precedent that:

(a) The following statements shall be true:

(i) The representations and warranties of the Seller contained in Sections 4.1 and 4.2 shall be true and correct on and as of such Purchase Date in all respects, before and after giving effect to the Purchase to take place on such Purchase Date and to the application of proceeds therefrom, as though made on and as of such date (other than any representation and warranty that is made as of a specific date);

(ii) The Seller is in compliance in all respects with each of its covenants and other agreements set forth herein;

(iii) No Seller Termination Event (or event which, with the passage of time or the giving of notice, or both, would constitute a Seller Termination Event) shall have occurred or would result from such Purchase;

(iv) The earlier of (i) the end of the Reinvestment Period and (ii) the Facility Maturity Date has not yet occurred; and

(v) 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 any such Purchase by the Purchaser in accordance with the provisions hereof.

(b) The Purchaser shall have received a duly executed and completed Loan Assignment along with a Schedule I that is true, accurate and complete in all respects as of the related Cut-Off Date.

(c) The Seller shall have delivered to the Collateral Custodian on behalf of the Purchaser and any assignee thereof each item required to be contained in the Required Loan Documents and the Loan Checklist of any of the Eligible Loans or Portfolio Assets related thereto being acquired by the Purchaser within two (2) Business Days of the related Purchase Date.

(d) The Seller shall have taken all steps necessary under all Applicable Law in order to Sell to the Purchaser the Sale Portfolio being Purchased on such Purchase Date and, upon the Sale of such Sale Portfolio from the Seller to the Purchaser pursuant to the terms hereof, the Purchaser will have acquired good and marketable title to and a valid and perfected ownership interest in such Sale Portfolio, free and clear of any Lien, security interest, charge or encumbrance (other than Permitted Liens); *provided* that if such item of Sale Portfolio contains a restriction of transferability, the applicable Loan Agreement provides that any consents necessary for future assignments shall not be unreasonably withheld by the applicable Obligor and/or agent, and the rights to enforce rights and remedies in respect of the same under the applicable Loan Agreement inure to the benefit of the holder of such Loan (subject to the rights of any applicable agent or other lenders).

(e) The Seller shall have received a copy of an Approval Notice executed by the Administrative Agent evidencing the approval of the Administrative Agent, in its sole discretion, of the Sale to the Purchaser of the Eligible Loans identified on Schedule I to the applicable Loan Assignment on the applicable Purchase Date.

ARTICLE IV.

REPRESENTATIONS AND WARRANTIES

Section 4.1 Representations and Warranties of the Seller. The Seller makes the following representations and warranties, on which the Purchaser relies in acquiring the Sale Portfolio Purchased hereunder and each of the Secured Parties relies upon in entering into the Loan and Servicing Agreement. As of each Purchase Date (unless a specific date is specified below), the Seller represents and warrants to the Purchaser for the benefit of the Purchaser and each of its successors and assigns that:

(a) Organization. The Seller is duly organized and validly existing under the laws of Maryland and has the full power and authority to transact the business in which it is presently engaged and is duly qualified under the laws of each jurisdiction where the conduct of its business requires, or the performance of its obligations under this Agreement would require,

such qualification, except for failures to be so qualified, authorized or licensed which would not in the aggregate have a material adverse effect on the business, operations, assets or financial condition of the Seller, or on the ability of the Seller to perform its obligations under, or on the validity or enforceability of, this Agreement and the applicable provisions of the Transaction Documents.

(b) Power and Authority. The Seller has full power and authority to execute and deliver this Agreement and to perform all of its obligations hereunder.

(c) Due Authorization. This Agreement has been duly authorized, executed and delivered by the Seller and constitutes a valid and binding agreement of the Seller, enforceable against it in accordance with its terms, except that the enforceability thereof may be subject to (i) bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights and (ii) general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law).

(d) Proceedings. Neither the Seller nor any of its Affiliates is in violation of any Applicable Law or any material listing requirements of any exchange on which it is listed and there is no charge, investigation, action, suit or proceeding before or by any court, exchange or regulatory agency pending or, to the best knowledge of the Seller, threatened (i) asserting the invalidity of this Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement, (iii) seeking any determination or ruling that could reasonably be expected to adversely affect this Agreement or the transactions contemplated hereby or thereby, or (iv) that would have a material adverse effect upon the performance by the Seller of its duties under this Agreement.

(e) Breach of Agreements. Neither the execution and delivery of this Agreement, nor the performance of the terms hereof, conflicts with or results in a material breach or violation of any of the terms or provisions of, or constitutes a default under, (i) its articles of organization, limited liability company agreement or other constituent document, (ii) the terms of any material indenture, contract, lease, mortgage, deed of trust, note agreement or other evidence of indebtedness or other material agreement, obligation, condition, covenant or instrument to which the Seller is a party or is bound, or (iii) any Applicable Law.

(f) No Consents. No consent, approval, authorization or order of or declaration or filing with any government, governmental instrumentality or court or other person is required for the performance by it of its duties hereunder, except such as have been duly made or obtained and there is no injunction, writ, restraining order or other order of any nature that adversely affects the Seller's performance of its obligations under this Agreement.

(g) Information. All information, financial statements of the Seller, documents, books, records or reports furnished by the Seller to any Secured Party in connection with this Agreement are true, complete and correct in all material respects; provided that the Seller makes no representation with respect to any information furnished by an Obligor unless it has also certified as to such information.

(h) Collections. The Seller acknowledges that all Available Collections received by it or its Affiliates are held and shall be held in trust for the benefit of the Secured Parties until deposited into the Collection Account within one (1) Business Day from receipt as required under the LSA.

(i) Bankruptcy. The Seller is not the subject of any Bankruptcy Proceeding or Bankruptcy Event. The transactions under this Agreement do not and will not render it not Solvent.

(j) Regulations. None of the transactions contemplated herein (including, without limitation, the use of the Proceeds from the Pledge of the Sale Portfolio) will violate or result in a violation of Section 7 of the Exchange Act, or any regulations issued pursuant thereto, including, without limitation, Regulations T, U and X of the Board of Governors of the Federal Reserve System, 12 C.F.R., Chapter II.

(k) ERISA. Except as would not reasonably be expected to constitute a Material Adverse Effect, (i) the present value of all benefits vested under all Pension Plans of the Seller does not exceed the value of the assets of the Pension Plan allocable to such vested benefits (based on the value of such assets as of the most recent annual financial statements reflecting such amounts), (ii) no Reportable Events have occurred with respect to any Pension Plans that, in the aggregate, could subject the Seller to any material tax, penalty or other liability and (iii) no notice of intent to terminate a Pension Plan has been filed, nor has any Pension Plan been terminated under Section 4041(f) of ERISA, nor has the Pension Benefit Guaranty Corporation instituted proceedings to terminate, or appoint a trustee to administer a Pension Plan and no event has occurred or condition exists that might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan.

(l) Patriot Act. Neither the Seller nor any Affiliate of the Seller 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 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.

(m) Broker-Dealer. The Seller is not a broker-dealer under the provisions of the Exchange Act.

(n) 1940 Act. the Seller is regulated as a business development company under the 1940 Act.

(o) Selection Procedures. In selecting the Loans to be Sold pursuant to this Agreement, no selection procedures were employed which are intended to be adverse to the interests of the Lenders.

(p) Bulk Sales. The grant of the security interest in the Sale Portfolio by the Seller to the Collateral Agent, for the benefit of the Secured Parties, pursuant to this Agreement, is in the ordinary course of business for the Seller and is not subject to the bulk transfer or any similar statutory provisions in effect in any applicable jurisdiction.

(q) Pledge of Sale Portfolio. No item of Sale Portfolio has been sold, transferred, assigned or pledged by the Seller to any Person other than the Borrower.

(r) Location. The Seller's jurisdiction of formation (within the meaning of Article 9 of the UCC) is Maryland. The chief executive office of the Seller (and the location of the Seller's records regarding the Sale Portfolio (other than those delivered to the Collateral Custodian)) is located at the address set forth on Annex A to the Loan and Servicing Agreement (or at such other address as shall be designated by such party in a written notice to the other parties hereto).

(s) Tradenames. Except as permitted hereunder, the Seller's legal name is as set forth in this Agreement. Except as permitted hereunder, the Seller has not changed its name since its formation; does not have tradenames, fictitious names, assumed names or "doing business as" names other than as shall have been previously disclosed to the Administrative Agent; the Seller's only jurisdiction of formation is Maryland, and, except as permitted hereunder, the Seller has not changed its jurisdiction of formation.

(t) Value Received. The Seller has received fair consideration and reasonably equivalent value from the Purchaser in exchange for the Sale of such Sale Portfolio Sold hereunder. No such Sale has been made for or on account of an antecedent debt and no such transfer is or may be voidable or subject to avoidance under any section of the Bankruptcy Code.

(u) No Adverse Agreements. There are no agreements in effect adversely affecting the rights of the Seller to make, or cause to be made, the grant of the security interest in the Sale Portfolio contemplated by Section 2.4.

(v) Credit and Collection Policy. Each of the Loans was underwritten or acquired and is being serviced in conformance with the standard underwriting, credit, collection, operating and reporting procedures and systems of the Seller.

(w) Instructions to Obligors. The Collection Account is the only account to which Obligors have been instructed by the Seller to send Principal Collections and Interest Collections on the Sale Portfolio.

(x) Compliance with Law. The Seller has complied in all respects with all Applicable Law to which it may be subject, and no item of the Sale Portfolio contravenes any Applicable Law (including, without limitation, all applicable predatory and abusive lending laws, laws, rules and regulations related to licensing, truth in lending, fair credit billing, fair credit reporting equal credit opportunity, fair debt collection practices and privacy).

(y) Set-Off, etc. No Loan has been compromised, adjusted, extended, satisfied, subordinated, rescinded, set-off or modified by the Seller or the Obligor thereof, and no Sale Portfolio is 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 the Sale Portfolio or otherwise, by the Seller or the Obligor with respect thereto.

(z) Full Payment. As of the applicable Cut-Off Date in respect of a Loan, the Seller has no knowledge of any fact which should lead it to expect that such Loan will not be paid in full.

(aa) Environmental. With respect to each item of Underlying Collateral as of the applicable Cut-Off Date for the Loan related to such Underlying Collateral, to the actual knowledge of an Authorized Person of the Seller: (a) the related Obligor's operations comply in all respects with all applicable Environmental Laws; (b) none of the related Obligor's operations is the subject of a federal or state investigation evaluating whether any remedial action, involving expenditures, is needed to respond to a release of any Hazardous Materials into the environment; and (c) the related Obligor does not have any material contingent liability in connection with any release of any Hazardous Materials into the environment. As of the applicable Cut-Off Date for the Loan related to such Underlying Collateral, the Seller has not received any written notice of, or written inquiry from any Governmental Authority regarding, any violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws with regard to any of the Underlying Collateral, nor does any such Person have knowledge or reason to believe that any such notice will be received or is being threatened.

(bb) Security Interest.

(i) To the extent this Agreement is not construed to evidence an absolute transfer of all right, title and interest in the Sale Portfolio from the Seller to the Purchaser, this Agreement creates a valid and continuing security interest (as defined in the applicable UCC) in the Sale Portfolio in favor of the Purchaser, which security interest is prior to all other Liens (except for Permitted Liens), and is enforceable as such against creditors of and purchasers from the Seller;

(ii) the Loans, along with the related Loan Files, constitute either a "general intangible," an "instrument," an "account," "securities entitlement," "tangible chattel paper", "certificated security," "uncertificated security," "supporting obligation," or "insurance" (each as defined in the applicable UCC), real property and/or such other category of collateral under the applicable UCC as to which the Seller has complied with its obligations under Section 4.1(bb).

(iii) the Seller owns and has good and marketable title to (or with respect to assets securing any Loans, a valid security interest in) the Sale Portfolio Sold by it to the Purchaser hereunder on such Purchase Date, free and clear of any Lien (other than Permitted Liens) of any Person;

(iv) the Seller has received all consents and approvals required by the terms of any Loan, to the Sale thereof and the granting of a security interest in the Loans hereunder to the Purchaser;

(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 that portion of the Sale Portfolio in which a security interest may be perfected by filing granted hereunder to the Purchaser; *provided* that filings in respect of real property shall not be required;

(vi) other than as expressly permitted by the terms of this Agreement and the Loan and Servicing Agreement and the security interest granted to the Purchaser, the Seller has not pledged, assigned, sold, granted a security interest in or otherwise conveyed any of the Sale Portfolio. The Seller has not authorized the filing of and is not aware of any financing statements against the Seller that include a description of collateral covering the Sale Portfolio other than any financing statement (A) relating to the security interest granted to the Purchaser under this Agreement, or (B) that has been terminated and/or fully and validly assigned to the Collateral Agent on or prior to the date hereof. The Seller is not aware of the filing of any judgment or Tax lien filings against the Seller;

(vii) all original executed copies of each underlying promissory note or copies of each Loan Register, as applicable, that constitute or evidence each Loan have been, or subject to the delivery requirements contained herein, will be delivered to the Collateral Custodian;

(viii) other than in the case of Noteless Loans, the Seller has received, or subject to the delivery requirements herein will receive, a written acknowledgment from the Collateral Custodian that the Collateral Custodian, as the bailee of the Collateral Agent, is holding the underlying promissory notes that constitute or evidence the Loans solely on behalf of and for the Collateral Agent, for the benefit of the Secured Parties; *provided* that the acknowledgment of the Collateral Custodian set forth in Section 11.11 of the Loan and Servicing Agreement may serve as such acknowledgement;

(ix) none of the underlying promissory notes or Loan Registers, as applicable, that constitute or evidence the Loans has any marks or notations indicating that they have been pledged, assigned or otherwise conveyed to any Person other than the Collateral Agent, on behalf of the Secured Parties;

(x) with respect to any Sale Portfolio that constitutes a "certificated security", such certificated security has been delivered to the Collateral Custodian, on behalf of the Secured Parties and, if in registered form, has been specifically Indorsed to the Collateral Agent, for the benefit of the Secured Parties, or in blank by an effective Indorsement or has been registered in the name of the Collateral Agent, for the benefit of the Secured Parties, upon original issue or registration or transfer by the Purchaser of such certificated security; and

(xi) with respect to any Sale Portfolio that constitutes an “uncertificated security”, that the Seller has caused the issuance of such uncertificated security to register the Collateral Agent, on behalf of the Secured Parties, as the registered owner of such uncertificated security.

It is understood and agreed that the representations and warranties provided in this Section 4.1 shall survive (x) the Sale of the Sale Portfolio to the Purchaser and (y) and the grant of a first priority perfected security interest in, to and under the Sale Portfolio pursuant to the Loan and Servicing Agreement by the Purchaser. Upon discovery by the Seller or the Purchaser of a breach of any of the foregoing representations and warranties, the party discovering such breach shall give prompt written notice thereof to the other and to the Administrative Agent and each Lender Agent upon obtaining knowledge of such breach.

Section 4.2 Representations and Warranties of the Seller Relating to the Agreement and the Sale Portfolio. The Seller makes the following representations and warranties, on which the Purchaser relies in acquiring the Sale Portfolio Purchased hereunder and each of the Secured Parties relies upon in entering into the Loan and Servicing Agreement. As of each Purchase Date, the Seller represents and warrants to the Purchaser for the benefit of the Purchaser and each of its successors and assigns that:

(a) Valid Transfer and Security Interest. To the extent this Agreement is not construed to evidence an absolute transfer of all right, title and interest in the Sale Portfolio from the Seller to the Purchaser, this Agreement constitutes a grant of a security interest in all of the Sale Portfolio to the Purchaser, which upon the filing of the financing statement referred to in Section 2.4, shall be a valid and first priority perfected security interest in the Loans forming a part of the Sale Portfolio and in that portion of the Loans in which a security interest may be perfected by filing subject only to Permitted Liens.

(b) Eligibility of Sale Portfolio. (i) Schedule I is an accurate and complete listing of all the Sale Portfolio as of the related Cut-Off Date and the information contained therein with respect to the identity of such Sale Portfolio and the amounts owing thereunder is true and correct as of the related Cut-Off Date, (ii) each item of the Sale Portfolio Purchased by the Purchaser hereunder is an Eligible Loan as of the related Cut-Off Date (except as otherwise permitted by the definition of Eligible Loan), and (iii) with respect to each item of the Sale Portfolio 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 by the Seller in connection with the transfer of an ownership interest or security interest in each item of Sale Portfolio to the Purchaser have been duly obtained, effected or given and are in full force and effect.

(c) No Fraud. Each Eligible Loan was originated without any fraud or 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 of the Sale Portfolio to the Purchaser, (y) the grant of a first priority perfected security interest in, to and under the Sale Portfolio pursuant to the Loan and

Servicing Agreement by the Purchaser and (z) the termination of this Agreement and the Loan and Servicing Agreement. Upon discovery by the Seller or the Purchaser of a breach of any of the foregoing representations and warranties, the party discovering such breach shall give prompt written notice thereof to the other and to the Administrative Agent and each Lender Agent immediately upon obtaining knowledge of such breach.

Section 4.3 Representations and Warranties of the Purchaser. The Purchaser makes the following representations and warranties, on which the Seller relies in selling the Sale Portfolio Sold hereunder and each of the Secured Parties relies upon in entering into the Loan and Servicing Agreement. As of each Purchase Date, the Purchaser represents and warrants to the Seller for the benefit of the Seller and each of its successors and assigns that:

(a) Organization and Good Standing. The Purchaser has been duly organized and is validly existing and in good standing as an exempted company incorporated with limited liability under the laws of the State of Delaware, with the power and authority to own or lease its properties and to conduct its business as such properties are currently owned and such business is currently conducted, and had at all relevant times, and has, all necessary power, authority and legal right to acquire and own the Sale Portfolio.

(b) Due Qualification. The Purchaser is duly qualified to do business and has obtained all necessary licenses and approvals in all jurisdictions in which the ownership or lease of its property or the conduct of its business requires such qualification, licenses and/or approvals.

(c) Power and Authority; Due Authorization; Execution and Delivery. The Purchaser (i) has all necessary corporate power, authority and legal right to (a) execute and deliver this Agreement and (b) carry out the terms of this Agreement and (ii) has duly authorized by all necessary corporate action the execution, delivery and performance of this Agreement and the Purchase of the Sale Portfolio on the terms and conditions herein provided. This Agreement and each other Transaction Document to which the Purchaser is a party have been duly executed and delivered by the Purchaser.

(d) 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 Purchaser of this Agreement and each Loan Assignment have been obtained.

(e) Binding Obligation. This Agreement constitutes a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its respective terms, subject, as to enforceability, to applicable Bankruptcy Laws and general principles of equity (whether such enforceability is considered in a proceeding in equity or at law).

(f) No Violation. The consummation of the transactions contemplated by this Agreement and each Loan Assignment and the fulfillment of the terms hereof and thereof 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 Purchaser's incorporation documents or any contractual obligation of the Purchaser, (ii) result in the creation or imposition

of any Lien (other than Permitted Liens) upon any of the Purchaser's properties pursuant to the terms of any such contractual obligation, other than this Agreement, or (iii) violate any Applicable Law.

(g) Value Given. The Purchaser has given reasonably equivalent value to the Seller in exchange for the Sale of such Sale Portfolio, which amount the Purchaser hereby agrees is the fair market value of such Sale Portfolio. No such Sale has been made for or on account of an antecedent debt owed by the Seller and no such transfer is or may be voidable or subject to avoidance under any section of the Bankruptcy Code.

(h) No Proceedings. There is no litigation, proceeding or investigation pending or, to the knowledge of the Purchaser, threatened against the Purchaser, before any Governmental Authority (i) asserting the invalidity of this Agreement or any Loan Assignment, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or any Loan Assignment, or (iii) seeking any determination or ruling that could reasonably be expected to have a Material Adverse Effect.

ARTICLE V.

COVENANTS OF THE SELLER

Section 5.1 Protection of Title of the Purchaser.

(a) On or prior to the Closing Date, the Seller shall have filed or caused to be filed UCC-1 financing statements, naming the Seller as "Debtor/Seller", naming the Purchaser as "Secured Party/Buyer", and naming the Collateral Agent, for the benefit of the Secured Parties, as "Total Assignee", and describing the Sale Portfolio to be acquired by the Purchaser, with the office of the applicable Governmental Authority of the jurisdiction of organization of the Seller. From time to time thereafter, the Seller shall file such financing statements and cause to be filed such continuation statements, all in such manner and in such places as may be required by law (or deemed desirable by the Purchaser or any assignee thereof) to fully perfect, preserve, maintain and protect the ownership interest of the Purchaser under this Agreement and the security interest of the Collateral Agent for the benefit of the Secured Parties under the Loan and Servicing Agreement, in the Sale Portfolio acquired by the Purchaser hereunder, as the case may be, and in the proceeds thereof. The Seller shall deliver (or cause to be delivered) to the Purchaser, the Collateral Agent, the Collateral Custodian, the Collateral Manager, the Lenders, the Lender Agents and the Administrative Agent file-stamped copies of, or filing receipts for, any document filed as provided above, as soon as available following such filing. The Seller agrees that it will from time to time, at its expense, take all actions, that the Purchaser, the Collateral Agent or the Administrative Agent may reasonably request in order to perfect, protect or more fully evidence the Purchases hereunder and the security and/or interest granted in the Sale Portfolio, or to enable the Purchaser, the Collateral Agent, the Administrative Agent or the Secured Parties to exercise and enforce their rights and remedies hereunder or under the LSA.

(b) On or prior to each Purchase Date hereunder, the Seller shall take all steps necessary under all Applicable Law in order to Sell to the Purchaser the Sale Portfolio being acquired by the Purchaser on such Purchase Date to the Purchaser so that, upon the Sale of such

Sale Portfolio from the Seller to the Purchaser pursuant to the terms hereof on such Purchase Date, the Purchaser will have acquired good and marketable title to and a valid and perfected ownership interest in such Sale Portfolio, free and clear of any Lien, security interest, charge or encumbrance or restrictions on transferability (subject only to Permitted Liens). On or prior to each Purchase Date hereunder, the Seller shall take all steps required under Applicable Law in order for the Purchaser to grant to the Collateral Agent, for the benefit of the Secured Parties, a first priority perfected security interest (subject only to Permitted Liens) in the Sale Portfolio being Purchased by the Purchaser on such Purchase Date and, from time to time thereafter, the Seller shall take all such actions as may be required by Applicable Law to fully preserve, maintain and protect the Purchaser's ownership interest in, and the Collateral Agent's first priority perfected security interest in (subject only to Permitted Liens), the Sale Portfolio which have been acquired by the Purchaser hereunder.

(c) The Seller shall direct any agent or administrative agent for any Sale Portfolio originated or acquired by the Seller to remit all payments and collections with respect to such Sale Portfolio and direct the Obligor with respect to such Sale Portfolio to remit all such payments and collections directly to the Collection Account. The Seller will not make any change, or permit the Collateral Manager to make any change, in its instructions to Obligors regarding payments to be made to the Seller or the Collateral Manager or payments to be made to the Collection Account, unless the Purchaser and the Administrative Agent have consented to such change. The Seller shall ensure that only funds constituting payments and collections relating to Sale Portfolio shall be deposited into the Collection Account. In the event any payments relating to any Sale Portfolio are remitted directly to the Seller or any Affiliate of the Seller, the Seller will remit (or will cause all such payments to be remitted) directly to the Collection 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 Purchaser and its assignees. Until so deposited, all such Interest Collections and Principal Collections shall be held in trust for the Purchaser or its assignees by the Seller.

(d) At any time after the occurrence an Event of Default, the Collateral Agent or the Administrative Agent may direct the Seller or the Collateral Manager to notify the Obligors, at Seller's expense, of the Secured Parties' interest in the Sale Portfolio under this Agreement and may direct that payments of all amounts due or that become due under any or all of the Sale Portfolio be made directly to the Collateral Agent or the Administrative Agent.

(e) The Seller shall, not earlier than six months and not later than three months prior to the fifth anniversary of the date of filing of the financing statement referred to in Section 3.1 or any other financing statement filed pursuant to this Agreement or in connection with any Purchase hereunder, unless the Collection Date shall have occurred:

(i) file or cause to be filed an appropriate continuation statement with respect to such financing statement; and

(ii) deliver or cause to be delivered to the Purchaser, the Collateral Agent, the Administrative Agent and each Lender Agent an opinion of the counsel for Seller, in form and substance reasonably satisfactory to the Purchaser and the

Administrative Agent, confirming and updating the opinion delivered pursuant to Section 3.1 with respect to perfection and otherwise to the effect that the security interest hereunder continues to be an enforceable and perfected security interest, subject to no other Liens of record except as provided herein or otherwise permitted hereunder, which opinion may contain usual and customary assumptions, limitations and exceptions.

(f) The Seller shall not (x) change its name, move the location of its principal place of business and chief executive office, change the offices where it keeps records concerning the Sale Portfolio from the address set forth on Annex A to the Loan and Servicing Agreement, or change the jurisdiction of its incorporation, or (y) move, or consent to the Collateral Custodian moving, the Required Loan Documents and Loan Files from the location required under the Transaction Documents, unless, the Administrative Agent shall consent of such move in writing and the Seller shall provide the Administrative Agent with such Opinions of Counsel and other documents and instruments as the Administrative Agent may request in connection therewith 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 Purchaser in the Sale Portfolio.

(g) The Seller shall mark its books and records so that, from and after the time of Sale under this Agreement of Sale Portfolio to the Purchaser and the grant of a security interest in such Sale Portfolio by the Purchaser to the Collateral Agent for the benefit of the Secured Parties under the Loan and Servicing Agreement, the Seller's books and records that refer to such Sale Portfolio shall be marked in a manner that accurately ensures all assets which constitute Sale Portfolio are clearly marked as being Purchased by the Purchaser hereunder and Pledged by the Purchaser to the Collateral Agent, on behalf of the Secured Parties, under the Loan and Servicing Agreement. Indication of the Collateral Agent's security interest for the benefit of the Secured Parties in the Sale Portfolio shall be deleted from or modified on the Seller's books and records when, and only when, such Sale Portfolio shall be (i) paid off by the related Obligor, (ii) purchased or substituted by the Seller in accordance with Section 6.1 or 6.2 hereof or (iii) released by the Collateral Agent pursuant to Section 2.15 of the Loan and Servicing Agreement.

(h) If the Seller fails to perform any of its obligations hereunder, the Purchaser, the Collateral Agent or the Administrative Agent may (but shall not be required to) perform, or cause performance of, such obligation; and the Purchaser's, the Collateral Agent's or the Administrative Agent's costs and expenses incurred in connection therewith shall be payable by the Seller as provided in Section 9.1. The Seller irrevocably authorizes the Purchaser, the Collateral Agent or the Administrative Agent at any time and from time to time at the Purchaser's, the Collateral Agent's or the Administrative Agent's sole discretion and appoints the Purchaser, the Collateral Agent and the Administrative Agent as its attorney-in-fact pursuant to a Power of Attorney substantially in the form of Exhibit C to act on behalf of the Seller (i) to file financing statements on behalf of the Seller, as debtor, necessary or desirable in the Purchaser's, the Collateral Agent's or the Administrative Agent's sole discretion to perfect and to maintain the perfection and priority of the interest of the Purchaser or the Collateral Agent in the Sale Portfolio and (ii) to file a carbon, photographic or other reproduction of this Agreement or any financing statement with respect to the Sale Portfolio as a financing statement in such offices as the Purchaser, the Collateral Agent or the Administrative Agent in their sole discretion

deem necessary or desirable to perfect and to maintain the perfection and priority of the interests of the Purchaser or the Collateral Agent in the Sale Portfolio. This appointment is coupled with an interest and is irrevocable.

Section 5.2 Affirmative Covenants of the Seller.

From the date hereof until the Collection Date:

(a) Compliance with Law. The Seller will comply in all respects with all Applicable Law, and shall do or cause to be done all things necessary to preserve and maintain in full force and effect its legal existence and all licenses material to its business.

(b) Preservation of Company 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 corporation in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualification could reasonably be expected to have a Material Adverse Effect.

(c) Performance and Compliance with Sale Portfolio. The Seller will, at its expense, timely and fully perform and comply in all respects with all material provisions, covenants and other promises required to be observed by it under the Sale Portfolio and all other agreements related to such Sale Portfolio.

(d) Keeping of Records and Books of Account. The Seller will maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate records evidencing the Sale Portfolio in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records and other information reasonably necessary or advisable for the collection of all or any portion of the Sale Portfolio.

(e) Separate Identity. The Seller acknowledges that the Administrative Agent, the Collateral Agent, the Collateral Custodian, the Lenders, the Lender Agents and the other Secured Parties are entering into the transactions contemplated by this Agreement, the Loan and Servicing Agreement and the other Transaction Documents in reliance upon the Purchaser's identity as a legal entity that is separate from the Seller and each other Affiliate of the Seller. Therefore, from and after the date of execution and delivery of this Agreement, the Seller will take all reasonable steps including, without limitation, all steps that the Administrative Agent or the Collateral Agent may from time to time reasonably request to maintain the Purchaser'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 Purchaser is an entity with assets and liabilities distinct from those of the Seller and each other Affiliate thereof (other than for tax purposes) 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 shall use commercially reasonable efforts to ensure that the Purchaser is in compliance with, and shall take no action which would cause the Purchaser to fail to be in compliance with, the criteria and the restrictions set forth in the incorporation documents of the Purchaser and Sections 5.01(a), 5.01(b), 5.02(a) and 5.02(b) of the Loan and Servicing Agreement;

(ii) the Seller shall maintain corporate records and books of account separate from those of the Purchaser;

(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 not reflect in any way that the assets of the Purchaser, including, without limitation, the Sale Portfolio, could be 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 Purchaser and will not hold itself out as being liable for the debts of the Purchaser;

(vi) the Seller shall keep its assets and its liabilities wholly separate from those of the Purchaser;

(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 Purchaser are available to pay the obligations and debts of the Seller; and

(viii) to the extent that the Seller services the Loans and performs other services on the Purchaser's behalf, the Seller will clearly identify itself as an agent of the Purchaser (and not in any other capacity) in the performance of such duties.

(f) Taxes. The Seller will file or cause to be filed its tax returns and pay any and all Taxes imposed on it or its property as required by the Transaction Documents (except as contemplated in Section 4.1(m)).

(g) Cooperation with Requests for Information or Documents. The Seller will cooperate fully with all reasonable requests of the Purchaser and its assigns 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 Purchaser and its assignees to carry out their responsibilities under the Transaction Documents.

(h) Payment, Performance and Discharge of Obligations. The Seller shall observe, perform and satisfy all the material terms, provisions, covenants and conditions required to be observed, performed or satisfied by it, and shall pay when due all costs, fees and expenses required to be paid by it, under the Loan and Servicing Agreement.

(i) Notices.

(i) Income Tax Liability. The Seller will furnish telephonic or facsimile notice to the Purchaser, the Administrative Agent and each Lender Agent within 10 Business Days (confirmed in writing within five (5) Business Days thereafter) of the receipt of revenue agent reports or other written proposals, determinations or assessments of the Internal Revenue Service or any other taxing authority which propose, determine or otherwise set forth positive adjustments (i) to the Tax liability of the Seller or any "affiliated group" (within the meaning of Section 1504(a)(1) of the Code) of which the Seller is a member in an amount equal to or greater than \$1,000,000 in the aggregate, or (ii) to the Tax liability of the Purchaser in an amount equal to or greater than \$500,000 in the aggregate. Any such notice shall specify the nature of the items giving rise to such adjustments and the amounts thereof.

(ii) Auditors' Management Letters. Promptly after the receipt thereof, the Seller shall notify the Purchaser, the Administrative Agent and, upon request, each Lender Agent of any auditors' management letters that are received by it.

(iii) Representations and Covenants. Promptly after receiving knowledge or notice of the same, the Seller shall notify the Purchaser, the Administrative Agent and each Lender Agent (i) if any representation or warranty set forth in Section 4.1 or Section 4.2 was incorrect at the time it was given or deemed to have been given or (ii) of the breach of any covenant under Section 5.1, Section 5.2 or Section 5.3 and at the same time deliver to the Purchaser, the Collateral Agent, the Administrative Agent and each Lender 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 Purchaser, the Administrative Agent and each Lender Agent in the manner set forth in the preceding sentence before any 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.

(iv) ERISA. The Seller shall promptly notify the Purchaser, the Administrative Agent and each Lender Agent after receiving notice of any "reportable event" (as defined in Title IV of ERISA, other than an event for which the reporting requirements have been waived by regulations) with respect to the Seller (or any ERISA Affiliate thereof), and provide them with a copy of such notice.

(v) Proceedings. The Seller shall notify the Purchaser, the Administrative Agent and each Lender Agent, as soon as possible and in any event within three Business Days, after the Seller receives notice or obtains knowledge thereof, the Seller will provide with notice of any settlement of, material judgment (including a material judgment with respect to the liability phase of a bifurcated trial) in or commencement of any material labor controversy, material litigation, material action, material suit or material proceeding before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, affecting the Sale Portfolio, the Transaction Documents, the Collateral Agent's, for the benefit of the

Secured Parties, interest in the Sale Portfolio, or the Purchaser, any Borrower Advisor, the Seller or any of their Affiliates. For purposes of this Section 5.2(i), (i) any settlement, judgment, labor controversy, litigation, action, suit or proceeding affecting the Sale Portfolio, the Transaction Documents, the Collateral Agent's, for the benefit of the Secured Parties, interest in the Sale Portfolio, or the Purchaser in excess of \$500,000 shall be deemed to be material, (ii) any settlement, judgment, labor controversy, litigation, action, suit or proceeding affecting the Seller or any of its Affiliates (other than the Purchaser) in excess of \$1,000,000 shall be deemed to be material and (iii) any settlement, judgment, labor controversy, litigation, action, suit or proceeding affecting the Collateral Sub-Advisor that would be reasonably likely to result in a Material Adverse Effect shall be deemed to be material.

(vi) Material Events. The Seller shall promptly notify the Purchaser, the Administrative Agent and each Lender Agent of any event or other circumstance that is reasonably likely to have a Material Adverse Effect.

(vii) Seller Termination Events. The Seller will provide the Purchaser, the Administrative Agent and each Lender Agent (with a copy to the Collateral Agent) with prompt written notice of the occurrence of each Seller Termination Event and each event which upon the passage of time would constitute a Seller Termination Event of which the Seller has knowledge or has received notice. In addition, no later than two (2) Business Days following the Seller's knowledge or notice of the occurrence of any Seller Termination Event or event which upon the passage of time would constitute a Seller Termination Event, the Seller will provide to the Purchaser, the Administrative Agent and each Lender Agent a written statement of an Authorized Person of the Seller setting forth the details of such event and the action that the Seller proposes to take with respect thereto.

(viii) Seller Purchase Events. The Seller will provide the Purchaser, the Administrative Agent and each Lender Agent (with a copy to the Collateral Agent) with prompt written notice of the occurrence of each Seller Purchase Event of which the Seller has knowledge or has received notice.

(j) Costs and Expenses. The Seller shall pay all expenses and costs (including salaries, rent and other overhead) incurred by it in connection with its obligations under this Agreement.

(k) Annual Certificates. On each anniversary of the Closing Date, the Seller shall deliver an Officer's Certificate, in form and substance acceptable to the Administrative Agent and the Collateral Agent, providing (i) a certification, based upon a review and summary of UCC search results reasonably satisfactory to the Purchaser and the Administrative Agent, that there is no other interest in the Sale Portfolio perfected by filing of a UCC financing statement other than in favor of the Purchaser and the Collateral Agent pursuant to the terms of the Transaction Documents and (ii) a certification, based upon a review and summary of tax and judgment lien searches satisfactory to the Purchaser and the Administrative Agent, that there is no other interest in the Sale Portfolio based on any tax or judgment lien.

(l) Opinion. The Seller shall take all other actions reasonably necessary to maintain the accuracy of the factual assumptions set forth in the legal opinions of Dechert LLP, as special counsel to the Seller, issued in connection with the Transaction Documents and relating to the issues of substantive consolidation of the Purchaser and true sale of the Loans

(m) Withholding. If the provisions of Sections 1471 through 1474 of the Code or any regulations promulgated thereunder become applicable to any payments to the Purchaser or the Seller made in respect of the Sale Portfolio, the Seller shall and shall cause the Purchaser to exercise its best efforts to avoid the imposition of any withholding tax in respect of such payments under those provisions.

(n) Disregarded Entity. The Seller shall not, nor shall it permit the Purchaser to, take any action that would cause the Purchaser to not be disregarded as an entity separate from its owner pursuant to Treasury Regulation Section 301.7701 3(b) and shall not permit either the Purchaser or any other Person on its behalf to make an election to be treated as other than an entity disregarded as an entity separate from its owner under Treasury Regulation Section 301.7701 3(c).

(o) Other. The Seller will furnish to the Purchaser, the Administrative Agent and each Lender Agent promptly, from time to time such other information, documents, records or reports respecting the Sale Portfolio or the condition or operations, financial or otherwise, of the Seller as the Purchaser, the Administrative Agent and each Lender Agent may from time to time reasonably request in order to protect the interests of the Purchaser, the Administrative Agent, the Collateral Agent, the Lenders, the Lender Agents or the Secured Parties under or as contemplated by this Agreement and the other Transaction Documents.

Section 5.3 Negative Covenants of the Seller.

From the date hereof until the Collection Date:

(a) Security Interests. Except as otherwise permitted herein and in the Loan and Servicing Agreement, the Seller shall not transfer, assign, convey, grant, bargain, sell, set over, deliver or otherwise dispose of, or pledge or hypothecate, directly or indirectly, any interest in the Sale Portfolio Sold by the Seller to the Purchaser hereunder, whether now existing or hereafter transferred hereunder, or any interest, therein, and the Seller will not sell, pledge, assign or suffer to exist any Lien (except for Permitted Liens) on its interest in the Sale Portfolio Sold by the Seller to the Purchaser hereunder, other than the Lien in favor of the Purchaser hereunder. The Seller will promptly notify the Purchaser, the Collateral Agent, each Lender Agent and the Administrative Agent of the existence of any Lien on any Sale Portfolio and the Seller shall defend the right, title and interest of the Purchaser and the Collateral Agent, on behalf of the Secured Parties, in, to and under the Sale Portfolio against all claims of third parties; *provided*, that nothing in this Section 5.3(a) shall prevent or be deemed to prohibit the Seller from suffering to exist Permitted Liens upon any of the Sale Portfolio.

(b) Mergers, Acquisitions, Sales, Etc. The Seller will not consolidate with or merge into any other Person or convey or transfer its properties and assets substantially as an entirety to any Person, or sell or assign with or without recourse any Sale Portfolio or any interest therein (other than as permitted pursuant to this Agreement or the Collateral Management Agreement).

(c) Restricted Payments. The Seller shall not cause or permit the Purchaser to make any Purchaser Restricted Junior Payment unless (i) no Event of Default, Collateral Control Event, Unmatured Collateral Control Event or Unmatured Event of Default (including, without limitation a Borrowing Base Deficiency) has occurred or would result therefrom and (ii) such Restricted Junior Payments are made with either (A) the proceeds of an Advance or (B) funds received by the Borrower pursuant to Section 2.04(a)(ix) or Section 2.04(b)(vi) of the Loan and Servicing Agreement.

(d) Accounting of Purchases. Other than for tax and consolidated accounting purposes, 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 of the Loans to the Purchaser.

(e) ERISA Matters. The Seller will not (a) engage, and will exercise its best efforts not to permit any ERISA Affiliate to engage, in any prohibited transaction (within the meaning of ERISA Section 406(a) or (b) or Code Section 4975) for which an exemption is not available or has not previously been obtained from the United States Department of Labor, (b) fail to meet the minimum funding standard set forth in Section 302(a) of ERISA and Section 412(a) of the Code with respect to any Pension Plan other than a Multiemployer Plan, (c) fail to make any payments to a Multiemployer Plan that the Seller or any ERISA Affiliate may be required to make under the agreement relating to such Multiemployer Plan or any law pertaining thereto, (d) terminate any Pension Plan so as to result, directly or indirectly, in any liability to the Seller, or (e) permit to exist any occurrence of any Reportable Event.

(f) Extension or Amendment of Sale Portfolio. The Seller will not, except as otherwise permitted in Section 5.02(k) of the Loan and Servicing Agreement, extend, amend or otherwise modify the terms of any Loan (including the related Underlying Collateral).

(g) Limitation on Financing Activities. The Seller shall not, directly or indirectly, advance or loan to the Purchaser any funds pursuant to any financial accommodation. For the avoidance of doubt, this clause (g) shall not prohibit the Seller from contributing Loans to the Purchaser as contemplated herein or providing cash equity contributions to the Purchaser.

ARTICLE VI.

REPURCHASES AND SUBSTITUTION BY THE SELLER

Section 6.1 Repurchase of Loans. In the event of the occurrence of a Seller Purchase Event, the Seller will within twelve (12) Business Days following the earlier of knowledge by the Seller of such Seller Purchase Event or receipt by the Seller of written notice thereof (from any Person), (i) purchase each Loan hereunder which is affected by or related to such Seller Purchase Event from the Purchaser, and the Seller shall pay to the Purchaser (by means of a deposit to the Collection Account) the Repurchase Price of such Loan as of the date of the purchase thereof from the Purchaser or (ii) with the prior written consent of the

Administrative Agent, in its sole discretion, and subject to the satisfaction of the conditions in Section 6.2, substitute for such Loan, a Substitute Eligible Loan. It is understood and agreed that the obligation of the Seller to purchase the Loans or substitute a Substitute Eligible Loan for the Loans which are affected by or related to such Seller Purchase Event is not intended to, and shall not, constitute a guaranty of the collectability or payment of any Loan which is not collected, not paid or uncollectible on account of the insolvency, bankruptcy or financial inability to pay of the related Obligor. Upon deposit in the Collection Account of the Repurchase Price for any Loan purchased by the Seller, the Purchaser shall, automatically and without further action be deemed to transfer, assign and set over to the Seller, without recourse, representation or warranty of any kind, except as to the absence of Liens, charges or encumbrances created by or arising solely as a result of actions of the Purchaser or the Collateral Agent, all the right, title and interest of the Purchaser, in, to and under such Loan and all future monies due or to become due with respect thereto, the Underlying Collateral, all Proceeds of such Loan and Recoveries and Insurance Proceeds relating thereto, all rights to security for such Loan and all Proceeds and products of the foregoing. The Purchaser shall (and shall request the Collateral Agent to), at the sole expense of the Seller, execute such documents and instruments of transfer as may be prepared by the Seller and take such other actions as may be reasonably requested by the Seller in order to effect the transfer of such Loan pursuant to this Section 6.1. Such Sale shall be a sale outright, and not for security.

Section 6.2 Substitution of Loans.

(a) The Seller shall have the right, but not the obligation, subject to the prior written consent of the Administrative Agent and the Purchaser, in their sole discretion, to substitute one or more Eligible Loans (“Substitute Eligible Loan”) for a Loan (each such act, a “Substitution”).

(b) The Substitution shall not occur unless the following conditions are satisfied as of the date of such Substitution:

(i) the Seller has recommended to the Purchaser and the Administrative Agent (with a copy to the Collateral Agent and the Collateral Custodian) in writing that the Loan to be replaced should be replaced (each, a “Replaced Loan”);

(ii) no event has occurred, or would result from such Substitution, which constitutes a Seller Termination Event and no event has occurred and is continuing, or would result from such Substitution, which upon the passage of time would constitute a Seller Termination Event or a Borrowing Base Deficiency;

(iii) each Substitute Eligible Loan is an Eligible Loan on the date of Substitution;

(iv) solely in the case of Substitutions pursuant to this Section 6.2 undertaken because a Seller Purchase Event has occurred, the sum of the Adjusted Borrowing Value of such Substitute Eligible Loans shall be equal to or greater than the sum of the Adjusted Borrowing Value of the Replaced Loans;

(v) all representations and warranties contained in Sections 4.1 and 4.2 shall be true and correct in all respects as of the date of Substitution (other than any representation and warranty that is made as of a specific date);

(vi) no selection procedures which are intended to be adverse to the interests of the Purchaser, the Administrative Agent, the Lenders, the Lender Agents, the Collateral Agent or the other Secured Parties were utilized by the Seller in the selection of the Loan to be replaced by the Substitute Eligible Loan;

(vii) the aggregate Outstanding Balance of all Loans subject to a Value Adjustment Event described in clauses (c), (e) or (g) of the definition thereof which are included in a Lien Release Dividend or sold by the Purchaser to the Seller in connection with a Substitution or a Discretionary Sale, in each case during the 12-month period immediately preceding the proposed Lien Release Dividend, Substitution or Discretionary Sale, shall not exceed 10% of the highest aggregate Outstanding Balance of the Collateral Portfolio during any month of such 12-month period;

(viii) each Loan that is replaced pursuant to the terms of this Section 6.2 shall be substituted only with another Eligible Loan that meets the foregoing conditions;

(ix) the Seller shall have given one Business Day notice of such Substitution;

(x) all terms, provisions, representations, warranties and covenants hereunder with respect to Loans that have been Sold by the Seller to the Purchaser hereunder shall apply equally to Substitute Eligible Loans; and

(xi) the Seller shall deliver to the Purchaser on the date of such Substitution a certificate of a Responsible Officer certifying that each of the foregoing is true and correct as of such date.

(c) In addition, in connection with such Substitution, the Seller shall deliver or cause to be delivered to the Collateral Custodian the related Required Loan Documents. On the date any such Substitution is completed, the Purchaser shall, automatically and without further action, release and shall transfer to the Seller, free and clear of any Lien created pursuant to this Agreement, all of the right, title and interest of the Purchaser in, to and under such Replaced Loan, and the Purchaser shall be deemed to represent and warrant that it has the company authority and has taken all necessary company action to accomplish such transfer, but without any other representation and warranty, express or implied.

ADDITIONAL RIGHTS AND OBLIGATIONS IN RESPECT OF THE SALE PORTFOLIO

Section 7.1 Rights of the Purchaser.

(a) After the occurrence or declaration of the Facility Maturity Date, if the Collection Date has not yet occurred, the Seller hereby authorizes the Purchaser, the Collateral Manager, the Collateral Agent and the Administrative Agent and/or their respective designees or assignees to take any and all steps in Seller's name and on behalf of the Seller that the Purchaser, the Collateral Manager, the Collateral Agent or the Administrative Agent and/or their respective designees or assignees determine are necessary or appropriate to collect all amounts due under any and all Sale Portfolio and to enforce or protect the Purchaser's, the Collateral Agent's and the Administrative Agent's rights under this Agreement, including endorsing the name of the Seller on checks and other instruments representing Interest Collections and Principal Collections and enforcing such Sale Portfolio.

(b) Except as set forth in Sections 6.1 and 6.2 with respect to the repurchase or Substitution of certain Loans, the Purchaser shall have no obligation to account for, replace, substitute or return any Sale Portfolio to the Seller. The Purchaser shall have no obligation to account for or to return Interest Collections or Principal Collections, or any interest or other finance charge collected pursuant thereto, to the Seller, irrespective of whether such Interest Collections and Principal Collections and charges are in excess of the Purchase Price for such Sale Portfolio.

(c) The Purchaser shall have the right to further assign, transfer, deliver, hypothecate, subdivide or otherwise deal with the Sale Portfolio and all of the Purchaser's right, title and interest in, to and under this Agreement, pursuant to the Loan and Servicing Agreement.

(d) The Purchaser shall have the sole right to retain any gains or profits created by buying, selling or holding the Sale Portfolio and shall have the sole risk of and responsibility for losses or damages created by such buying, selling or holding.

Section 7.2 Rights With Respect to Loan Files.

At any time after the occurrence of a Collateral Control Event, the Seller shall, at the Purchaser's, the Collateral Agent's, the Collateral Custodian's or the Administrative Agent's request, assemble all of the Loan Files which evidence the Sale Portfolio originated by the Seller, or which are otherwise necessary or desirable to collect such Sale Portfolio, and make the same available to the Purchaser, the Collateral Agent, the Collateral Custodian or the Administrative Agent at a place selected by the Purchaser, the Collateral Agent, the Collateral Custodian, the Administrative Agent or their designee.

Section 7.3 Notice to Collateral Agent, Administrative Agent and each Lender Agent.

The Seller agrees that, concurrently with its delivery to the Purchaser, copies of all notices, reports, documents and other information required to be delivered by the Seller to the Purchaser hereunder shall be delivered by the Seller to the Collateral Agent, the Administrative Agent and each Lender Agent.

SELLER TERMINATION EVENTS

Section 8.1 Seller Termination Events.

(a) If any of the following events (each a “Seller Termination Event”) shall have occurred:

(i) the Seller shall fail to pay (A) any amount due pursuant to Section 6.1 in accordance with the provisions thereof or (B) any other amount required to be paid by the Seller hereunder within two (2) Business Days of the date when due; or

(ii) the Seller shall fail to observe or perform any covenant or agreement in any material respect applicable to it contained herein (other than as specified in paragraph (i) of this Section 8.1); and such failure shall continue unremedied for a period of 30 days (if such failure can be remedied) after the earlier to occur of (i) the date on which written notice of such failure requiring the same to be remedied shall have been given to the Seller by the Administrative Agent, the Collateral Agent (at the direction of the Administrative Agent) or the Purchaser and (ii) the date on which the Seller acquires knowledge thereof; or

(iii) any representation, warranty or certification made by the Seller in this Agreement or in any statement, record, certificate, financial statement or other document delivered pursuant to this Agreement shall prove to have been incorrect when made or deemed made in any material respect and shall not have been corrected within 30 days after the earlier to occur of (i) the date on which written notice of such incorrectness requiring the same to be remedied shall have been given to the Seller by the Administrative Agent, the Collateral Agent (at the direction of the Administrative Agent) or the Purchaser and (ii) the date on which an Authorized Person of the Seller acquires knowledge thereof; *provided* that a Seller Termination Event shall not be deemed to have occurred under this paragraph (iii) based upon a Seller Purchase Event if the Seller shall have complied with the provisions of Section 6.1 in respect thereof; or

(iv) (A) a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Seller in an involuntary case under the Bankruptcy Code or any other Bankruptcy Laws, which decree or order is not stayed or any other similar relief shall be granted under any applicable federal or state law now or hereafter in effect and shall not be stayed; (B) (1) any involuntary case is commenced against the Seller under any Bankruptcy Law now or hereafter in effect, a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other officer having similar powers over the Seller, or over all or a substantial part of the property of the Seller, shall have been entered, an interim receiver, trustee or other custodian of the Seller for all or a substantial part of the

property of the Seller is involuntarily appointed, a warrant of attachment, execution or similar process is issued against any substantial part of the property of the Seller, and (2) any event referred to in clause (B)(1) above continues for 60 days unless dismissed, bonded or disclosed; (C) the Seller shall at its request have a decree or an order for relief entered with respect to it or commence a voluntary case under any Bankruptcy Law now or hereafter in effect, or shall consent to the entry of a decree or an order for relief in an involuntary case, or to the conversion of an involuntary case to a voluntary case, under any such Bankruptcy Law, consent to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its property; (D) the making by the Seller of any general assignment for the benefit of creditors; (E) the inability or failure of the Seller generally to pay its debts as such debts become due; or (F) the board of directors of the Seller authorizes action to approve any of the foregoing; or

(v) the occurrence of (A) an Event of Default set forth in Section 7.01 of the Loan and Servicing Agreement (past any applicable notice or cure period provided in the definition thereof) or (B) the Facility Maturity Date; or

(vi) the Internal Revenue Service shall file notice of a lien pursuant to Section 6323 of the Code with regard to any assets of the Seller and such lien shall not have been released within five (5) Business Days, or the Pension Benefit Guaranty Corporation shall file notice of a lien pursuant to Section 4068 of ERISA with regard to any of the assets of the Seller and such lien shall not have been released within five (5) Business Days;

then, (A) in the case of any Seller Termination Event described in paragraph (iv), (v)(A) or (vi) above, the ability of the Seller to Sell Sale Portfolio shall thereupon automatically terminate without further notice of any kind, which is hereby waived by the Seller, (B) in the case of any Seller Termination Event described in paragraph (v)(B) above, the ability of the Seller to Sell Sale Portfolio shall thereupon terminate without notice of any kind, which is hereby waived by the Seller unless both the Purchaser and the Seller agree in writing that such event shall not trigger an Early Termination (as hereinafter defined) hereunder, and (C) in the case of any other Seller Termination Event, so long as such Seller Termination Event shall be continuing, the Purchaser or the Administrative Agent may terminate the Purchaser's ability to Purchase Sale Portfolio from the Seller by written notice to the Seller (any termination pursuant to clause (A), (B) or (C) of this Article VIII is herein called an "Early Termination"); *provided*, that, in the event of any involuntary petition or proceeding as described in paragraphs (iv)(A) and (iv)(B) above, the Purchaser shall not Purchase Sale Portfolio from the Seller unless such involuntary petition or proceeding is dismissed, bonded or discharged within 60 days of the filing of such petition or the commencement of such proceeding.

Section 8.2 Survival of Certain Provisions.

Notwithstanding any provision contained herein to the contrary, the Seller's and the Purchaser's representations, covenants and obligations set forth in Articles IV, V, VI, and VII, as applicable, 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 Collection 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 Articles III and IV and the provisions of Sections 6.1 and 6.2, the rights and obligations under Article VII, the indemnification provisions of Article IX and the provisions of Sections 5.1, 10.2, 10.8, 10.9, 10.10, 10.12, 10.13, 10.14 and 10.17 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 which the Purchaser, any assignee of the Purchaser or any such Persons' members, managers, officers, agents and employees (each, an "Indemnified Party") may have hereunder or under Applicable Law, the Seller hereby agrees to indemnify any Indemnified Party from any and all expenses, losses, damages, liabilities, demands, charges and claims of any nature whatsoever (including reasonable attorneys' fees and expenses), as are awarded against or actually incurred by such Indemnified Party arising out of or as a result of this Agreement or in respect of any of the Sale Portfolio (all of the foregoing, being collectively referred to as "Indemnified Amounts"), excluding, however, Indemnified Amounts to the extent resulting solely from (x) gross negligence or willful misconduct on the part of an Indemnified Party or (y) Loans which are uncollectable due to the Obligor's financial inability to pay.

(b) Any amounts subject to the indemnification provisions of this Section 9.1 payable by the Seller to the Purchaser shall be paid as Principal Collections within four (4) Business Days of the Purchaser's written demand therefor (and the Purchaser shall immediately deposit, or cause to be deposited, such amounts into the Collections Account).

(c) If the Seller has made any payments pursuant to this Section 9.1 and the applicable Indemnified Party thereafter collects any of such amounts from others, such indemnified party will promptly repay such amounts collected to the Seller in an amount equal to the amount it has collected from others in respect of such indemnified amounts, without interest.

(d) Notwithstanding anything to the contrary in this Section 9.1, to the maximum extent permitted by applicable law, to the extent that the Purchaser is entitled to make any claim pursuant to Section 9.1(a), the Purchaser hereby agrees to forebear from making any such claim until such time that (i) the Purchaser no longer owns (x) any assets of the type included in clauses (a), (b) and (e) of the definition of "Collateral Portfolio" or (y) any Permitted Investments and (ii) the Purchaser owes any accrued and unpaid Obligations pursuant to Section 8.01 of the LSA. The operation of this Section 9(d) shall not be construed as a waiver by the Purchaser of any claim pursuant to Section 9(a) and any rights that shall accrue to the Purchaser thereunder shall toll until the satisfaction of the conditions set forth in the preceding sentence.

(e) The obligations of the Seller under this Section 9.1 shall survive the termination of this Agreement.

(f) Notwithstanding anything to the contrary herein, the Seller shall have no liability for any indirect, consequential or punitive damages.

Section 9.2 Assignment of Indemnities.

The Seller acknowledges that, pursuant to the Loan and Servicing Agreement, the Purchaser assigns its rights of indemnity hereunder as collateral security to the Collateral Agent, on behalf of the Secured Parties. Upon the permitted exercise of remedies pursuant to the relevant security documentation governing the collateral assignment, (a) the Collateral Agent, on behalf of the Secured Parties, shall have all rights of the Purchaser hereunder and may in turn assign such rights, (b) the obligations of the Seller under this Article IX shall inure to the Collateral Agent, on behalf of the Secured Parties, and (c) the Collateral Agent, on behalf of the Secured Parties, may enforce directly, without joinder of the Purchaser, the indemnities set forth in this Article IX.

ARTICLE X.

MISCELLANEOUS

Section 10.1 Liability of the Seller. The Seller shall be liable in accordance herewith only to the extent of the obligations in this Agreement specifically undertaken by the Seller and with respect to its representations and warranties expressly set forth hereunder. Notwithstanding anything herein to the contrary, each party hereto acknowledges that the Seller does not, pursuant to this Agreement, guarantee the payment obligations of the Company.

Section 10.2 Limitation on Liability. Except with respect to any claim arising solely out of the willful misconduct or gross negligence of the Lenders, the Lender Agents, the Collateral Agent, the Collateral Custodian, the Administrative Agent or any other Secured Party, no claim may be made by the Seller against the Lenders, the Lender Agents, the Collateral Agent, the Collateral Custodian, the Administrative Agent or any other Secured Party or their respective Affiliates, directors, officers, employees, attorneys or agents for any special, indirect, consequential or punitive damages in respect of any claim for breach of contract or any other theory of liability arising out of or related to the transactions contemplated by this Agreement, or any act, omission or event occurring in connection therewith; and the Seller hereby waives, releases and agrees not to sue upon any claim for any such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

Section 10.3 Amendments; Limited Agency. Except as provided in this Section 10.3, no amendment, waiver or other modification of any provision of this Agreement shall be effective unless signed by the Purchaser and the Seller and consented to in writing by the Administrative Agent, the Collateral Agent and the Required Lenders. The Purchaser shall provide not less than five (5) Business Days' prior written notice of any such amendment to the Administrative Agent, the Collateral Agent, each Lender and each Lender Agent.

Section 10.4 Waivers; Cumulative Remedies. No failure or delay on the part of the Purchaser (or any assignee thereof) or the Seller, in exercising any power, right, privilege or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial

exercise of any such power, right, privilege or remedy preclude any other or future exercise thereof or the exercise of any other power, right, privilege or remedy. The powers, rights, privileges and remedies herein provided are cumulative and not exhaustive of any powers, rights, privileges and remedies provided by law. Any waiver of this Agreement shall be effective only in the specific instance and for the specific purpose for which it is given.

Section 10.5 Notices. All demands, notices and other communications hereunder shall, unless otherwise stated herein, be in writing (which shall include facsimile communication and communication by e-mail in portable document format (.pdf)) and faxed, e-mailed or delivered, to each party hereto, at its address set forth on Annex A to the Loan and Servicing Agreement or at such other address as shall be designated by such party in a written notice to the other parties hereto. All such notices and communications shall be effective upon receipt, or in the case of (a) notice by mail, five days after being deposited in the United States mail, first class postage prepaid, (b) notice by e-mail, when verbal or electronic communication of receipt is obtained, or (c) notice by facsimile copy, when verbal communication of receipt is obtained.

Section 10.6 Merger and Integration. Except as specifically stated otherwise herein, this Agreement, the Loan and Servicing Agreement and the other Transaction Documents set forth the entire understanding of the parties relating to the subject matter hereof, and all prior understandings, written or oral, are superseded by this Agreement, the Loan and Servicing Agreement and the Transaction Documents. This Agreement may not be modified, amended, waived or supplemented except as provided herein.

Section 10.7 Severability of Provisions. If any one or more of the covenants, provisions or terms of this Agreement shall be for any reason whatsoever held invalid, then such covenants, provisions or terms shall be deemed severable from the remaining covenants, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement.

Section 10.8 GOVERNING LAW; JURY WAIVER. THIS AGREEMENT SHALL, IN ACCORDANCE WITH SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK. EACH OF THE PARTIES HERETO WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION ARISING DIRECTLY OR INDIRECTLY OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREUNDER.

Section 10.9 Consent to Jurisdiction; Service of Process.

(a) Each party hereto hereby irrevocably submits to the non-exclusive jurisdiction of any New York State or Federal court sitting in New York City in any action or proceeding arising out of or relating to this Agreement, and each party hereto hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court. The parties hereto hereby irrevocably waive, to the fullest extent they may effectively do so, the defense of

an inconvenient forum to the maintenance of such action or proceeding. The parties hereto agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(b) Each of the Seller and the Purchaser agrees that service of process may be effected by mailing a copy thereof by registered or certified mail, postage prepaid, to the Seller or the Purchaser, as applicable, at its address specified in Section 10.5. Nothing in this Section 10.9 shall affect the right of the Seller or the Purchaser to serve legal process in any other manner permitted by law.

Section 10.10 Costs, Expenses and Taxes.

(a) In addition to the rights of indemnification granted to the Purchaser and its Affiliates and officers, directors, employees and agents thereof under Article IX hereof, the Seller agrees to pay on demand all out-of-pocket costs and expenses of the Purchaser or its assignees incurred in connection with the preparation, execution, delivery, enforcement, administration (including periodic auditing), renewal, amendment or modification of, any waiver or consent issued in connection with, this Agreement and the other documents to be delivered hereunder or in connection herewith, including, without limitation, the fees and out-of-pocket expenses of counsel with respect thereto and with respect to advising the Purchaser 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 out-of-pocket costs and expenses, if any (including counsel fees and expenses), incurred by the Purchaser 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 out-of-pocket costs, expenses and Taxes (excluding Taxes imposed on or measured by net income) incurred by the Purchaser or its assignees in connection with the execution, delivery, filing and recording of this Agreement and the other documents to be delivered hereunder, including, without limitation, all costs and expenses incurred by the Purchaser or its assignees in connection with periodic audits of the Seller's books and records.

Section 10.11 Counterparts. For the purpose of facilitating the execution of this Agreement and for other purposes, this Agreement may be executed simultaneously in any number of counterparts, each of which counterparts shall be deemed to be an original, and all of which counterparts shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or e-mail in portable document format (.pdf) shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 10.12 Bankruptcy Non-Petition and Limited Recourse; Claims. The Seller hereby agrees that it will not institute against, or join any other Person in instituting

against, the Purchaser any Bankruptcy Proceeding so long as there shall not have elapsed one year and one day (or such longer preference period as shall then be in effect) since the Collection Date. The Seller hereby acknowledges that (i) the Purchaser has no assets other than the Sale Portfolio, (ii) the Purchaser shall, immediately upon Purchase hereunder, grant a security interest in the Sale Portfolio to the Collateral Agent, on behalf of the Secured Parties, pursuant to the Loan and Servicing Agreement, and (iii) Available Collections generated by the Sale Portfolio will be applied to payment of the Purchaser's obligations under the Loan and Servicing Agreement. In addition, the Seller shall have no recourse for any amounts payable or any other obligations arising under this Agreement against any officer, member, director, employee, partner, Affiliate or security holder of the Purchaser or any of its successors or assigns.

Section 10.13 Binding Effect; Assignability.

(a) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

(b) Notwithstanding anything to the contrary contained herein, this Agreement may not be assigned by the Purchaser or the Seller except as permitted by this Section 10.13 or the Loan and Servicing Agreement. Simultaneously with the execution and delivery of this Agreement, the Purchaser will assign all of its right, title and interest in this Agreement 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, under the Loan and Servicing Agreement and the Collateral Agent, in such capacity, shall be a third party beneficiary hereof. Upon such assignment, the Collateral Agent, for the benefit of the Secured Parties, under the Loan and Servicing Agreement may enforce the provisions of this Agreement, exercise the rights of the Purchaser and enforce the obligations of the Seller hereunder without joinder of the Purchaser.

(c) The Seller hereby acknowledges that the Administrative Agent is the beneficiary of a collateral assignment of this Agreement pursuant to Section 2.11 of the LSA and the Administrative Agent and each other Indemnified Party shall be express third party beneficiaries of the Company's rights hereunder, including but not limited to the Company's right to indemnification set forth in Section 9, subject, in each case, to each of the limitations, restrictions and conditions set forth in Section 2.11 of the LSA with respect to the collateral assignment of this Agreement; provided that, such collateral assignment and such third party beneficiary rights shall automatically terminate upon the irrevocable payment in full of the Obligations (other than contingent indemnity obligations as to which no claim has been made) and the termination of the Commitments in full.

Section 10.14 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 Purchaser, the Administrative Agent, the Lenders, the Lender Agents, the Collateral Agent, the Collateral Custodian, the other Secured Parties or any assignee of such Persons, all of which rights are hereby waived by the Seller.

(b) The Purchaser 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 Purchaser may have against the Seller from time to time under this Agreement. Upon any such set-off, the Purchaser shall give notice of the amount thereof and the reasons therefor to the Seller.

Section 10.15 Headings 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 10.16 Rights of Inspection. The Purchaser, the Administrative Agent, each Lender Agent and their respective representatives and assigns may conduct at any reasonable time, with reasonable notice, and from time to time, and the Seller will fully cooperate with, a reasonable number of field examinations and audits of the inventory, the Loans and business affairs of the Seller each calendar year; *provided* that, prior to the occurrence of a Seller Termination Event or event that upon the passage of time would constitute a Seller Termination Event, the Seller shall be obligated to pay for only two (2) such audits *per annum*. The Purchaser and its representatives and successors and assigns acknowledge that in exercising the rights and privileges conferred in this Section 10.16, it or its representatives or assigns may, from time to time, obtain knowledge of information, practices, books, correspondence and records of a confidential nature and in which the Seller has a proprietary interest. The Purchaser and its representatives and successors and assigns each agree that (i) it shall retain in strict confidence and shall use its reasonable efforts to ensure that its representatives retain in strict confidence and will not disclose without the prior written consent of the Seller any or all of such information, practices, books, correspondence and records furnished to them and (ii) that it will not, and will use its reasonable efforts to ensure that its representatives and assigns will not, make any use whatsoever (other than for the purposes contemplated by this Agreement) of any of such information, practices, books, correspondence and records without the prior written consent of the Seller, unless such information is generally available to the public or is required by law to be disclosed.

Section 10.17 Subordination. After giving effect to any payment relating to any indebtedness, obligation or claim the Seller may from time to time hold or otherwise have against the Purchaser or any assets or properties of the Purchaser, whether arising hereunder or otherwise existing, the Borrowing Base at such time must exceed the Obligations owed by the Purchaser to the Secured Parties under the Loan and Servicing Agreement. The Seller hereby agrees that at any time during which the condition set forth in the preceding sentence shall not be satisfied, the Seller shall be subordinate in right of payment to the prior payment of any indebtedness or obligation of the Purchaser owing to each Lender, each Lender Agent, the Collateral Agent, the Collateral Custodian, the Administrative Agent or any other Secured Party under the Loan and Servicing Agreement.

Section 10.18 Confidentiality. Each of the parties hereto hereby agrees with the confidentiality provisions set forth in Sections 12.13 and 12.14 of the Loan and Servicing Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed by their respective officers as of the day and year first above written.

WALNUT STREET FUNDING LLC, as the
Purchaser

By: /s/ Gerald F. Stahlecker
Name: Gerald F. Stahlecker
Title: Executive Vice President

FS INVESTMENT CORPORATION, as the
Seller

By: /s/ Gerald F. Stahlecker

Name: Gerald F. Stahlecker

Title: Executive Vice President

SALE PORTFOLIO LIST

WALNUT STREET FUNDING LLC
as Company

and

FS INVESTMENT CORPORATION
as Collateral Manager

COLLATERAL MANAGEMENT AGREEMENT

Dated as of May 17, 2012

COLLATERAL MANAGEMENT AGREEMENT, dated as of May 17, 2012 (this "Agreement"), between WALNUT STREET FUNDING LLC, a Delaware limited liability company (the "Company"), and FS INVESTMENT CORPORATION, a Maryland corporation (in such capacity, the "Collateral Manager").

WHEREAS, the Company desires to engage the Collateral Manager to provide the services described herein, and the Collateral Manager desires to provide such services; and

WHEREAS, capitalized terms used herein that are not otherwise defined herein shall have the respective meanings ascribed thereto in the Loan and Servicing Agreement dated as of the date hereof (together with any agreements referred to therein, including, without limitation, the letter from the Collateral Manager to the Administrative Agent delivered pursuant to the LSA, the "LSA"), between the Company, the lenders from time to time party thereto and WELLS FARGO SECURITIES, LLC, as administrative agent (including any successor agent under the LSA, the "Administrative Agent").

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

1. Management Services.

(a) The Company hereby appoints FS Investment Corporation as Collateral Manager pursuant to the terms and conditions of this Agreement and with the authority to service, administer and exercise rights and remedies, on behalf of the Company, in respect of the Collateral Portfolio. FS Investment Corporation hereby accepts such appointment and agrees to perform the duties and responsibilities of the Collateral Manager pursuant to the terms hereof. The Collateral Manager and the Company hereby acknowledge that the Administrative Agent and the Secured Parties are third party beneficiaries of the obligations undertaken by the Collateral Manager hereunder.

(b) The Collateral Manager will provide the Company with the following services (in accordance with and subject to the applicable requirements of, and the restrictions and limitations set forth in, the Transaction Documents and the LLC Agreement and subject to and consistent with the Collateral Management Standard):

(i) determining the specific Loans or other assets to be purchased or sold by the Company, taking into consideration the payment obligations of the Company on each Payment Date under the LSA in so doing, such that expected distributions on the Loans and other assets of the Company permit a timely performance of the payment obligations by the Company under the LSA;

(ii) effecting the purchase and sale of Loans and all other assets of the Company in accordance with the LSA;

(iii) subject to the limitations set forth in the LSA, negotiating with Obligors as to proposed amendments and modifications (including but not limited to extensions or releases of collateral) of the documentation evidencing and governing the Loans;

(iv) making determinations with respect to the Company's exercise (including but not limited to any waiver, modification or variation of any provision of an item of Collateral Portfolio unless such waiver, modification or variation would materially impair the collectability of the Collateral Portfolio) of any rights (including but not limited to voting rights and rights arising in connection with the bankruptcy or insolvency of an Obligor or the consensual or non-judicial restructuring of the debt or equity of an Obligor) or remedies in connection with the Loans and participating in the committees (official or otherwise) or other groups formed by creditors of an Obligor;

(v) monitoring the Loans and the rest of the Collateral Portfolio on an ongoing basis and providing to the Administrative Agent and the Company or to any other Person designated by the Company all information and data which is generated by, or reasonably accessible to, the Collateral Manager and which is required under the LSA or requested by the Company in connection with the preparation of all reports, certificates, schedules and other data which the Company is required to prepare and deliver under the LSA, in the form and containing all information required by the LSA, in sufficient time for the Company, or the Person designated by the Company (including but not limited to the Collateral Custodian), to review such data and prepare and deliver to the parties entitled thereto all such reports, certificates, schedules and other data required by the LSA; and

(vi) maintaining or causing to be maintained all necessary servicing records with respect to the Collateral Portfolio and maintaining and implementing administrative and operating procedures (including, without limitation, an ability to recreate servicing records evidencing the Collateral Portfolio in the event of the destruction of the originals thereof) and keeping and maintaining all documents, books, records and other information reasonably necessary or advisable for the collection of the Collateral Portfolio.

(c) The Company agrees for the benefit of the Collateral Manager and the Administrative Agent to follow the lawful instructions and directions of the Collateral Manager in connection with the Collateral Manager's services hereunder.

(d) If (i) the Collateral Manager makes a deposit into the Collection Account in respect of an Interest Collection or Principal Collection of a Loan and such Interest Collection or Principal Collection was received by it in the form of a check that is not honored for any reason or (ii) the Collateral Manager makes a mistake with respect to the amount of any Interest Collection or Principal Collection and deposits an amount that is less than or more than the actual amount of such Interest Collection or Principal Collection, it shall appropriately adjust the amount subsequently deposited into the Collection Account to reflect such dishonored check or mistake. Any Scheduled Payment in respect of which a dishonored check is received shall be deemed not to have been paid.

(e) The Collateral Manager may, in its discretion and consistent with the Collateral Management Standard and the applicable Loan Agreement, foreclose upon or repossess, as applicable, or otherwise comparably convert the ownership of any Underlying Collateral relating to a defaulted Loan as to which no satisfactory arrangements can be made for collection of delinquent payments; provided that the Company will promptly reimburse the Collateral Manager for any reasonable costs and expenses incurred in connection with the foregoing. The Collateral Manager will comply with the Collateral Management Standard and Applicable Law in realizing upon such Underlying Collateral, and employ practices and procedures including reasonable efforts consistent with the Collateral Management Standard to enforce all obligations of Obligor foreclosing upon, repossessing and causing the sale of such Underlying Collateral at public or private sale in circumstances other than those described in the preceding sentence. Without limiting the generality of the foregoing, unless the Administrative Agent has specifically given instruction to the contrary, the Collateral Manager may cause the sale of any such Underlying Collateral to itself or its Affiliates for a purchase price equal to the then fair value thereof, any such sale to be evidenced by a certificate of an Authorized Person of the Collateral Manager delivered to the Administrative Agent setting forth the Loan, the Underlying Collateral, the sale price of the Underlying Collateral and certifying that such sale price is the fair value of such Underlying Collateral. In any case in which any such Underlying Collateral has suffered damage, the Collateral Manager will not expend funds in connection with any repair or toward the foreclosure or repossession of such Underlying Collateral unless it reasonably determines that such repair and/or foreclosure or repossession will increase the Recoveries by an amount greater than the amount of such expenses. The Collateral Manager will remit to the Collection Account the Recoveries received in connection with the sale or disposition of Underlying Collateral relating to a defaulted Loan.

(f) The Collateral Manager shall (i) engage the Collateral Advisor and the Collateral Sub-Advisor to perform duties and responsibilities as set forth in the Advisory Agreements, (ii) ensure that the Collateral Advisor and the Collateral Sub-Advisor have the authority to service, administer and exercise rights and remedies, on behalf of the Company, in respect of the Collateral Portfolio and (iii) use its best efforts to cause each other Borrower Advisor to render services under the Advisory Agreements in accordance with the Collateral Management Standard.

(g) The Collateral Manager shall comply with all of the terms and conditions of and perform all the duties and functions that have been specifically delegated to it under this Agreement. The Company agrees that it will promptly provide a copy of each amendment to the LSA to the Collateral Manager and will not permit any amendment to the LSA that adversely affects in any material respects the duties or liabilities of the Collateral Manager to become effective unless the Collateral Manager has been given prior written notice of such amendment and consented thereto in writing. The Collateral Manager shall cause any purchase or sale of any Loans or other asset of the Company to be conducted on an arm's length basis or on terms that would be obtained in an arm's length transaction in compliance with Section 2 and Section 8.

(h) To the extent necessary or appropriate to perform all of the duties to be performed by it hereunder, the Collateral Manager shall have the power to negotiate, execute and deliver all necessary documents and instruments on behalf of the Company with respect to any Loan or other asset of the Company.

(i) Notwithstanding anything to the contrary herein, the Collateral Manager shall only be permitted to take actions hereunder with respect to any asset of the Company permitted by this Agreement or to the extent that the Company is expressly permitted to take such actions under the LSA

(j) In addition to, and without limiting, the duties set forth in this Section 1, the Collateral Manager acknowledges that the Borrower is required to cause it to deliver the items specified in the following sections of the LSA: Section 6.07, Section 6.08 and Section 6.09, and the Collateral Manager acknowledges that it has read and understood the requirements of the foregoing sections and hereby agrees to deliver those specified items subject to and in accordance with the terms of such sections and this Agreement; provided that, if any such item allows the Collateral Manager to exercise discretion with respect to the content thereof, such discretion shall be subject to the Collateral Management Standard. For the avoidance of doubt, no calculation required under the above referenced sections (including, without limitation, a calculation of the Borrowing Base) is a discretionary act of the Collateral Manager.

(k) In addition to, and without limiting, the duties set forth in this Section 1, the Collateral Manager acknowledges that the Borrower is required to cause it to perform functions specified in the following sections of the LSA: the definitions of "Assigned Value", "Borrowing Base Certificate", "Broadly Syndicated Loan", "Credit Risk Loan", "Fixed Rate Loan", "Insurance Proceeds", "Large Middle Market Loan", "Recoveries", "Senior Net Leverage Ratio", "Total Net Leverage Ratio", "Traditional Middle Market Loan", and clause (aa) of the definition of "Loan Tape", each in Section 1.01, Section 2.06(c), Section 2.15(a), Section 2.18 and Section 2.19, and the Collateral Manager acknowledges that it has read and understood the requirements of the foregoing sections and hereby agrees to perform those specified functions subject to and in accordance with the terms of this Agreement and subject to and consistent with the Collateral Management Standard.

2. Brokerage.

The Collateral Manager shall use reasonable efforts to obtain the best prices and execution for all orders placed with respect to the Loans, and other assets of the Company, considering all circumstances. Subject to the objective of obtaining best prices and execution, the Collateral Manager may take into consideration research and other brokerage services furnished to the Collateral Manager or its Affiliates by brokers and dealers which are not Affiliates of the Collateral Manager. Such services may be used by the Collateral Manager or its Affiliates in connection with its other advisory activities or investment operations. The Collateral Manager

may aggregate sales and purchase orders of securities placed with respect to the Loans, and other assets of the Company with similar orders being made simultaneously for other accounts managed by the Collateral Manager or with accounts of the Affiliates of the Collateral Manager, if in the Collateral Manager's sole judgment such aggregation shall result in an overall economic benefit to the Company taking into consideration the selling or purchase price, brokerage commission and other expenses. In accounting for such aggregated order price, commission and other expenses shall be averaged on a per position basis.

The Company acknowledges that the determination of any such economic benefit by the Collateral Manager is subjective and represents the Collateral Manager's evaluation at the time that the Company will be benefited by better purchase or sales prices, lower commission expenses and beneficial timing of transactions or a combination of these and other factors. When any aggregate sales or purchase orders occur, the objective of the Collateral Manager (and any of its Affiliates involved in such transactions) shall be to allocate the executions among the accounts in an equitable manner.

Subject to the Collateral Manager's execution obligations described herein, the Collateral Manager is hereby authorized to effect client cross-transactions where the Collateral Manager causes a transaction to be effected between the Company and another account advised by it or any of its Affiliates; provided that, if and to the extent required by the Investment Advisers Act of 1940, as amended, such authorization is terminable at the Company's option without penalty, effective upon receipt by the Collateral Manager of written notice from the Company. In addition, the Company hereby consents to, and authorizes the Collateral Manager to enter into, agency cross-transactions where it or any of its Affiliates acts as broker for the Company and for the other party to the transaction, to the extent permitted under applicable law, in which case the Collateral Manager or any such Affiliate will receive commissions from, and have a potentially conflicting division of loyalties and responsibilities regarding, both parties to the transaction; provided that the Company shall the right to revoke such consent at any time by written notice to the Collateral Manager. Also with the prior authorization of the Company and in accordance with Section 11(a) of the Securities Exchange Act of 1934, as amended, and regulation 11a2-2T thereunder (or any similar rule that may be adopted in the future), the Collateral Manager is authorized to effect transactions for the Company on a national securities exchange of which any of its Affiliates is a member and retain commissions in connection therewith, and the Collateral Manager will use commercially reasonable efforts to provide the Company with information annually disclosing commissions, if any, retained by the Collateral Manager's Affiliates in connection with such transactions for the Company's account.

All purchases and sales of Loans, and other assets of the Company by the Collateral Manager on behalf of the Company shall be in accordance with reasonable and customary business practices and in compliance with applicable laws.

3. The Representations and Warranties of the Company.

The Company represents and warrants to the Collateral Manager as of the Closing Date, as of each applicable Cut-Off Date, as of each applicable Advance Date, as of each Determination Date and as of the date of each Borrowing Base Certificate delivered pursuant to the LSA that:

(a) the Company has been duly organized and is validly existing under the laws of Delaware, has the full power and authority to own its assets and the obligations proposed to be owned by it and to transact the business in which it is presently engaged and is duly qualified under the laws of each jurisdiction where its ownership or lease of property or the conduct of its business requires, or the performance of its obligations under this Agreement and the Transaction Documents would require, such qualification, except for failures to be so qualified, authorized or licensed that would not in the aggregate have a material adverse effect on the business, operations, assets or financial condition of the Company;

(b) the Company has full corporate power and authority to execute, deliver and perform this Agreement, the Transaction Documents and all obligations required hereunder and under the Transaction Documents, and the performance of all obligations imposed upon it hereunder and thereunder;

(c) this Agreement has been duly authorized, executed and delivered by it and constitutes its valid and binding obligation, enforceable in accordance with its terms except that the enforceability thereof may be subject to (i) bankruptcy, insolvency, reorganization, moratorium, receivership, conservatorship or other similar laws now or hereafter in effect relating to creditors' rights and (ii) general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law);

(d) no consent, approval, authorization or order of or declaration or filing with any government, governmental instrumentality or court or other person is required for the performance by the Company of its duties hereunder, except such as have been duly made or obtained;

(e) neither the execution and delivery of this Agreement nor the fulfillment of the terms hereof conflicts with or results in a material breach or violation of any of the material terms or provisions of or constitutes a material default under (i) the Company's certificate of formation, limited liability company agreement or other constituent documents, (ii) the terms of any material indenture, contract, lease, mortgage, deed of trust, note, agreement or other evidence of indebtedness or other material agreement, obligation, condition, covenant or instrument to which the Company is a party or is bound, (iii) any statute applicable to the Company, or (iv) any law, decree, order, rule or regulation applicable to the Company of any court or regulatory, administrative or governmental agency, body or authority or arbitrator having or asserting jurisdiction over the Company or its properties, and which would have a material adverse effect upon the performance by the Company of its duties under this Agreement;

(f) neither the Company nor any of its Affiliates are in violation of any U.S. federal or state securities law or regulation promulgated thereunder and there is no charge, investigation, action, suit or proceeding before or by any court or regulatory agency pending or, to the best knowledge of the Company, threatened that would have a material adverse effect upon the performance by the Company of its duties under this Agreement;

(g) the Company has not engaged in any transaction that would result in the violation of, or require registration as an investment company under, the 1940 Act;

(h) the Company is not required to register as an “investment company” under the 1940 Act; and

(i) there is no charge, investigation, action, suit or proceeding before or by any court pending or, to the best knowledge of the Company, threatened that, if determined adversely to the Company, would have a material adverse effect upon the performance by the Company of its duties under, or on the validity or enforceability of, this Agreement or the provisions of the LSA applicable to the Company thereunder.

4. Representations and Warranties of the Collateral Manager.

The Collateral Manager represents and warrants to the Company, as of the Closing Date, as of each applicable Cut-Off Date, as of each applicable Advance Date, as of each Determination Date and as of the date of each Borrowing Base Certificate delivered pursuant to the LSA that:

(a) the Collateral Manager is duly organized and validly existing under the laws of Maryland and has the full power and authority to transact the business in which it is presently engaged and is duly qualified under the laws of each jurisdiction where the conduct of its business requires, or the performance of its obligations under this Agreement and the provisions of the Transaction Documents applicable to the Collateral Manager would require, such qualification, except for failures to be so qualified, authorized or licensed which would not in the aggregate have a material adverse effect on the business, operations, assets or financial condition of the Collateral Manager, or on the ability of the Collateral Manager to perform its obligations under, or on the validity or enforceability of, this Agreement and the applicable provisions of the Transaction Documents;

(b) the Collateral Manager has full power and authority to execute and deliver this Agreement and to perform all of its obligations hereunder and under the Transaction Documents applicable to the Collateral Manager;

(c) this Agreement has been duly authorized, executed and delivered by the Collateral Manager and constitutes a valid and binding agreement of the Collateral Manager, enforceable against it in accordance with its terms, except that the enforceability thereof may be subject to (i) bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors’ rights and (ii) general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law);

(d) neither the Collateral Manager nor any of its Affiliates is in violation of any Applicable Law or any material listing requirements of any exchange on which it is listed and there is no charge, investigation, action, suit or proceeding before or by any court, exchange or regulatory agency pending or, to the best knowledge of the Collateral Manager, threatened (i) asserting the invalidity of this Agreement or any other Transaction Document to which the Collateral Manager is a party, (ii) seeking to prevent

the consummation of any of the transactions contemplated by this Agreement or any other Transaction Document to which the Collateral Manager is a party, (iii) seeking any determination or ruling that could reasonably be expected to adversely affect the Transaction Documents or the transactions contemplated hereby or thereby, or (iv) that would have a material adverse effect upon the performance by the Collateral Manager of its duties under this Agreement;

(e) neither the execution and delivery of this Agreement, nor the performance of the terms hereof or the provisions of the Transaction Documents applicable to the Collateral Manager, conflicts with or results in a material breach or violation of any of the terms or provisions of, or constitutes a default under, (i) its articles of organization, limited liability company agreement or other constituent document, (ii) the terms of any material indenture, contract, lease, mortgage, deed of trust, note agreement or other evidence of indebtedness or other material agreement, obligation, condition, covenant or instrument to which the Collateral Manager is a party or is bound, or (iii) any Applicable Law;

(f) no consent, approval, authorization or order of or declaration or filing with any government, governmental instrumentality or court or other person is required for the performance by it of its duties hereunder, except such as have been duly made or obtained and there is no injunction, writ, restraining order or other order of any nature that adversely affects the Collateral Manager's performance of its obligations under any Transaction Document to which it is a party;

(g) all information, financial statements of the Collateral Manager, documents, books, records or reports furnished by the Collateral Manager to any Secured Party in connection with this Agreement are true, complete and correct in all material respects; *provided* that the Collateral Manager makes no representation with respect to any information furnished by an Obligor unless it has also certified as to such information;

(h) the Collateral Manager acknowledges that all Available Collections received by it or its Affiliates with respect to the Collateral Portfolio transferred or Pledged hereunder are held and shall be held in trust for the benefit of the Secured Parties until deposited into the Collection Account within one (1) Business Day from receipt as required under the LSA;

(i) the Collateral Manager is not the subject of any Bankruptcy Proceeding or Bankruptcy Event. The transactions under this Agreement and any other Transaction Document to which the Collateral Manager is a party do not and will not render it not Solvent;

(j) with respect to each item of Underlying Collateral as of the applicable Cut-Off Date for the Loan related to such Underlying Collateral, to the actual knowledge of an Authorized Person of the Collateral Manager: (a) none of the related Obligor's operations is the subject of a material Federal or state investigation evaluating whether any remedial action, involving expenditures, is needed to respond to a release of any Hazardous Materials into the environment; and (b) the related Obligor does not have

any material contingent liability in connection with any release of any Hazardous Materials into the environment. As of the applicable Cut-Off Date for the Loan related to such Underlying Collateral, the Collateral Manager has not received any written or verbal notice of, or inquiry from any Governmental Authority regarding, any violation, alleged violation, non compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws with regard to any of the Underlying Collateral, nor does the Collateral Manager have knowledge or reason to believe that any such notice will be received or is being threatened, in each case except as otherwise notified to the Administrative Agent in writing.

(k) the Collection Account is the only account to which Obligors have been instructed by the Collateral Manager to send Principal Collections and Interest Collections on the Collateral Portfolio;

(l) no event has occurred which constitutes a Collateral Control Event;

(m) the execution, delivery and performance of this Agreement do not require compliance with any “bulk sales” act or similar law by the Collateral Manager;

(n) none of the transactions contemplated herein or the other Transaction Documents (including, without limitation, the use of the Proceeds from the Pledge of the Collateral Portfolio) will violate or result in a violation of Section 7 of the Exchange Act, or any regulations issued pursuant thereto, including, without limitation, Regulations T, U and X of the Board of Governors of the Federal Reserve System, 12 C.F.R., Chapter II;

(o) except as would not reasonably be expected to constitute a Material Adverse Effect, (i) the present value of all benefits vested under all Pension Plans of the Collateral Manager does not exceed the value of the assets of the Pension Plan allocable to such vested benefits (based on the value of such assets as of the most recent annual financial statements reflecting such amounts), (ii) no Reportable Events have occurred with respect to any Pension Plans that, in the aggregate, could subject the Collateral Manager to any material tax, penalty or other liability and (iii) no notice of intent to terminate a Pension Plan has been filed, nor has any Pension Plan been terminated under Section 4041(f) of ERISA, nor has the Pension Benefit Guaranty Corporation instituted proceedings to terminate, or appoint a trustee to administer a Pension Plan and no event has occurred or condition exists that might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan;

(p) neither the Collateral Manager nor any Affiliate of the Collateral Manager 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 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;

(q) the Collateral Manager is not a broker-dealer under the provisions of the Exchange Act;

(r) the Collateral Manager is regulated as a business development company under the 1940 Act; and

(s) except as otherwise permitted in the LSA, each Loan selected by the Collateral Manager for purchase by the Company shall be an Eligible Loan at the time of such purchase.

5. Covenants of Collateral Manager. From the Closing Date until the Collection Date:

(a) the Collateral Manager shall comply in all respects with all Applicable Law and shall do or cause to be done all things necessary to preserve and maintain in full force and effect its legal existence and all licenses material to its business.

(b) the Collateral Manager 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 corporation in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualification could reasonably be expected to have a Material Adverse Effect;

(c) the Collateral Manager will exercise its rights hereunder in order to cause the Borrower to duly fulfill and comply with all obligations on the part of the Borrower to be fulfilled or complied with under or in connection with each item in the Collateral Portfolio and will take all necessary action to preserve the first priority security interest of the Collateral Agent for the benefit of the Secured Parties, or of the Secured Parties in, to and under the Collateral Portfolio;

(d) the Collateral Manager will promptly furnish to the Collateral Agent, the Administrative Agent and each Lender Agent such other information, documents, records or reports respecting the Collateral Portfolio or the condition or operations, financial or otherwise, of the Company or it as the Collateral Agent, any Lender Agent or the Administrative Agent may from time to time reasonably request in order to protect the interests of the Administrative Agent, the Lender Agents, the Collateral Agent or Secured Parties under or as contemplated by this Agreement;

(e) the Collateral Manager shall promptly (but in no event later than one Business Day after receipt) deposit or cause to be deposited into the Collection Account any and all Available Collections received by the Company, the Collateral Manager or any of their respective Affiliates;

(f) the Collateral Manager shall use its best efforts to ensure that the Company is in compliance with, and shall take no action which would cause the Company to fail to be in compliance with, the special purpose entity requirements set forth in Sections 5.01(a) and (b) and 5.02(a) and (b) of the LSA;

(g) the Collateral Manager shall direct (or cause to be directed) any agent or administrative agent for any Loan to remit all payments and collections with respect to such Loan, and, if applicable, to direct the Obligor with respect to such Loan to remit all such payments and collections with respect to such Loan directly to the Collection Account. The Company and the Collateral Manager shall take commercially reasonable steps to ensure, and shall cause the Seller to take commercially reasonable steps to ensure, that only funds constituting payments and collections relating to the Collateral Portfolio shall be deposited into the applicable Controlled Account;

(h) the Collateral Manager will not consolidate with or merge into any other Person or convey or transfer its properties and assets substantially as an entirety to any Person, unless it is the surviving entity and unless:

(i) it has delivered to the Administrative Agent and each Lender Agent an Officer's Certificate and an Opinion of Counsel each stating that any such consolidation, merger, conveyance or transfer and any supplemental agreement executed in connection therewith comply with this Section 5(h) and that all conditions precedent herein provided for relating to such transaction have been complied with and, in the case of the Opinion of Counsel, that such supplemental agreement is legal, valid and binding with respect to it and such other matters as the Administrative Agent may reasonably request;

(ii) it shall have delivered notice of such consolidation, merger, conveyance or transfer to the Administrative Agent and each Lender Agent;

(iii) after giving effect thereto, no Event of Default or Collateral Control Event or event that with notice or lapse of time would constitute either an Event of Default or a Collateral Control Event shall have occurred; and

(iv) the Administrative Agent shall have consented in writing to such consolidation, merger, conveyance or transfer;

(i) the Collateral Manager shall promptly (but in no event later than two Business Days after it has notice of the same):

(i) notify the Company if it has actual knowledge of:

(1) any Event of Default, Collateral Control Event, or other event which, if it continues uncured, will, with notice or lapse of time, constitute a Collateral Control Event, Event of Default or Borrowing Base Deficiency;

- (2) any material action, suit, proceeding, dispute, offset, deduction, defense or counterclaim (x) that is or is threatened to be asserted by an Obligor with respect to any Loan (or portion thereof) of which it has knowledge or has received notice; or (y) that would reasonably be expected to have a Material Adverse Effect; and
- (3) any material adverse change which has occurred in the ability of the Seller, any Borrower Advisor or the Company to perform its obligations under any Transaction Document;
- (4) any Loan identified on the most recently delivered Borrowing Base as an Eligible Loan ceased to qualify as an Eligible Loan;
- (5) any operation of any Obligor is the subject of a material Federal or state investigation evaluating whether any remedial action, involving expenditures, is needed to respond to a release of any Hazardous Materials into the environment; and
- (6) any Obligor has any material contingent liability in connection with any release of any Hazardous Materials into the environment; and

(ii) No later than two (2) Business Days following the Collateral Manager's knowledge or notice of the occurrence of any event specified in clause (i) above, provide to the Collateral Agent, the Administrative Agent and each Lender Agent a written statement of its chief financial officer, chief accounting officer or other officer setting forth the details of such event and the action that it proposes to take with respect thereto;

(j) at any time a Noteless Loan is included as part of the Collateral Portfolio, the Collateral Manager shall, or shall cause the Company to, deliver to the Administrative Agent, the Collateral Agent and the Collateral Custodian a copy of the related loan register, if any, together with, for each Agented Loan, a certificate of an Authorized Person of the Collateral Manager certifying to the accuracy of the applicable Loan Register as of the applicable Cut Off Date;

(k) the Collateral Manager shall take all other actions reasonably necessary to maintain the accuracy of the factual assumptions set forth in the legal opinions of Dechert LLP, as special counsel to the Collateral Manager, issued in connection with the Transaction Documents and relating to the issues of substantive consolidation of the Company and true sale of the Loans;

(l) the Collateral Manager shall ensure that, at all times when it is dealing with or in connection with the Loans in its capacity as the Collateral Manager, it holds itself out as the Collateral Manager, and not in any other capacity;

(m) the Collateral Manager has caused, and will cause, to be performed any and all acts reasonably required to be performed to preserve the rights and remedies of the Collateral Agent and the Secured Parties in any Insurance Policies applicable to Loans (to the extent the Collateral Manager or an Affiliate of the Collateral Manager is the agent, collateral manager or servicer under the applicable Loan Agreement) including, without limitation, in each case, any necessary notifications of insurers, assignments of policies or interests therein, and establishments of co insured, joint loss payee and mortgagee rights in favor of the Collateral Agent and the Secured Parties;

(n) the Collateral Manager shall not, nor shall it permit the Company to, take any action that would cause the Company to not be disregarded as an entity separate from its owner pursuant to Treasury Regulation Section 301.7701 3(b) and shall not permit either the Company or any other Person on its behalf to make an election to be treated as other than an entity disregarded as an entity separate from its owner under Treasury Regulation Section 301.7701 3(c);

(o) if the provisions of Sections 1471 through 1474 of the Code or any regulations promulgated thereunder become applicable to any payments to the Company or the Collateral Manager made in respect of the Collateral Portfolio, the Collateral Manager shall and shall cause the Company to exercise its best efforts to avoid the imposition of any withholding tax in respect of such payments under those provisions;

(p) promptly after the receipt thereof, the Collateral Manager shall notify the Administrative Agent and, upon request, each Lender Agent of any auditors' management letters received by it;

(q) the Collateral Manager shall not move, or consent to the Collateral Custodian moving, the Required Loan Documents and Loan Files from the location thereof on the initial Advance Date, unless the Administrative Agent shall consent of such move in writing and the Collateral Manager shall provide the Administrative Agent with such Opinions of Counsel and other documents and instruments as the Administrative Agent may request in connection therewith 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 Collateral Agent, for the benefit of the Secured Parties, in the Collateral Portfolio;

(r) the Collateral Manager shall not permit any agreement or understanding between the Collateral Manager and the Company (other than as expressly set forth herein or as consented to by the Administrative Agent) providing for the allocation or sharing of obligations to make payments or otherwise in respect of any Taxes, fees, assessments or other governmental charges;

(s) the Collateral Manager will not cause or permit any provision of the Company's organizational documents to be amended, modified, waived or terminated without the prior written consent of the Administrative Agent;

(t) the Collateral Manager will not make any change in its instructions to Obligors regarding payments to be made with respect to the Collateral Portfolio to the Collection Account, unless the Administrative Agent has consented to such change; and

(u) in addition to, and without limiting, the duties set forth in Section 1, the Collateral Manager acknowledges that the Borrower is required to cause it to perform functions specified in the following sections of the LSA: Section 1.04, Section 2.02(b), Section 2.04, Sections 2.06(b), Section 3.02, Section 5.01(g), Section 5.02(k), clauses (i), (ii), (iii) and (iv) in the final paragraph of Section 6.11, Section 7.02(c), Section 11.08 and Section 12.04(a), and the Collateral Manager acknowledges that it has read and understood the requirements of the foregoing sections and hereby agrees to perform those specified functions subject to and in accordance with the terms of this Agreement;

(v) the Collateral Manager shall use its commercially reasonable efforts and judgment to collect or cause to be collected, all payments called for under the terms and provisions of the Loans included in the Collateral Portfolio as and when the same become due.

6. Expenses.

The Collateral Manager shall pay all expenses and costs (including salaries, rent and other overhead) incurred by it in connection with its services under this Agreement; provided that the Collateral Manager shall not be liable for and the Company shall be responsible for the payment of (i) actual and reasonable expenses and costs of legal advisers (including actual and reasonable expenses and costs associated with the use of internal legal counsel of the Collateral Manager), consultants and other professionals retained by the Company or by the Collateral Manager, on behalf of the Company, in connection with the services provided by the Collateral Manager pursuant to this Agreement and the LSA and (ii) the reasonable cost of asset pricing and asset rating services, and accounting, programming and data entry services that are retained in connection with services of the Collateral Manager under this Agreement. To the extent that such expenses are incurred in connection with obligations that are also held 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 6 shall be reimbursed by the Company to the extent funds are available therefor in accordance with and subject to the limitations contained in the LSA.

7. Fees.

(a) The Company shall pay to the Collateral Manager, for services rendered and performance of its obligations under this Agreement fees which are payable in arrears on each Payment Date in an amount equal to 0.35% per annum of the aggregate principal balance of all Portfolio Assets measured as of the Determination Date immediately preceding such Payment Date (the "Management Fees"). The Management Fees will be calculated on the basis of a calendar year consisting of 360 days and the actual number of days elapsed.

(b) The Collateral Manager may, in its sole discretion, defer all or any portion of the Management Fees. Such deferred amounts will become payable on the next Payment Date in the same manner and priority as their original characterization would have required unless deferred again.

(c) If this Agreement is terminated pursuant to Section 12 hereof or otherwise, the Management Fees calculated as provided in Section 7(a) hereof shall be prorated for any partial periods between Payment Dates during which this Agreement was in effect and shall be due and payable, along with any deferred Management Fees, on the first Payment Date following the effective date of such termination.

(d) The Management Fees will be payable pursuant to Sections 2.04(a)(viii), (b)(v) and (c)(viii) of the LSA, as applicable. If on any Payment Date there are insufficient funds to pay the Management Fees then due in full, the amount not so paid shall not constitute any default hereunder and shall be deferred without interest and shall be payable on the next Payment Date if any on which any funds are available therefor, as provided in Sections 2.04(a)(viii), (b)(v) and (c)(viii) of the LSA.

(e) The Collateral Manager hereby agrees not to cause the filing of a petition in bankruptcy against the Company for any reason whatsoever, including, without limitation, the non payment of the Management Fees, except in accordance with the provisions of Section 21 hereof and the provisions of the LSA.

8. Non-Exclusivity.

The services of the Collateral Manager to the Company are not to be deemed exclusive, and the Collateral Manager shall be free to render asset management or management services to other Persons (including Affiliates, other investment companies, and clients having objectives similar to those of the Company). It is understood and agreed that the officers and directors of the Collateral Manager may engage in any other business activity or render services to any other Person or serve as partners, officers or directors of any other firm or corporation. Notwithstanding the foregoing, it is understood and agreed that the Collateral Manager will at no time render any services to, or in any way participate in the organization or operation of, any investment company or other entity if such actions would require the Company to register as an "investment company" under the 1940 Act. Subject to Sections 2 and 10 hereof, it is understood and agreed that information or advice received by the Collateral Manager and officers or directors of the Collateral Manager hereunder shall be used by such organization or such persons to the extent permitted by applicable law.

9. Conflicts of Interest.

The Collateral Manager may, subject to applicable legal requirements and any restrictions or limitations contained in the Transaction Documents, direct the Company (i) to acquire any Loans for the Company from the Collateral Manager or any of its Affiliates as principal or (ii) to sell any Loans for the Company to the Collateral Manager or any of its Affiliates as principal; provided that each such acquisition or sale is conducted on terms no less favorable to the Company than would be obtained in an arms' length transaction with a non-affiliate.

Notwithstanding the provisions of the preceding paragraph, various potential and actual conflicts of interest may arise from the overall investment activity of the Collateral Manager and its Affiliates. The Collateral Manager, its Affiliates and their respective clients may invest in obligations that would be appropriate for inclusion in the Company's assets. Such investments may be different from those made on behalf of the Company. The Collateral Manager and its Affiliates may have ongoing relationships with companies whose obligations are pledged under the LSA and may own equity or debt obligations issued by issuers of and other obligors of Loans. The Collateral Manager and its Affiliates and the clients of the Collateral Manager or its Affiliates may invest in obligations that are senior to, or have interests different from or adverse to, the assets of the Company. The Collateral Manager may serve as Collateral Manager for, invest in, or be affiliated with, other entities organized to issue collateralized debt obligations secured by loans, high-yield debt securities, or other debt obligations. The Collateral Manager may at certain times be simultaneously seeking to purchase or sell investments for the Company and any similar entity for which it serves as Collateral Manager in the future, or for its clients and Affiliates. Furthermore, the Collateral Manager and/or its Affiliates may make an investment on their behalf or on behalf of any account that they manage or advise without offering the investment opportunity or making an investment on behalf of the Company.

The Company hereby acknowledges the various potential and actual conflicts of interest that may exist with respect to the Collateral Manager; provided that nothing in this Section 9 shall be construed as altering the duties of the Collateral Manager as set forth in this Agreement, the LSA or the requirements of any law, rule, or regulation applicable to the Collateral Manager.

10. Records; Confidentiality.

The Collateral Manager shall maintain appropriate books of account and records relating to services performed hereunder, and such books of account and records shall be accessible for inspection by a representative of the Company, the Administrative Agent, and independent accountants appointed by the Company at a mutually agreed time during normal business hours and upon not less than three Business Days' prior notice.

Subject to the exceptions set forth in the following paragraph, at no time will the Collateral Manager make a public announcement concerning the Transaction Documents, the Collateral Manager's role hereunder or any other aspect of the transactions contemplated by this Agreement and the Transaction Documents absent the written consent of the Company and the Administrative Agent.

The Collateral Manager shall, and shall cause its Affiliates to, keep confidential any and all information obtained in connection with the services rendered hereunder and shall not disclose any such information to non affiliated third parties except (i) with the prior written consent of the Company, (ii) as required by law, regulation, court order or the rules or regulations of any self regulating organization, body or official having jurisdiction over the Collateral Manager, (iii) to its professional advisers, (iv) such information as shall have been publicly disclosed other than in violation of this Agreement, (v) the identification of the Company as a

client of the Collateral Manager, (vi) information related to the performance of the Collateral Manager, (vii) information furnished in connection with any successor investment manager or assignee, or any agent that has been assigned duties in accordance with this Agreement, or (viii) such information that was or is obtained by the Collateral Manager on a non confidential basis; provided that the Collateral Manager does not know or have reason to know, after due inquiry, of any breach by such source of any confidentiality obligations with respect thereto. For purposes of this Section 10, the Administrative Agent shall in no event be considered a “non affiliated third party,” and the Collateral Manager may disclose any of the aforementioned information to the Administrative Agent insofar as such information relates to Loans under the LSA.

11. Term.

This Agreement shall become effective on the date hereof and shall continue unless terminated as hereinafter provided.

12. Termination.

(a) This Agreement may be terminated, and the Collateral Manager may be removed, without payment to the Collateral Manager of any penalty, for cause upon prior written notice by the Company, acting with the prior written consent of the Administrative Agent; provided that such notice may be waived by the Collateral Manager. For this purpose, “cause” will mean the occurrence of any of the following events or circumstances:

(i) the Collateral Manager’s breach, in any respect, of any provision of this Agreement or the Transaction Documents applicable to it (except for any breach that has not had, and could not reasonably be expected to have, a material adverse effect on the Company or the Administrative Agent) and the Collateral Manager’s failure to cure such breach within 30 days of its becoming aware of, or receiving notice of, the occurrence of such breach;

(ii) the Collateral Manager’s intentional breach of (a) any provision of this Agreement or the Transaction Documents applicable to it relating to the Collateral Manager’s or the Company’s obligation to cause the Loans to comply with the conditions for sale of a Loan by the Company or (b) any other material provision of this Agreement or the Transaction Documents applicable to it, and the Collateral Manager’s failure to cure such breach within 15 days of the occurrence of such breach;

(iii) the failure of any representation, warranty, certification or statement made or delivered by the Collateral Manager in or pursuant to this Agreement or the Transaction Documents to be correct in any material respect when made which failure (a) could reasonably be expected to have a material adverse effect on the Administrative Agent and (b) is not corrected by the Collateral Manager within 15 days of its receipt of notice from the Company or the Administrative Agent of such failure;

(iv) the Collateral Manager (1) is dissolved (other than pursuant to a consolidation, amalgamation or merger), (2) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction, (3) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due, (4) makes a general assignment, arrangement or composition with or for the benefit of its creditors, (5) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property or (6) is adjudicated as insolvent or bankrupt, or a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Collateral Manager, or appointing a receiver, liquidator, assignee, or sequestrator (or other similar official) of the Collateral Manager or of any substantial part of its property, and the continuance of any such decree or order unstayed and in effect for a period of 15 consecutive days;

(v) the occurrence of an Event of Default under the Transaction Documents that results from any breach by the Collateral Manager of its duties under the Transaction Documents or this Agreement; or

(vi) the occurrence of an act by the Collateral Manager that constitutes fraud or criminal activity in the performance of its obligations under this Agreement, or the Collateral Manager being indicted for a criminal offense materially related to its business of providing asset management services.

If any such event occurs, the Collateral Manager shall give prompt written notice thereof to the Company and the Administrative Agent upon the Collateral Manager becoming aware of the occurrence of such event.

(b) Subject to Section 12(d), the Collateral Manager shall have the right to terminate this Agreement only upon 90 days prior written notice to the Company and the Administrative Agent.

(c) This Agreement shall be automatically terminated in the event that the Company determines in good faith that the Company or the Company's asset portfolio has become required to be registered under the provisions of the 1940 Act.

(d) Within 30 days of the resignation or removal of the Collateral Manager pursuant to this Section 12, the Company may appoint a successor investment manager that is acceptable to the Administrative Agent in its sole discretion. Notwithstanding any other provision of this Agreement, no such resignation or removal will be effective until the date as of which a successor investment manager acceptable to the Administrative Agent in its sole discretion has assumed in writing the Collateral Manager's duties and obligations as specified herein.

(e) Notwithstanding anything to the contrary herein or in the LSA, the assignment of this Agreement provided for in Section 2.11 of the LSA does not include the right to terminate this Agreement or the Collateral Manager's rights and responsibilities thereunder.

13. Action Upon Termination.

(a) Upon the effective termination of this Agreement, the Collateral Manager shall as soon as practicable:

(i) deliver to the Company all property and documents of the Company or otherwise relating to the Company's assets then in the custody of the Collateral Manager; and

(ii) deliver to the Administrative Agent or the successor investment manager appointed pursuant to Section 12(d) an account with respect to the books and records delivered to the Company pursuant to Section 13(a)(i).

Notwithstanding such termination, the Collateral Manager shall remain liable to the extent set forth herein (but subject to Section 14 hereof) for its acts or omissions hereunder arising prior to termination and for any expenses, losses, damages, liabilities, demands, charges and claims (including reasonable attorney's fees) in respect of or arising out of a breach of the representations and warranties made by the Collateral Manager in Section 4 hereof or from any failure of the Collateral Manager to comply with the provisions of this Section 13.

(b) The Collateral Manager agrees that, notwithstanding any termination, it shall reasonably cooperate in any suit, action or proceeding relating to this Agreement (each, a "Proceeding") arising in connection with this Agreement, the LSA or any of the Company's assets (excluding any such Proceeding in which claims are asserted against the Collateral Manager or any Affiliate of the Collateral Manager) so long as the Collateral Manager shall have been offered reasonable security, indemnity or other provisions against the cost, expenses and liabilities that might be incurred in connection therewith and a reasonable per diem fee.

14. Liability of Collateral Manager; Delegation.

(a) The Collateral Manager assumes no responsibility under this Agreement other than to render the services expressly set forth hereunder.

The Collateral Manager shall have the right to delegate to (i) any other Borrower Advisor or (ii) with the prior written consent of the Administrative Agent in its sole discretion, another agent selected with reasonable care, any or all duties (other than its asset selection or trade execution duties) of the Collateral Manager hereunder; provided

that no such delegation by the Collateral Manager of any of its duties hereunder shall relieve the Collateral Manager of any of its duties hereunder nor relieve the Collateral Manager of any liability with respect to the performance of such duties. For the avoidance of doubt, asset selection and trade execution duties shall include the services described in Section 1(a) hereof.

Notwithstanding the above and Section 17, the Collateral Manager shall be permitted to assign any or all of its rights and delegate any or all of its obligations to an Affiliate acceptable to the Administrative Agent in its sole discretion that (i) will professionally and competently perform duties similar to those imposed upon the Collateral Manager under this Agreement and (ii) is legally qualified and has the capacity to act as the Collateral Manager under this Agreement. The Collateral Manager shall not be liable for any consequential damages hereunder.

(b) (i) The Company shall reimburse, indemnify and hold harmless the Collateral Manager, the directors, officers, agents and employees of the Collateral Manager and those of any Affiliate of the Collateral Manager (each, a "Collateral Manager Indemnified Party") from any and all actual and reasonable out-of-pocket expenses, losses, damages, liabilities, demands, charges and claims of any nature whatsoever (including reasonable attorneys' fees and expenses), as are incurred in investigating, preparing, pursuing or defending any claim, action, proceeding or investigation with respect to any pending or threatened litigation caused by, or arising out of or in connection with, any acts or omissions of the Collateral Manager, its directors, officers, stockholders, agents and employees made in good faith and in the performance of the Collateral Manager's duties under this Agreement or the Transaction Documents except to the extent resulting from such person's bad faith, willful misfeasance, gross negligence or reckless disregard of its duties hereunder or thereunder. Notwithstanding anything contained herein to the contrary, the obligations of the Company under this Section 13(b) shall be payable from the Company's assets as part of the Management Fees and are subject to the availability of funds and to the conditions set forth in the Loan Agreement.

(ii) Notwithstanding any other provision herein, each Collateral Manager Indemnified Party agrees that it shall have no claim to any amount pursuant to the above clause (b)(i) *pari passu* with or prior to the claim of the Secured Parties to the Obligations pursuant to the LSA.

(iii) Notwithstanding any other provision herein, no Collateral Manager Indemnified Party may, prior to the date which is one year (or if longer the applicable preference period then in effect) plus one day after the Collection Date, institute against, or join any other Person in instituting against, the Company or any Portfolio Subsidiary, any bankruptcy, reorganization, arrangement, insolvency, moratorium or liquidation proceedings, or other proceedings under U.S. federal or state bankruptcy or similar laws of any jurisdiction.

(c) The Collateral Manager shall reimburse, indemnify and hold harmless the Company, its members, manager, officers, agents and employees (each, a

“Company Indemnified Party”) from any and all expenses, losses, damages, liabilities, demands, charges and claims of any nature whatsoever (including reasonable attorneys’ fees and expenses), as are incurred by such Company Indemnified Party in connection with (i) any material breach by the Collateral Manager of any representation, warranty or covenant contained in this Agreement or (ii) any acts or omissions of any Borrower Advisor constituting bad faith, willful misconduct, gross negligence or reckless disregard.

(d) Any amounts subject to the indemnification provisions of this Section 14 payable by the Collateral Manager to the Company shall be paid as Principal Collections within four (4) Business Days of the Company’s written demand therefor (and the Company shall immediately deposit, or cause to be deposited, such amounts into the Collections Account).

(e) If the Collateral Manager has made any payments pursuant to this Section 14 and the applicable Company Indemnified Party thereafter collects any of such amounts from others, such indemnified party will promptly repay such amounts collected to the Collateral Manager in an amount equal to the amount it has collected from others in respect of such indemnified amounts, without interest.

(f) Notwithstanding anything to the contrary in this Section 14, to the maximum extent permitted by applicable law, to the extent that the Company is entitled to make any claim pursuant to Section 14(c), the Company hereby agrees to forebear from making any such claim until such time that (i) the Company no longer owns (x) any assets of the type included in clauses (a), (b) and (e) of the definition of “Collateral Portfolio” or (y) any Permitted Investments and (ii) the Company owes any accrued and unpaid Obligations pursuant to Section 8.01 of the LSA. The operation of this Section 14(g) shall not be construed as a waiver by the Company of any claim pursuant to Section 14(c) and any rights that shall accrue to the Company thereunder shall toll until the satisfaction of the conditions set forth in the preceding sentence.

(g) The obligations of the Collateral Manager under this Section 14 shall survive the termination of this Agreement.

(h) Notwithstanding anything to the contrary herein, the Collateral Manager shall have no liability for any indirect, consequential or punitive damages.

15. Obligations of Collateral Manager.

Unless otherwise required by any provision of the Transaction Documents or this Agreement or by applicable law, the Collateral Manager shall not intentionally take any action, which it knows or should know would (a) materially adversely affect the Company for purposes of United States federal or state law or any other law known to the Collateral Manager to be applicable to the Company, (b) require registration of the Company or the Company’s assets as an “investment company” under the 1940 Act, (c) not be permitted under the Company’s operating agreement or certificate of formation (including, but not limited to, Section 9 thereof), (d) cause the Company to violate the terms of the Transaction Documents, (e) subject the Company to federal, state or other income taxation, or (f) adversely affect the interests of the Administrative

Agent in any material respect (other than as permitted or required hereunder or under the Transaction Documents, including, without limitation, as may result from the performance of any Loan), it being understood that in connection with the foregoing the Collateral Manager will not be required to make any independent investigation of any facts or laws not otherwise known to it in connection with its obligations under this Agreement and the Transaction Documents or the conduct of its business generally. The Collateral Manager covenants that it shall comply in all material respects with all laws and regulations applicable to it in connection with the performance of its duties under this Agreement and the Transaction Documents. Notwithstanding anything in this Agreement, the Collateral Manager shall not take any discretionary action that would reasonably be expected to cause an Event of Default under the LSA. The Collateral Manager covenants that it shall (i) not hold out the Portfolio Assets as its assets, (ii) take all action to ensure that the Portfolio Assets are held in the name of the Company or, if held by an agent of the Company, clearly designate such agent as being the Company's agent, and (iii) not fail to correct any known misunderstandings regarding the separate identity of the Company and shall not identify itself as a division or department of the Company.

16. No Partnership or Joint Venture.

The Company and the Collateral Manager are not partners or joint venturers with each other and nothing herein shall be construed to make them such partners or joint venturers or impose any liability as such on either of them. The Collateral Manager's relation to the Company shall be deemed to be that of an independent contractor.

17. Notices.

Any notice under this Agreement shall be in writing and sent by facsimile, confirmed by telephonic communication, or addressed and delivered or mailed postage paid to the other party at such address as such other party may designate for the receipt of such notice. Until further notice to the other party it is agreed that the address of the Company and the Administrative Agent for this purpose shall be as set forth on Annex A to the LSA, and the address of the Collateral Manager for this purpose shall be:

Walnut Street Funding LLC
Cira Centre
2929 Arch Street, Suite 675
Philadelphia, Pennsylvania 19104
Attention: Gerald F. Stahlecker
Telephone: (215) 495-1169
Facsimile: (215) 222-4649
Electronic Mail: jerry.stahlecker@franklinsquare.com

All notices are to be effective in accordance with Section 12.02 of the LSA.

18. Succession/Assignment.

This Agreement shall inure to the benefit of and be binding upon the successors to the parties hereto. No assignment of this Agreement by the Collateral Manager (including,

without limitation, a change in control or management of the Collateral Manager which would be deemed an "assignment" under the United States Advisers Act of 1940, as amended) shall be made without the consent of the Company and the Administrative Agent.

19. Conflicts with the LSA.

Subject to the provisions of Section 1 hereof pertaining to the binding effect of certain amendments to the LSA on the Collateral Manager, in the event that this Agreement requires any action to be taken with respect to any matter and the LSA requires that a different action be taken with respect of such matter, and such actions are mutually exclusive, the provisions of the LSA in respect thereof shall control.

20. Miscellaneous.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to conflicts of laws principles. With respect to any Proceeding, each party irrevocably (i) submits to the non-exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City and (ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party. Nothing in this Agreement precludes either party from bringing Proceedings in any other jurisdiction, nor will the bringing of Proceedings in any one or more jurisdictions preclude the bringing of Proceedings in any other jurisdiction.

(b) THE PARTIES HERETO IRREVOCABLY CONSENT TO THE SERVICE OF ANY AND ALL PROCESS IN ANY ACTION OR PROCEEDING BY THE MAILING OR DELIVERY OF COPIES OF SUCH PROCESS TO EACH SUCH PARTY AT THE ADDRESS SPECIFIED IN SECTION 17 HEREOF. THE PARTIES HERETO AGREE THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.

(c) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

(d) No failure on the part of either party hereto to exercise and no delay in exercising, and no course of dealing with respect to, any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof nor shall any single or partial exercise of any right, remedy, power or

privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

(e) The captions in this Agreement are included for convenience only and in no way define or limit any of the provisions hereof or otherwise affect their construction or effect.

(f) In the event any provision of this Agreement shall be held invalid or unenforceable, by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions hereof.

(g) This Agreement may not be amended or modified or any provision thereof waived except by an instrument in writing signed by the parties hereto.

(h) This Agreement and the Transaction Documents contain the entire understanding and agreement between the parties and supersedes all other prior understandings and agreements, whether written or oral, between the parties concerning this subject matter. The express terms of this Agreement control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms hereof.

(i) The Collateral Manager (i) acknowledges that the Company is assigning all of its right, title and interest in, to and under this Agreement to the Administrative Agent under the Security Agreement, and (ii) agrees that all of the representations, covenants and agreements made by the Collateral Manager in this Agreement are also for the benefit of the Administrative Agent.

(j) This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed an original, but all such counterparts shall together constitute but one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories.

(k) Each representation and warranty made or deemed to be made herein or pursuant hereto, and each indemnity provided for hereby, shall survive the execution and delivery and any termination or assignment of this Agreement or resignation or removal of the Collateral Manager.

(l) The Company hereby acknowledges and accepts all actions that were taken by the Collateral Manager and/or recommended to the Company by the Collateral Manager prior to the Closing Date, including all actions and recommendations that were related to the anticipated purchase of assets by the Company or that were otherwise consistent with the services to be provided by the Collateral Manager to the Company pursuant to Section 1 of this Agreement prior to the Closing Date, in each case, as if this Agreement had been in effect at the time that such actions were taken or such recommendations were made.

21. Non-Petition.

The Collateral Manager shall continue to serve as Collateral Manager under this Agreement notwithstanding that the Collateral Manager shall not have received amounts due to it under this Agreement because sufficient funds were not then available hereunder to pay such amounts in accordance with Section 5.02(m) of the LSA, and agrees not to cause the filing of an involuntary petition in bankruptcy against the Company for any reason whatsoever, including, without limitation, the non-payment to the Collateral Manager, until the payment in full of all amounts payable to the Administrative Agent or otherwise under the LSA and the expiration of a period equal to one year and one day (or, if longer, the applicable preference period then in effect) following all such payments; provided that nothing in this clause shall preclude, or be deemed to estop, the Collateral Manager (A) from taking any action prior to the expiration of the aforementioned one year and one day (or, if longer, the applicable preference period then in effect) period in (x) any case or proceeding voluntarily filed or commenced by the Company or (y) any involuntary insolvency proceeding filed or commenced against the Company, by a Person other than the Collateral Manager or its Affiliates, or (B) from commencing against the Company or any properties of the Company any legal action which is not a bankruptcy, reorganization, arrangement, insolvency, moratorium or liquidation proceeding. The provisions of this Section 21 shall survive the termination of this Agreement for any reason whatsoever.

22. No Recourse.

The Collateral Manager hereby acknowledges and agrees that the Company's obligations hereunder will be solely the corporate obligations of the Company, and the Collateral Manager will not have any recourse to any of the directors, officers, employees or holders of the membership interest of Company with respect to any claims, losses, damages, liabilities, indemnities or other obligations in connection with any transactions contemplated hereby. Recourse in respect of any obligations of the Company hereunder will be limited to the Company's assets and on the exhaustion thereof all claims against the Company arising from this Agreement or any transactions contemplated hereby shall be extinguished. The provisions of this Section 22 shall survive the termination of this Agreement for any reason whatsoever.

23. Acknowledgments.

(a) The Collateral Manager hereby acknowledges that the Administrative Agent is the beneficiary of a collateral assignment of this Agreement pursuant to Section 2.11 of the LSA and the Administrative Agent and each other Indemnified Party shall be express third party beneficiaries of the Company's rights hereunder, including but not limited to the Company's right to indemnification set forth in Section 14, subject, in each case, to each of the limitations, restrictions and conditions set forth in Section 2.11 of the LSA with respect to the collateral assignment of this Agreement; provided that, such collateral assignment and such third party beneficiary rights shall automatically terminate upon the irrevocable payment in full of the Obligations (other than contingent indemnity obligations as to which no claim has been made) and the termination of the Commitments in full.

(b) Subject to Section 12(e) and the proviso to Section 23(a), the Collateral Manager hereby: (i) acknowledges and consents to the collateral assignment of this Agreement made by the Company in the LSA; (ii) acknowledges that the Company is collaterally assigning all of its right, title and interest in, to and under this Agreement to the Administrative Agent for the benefit of the Secured Parties to secure the Obligations; and (iii) agrees that all the representations, covenants and warranties made by it herein are also for the benefit of the Secured Parties to secure the Obligations; provided that, each of the foregoing shall be subject, in each case, to each of the limitations, restrictions and conditions set forth in Section 2.11 of the LSA with respect to the collateral assignment of this Agreement.

(c) Notwithstanding anything herein to the contrary, each party hereto acknowledges that the Collateral Manager does not, pursuant to this Agreement, guarantee the payment of any obligations of the Company; provided that, nothing in this Section 23(c) shall affect, alter or otherwise modify the Collateral Manager's indemnification requirements pursuant to Section 14.

(d) The Collateral Manager agrees (and, to the full extent that it may lawfully so agree) that neither it nor anyone claiming through or under it will set up, claim or seek to take advantage of any appraisal, valuation, stay, extension or redemption law now or hereafter in force in any locality where any Collateral Portfolio may be situated in order to prevent, hinder or delay the enforcement or foreclosure of the LSA, or the absolute sale of any of the Collateral Portfolio or any part thereof, or the final and absolute putting into possession thereof, immediately after such sale, of the purchasers thereof, and the Collateral Manager, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may be lawful so to do, the benefit of all such laws, and any and all right to have any of the properties or assets constituting the Collateral Portfolio marshaled upon any such sale, and agrees that the Collateral Agent, or the Administrative Agent on its behalf, or any court having jurisdiction to foreclose the security interests granted in this Agreement may sell the Collateral Portfolio as an entirety or in such parcels as the Collateral Agent (acting at the direction of the Administrative Agent) or such court may determine.

(e) The Collateral Manager hereby irrevocably appoints each of the Collateral Agent and the Administrative Agent 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 in the LSA, including without limitation the following powers: (a) to give any necessary receipts or acquittance for amounts collected or received hereunder, (b) to make all necessary transfers of the Collateral Portfolio in connection with any such sale or other disposition made pursuant hereto, (c) 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 Collateral Manager hereby ratifying and confirming all that such attorney (or any substitute) shall lawfully do hereunder and pursuant hereto, and (d) to sign any agreements, orders or other documents in connection with or pursuant to any Transaction Document.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this INVESTMENT MANAGEMENT AGREEMENT to be executed by their respective authorized representatives on the day and year first above written.

WALNUT STREET FUNDING LLC

By: /s/ Gerald F. Stahlecker

Name: Gerald F. Stahlecker

Title: Executive Vice President

FS INVESTMENT CORPORATION

By: /s/ Gerald F. Stahlecker

Name: Gerald F. Stahlecker

Title: Executive Vice President

[Signature Page to Collateral Management Agreement]

May 17, 2012

WALNUT STREET FUNDING LLC,
as Pledgor

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Collateral Agent on behalf of the Secured Parties

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Securities Intermediary

SECURITIES ACCOUNT CONTROL AGREEMENT

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I	1
ARTICLE II	1
ARTICLE III	2
ARTICLE IV	4
ARTICLE V	6
ARTICLE VI	8
ARTICLE VII	8
ARTICLE VIII	9
ARTICLE IX	9
ARTICLE X	9
ARTICLE XI	10
ARTICLE XII	11
ARTICLE XIII	11

SECURITIES ACCOUNT CONTROL AGREEMENT (this "**Agreement**"), dated as of May 17, 2012, among WALNUT STREET FUNDING LLC (the "**Pledgor**") and WELLS FARGO BANK, NATIONAL ASSOCIATION as Collateral Agent on behalf of the Secured Parties to the Loan Agreement defined below (in such capacity, the "**Secured Party**") and as securities intermediary (in such capacity, the "**Securities Intermediary**").

In consideration of the mutual agreements hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

INTERPRETATION

Section 1. (a) Definitions. All terms used herein which are defined in the Loan and Security Agreement, dated as of May 17, 2012, among the Pledgor, Wells Fargo Securities, LLC, as administrative agent, each of the conduit lenders and institutional lenders from time to time party thereto, each of the lender agents from time to time party thereto and Wells Fargo Bank, National Association, as the collateral agent, account bank and collateral custodian (the "**Loan Agreement**") or in Article 8 or Article 9 of the UCC and which are not otherwise defined herein are used herein as so defined.

(b) Rules of Construction. Unless the context otherwise clearly requires: (i) the definitions of terms herein shall apply equally to the singular and plural forms of the terms defined; (ii) whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms; (iii) the words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation"; (iv) the word "will" shall be construed to have the same meaning and effect as the word "shall"; (v) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, 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); (vi) any reference herein to any Person shall be construed to include such Person's successors and assigns; (vii) the words "herein," "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof; and (viii) all references herein to Sections and Schedules shall be construed to refer to Sections of, and Schedules to, this Agreement.

ARTICLE II

APPOINTMENT OF SECURITIES INTERMEDIARY

Section 2. Each of the Pledgor and the Secured Party hereby appoints the Securities Intermediary as securities intermediary hereunder. The Securities Intermediary hereby accepts such appointment. The Securities Intermediary shall be the agent of the Pledgor and Secured Party for the purposes of this Agreement.

ARTICLE III

THE SECURED ACCOUNTS

Section 3. (a) Establishment of Secured Accounts. The Securities Intermediary acknowledges and agrees that, at the direction and on behalf of the Secured Party, it has established and is maintaining on its books and records, in the name of the Pledgor, the following securities accounts: (i) the account designated as the "Collection Account" with account number 48031700 and all sub-accounts thereof (collectively, with any replacements or substitutions of such account or such sub-accounts, the "**Collection Account**"), (ii) the account designated as the "Interest Collection Account" with account number 48031701 and all sub-accounts thereof (collectively, with any replacements or substitutions of such account or such sub-accounts, the "**Interest Collection Account**") and (iii) the account designated as the "Principal Collection Account" with account number 48031702 and all sub-accounts thereof (collectively, with any replacements or substitutions of such account or such sub-accounts, the "**Principal Collection Account**") and, together with the Collection Account and the Interest Collection Account, the "**Secured Accounts**").

(b) Status of Secured Accounts; Treatment of Property as Financial Assets; Relationship of Parties. The Securities Intermediary hereby agrees with the Pledgor and Secured Party that: (i) each Secured Account is a "securities account" (within the meaning of Section 8-501(a) of the UCC) in respect of which the Securities Intermediary is a "securities intermediary" (within the meaning of Section 8-102(a)(14) of the UCC); (ii) each item of property (whether cash, a security, an instrument or any other property) credited to any Secured Account shall be treated as a "financial asset" (within the meaning of Section 8-102(a)(9) of the UCC); and (iii) each Secured Account and any rights or proceeds derived therefrom are subject to a security interest in favor of the Secured Party arising under the Loan Agreement. The Pledgor and Secured Party hereby directs the Securities Intermediary, subject to the terms of this Agreement, to identify the Secured Party on its books and records as the "entitlement holder" (as defined in Section 8-102(a)(7) of the UCC) with respect to each Secured Account and the property held therein and the Securities Intermediary agrees to do the same.

(c) The Securities Intermediary will, by book-entry notation, promptly credit to the applicable Secured Account all property to be credited thereto pursuant to the Loan Agreement.

(d) Form of Securities, Instruments, etc. All securities and other financial assets credited to any Secured Account that are in registered form or that are payable to or to the order of shall be (i) registered in the name of, or payable to or to the order of, the Securities Intermediary, (ii) indorsed to or to the order of the Securities Intermediary or in blank or (iii) credited to another securities account maintained in the name of the Securities Intermediary; and in no case will any financial asset credited to any Secured Account be registered in the name of, or payable to or to the order of, the Pledgor or any other person or indorsed to or to the order of the Pledgor or any other person, except to the extent the foregoing have been specially indorsed to or to the order of the Securities Intermediary or in blank.

(e) Securities Intermediary's Jurisdiction. The Securities Intermediary agrees that, for the purposes of the UCC, its "securities intermediary's jurisdiction" (within the meaning of Section 8-110(e) of the UCC) shall be the State of New York.

(f) Conflicts with other Agreements. The Securities Intermediary agrees that, if there is any conflict between this Agreement (or any portion thereof) and any other agreement (whether now existing or hereafter entered into) relating to any Secured Account, the provisions of this Agreement shall prevail.

(g) No Other Agreements. The Securities Intermediary hereby confirms and agrees that:

(i) other than the Loan Agreement, there are no other agreements entered into between the Securities Intermediary and the Pledgor with respect to any Secured Account or any financial asset or security entitlement credited thereto;

(ii) other than the Loan Agreement, it has not entered into, and until the termination of this Agreement will not enter into, any other agreement with any other Person (including the Pledgor) relating to any Secured Account and/or any financial asset or security entitlement thereto (A) pursuant to which it has agreed or will agree to comply with entitlement orders (as defined in Section 8-102(a)(8) of the UCC) of such other Person or (B) with respect to the creation or perfection of any other security interest in any Secured Account or any financial asset or security entitlement credited thereto; and

(iii) it has not entered into, and until the termination of this Agreement will not enter into, any agreement with the Pledgor or the Secured Party purporting to limit or condition the obligation of the Securities Intermediary to comply with entitlement orders as set forth in Section 3(h).

(h) Transfer Orders, Standing Instructions.

(i) The Pledgor, the Secured Party and the Securities Intermediary each agrees that if at any time an Authorized Person of the Securities Intermediary shall receive an "entitlement order" (within the meaning of Section 8-102(a)(8) of the New York UCC) or any other order originated by the Secured Party and relating to any Secured Account or any financial assets or security entitlements credited thereto (collectively, a "**Transfer Order**"), the Securities Intermediary shall comply with such Transfer Order without further consent by the Pledgor or any other Person.

(ii) At any time prior to the delivery to the Securities Intermediary of a Notice of Exclusive Control, the Securities Intermediary shall comply with each Transfer Order it receives from the Pledgor.

(iii) Upon receipt by the Securities Intermediary of a Notice of Exclusive Control, and until such Notice of Exclusive Control is withdrawn or rescinded by the Secured Party in writing, the Securities Intermediary shall not comply with any Transfer Order it receives from the Pledgor and shall act solely upon Transfer Orders received from the Secured Party.

(iv) The Secured Party hereby agrees with the Pledgor that it shall not deliver a Notice of Exclusive Control except after the occurrence and during the continuation of an Event of Default.

ARTICLE IV

THE SECURITIES INTERMEDIARY

Section 4. (a) Performance of Duties. The Securities Intermediary may execute any of the powers hereunder or perform any of its duties hereunder directly or by or through agents, attorneys or employees. The Securities Intermediary shall be entitled to consult with counsel selected with due care and to act in reliance upon the written opinion of such counsel concerning matters pertaining to its duties hereunder, and shall not be liable for any action taken or omitted to be taken by it in good faith in reliance upon and in accordance with the written opinion of such counsel. Except as expressly provided herein, the Securities Intermediary shall not be under any obligation to exercise any of the rights or powers vested in it by this Agreement at the request or direction of the Secured Party.

(b) No Change to Secured Accounts. Without the prior written consent of the Pledgor and the Secured Party, the Securities Intermediary will not change the account number or designation of any Secured Account.

(c) Certain Information. The Securities Intermediary shall promptly notify the Pledgor and the Secured Party if an Authorized Person of the Securities Intermediary with direct responsibility for administration of this Agreement receives written notice that any Person asserts or seeks to assert a lien, encumbrance or adverse claim against any portion or all of the property credited to any Secured Account. The Securities Intermediary will send copies of all statements, confirmations and other correspondence relating to each Secured Account (and/or any financial assets credited thereto) simultaneously to the Pledgor and the Secured Party. The Securities Intermediary will furnish to the Secured Party and the Pledgor, upon request, an account statement with respect to each Secured Account.

(d) Subordination. Except as otherwise expressly provided for in this Agreement, the Securities Intermediary hereby waives any and all statutory, regulatory, contractual or other rights now or hereafter existing in favor of the Securities Intermediary over or with respect to any Secured Account, all property credited thereto and all security entitlements to such property (including (i) any and all contractual rights of set-off, lien or compensation, (ii) any and all statutory or regulatory rights of pledge, lien, set-off or compensation, (iii) any and all statutory, regulatory, contractual or other rights to put on hold, block transfers from or fail to honor instructions of the Pledgor (including, without limitation, Transfer Orders) with respect to any Secured Account or (iv) any and all statutory or other rights to prohibit or otherwise limit the pledge, assignment, collateral assignment or granting of any type of security interest in any Secured Account), except the Securities Intermediary may set off the face amount of any checks that have been credited to any Secured Account but are subsequently returned unpaid because of uncollected or insufficient funds.

(e) Limitation on Liability. The Securities Intermediary shall not have any duties or obligations except those expressly set forth herein and shall satisfy those duties expressly set forth herein so long as it acts without gross negligence, willful misconduct or bad faith. Without limiting the generality of the foregoing, the Securities Intermediary shall not be subject to any fiduciary duty or any implied duties, and the Securities Intermediary shall not have any duty to take any discretionary action or exercise any discretionary powers. None of the Securities Intermediary, any Affiliate of the Securities Intermediary, or any officer, agent, stockholder, partner, member, director or employee of the Securities Intermediary or any Affiliate of the Securities Intermediary shall have any liability, whether direct or indirect and whether in contract, tort or otherwise (i) for any action taken or omitted to be taken by any of them hereunder or in connection with this Agreement unless such act or omission constituted gross negligence, willful misconduct or bad faith or (ii) for any action taken or omitted to be taken by the Securities Intermediary in accordance with the terms of this Agreement at the express direction of the Secured Party. In addition, the Securities Intermediary shall have no liability for making any investment or reinvestment of any cash balance in any Secured Account pursuant to the terms of this Agreement. The liabilities of the Securities Intermediary shall be limited to those expressly set forth in this Agreement. With the exception of this Agreement (and relevant terms used herein and expressly defined in the Loan Agreement), the Securities Intermediary is not responsible for or chargeable with knowledge of any terms or conditions contained in any agreement referred to herein, including, but not limited to, the Loan Agreement. In no event shall the Securities Intermediary have any responsibility to ascertain, inquire or monitor whether (a) any order or instruction (including, but not limited to, any Transfer Order issued by the Pledgor and any Transfer Order issued by the Secured Party) complies with the terms of the Loan Agreement or (b) an Event of Default has occurred.

(f) Reliance. The Securities Intermediary shall be entitled to conclusively rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing including, but not limited to, an electronic mail communication delivered to the Securities Intermediary under or in connection with this Agreement and in good faith believed by it to be genuine and to have been signed or sent by the proper Person. The Securities Intermediary may consult with legal counsel, independent accountants and other experts selected by it with due care, and shall not be liable for any action taken or not taken by the Securities Intermediary in good faith and in accordance with the advice of any such counsel, accountants or experts.

(g) Court Orders, etc. If at any time the Securities Intermediary is served with any judicial or administrative order, judgment, decree, writ or other form of judicial or administrative process which in any way affects any Secured Account (including, but not limited to, orders of attachment or garnishment or other forms of levies or injunctions or stays relating to the transfer of any Secured Account or any financial asset in any Secured Account), the Securities Intermediary is authorized to take such action as legal counsel of its own choosing advises appropriate to comply therewith; and if the Securities Intermediary complies with any such judicial or administrative order, judgment, decree, writ or other form of judicial or administrative process, the Securities Intermediary will not be liable to any of the parties hereto or to any other person or entity even though such order, judgment, decree, writ or process may be subsequently modified or vacated or otherwise determined to have been without legal force or effect.

(h) Successor Securities Intermediary.

(i) Merger. Any Person into whom the Securities Intermediary may be converted or merged, or with whom it may be consolidated, or to whom it may sell or transfer its trust or other business and assets as a whole or substantially as a whole, or any Person resulting from any such conversion, sale, merger, consolidation or transfer to which the Securities Intermediary is a party, shall (*provided* it is otherwise qualified to serve as the Securities Intermediary hereunder) be and become a successor Securities Intermediary hereunder and be vested with all of the powers, immunities, privileges and other matters as was its predecessor without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

(ii) Resignation. The Securities Intermediary and any successor thereto may at any time resign by giving ninety (90) days' written notice by registered, certified or express mail to the Secured Party and the Pledgor; *provided* that such resignation shall take effect only upon the date which is the later of the effective date of the appointment of a successor Securities Intermediary acceptable to the Secured Party, as evidenced by its written consent and the acceptance in writing by such successor Securities Intermediary of such appointment and of its obligation to perform its duties hereunder in accordance with the provisions hereof. Subject to the preceding sentence, if on the 90th day after written notice of resignation is delivered by a resigning party as described above no successor party or temporary successor Securities Intermediary has been appointed in accordance herewith, the resigning party may petition a court of competent jurisdiction in New York City for the appointment of a successor.

(i) Securities Intermediary and their Affiliates. Wells Fargo Bank, National Association and any of its Affiliates providing services in connection with the transactions contemplated in the Transaction Documents shall have only the duties and responsibilities expressly provided in its various capacities and shall not, by virtue of it or any Affiliate acting in any other capacity be deemed to have duties or responsibilities other than as expressly provided with respect to each such capacity. Wells Fargo Bank, National Association (or its Affiliates), in its various capacities in connection with the transactions contemplated in the Transaction Documents, including as Securities Intermediary, may enter into business transactions, including the acquisition of investment securities as contemplated by the Transaction Documents, from which it and/or such Affiliates may derive revenues and profits in addition to the fees stated in the various Transaction Documents, without any duty to account therefor.

ARTICLE V

INDEMNITY; LIMITATION ON DAMAGES; EXPENSES; FEES

Section 5. (a) Indemnity. (i) Subject to Section 5(a)(ii), the Pledgor hereby indemnifies and holds harmless the Securities Intermediary, its Affiliates and their respective officers, directors, employees, representatives and agents (collectively referred to for the purposes of this Section 5(a) as the Securities Intermediary), against any loss, claim, damage, expense or liability (including the costs and expenses of defending against any claim of liability),

or any action in respect thereof, in each case to the extent actually awarded or actually incurred by the Securities Intermediary, to which the Securities Intermediary may become subject, whether commenced or threatened, insofar as such loss, claim, damage, expense, liability or action arises out of or is based upon the execution, delivery or performance of this Agreement, but excluding any such loss, claim, damage, expense, liability or action arising out of the bad faith, gross negligence or willful misconduct of the Securities Intermediary, and shall reimburse the Securities Intermediary promptly upon demand for any reasonable and documented out-of-pocket legal or other expenses reasonably incurred by the Securities Intermediary in connection with investigating or preparing to defend or defending against or appearing as a third party witness in connection with any such loss, claim, damage, expense, liability or action as such expenses are incurred. No provision of this Agreement shall require the Securities Intermediary to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. The obligations of the Pledgor under this clause (a) are referred to as the "**Securities Intermediary Indemnity**". The provisions of this section will survive the termination of this Agreement and the resignation or removal of the Securities Intermediary.

(ii) The obligation of the Pledgor to pay any amounts in respect of the Securities Intermediary Indemnity shall be subject to the priority of payments set forth in the Loan Agreement and shall survive the termination of this Agreement and the resignation or removal of the Securities Intermediary.

(b) Expenses and Fees. The Pledgor shall be responsible for, and hereby agrees to pay, all reasonable and documented out-of-pocket costs and expenses incurred by the Securities Intermediary in connection with the establishment and maintenance of each Secured Account, including the Securities Intermediary's customary fees and expenses, any reasonable and documented out-of-pocket costs or expenses incurred by the Securities Intermediary as a result of conflicting claims or notices involving the parties hereto, including the reasonable fees and expenses of its external legal counsel, and all other reasonable costs and expenses incurred in connection with the execution, administration or enforcement of this Agreement including reasonable attorneys' fees and costs, whether or not such enforcement includes the filing of a lawsuit, in each case except any expenses as may be attributable to gross negligence, bad faith or willful misconduct on the part of the Securities Intermediary.

(c) No Consequential Damages. Notwithstanding anything in this Agreement to the contrary, in no event shall the Securities Intermediary be liable for special, punitive, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Securities Intermediary has been advised of such loss or damage and regardless of the form of action.

ARTICLE VI

REPRESENTATIONS AND AGREEMENTS

Section 6. The Securities Intermediary represents to and agrees with the Pledgor and the Secured Party that:

(a) Status. It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing.

(b) Powers. It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance; and this Agreement has been, and each other such document will be, duly executed and delivered by it.

(c) Obligations Binding. Its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(d) Waiver of Setoffs. The Securities Intermediary hereby expressly waives any and all rights of setoff that such party may otherwise at any time have under Applicable Law with respect to any Secured Account.

(e) Ordinary Course. The Securities Intermediary, in the ordinary course of its business, maintains securities accounts for others and is acting in such capacity in respect of any Secured Account.

(f) Comply with Duties. The Securities Intermediary will comply at all times with the duties of a "securities intermediary" under Article 8 of the UCC.

(g) Participant of the Federal Reserve Bank of New York. The Securities Intermediary is a member of the Federal Reserve System.

ARTICLE VII

ADVERSE CLAIMS

Section 7. Except for the claims and interest set forth in this Agreement, no Authorized Person of the Securities Intermediary knows of any claim to, or interest in, any Secured Account or in any "financial asset" (as defined in Section 8-102(a) of the UCC) credited thereto. If any Person (as notified in writing to an Authorized Person of the Securities

Intermediary) asserts any lien, encumbrance or adverse claim (including any writ, garnishment, judgment, warrant of attachment, execution or similar process) against any Secured Account or in any financial asset carried therein, the Securities Intermediary will promptly notify the Pledgor thereof (and the Pledgor shall promptly notify the Secured Party thereof).

ARTICLE VIII

TRANSFER

Section 8. Neither this Agreement nor any interest or obligation in or under this Agreement may be transferred (whether by way of security or otherwise) by any party without the prior written consent of each other party. Any purported transfer that is not in compliance with this Section 8 will be void.

ARTICLE IX

TERMINATION

Section 9. The rights and powers granted herein to the Secured Party have been granted in order to perfect its security interest in each Secured Account and the financial assets contained therein, are powers coupled with an interest and will be affected neither by the bankruptcy of the Pledgor nor by the lapse of time. The obligations of the Securities Intermediary hereunder shall continue in effect until the earlier of (a) that date upon which the security interest of the Secured Party in each Secured Account has been terminated and (b) that date on which the Secured Party releases or terminates its security interest in each Secured Account.

ARTICLE X

MISCELLANEOUS

Section 10. (a) Entire Agreement. This Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings with respect thereto.

(b) Amendments. No amendment, modification or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by a facsimile or e-mail transmission), executed by each of the parties.

(c) Survival. All representations and warranties of the Securities Intermediary made in this Agreement or in any certificate or other document delivered pursuant to or in connection with this Agreement shall survive the execution and delivery of this Agreement or such certificate or other document (as the case may be) or any deemed repetition of any such representation or warranty. In addition, the rights of the Securities Intermediary under Sections 4 and 5, and the obligations of the Pledgor under Section 5, shall survive the termination of this Agreement.

(d) Benefit of Agreement. Subject to Section 8, this Agreement shall be binding upon and inure to the benefit of the Pledgor, the Secured Party and the Securities Intermediary and their respective successors and permitted assigns.

(e) Counterparts. This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile or e-mail transmission), each of which will be deemed an original.

(f) No Waiver of Rights. A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise, of that right, power or privilege or the exercise of any other right, power or privilege.

(g) Headings. The headings used in this Agreement are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Agreement.

(h) Severability. If any provision of this Agreement, or the application thereof to any party or any circumstance, is held to be unenforceable, invalid or illegal (in whole or in part) for any reason (in any jurisdiction), the remaining terms of this Agreement, modified by the deletion of the unenforceable, invalid or illegal portion (in any relevant jurisdiction), will continue in full force and effect, and such unenforceability, invalidity, or illegality will not otherwise affect the enforceability, validity or legality of the remaining terms of this Agreement so long as this Agreement as so modified continues to express, without material change, the original intentions of the parties as to the subject matter hereof and the deletion of such portion of this Agreement will not substantially impair the respective expectations of the parties or the practical realization of the benefits that would otherwise be conferred upon the parties.

(i) No Agency. Notwithstanding anything that may be construed to the contrary, it is understood and agreed that the Securities Intermediary is not, nor shall it be considered to be, an agent, of the Secured Party. In addition, the Securities Intermediary shall not act or represent itself, directly or by implication, as an agent of the Secured Party or in any manner assume or create any obligation whatsoever on behalf of, or in the name of, the Secured Party.

ARTICLE XI

NOTICES

Section 11. (a) Effectiveness. Any notice or other communication in respect of this Agreement may be given in any manner set forth in Section 12.02 of the Loan Agreement.

(b) Change of Addresses. Any party may by written notice to the other change the address or facsimile number at which notices or other communications are to be given to it.

ARTICLE XII

GOVERNING LAW AND JURISDICTION

Section 12. (a) Governing Law. This Agreement, each Secured Account and any matter arising among the parties under or in connection with this Agreement or any Secured Account, will be governed by and construed in accordance with the laws of the State of New York.

(b) Jurisdiction. With respect to any suit, action or proceedings relating to this Agreement or any matter among the parties arising under or in connection with this Agreement (“**Proceedings**”), each party irrevocably: (i) submits to the non-exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City; and (ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party. Nothing in this Agreement precludes either party from bringing Proceedings in any other jurisdiction, nor will the bringing of Proceedings in any one or more jurisdictions preclude the bringing of Proceedings in any other jurisdiction.

(c) Service of Process. The parties irrevocably consent to service of process given in the manner provided for notices in Section 11. Nothing in this Agreement will affect the right of any party to serve process in any other manner permitted by law.

(d) Waiver of Jury Trial Right. **EACH PARTY HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT THAT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY PROCEEDING.** Each party hereby (i) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that any other party would not, in the event of a Proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this paragraph (d).

ARTICLE XIII

DEFINITIONS

Section 13. As used in this Agreement:

“**Agreement**” has the meaning specified in the Recitals.

“**Collection Account**” has the meaning specified in Section 3(a).

“**consent**” includes a consent, approval, action, authorization, exemption, notice, filing, registration or exchange control consent.

“**Interest Collection Account**” has the meaning specified in Section 3(a).

“**law**” means any treaty, law, rule or regulation (as modified, in the case of tax matters, by the practice of any relevant governmental revenue authority) and “**lawful**” and “**unlawful**” will be construed accordingly.

“**Loan Agreement**” has the meaning specified in Section 1(a).

“**Notice of Exclusive Control**” means a notice delivered to the Securities Intermediary by the Secured Party in accordance with Section 11(a) stating that the Secured Party is exercising exclusive control over the Secured Accounts.

“**Person**” means any natural person or legal entity, including with out limitation any corporation, partnership, limited liability company, statutory or common law trust, or governmental entity or unit.

“**Pledgor**” has the meaning specified in the Recitals.

“**Principal Collection Account**” has the meaning specified in Section 3(a).

“**Proceedings**” has the meaning specified in Section 12(b).

“**Secured Accounts**” has the meaning specified in Section 3(a).

“**Secured Party**” has the meaning specified in the Recitals.

“**Securities Intermediary**” has the meaning specified in the Recitals.

“**Securities Intermediary Indemnity**” has the meaning specified in Section 5(a).

“**UCC**” means the Uniform Commercial Code as in effect in the State of New York.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

Pledgor:

WALNUT STREET FUNDING LLC

By: /s/ Gerald F. Stahlecker

Name: Gerald F. Stahlecker

Title: Executive Vice President

Signature Page to Securities Account Control Agreement

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

Collateral Agent:

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: /s/ José M. Rodriguez

Name: José M. Rodriguez

Title: Vice President

Signature Page to Securities Account Control Agreement

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

Securities Intermediary:

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: /s/ José M. Rodriguez

Name: José M. Rodriguez

Title: Vice President

Signature Page to Securities Account Control Agreement