

**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): August 29, 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 August 29, 2012, FS Investment Corporation's ("FSIC") wholly-owned, special purpose financing subsidiary, Arch Street Funding LLC ("Arch Street"), entered into a revolving credit facility (the "Credit Facility") with Citibank, N.A. ("Citibank"), as administrative agent, and the financial institutions and other lenders from time to time party thereto. The Credit Facility provides for borrowings in an aggregate principal amount up to \$550,000,000 on a committed basis.

FSIC may contribute cash or debt securities to Arch Street from time to time, subject to certain restrictions set forth in the Credit Facility, and will retain a residual interest in any assets contributed through its ownership of Arch Street or will receive fair market value for any debt securities sold to Arch Street. Arch Street may purchase additional debt securities from various sources. Arch Street has appointed FSIC to manage its portfolio of debt securities pursuant to the terms of an investment management agreement. Arch Street's obligations to Citibank under the Credit Facility are secured by a first priority security interest in substantially all of the assets of Arch Street, including its portfolio of debt securities. The obligations of Arch Street under the Credit Facility are non-recourse to FSIC.

Borrowings under the Credit Facility accrue interest at a rate equal to the London Interbank Offered Rate ("LIBOR"), plus 1.75% per annum during the first two years of the facility and 2.00% per annum thereafter. Interest is payable quarterly in arrears. Borrowings under the Credit Facility are subject to compliance with an equity coverage ratio with respect to the current value of Arch Street's portfolio and a loan compliance test with respect to the initial acquisition of each debt security in Arch Street's portfolio.

Beginning November 27, 2012, Arch Street will be required to pay a non-usage fee to the extent the aggregate principal amount available under the Credit Facility has not been borrowed. Outstanding borrowings under the Credit Facility will be amortized beginning nine months prior to the scheduled maturity date of August 29, 2015. Any amounts borrowed under the Credit Facility will mature, and all accrued and unpaid interest thereunder will be due and payable, on August 29, 2015. Arch Street paid a structuring fee and incurred certain other customary costs and expenses in connection with obtaining the Credit Facility.

In connection with the Credit Facility, Arch 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 five business days of when due; (b) the insolvency or bankruptcy of Arch Street or FSIC; (c) the failure of Arch Street to be beneficially owned and controlled by FSIC; (d) the resignation or removal of FSIC as Arch Street's investment manager; and (e) GSO / Blackstone Debt Funds Management LLC or any affiliate thereof or any replacement thereof approved in writing by Citibank no longer serving as the investment sub-adviser to FSIC. Upon the occurrence of an event of default, Citibank may declare the outstanding principal and interest and all other amounts owing under the Credit Facility immediately due and payable. During the continuation of an event of default, Arch Street must pay interest at a default rate.

Borrowings of Arch 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.

In connection with the Credit Facility, on August 29, 2012, Arch Street entered into an Agreement and Plan of Merger (the "Merger Agreement") with Benjamin Loan Funding LLC and Benjamin 2 Loan Funding LLC, each affiliates of Citibank (together, the "Benjamin Funding Entities") and each of the respective equity owners thereof. Pursuant to the terms of the Merger Agreement, Arch Street acquired certain debt securities through the merger of the Benjamin Funding Entities with and into Arch Street. Pursuant to the Merger Agreement, Arch Street paid approximately \$549.3 million for the portfolio of debt securities held by the Benjamin Funding Entities.

In connection with the closing of the Credit Facility, FSIC contributed debt securities to Arch Street having

an aggregate fair market value of approximately \$132.4 million. Arch Street used approximately \$447.7 million of borrowings under the Credit Facility, together with cash on hand, to fund its acquisition of the Benjamin Funding Entities.

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 10.5 and are incorporated by reference herein.

Item 1.02 Termination of a Material Definitive Agreement.

On August 29, 2012, Arch Street and Citibank entered into a Termination Acknowledgement (TRS) (the "TRS Termination Agreement"), pursuant to which the parties agreed to immediately terminate: (i) the ISDA 2002 Master Agreement, the Schedule thereto and Credit Support Annex to such Schedule, each dated as of March 18, 2011, by and between Arch Street and Citibank; (ii) the Amended and Restated Confirmation Letter Agreement, dated as of June 12, 2012, by and between Arch Street and Citibank (such documents set forth in (i) and (ii) are collectively referred to herein as the "TRS Agreement"); and (iii) all transactions under the TRS Agreement.

The total return swap ("TRS") under the TRS Agreement was for a portfolio of senior secured floating rate loans with a maximum notional amount of \$615,000,000. Arch Street received from Citibank all interest and fees payable in respect of the loans underlying the TRS. Arch Street paid to Citibank interest at a rate equal to one-month LIBOR, plus 1.27% per annum on the full notional amount of the loans subject to the TRS. In addition, upon the termination or repayment of any loan subject to the TRS, Arch Street either received from Citibank the appreciation in the value of such loan, or paid to Citibank any depreciation in the value of such loan. Upon the termination of the TRS, Arch Street recognized approximately \$5.51 million of gains.

Citibank was permitted to terminate the TRS on or after March 18, 2013, the second anniversary of the effectiveness of the TRS. Arch Street was permitted to terminate the TRS at any time upon providing no more than 30 days, and no less than 10 days, prior notice to Citibank. Any termination prior to the second anniversary of the effectiveness of the TRS entitled Citibank to an early termination fee based on the maximum notional amount of the TRS. Pursuant to the TRS Termination Agreement, however, no early termination fee was payable in connection with the termination of the TRS. In connection with the termination of the TRS, Arch Street acquired the portfolio of debt securities that were subject to the TRS pursuant to the transactions contemplated by the Merger Agreement.

The termination of the TRS and the entry into the Credit Facility by Arch Street allowed Arch Street to extend the maturity of its financing arrangement with Citibank for a period of approximately two and a half years beyond the maturity of the TRS. In addition, the Credit Facility will allow Arch Street to obtain financing on a broader range of debt securities than was permitted under the terms of the TRS Agreement.

The foregoing description of the TRS Termination Agreement as set forth in this Item 1.02 is a summary only and is qualified in all respects by the provisions of the TRS Termination Agreement, a copy of which is attached hereto as Exhibit 10.6 and is incorporated by reference herein. A more detailed description of the TRS Agreement can be found in FSIC's quarterly report on Form 10-Q for the quarter ended June 30, 2012, which was filed with the Securities and Exchange Commission (the "SEC") on August 14, 2012.

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 SEC. 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.

<u>EXHIBIT NUMBER</u>	<u>DESCRIPTION</u>
10.1	Loan Agreement, dated as of August 29, 2012, by and between Arch Street Funding LLC, the financial institutions and other lenders from time to time party thereto and Citibank, N.A., as administrative agent.
10.2	Account Control Agreement, dated as of August 29, 2012, by and between Arch Street Funding LLC, Citibank, N.A and Virtus Group, LP.
10.3	Security Agreement, dated as of August 29, 2012, by and between Arch Street Funding LLC and Citibank, N.A.
10.4	Agreement and Plan of Merger, dated as of August 29, 2012, by and among Arch Street Funding LLC, Benjamin Loan Funding LLC, Benjamin 2 Loan Funding LLC, Citibank, N.A. and Citibank Financial Products Inc.
10.5	Amended and Restated Investment Management Agreement, dated as of August 29, 2012, by and between FS Investment Corporation and Arch Street Funding LLC.
10.6	Termination Acknowledgment (TRS), dated as of August 29, 2012, by and between Arch Street Funding LLC and Citibank, N.A.

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: August 31, 2012

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

EXHIBIT INDEX

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10.4	Agreement and Plan of Merger, dated as of August 29, 2012, by and among Arch Street Funding LLC, Benjamin Loan Funding LLC, Benjamin 2 Loan Funding LLC, Citibank, N.A. and Citibank Financial Products Inc.
10.5	Amended and Restated Investment Management Agreement, dated as of August 29, 2012, by and between FS Investment Corporation and Arch Street Funding LLC.
10.6	Termination Acknowledgment (TRS), dated as of August 29, 2012, by and between Arch Street Funding LLC and Citibank, N.A.

LOAN AGREEMENT dated as of August 29, 2012 (this **Agreement**) between ARCH STREET FUNDING LLC, a Delaware limited liability company (the **Borrower**), the financial institutions and other lenders from time to time party hereto as “Lenders” (the **Lenders**) and Citibank, N.A., a national banking association, as administrative agent for the Lenders (in such capacity, together with its successors in such capacity, the **Administrative Agent**).

WHEREAS:

- A. The Borrower intends to acquire, hold and dispose of one or more Debt Obligations (as hereinafter defined);
- B. The Borrower wishes to finance certain Debt Obligations, whether upon the purchase thereof or after the prior contribution thereof to the equity capital of the Borrower, in each case with proceeds from the borrowing of a Loan (as hereinafter defined) hereunder, all on the terms and conditions set forth herein; and
- C. The Borrower has requested that the Lenders make the Loans to the Borrower, and the Lenders are willing to make the Loans to the Borrower, all on the terms and conditions set forth herein.

INTERPRETATION

Defined Terms

1.1 As used herein, the following terms shall have the following meanings (all terms defined in this Section 1.1 or in other provisions of this Agreement in the singular to have the same meanings when used in the plural and *vice versa*):

Account Control Agreement means the Account Control Agreement dated as of the date hereof between the Borrower, the Security Agent, Citibank, N.A., as intermediary, and Virtus, L.P., as collateral administrator.

Additional Amount has the meaning given to such term in Section 3.9(a).

Administrative Agent has the meaning specified in the first paragraph of this Agreement.

Administrative Questionnaire means, with respect to any Lender, an Administrative Questionnaire completed by such Lender in a form supplied by the Administrative Agent.

Affiliate means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

Agreement has the meaning specified in the first paragraph of this Agreement.

Alternate Base Rate means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1% and (c) LIBOR for a one month Interest Period commencing on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or LIBOR, shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or LIBOR, respectively. If for any reason the Administrative Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate specified in clause (b) of the first sentence of this definition, for any reason, including the inability or failure of the Administrative Agent to obtain sufficient quotations in accordance with the terms hereof, the Alternate Base Rate shall be determined without regard to clause (b) of the first sentence of this definition until the circumstances giving rise to such inability no longer exist.

Amended and Restated Investment Management Agreement means that certain Amended and Restated Investment Management Agreement, dated as of August 29, 2012, by and between the Borrower and the Borrower Investor.

Approved Buyer means (a) any Person listed in Schedule II so long as its long-term unsecured and unsubordinated debt obligations on the "trade date" for the related submission of a Firm Bid contemplated hereby are rated at least "A2" by Moody's and at least "A" by S&P and (b) if a Person listed in Schedule II is not the principal banking or securities Affiliate within a financial holding company group, the principal banking or securities Affiliate of such listed Person within such financial holding company group so long as such obligations of such Affiliate have the rating indicated in clause (a) above.

Assignment Agreement means any assignment, asset contribution or similar agreement (other than the Equity Contribution Framework Agreement) entered into with respect to the purchase or other acquisition of any Debt Obligation (or any portion thereof) held by the Borrower.

Assignment and Acceptance means an assignment and acceptance entered into by a Lender and an assignee, and accepted by the Administrative Agent, in a form customarily used by the Administrative Agent for such purpose.

Available Interest Proceeds means, with respect to any payment proposed to be made pursuant to Section 3.8(b)(i) and any date of determination, (a) the sum of (i) all proceeds of interest, fee or other amount (other than principal and premium in respect of principal) owing on any Debt Obligation (or any portion thereof), including any of the foregoing properly attributable to the sale of any Debt Obligation (or any portion thereof), to the extent received by the Borrower at least three Business Days prior to such date of determination and (ii) all proceeds of any Eligible Investments acquired by the Borrower with any proceeds referred to in the foregoing clause (a), and (without duplication) all payments of interest on any Eligible Investments acquired by the Borrower, to the extent received by the Borrower at least three Business Days prior to such date of determination minus (b) the sum of (i) all investments in Debt Obligations and Eligible Investments made by the Borrower at least three Business Days prior to such date of determination from proceeds referred to in the foregoing clause (a) plus (ii) all payments of interest, fees and other amounts (other than principal) paid on or prior to such date of

determination by the Borrower hereunder or under any other Loan Document to the Administrative Agent, the Security Agent or any Lender plus (iii) all other payments made by the Borrower from Available Interest Proceeds on or prior to such date of determination pursuant to Section 3.8(a) or 3.8(b)(i) (and, if made by the Borrower on such date of determination pursuant to Section 3.8(b)(i), only to the extent required under Section 3.8(b)(i) to be paid in priority to the payment proposed to be made).

Available Principal Proceeds means, with respect to any payment proposed to be made pursuant to Section 3.8(b)(ii) and any date of determination, (a) the sum of (i) all proceeds of principal and premium in respect of principal owing on any Debt Obligation (or any portion thereof), including any of the foregoing properly attributable to the sale of any Debt Obligation (or any portion thereof), to the extent received by the Borrower at least three Business Days prior to such date of determination and (ii) all proceeds of any Eligible Investments (other than in respect of interest thereon) acquired by the Borrower with any proceeds referred to in the foregoing clause (a), to the extent received by the Borrower at least three Business Days prior to such date of determination minus (b) the sum of (i) all investments in Debt Obligations and Eligible Investments made by the Borrower at least three Business Days prior to such date of determination from proceeds referred to in the foregoing clause (a) plus (ii) all principal of the Loans paid or required to be paid on or prior to such date of determination by the Borrower hereunder plus (iii) all other payments made by the Borrower from Available Principal Proceeds on or prior to such date of determination pursuant to Section 3.8(b)(ii) (and, if made by the Borrower on such date of determination, only to the extent required under Section 3.8(b)(ii) to be paid in priority to the payment proposed to be made).

Borrower has the meaning specified in the first paragraph of this Agreement.

Borrower Formation Documents means (a) the certificate of formation of the Borrower and (b) the limited liability company agreement of the Borrower.

Borrower Investor means FS Investment Corporation, a Maryland corporation.

Borrowing Date has the meaning given to such term in Section 2.1.

Borrowing Notice Date has the meaning given to such term in Section 2.2(c).

Business Day means a day on which commercial banks and foreign exchange markets settle payments in New York and London.

Cash means such coin or currency of the United States of America as at the time shall be legal tender for payment of all public and private debts.

Change in Law means (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any governmental authority after the date of this Agreement or (c) compliance by any Lender with any request, guideline or directive (whether or not having the force of law) of any governmental authority made or issued after the date of this Agreement; **provided** that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in

connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

Change in Tax Law means the enactment, promulgation, execution or ratification of, or any change in or amendment to, any law (or in the application or official interpretation of any law) that occurs on or after the date that a Lender, including Persons that shall have become party hereto pursuant to an Assignment and Acceptance and Participants (as defined in Section 8.4(f)), shall have become a party to this Agreement.

Closing Date means the first date on which each of the conditions set forth in Schedule I are satisfied.

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

Collateral has the meaning given to it in the Security Agreement.

Commitment means, as to any Lender, the obligation of such Lender to make Loans to the Borrower pursuant to Section 2.1, as such amount may be reduced from time to time pursuant to Section 3.7 or reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 8.4. With respect to the Initial Lender, the Commitment of the Initial Lender on the date hereof is USD550,000,000.

Competitor means (a) any Person primarily engaged in the business of private investment management as a mezzanine fund, private debt fund, hedge fund or private equity fund, which is in direct or indirect competition with the Borrower Investor or its investment adviser or any Affiliate thereof that is an investment adviser, (b) any Person Controlled by, or Controlling, or under common Control with, a Person referred to in clause (a) above or (c) any Person for which a Person referred to in clause (a) above serves as an investment adviser with discretionary investment authority; **provided** that in no event will an Eligible Assignee be a "Competitor".

Contractual Currency has the meaning given to such term in Section 3.14.

Contributed Debt Obligation means any Debt Obligation acquired in a Qualified Purchase pursuant to Section 5.2(a)(iii).

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. **Controlling** and **Controlled** have meanings correlative thereto.

Covenant-Lite Obligation means, with respect to any Debt Obligation, the related Debt Obligation Credit Agreement either (a) does not include a Financial Covenant or (b) includes a Financial Covenant, but requires compliance therewith not upon a continuous or periodic basis (such as the end of each financial reporting period), but only upon the taking by an obligor on such Debt Obligation or an Affiliate thereof of one or more specified actions (e.g., the incurrence or assumption of debt, the creation of liens, the payment of a dividend or other distribution or the consummation of a merger, consolidation or sale of assets).

Current Price means, with respect to any Debt Obligation on any date of determination, the Administrative Agent's determination of the net cash proceeds that would be received from the sale on such date of determination of such Debt Obligation. If the Borrower disputes the Administrative Agent's determination of the Current Price of such Debt Obligation, then the Borrower may, no later than three hours after the Borrower is given notice of such determination, (a) designate two Dealers and (b) provide to the Administrative Agent within such three-hour period with respect to each such Dealer a Firm Bid with respect to not less than the Par Amount of such Debt Obligation. The highest of such two Firm Bids will be the Current Price for the relevant date of determination. Notwithstanding the foregoing, if the Borrower disputes the Administrative Agent's determination of the Current Price of an Unquoted Debt Obligation, the Current Price of such Unquoted Debt Obligation shall be equal to the Valuation Price then in effect, except that (a) at no time may the Current Price of Unquoted Debt Obligations constituting more than 15% of the aggregate Purchase Amount of all Debt Obligations then held by the Borrower be determined by reference to their respective Valuation Prices then in effect and (b) no Valuation Price may be used to determine the Current Price of any Unquoted Debt Obligation if the effective valuation date for the relevant valuation occurred more than three months prior to the first day of the calendar month that includes the date of determination of such Current Price. The "Current Price" shall be expressed as a percentage of par and will be determined exclusive of accrued interest and premium.

Dealer means (a) any entity (other than the Administrative Agent or any of its Affiliates) designated by the Administrative Agent or its designated Affiliate in its sole discretion as a "Dealer" for the purposes of this Agreement and (b) to the extent designated by the Borrower pursuant to the definition of "Current Price", either (i) any Approved Buyer or (ii) any other entity approved in advance by the Administrative Agent; **provided** that the Administrative Agent or any Affiliate thereof may be a Dealer if more than one Dealer is otherwise designated.

Debt Obligation means any obligation for the payment or repayment of borrowed money that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and includes any obligation, security or other property (other than cash) received by the Borrower after its original acquisition of such obligation in exchange for such obligation.

Debt Obligation Credit Agreement means, with respect to any Debt Obligation, any term loan agreement, revolving loan agreement or other similar credit agreement from time to time governing such Debt Obligation.

Debt Obligation Bankruptcy Event means, with respect to any Debt Obligation, the occurrence of the following with respect to such Debt Obligation (or any portion thereof): Bankruptcy. Capitalized terms used in this definition but not defined in this Agreement shall have the meanings specified in the 2003 ISDA Credit Derivatives Definitions.

Debt Obligation Failure to Pay Event means, with respect to any Debt Obligation, the occurrence of the following with respect to such Debt Obligation (or any portion thereof): Failure to Pay. For purposes of the determination of whether a Debt Obligation Failure to Pay

Event has occurred, the Reference Obligation shall be such Debt Obligation, the Obligation Category will be Reference Obligation Only, the Payment Requirement will be USD1,000,000 and no Obligation Characteristics will be specified. Capitalized terms used in this definition but not defined in this Agreement shall have the meanings specified in the 2003 ISDA Credit Derivatives Definitions.

Debt Obligation Acquired from a Related Party means any Debt Obligation acquired by the Borrower from any Related Party (whether in a single transaction or in a series of related transactions); **provided** that, for the avoidance of doubt, no Debt Obligation acquired pursuant to the Merger shall be a “Debt Obligation Acquired from a Related Party”.

Default Rate means, with respect to any Interest Period, the Interest Rate for such Interest Period plus 2.00%.

Defaulting Lender means any Lender that (a) has failed, within two Business Days of the date required to be funded, to fund any portion of its Loans unless such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender’s good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied or (b) has notified the Borrower and the Administrative Agent in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender’s good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit.

Diversions Percentage means, on any date of determination, the excess, if any, of (a) the Equity Percentage on such date of determination over (b) 5%.

Drawdown Period means the period from and including the date hereof to and including the second anniversary of the date hereof; **provided** that, if the final day of the Drawdown Period would otherwise be a day that is not a Business Day, then the final day of the Drawdown Period will instead be the immediately preceding Business Day.

Eligible Assignee means any commercial bank, commercial finance company or insurance company with, at the time of any proposed assignment to such entity, (a) long-term senior unsecured credit ratings of at least A- by S&P and at least A3 by Moody’s or (b) short-term senior unsecured ratings of at least A-2 by S&P and P-2 by Moody’s.

Eligible Investments means (a) Cash, (b) deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof which has a combined capital and surplus and undivided profits of not less than USD1,000,000,000 and (c) money market funds that have, at all times, credit ratings of “Aaa” and “MR1+” by Moody’s and “AAAm” or “AAAm-G” by S&P, respectively. Eligible Investments may include investments described in clause (b) or (c) above made with or issued by the Intermediary (as defined in the Account Control Agreement) or for which the Intermediary or an Affiliate thereof provides services and receives compensation.

Equity Advance Rate means, with respect to any Debt Obligation on any date of determination, 100% minus the Loan Advance Rate with respect to such Debt Obligation on such date of determination.

Equity Amount means, on any date of determination, the sum, for all Debt Obligations held by the Borrower on such date of determination (determined, for this purpose, on a “settlement date” basis), of the products of (a) the Equity Advance Rate in effect on such date with respect to such Debt Obligation multiplied by (b) the Purchase Amount of such Debt Obligation on such date of determination.

Equity Contribution Framework Agreement means the Equity Contribution Framework Agreement between the Borrower Investor and the Borrower in substantially the form of Exhibit B hereto.

Equity Coverage Ratio means, on any date of determination, (a) the sum of (i) the aggregate amount of Eligible Investments held by the Borrower on such date of determination plus (ii) the sum, for all Debt Obligations held by the Borrower on such date of determination, of the products of (x) the Current Price on such date of determination with respect to such Debt Obligation multiplied by (y) the Par Amount of such Debt Obligation on such date of determination minus (iii) the aggregate principal amount of the Loans outstanding on such date of determination divided by (b) the aggregate of the Purchase Amounts of all Debt Obligations held by the Borrower on such date of determination.

Equity Percentage means, on any date of determination, (a) the Equity Amount on such date of determination divided by (b) the aggregate of the Purchase Amount of all Debt Obligations held by the Borrower on such date of determination.

Equity Restricted Payment means any dividend or other distribution (whether in cash, securities or other property) with respect to any ownership interest in the Borrower, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any ownership interest in the Borrower or any option, warrant or other right to acquire any ownership interest in the Borrower.

Events of Default has the meaning given to such term in Section 6.1.

Excess Concentration Obligation means, on any date, one or more Debt Obligations of any single Obligor or any of its Affiliates as to which the aggregate Purchase Amount thereof on such date exceeds 2.5% of the Portfolio Purchase Amount on such date.

Excess Concentration Percentage means, on any date, with respect to any Excess Concentration Obligation, a percentage equal to (a) the excess of (i) the aggregate Purchase Amount on such date of the related Debt Obligation (or Debt Obligations) of any single Obligor or any of its Affiliates referred to in the definition of “Excess Concentration Obligation” over (ii) 2.5% of the Portfolio Purchase Amount on such date divided by (b) the Portfolio Purchase Amount on such date.

Excluded Taxes means Taxes (a) imposed on or with respect to a Lender or required to be withheld or deducted from a payment to a Lender which taxes are imposed on or measured by net income (however denominated), franchise taxes, and branch profits taxes, in each case, (i) as a result of such Lender being organized under the laws of, or having its principal office or its applicable lending office located in, the jurisdiction imposing such tax (or any political subdivision thereof) or (ii) as a result of a present or former connection between such Lender and the jurisdiction of the government or taxation authority imposing such tax (other than connections arising from such Lender having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced this Agreement or any Support Document, or sold or assigned an interest in the Loans, this Agreement or any Support Document) or (b) imposed under FATCA.

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 comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof.

Federal Funds Effective Rate means, on any date of determination, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

Final Price means, with respect to any Debt Obligation (or any portion thereof), the net proceeds received by the Borrower from the sale or repayment of such Debt Obligation or such portion thereof (expressed as a percentage of par and exclusive of accrued interest and fees, but inclusive of premium in respect of principal).

Financed Debt Obligation has the meaning given to such term in Section 2.2(c).

Financial Covenant means, with respect to any Debt Obligation, any covenant, agreement or other undertaking relating to information included or required to be included in a balance sheet or statement of income, stockholders' equity or cash flows of any entity if the failure to comply with such covenant, agreement or other undertaking, after giving effect to any required notice and the expiration of any applicable grace period or both, would entitle one or more lenders (or their agent or other representative) to declare that such Debt Obligation shall become due and payable before the same would otherwise have been due and payable or to terminate a commitment to extend credit under the related Debt Obligation Credit Agreement before the same would otherwise have been terminated.

Firm Bid means, with respect to any Debt Obligation, a good and irrevocable bid for value, to purchase the Par Amount of such Debt Obligation, expressed as a percentage of the Par Amount of such Debt Obligation and exclusive of accrued interest and premium, for scheduled settlement substantially in accordance with the then-current market practice in the principal market for such

Debt Obligation, as determined by the Administrative Agent, submitted as of 11:00 a.m. New York time or as soon as practicable thereafter. The Administrative Agent shall be entitled to disregard any Firm Bid submitted by a Dealer (a) if, in the Administrative Agent's commercially reasonable judgment, (i) such Dealer may be ineligible to accept assignment or transfer of the Par Amount of such Debt Obligation substantially in accordance with the then-current market practice in the principal market for such Debt Obligation, as determined by the Administrative Agent, or (ii) such Dealer would not, through the exercise of its commercially reasonable efforts, be able to obtain any consent required under the related Debt Obligation Credit Agreement to the assignment or transfer to such Dealer of the Par Amount of such Debt Obligation or (b) if the Administrative Agent determines that such Firm Bid is not bona fide, including, without limitation, due to (i) the insolvency of the bidder, (ii) the inability, failure or refusal of the bidder to settle the purchase of the Par Amount of such Debt Obligation or otherwise settle transactions in the relevant market or perform its obligations generally or (iii) the Administrative Agent not having pre-approved trading lines with the Dealer that would permit settlement of the sale to such Dealer of the Par Amount of such Debt Obligation.

Foreign Lender means any Lender, including Persons that shall have become party hereto pursuant to an Assignment and Acceptance and Participants, that is organized under the laws of a jurisdiction other than the United States of America or any state thereof, other than any such Lender that has provided a validly executed IRS Form W-8ECI certifying that its income with respect to the Loans is effectively connected with a trade or business in the United States of America.

GAAP means generally accepted accounting principles in the United States of America, consistently applied.

Indebtedness of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business), (f) 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 Person, whether or not the Indebtedness secured thereby has been assumed, (g) all guarantees by such Person of Indebtedness of others, (h) all capital lease obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty and (j) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances.

Indemnitee has the meaning given to such term in Section 8.1.

Initial Lender means Citibank, N.A., a national banking association.

Interest Period means, with respect to each Loan, each period from and including a Quarterly Date to but excluding the next succeeding Quarterly Date, **provided** that (a) except as expressly

set forth in the proviso to Section 2.1(c), the first Interest Period for any Loan shall commence on the Borrowing Date for such Loan and (b) the final Interest Period shall end on the Maturity Date.

Interest Rate means, with respect to any Interest Period, LIBOR for such Interest Period plus (a) during the Drawdown Period, 1.75%. and (b) thereafter, 2.00%.

Investment Advisers Act means the U.S. Investment Advisers Act of 1940.

Investment Company Act means the U.S. Investment Company Act of 1940.

Lenders has the meaning specified in the first paragraph of this Agreement.

LIBOR means, with respect to any Interest Period, the rate for deposits in USD for the period of three months that appears on the Reuters Screen LIBOR01 Page (or any successor page) as of 11:00 a.m., London time, on the day that is two London Banking Days preceding the first day of such Interest Period; **provided** that, with respect to any Interest Period that does not both commence and end on a Quarterly Date, LIBOR shall be determined through the use of straight-line interpolation by reference to two such rates, one of which shall be determined as if the length of the period of such deposits were the period of time for which the rate for such deposits are available is the period next shorter than the length of such Interest Period and the other of which shall be determined as if the period of time for which the rate for such deposits are available is the period next longer than the length of such Interest Period.

Lien means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

Loan has the meaning given to such term in Section 2.1.

Loan Advance Rate means, with respect to any Debt Obligation on any date of determination, (a) if such Debt Obligation is a Specified Debt Obligation on the date of purchase or other acquisition thereof by the Borrower, 70% and (b) otherwise, a percentage specified by the Administrative Agent to the Borrower with respect to such Debt Obligation on or prior to the date on which such Debt Obligation is purchased or otherwise acquired (including pursuant to Section 5.2(b)) by the Borrower; **provided** that (i) subject to the following clauses, if such Debt Obligation is an Excess Concentration Obligation, then the "Loan Advance Rate" with respect to the Excess Concentration Percentage of such Debt Obligation will be 65%; (ii) subject to the following clause (iii), if a Debt Obligation ceases to be a Specified Debt Obligation or ceases to satisfy the Obligation Criteria, then the "Loan Advance Rate" with respect to such Debt Obligation will be determined from time to time in the sole discretion of the Administrative Agent as specified to the Borrower (but in any event not later than 10 Business Days after the Borrower gives notice of such event to the Administrative Agent); (iii) if a Debt Obligation Bankruptcy Event or Debt Obligation Failure to Pay Event occurs with respect to such Debt Obligation, then, so long as such event is continuing, the "Loan Advance Rate" with respect to

such Debt Obligation will be determined from time to time in the sole discretion of the Administrative Agent as specified to the Borrower; and (iv) the Borrower may by notice to the Administrative Agent request that a Debt Obligation that satisfies clause (vi) of the definition of Specified Debt Obligation after the date of purchase or other acquisition by the Borrower shall be treated as a Specified Debt Obligation under clause (a) above.

Loan Compliance Test means a test that is satisfied on any date of determination thereof if (a) the aggregate principal amount of Loans outstanding on such date of determination does not exceed (b) the sum of (i) the aggregate amount of Eligible Investments held by the Borrower on such date of determination plus (ii) the sum, for all Debt Obligations held by the Borrower on such date of determination, of the products of (x) the Loan Advance Rate on such date of determination with respect to such Debt Obligation multiplied by (y) the Purchase Amount of such Debt Obligation on such date of determination.

Loan Document means this Agreement and each Support Document.

London Banking Day means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.

LSTA means The Loan Syndications and Trading Association, Inc. and any successor thereto.

Master Participation Agreement means the Participation Agreement dated as of August 29, 2012 between the Borrower Investor and the Borrower.

Material Adverse Effect means a material adverse effect on (a) the business, assets, operations or condition, financial or otherwise, of the Borrower, (b) the ability of the Borrower or any Support Obligor to perform any of its obligations under this Agreement or any other Transaction Document to which it is a party or (c) the rights of or benefits available to any of the Lenders, the Administrative Agent or the Security Agent under this Agreement or any of the other Transaction Documents.

Maturity Date means the earlier of (a) the Scheduled Maturity Date and (b) the date on which the Loans are paid in full.

Maximum Aggregate Loan Amount has the meaning given to such term in Section 3.2(c).

Merger means the merger on the Closing Date of Benjamin Loan Funding LLC, a Delaware limited liability company, and Benjamin 2 Loan Funding LLC, a Delaware limited liability company, with and into the Borrower, with the Borrower being the entity surviving such merger, all as provided in the Merger Agreement.

Merger Agreement means the Agreement and Plan of Merger dated as of August 29, 2012, between, among others, the Borrower, Benjamin Loan Funding LLC, a Delaware limited liability company, and Benjamin 2 Loan Funding LLC, a Delaware limited liability company.

Monthly Date means the 20th day of each calendar month.

Monthly Reporting Period means each period from and including a Monthly Date to but excluding the next succeeding Monthly Date, **provided** that (a) the first Monthly Reporting Period shall commence on and include the date hereof and end on but exclude the Monthly Date occurring in November 2012 and (b) the final Monthly Reporting Period shall end on the Maturity Date.

Moody's means Moody's Investors Service, Inc. or any successor thereto.

Moody's Industry Classification Groups means each of the groups set forth in the table below:

Aerospace and Defense: Major Contractor, Subsystems, Research, Aircraft Manufacturing, Arms, Ammunition

Automobile: Automotive Equipment, Auto-Manufacturing, Auto Parts Manufacturing, Personal Use Trailers, Motor Homes, Dealers

Banking: Bank Holding, Savings and Loans, Consumer Credit, Small Loan, Agency, Factoring, Receivables

Beverage, Food and Tobacco: Beer and Ale, Distillers, Wines and Liquors, Distributors, Soft Drink Syrup, Bottling, Bakery, Mill Sugar, Canned Foods, Corn Refiners, Dairy Products, Meat Products, Poultry Products, Snacks, Packaged Foods, Distributors, Candy, Gum, Seafood, Frozen Food, Cigarettes, Cigars, Leaf/Snuff, Vegetable Oil

Buildings and Real Estate: Brick, Cement, Climate Controls, Contracting, Engineering, Construction, Hardware, Forest Products (building-related only), Plumbing, Roofing, Wallboard, Real Estate, Real Estate Development, REITs, Land Development

Chemicals, Plastics and Rubber: Chemicals (non-agriculture), Industrial Gases, Sulfur, Plastics, Plastic Products, Abrasives, Coatings, Paints, Varnish, Fabricating

Containers, Packaging and Glass: Glass, Fiberglass, Containers made of: Glass, Metal, Paper, Plastic, Wood or Fiberglass

Personal and Non Durable Consumer Products (Manufacturing Only): Soaps, Perfumes, Cosmetics, Toiletries, Cleaning Supplies, School Supplies

Diversified/Conglomerate Manufacturing

Diversified/Conglomerate Service

Diversified Natural Resources, Precious Metals and Minerals: Fabricating, Distribution, Mining and Sales

Ecological: Pollution Control, Waste Removal, Waste Treatment, Waste Disposal

Electronics: Computer Hardware, Electric Equipment, Components, Controllers, Motors, Household Appliances, Information Service, Communication Systems, Radios, TVs, Tape Machines, Speakers, Printers, Drivers, Technology

Finance: Investment Brokerage, Leasing, Syndication, Securities

Farming and Agriculture: Livestock, Grains, Produce, Agricultural Chemicals, Agricultural Equipment, Fertilizers

Grocery: Grocery Stores, Convenience Food Stores

Healthcare, Education and Childcare: Ethical Drugs, Proprietary Drugs, Research, Health Care Centers, Nursing Homes, HMOs, Hospitals, Hospital Supplies, Medical Equipment

Home and Office Furnishings, Housedress, and Durable Consumer Products: Carpets, Floor Coverings, Furniture, Cooking, Ranges

Hotels, Motels, Inns and Gaming

Insurance: Life, Property and Casualty, Broker, Agent, Surety

Leisure, Amusement, Entertainment: Boating, Bowling, Billiards, Musical Instruments, Fishing, Photo Equipment, Records, Tapes, Sports, Outdoor Equipment (camping), Tourism, Resorts, Games, Toy Manufacturing, Motion Picture Production, Theatres, Motion Picture Distribution

Machinery (Non-Agriculture, Non-Construction, Non-Electronic): Industrial, Machine Tools, Steam Generators

Mining, Steel, Iron and Non-Precious Metals: Coal, Copper, Lead, Uranium, Zinc, Aluminum, Stainless Steel, Integrated Steel, Ore Production, Refractories, Steel Mill Machinery, Mini-Mills, Fabricating, Distribution and Sales

Oil and Gas: Crude Producer, Retailer, Well Supply, Service and Drilling

Personal, Food and Miscellaneous

Printing and Publishing: Graphic Arts, Paper, Paper Products, Business Forms, Magazines, Books, Periodicals, Newspapers, Textbooks

Moody's Rating means, with respect to any Debt Obligation, as of any date of determination:

- (i) if the Debt Obligation itself is rated by Moody's (including pursuant to any credit estimate), such rating,
- (ii) if the foregoing paragraph is not applicable, then, if the related Obligor has a corporate family rating by Moody's, the rating specified in the applicable row of the table below under "Relevant Rating" opposite the row in the table below that describes such Debt Obligation:

Debt Obligation	Relevant Rating
The Debt Obligation is a secured obligation, but is not a Second Lien Obligation and is not Subordinate	The rating by Moody's that is one rating subcategory above such corporate family rating
The Debt Obligation is an unsecured obligation or is a Second Lien Obligation, but is not Subordinate	The rating by Moody's that is one rating subcategory below such corporate family rating
The Debt Obligation is Subordinate	The rating by Moody's that is two rating subcategories below such corporate family rating

- (iii) if the foregoing paragraphs are not applicable, but there is a rating by Moody's on a secured obligation of the Obligor that is not a Second Lien Obligation and is not Subordinate (the "other obligation"), the rating specified in the applicable row of the table below under "Relevant Rating" opposite the row in the table below that describes such Debt Obligation:

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

- (iv) if the foregoing paragraphs are not applicable, but there is a rating by Moody's on an unsecured obligation of the Obligor (or, failing that, an obligation that is a Second Lien Obligation) but is not Subordinate (the "other obligation"), the rating specified in the applicable row of the table below under "Relevant Rating" opposite the row in the table below that describes such Debt Obligation:

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

- (v) if the foregoing paragraphs are not applicable, but there is a rating by Moody's on an obligation of the Obligor that is Subordinate (the "other obligation"), the rating specified in the applicable row of the table below under "Relevant Rating" opposite the row in the table below that describes such Debt Obligation:

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

- (vi) if a rating cannot be assigned pursuant to clauses (i) through (v), the Moody's Rating may be determined using any of the methods below:
- (A) for up to 5% of the Portfolio Purchase Amount, the Borrower may apply to Moody's for a shadow rating or public rating of such Debt Obligation, which shall then be the Moody's Rating (and the Borrower may deem the Moody's Rating of such Debt Obligation to be "B3" pending receipt of such shadow rating or public rating, as the case may be); **provided** that (x) a Debt Obligation will not be

included in the 5% limit of the Portfolio Purchase Amount if the Borrower has assigned a rating to such Debt Obligation in accordance with clause (B) below and (y) upon receipt of a shadow rating or public rating, as the case may be, such Debt Obligation will not be included in the 5% limit of the Portfolio Purchase Amount; or

- (B) for up to 5% of the Portfolio Purchase Amount, if there is a private rating of an obligor that has been provided by S&P to the Administrative Agent and the Borrower, the Borrower may impute a Moody's Rating that corresponds to such private rating; **provided** that a Debt Obligation will not be included in the 5% limit of the Portfolio Purchase Amount if the Borrower has applied to Moody's for a shadow rating.

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

Note means a promissory note made by the Borrower in favor of a Lender in substantially the form of Exhibit A hereto.

Obligation Criteria will be satisfied with respect to any Debt Obligation if such Debt Obligation satisfies each of the following requirements:

- (i) such Debt Obligation is denominated solely in USD;
- (ii) such Debt Obligation contains a representation and warranty by an Obligor that such Debt Obligation constitutes the legal, valid, binding and enforceable obligation of each Obligor thereon, enforceable against such Obligor in accordance with its terms; and no Obligor has disaffirmed, disclaimed, repudiated or rejected, in whole or in part, or challenged the validity of, such Debt Obligation (in each case, in writing);
- (iii) such Debt Obligation does not require any future advance to be made to any Obligor thereon after the date of purchase or other acquisition thereof by the Borrower;
- (iv) such Debt Obligation provides for scheduled payments of interest (computed based upon a generally recognized interest rate index) in cash no less frequently than semi-annually;
- (v) such Debt Obligation is not Subordinate;
- (vi) such Debt Obligation is secured;

- (vii) transfers of such Debt Obligation on the date of purchase or other acquisition thereof by the Borrower may be effected pursuant to the Standard Terms and Conditions for Par/Near Par Trade Confirmations and not the Standard Terms and Conditions for Distressed Trade Confirmations, in each case as published by the LSTA and as in effect on the date of purchase or other acquisition thereof by the Borrower;
- (viii) such Debt Obligation constitutes indebtedness for U.S. Federal income tax purposes;
- (ix) such Debt Obligation is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organization) that are not then a lender or a member of the relevant lending syndicate, without the consent of Obligor or any agent;
- (x) the Borrower will be entitled to receive all payments on such Debt Obligation without U.S. Federal or foreign withholding tax;
- (xi) the purchase or other acquisition by the Borrower of such Debt Obligation, and the making of a Loan to finance a portion of such purchase price (if applicable), will not violate any applicable law or regulation;
- (xii) if any payment of interest on such Debt Obligation that would otherwise be payable may be deferred or capitalized as additional principal (without default) without the consent of each affected lender, such Debt Obligation shall provide for payment of interest in cash (without deferral or capitalization) no less frequently than semi-annually at a rate per annum not less than 2.5%; and
- (xiii) either (a) such Debt Obligation is the subject of at least two bid quotations from nationally recognized independent dealers in the related Debt Obligation as reported on a nationally recognized pricing service or (b) such Debt Obligation is an Unquoted Debt Obligation.

Obligor means, with respect to any Debt Obligation, any obligor (whether as primary obligor, guarantor or otherwise) on the Debt Obligation.

Par Amount means, with respect to any Debt Obligation (or any portion thereof) held (or to be purchased or otherwise acquired) by the Borrower on any date of determination, the principal amount of such Debt Obligation (or such portion thereof) held (or to be purchased or otherwise acquired) by the Borrower outstanding on such date of determination.

Participant has the meaning given to such term in Section 8.4(f).

Participant Register has the meaning given to such term in Section 8.4(f).

Payment Account means, with respect to payments to be made hereunder or under any other Loan Document to any Lender, the account of such Lender for receiving such payments most recently specified to the Borrower and the Administrative Agent in a notice from such Lender.

Payment Dates means each of the days occurring eight Business Days following the last day of an Interest Period.

Permitted Liens means (a) with respect to any Debt Obligation, any Eligible Investments or any proceeds thereof, Liens arising under the Loan Documents and (b) with respect to any other Property of the Borrower, Liens arising in the ordinary course of the Borrower's business that do not secure obligations in an aggregate amount exceeding USD100,000 at any one time outstanding.

Person means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership or other entity or the government of the United States of America or any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

Portfolio Criteria will be satisfied if:

- (i) The sum of the Purchase Amounts for all Debt Obligations that are not Specified Debt Obligations does not exceed 25% of the Portfolio Purchase Amount.
- (ii) The sum of the Purchase Amounts for all Debt Obligations that are Second Lien Obligations does not exceed 10% of the Portfolio Purchase Amount.
- (iii) The sum of the Purchase Amounts for all Debt Obligations that are Unquoted Debt Obligations does not exceed 15% of the Portfolio Purchase Amount.
- (iv) The sum of the Purchase Amounts for Debt Obligations of any single Obligor or any of its Affiliates does not exceed 2.5% of the Portfolio Purchase Amount; **provided** that the sum of the Purchase Amounts for Debt Obligations of up to each of five separate Obligors and their respective Affiliates may be up to 3% of the Portfolio Purchase Amount.
- (v) The sum of the Purchase Amounts for Debt Obligations of Obligors in any single Moody's Industry Classification Group does not exceed 10% of the Portfolio Purchase Amount; **provided** that the sum of the Purchase Amounts for Debt Obligations in up to each of three separate Moody's Industry Classification Groups may be up to 15% of the Portfolio Purchase Amount.
- (vi) The sum of the Purchase Amounts for Debt Obligations Acquired from a Related Party does not exceed 20% of the Portfolio Purchase Amount.
- (vii) After the Ramp-Up Period, the Weighted Average Rating does not exceed (x) prior to the end of the Drawdown Period, 3,000 and (y) thereafter, 3,490.

Portfolio Purchase Amount means on any date (a) during the Ramp-Up Period, the greater of (i) USD786,000,000 and (ii) the Portfolio Purchase Amount on such date and (b) thereafter, the sum of (i) the aggregate amount of Eligible Investments held by the Borrower on such date of determination plus (ii) the sum, for all Debt Obligations held by the Borrower on such date of determination, of the Purchase Amounts of such Debt Obligations.

Potential Event of Default means any event or circumstance that, with the giving of notice and/or the lapse of time, would become an Event of Default.

Prime Rate means the rate of interest per annum publicly announced from time to time by the financial institution then serving as the Administrative Agent as its prime rate in effect at its principal office in New York City, each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

Pro Rata Share means, with respect to any Lender on any date of determination, the percentage obtained by dividing the amount of such Lender's Commitment on such date by the aggregate of the Commitments of all Lenders on such date. With respect to the Initial Lender, the percentage referred to in the foregoing sentence is on the date hereof equal to 100%.

Proceedings has the meaning given to such term in Section 8.5(b).

Property means any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible.

Purchase Amount means, with respect to any Debt Obligation, (a) the Purchase Price of such Debt Obligation multiplied by (b) the Par Amount of such Debt Obligation.

Purchase Price means, with respect to any Debt Obligation, the aggregate purchase price paid by the Borrower to purchase such Debt Obligation (which (a) shall be expressed as a percentage of par and (b) shall be determined exclusive of accrued interest and premium); **provided** that (i) the Purchase Price with respect to any Debt Obligation acquired in a Qualifying Purchase described in Section 5.2(a)(i) shall be as set forth in Schedule III and (ii) the Purchase Price with respect to any Contributed Debt Obligation shall be as agreed in writing by the Borrower and the Administrative Agent on or prior to the acquisition of such Debt Obligation.

Qualifying Purchase has the meaning given to such term in Section 5.2(a).

Quarterly Date means each January 15, April 15, July 15 and October 15, commencing with the first such date in January 2013.

Quarterly Period means each period from and including a Quarterly Date to but excluding the next succeeding Quarterly Date, **provided** that (a) the first Quarterly Period shall commence on the date hereof and (b) the final Quarterly Period shall end on the Maturity Date.

Ramp-Up Period means the period from and including the Closing Date to but excluding the date occurring 90 days after the Closing Date.

Register has the meaning given to such term in Section 8.4(e).

Related Party means (a) the Borrower Investor, (b) any investment advisor to the Borrower Investor or any Affiliate thereof or (c) any account or portfolio as to which any investment adviser to the Borrower Investor or any Affiliate thereof (or any Affiliate of such investment adviser) serves as investment advisor.

Required Lenders means Lenders holding more than 50% of the aggregate outstanding principal amount of the Loans.

S&P means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, or any successor thereto.

S&P Rating means, with respect to a Debt Obligation:

- (i) if the Debt Obligation itself is rated by S&P (including pursuant to any credit estimate), such rating,
- (ii) if the foregoing paragraph is not applicable, then, if the related Obligor has a corporate issuer rating by S&P, the rating specified in the applicable row of the table below under "Relevant Rating" opposite the row in the table below that describes such Debt Obligation:

Debt Obligation	Relevant Rating
The Debt Obligation is a secured obligation, but is not a Second Lien Obligation and is not Subordinate	The rating by S&P that is one rating subcategory above such corporate issuer rating
The Debt Obligation is an unsecured obligation or is a Second Lien Obligation, but is not Subordinate	The rating by S&P that is one rating subcategory below such corporate issuer rating
The Debt Obligation is Subordinate	The rating by S&P that is two rating subcategories below such corporate issuer rating

- (iii) if the foregoing paragraphs are not applicable, but there is a rating by S&P on a secured obligation of the Obligor that is not a Second Lien Obligation and is not Subordinate (the "other obligation"), the rating specified in the applicable row of the table below under "Relevant Rating" opposite the row in the table below that describes such Debt Obligation:

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

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

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

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

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

- (vi) if the foregoing paragraphs are not applicable, then the S&P Rating shall be “CC”; **provided** that (x) if application has been made to S&P to rate a Debt Obligation and such Debt Obligation has a Moody’s Rating, then the S&P Rating with respect to such Debt Obligation shall, pending the receipt of such rating from S&P, be equal to the S&P Rating that is equivalent to such Moody’s Rating and (y) Debt Obligations constituting no more, by aggregate Purchase Amount, than 10% of the Portfolio Purchase Amount may be given a S&P Rating based on a rating given by Moody’s as provided in clause (x) (after giving effect to the addition of the relevant Debt Obligation, if applicable).

Scheduled Maturity Date means August 29, 2015; **provided** that, if such day is not a Business Day, then the Scheduled Maturity Date will be the immediately preceding Business Day.

Second Lien Obligation means an obligation that is secured by collateral, but as to which the beneficiary or beneficiaries of such collateral security agree for the benefit of the holder or holders of other indebtedness secured by the same collateral (**First Lien Debt**) as to one or more of the following: (1) to defer their right to enforce such collateral security either permanently or for a specified period of time while First Lien Debt is outstanding, (2) to permit a holder or holders of First Lien Debt to sell such collateral free and clear of the security in favor of such beneficiary or beneficiaries, (3) not to object to sales of assets by the obligor on such obligation following the commencement of a bankruptcy or other insolvency proceeding with respect to such obligor or to an application by the holder or holders of First Lien Debt to obtain adequate protection in any such proceeding and (4) not to contest the creation, validity, perfection or priority of First Lien Debt.

Security Agent means Citibank, N.A., as agent for the secured parties under the Security Agreement, together with any successor in such capacity.

Security Agreement means the Security Agreement dated as of the date of this Agreement between the Borrower and the Security Agent.

Senior Management Fee means the "Senior Management Fee" as defined in the Amended and Restated Investment Management Agreement.

Specified Debt Obligation means any Debt Obligation satisfying each of the following requirements:

(i) such Debt Obligation is not on the date of purchase or other acquisition thereof by the Borrower subject to a Debt Obligation Bankruptcy Event or Debt Obligation Failure to Pay Event;

(ii) such Debt Obligation is on the date of purchase or other acquisition thereof by the Borrower part of a fungible class of debt obligations (as to issuance date and all economic terms) of at least USD125,000,000;

(iii) such Debt Obligation has a Purchase Price of at least 85%;

(iv) such Debt Obligation has on the date of purchase or other acquisition thereof by the Borrower a Moody's Rating of at least B3 and an S&P Rating of at least B-;

(v) such Debt Obligation is not a Second Lien Obligation; and

(vi) such Debt Obligation is the subject of at least two bid quotations from nationally recognized independent dealers in such Debt Obligation as reported on a nationally recognized pricing service;

provided that a Debt Obligation need not satisfy the requirements in clauses (iv) and (vi) above during the period of 30 days following the origination of such Debt Obligation so long as such Debt Obligation satisfies such requirements no later than the date 30 days after such origination.

Stamp Tax means any stamp, registration, documentation or similar tax.

Stamp Tax Jurisdiction has the meaning given to such term in Section 3.9(e).

Subordinate means, with respect to an obligation (the **Subordinated Obligation**) and another obligation of the obligor thereon to which such obligation is being compared (the **Senior Obligation**), a contractual, trust or similar arrangement (without regard to the existence of preferred creditors arising by operation of law or to collateral, credit support, lien or other credit enhancement arrangements or provisions regarding the application of proceeds of any of the foregoing) providing that (i) upon the liquidation, dissolution, reorganization or winding up of the obligor, claims of the holders of the Senior Obligation will be satisfied prior to the claims of the holders of the Subordinated Obligation or (ii) the holders of the Subordinated Obligation will not be entitled to receive or retain payments in respect of their claims against the obligor at any time that the obligor is in payment arrears or is otherwise in default under the Senior Obligation.

Subordinate Management Fee means the “Subordinate Management Fee” as defined in the Amended and Restated Investment Management Agreement.

Subsidiary means, with respect to any Person (the **parent**) at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, Controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

Support Document means each of the Security Agreement, the Account Control Agreement and any other agreement or instrument pursuant to which any Person guarantees, secures, margines or otherwise supports the obligations of the Borrower under this Agreement.

Support Obligor means each Person, if any, other than the Borrower and any party to the Account Control Agreement that executes and delivers a Support Document for the benefit of the Administrative Agent, the Security Agent or any Lender in connection with this Agreement. There is no Support Obligor on the date hereof.

Tax has the meaning given to such term in Section 3.9(a).

Termination Percentage means, on any date of determination, the excess, if any, of (a) the Equity Percentage on such date of determination over (b) 7.5%.

Transaction Documents means the Loan Documents, the Merger Agreement, the Assignment Agreements, the Master Participation Agreement, the Equity Contribution Framework Agreement and the Amended and Restated Investment Management Agreement.

TRS Documentation means the ISDA 2002 Master Agreement, dated as of March 18, 2011, between Citibank, N.A. and the Borrower, including the Schedule thereto (and the Credit Support Annex thereto and all Credit Support Documents referred to therein) and the Confirmation (as amended and restated from time to time) exchanged thereunder.

Unquoted Debt Obligation means any Debt Obligation the market value of which cannot be obtained from a nationally recognized pricing source or quotation service that satisfies each of the following criteria:

- (i) it is not a Covenant-Lite Obligation;
- (ii) it provides for payment of interest in cash (without deferral or capitalization) no less frequently than semi-annually;
- (iii) it is not a loan made to a debtor-in-possession pursuant to Section 364 of the U.S. Bankruptcy Code having the priority allowed by either Section 364(c) or 364(d) of the U.S. Bankruptcy Code; and
- (iv) on the date of purchase or other acquisition thereof by the Borrower, the ratio of (a) the aggregate principal amount of Indebtedness of the Obligor thereon (or, if there is more than one Obligor thereon, as determined on a consolidated basis with respect to the Obligor having the greatest aggregate principal amount of Indebtedness on a consolidated basis) to (b) net earnings before deduction of interest, taxes, depreciation and amortization of the Obligor thereon (or, if there is more than one Obligor thereon, as determined on a consolidated basis with respect to the Obligor having the greatest aggregate principal amount of Indebtedness on a consolidated basis) is less than 4.25.

U.S. Dollars and **USD** mean lawful money of the United States of America.

Valuation Price means, with respect to any Unquoted Debt Obligation on any date of determination, the most recent valuation of such Unquoted Debt Obligation provided to the Borrower (with a copy to the Administrative Agent) by any one of the valuation firms set forth on Schedule IV or any other nationally recognized valuation firm acceptable to the Administrative Agent; **provided** that:

- (a) subject to the following paragraph (b), for the period from and including the “trade date” for the purchase or other acquisition thereof to but excluding the date an initial valuation is received as aforesaid, the Valuation Price of such Unquoted Debt Obligation shall be the Purchase Price thereof; and
- (b) if the on-the-run MarkIt Cash LCDX index (or any successor index) as published by MarkIt (or any successor publisher) on such date of determination is less than the value of such index on the later of (i) such “trade date” and (ii) the date of the most recent valuation received as aforesaid by an amount (expressed in absolute and not percentage

terms) exceeding 5%, then on such date of determination, and solely for the period until a subsequent valuation is received as aforesaid, the Valuation Price of such Unquoted Debt Obligation will be equal to (x) a percentage, the numerator of which shall be the value of such index on such date of determination and the denominator of which shall be the value of such index on the later of such two dates multiplied by (y) the Valuation Price that would apply in the absence of this paragraph (b).

Weighted Average Rating means, as of any date of determination, the number obtained by (a) multiplying the Purchase Amount of each Debt Obligation held by the Borrower on such date by the applicable Rating Factor (as set forth in table below); (b) summing the products obtained in clause (a) for all such Debt Obligations; and (c) dividing the sum obtained in clause (b) by the aggregate of the Purchase Amounts of all such Debt Obligations.

RATING FACTORS

Moody's Rating	Rating Factor
Aaa	1
Aa1	10
Aa2	20
Aa3	40
A1	70
A2	120
A3	180
Baa1	260
Baa2	360
Baa3	610
Ba1	940
Ba2	1,350
Ba3	1,766
B1	2,220
B2	2,720
B3	3,490
Caa1	4,770
Caa2	6,500
Caa3	8,070
Below Caa3	10,000

Interpretation

1.2 Unless the context otherwise clearly requires: (a) the definitions of terms herein shall apply equally to the singular and plural forms of the terms defined; (b) whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms; (c) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation"; (d) the word "will" shall be construed to have the same meaning and effect as the word "shall"; (e) 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); (f) any reference to any law, rule or regulation herein shall be construed as referring to such law, rule or regulation as

from time to time amended; (g) any reference herein to any Person shall be construed to include such Person's successors and assigns; (h) 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 (i) all references herein to Sections, Exhibits and Schedules shall be construed to refer to Sections of, and Exhibits and Schedules to, this Agreement.

THE LOANS

2.1 Subject to the terms and conditions set forth herein, the Lenders severally agree to make their respective Pro Rata Shares of a loan (each, a **Loan**) to the Borrower from time to time on any Business Day (each, a **Borrowing Date**) during the Drawdown Period in order to finance (in part) the purchase by the Borrower of a Debt Obligation or to refinance a Debt Obligation previously contributed to the equity capital of the Borrower, in each case, with the proceeds of such Loan.

2.2 The advance of each Loan pursuant to Section 2.1 shall be subject to:

- (a) the satisfaction on or prior to the first Borrowing Date of each of the conditions precedent specified in Schedule I;
- (b) the first Borrowing Date occurring no later than the date five Business Days after the date of this Agreement;
- (c) the receipt by the Administrative Agent of a notice of borrowing (the date of such notice being the **Borrowing Notice Date**) from the Borrower not less than three (and not more than five) Business Days prior to the relevant Borrowing Date:
 - (i) specifying the proposed Borrowing Date;
 - (ii) specifying the principal amount of the proposed Loan (which shall be an amount not less than USD500,000);
 - (iii) specifying the account to which the proceeds of the proposed Loan are to be paid;
 - (iv) specifying whether the proceeds of such proposed Loan are to be used (x) to purchase a Debt Obligation pursuant to Section 5.2(a) (i) or (ii) or (y) to refinance a Contributed Debt Obligation previously acquired by the Borrower (the Debt Obligation so purchased or previously acquired, the **Financed Debt Obligation**);
 - (v) if the proceeds of such Loan are to be used to purchase a Financed Debt Obligation, identifying such Financed Debt Obligation and specifying the related Par Amount and Purchase Price; and
 - (vi) setting forth calculations demonstrating compliance with the conditions set forth in paragraphs (g) through (i) of this Section 2.2 after giving effect to the application of the proceeds of such Loan;

provided that (A) the initial notice of borrowing may be given on the date hereof and (B) the Borrower shall be permitted to deliver a notice of borrowing on the Borrowing Date that complies with the requirements of clauses (i) through (vi) above so long as (1) such notice is received by the Administrative Agent no later than 10:00 a.m. New York City time, (2) the proposed Loan to be made shall bear interest for the period of two Business Days commencing on and including the Borrowing Date as if the reference to "LIBOR" in the definition of "Interest Rate" were instead a reference to the Alternate Base Rate (and, for purposes of determining LIBOR immediately following such period, the first day of the relevant Interest Period shall be the next succeeding Business Day) and (3) no such borrowing shall be permitted if the aggregate principal amount of Loans outstanding on any date and bearing interest at the Alternate Base Rate would exceed USD40,000,000;

- (d) in the case of a Financed Debt Obligation being purchased pursuant to Section 5.2(a)(ii), the Administrative Agent shall have given its consent to such purchase (which consent the Administrative Agent may give or withhold in its sole discretion);
- (e) the Financed Debt Obligation satisfies the Obligation Criteria on the Borrowing Date;
- (f) in the case of a Financed Debt Obligation being purchased pursuant to Section 5.2(a)(ii), the Portfolio Criteria shall be satisfied after giving effect to such purchase (or, in the case of Portfolio Criterion that is not satisfied immediately prior to such purchase, the effect of such purchase shall be to improve the extent of compliance with such Portfolio Criterion);
- (g) after giving effect to the making of such Loan, the aggregate principal amount of the Loans outstanding hereunder held by any Lender does not exceed such Lender's Commitment;
- (h) the Loan Compliance Test shall be satisfied after giving effect to such Loan and the application of the proceeds thereof;
- (i) the Equity Coverage Ratio after giving effect to such Loan and the application of the proceeds thereof shall not be less than the Diversion Percentage; and
- (j) each of the representations and warranties of the Borrower set forth in this Agreement and the Support Documents are true and correct in all material respects on and as of the related Borrowing Notice Date (or, if expressly stated to be made as of any specific date, on and as of such specific date) (and with each such representation and warranty being made on and as of the related Borrowing Notice Date for all purposes of this Agreement).

Subject to the satisfaction of such conditions, the Lenders shall make their respective Pro Rata Shares of such Loan available on the related Borrowing Date by wire transfer of immediately available funds by 2:00 p.m., New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. In the case of a Financed Debt Obligation referred to in Section 5.2(a)(i) or (ii), the Administrative Agent will promptly make such funds available to the Borrower by either (i) depositing the same in the Custodial Account established (and as defined in) under the Security Agreement (pending use

thereof as provided in the following clause (ii)) or (ii) applying such funds to the payment for the purchase by the Borrower of such Financed Debt Obligation in accordance with instructions timely furnished by the Borrower to the Administrative Agent. In the case of a Financed Debt Obligation that is a Contributed Debt Obligation, the Administrative Agent will promptly make such funds available to the Borrower in order to permit the Borrower to make an Equity Restricted Payment to the Borrower Investor on the related Borrowing Date.

2.3 The proceeds from each Loan shall be used by the Borrower exclusively for (i) in the case of a Financed Debt Obligation referred to in Section 5.2(a)(i) or (ii), the purchase of the Debt Obligation identified in the related notice of borrowing given pursuant to Section 2.2 (or, pending such application, for deposit into the Custodial Account) and (ii) in the case of a Financed Debt Obligation that is a Contributed Debt Obligation, the making of an Equity Restricted Payment to the Borrower Investor on or as soon as practicable following the related Borrowing Date. Each reference herein to the "purchase" of a Debt Obligation shall include the acquisition by the Borrower of one or more Debt Obligations by reason of the Merger in accordance with the Merger Agreement.

2.4 The Loans and other obligations of the Borrower hereunder shall be secured as provided in the Security Agreement and shall be entitled to the benefit of the other Support Documents. The Lenders hereby irrevocably appoint the Security Agent as their agent under the Security Agreement and each other Support Document and authorize the Security Agent to take such actions on their behalf and to exercise such powers as are delegated to the Security Agent by the terms of the Security Agreement and each other Support Document, together with such actions and powers as are reasonably incidental thereto.

PAYMENTS OF PRINCIPAL, INTEREST AND FEES

Principal

3.1 For value received, the Borrower hereby unconditionally promises to pay to the Administrative Agent for account of the Lenders on the Scheduled Maturity Date the entire unpaid aggregate principal amount of the Loans.

Interest; Fees

- 3.2(a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for account of the Lenders interest on the unpaid principal amount of each Loan, for the period from and including the Borrowing Date for such Loan to but excluding the date that such Loan shall be paid in full, at a rate per annum equal to the Interest Rate.
- (b) The Borrower hereby unconditionally promises to pay to the Administrative Agent for account of the Lenders a commitment fee on the excess, if any, of (i) the aggregate amount of Commitments from time to time in effect over (ii) the aggregate principal amount of Loans outstanding, for each day during the Drawdown Period occurring after the Ramp-Up Period, at a rate per annum equal to 0.50%.
- (c) The Borrower hereby unconditionally promises to pay to the Administrative Agent for account of the Lenders an upfront fee in an amount equal to 0.75% of the aggregate amount of the Commitments of the Lenders as in effect on the date hereof (such aggregate amount, the **Maximum Aggregate Loan Amount**).

- (d) If the aggregate amount of the Commitments are reduced during the Drawdown Period, the Borrower shall pay to the Administrative Agent for account of the Lenders a commitment reduction fee in an amount equal to 0.50% of the aggregate amount of such reduction.
- (e) Interest and fees payable under this Section 3.2 shall be paid on the dates specified in Section 3.4 (or, if applicable, Section 3.3).

Default

3.3 Notwithstanding the foregoing, the Borrower hereby unconditionally promises to pay to the Administrative Agent for account of the Lenders interest on any principal of or interest on any Loan, or any fee or other amount owing under this Agreement or the Security Agreement, that shall not be paid in full when due (whether at stated maturity, by acceleration, upon optional or mandatory prepayment or otherwise), for the period from and including the due date of such payment to but excluding the date the same is paid in full, at a rate per annum equal to the Default Rate.

Payment Dates

- 3.4(a) Accrued interest on each Loan shall be payable (i) on each Payment Date in an amount equal to interest accrued for the related Interest Period, (ii) upon the prepayment pursuant to Section 3.7 of any principal of any Loan in an amount equal to interest thereon accrued to but excluding the date of such prepayment and (iii) in the case of interest payable at the Default Rate, from time to time on demand of the Administrative Agent.
- (b) Commitment fee accrued pursuant to Section 3.2(b) during any Interest Period (or portion thereof) shall be payable on the related Payment Date.
- (c) The upfront fee payable pursuant to Section 3.2(c) shall be payable on the date of execution and delivery of this Agreement by the original parties hereto.
- (d) Any commitment reduction fee payable pursuant to Section 3.2(d) shall be payable on the date of the related commitment reduction.

Interest Computation Basis

3.5 Interest accruing with respect to each Loan for any Interest Period shall accrue for each day during such Interest Period and shall be computed on the basis of a year of 360 days and actual days elapsed. Interest accruing with respect to any other amount for any period shall accrue from and including the first day of such period to but excluding the last day of such period and shall be computed on the basis of a year of 360 days and actual days elapsed. Fee payable under Section 3.2(b) accruing with respect to any period shall accrue for each day during such period and shall be computed on the basis of a year of 360 days and actual days elapsed.

Manner of Payment

- 3.6(a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees or otherwise) or under any Support Document (except to the extent otherwise provided therein) prior to 2:00 p.m., New York City time, on the date when due, in immediately available funds, without set off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at 399 Park Avenue, New York, New York 10043, except as otherwise expressly provided herein or in any Support Document. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient through its Payment Account promptly following receipt thereof.
- (b) If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder or under the Security Agreement shall be made in USD.
- (c) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.
- (d) Except to the extent otherwise provided herein: (i) each payment or prepayment of principal of any Loan (and of any fee payable under Section 3.2(d)) by the Borrower shall be made for account of the Lenders pro rata in accordance with the respective portions of the unpaid principal amount of such Loan held by them; (ii) each payment of interest on any Loan by the Borrower shall be made for account of the Lenders pro rata in accordance with the amounts of interest on their respective portions of such Loan then due and payable to the Lenders; (iii) each fee payable by the Borrower under Section 3.2(b) or 3.2(c) shall be made for account of the Lenders pro rata in accordance with their respective Pro Rata Shares; and (iv) each reduction of Commitments shall be made for account of the Lenders pro rata in accordance with their respective Pro Rata Shares.
- (e) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan,

including the amounts of principal and interest payable and paid to such Lender from time to time hereunder. The entries made in such accounts shall be prima facie evidence of the existence and amounts of the obligations recorded therein; **provided** that the failure of any Lender to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay any Loan, and to pay interest thereon or any fee hereunder, in accordance with the terms of this Agreement.

- (f) Any Lender may request that the portion of the Loans owing to such Lender be evidenced by a Note. In such event, the Borrower shall prepare, execute and deliver to such Lender a Note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns). Thereafter, the portion of the Loans evidenced by such Note and interest on such principal shall at all times (including after assignment pursuant hereto) be represented by one or more Notes in such form payable to the order of the payee named therein (or, if such Note is a registered note, to such payee and its registered assigns).
- (g) If any Lender shall, by exercising any right of set off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any portion of any Loan owing to such Lender resulting in such Lender receiving payment of a greater proportion thereof than due than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the amounts owing to the other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with paragraph (d) above; **provided** that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any portion of any Loan to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.
- (h) Any Lender may change the Payment Account for receiving payments under this Agreement by giving notice of the new Payment Account to the Borrower and the Administrative Agent at least three Business Days prior to the first scheduled date for the payment to which such change applies.

Optional and Mandatory Prepayments; Commitment Reductions

- 3.7(a) The Borrower shall have the right upon any Business Day, upon not less than three Business Days' notice to the Administrative Agent and each of the Lenders, to reduce permanently the aggregate amount of the Commitments then in effect; **provided** that

- (i) any partial reduction shall be in an aggregate amount not less than USD500,000 and (ii) no such reduction shall reduce the aggregate amount of the Commitments to an amount less than the aggregate principal amount of the Loans then outstanding.
- (b) The Borrower shall have the right upon any Business Day, upon not less than three Business Days' notice to the Administrative Agent and each of the Lenders, to prepay all or any portion of the Loans then outstanding; **provided** that any partial prepayment shall be in an amount not less than USD500,000.
- (c) If the Equity Coverage Ratio at the close of business in New York on any Business Day is less than the Termination Percentage, then, on the next succeeding Business Day (i) the Borrower shall prepay the entire unpaid aggregate principal amount of the Loans and (ii) the Commitments shall automatically be reduced to zero.
- (d) If the aggregate outstanding principal amount of the Loans outstanding on the date occurring nine months prior to the Scheduled Maturity Date (or, if such date is not a Business Day, on the immediately preceding Business Day) exceeds 87.5% of the Maximum Aggregate Loan Amount, then (i) the Borrower shall on such Business Day prepay the Loans in an aggregate principal amount necessary to eliminate such excess and (ii) the aggregate amount of the Commitments shall on such Business Day be reduced permanently to the aggregate principal amount of Loans outstanding after giving effect to such prepayment.
- (e) If the aggregate outstanding principal amount of the Loans outstanding on the date occurring six months prior to the Scheduled Maturity Date (or, if such date is not a Business Day, on the immediately preceding Business Day) exceeds 75% of the Maximum Aggregate Loan Amount, then (i) the Borrower shall on such Business Day prepay the Loans in an aggregate principal amount necessary to eliminate such excess and (ii) the aggregate amount of the Commitments shall on such Business Day be reduced permanently to the aggregate principal amount of Loans outstanding after giving effect to such prepayment.
- (f) If the aggregate outstanding principal amount of the Loans outstanding on the date occurring three months prior to the Scheduled Maturity Date (or, if such date is not a Business Day, on the immediately preceding Business Day) exceeds 50% of the Maximum Aggregate Loan Amount, then (i) the Borrower shall on such Business Day prepay the Loans in an aggregate principal amount necessary to eliminate such excess and (ii) the aggregate amount of the Commitments shall on such Business Day be reduced permanently to the aggregate principal amount of Loans outstanding after giving effect to such prepayment.
- (g) Any partial prepayment of the Loans shall be applied to the Loans then outstanding pro rata in accordance with their respective principal amounts outstanding immediately prior to such partial prepayment.

Payment Timing

3.8 The Borrower will not make any payment to any Person (other than (i) payments required hereunder or any other Loan Document to be made to the Administrative Agent, the Security Agent or any Lender (other than payments made in connection with the execution and delivery of this Agreement and other Loan Documents or the satisfaction of the conditions specified in Schedule I), (ii) payments made to purchase a Debt Obligation acquired by the Borrower in accordance with Section 2.2 and (iii) payments made to purchase Eligible Investments), except for payments made as indicated below:

- (a) on any date, to the payment of expenses owing by the Borrower in the ordinary course of business to any Person other than a Related Party so long as the aggregate amount paid pursuant to this paragraph (a) during any Quarterly Period does not exceed USD50,000; and
- (b) on any Payment Date and after the payment of all principal, interest, fees and other amounts payable by the Borrower hereunder or under any other Loan Document on or prior to such Payment Date, in the priority indicated below and solely from the sources indicated below:
 - (i) from Available Interest Proceeds:
 - (A) first, to the payment of accrued and unpaid Senior Management Fee;
 - (B) second, if the Equity Coverage Ratio on such Payment Date (after giving effect to any such payment of principal, but prior to any payment pursuant to Section 3.8(b)(ii) on such Payment Date) is less than the Diversion Percentage or the Loan Compliance Test is not satisfied, to the payment of outstanding principal of the Loans until the Equity Coverage Ratio is equal to the Diversion Percentage and the Loan Compliance Test is satisfied, as applicable;
 - (C) third, to the payment of accrued and unpaid Subordinate Management Fee;
 - (D) fourth, to the payment of any remaining expenses owing by the Borrower in the ordinary course of business to any Person (other than any Related Person); and
 - (E) fifth, to the payment of an Equity Restricted Payment to the Borrower Investor so long as (1) the Borrower has given at least three Business Days' notice of the amount of such Equity Restricted Payment to the Administrative Agent and (2) no Event of Default or Potential Event of Default has occurred and is continuing or would result from such Equity Restricted Payment.
 - (ii) from Available Principal Proceeds:
 - (A) first, if the Equity Coverage Ratio on such Payment Date (after giving effect to any such payment of principal) is less than the Diversion Percentage (after

- giving effect to any payment made pursuant to Section 3.8(b)(i)(B) on such Payment Date) or the Loan Compliance Test is not satisfied, to the payment of outstanding principal of the Loans until the Equity Coverage Ratio is equal to the Diversion Percentage and the Loan Compliance Test is satisfied, as applicable; and
- (B) second, to the payment of an Equity Restricted Payment to the Borrower Investor so long as (1) the Loan Compliance Test is satisfied after giving effect to such Equity Restricted Payment, (2) the Borrower has given at least three Business Days' notice of the amount of such Equity Restricted Payment to the Administrative Agent, (3) the Equity Coverage Ratio is at least equal to the Diversion Percentage after giving effect to such Equity Restricted Payment and (4) no Event of Default or Potential Event of Default has occurred and is continuing or would result from such Equity Restricted Payment.
- (iii) On or as soon as practicable following any Borrowing Date (other than a Payment Date) on which a Loan is made with respect to the aggregate of all Contributed Debt Obligations, the Borrower may use the proceeds of such Loan to make an Equity Restricted Payment to the Borrower Investor so long as (1) the Loan Compliance Test is satisfied after giving effect to such Equity Restricted Payment, (2) all principal, interest, fees and other amounts due and payable by the Borrower hereunder or under any other Loan Document on or prior to such Borrowing Date have been paid, (3) the Equity Coverage Ratio is at least equal to the Diversion Percentage after giving effect to such Equity Restricted Payment and (4) no Event of Default or Potential Event of Default has occurred and is continuing or would result from such Equity Restricted Payment.
- (iv) On any Business Day (other than a Payment Date), the Borrower may make an Equity Restricted Payment to the Borrower Investor in the form of an in kind distribution of all or any portion of a Debt Obligation then held by the Borrower (such distribution to be made without recourse, representation or warranty whatsoever) so long as (1) the Loan Compliance Test is satisfied after giving effect to such Equity Restricted Payment, (2) all principal, interest, fees and other amounts due and payable by the Borrower hereunder or under any other Loan Document on or prior to the date of such Equity Restricted Payment have been paid, (3) the Equity Coverage Ratio is at least equal to the Diversion Percentage after giving effect to such Equity Restricted Payment, (4) no Event of Default or Potential Event of Default has occurred and is continuing or would result from such Equity Restricted Payment, (5) the aggregate Purchase Amount of all Debt Obligations distributed pursuant to this Section 3.8(b)(iv) during any period of 12 consecutive calendar months shall not exceed 10% of the average daily aggregate Purchase Amount of all Debt Obligations held by the Borrower during such 12-month period and (6) the Borrower has given at least three Business Days' notice of the amount of such Equity Restricted Payment to the Administrative Agent; **provided** that (x) if the settlement of the contribution to the Borrower of any Debt Obligation pursuant to Section 5.2(b) shall have previously occurred on such

Business Day, then compliance with the foregoing tests shall be determined after giving effect to such contribution and (y) the amount of any Equity Restricted Payment made pursuant to this Section 3.8(b)(iv) shall be the Current Price on such Business Day of the Debt Obligation to be distributed multiplied by the Par Amount of the Debt Obligation to be distributed.

Taxes

3.9(a) All payments under this Agreement for account of the Administrative Agent or any Lender will be made without any deduction or withholding for or on account of any present or future tax, levy, impost, duty, charge, assessment or fee of any nature (a **Tax**) unless such deduction or withholding is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, then in effect. If the Borrower is required to withhold or deduct for or on account of any Tax in respect of this Agreement for account of the Administrative Agent or any Lender, the Borrower will: (1) promptly notify the affected payee of such requirement; (2) pay to the relevant authorities the full amount required to be deducted or withheld promptly upon the earlier of determining that such deduction or withholding is required or receiving notice that such amount has been assessed; (3) promptly forward to the affected payee (with a copy to the Administrative Agent if it is not the affected payee) an official receipt (or a certified copy) evidencing such payment to such authorities; and (4) unless such Tax is an Excluded Tax pay to such payee such additional amount (an **Additional Amount**) as is necessary to ensure that the net amount actually received by such payee (free and clear of all Taxes other than Excluded Taxes, whether assessed against the Borrower or such payee) will equal the full amount such payee would have received in respect of this Agreement had no such deduction or withholding been required; **provided** that the Borrower will not be required to pay any Additional Amount with respect to any Tax that is:

- (i) imposed other than by withholding (except, for the avoidance of doubt, any Tax assessed directly against a Lender or the Administrative Agent for which the Borrower is required to indemnify the Lender or Administrative Agent pursuant to Section 8.1);
- (ii) an estate, inheritance, gift, sale, transfer, personal property or similar tax;
- (iii) imposed by reason of the failure of such payee, or beneficial owner of an interest in this Agreement if not such payee (after reasonable notice by such payee), to comply with Section 3.9(b) (unless such failure results from a Change in Tax Law or a change in a tax treaty to which the United States of America is a party); or
- (iv) imposed by reason of any combination of clauses (i), (ii) and (iii);

provided, further, that no Lender shall be entitled to receive Additional Amounts in respect of any Tax required to be withheld under the laws of the United States of America (including any tax treaties to which the United States of America is a party) in effect on the date (x) such Lender becomes a party to this Agreement or (y) such Lender changes

its lending office, **except**, that (X) consistent with Section 8.4(d), any Lender that is an assignee shall be entitled to Additional Amounts if and only to the extent the assigning Lender was entitled to such amounts immediately prior to the assignment, (Y) consistent with Section 8.4(f), any Participant shall be entitled to Additional Amounts if and only to the extent the Lender selling the participation was entitled to such amounts immediately before the sale of the participation and (Z) if a Lender changes its lending office, such Lender shall remain entitled to receive any Additional Amounts if and only to the extent it was entitled to receive immediately prior to changing its lending office.

- (b) Each payee or beneficial owner of an interest in this Agreement if such payee (after reasonable notice by such payee) shall, to the extent it is legally entitled to, deliver to the Borrower such properly completed and executed documentation (including the applicable IRS Form W-9 and applicable W-8 and any attachments or supplements thereto) prescribed by applicable law or reasonably requested by the Borrower as will permit such payments to be made without withholding or at a reduced rate of withholding, **provided** that, with respect to any withholding under FATCA, only the provisions of Section 3.9(c) shall apply to any documentation to be delivered.
- (c) If a payment made to a Lender under any Loan 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 law and at such time or times reasonably requested by the Borrower or the Administrative Agent documentation necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 3.9(b), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.
- (d) Each Lender agrees that if any form or certification provided pursuant to Section 3.9(b) or 3.9(c) expires or, to its knowledge, 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 (i) Borrower is required to pay any Additional Amount under this Section 3.9 to a Foreign Lender or (ii) a Change in Tax Law would result upon the passage of time, in a payment of an Additional Amount to a Foreign Lender, then such Foreign Lender shall take such steps as may be reasonably available to it to mitigate the effects of such Change in Tax Law (which shall include efforts to rebook this Agreement at another lending office or through another branch or an affiliate of the Foreign Lender), **provided** that such Foreign Lender shall not be required to take any step that would be materially disadvantageous to its business or operations (as determined by the Foreign Lender in its sole reasonable discretion). If the Foreign Lender does not promptly take the steps necessary to avoid the need for Additional Amounts, the Borrower shall have the right to redomicile (in consultation with the Initial Lender) in a jurisdiction that would not give rise to a withholding obligation.

- (f) If the Borrower makes a payment of any Additional Amount and the affected payee receives a refund, credit or other tax benefit that is attributable to the Tax in respect of which the Additional Amount is paid, such payee will promptly upon receipt of such refund, credit or benefit, pay to the Borrower such amount as will in such payee's reasonable determination, leave such payee no better or worse off than if no payment of the Additional Amounts had been required; **provided** that nothing herein will limit the ability of such payee to prepare its tax returns in the manner it so determines in its sole discretion.
- (g) The Borrower will pay any Stamp Tax levied or imposed upon the Borrower or in respect of its execution or performance of this Agreement by a jurisdiction in which it is incorporated, organized, managed and controlled, or considered to have its seat, or in which a branch or office through which it is acting for the purpose of this Agreement is located (**Stamp Tax Jurisdiction**) and will indemnify the affected payee (and, to the extent it has made any payment on behalf of the Borrower, the Administrative Agent) against any such Stamp Tax levied or imposed upon such payee or in respect of such payee's execution or performance of this Agreement by any such Stamp Tax Jurisdiction which is not also a Stamp Tax Jurisdiction with respect to such payee.

Alternate Rate of Interest

3.10 If prior to the commencement of any Interest Period:

- (a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining LIBOR for such Interest Period; or
- (b) the Administrative Agent is advised by the Required Lenders that LIBOR for such Interest Period will not adequately and fairly reflect the cost to the Lenders of making or maintaining their respective portions of the Loans for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, the Loans shall bear interest at a rate per annum equal to the Federal Funds Effective Rate on each day plus (i) during the Drawdown Period, 2.25%. and (ii) thereafter, 2.50%.

Increased Costs

3.11(a) If any Change in Law shall:

- (i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in LIBOR); or

- (ii) impose on any Lender or the London interbank market any other condition affecting this Agreement or the portion of the Loan made or maintained by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lenders of making or maintaining their respective portions of the Loans or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or otherwise, but excluding increased costs or reductions in the amount of any sum received or receivable resulting from (1) an Excluded Tax or (2) a Tax to the extent Additional Amounts are required to be paid under Section 3.9(a) (or would be but for clause (ii) or (iii) of the first proviso to Section 3.9(a))), then the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

- (b) If any Lender determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement or the portion of the Loans made or maintained by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.
- (c) A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.
- (d) Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; **provided** that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs or reductions incurred more than six months prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor; **provided** further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six-month period referred to above shall be extended to include the period of retroactive effect thereof.

Break Funding Payments

3.12 In the event that (a) the payment of any principal of any Loan is made on any date other than a Payment Date (including as a result of an Event of Default) or (b) the Borrower fails to borrow any Loan or a portion thereof on the related Borrowing Date after giving notice of such borrowing to the Administrative Agent, then, in any such event, the Borrower shall compensate each Lender for an amount equal to the excess, if any, of (i) the amount of interest that such

Lender would pay for a deposit equal to the principal amount of its portion of such Loan for the period from the date of such payment to the last day of the then current Interest Period for such Loan (or, in the case of a failure to borrow, equal to its portion of the amount of such borrowing for the duration of the Interest Period that would have resulted from such borrowing) if the interest rate payable on such deposit were equal to LIBOR for such Interest Period over (b) the amount of interest that such Lender would earn on such principal amount for such period if such Lender were to invest such principal amount for such period at the interest rate that would be bid by such Lender (or an affiliate of such Lender) for dollar deposits from other banks in the eurodollar market at the commencement of such period. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

Right of Set-Off

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

Contractual Currency

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

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

the recipient of such payment, after recovery in full of the aggregate amount to which the recipient of such payment is entitled pursuant to the judgment or order, will be entitled to receive immediately from the Borrower the amount of any shortfall of the Contractual Currency received by the recipient of such payment as a consequence of sums being paid in such other currency if such shortfall arises or results from any variation between the rate of exchange at which the

Contractual Currency is converted into the currency of the judgment or order for the purposes of such judgment or order and the rate of exchange at which the recipient of such payment is able, acting in a reasonable manner and in good faith in converting the currency received into the Contractual Currency, to purchase the Contractual Currency with the amount of the currency of the judgment or order actually received by the recipient of such payment. The term "rate of exchange" includes any premiums and costs of exchange payable in connection with the purchase of or conversion into the Contractual Currency.

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

Lender Replacement

3.15 If any Lender requests compensation under Section 3.11, or if the Borrower is required to pay any additional amounts to any Lender or any governmental authority for the account of any Lender pursuant to Section 3.9, or if any Lender becomes a Defaulting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 8.4(c)), all its interests, rights (other than its existing rights to payments pursuant to Sections 3.9 and 3.11) and obligations under this Agreement to an assignee that shall acquire and assume such interests, rights and obligations (which assignee may be another Lender, if a Lender accepts such assignment); **provided** that (i) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees (excluding, for the avoidance of doubt, any commitment reduction fee payable under Section 3.2(d)) and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (ii) in the case of any such assignment resulting from a claim for compensation under Section 3.11 or payments required to be made pursuant to Section 3.9, such assignment will result in a reduction in such compensation or payments based on a certification made in good faith by the Borrower and delivered to the Administrative Agent and the Lender that has made a claim for compensation under Section 3.11 or a request for payment under Section 3.9. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

REPRESENTATIONS AND WARRANTIES

Borrower's Representations and Warranties

4.1 The Borrower hereby represents and warrants to the Administrative Agent and the Lenders as follows:

- (a) *Status*. It is duly formed and validly existing as a limited liability company formed under the laws of the State of Delaware.
- (b) *Powers*. It has the power to execute this Agreement and any Support Document to which it is a party, to deliver this Agreement and any Support Document to which it is a party and to perform its obligations under this Agreement and any obligations it has under any Support Document to which it is a party and has taken all necessary action to authorize such execution, delivery and performance.
- (c) *No Violation or Conflict*. Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.
- (d) *Consents*. All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any Support Document to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with, except for any consents that, if not obtained, could not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.
- (e) *Obligations Binding*. This Agreement and any Support Document to which it is a party 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)).
- (f) *Absence of Certain Events*. No Event of Default or Potential Event of Default has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement or any Support Document to which it is a party.
- (g) *Absence of Litigation*. There is not pending or, to its knowledge, threatened against it or any of its affiliates any action, suit or proceeding at law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that is likely to affect the legality, validity or enforceability against it of this Agreement or any Support Document to which it is a party or its ability to perform its obligations under this Agreement or such Support Document.

- (h) *Accuracy of Specified Information.* All applicable information with respect to the Borrower or the Borrower Investor that is furnished in writing by or on behalf of it to any of the Lenders, the Administrative Agent or the Security Agent is, when taken as a whole as of the date of the furnishing of such information, true, accurate and (except as redacted) complete in all material respects.
- (i) *Investment Company Act Status.* It is not required to register as an investment company under the Investment Company Act by reason of Section 3(c)(7) of the Investment Company Act.
- (j) *Non-Reliance.* It is acting for its own account, and it has made its own independent decisions to borrow each Loan and to use the proceeds thereof to purchase a Debt Obligation as contemplated hereby and as to whether each such borrowing and purchase are appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the Administrative Agent, any Lender or any of their respective Affiliates as investment, tax, accounting or legal advice or as a recommendation to enter into this Agreement, to borrow any Loan or to purchase any Debt Obligation, it being understood that information and explanations related to the terms and conditions of this Agreement or of any Loan or any such purchase will not be considered investment advice or a recommendation to enter into this Agreement, to borrow any Loan or to purchase any Debt Obligation. No communication (written or oral) received from the Administrative Agent, any Lender or any of their respective Affiliates will be deemed to be an assurance or guarantee as to the expected results of entering into this Agreement, borrowing any Loan or purchasing any Debt Obligation. It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of entering into this Agreement, borrowing each Loan or purchasing the Debt Obligations. None of the Administrative Agent, the Lenders and their respective Affiliates is acting as a fiduciary for or an adviser to the Borrower or any of its Affiliates in respect of this Agreement or the use of the proceeds thereof.
- (k) *Lenders May Deal with Obligors on the Debt Obligations, etc.* It acknowledges that the Administrative Agent, any Lender or any of their respective Affiliates may deal in any Debt Obligation and any other obligations of any Obligor or any Affiliate thereof and may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with any Obligor, any Affiliate of any Obligor, any other person or entity having obligations relating to any Obligor and may act with respect to such business in the same manner as if this Agreement did not exist and may originate, purchase, sell, hold or trade, and may exercise consensual or remedial rights in respect of, obligations, securities or other financial instruments of, issued by or linked to any Obligor, regardless of whether any such action might have an adverse effect on such Obligor, the value of any Debt Obligation or otherwise.
- (l) *Equity Contribution Framework Agreement.* Each representation, warranty and statement made pursuant to the Equity Contribution Framework is true and correct.

COVENANTS

Borrower's Covenants

5.1 The Borrower covenants and agrees with the Administrative Agent and the Lenders that, until payment in full of the Loans and all interest thereon and all other amounts payable by the Borrower under this Agreement:

- (a) *Information.* The Borrower will:
- (i) in connection with the purchase or other acquisition of any Debt Obligation (other than pursuant to the Merger), furnish the Administrative Agent (x) no later than one Business Day after the related "trade date", with a notice setting forth the Par Amount and Purchase Price applicable to such purchase or other acquisition and (y) no later than one Business Day after the related "settlement date", with a copy of the related Assignment Agreement;
 - (ii) promptly (and in any event within three Business Days after receipt) deliver or cause to be delivered to the Administrative Agent the following information and documentation, in each case, to the extent actually received by the Borrower from the Obligor or its agents in respect of any Debt Obligation: all notices of any borrowings, prepayments and interest rate settings, all financial statements, all compliance certificates, all amendments, waivers and other modifications (whether final or proposed) in relation to the terms of such Debt Obligation; and all notices given by the Obligor to the lenders or their agent or by the lenders or their agent to the Obligor in relation to the exercise of remedies;
 - (iii) promptly after the Borrower knows or should have known that any Debt Obligation Bankruptcy Event or Debt Obligation Failure to Pay Event has occurred in respect of any Debt Obligation, the Borrower will deliver to the Administrative Agent and each Lender a notice thereof describing the same in reasonable detail;
 - (iv) promptly after the Borrower knows or should have known that (x) any Specified Debt Obligation has ceased to be a Specified Debt Obligation or (y) any Debt Obligation has ceased to satisfy the Obligation Criteria, the Borrower will deliver to the Administrative Agent and each Lender a notice thereof describing the same in reasonable detail;
 - (v) promptly after the Borrower knows or should have known that any Portfolio Criterion is not satisfied, the Borrower will deliver to the Administrative Agent and each Lender a notice thereof describing the same in reasonable detail;
 - (vi) no later than the sixth Business Day following the last day of each Monthly Reporting Period, the Borrower will deliver to the Administrative Agent a report of the Borrower certifying as to the information described in Schedule VI;

- (vii) no later than 1:00 p.m. New York time on the Business Day prior to any Payment Date, the Borrower will deliver to the Administrative Agent a report of the Borrower certifying as to the amount and nature of each payment to be made pursuant to each of clauses (i) through (iv) of Section 3.8(b) (and each subclause thereof, if any) on such Payment Date;
- (viii) provide the Administrative Agent with such other information in its possession regarding the business, assets, operations or condition, financial or otherwise, of the Borrower as the Administrative Agent may reasonably request (including on behalf of any Lender); and
- (ix) permit representatives of the Administrative Agent, during normal business hours, to examine, copy and make extracts from its books and records, to inspect any of its Property, and to discuss its business and affairs with its officers, all to the extent reasonably requested by the Administrative Agent (including on behalf of any Lender); **provided** that, unless an Event of Default shall have occurred and be continuing, the Administrative Agent shall be permitted to effect any of the foregoing (other than any such discussion) no more frequently than three times during any period of 12 months commencing on the date of this Agreement.

(b) *Notice of Default.* Promptly after the Borrower knows or has reason to believe that any Event of Default or Potential Event of Default has occurred, the Borrower will deliver to the Administrative Agent and each Lender a notice thereof describing the same in reasonable detail and, together with such notice or as soon thereafter as possible, a description of the action that the Borrower has taken or proposes to take with respect thereto; **provided** that the failure to deliver notice of the occurrence of a Potential Event of Default shall not itself result in an Event of Default hereunder if any applicable grace period or notice requirement shall not yet have been satisfied.

(c) *Conduct of Business, etc.* The Borrower will: (i) preserve and maintain its legal existence and all of its material rights, privileges, licenses and franchises; (ii) comply with the requirements of all applicable laws, rules, regulations and orders of governmental or regulatory authorities; (iii) pay and discharge all taxes, assessments and governmental charges or levies imposed on it or on its income or profits or on any of its Property prior to the date on which penalties attach thereto, except for any such tax, assessment, charge or levy the payment of which is being contested in good faith and by proper proceedings and against which adequate reserves are being maintained; (iv) maintain all of its Property used or useful in its business in good working order and condition, ordinary wear and tear excepted; and (v) keep adequate records and books of account, in which complete and consistent entries will be made, except to the extent that the failure to comply with any of the foregoing would not, individually or in the aggregate, result in a Material Adverse Effect. Without the prior written consent of the Administrative Agent, the Borrower will not amend, supplement or otherwise modify, or give its consent to any amendment, supplement or other modification of, any Transaction Document (other than (i) any of the foregoing entered into in the ordinary course of business with respect to any Assignment Agreement or (ii) any of the foregoing entered into with respect to any Loan Document in accordance with Section 8.4 and any other applicable provisions of such Loan Document).

- (d) *Indebtedness.* The Borrower will not create, incur, assume or permit to exist any Indebtedness, except Indebtedness arising under this Agreement and the other Loan Documents.
- (e) *Liens.* The Borrower will not create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, except for Permitted Liens.
- (f) *Use of Proceeds.* The Borrower will not use any proceeds of this Agreement except in compliance with Section 2.3.
- (g) *Line of Business.* The Borrower will not engage in any business other than (i) acquiring interests in the Debt Obligations, (ii) entering into and performing its obligations under this Agreement and the other Transaction Documents to which it is a party, (iii) making Eligible Investments with the proceeds of any Debt Obligation or any equity contribution made to the Borrower, (iv) terminating the transactions under the TRS Documentation and (v) other activities that are incidental to activities specified in the foregoing clauses. Prior to the date hereof, the Borrower will not have engaged in any business other than (i) transactions incidental to its formation, (ii) the entry into and performance of the TRS Documentation, (iii) the entry into and performance of the Merger Agreement and (iv) the negotiation of the terms of the Transaction Documents. The Borrower will not acquire any Debt Obligation (or any portion thereof) other than pursuant to a Qualifying Purchase and will use all commercially reasonable efforts to cause any such purchase made as contemplated by clause (ii) or (iii) of the definition of Qualifying Purchase to settle (including of record with the relevant Obligor) no later than 30 days after the applicable “trade date”.
- (h) *Fundamental Changes.* The Borrower will not merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of all or substantially all of its assets, or liquidate or dissolve, except that (i) the Borrower may effect any sale of any Debt Obligation to the extent such sale would not result in an Event of Default or Potential Event of Default and (ii) the Borrower may effect the Merger in accordance with the Merger Agreement.
- (i) *Transactions with Related Parties.* The Borrower will not sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any Related Party, except for (i) transactions expressly permitted by Section 5.1(j), 5.2 or 5.3 and (ii) the payment of fees and expenses expressly contemplated by the Amended and Restated Investment Management Agreement.
- (j) *Restricted Payments.* The Borrower will not make any Equity Restricted Payment, except that the Borrower may make Equity Restricted Payments to the extent expressly permitted by Section 3.8(b).

- (k) *Investments in Subsidiaries.* The Borrower will not own or acquire, and will not make any investment in, any Subsidiary.
- (l) *Corporate Separateness.* The Borrower will ensure that all corporate or other formalities necessary to maintain its separate existence are followed. In addition, the Borrower will not take any action, or conduct its affairs in a manner, that is likely to result in its separate existence being ignored or in its assets and liabilities being substantively consolidated with any other Person in a bankruptcy, reorganization or other insolvency proceeding. Without limiting the foregoing, the Borrower will not (i) commingle any of its funds or assets with those of any Related Party or (ii) maintain its accounts, books, records, accounting records and other entity documents together with those of any other Related Party (**provided** that the foregoing will not prevent financial reporting on a consolidated basis to the extent required by GAAP). The Borrower will not permit the Borrower Investor or any other Related Party to guarantee or otherwise support the Borrower's obligations under any Assignment Agreement.

Acquisition of Debt Obligations

- 5.2(a) The Borrower shall acquire each Debt Obligation in accordance with one of the following (each, a **Qualifying Purchase**): (i) pursuant to the consummation of the Merger in accordance with the Merger Agreement; (ii) by direct purchase thereof in a purchase on arms' length terms from one or more sellers; or (iii) by transfer thereof by the Borrower Investor to the Borrower pursuant to an in kind contribution to the capital of the Borrower in accordance with Section 5.2(b).
- (b) With respect to any Qualifying Purchase of a Debt Obligation made pursuant to Section 5.2(a)(iii), the Borrower shall acquire such Debt Obligation only if:
 - (i) except for any Debt Obligation specified in Schedule V (up to the Par Amount thereof so specified), the Administrative Agent shall have given its consent to the acquisition by the Borrower of such Debt Obligation (which consent the Administrative Agent may give or withhold in its sole discretion);
 - (ii) the Administrative Agent and the Borrower shall have agreed in writing upon the Purchase Price to be applicable to such Debt Obligation;
 - (iii) the Debt Obligation satisfies the Obligation Criteria on the date of acquisition thereof by the Borrower;
 - (iv) the Portfolio Criteria shall be satisfied after giving effect to such acquisition (or, in the case of Portfolio Criterion that is not satisfied immediately prior to such acquisition, the effect of such acquisition shall be to improve the extent of compliance with such Portfolio Criterion); and
 - (v) the Debt Obligation is contributed in accordance with the Equity Contribution Framework Agreement.

Sale of Debt Obligations to Related Parties

5.3 The Borrower shall not sell any Debt Obligation (or any portion thereof) to any Related Party; **provided** that this Section 5.3 shall not prevent the Borrower from selling any Debt Obligation (or any portion thereof) to a Related Party if (a) no Event of Default or Potential Event of Default shall have occurred and be continuing and would not result therefrom, (b) the condition in Section 5.4 is satisfied with respect to such sale and (c) such Debt Obligation (or portion thereof) is being sold solely for Cash and in a transaction at a sale price (expressed as a percentage of par and will be determined exclusive of accrued interest and premium) not less than the Current Price and otherwise on arms' length terms; in each case, so long as (i) such sale is effected in accordance with the requirements of the Investment Advisers Act applicable to an investment adviser registered as such thereunder and (ii) notice of such sale is given to the Administrative Agent and each Lender no later than the date of such sale.

Sale of Debt Obligations

5.4 The Borrower shall not sell any Debt Obligation (or any portion thereof) if either immediately prior to or immediately after giving effect to such sale (determined, in each case, on a "trade date" basis), the Equity Coverage Ratio is or would be less than the Termination Percentage; **provided** that the foregoing shall not apply to any "trade date" if the aggregate proceeds to be received from all sales of Debt Obligations with such or any earlier "trade date" will be sufficient to repay all principal, interest, fees and other amounts payable by the Borrower hereunder or under any other Loan Document.

DEFAULT; REMEDIES

Events of Default

6.1 If one or more of the following events (herein called **Events of Default**) shall occur and be continuing:

- (a) the Borrower shall default in the payment of any principal, interest or other amount owing under this Agreement when due (whether at stated maturity, by acceleration, upon optional or mandatory prepayment or otherwise) and such default shall continue for at least five Business Days after notice thereof to the Borrower by the Administrative Agent or any Lender; or
- (b) any representation, warranty or certification made herein or pursuant hereto or in or pursuant to any Support Document (or in any modification or supplement hereto or thereto) by the Borrower or any Support Obligor shall prove to have been false or misleading as of the time made in any material respect; or
- (c) the Borrower shall default in the performance of any of its obligations under any of Sections 5.1(d), 5.1(e), 5.1(f), 5.1(g), 5.1(h), 5.1(i), 5.1(j), 5.1(k), 5.1(l), 5.2, 5.3 and 5.4; or the Borrower or any Support Obligor shall default in the performance of any of its other obligations hereunder or of any obligations under any Support Document and such default (if remediable) shall continue unremedied for a period of at least 30 days after notice thereof to the Borrower by the Administrative Agent or any Lender; or

- (d) the Borrower or any Support Obligor or the Borrower Investor shall (1) be dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) become insolvent or unable to pay its debts or fail or admit in writing its inability generally to pay its debts as they become due; (3) make a general assignment, arrangement or composition with or for the benefit of its creditors; (4) institute or have instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition shall be presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (5) have a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seek or become subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (7) have a secured party take possession of all or substantially all its assets or have a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party shall maintain possession, or any such process shall not be dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (8) cause or become subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) (inclusive); or (9) take any action authorizing, or in furtherance of, any of the foregoing acts; or
- (e) the Borrower or any Support Obligor shall consolidate or amalgamate with, or merge with or into, or transfer all or substantially all its assets to, another Person and, at the time of such consolidation, amalgamation, merger or transfer:
- (i) the resulting, surviving or transferee Person shall fail to assume all the obligations of the Borrower or such Support Obligor under this Agreement or any Support Document to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the Administrative Agent and each Lender;
 - (ii) the benefits of any Support Document shall fail to extend (without the consent of the Administrative Agent and each Lender) to the performance by such resulting, surviving or transferee Person of its obligations under this Agreement; or
 - (iii) other than pursuant to the Merger, the creditworthiness of the resulting, surviving or transferee Person shall be materially weaker than that of the Borrower or such Support Obligor, as the case may be, immediately prior to such action; or
- (f) any Support Document shall cease to be in full force or effect, or the Borrower or any Support Obligor shall disaffirm, disclaim, repudiate or reject in writing, in whole or in part, or challenge in writing the validity of, any Support Document to which it is a party; or

- (g) the Borrower Formation Documents shall be amended, supplemented or otherwise modified, or shall be terminated, without the prior written consent of the Administrative Agent and each Lender, except for any amendment, supplement or other modification that would not have a Material Adverse Effect; or
- (h) any Support Document shall be amended, supplemented or otherwise modified, or shall be terminated, other than in accordance with the terms hereof or thereof; or
- (i) on any date, all of the ownership interests in the Borrower shall fail to be beneficially owned and controlled, either directly or at one or more indirect levels of beneficial ownership, by one or more persons that are Controlled by the Borrower Investor; or
- (j) on any date, the assets of the Borrower shall fail to be managed on a discretionary basis by the Borrower Investor; or
- (k) on any date, the Borrower Investor shall fail to maintain GSO/Blackstone Debt Funds Management LLC, a Delaware limited liability company, any Affiliate thereof or any other replacement therefor consented to in writing by the Administrative Agent (which consent shall not be unreasonably withheld), as its sub-adviser to assist the Borrower Investor in managing the investment and reinvestment of the assets of the Borrower Investor; or
- (l) the Borrower is required to register as an investment company under the Investment Company Act;

THEREUPON: (1) in the case of an Event of Default other than one specified in clause (1), (3), (5), (6) or, to the extent analogous thereto, (8) of Section 6.1(d), the Required Lenders may, by notice to the Borrower, (i) reduce the aggregate amount of the Commitments to zero and (ii) declare the principal of and interest on this Agreement and/or any other amount owing under this Agreement to be forthwith due and payable, whereupon such amounts shall be immediately due and payable without presentment, demand, protest or other formalities of any kind, all of which are hereby expressly waived by the Borrower; and (2) in the case of the occurrence of an Event of Default specified in clause (1), (3), (5), (6) or, to the extent analogous thereto, (8) of Section 6.1(d), (i) the aggregate amount of the Commitments shall be automatically reduced to zero and (ii) the principal of and interest on this Agreement and all other amounts owing under this Agreement shall automatically become immediately due and payable without presentment, demand, protest or other formalities of any kind, all of which are hereby expressly waived by the Borrower.

ADMINISTRATIVE AGENT

7.1 Each of the Lenders hereby irrevocably appoints the Administrative Agent as its agent hereunder and under the Support Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto.

7.2 The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such Person and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder.

7.3 The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the Support Documents. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Potential Event of Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the Support Documents that the Administrative Agent is required to exercise in writing by the Required Lenders, and (c) except as expressly set forth herein and in the Support Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders or in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any Support Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any Support Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Schedule I or elsewhere herein or therein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

7.4 The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for an Obligor), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

7.5 The Administrative Agent may perform any and all of its duties and exercise its rights and powers by or through any one or more sub agents appointed by the Administrative Agent. The Administrative Agent and any such sub agent may perform any and all of its duties and exercise its rights and powers through its Affiliates. The exculpatory provisions of Sections 7.3 and 7.4 shall apply to any such sub agent and to the Affiliates of the Administrative Agent and

any such sub agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

7.6 Subject to the appointment and acceptance of a successor Administrative Agent as provided in this Section 7.6, the Administrative Agent may resign at any time by notifying the Lenders and the Borrower. Upon any such resignation, the Required Lenders shall have the right, after prior written consent from the Borrower (not to be unreasonably withheld and not to be required if an Event of Default has occurred and is continuing for more than six months (or, if applicable, beyond any Event of Default referred to in Section 6.1(d))), to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders and with the prior written consent of the Borrower (not to be unreasonably withheld and not to be required if an Event of Default has occurred and is continuing for more than six months (or, if applicable, beyond any Event of Default referred to in Section 6.1(d))), appoint a successor Administrative Agent, which shall be a bank with an office in New York City or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall 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 hereunder. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the Administrative Agent's resignation hereunder, the provisions of this Section 7.6 and Section 8.1 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Administrative Agent.

7.7 Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any Support Document or any related agreement or any document furnished hereunder or thereunder.

7.8 Except as otherwise provided in Section 8.4(a) with respect to this Agreement, the Administrative Agent may, with the prior consent of the Required Lenders (but not otherwise), consent to any modification, supplement or waiver under any of the Loan Documents, **provided** that, without the prior consent of each Lender, the Administrative Agent shall not (except as expressly provided herein or in the Support Documents) release any Collateral or otherwise terminate any Lien under any Support Document providing for collateral security, agree to additional obligations being secured by such collateral security (unless the Lien for such additional obligations shall be junior to the Lien in favor of the other obligations secured by such Support Document, in which event the Administrative Agent may consent to such junior Lien **provided** that it obtains the consent of the Required Lenders thereto), alter the relative priorities of the obligations entitled to the benefits of the Liens created under the Security Agreement or

release any Support Obligor under any Support Document from its obligations thereunder, except that no such consent shall be required, and the Administrative Agent is hereby authorized, to release any Lien covering property that is the subject of a sale, distribution or other disposition of property permitted hereunder.

MISCELLANEOUS

Expenses; Indemnification

8.1 The Borrower will, on demand, indemnify and hold harmless each of the Administrative Agent and the Lenders for and against all reasonable and documented out-of-pocket expenses, including legal fees, incurred by it by reason of the enforcement of its rights under this Agreement, including, but not limited to, costs of collection.

The Borrower shall indemnify the Administrative Agent and each Lender, and each Affiliate of any of the foregoing Persons and each of their respective officers, directors and employees (each such Person being called an **Indemnitee**) against, and to hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the reasonable and documented fees, charges and disbursements of any counsel for any Indemnitee, in each case, payable by any Indemnitee to any governmental authority or other third party (other than any Affiliate of any Indemnitee) arising out of, in connection with, or as a result of (i) the performance by the parties hereto of their respective obligations hereunder or the consummation of the transactions contemplated hereby, (ii) any Loan or the use of the proceeds therefrom or (iii) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; **provided** that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee.

To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent under either of the two preceding paragraphs of this Section, each Lender severally agrees to pay to the Administrative Agent such Lender's Pro Rata Share (determined as of the date of the request for such indemnification) of such unpaid amount; **provided** that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent Lender in its capacity as such.

The Borrower will, on demand, reimburse the Administrative Agent and the Initial Lender for and against all legal fees, charges and disbursements of counsel to the Administrative Agent and the Initial Lender (other than the allocated costs of internal counsel) incurred by reason of the execution and delivery of this Agreement and the other Loan Documents and the other documents contemplated hereby, in an aggregate amount not to exceed USD175,000.

This Section 8.1 shall not apply to any Tax that is the subject of Section 3.9, except to the extent that the Borrower fails to deduct or withhold Taxes in respect of which it would have been required to pay an Additional Amount, and such Taxes are assessed directly against a Lender or the Administrative Agent (excluding any penalties or interest in respect of such Taxes that result from the gross negligence or willful misconduct of the Administrative Agent or such Lender).

Waiver

8.2 No failure on the part of the Administrative Agent or any Lender to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

Notices

8.3 All notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested) or sent by facsimile transmission, as follows:

- (a) if to the Borrower, to it at Arch Street Funding LLC, c/o FS Investment Corporation, Cira Centre, 2929 Arch Street, Suite 675, Philadelphia, PA 19104, Attention: Bill Goebel, Chief Financial Officer, and Ken Miller, Vice President (Facsimile No. (215) 222-4649; Telephone No. (215) 495-1164);
- (b) if to the Administrative Agent, to it at 390 Greenwich Street, 4th Floor, New York, New York 10013, Attention: Mitali Sohoni (Facsimile No. 646-291-5779; Telephone No. 212-723-6181); and
- (c) if to a Lender, to it at its address (or facsimile number) set forth in its Administrative Questionnaire.

Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto (or, in the case of any such change by a Lender, by notice to the Borrower and the Administrative Agent). All notices and other communications given to any party hereto shall be deemed to be effective (i) if in writing and delivered by hand or overnight courier service, on the date it is delivered; (ii) if sent by facsimile transmission, on the date that a transmission report confirming transmission is generated by the sender's facsimile machine; or (iii) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date that mail is delivered or its delivery is attempted, unless the date of that delivery (or attempted delivery) or that receipt, as applicable, is not a Business Day or that communication is delivered (or attempted) or received, as applicable, after the close of business on a Business Day, in which case that communication shall be deemed given and effective on the first following day that is a Business Day.

Amendments; Successors and Assigns; Transfers; Replacement

- 8.4(a) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Administrative Agent with the consent of the Required Lenders; **provided** that no such agreement shall (i) reduce the principal amount of any Loan or the rate of interest thereon without the written consent of each Lender affected thereby, (ii) postpone the scheduled date of payment of the principal amount of any Loan or any interest thereon without the written consent of each Lender affected thereby, (iii) alter the manner in which payments or prepayments of principal, interest or other amounts hereunder shall be applied as among the Lenders without the written consent of each Lender, (iv) change any of the provisions of this Section or the definition of the term "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender, (v) release any Collateral (but without limiting Section 7.8) or (vi) modify the commitment of any Lender to extend credit hereunder without the written consent of each Lender; and **provided** further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent without the prior written consent of the Administrative Agent.
- (b) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer any of its rights or obligations hereunder except in accordance with this Section (and any attempted assignment or transfer by any Lender that is not in accordance with this Section shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto and their respective successors and assigns permitted hereby and any indemnitees referred to herein) any legal or equitable right, remedy or claim under or by reason of this Agreement.
- (c) Any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement), subject to the requirements that:
- (i) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's portion of the Loans shall not be less than USD5,000,000 unless each of the Borrower and the Administrative Agent otherwise consent, **provided** that no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing;
 - (ii) except in the case of an assignment to a Lender or an Affiliate of a Lender, the Borrower shall consent to such assignment if the assignee is not an Eligible Assignee (which consent the Borrower may give or withhold in its sole discretion), **provided** that, unless such assignment is to a Competitor, no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing;

- (iii) the assigning Lender shall have given the Borrower at least one Business Day's notice of such assignment, **provided** that no such notice shall be required if an Event of Default has occurred and is continuing;
- (iv) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;
- (v) the assignee shall have certified to the Borrower that it is a "qualified purchaser" (within the meaning given to such term in Section 2(a)(51) of the Investment Company Act); and
- (vi) the assignee, if it shall not already be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(d) Subject to acceptance and recording thereof pursuant to paragraph (e) below and the payment of a recordation fee to the Administrative Agent by the Assignor in an amount equal to USD3,500, from and after the effective date specified in each Assignment and Acceptance the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto, but shall continue to be entitled to the rights referred to in Sections 3.9, 3.11 and 8.1). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (f) below.

(e) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices in New York City a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and respective principal amounts of (and stated interest on) the portions of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the **Register**). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice. Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the Administrative Agent shall accept such Assignment and Acceptance and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph (e).

- (f) Any Lender may, sell participations to one or more banks or other entities (a **Participant**) in all or a portion of such Lender's rights and obligations under this Agreement; **provided** that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and (iv) each Participant shall be entitled to the benefits of Sections 3.9 and 3.11 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (c) above, except that no Participant shall be entitled to receive any greater amount pursuant to Section 3.9 than the transferor Lender would have been entitled to receive in respect of the amount of the participation transferred by such transferor Lender to such Participant had no such transfer occurred (such that the amount of payments made by the Borrower pursuant to Section 3.9 shall be unaffected by the sale of any such participation). Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; **provided** that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 8.4(a) that affects such Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 3.13 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement (the **Participant Register**); **provided**, however, that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) except to the extent that such disclosure is necessary to establish that such commitment, loan letter of credit or other obligation is in "registered form" under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.
- (g) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any such pledge or assignment to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; **provided** that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such assignee for such Lender as a party hereto.

- (h) Anything in this Section to the contrary notwithstanding, no Lender may assign or participate any interest in the portion of the Loans held by it hereunder to the Borrower or any of its Affiliates or Subsidiaries without the prior consent of each Lender.
- (i) The Initial Lender hereby certifies (and agrees with) to the Borrower that the Initial Lender is a “qualified purchaser” (within the meaning given to such term in Section 2(a)(51) of the Investment Company Act).
- (j) Each of the Administrative Agent and the Lenders agrees to be bound by the confidentiality provisions of each Debt Obligation Credit Agreement with respect to all information and documentation in relation to the Debt Obligation or an Obligor thereon delivered hereunder to the Administrative Agent or such Lender, as the case may be. Each of the Administrative Agent and the Lenders acknowledges that such information may include material non-public information concerning an Obligor on any Debt Obligation or its securities and agrees to use such information in accordance with applicable law, including Federal and State securities laws.

Governing Law; Submission to Jurisdiction; Etc.

- 8.5(a) This Agreement shall be construed in accordance with, and this Agreement and all matters arising out of this Agreement and the transactions contemplated hereby (whether in contract, tort or otherwise) shall be governed by, the law of the State of New York.
- (b) With respect to any suit, action or proceedings relating to this Agreement (**Proceedings**), the Borrower 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 the Borrower. Nothing in this Agreement precludes the Administrative Agent or any Lender from bringing Proceedings in any other jurisdiction, nor will the bringing of Proceedings by the Administrative Agent or any Lender in any one or more jurisdictions preclude the bringing of Proceedings by the Administrative Agent or any Lender in any other jurisdiction.
- (c) The Borrower irrevocably consents to service of process given in the manner provided for notices in Section 8.3. Nothing in this Agreement will affect the right of the Administrative Agent or any Lender to serve process in any other manner permitted by law.
- (d) The Borrower irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) and (v) execution or enforcement of any judgment to which it or its

revenues or assets might otherwise be entitled in any Proceedings in the courts of any jurisdiction and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any such immunity in any Proceedings.

Limited Recourse

- 8.6(a) None of the Borrower's shareholders, officers, directors, members and managers shall be liable for any of the obligations or agreements or breach thereof or any covenant, representation or warranty of the Borrower under this Agreement, and no recourse or action may be taken, directly or indirectly, with respect to any of the obligations or agreements or breach thereof or any covenant, representation or warranty of the Borrower under this Agreement against any of the Borrower's shareholders, officers, directors, members and managers, except that the foregoing will not (i) prevent recourse to the Collateral for the sums due or to become due under any security, instrument or agreement which is part of the Collateral, (ii) relieve any Person from (A) any liability for any unpaid consideration for stock, any unpaid capital contribution or any unpaid capital call or other similar obligation, (B) any liability arising under the Equity Contribution Framework Agreement or (C) any obligation, agreement or liability under any agreement or instrument other than this Agreement or (iii) limit service of process on the Borrower by delivery of notice on its behalf to the Borrower.
- (b) The provisions of this Section 8.6 shall survive any payment of this Agreement.

Waiver of Jury Trial

8.7 EACH OF THE BORROWER, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS LOAN AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

IN WITNESS WHEREOF, the parties have executed and delivered this Loan Agreement as of the date first above written.

ARCH STREET FUNDING LLC

By: /s/ William Goebel
Name: William Goebel
Title: Chief Financial Officer

CITIBANK, N.A., as Initial Lender

By: /s/ Victoria Chant
Name: Victoria Chant
Title: Vice President

CITIBANK, N.A., as Administrative Agent

By: /s/ Victoria Chant
Name: Victoria Chant
Title: Vice President

ACCOUNT CONTROL AGREEMENT

ACCOUNT CONTROL AGREEMENT, dated as of August 29, 2012 (this **Agreement**), between ARCH STREET FUNDING LLC, a Delaware limited liability company (the **Debtor**), Citibank, N.A., a national banking association, in its capacity as creditor and security agent for and on behalf of the Secured Parties (in such capacity, together with its successors in such capacity, the **Security Agent**) under the Security Agreement referred to below, Citibank, N.A., in its capacity as securities intermediary (the **Intermediary**), and Virtus Group, LP, a Texas limited partnership, in its capacity as collateral administrator (the **Collateral Administrator**, together with the Intermediary, the **Collateral Parties**).

The parties hereby agree as follows:

1. INTERPRETATION

1.1 Definitions

Capitalized terms used but not defined herein have the respective meanings given to such terms in the Security Agreement dated as of the date hereof (the **Security Agreement**) between the Debtor and the Security Agent or, if not defined therein, in the Loan Agreement referred to therein. In addition, the terms defined in Section 11 will have the meanings therein specified for the purpose of this Agreement.

1.2 Rules of Construction.

Unless the context otherwise clearly requires: (a) the definitions of terms herein shall apply equally to the singular and plural forms of the terms defined; (b) whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms; (c) the words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”; (d) the word “will” shall be construed to have the same meaning and effect as the word “shall”; (e) 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); (f) any reference herein to any Person shall be construed to include such Person’s successors and assigns; (g) 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 (h) all references herein to Sections, exhibits and schedules shall be construed to refer to Sections of, and exhibits and schedules to, this Agreement.

2. THE ACCOUNTS

2.1 Status of Account and Relationship of Parties

The Intermediary represents that: (a) it has established and is maintaining on its books and records account number 110102, designated the “Custodial Account” (said account, together with any replacement thereof or substitution therefor, the **Custodial Account**) to which the Debt Obligations and certain other items of property that are the subject of this Agreement shall be credited, (b) it has established and is maintaining on its books and records account number 110101, designated the “Principal Collection Account” (said account, together with any replacement thereof or substitution therefor, the **Principal Collection Account**) to which Cash shall be credited by the Intermediary, (c) it has established and is maintaining on its books and records account number 110100, designated the **Interest Collection Account** (said account, together with any replacement thereof or substitution therefor, the **Interest Collection Account** and, together with the Principal Collection Account, the **Collection Account**; and the Collection Account and the Custodial Account, collectively, the **Accounts**) to which Cash shall be credited by the Intermediary; and (d) each of the Accounts is a Securities Account in respect of which (i) the Intermediary is a Securities Intermediary and (ii) the Security Agent is the Entitlement Holder; and the Intermediary agrees that all property delivered to the Intermediary pursuant to the Security Agreement will be promptly credited to one of the Accounts in accordance with directions from the Debtor or the Security Agent as set forth herein. Each Account may include any sub-accounts thereof established by the Intermediary for administrative purposes. Any reference to an Account shall, unless otherwise expressly provided, include a reference to any sub-account of such Account. Any reference to the Collection Account shall, unless otherwise expressly provided, include reference to the Interest Collection Account and the Principal Collection Account.

2.2 Treatment of Property as Financial Assets

The Intermediary hereby agrees that (a) each item of property (whether cash, a security, an instrument or any other property whatsoever) standing to the credit of an Account shall be treated as a Financial Asset and (b) the Intermediary will treat the Security Agent, as Entitlement Holder, as entitled to exercise the rights that comprise each Financial Asset credited to an Account, all in accordance with this Agreement and Sections 8-502 through 8-509 of the UCC.

2.3 Form of Securities, Instruments, etc.

All securities and other Financial Assets standing to the credit of an Account (other than Cash) that are in registered form or that are payable to or to order shall be (a) registered in the name of, or payable to or to the order of, the Intermediary, (b) indorsed to or to the order of the Intermediary or in blank or (c) credited to another securities account maintained in the name of the Intermediary; and in no case will any Financial Asset standing to the credit of an Account be registered in the name of, or payable to or to the order of, the Debtor or indorsed to or to the order of the Debtor, except to the extent the foregoing have been specially indorsed to or to the order of the Intermediary or in blank.

2.4 Securities Intermediary's Jurisdiction

The Intermediary agrees that its Securities Intermediary's Jurisdiction with respect to each Account is the State of New York.

2.5 Conflicts with other Agreements

The parties hereto agree that, if there is any conflict between this Agreement and any other agreement relating to the Accounts, the provisions of this Agreement shall control.

2.6 Control

Each Collateral Party agrees that it will comply with Entitlement Orders originated by the Security Agent, as Entitlement Holder, with respect to the Accounts and the Financial Assets credited thereto without further consent by the Debtor. In addition, unless the Intermediary receives written notice from an Authorized Representative (as defined below) of the Security Agent that an Event of Default has occurred and is on the date of such notice continuing (in which event the Collateral Parties shall act solely at the direction of the Security Agent), the Collateral Parties shall follow the instructions of the Debtor given to each of the Collateral Administrator, the Intermediary and the Security Agent with respect to the Accounts and the Financial Assets credited thereto but only if the Security Agent does not give notice to the Collateral Administrator on or prior to the close of business in New York on the date one Business Day after receiving notice of such instructions from the Debtor are not permitted by Section 6.2 or 6.3 of the Security Agreement (including as to the permitted application of funds contemplated by the Security Agreement) or would constitute a Potential Event of Default or Event of Default under the Loan Agreement; **provided** that neither Collateral Party shall follow such instructions of the Debtor prior to the end of the one Business Day period during which the Security Agent may give such notice. Any instructions given by the Debtor as aforesaid after 11:00 a.m. New York City time on any Business Day or on any day that is not a Business Day shall be deemed given on the next succeeding Business Day.

3. THE COLLATERAL PARTIES

3.1 No Change to Accounts; Certain Information

- (a) Without 30 days' prior notice to the Security Agent, the Intermediary will not change the account number or designation of either Account.
- (b) The Collateral Administrator or the Intermediary shall promptly notify the Security Agent and the Borrower if any person asserts or seeks to assert a lien, encumbrance or adverse claim against any portion or all of the property credited to either Account. The Collateral Administrator or the Intermediary will send copies of all statements and confirmations for the Accounts simultaneously to the Debtor and the Security Agent.

3.2 Subordination

The Intermediary hereby subordinates any interest that the Intermediary may have in the Accounts, in all property standing to the credit of the Accounts and in all Security Entitlements with respect to such property, any and all statutory, regulatory, contractual or other rights now or hereafter existing in favor of the Intermediary over or with respect to the Accounts, all property standing to the credit of the Accounts and all Security Entitlements to such property (including (a) any and all contractual rights of set-off, lien or compensation, (b) any and all statutory or regulatory rights of pledge, lien, set-off or compensation, (c) any and all statutory, regulatory, contractual or other rights to put on hold, block transfers from or fail to honor instructions of the Security Agent with respect to the Accounts or (d) 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 the Accounts), in each case, to the security interest of the Security Agent in all such property, except that the Intermediary may set off the face amount of any checks that have been credited to any Account but are subsequently returned unpaid because of uncollected or insufficient funds.

3.3 Limitation on Liability

Neither Collateral Party shall have any duties or obligations except those expressly set forth herein. Without limiting the generality of the foregoing, neither Collateral Party shall be subject to any fiduciary or other implied duties, and neither Collateral Party shall have any duty to take any discretionary action or exercise any discretionary powers. None of the Intermediary, the Collateral Administrator, any Affiliate of the Intermediary or the Collateral Administrator, or any officer, agent, stockholder, partner, member, director or employee of the Intermediary or the Collateral Administrator shall have any liability, whether direct or indirect and whether in contract, tort or otherwise, (a) for any action taken or omitted to be taken by any of them hereunder or in connection herewith unless (i) such party willfully fails to follow written directions delivered to the Collateral Parties in accordance with this Agreement or (ii) there has been a final judicial determination that such act or omission was performed or omitted in bad faith or constituted gross negligence or willful misconduct, (b) for any action taken or omitted to be taken by such party at the express direction of each of the Debtor and the Security Agent or (c) for any action taken or omitted to be taken by such party at the express written direction of any Person entitled to give such direction in accordance with an express provision of this Agreement. In addition, the Intermediary shall have no liability for making any investment or reinvestment of any cash balance in the Accounts pursuant to an investment instruction complying with the terms of this Agreement. With the exception of this Agreement and the Security Agreement and the provisions of the Loan Agreement referred to herein or in the Security Agreement, the Collateral Parties are not responsible for or chargeable with knowledge of any terms or conditions contained in any agreement referred to herein.

Neither the Intermediary nor the Collateral Administrator shall be required to take any action that is contrary to applicable law or this Account Control Agreement or that will require it to expend or risk its own funds or otherwise incur financial liability.

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. When an account is opened, the Intermediary will ask for information that will allow the Intermediary to identify relevant parties.

Should any controversy arise between the undersigned with respect to this Agreement or with respect to the right to receive the Financial Assets, the Collateral Parties shall have the right to consult with counsel and/or to institute a bill of interpleader in any court of competent jurisdiction to determine the rights of the parties. If the Collateral Parties receive written evidence that a dispute has arisen with respect to the Financial Assets, the Collateral Parties may deliver the Financial Assets to any court of competent jurisdiction and request such court to adjudicate the entitlement to such Financial Assets by interpleader or other legal proceeding. In respect of this paragraph, should such actions be necessary, or should the Collateral Parties become involved in litigation in any manner whatsoever on account of this Agreement or the Financial Assets, the Debtor hereby binds and obligates itself, its successors, assigns and legal representatives to pay the Collateral Parties, in addition to any charge made hereunder for acting as the Intermediary or the Collateral Administrator, as applicable, reasonable and documented attorney's fees (excluding the allocated costs of internal counsel) incurred by it, and any other disbursements, expenses, losses, costs and damages in connection with and resulting from such actions (other than any of the foregoing that would not have arisen but for the bad faith, gross negligence or willful misconduct of the Intermediary or the Collateral Administrator, as applicable).

Each order, instruction or direction of the Debtor or the Security Agent shall be executed by an individual designated as an authorized representative of the Debtor or the Security Agent, as the case may be (an **Authorized Representative**). Each Authorized Representative is authorized to give and receive notices, requests and instructions and deliver certificates and documents in connection with this Agreement on behalf of the Debtor or the Security Agent, as the case may be, and the specimen signature for each such Authorized Representative of the Debtor or the Security Agent initially authorized hereunder, is set forth on Exhibit A. From time to time, the Debtor and the Security Agent may deliver to each party hereto a revised exhibit or a specimen signature, but each of the parties hereto shall be entitled to rely conclusively on the then current exhibit until receipt of a superseding exhibit.

The Collateral Parties shall have no duty to determine or inquire into the happening or occurrence of any event or contingency except as expressly required herein. In case any bona fide question arises as to its duties hereunder, each Collateral Party may request instructions from the Security Agent and shall, upon making such request, be entitled at all times to refrain from taking any action unless it has received written instructions from

an Authorized Representative of the Security Agent. Nothing herein shall require either Collateral Party to expend or risk its own funds, or take any action which may, in its judgment, subject it to risk of liability for which it is not adequately indemnified. Neither Collateral Party shall be responsible for the title, validity, value, marketability or collectability or genuineness of any Financial Asset received by or delivered to it pursuant to this Agreement. The Collateral Parties may exercise or carry out their duties under this Agreement either directly or indirectly through agents or attorneys, and shall not be responsible for any act or omissions on the part of any such agent or attorney appointed with due care.

The Intermediary shall invest collected funds standing to the credit of an Account in Eligible Investments (as defined below) on any Business Day on which the Collateral Parties have received written instructions from an Authorized Representative of the Debtor prior to 11:00 a.m. New York time (such instructions being referred to herein as **Proper Instructions**). All Eligible Investments shall be held in the name of the Security Agent. In accordance with any Proper Instructions, the Intermediary shall make such Eligible Investments of the type selected in the Proper Instructions, subject to the availability of the Eligible Investments selected, with the cash amount on deposit in the Accounts as of 11:00 a.m. New York time on such day. If the Intermediary does not receive such Proper Instructions prior to 11:00 a.m. New York time, funds on deposit in the Accounts shall remain uninvested. Funds on deposit in the Accounts shall initially be uninvested. **Eligible Investments** has the meaning given to such term in the Loan Agreement. An Eligible Investment may be made by the Intermediary with or through the Security Agent or any of its affiliates.

3.4 Reliance

The Collateral Parties shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing delivered to either Collateral Party under or in connection with this Agreement or the Security Agreement and believed by it to be genuine and to have been signed or sent by the proper Person. The Collateral Parties may consult with counsel, financial advisers or accountants which are employed by a law firm, financial services firm or accounting firm, as applicable, that is either nationally-recognized and/or a firm which such Intermediary customarily consults and which has expertise in the subject matter with respect to which such Intermediary seeks its advice; and the advice of any such financial advisers or accountants and any opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by it hereunder in good faith and in accordance with such advice (and not in violation of any express provision of this Agreement).

3.5 Collateral Administrator

The Collateral Administrator shall perform the following functions:

- (a) Maintain a loan tracking system with respect to each Debt Obligation deposited into the Custodial Account, and enter information (including without limitation all information necessary for the Borrower to supply the information contemplated by paragraphs (1), (2) (3), (4), (5), (6), (9), (12), (17), (19), (20), (21), (22), (24), (25) and (26) of Schedule VI to the Loan Agreement) regarding each Debt Obligation held in the Custodial Account into the Collateral Administrator's loan tracking system (such information in such system, the *Collateral Database*);
- (b) Make adjustments on a daily basis to the Collateral Database to account for principal and interest payments received on each Debt Obligation held in the Collection Account, and to account for the purchase or sale of any Debt Obligation (or any portion thereof) held in the Collateral Account;
- (c) Prepare and deliver to the Debtor and to the Security Agent a position statement with respect to each Debt Obligation held in the Custodial Account on a weekly basis, or more frequently (including on any Borrowing Date) if requested by the Debtor;
- (d) Receive and deliver on a daily basis to the Debtor and the Security Agent any notices or other communications received from any obligor in respect of each Debt Obligation held in the Collateral Account;
- (e) Cooperate with the Debtor in determining the Portfolio Criteria, the Obligation Criteria, the Equity Amount, the Loan Advance Rate, the Equity Advance Rate, the Equity Coverage Ratio and the Loan Compliance Test, as of each Payment Date, in connection with any Borrowing Date or more frequently as may be requested by the Debtor and agreed to by the Collateral Administrator as of each Payment Date, in connection with any Borrowing Date or more frequently as may be requested by the Debtor and agreed to by the Collateral Administrator;
- (f) Provide the Debtor with access to the Collateral Database in electronic format, with such scope of information as are reasonably agreed upon by the Debtor and the Collateral Administrator;
- (g) Prepare drafts and upon review and approval by the Debtor make available to the parties required under the Loan Agreement each report required to be prepared pursuant to Section 5.1(a)(vi) of the Loan Agreement and perform and make available to the Debtor the calculations required to be provided in connection with the borrowing of any Loan, in each case by the time specified in the Loan Agreement and on the basis of the information contained in the Collateral Database or provided to the Collateral Administrator by the Debtor or the Administrative Agent;
- (h) Upon receipt of a Borrowing Request from the Debtor during normal business hours of the Collateral Administrator, perform the calculations required to determine the Equity Percentage after giving effect to the related borrowing and

within two hours after receipt of such Borrowing Request provide the results of such calculations to the Debtor and the Administrative Agent, so that the Administrative Agent may determine whether such Borrowing is permitted by the Loan Agreement; provided, however, that if such Borrowing Request is received after 4:00 pm (New York time), it shall be deemed to be received at 9:00 am the next Business Day;

- (i) Upon reasonable notification by the Debtor of a proposed acquisition of a Debt Obligation pursuant to Section 5.2 of the Loan Agreement or a proposed distribution pursuant to Section 3.8 of the Loan Agreement (accompanied by such information concerning such asset as may be necessary to make the calculations required by the Loan Agreement as a condition precedent to such acquisition or distribution), and provide the results of such calculations to the Debtor;
- (j) Reasonably cooperate with any independent certified public accountants appointed by the Debtor by providing information in the possession of the Collateral Administrator, or which the Collateral Administrator can obtain without undue burden or cost, necessary for the preparation by such accountants of the information, reports or certificates required under Section 5.1(a) of the Loan Agreement; and
- (k) Such other functions as may be agreed upon in writing by the parties hereto from time to time.

4. INDEMNITY; LIMITATION ON DAMAGES; EXPENSES; FEES

4.1 Indemnity

The Debtor hereby indemnifies and holds harmless the Intermediary and the Collateral Administrator and their respective Affiliates and each of their and their Affiliates' respective officers, directors, employees, representatives and agents (collectively the ***Collateral Party Indemnitees***), against any loss, claim, damage, liability or related expense, joint or several, or any action in respect thereof, to which the Collateral Party Indemnitees 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 or following any instructions given by the Debtor, but excluding any such loss, claim, damage, expense, liability or action arising out of the bad faith, gross negligence or willful misconduct of the Collateral Parties, and shall reimburse the Collateral Party Indemnitees promptly upon demand for any reasonable and documented legal or other expenses incurred by the Collateral Party Indemnitees 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, liability or related expense or action as such expenses are incurred.

The Security Agent hereby indemnifies and holds harmless Collateral Party Indemnitees against any loss, claim, damage, expense or liability, joint or several, or any action in

respect thereof, to which the Collateral Party Indemnitees may become subject, whether commenced or threatened, insofar as such loss, claim, damage, expense, liability or action arises in connection with this Agreement, but excluding any such loss, claim, damage, expense, liability or action arising out of (a) any instruction, request or other communication given by the Debtor or (b) the bad faith, gross negligence or willful misconduct of the Collateral Parties, and shall reimburse the Collateral Party Indemnitees promptly upon demand for any reasonable and documented legal or other expenses incurred by the Collateral Party Indemnitees 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.

4.2 Limitation on Damages

No claim may be made by either the Debtor against either Collateral Party or the Security Agent, or any Collateral Party or the Security Agent against the Debtor, or any officer, agent, stockholder, partner, member, director or employee of any of them 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 relating to this Agreement or the transactions contemplated hereby or any act, omission or event occurring in connection therewith, and the Debtor 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.

4.3 Expenses and Fees

The Debtor shall be responsible for, and hereby agrees to pay, all reasonable and documented costs and expenses incurred by the Collateral Parties and the Security Agent in connection with the establishment and maintenance of the Accounts, including the Collateral Parties' customary fees and expenses, any costs or expenses incurred by the Collateral Parties as a result of conflicting claims or notices involving the parties hereto, including the fees and expenses of its external legal counsel, and all other 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. All such costs and expenses shall constitute expenses and may be paid to the Collateral Parties in accordance with Section 3.8 of the Loan Agreement. The Debtor shall be responsible for, and hereby agrees to pay, the fees and expenses of the Collateral Parties pursuant to the terms of that certain Fee Schedule Letter Agreement, dated as of August 15, 2012, by and between the Debtor, the Intermediary and the Collateral Administrator.

5. REPRESENTATIONS

The Intermediary and the Collateral Administrator each represents to the Security Agent with respect to itself only that:

5.1 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.

5.2 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.

5.3 No Violation or Conflict

Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

5.4 Consents

All governmental and other consents that are required to have been obtained by it with respect to this Agreement have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

5.5 Obligations Binding

This Agreement constitutes its legal, valid and binding obligation, enforceable in accordance with its terms (subject to applicable bankruptcy, receivership, conservatorship, 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)).

6. TRANSFER

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, except that:

- (a) a party may make such a transfer of this Agreement pursuant to a consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all its assets to, another Person (but without prejudice to any other right or remedy under any other agreement); and

- (b) the Security Agent may transfer all of its interests and obligations in and under this Agreement to a successor Security Agent under the Security Agreement; **provided** that the Collateral Parties shall have no obligation to comply with any notice, request, certificate, consent, statement, instrument, document or other writing delivered by such successor until the Collateral Parties receives such evidence thereof as the Collateral Parties may reasonably require.

Any purported transfer that is not in compliance with this Section will be void.

7. TERMINATION

Except as provided herein, this Agreement shall remain in full force and effect until the Collateral Parties receive notice from the Secured Party of the occurrence of the later of (a) the termination of the Commitments and (b) the payment and satisfaction in full of the Secured Obligations referred to in the Security Agreement (other than contingent obligations for which no claim has been made). Upon the joint written instruction of the Security Agent and the Debtor, the Intermediary shall close the Accounts and disburse to the Debtor the balance of any assets therein, and the security interest in the Accounts shall be terminated.

Either Collateral Party may resign by giving 60 days' prior notice to the Security Agent and the Debtor provided that any such resignation shall be effective only upon the appointment by the Security Agent of successor Collateral Parties (or Collateral Party, as the case may be) (which appointment the Security Agent agrees to effect promptly following the receipt of such notice). If no successor shall have been so appointed and have accepted appointment within 15 days after the giving of such notice of resignation, the resigning Collateral Party may petition any court of competent jurisdiction for the appointment of a successor. On or prior to the effectiveness of such resignation, the Intermediary shall deliver to its successor each Financial Asset standing to the credit of the Accounts.

8. MISCELLANEOUS

8.1 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.

8.2 Amendments

No amendment, modification or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by a facsimile transmission) and executed by each of the parties.

8.3 Survival

All representations and warranties 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 Collateral Parties under Sections 3.2, 3.3, 3.4 and 4, and the obligations of the Debtor and the Security Agent under Section 4, shall survive the termination of this Agreement.

8.4 Benefit of Agreement

Subject to Section 6, this Agreement shall be binding upon and inure to the benefit of the Debtor, the Security Agent, the Intermediary and the Collateral Administrator and their respective successors and permitted assigns.

8.5 Counterparts

This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts, each of which will be deemed an original. Delivery of an executed counterpart signature page of this Agreement by e-mail (PDF) or facsimile transmission shall be as effective as delivery of a manually executed counterpart of this Agreement.

8.6 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.

8.7 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.

8.8 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.

9. NOTICES

9.1 Effectiveness

All notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested) or sent by facsimile transmission, as follows:

- (a) if to the Debtor, to it at c/o FS Investment Corporation, Cira Centre, 2929 Arch Street, Suite 675, Philadelphia, PA 19104, Attention: Bill Goebel, Chief Financial Officer, and Ken Miller, Vice President (Facsimile No. (215) 222-4649; Telephone No. (215) 495-1164);
- (b) if to the Security Agent, to it at 390 Greenwich Street, 4th Floor, New York, New York 10013, Attention: Mitali Sohoni (Telecopy No. 646-291-5779; Telephone No. 212-723-6181);
- (c) if to the Intermediary, to it at 388 Greenwich Street, 14th Floor, New York, New York 10013, Attention: Global Transaction Services – ARCH STREET FUNDING LLC (Telecopy No. 212-816-5527; Telephone No. 713-693-6674); and
- (d) if to the Collateral Administrator, to it at 5400 Westheimer Court, Suite 760, Houston, TX 77056, Re: ARCH STREET FUNDING LLC (Telecopy No. 866-816-3203; Telephone No. 713-993-4304).

Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto shall be deemed to be effective (i) if in writing and delivered by hand or overnight courier service, on the date it is delivered; (ii) if sent by facsimile transmission, on the date that a transmission report confirming transmission is generated by the sender's facsimile machine; or (iii) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date that mail is delivered or its delivery is attempted, unless the date of that delivery (or attempted delivery) or that receipt, as applicable, is not a Business Day or that communication is delivered (or attempted) or received, as applicable, after the close of business on a Business Day, in which case that communication shall be deemed given and effective on the first following day that is a Business Day.

Any notices or other communications delivered to the Intermediary shall be delivered with a copy to the Collateral Administrator.

Notwithstanding anything to the contrary herein, any and all communications (both text and attachments) by or from the Intermediary that the Intermediary in its sole discretion deems to contain confidential, proprietary, and/or sensitive information and sent by electronic mail will be encrypted. The recipient (the **Email Recipient**) of the email communication will be required to complete a one-time registration process. Information and assistance on registering and using the email encryption technology can be found at the Intermediary's secure website www.citigroup.com/citigroup/citizen/privacy/email.htm or by calling (866) 535-2504 (in the U.S.) or (904) 954-6181 at any time.

9.2 Change of Addresses

Any party may by notice to each other party change the address or facsimile number at which notices or other communications are to be given to it.

10. GOVERNING LAW AND JURISDICTION

10.1 Governing Law

This Agreement shall be construed in accordance with, and this Agreement and all matters arising out of or relating in any way whatsoever to this Agreement (whether in contract, tort or otherwise) shall be governed by, the law of the State of New York.

10.2 Jurisdiction

With respect to any suit, action or proceedings relating to this Agreement or any matter between the parties arising under or in connection with this Agreement (**Proceedings**), each party irrevocably: (a) 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 (b) 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.

10.3 Service of Process

The parties irrevocably consent to service of process given in the manner provided for notices in Section 9. Nothing in this Agreement will affect the right of any party to serve process in any other manner permitted by law.

10.4 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 (a) certifies that no representative, agent or attorney of the other has represented, expressly or otherwise, that the other would not, in the event of a Proceeding, seek to enforce the foregoing waiver and (b) acknowledges that it has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this paragraph.

11. DEFINITIONS

As used in this Agreement:

Accounts has the meaning given to such term in Section 2.1.

Agreement has the meaning specified in the first paragraph of this Agreement.

Authorized Representative has the meaning given to such term in Section 3.3.

Collateral Administrator has the meaning specified in the first paragraph of this Agreement.

Collateral Parties has the meaning specified in the first paragraph of this Agreement.

Collateral Party Indemnitees has the meaning given to such term in Section 4.1.

Collection Account has the meaning given to such term in Section 2.1.

consent includes a consent, approval, action, authorization, exemption, notice, filing, registration or exchange control consent.

Custodial Account has the meaning given to such term in Section 2.1.

Debtor has the meaning specified in the first paragraph of this Agreement.

Debtor Related Losses has the meaning given to such term in Section 4.1.

Eligible Investments has the meaning given to such term in Section 3.3.

Email Recipient has the meaning given to such term in Section 9.1.

Entitlement Holder has the meaning given to such term in Section 8-102(a)(7) of the UCC.

Entitlement Order has the meaning given to such term in Section 8-102(a)(8) of the UCC.

Financial Asset has the meaning given to such term in Section 8-102(a)(9) of the UCC.

Interest Collection Account has the meaning given to such term in Section 2.1.

Intermediary has the meaning specified in the first paragraph of this Agreement.

Person means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership or other entity or the government of the United States of America or any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

Principal Collection Account has the meaning given to such term in Section 2.1.

Proceedings has the meaning specified in Section 10.2.

Proper Instructions has the meaning given to such term in Section 3.3.

Securities Account has the meaning given to such term in Section 8-501(a) of the UCC.

Security Agent has the meaning specified in the first paragraph of this Agreement.

Security Agreement has the meaning given to such term in Section 1.1

Securities Intermediary has the meaning given to such term in Section 8-102(a)(14) of the UCC.

Securities Intermediary's Jurisdiction has the meaning given to such term in Section 8-110(e) of the UCC.

Security Entitlement has the meaning given to such term in Section 8-102(a)(17) of the UCC.

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.

ARCH STREET FUNDING LLC

By: /s/ William Goebel

Name: William Goebel

Title: Chief Financial Officer

VIRTUS GROUP, LP, as Collateral Administrator

By: /s/ Robert Tomicic

Name: Robert Tomicic

Title: Partner

CITIBANK, N.A., as Intermediary

By: /s/ Thomas J. Varcados

Name: Thomas J. Varcados

Title: Vice President

CITIBANK, N.A., as Security Agent

By: /s/ Victoria Chant

Name: Victoria Chant

Title: Vice President

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Dated as of August 29, 2012

ARCH STREET FUNDING LLC,
as Debtor

CITIBANK, N.A.,
as Security Agent

CITIBANK, N.A.,
as Intermediary

VIRTUS GROUP, LP,
as Collateral Administrator

ACCOUNT CONTROL AGREEMENT



Freshfields Bruckhaus Deringer US LLP

SECURITY AGREEMENT dated as of August 29, 2012 (this **Agreement**) between ARCH STREET FUNDING LLC, a Delaware limited liability company (the **Pledgor**), and Citibank, N.A., a national banking association, as security agent for the Secured Parties referred to below (in such capacity, the **Security Agent**).

WHEREAS:

A. The Pledgor, the financial institutions and other lenders from time to time party thereto as “Lenders” (the **Lenders**) and Citibank, N.A., a national banking association, as administrative agent for the Lenders (in such capacity, together with its successors in such capacity, the **Administrative Agent**), have entered into a Loan Agreement dated as of August 29, 2012 (the **Loan Agreement**).

B. To induce the Lenders to enter into the Loan Agreement and extend credit thereunder, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Pledgor has agreed to pledge and grant to the Security Agent for the ratable benefit of the Secured Parties a security interest in the Collateral (as hereinafter defined) as security for the Pledgor’s present and future obligations under the Loan Agreement and the Account Control Agreement (collectively, the **Secured Obligations**). Accordingly, the parties hereto agree as follows:

DEFINITIONS AND INTERPRETATION

1.1 Capitalized terms used but not defined herein have the respective meanings given to such terms in the Loan Agreement. Terms used but not defined herein or in the Loan Agreement, if defined in the UCC, shall have the respective meanings given to such terms in the UCC. The principles of construction and rules of interpretation set forth in Section 1.2 of the Loan Agreement shall apply, *mutatis mutandis*, to this Agreement, with each reference to “this Agreement” in said Section 1.2 being a reference to this Agreement. In addition, as used herein, the following terms have the following respective meanings:

Accounts has the meaning specified in the Account Control Agreement.

Account Control Agreement means the Account Control Agreement dated as of the date hereof between the between the Pledgor, the Security Agent, Citibank, N.A., in its capacity as securities intermediary (the **Securities Intermediary**) and Virtus Group, LP, a Texas limited partnership, in its capacity as collateral administrator (the **Collateral Administrator**).

Administrative Agent has the meaning assigned to such term in the recitals hereto.

Agreement has the meaning specified in the first paragraph of this Agreement.

Authorized Officer means any officer of the Pledgor or the Security Agent who is authorized to act for the Pledgor or the Security Agent, as the case may be, in matters

relating to, and binding upon, the Pledgor or the Security Agent, as the case may be, which, for the avoidance of doubt, shall include any duly appointed attorney-in-fact and who is listed in the applicable list delivered in the form pursuant to Exhibit A to the Account Control Agreement.

Cash means Money and any collected funds standing to the credit of the Accounts.

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

Collateral has the meaning specified in Section 2.1.

Collection Account has the meaning specified in the Account Control Agreement.

Collections means, with respect to any Collateral owned by the Pledgor, all principal payments, interest payments, fees and other payments received by the Pledgor with respect thereto and all other amounts paid with respect to such Collateral, including all distributions with respect thereto and any proceeds of collateral for, or any guaranty of, such Collateral or the relevant obligor's obligation to make payments with respect thereto.

Credit Documents means the Loan Agreement and the Support Documents.

Custodial Account means the account, referenced as such, established pursuant to the Account Control Agreement.

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

Firm Bid has the meaning specified in Section 5.1.

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

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

Pledgor has the meaning specified in the first paragraph of this Agreement.

Pledgor Order means a written order or request dated and signed in the name of the Pledgor by an Authorized Officer of the Pledgor.

Proceedings has the meaning specified in Section 8.7.

Lenders has the meaning assigned to such term in the recitals hereto.

Loan Agreement has the meaning assigned to such term in the recitals hereto.

Secured Obligations has the meaning assigned to such term in the recitals hereto.

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

Security Agent has the meaning specified in the first paragraph of this Agreement.

Security Agent Custodian has the meaning specified in Section 6.3(c).

UCC means the Uniform Commercial Code as in effect from time to time in the State of New York.

GRANT OF SECURITY INTEREST

2.1 As collateral security for the prompt payment in full and performance when due (whether at stated maturity, by acceleration, by liquidation or otherwise) of the Secured Obligations, the Pledgor hereby pledges to the Security Agent, for the ratable benefit of the Secured Parties, and grants to the Security Agent, for the ratable benefit of the Secured Parties, a continuing security interest in, lien on, and right of set-off against, all of its right, title and interest in, to and under all accounts, payment intangibles, general intangibles, chattel paper, electronic chattel paper, instruments, deposit accounts, letter-of-credit rights, securities, investment property and any and all other property of any type or nature owned by it, including the Accounts, the Debt Obligations and the Assignment Agreements and all of the Pledgor's rights and remedies thereunder, and all Collections and other proceeds with respect to any of the foregoing, whether now owned or hereafter acquired and whether now existing or hereafter coming into existence (collectively, the **Collateral**).

REPRESENTATIONS AND WARRANTIES

On each Representation Date, the Pledgor represents and warrants to the Secured Parties that:

Ownership of Collateral

3.1 Immediately before and immediately after giving effect to each transfer of Collateral by the Pledgor to the Security Agent for the benefit of the Secured Parties in accordance herewith, the Pledgor will have good and marketable title to such Collateral, the Pledgor will be the sole beneficial owner of such Collateral, and the Pledgor will have the right to receive all Collections on such Collateral, in each case free and clear of all Liens other than Permitted Liens.

Security Interest

3.2 The Pledgor has full right to grant the pledge, security interest, lien and right of set-off in its rights in the Collateral to the Security Agent. Upon each transfer of Collateral by the Pledgor in the manner specified in Section 6.4, and after the other actions described in Section 6.2(a) and Section 6.4 have been taken by the appropriate parties, the Security Agent will have a perfected pledge of and security interest in such Collateral and all proceeds thereof (subject to Section 9-315 of the UCC), which security interest will be prior to all other interests in such Collateral (in the case of proceeds,

subject to Section 9-315 of the UCC). No filings other than those described or referred to in Section 6.4 or any other action other than those described in Section 6.2(a) and Section 6.4 will be necessary to perfect such security interest in the Collateral.

COVENANTS

The Pledgor agrees that, until the later of (a) the termination of the Commitments and (b) the payment and satisfaction in full of the Secured Obligations (other than contingent obligations for which no claim has been made):

Title Covenants

4.1 At no time shall the Pledgor create, permit or suffer to exist any lien or security interest in the Collateral other than Permitted Liens.

Security Agent May Perform

4.2 If (i) the Pledgor fails to perform any obligation to be performed by it contained herein after the Secured Party has made a written request for the Pledgor to so perform such obligation (and, if the performance of such obligation involves the incurrence of any material expense, the Secured Party has given the Pledgor a reasonable opportunity to so perform such obligation) or (ii) an Event of Default has occurred and is continuing, the Security Agent may itself give, make, execute, deliver, file and/or record any financing statement, notice, instrument, document, agreement or other papers, and take such acts, as may be necessary or (in the reasonable judgment of the Security Agent) desirable from time to time to create and perfect, and establish, preserve or otherwise protect the priority of, the pledge, security interest, lien and right of set-off of the Security Agent in the Collateral and otherwise perform, or cause performance of, any other such actions as may be necessary or (in the reasonable judgment of the Security Agent) desirable in connection with such failure to perform, and the reasonable and documented out-of-pocket expenses of the Security Agent incurred in connection therewith shall be payable by the Pledgor and shall be part of the Secured Obligations.

Perfection, etc.

4.3 The Pledgor shall:

- (a) give, make, execute, deliver, file and/or record any financing statement, notice, instrument, document, agreement or other papers and take any other actions, including, without limitation, fulfilling its obligations under the Account Control Agreement, that may be necessary or (in the reasonable judgment of the Security Agent) desirable to create and perfect, and establish, preserve or otherwise protect the priority of, the pledge, security interest, lien and right of set-off granted by it pursuant to Section 2 or to enable the Security Agent to exercise and enforce its rights hereunder with respect to such pledge, security interest, lien and right of set-off;

- (b) keep proper books and records relating to the Collateral;
- (c) permit representatives of the Security Agent, during normal business hours, to examine, copy and make extracts from its books and records pertaining to the Collateral, to inspect any of the Collateral, and to require that the Security Agent be provided with copies of all notices or other communications received by the Pledgor with respect to the Collateral, all to the extent reasonably requested by the Security Agent (including on behalf of any Lender); **provided** that any exercise of rights under this clause (c) shall be subject to the proviso to Section 5.1(a)(ix) of the Loan Agreement (as if each reference therein to “the Administrative Agent” were also a reference to the Security Agent); and
- (d) direct each obligor in respect of any Collateral to make any payments due or to become due in respect of such Collateral directly to the Collection Account.

No Other Financing Statements

4.4 The Pledgor shall not file, or affirmatively authorize or permit to be filed or to be on file, in any jurisdiction, any financing statement or like instrument with respect to the Collateral in which the Security Agent (or its nominee) is not named as the sole secured party.

Prior Parties; Care of Collateral

4.5 The Security Agent shall not be required to take steps necessary to preserve any rights against prior parties with respect to any of the Collateral. The Security Agent shall use reasonable care in the custody and preservation of Collateral in the Secured Party’s own possession.

Continuing Liability of the Pledgor

4.6 Anything herein to the contrary notwithstanding, the Pledgor shall remain liable under each interest and obligation included in the Collateral to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with and pursuant to the terms and provisions thereof, and shall do nothing to impair the security interest of the Security Agent in any Collateral (it being agreed that any actions expressly permitted by the Loan Agreement shall not be deemed to impair such security interest). The Security Agent shall not have any obligation or liability under any such interest or obligation by reason of or arising out of this Agreement or the receipt by the Security Agent of any payment relating to any such interest or obligation pursuant hereto, and the Security Agent shall not be required or obligated in any manner to perform or fulfill any of the obligations of the Pledgor thereunder or pursuant thereto or to make any payment or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any such interest or obligation or to present or file any claim or to take any action to collect or enforce any performance or the payment of any amount thereunder to which it may be entitled at any time.

Limitation on Certain Changes

4.7 The Pledgor shall not, without at least 30 days prior written notice to the Security Agent, (a) change its location (within the meaning of Section 9-307 of the UCC) or (b) change its corporate name from the name shown on the signature pages hereto.

Further Assurances

4.8 The Pledgor agrees that, from time to time upon the written request of the Security Agent, it shall execute and deliver such further documents and do such other acts and things as the Security Agent may reasonably request in order fully to effect the purposes of this Agreement.

REMEDIES

Remedies

5.1 At any time that an Event of Default shall have occurred and be continuing:

- (a) the Pledgor shall, at the request of the Security Agent, assemble any Collateral not held pursuant to the Account Control Agreement at such place or places, reasonably convenient to both the Security Agent and the Pledgor, designated in such request;
- (b) the Security Agent may make any reasonable compromise or settlement deemed desirable with respect to any of the Collateral and may extend the time of payment, arrange for payment in installments or otherwise modify the terms of any of the Collateral;
- (c) the Security Agent shall have all of the rights and remedies with respect to the Collateral of a secured party under the Uniform Commercial Code (whether or not the Uniform Commercial Code is in effect in the jurisdiction where the rights and remedies are asserted) and such additional rights and remedies to which a secured party is entitled under the laws in effect in any jurisdiction where any rights and remedies hereunder may be asserted, including the right, to the maximum extent permitted by law, to exercise all voting, consensual and other powers of ownership pertaining to the Collateral as if the Security Agent were the sole and absolute owner thereof (and the Pledgor agrees to take all such actions as may be appropriate to give effect to such right);
- (d) the Security Agent in its discretion may, in its name or in the name of the Pledgor or otherwise, demand, sue for, collect or receive any money or property at any time payable or receivable on account of or in exchange for any of the Collateral but shall be under no obligation to do so;

- (e) the Security Agent may set-off any amounts payable by the Pledgor with respect to any Secured Obligations against any Collateral in the form of Cash;
- (f) subject to Section 5.1(g), the Security Agent may, upon ten Business Days' prior written notice to the Pledgor of the time and place, with respect to the Collateral or any part thereof which shall then be or shall thereafter come into the possession, custody or control of the Security Agent or any of its agents, sell, assign or otherwise dispose of all or any part of such Collateral, in a commercially reasonable manner, at such place or places as the Security Agent deems best in such manner, and for Cash or for credit or for future delivery (without thereby assuming any credit risk), at public or private sale, without demand of performance or notice of intention to effect any such disposition or of the time or place thereof (except such notice as is required above or by applicable statute and cannot be waived), and the Security Agent or anyone else may be the purchaser, lessee, assignee or recipient of any or all of the Collateral so disposed of at any public sale (or, to the extent permitted by law, at any private sale) and thereafter hold the same absolutely, free from any claim or right of whatsoever kind, including any right or equity of redemption (statutory or otherwise) of the Pledgor, any such demand, notice, claim and right or equity being hereby expressly waived and released to the extent permitted by law. Subject to Section 5.1(g), the Security Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the sale may be so adjourned; and
- (g) in the event that any Debt Obligation becomes the subject of a disposition pursuant to this Section 5.1, the Security Agent shall attempt to obtain Firm Bids (or a combination of Firm Bids) for the entire Debt Obligation from three or more Dealers (and may obtain Firm Bids from any other Person or Persons selected by the Security Agent); **provided** that the Security Agent may in its commercially reasonable discretion obtain Firm Bids with respect to any group or groups of such Debt Obligations. The Security Agent will give the Pledgor notice of its intention to obtain Firm Bids pursuant to this Section 5.1(g) (such notice to be given telephonically and via electronic mail) not later than 5:00 p.m. New York time on the date 10 Business Days prior to the bid submission deadline specified below. By notice to the Security Agent not later than such bid submission deadline, the Pledgor may, but shall not be obligated to, designate any Dealer to provide a Firm Bid (and the Security Agent will seek a Firm Bid from such Dealer if so designated by the Pledgor on a timely basis). A "**Firm Bid**" shall be a good and irrevocable bid for value, to purchase all or any portion of the relevant Debt Obligation (or an entire specified group of Debt Obligations) for scheduled settlement no later than the date customary for settlement substantially in accordance with the then-current market practice in the principal market for the relevant Debt Obligation (or group of Debt Obligations), submitted by a Dealer as of a time during regular business hours in New York City on the date 10 Business

Days after any date specified by the Security Agent to the Pledgor in its commercially reasonable discretion. The Security Agent will conduct the bid process in accordance with the procedures set forth in this Section 5.1(g) and otherwise in a commercially reasonable manner.

Notwithstanding anything to the contrary herein,

(i) the Security Agent shall be entitled to disregard any Firm Bid submitted by a Dealer or other Person if, in the Security Agent's commercially reasonable judgment, (x) such Dealer or other Person is ineligible pursuant to the documentation evidencing or otherwise governing the relevant Debt Obligation to accept assignment or transfer of the relevant Debt Obligation or portion thereof, as applicable, substantially in accordance with the then-current market practice in the principal market for the relevant Debt Obligation, as determined by the Security Agent, or (y) such Dealer or other Person would not, through the exercise of its commercially reasonable efforts, be able to obtain any consent required under any agreement or instrument governing or otherwise relating to the relevant Debt Obligation to the assignment or transfer of the relevant Debt Obligation or portion thereof, as applicable, to it; and

(ii) if the Security Agent determines on any commercially reasonable basis that any Firm Bid is not *bona fide*, including, without limitation, due to (x) the insolvency of the bidder or (y) the inability, failure or refusal of the bidder to settle the purchase of the relevant Debt Obligation or portion thereof, as applicable, or otherwise settle transactions in the relevant market or perform its obligations generally,

such Firm Bid shall be disregarded. With respect to each Debt Obligation being sold pursuant to this Section 5.1(g), the Security Agent shall transfer, or cause the transfer of, the relevant Debt Obligation to the Person or Persons providing the highest Firm Bid or combination of Firm Bids (other than any Firm Bid that is disregarded as aforesaid) in relation to such Debt Obligation; **provided** that, if the Security Agent has obtained Firm Bids with respect to any group of Debt Obligations, then the Security Agent shall transfer, or cause the transfer of, a group of Debt Obligations for which Firm Bids were obtained to the Person or Persons providing the highest Firm Bid or combination of Firm Bids (other than any Firm Bid that is disregarded as aforesaid) in relation to such group of Debt Obligations. If any Debt Obligation is not sold in connection with the Firm Bids so obtained for any reason whatsoever (other than as a result of the failure of the Security Agent to consummate such sale as provided in this Section 5.1(g)), the Security Agent may thereafter dispose of the relevant Debt Obligation in the manner contemplated by Section 5.1(f).

The Security Agent shall incur no liability as a result of the sale of any Debt Obligation, or any part thereof, at any private sale pursuant to this Section 5.1 conducted as provided in the foregoing paragraphs of this Section 5.1. To the extent the sale of any Debt

Obligation is conducted as provided in the foregoing paragraphs of this Section 5.1, the Pledgor hereby waives any claims against the Security Agent arising by reason of the fact that the price at which the relevant Debt Obligation may have been sold at any private sale effected as provided above was less than the price which might have been obtained at a public sale or was less than the aggregate amount of the Secured Obligations.

The proceeds of each collection, sale or other disposition under this Section 5.1 shall be applied in accordance with Section 5.2.

Application of Proceeds

5.2 The proceeds of any collection, sale or other realization of all or any part of the Collateral pursuant to Section 5.1 (including any amounts on deposit in, or otherwise standing to the credit of, the Custodial Account) shall be deposited in to the Collection Account and applied by the Security Agent Custodian (at the prior written direction of an Authorized Officer of the Security Agent) in the following order of priority (and, among the items in any one paragraph, equally and ratably in accordance with the respective amounts thereof then due and owing):

First, to the payment of the reasonable costs and expenses of such collection, sale or other realization, including reasonable and documented out-of-pocket costs and expenses of the Security Agent and the other Secured Parties and the reasonable and documented fees, charges and expenses of the agents and counsel of the Security Agent and the other Secured Parties and all other reasonable expenses incurred by any of the Security Agent and the other Secured Parties in connection with such collection, sale or other realization;

Second, to the payment in full of all remaining Secured Obligations then due and payable; and

Third, to the payment to the Pledgor, or as a court of competent jurisdiction may otherwise direct, of any surplus then remaining.

Power of Attorney

5.3 The Security Agent is hereby appointed the attorney-in-fact of the Pledgor for the purpose of taking, during any period when the Security Agent is attempting to sell all or any portion of any Debt Obligation pursuant to Section 5.1(f) or 5.1(g), of taking any action and executing any instruments which the Security Agent may reasonably deem necessary or advisable to accomplish the purposes of this Agreement (including with respect to the exercise of any remedies hereunder against the Pledgor), which appointment as attorney-in-fact is irrevocable and coupled with an interest.

Collection of Money

6.1 Except as otherwise expressly provided herein, while an Event of Default has occurred and is continuing, the Security Agent shall receive and collect, directly and without intervention or assistance of any fiscal agent or other intermediary, all Money and other property payable to or receivable by the Security Agent. All amounts so received or collected shall be deposited in the Collection Account.

Custodial Account; Collection Account

- 6.2(a) The Security Agent Custodian has specified in the Account Control Agreement that it has established a single, segregated trust account which shall be designated as the Custodial Account (which may include any sub-accounts thereof established by the Security Agent Custodian for administrative purposes), and a single, segregated trust account which shall be designated as the Collection Account (which may include any sub-accounts thereof established by the Security Agent Custodian for administrative purposes), each of which shall be held in the name of the Security Agent and over which, except as expressly provided in the Account Control Agreement, the Security Agent shall have control and the sole right of withdrawal. Any reference in this Agreement to the “Custodial Account” or to the “Collection Account” shall, unless otherwise expressly provided, include a reference to any sub-account of the Custodial Account or the Collection Account, respectively. To the extent that an obligor does not make the applicable payment directly to the Collection Account, the Pledgor shall from time to time deposit into the Collection Account promptly (and in no event more than one Business Day) following its receipt thereof (i) all proceeds received from the disposition of any Collateral by the Pledgor, (ii) all Collections with respect to the Collateral and (iii) all other funds received by the Pledgor in respect of the Collateral. The provisions of this Section 6.2 are subject to the terms of the Account Control Agreement.
- (b) By Pledgor Order executed by an Authorized Officer of the Pledgor (which may be in the form of standing instructions), the Pledgor may direct the Security Agent Custodian in writing (with a copy to the Security Agent) to invest all funds on deposit in the Accounts as so directed in one or more Eligible Investments having stated maturities no later than the Business Day immediately preceding the next Payment Date. Absent such prior written specific investment direction, all such funds shall be held uninvested.
- (c) On any date on which interest or any fee is due and payable under the Loan Agreement (including any Payment Date), the Pledgor shall by Pledgor Order executed by an Authorized Officer of the Pledgor, delivered to the Security Agent and the Security Agent Custodian, direct the Security Agent Custodian to withdraw funds on deposit in the Collection Account and remit such funds as indicated in such Pledgor Order to pay such interest or fee as required by, and subject to the conditions of, Sections 3.2, 3.3, 3.6 and 3.8 of the Loan Agreement.

- (d) On any date on which principal is due and payable under the Loan Agreement (including the Scheduled Maturity Date), the Pledgor shall by Pledgor Order executed by an Authorized Officer of the Pledgor, delivered to the Security Agent and the Security Agent Custodian, direct the Security Agent Custodian to withdraw funds on deposit in the Collection Account and remit such funds as indicated in such Pledgor Order to pay principal as required by, and subject to the conditions of, Sections 3.1, 3.6, 3.7 and 3.8 of the Loan Agreement.
- (e) On any date on which any amount (other than principal, interest or any fee owing under the Loan Agreement) is due and payable by the Pledgor under the Loan Agreement or is otherwise permitted under Section 3.8 of the Loan Agreement, the Security Agent shall give the Pledgor written notice of same, and the Pledgor shall by Pledgor Order executed by an Authorized Officer of the Pledgor, delivered to the Security Agent and the Security Agent Custodian, direct the Security Agent Custodian to withdraw funds on deposit in the Collection Account and remit such funds as indicated in such Pledgor Order to pay such amount as required by, and subject to the conditions of, Section 3.8, 3.9, 3.11, 3.12, 3.14 and 8.1 of the Loan Agreement.
- (f) On any date on which any Equity Restricted Payment is to be made by the Pledgor, the Pledgor may by Pledgor Order executed by an Authorized Officer of the Pledgor, delivered to the Security Agent and the Security Agent Custodian, direct the Security Agent Custodian to withdraw funds on deposit in the Collection Account and remit such funds as indicated in such Pledgor Order to pay such amount, subject to the conditions of Section 3.8(b) of the Loan Agreement.
- (g) On any date on which any Qualifying Purchase of a Debt Obligation is to be made pursuant to clause (i) or (ii) of Section 5.2(a) of the Loan Agreement, the Pledgor shall by Pledgor Order executed by an Authorized Officer of the Pledgor, delivered to the Security Agent and the Security Agent Custodian, direct the Security Agent Custodian to withdraw funds on deposit in the Collection Account and remit such funds as indicated in such Pledgor Order to pay the purchase price for such Debt Obligation.
- (h) The Security Agent shall at all times be party to the Account Control Agreement. Any and all assets or securities at any time on deposit in, or otherwise to the credit of, the Accounts shall be held for the benefit of the Security Agent. Except in connection with a liquidation pursuant to Section 5, the only permitted withdrawal of assets or securities (other than Cash) from the Accounts or in, or otherwise to the credit of, the Accounts shall be as directed, upon Pledgor Order, in accordance with the provisions of this Section 6.2, Section 6.3 and Section 6.4.

- (h) The Security Agent agrees to give the Pledgor immediate notice if the Security Agent obtains notice that any Account or any assets or securities on deposit therein, or otherwise to the credit thereof, shall become subject to any writ, order, judgment, warrant of attachment, execution or similar process.
- (i) The Security Agent agrees with the Pledgor that the Security Agent will not give an Entitlement Order (as defined in the Account Control Agreement) under the Account Control Agreement unless (i) an Event of Default has occurred and is continuing on the date such Entitlement Order is given or (ii) such Entitlement Order is to the effect that instructions of the Pledgor given under the Account Control Agreement are not permitted by Section 6.2 or 6.3 of this Agreement (including as to the permitted application of funds contemplated hereby) or would constitute a Potential Event of Default or Event of Default.

Release of Security Interest in Collateral

- 6.3(a) Upon any sale or other disposition by the Pledgor of the Collateral (or portion thereof) in accordance with the terms of this Agreement and the Loan Agreement, the pledge, security interest, lien and right of set-off of the Security Agent in such Collateral (or the portion thereof which has been sold or otherwise disposed of), and in all Collections and rights with respect to such Collateral (but not in the proceeds of such sale or other disposition), shall, immediately upon the sale or other disposition of such Collateral (or such portion), and without any further action on the part of the Security Agent, be released except to the extent of the interest, if any, in such Collateral which is then retained by the Pledgor or which thereafter reverts to the Pledgor for any reason; provided that the Security Agent shall execute and deliver to the Pledgor any documentation reasonably requested by the Pledgor to effectuate or evidence the foregoing.
- (b) If no Event of Default has occurred and is continuing, the Security Agent Custodian shall, upon receipt of an Pledgor Order executed by an Authorized Officer of the Pledgor or as otherwise provided by the Account Control Agreement, delivered to the Security Agent and the Security Agent Custodian at least two Business Days prior to the date of delivery directed in such Pledgor Order (or such fewer number of days as the Security Agent may agree), deliver or cause to be delivered to or on the order of the Pledgor any Instrument included in the Collateral to the related debtor for ultimate sale or exchange or for presentation, collection, enforcement, renewal or registration of transfer; **provided** that the lien of this Agreement on such Instrument remains perfected in accordance with Section 9-312(g) of the UCC and such Instrument shall remain subject to the lien of this Agreement unless and until released in accordance with the foregoing clause (a).
- (c) The Security Agent shall hold for the benefit of the Secured Parties all Certificated Securities and Instruments in physical form at the office of a custodian appointed by it (the **Security Agent Custodian**). Initially, such Security

Agent Custodian shall be Citibank N.A. with its address at 111 Wall Street, 15th Floor, New York, New York 10005, Attention: Global Transaction Services – ARCH STREET FUNDING LLC Any successor custodian shall be a state or national bank or trust company which is not an Affiliate of the Pledgor and has capital and surplus of at least USD1,000,000,000. There may be only one Security Agent Custodian appointed at any one time, and any successor thereto shall be appointed only as provided in the Account Control Agreement.

Method of Collateral Transfer

6.4 The transfer of Collateral to the Security Agent Custodian to be held for the benefit of the Security Agent shall be done in the following manner (with any and all other actions necessary to create in favor of the Security Agent a valid, first-priority security interest in each item of Collateral under applicable law and regulations (including Articles 8 and 9 of the UCC) in effect at the time of such transfer):

- (a) each time that the Pledgor shall direct or cause the acquisition of any Collateral, the Pledgor shall, if such Collateral has not already been transferred to the Custodial Account and credited thereto, cause the transfer of such Collateral to the Security Agent Custodian to be held in and credited to the Custodial Account for the benefit of the Security Agent in accordance with the terms of the Account Control Agreement; and
- (b) the Pledgor shall, within ten days after the date of execution of this Agreement, file, or cause the filing of, all appropriate financing statements covering the Collateral in the proper filing office in the appropriate jurisdictions under applicable law.

Termination

6.5 Upon the termination of this Agreement, the termination of the Commitments and the payment and satisfaction in full of the Secured Obligations (other than contingent obligations for which no claim has been made), the Security Agent shall forthwith cause to be assigned, transferred and delivered, against receipt but without any recourse, warranty or representation whatsoever, any remaining Collateral and money received in respect thereof, to or on the order of the Pledgor. The Security Agent shall also execute and deliver to the Pledgor upon such termination and payment such UCC termination statements and such other documentation as shall be reasonably requested by the Pledgor to effect the termination and release of the pledge, security interest, lien and right of set-off granted pursuant to Section 2.

THE SECURITY AGENT

7.1 The Person serving as the Security Agent hereunder shall have the same rights and powers in its capacity as a Secured Party as any other Secured Party and may exercise the same as though it were not the Security Agent, and such Person and its

Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Pledgor or any Subsidiary or other Affiliate thereof as if it were not the Security Agent hereunder.

7.2 The Security Agent shall not have any duties or obligations except those expressly set forth herein. Without limiting the generality of the foregoing, (a) the Security Agent shall not be subject to any fiduciary or other implied duties, regardless of whether an Event of Default or Potential Event of Default has occurred and is continuing, (b) the Security Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that the Security Agent is required to exercise by the Required Lenders in writing, and (c) except as expressly set forth herein or in the other Credit Documents, the Security Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Pledgor or any of its Affiliates that is communicated to or obtained by it or any of its Affiliates in any capacity other than as Security Agent hereunder. The Security Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders or in the absence of its own gross negligence or willful misconduct. The Security Agent shall be deemed not to have knowledge of any Event of Default or Potential Event of Default unless and until written notice thereof is given to the Security Agent by the Pledgor or a Secured Party (other than itself), and the Security Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Credit Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Credit Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Schedule I of the Loan Agreement or elsewhere herein or therein, other than to confirm receipt of items expressly required to be delivered to the Security Agent.

7.3 The Security Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Security Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Security Agent may consult with legal counsel (who may be counsel for an obligor on the Collateral), independent accountants and other experts selected by it, and shall not be liable (absent gross negligence or willful misconduct) for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts (unless such advice is contrary to an express provision of a Loan Document).

7.4 The Security Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Security Agent, to the

extent such sub-agent is an Affiliate of the Security Agent. The Security Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Affiliates. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Affiliates of the Security Agent and any such sub-agent.

7.5 Subject to the appointment and acceptance of a successor Security Agent as provided in this paragraph, the Security Agent may resign at any time by notifying the Secured Parties and the Pledgor. Upon any such resignation, the Required Lenders shall have the right, after prior written consent from the Pledgor (not to be unreasonably withheld), to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Security Agent gives notice of its resignation, then the retiring Security Agent may, on behalf of the Secured Parties and after prior written consent from the Pledgor (not to be unreasonably withheld), appoint a successor Security Agent, which shall be a bank with an office in New York City or an Affiliate of any such bank. Upon the acceptance of its appointment as Security Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Security Agent and the retiring Security Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Pledgor to a successor Security Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Pledgor and such successor. After the Security Agent's resignation hereunder, the provisions of this Section shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Security Agent.

7.6 The Security Agent Custodian shall be entitled to the same rights, protections and immunities as those afforded to the Security Agent in Sections 7.1 through 7.6, mutatis mutandis, together with those set forth in the Account Control Agreement.

MISCELLANEOUS

Notices

8.1 All notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested) or sent by facsimile transmission, as follows:

- (a) if to the Pledgor, to it at c/o FS Investment Corporation, Cira Centre, 2929 Arch Street, Suite 675, Philadelphia, PA 19104, Attention: Bill Goebel, Chief Financial Officer, and Ken Miller, Vice President (Facsimile No. (215) 222-4649; Telephone No. (215) 495-1164); and
- (b) if to the Security Agent, to it at 390 Greenwich Street, 4th Floor, New York, New York 10013, Attention: Mitali Sohoni (Telecopy No. 646-291-5779; Telephone No. 212-723-6181).

Either party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other party hereto. All notices and other communications given to either party hereto shall be deemed to be effective (i) if in writing and delivered by hand or overnight courier service, on the date it is delivered; (ii) if sent by facsimile transmission, on the date that a transmission report confirming transmission is generated by the sender's facsimile machine; or (iii) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date that mail is delivered or its delivery is attempted, unless the date of that delivery (or attempted delivery) or that receipt, as applicable, is not a Business Day or that communication is delivered (or attempted) or received, as applicable, after the close of business on a Business Day, in which case that communication shall be deemed given and effective on the first following day that is a Business Day.

No Waiver

8.2 No failure on the part of the Security Agent to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by the Security Agent of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies herein are cumulative and are not exclusive of any remedies provided by law.

Amendments, Etc.

8.3 No amendment, modification or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by a facsimile transmission) and executed by each of the Pledgor and the Security Agent (acting with the consent of the Required Lenders); **provided** that, without the prior consent of each Lender, the Security Agent shall not (except as provided herein) release any Collateral or otherwise terminate any Lien hereunder, agree to additional obligations being secured by any Collateral security, alter the relative priorities of the Secured Obligations entitled to the benefits of the Lien created hereunder, except that no such consent shall be required, and the Security Agent is hereby authorized, to release any Lien covering property that is the subject of a sale, distribution or other disposition of property permitted under the Loan Agreement.

Successors and Assigns

8.4 This Agreement shall be binding upon and inure to the benefit of the respective successors and permitted assigns of the Pledgor and the Security Agent. Neither party shall assign or transfer any of its rights or obligations hereunder without the prior written consent of the other party, and any such purported assignment without such consent shall be void.

Counterparts

8.5 This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts, each of which will be deemed an original. Delivery of an executed counterpart signature page of this Agreement by e-mail (PDF) or facsimile transmission shall be as effective as delivery of a manually executed counterpart of this Agreement.

Governing Law

8.6 This Agreement shall be construed in accordance with, and this Agreement and all matters arising out of this Agreement and the transactions contemplated hereby (whether in contract, tort or otherwise) shall be governed by, the law of the State of New York.

Jurisdiction

8.7 With respect to any suit, action or proceedings relating to this Agreement or any matter between the parties arising under or in connection with this Agreement (*Proceedings*), each party irrevocably: (a) 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 (b) 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.

Waiver of Jury Trial

8.8 THE PLEDGOR AND THE SECURITY AGENT HEREBY IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Captions

8.9 The captions and section headings appearing herein are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.

Agents and Attorneys-in-Fact

8.10 The Security Agent may employ agents and attorneys-in-fact in connection herewith and shall not be responsible for the negligence or misconduct of any such agents or attorneys-in-fact selected by it in good faith and with due care; **provided** that the foregoing shall not constitute the waiver of any rights against any such agent or attorney-in-fact.

Severability

8.11 If any term, provision, covenant or condition of this Agreement, or the application thereof to either party or any circumstance, is held to be unenforceable, invalid or illegal (in whole or in part) for any reason (in any relevant jurisdiction), the remaining terms, provisions, covenants and conditions 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, provisions, covenants and conditions 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 or reciprocal obligations of the parties or the practical realization of the benefits that would otherwise be conferred upon the parties. The parties will endeavor in good faith negotiations to replace the prohibited or unenforceable provision with a valid provision, the economic effect of which comes as close as possible to that of the prohibited or unenforceable provision.

Third Party Beneficiaries

8.12 Nothing in this Agreement, expressed or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Agreement, except Section 5.2 hereof, which shall benefit the Secured Parties.

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be duly executed and delivered as of the day and year first above written.

ARCH STREET FUNDING LLC

By: /s/ William Goebel

Name: William Goebel

Title: Chief Financial Officer

CITIBANK, N.A.

as Security Agent

By: /s/ Victoria Chant

Name: Victoria Chant

Title: Vice President

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Dated as of August 29, 2012

ARCH STREET FUNDING LLC,
a Delaware limited liability company
as Pledgor

and

CITIBANK, N.A.,
a national banking association
as Security Agent

SECURITY AGREEMENT



Freshfields Bruckhaus Deringer US LLP

AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER (Agreement) dated as of August 29, 2102, between:

ARCH STREET FUNDING LLC, a Delaware limited liability company (the *Company*);

BENJAMIN LOAN FUNDING LLC, a Delaware limited liability company (*Benjamin*);

BENJAMIN 2 LOAN FUNDING LLC, a Delaware limited liability company (*Benjamin 2*; Benjamin and Benjamin 2 are herein referred to as individually as a *Warehouse Company* and collectively as the *Warehouse Companies*; the Company, Benjamin and Benjamin 2 are herein referred to as individually as a *Constituent Entity* and collectively as the *Constituent Entities*);

CITIBANK, N.A., a national banking association (*Citibank*); and

CITIGROUP FINANCIAL PRODUCTS INC., a Delaware corporation (*CFPI*).

WHEREAS, each Constituent Entity deems it advisable and in the best interest of such Constituent Entity that the Constituent Entities merge (the *Merger*) into a single entity pursuant to this Agreement and the Delaware Limited Liability Company Act, as amended (the *LLCA*), and that the surviving entity in the Merger be the Company, a limited liability company existing under the laws of the State of Delaware;

WHEREAS, each Warehouse Company holds certain assets, including those identified on Schedule 1 hereto (the *Effective Date Loan Assets*);

WHEREAS, from time to time on or prior to the date hereof, each Warehouse Company has purchased or sold Loan Assets (as defined in Section 7 of its limited liability company agreement), including the purchase of the Effective Date Loan Assets identified on Schedule 1 hereto as being owned by such Warehouse Company;

NOW, THEREFORE, the Constituent Entities agree that each Warehouse Company shall be merged with and into the Company as the surviving entity in accordance with the LLCA, that the name of the surviving entity shall be “Arch Street Funding LLC” (which in its capacity as the surviving entity in the Merger is referred to herein as the *Surviving Entity*), and that the terms and conditions of the Merger shall be as follows:

EFFECTIVE DATE

1. The Merger shall become effective upon the date (the *Effective Date*) on which all of the following are completed:

- (1) Adoption and approval of this Agreement by each member and (if applicable) manager of each Constituent Entity, each pursuant to the LLCA;

- (2) Payment of consideration by the Company in consideration for the consummation of the Merger (a) in the amount of USD544,118,357.41 to Citibank as the sole member of Benjamin and (b) in the amount of USD5,229,714.28 to CFPI as the sole member of Benjamin 2; and
- (3) Execution and filing with the Secretary of State of the State of Delaware of the Certificate of Merger, a copy of which is attached hereto as Exhibit A, required by Section 18-209 of the LLCA, in respect of each Constituent Entity.

As provided under Section 18-209 of the LLCA, the filing of the Certificate of Merger shall act as a Certificate of Cancellation with respect to each Warehouse Company as required by Section 18-203 of the LLCA.

GOVERNING LAW

2. The Surviving Entity shall be governed by the Limited Liability Company Agreement in accordance with the LLCA.

COMPANY AGREEMENT

3. The Amended and Restated Limited Liability Company Agreement of the Company, which shall not be amended by this Agreement or the Merger and a copy of which is attached hereto as Exhibit B, shall be the limited liability company agreement of the Surviving Entity from and after the Effective Date (the **Limited Liability Company Agreement**), subject to the right of the Surviving Entity thereafter to amend its limited liability company agreement in accordance therewith and also the LLCA.

MEMBERS OF THE COMPANY

4. There shall be no change in the members of the Company or the membership interests in the Company by or as a result of this Agreement or the filing of the Certificate of Merger or the Merger. The person who is the sole member (and the persons who are the managers or officers, if any) of the Company immediately prior to the Effective Date shall be the sole member (and managers and officers, as the case may be) of the Surviving Entity upon the Effective Date, and the membership interests in the Company outstanding immediately prior to the Effective Date shall be the membership interests in the Surviving Entity outstanding upon the Effective Date. With respect to each Warehouse Company, the member of such Warehouse Company shall not be admitted, or be entitled to be admitted, as a member of the Surviving Entity in connection with the Merger and shall not receive, or be entitled to receive, a membership interest in the Surviving Entity as a result of this Agreement or the filing of the Certificate of Merger or the Merger.

With respect to each Warehouse Company, as a result of this Agreement, the filing of the Certificate of Merger and the Merger, the membership interest in such Warehouse

Company shall be changed and converted into the right to receive the consideration set forth in clause (2) of Section 1 above, and no other consideration shall be payable in respect thereof.

EFFECT OF THE MERGER

5. On the Effective Date, (a) the separate existence of each Warehouse Company shall cease, and each Warehouse Company shall be merged with and into the Company, which shall thereafter be the Surviving Entity; (b) all the rights, properties and assets, whether real, personal or mixed, of each of the Constituent Entities, and all debts due to any of them, shall be vested in the Surviving Entity and (c) all obligations of Citibank or CFPI, as the case may be, arising by reason of having been a member of such Warehouse Company (including pursuant to Section 31 of the limited liability company agreement of such Warehouse Company) shall terminate, in each case, without further act or deed. The Surviving Entity shall thenceforth be responsible and liable for all the liabilities and obligations of each of the Constituent Entities, and any claim or judgment against any of the Constituent Entities may be enforced against the Surviving Entity.

APPROVALS

6. This Agreement shall be submitted to each of the members of each Constituent Entity (and, if applicable, to any of their managers, directors and officers) for their respective adoptions and approvals. There shall be required for the adoption and approval of this Agreement (a) as to each Warehouse Company, the unanimous written approval of the sole member of, and of each member of the board of directors of, such Warehouse Company and (b) as to the Company, the unanimous written approval of the sole member of, and of each member of the board of managers of, the Company.

REPRESENTATIONS AND WARRANTIES OF EACH WAREHOUSE COMPANY

7. Each Warehouse Company severally represents and warrants to the Company on the date hereof and (immediately prior to the consummation of the Merger) as of the Effective Date that:

Organization and Good Standing; Authorization

7.1 Such Warehouse Company is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware, with all requisite power and authority under the LLCA and its limited liability agreement to own the Effective Date Loan Assets identified herein to be owned by it. Such Warehouse Company has the full power and authority to execute and deliver this Agreement and to perform its obligations under this Agreement and it has taken all necessary action to authorize such execution, delivery and performance, and this Agreement has been duly executed and delivered by it.

Litigation, Etc.

7.2 There is no litigation, proceeding or investigation pending or, to the knowledge of such Warehouse Company, threatened against such Warehouse Company which if successful might result in a material adverse change in the business, properties, assets or financial condition of such Warehouse Company or which questions the validity or legality of this Agreement or of any action taken or to be taken by such Warehouse Company in connection with this Agreement. Such Warehouse Company is not subject to any unsatisfied judgment, order, decree, settlement, stipulation or injunction (other than any thereof arising by reason of its ownership from time to time of Loan Assets).

Contracts; Capitalization

7.3 Except for (a) loan purchase and sale agreements entered into prior to the date hereof in relation to Loan Assets from time to time purchased and sold by such Warehouse Company, (b) obligations and liabilities arising under or in respect of Loan Assets from time to time held by such Warehouse Company and (c) as provided in Section 11(c) of the Master Custodial Terms to which such Warehouse Counterparty is a party (a true and complete copy of which has heretofore been delivered to counsel to the Company), such Warehouse Company is not a party to any contract under which, on or after the Effective Date, any obligation or liability exists (whether contingent or otherwise). All of the membership interests in such Warehouse Company are owned by (a) in the case of Benjamin, Citibank and (b) in the case of Benjamin 2, CFPI, and no other ownership interests in such Warehouse Company are outstanding. No outstanding capital call or assessment exists with respect to any such membership interest, and there are no dividends or other distributions with respect to any such membership interest that have been declared but not paid.

Title

7.4 Such Warehouse Company has good and valid title to the Effective Date Loan Assets identified herein to be owned by such Warehouse Company. The Effective Date Loan Assets identified herein to be owned by such Warehouse Company are not subject to any pledge, lien, security interest, hypothecation, investment interest, charge, claim, equity, option or encumbrance (each, a **Lien**) of any kind. On the Effective Date, the Company will receive good and valid title to such Effective Date Loan Assets, free and clear of any Lien of any kind created by such Warehouse Company or any person or entity claiming through such Warehouse Company.

No Violation

7.5 The execution, delivery and performance of this Agreement by such Warehouse Company, and the consummation by such Warehouse Company of the Merger, will not constitute or result in a breach or default under any provision of any indenture, mortgage, lease or agreement, or any order, judgment, decree, law or regulation to which any asset

or property of such Warehouse Company is subject or by which such Warehouse Company is bound; provided that no representation or warranty is given with respect to any credit documentation governing any Effective Date Loan Asset held by such Warehouse Company.

Consents

7.6 No consent, license, approval or authorization from, or registration or qualification with, any governmental body, agency or authority, nor any consent, approval, waiver or notification of any creditor, lessor or third party is required in connection with the execution, delivery and performance by such Warehouse Company of this Agreement, except (a) as otherwise provided herein or such as have been obtained and are in full force and effect and (b) any of the foregoing that may be required under any credit documentation governing any Effective Date Loan Asset held by such Warehouse Company.

Prior Conduct of Business

7.7 Such Warehouse Company has not previously conducted any business other than acquiring, selling and administering Loan Assets in accordance with clauses (a) through (d) of Section 7 of its limited liability company agreement, a true and complete copy of which has heretofore been delivered to counsel to the Company. Such Warehouse Company has not previously acquired any asset other than (i) Loan Assets that were "Reference Obligations" under the total return swap transaction entered into between Citibank and the Company pursuant to the Confirmation dated March 18, 2011 (as amended and restated on June 12, 2012) between Citibank and the Company, (ii) rights under agreements referred to in clauses (a) and (c) of Section 7.3 and (iii) rights against its member under its limited liability company agreement. Such Warehouse Company, upon any occasion permitting such Warehouse Company to exercise any right in relation to any Loan Asset to give or withhold consent to an action proposed to be taken (or to be refrained from being taken), has not exercised such right without complying with the consultation provisions contained in Clause 7(b)(vi) of such Confirmation.

Tax Status

7.8 All membership interests in such Warehouse Company are owned by a single person that is a U.S. person (as defined Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended). Such Warehouse Company is, and at all times since formation has been, an entity disregarded as separate from its owner for U.S. Federal income tax purposes.

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to each Warehouse Company on the date hereof and (immediately prior to the consummation of the Merger) as of the Effective Date that:

Organization and Good Standing

8.1 The Company is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware. The Company has the full power and authority to execute and deliver this Agreement and to perform its obligations under this Agreement and it has taken all necessary action to authorize such execution, delivery and performance, and this Agreement has been duly executed and delivered by it.

Litigation, Etc.

8.2 There is no litigation, proceeding or investigation pending or, to the knowledge of the Company, threatened against the Company which questions the validity or legality of this Agreement or of any action taken or to be taken by the Company in connection with this Agreement. The Company is not, to the knowledge of the Company, subject to any unsatisfied judgment, order, decree, settlement, stipulation or injunction.

No Violation

8.3 The execution, delivery and performance of this Agreement by the Company, and the consummation by the Company of the Merger, will not constitute or result in a breach or default under any provision of any indenture, mortgage, lease, or agreement, or any order, judgment, decree, law or regulation to which any asset or property of the Company is subject or by which the Company is bound.

Consents

8.4 No consent, license, approval or authorization from, or registration or qualification with, any governmental body, agency or authority, nor any consent, approval, waiver or notification of any creditor or lessor is required in connection with the execution, delivery and performance by the Company of this Agreement, except as otherwise provided herein or such as have been obtained and are in full force and effect.

INDEMNIFICATION BY CITIBANK

9. Citibank hereby agrees to indemnify and hold harmless the Surviving Entity from and against all losses, liabilities, claims, expenses (including reasonable attorneys' fees and expenses of outside counsel) and damages arising from (i) any inaccuracy in or breach of the representations and warranties of Benjamin contained in Section 7 of this Agreement or (ii) any breach or non-fulfilment of any agreement or obligation to be performed by Benjamin pursuant to Section 6 of Agreement; **provided** that (a) Citibank shall have such liability only to the extent any of the foregoing would not have arisen but for any such inaccuracy in or breach of such representations and warranties or any such breach or non-fulfilment of any such agreement or obligation and (b) Citibank shall have no such liability by reason of the foregoing for any special, indirect, consequential or punitive damages.

INDEMNIFICATION BY CFPI

10. CFPI hereby agrees to indemnify and hold harmless the Surviving Entity from and against all losses, liabilities, claims, expenses (including reasonable attorneys' fees and expenses of outside counsel) and damages arising from (i) any inaccuracy in or breach of the representations and warranties of Benjamin 2 contained in Section 7 of this Agreement or (ii) any breach or non-fulfilment of any agreement or obligation to be performed by Benjamin 2 pursuant to Section 6 of Agreement; **provided** that (a) CFPI shall have such liability only to the extent any of the foregoing would not have arisen but for any such inaccuracy in or breach of such representations and warranties or any such breach or non-fulfilment of any such agreement or obligation and (b) CFPI shall have no such liability by reason of the foregoing for any special, indirect, consequential or punitive damages.

GENERAL PROVISIONS

Further Assurances

11.1 At any time, and from time to time, after the Effective Date, each party will execute such additional instruments and take such action as may be reasonably requested by any other party to confirm or perfect title to any asset or property transferred hereunder or otherwise to carry out the intent and purposes of this Agreement.

Waiver

11.2 Any failure on the part of any party hereto to comply with any of its obligations, agreements or conditions hereunder may be waived in writing by the party or parties to whom such compliance is owed.

Brokers

11.3 Each party represents to each other party that no broker or finder has acted for it in connection with this Agreement, and agrees to indemnify and hold harmless each other party against any fee, loss or expense arising out of claims by brokers or finders employed or alleged to have been employed by it.

Notices

11.4 All notices and other communications to the Company or a Warehouse Company hereunder shall be in writing and shall be deemed to have been given if delivered in person or sent by prepaid first-class registered or certified mail, return receipt requested, to such addressee at:

(a) in the case of the Company, c/o FS Investment Corporation, Cira Centre, 2929 Arch Street, Suite 675, Philadelphia, PA 19104, Attention: Bill Goebel, Chief Financial Officer, and Ken Miller, Vice President (Facsimile No. (215) 222-4649; Telephone No. (215) 495-1164); and

(b) in the case of each Warehouse Company, c/o Citibank, N.A., 390 Greenwich Street, 4th Floor, New York, New York 10013, Attention: Mitali Sohoni (Facsimile No. 646-291-5779; Telephone No. 212-723-6181).

Entire Agreement

11.5 This Agreement constitutes the entire agreement between the parties hereto relating to the transactions contemplated herein or the subject matter hereof and supersedes and cancels any other agreement, representation, or communication, whether oral or written, between the parties hereto relating to the transactions contemplated herein or the subject matter hereof.

Headings

11.6 The section and subsection headings in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

Governing Law

11.7 This Agreement shall be construed in accordance with, and this Agreement and all matters arising out of or relating in any way whatsoever to this Agreement (whether in contract, tort or otherwise) shall be governed by, the law of the Delaware.

Assignment

11.8 This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. No person or entity other than the parties hereto and their respective successors and permitted assigns shall have any rights under this Agreement. Neither this Agreement nor any right or obligation in or under this Agreement may be transferred (whether by way of security or otherwise) or delegated by (a) any Constituent Entity without the prior written consent of each other Constituent Entity, (b) the Company or the Surviving Entity, as the case may be, with respect to the obligations of Citibank or CFPI under Section 9 or 10, as the case may be, without the consent of Citibank or CFPI, as the case may be, and (c) Citibank or CFPI without the prior written consent of the Company or the Surviving Entity, as the case may be. Any purported transfer that is not in compliance with this provision will be void.

Amendments

11.9 No amendment, modification or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by e-mail or a facsimile

transmission) and executed by (a) prior to the Effective Date, each of the Constituent Entities and (b) on or after the Effective Date, the Surviving Entity, **provided** that no such amendment, modification or waiver shall affect (directly or indirectly) any of the rights or obligations of Citibank or CFPI (whether in its capacity as a member of a Warehouse Company prior to the Effective Date, under Section 9 or 10 or otherwise) without its written consent.

Counterparts

11.10 This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery of an executed counterpart signature page of this Agreement by e-mail (PDF) or facsimile transmission shall be as effective as delivery of a manually executed counterpart of this Agreement.

IN WITNESS WHEREOF, the parties hereto executed and delivered this Agreement and Plan of Merger on the date first above written.

ARCH STREET FUNDING LLC

By: /s/ William Goebel
Name: William Goebel
Title: Chief Financial Officer

BENJAMIN LOAN FUNDING LLC

By: /s/ Victoria Chant
Name: Victoria Chant
Title: Officer

BENJAMIN 2 LOAN FUNDING LLC

By: /s/ Victoria Chant
Name: Victoria Chant
Title: Officer

CITIBANK, N.A.

By: /s/ Victoria Chant
Name: Victoria Chant
Title: Vice President

CITIGROUP FINANCIAL PRODUCTS INC.

By: /s/ John Clements

Name: John Clements

Title: Managing Director

ARCH STREET FUNDING LLC
as Company

and

FS INVESTMENT CORPORATION
as Investment Manager

AMENDED AND RESTATED INVESTMENT MANAGEMENT AGREEMENT

Dated as of August 29, 2012

AMENDED AND RESTATED INVESTMENT MANAGEMENT AGREEMENT, dated as of August 28, 2012 (this "Agreement"), between ARCH STREET FUNDING LLC, a Delaware limited liability company (the "Company"), and FS INVESTMENT CORPORATION, a Maryland corporation (in such capacity, the "Investment Manager"). This Agreement amends and restates in its entirety the Investment Management Agreement, dated as of March 18, 2011, by and between the Company and the Investment Manager.

WHEREAS, the Company desires to engage the Investment Manager to provide the services described herein, and the Investment 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 Agreement dated as of August 28, 2012, as amended from time to time (together with any agreements referred to therein, the "Loan Agreement"), among the Company, the financial institutions and other lenders from time to time party thereto (the "Lenders"), Citibank, N.A., as administrative agent for the Lenders (in such capacity, together with its successors in such capacity, the "Administrative Agent").

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

1. Management Services.

The Investment 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 Loan Agreement and the Company's amended and restated limited liability company agreement (the "LLC Agreement")):

(a) determining the specific Debt Obligations or other assets to be purchased, otherwise acquired or sold by the Company, taking into consideration the payment obligations of the Company on each Payment Date under the Loan Agreement, such that expected distributions on the Debt Obligations and other assets of the Company permit a timely performance of the payment obligations by the Company under the Loan Agreement; *provided* that the Investment Manager does not hereby guarantee the timely performance of such payment obligations;

(b) effecting the purchase, other acquisition and sale of Debt Obligations and all other assets of the Company;

(c) subject to the limitations set forth in the Loan Agreement, negotiating with underlying obligors of the Debt Obligations (the "Underlying Obligors") as to proposed amendments and modifications (including, but not limited to, extensions or releases of collateral) of the documentation evidencing and governing the Debt Obligations;

(d) making determinations with respect to the Company's exercise (including but not limited to any waiver) of any rights (including but not limited to voting rights and rights arising in connection with the bankruptcy or insolvency of an Underlying Obligor or the consensual or non-judicial restructuring of the debt or equity of an Underlying

Obligor) or remedies in connection with the Debt Obligations and participating in the committees (official or otherwise) or other groups formed by creditors of an Underlying Obligor;

(e) monitoring the ratings of the Debt Obligations;

(f) monitoring the Debt Obligations on an ongoing basis and providing to the 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 Investment Manager and which is required under the Loan Agreement 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 Loan Agreement, in the form and containing all information required by the Loan Agreement, in sufficient time for the Company, or the Person designated by the Company, to review such data and prepare and deliver to the parties entitled thereto all such reports, certificates, schedules and other data required by the Loan Agreement;

(g) determining whether any investment meets the Obligation Criteria and Portfolio Criteria;

(h) determining whether any investment is a Specified Debt Obligation or Unquoted Debt Obligation;

(i) determining whether any payment will be made, and the amount thereof, pursuant to Section 3.8 of the Loan Agreement;

(j) managing the Company's investments within the parameters set forth in the Loan Agreement;

(k) complying with such other duties and responsibilities as may be expressly required of the Investment Manager by the Loan Agreement;

(l) notifying the Administrative Agent and the Company in writing within one (1) Business Day of an Event of Default under the Loan Agreement to the extent the Investment Manager has actual knowledge of the occurrence thereof; and

(m) delivering notices of borrowing and payment instructions to the Administrative Agent.

The Company agrees for the benefit of the Investment Manager and the Administrative Agent to follow the lawful instructions and directions of the Investment Manager in connection with the Investment Manager's services hereunder.

The Investment Manager shall use reasonable care in rendering its services hereunder, using a degree of skill and attention no less than that which the Investment Manager exercises with respect to comparable assets that it manages for itself and for others in accordance with its existing practices and procedures which the Investment Manager reasonably believes to be consistent with those followed by institutional managers of national standing relating to assets

of the nature and character of Debt Obligations, except as expressly provided otherwise in this Agreement or the Loan Agreement. The Investment Manager shall comply with and perform all the duties and functions that have been specifically delegated to it under this Agreement and the Loan Agreement. The Investment Manager shall not be bound to follow any amendment to the Loan Agreement, however, until it has received a copy of the amendment from the Company or the Administrative Agent and, in addition, the Investment Manager shall not be bound by any amendment to the Loan Agreement which adversely affects in any material respects the obligations of the Investment Manager unless the Investment Manager shall have consented thereto in writing. The Company agrees that it will not permit any amendment to the Loan Agreement that adversely affects the duties or liabilities of the Investment Manager to become effective unless the Investment Manager has been given prior written notice of such amendment and consented thereto in writing.

To the extent necessary or appropriate to perform all of the duties to be performed by it hereunder, the Investment Manager shall have the power to negotiate, execute and deliver all necessary documents and instruments on behalf of the Company with respect to any Debt Obligation or other asset of the Company and with respect to the rights and obligations of the Company under the Loan Agreement.

The Investment Manager shall have no obligation to perform any duties other than those specified herein or in the Loan Agreement.

2. Brokerage.

The Investment Manager shall use reasonable efforts to obtain the best prices and execution for all orders placed with respect to the Debt Obligations, and other assets of the Company, considering all circumstances. Subject to the objective of obtaining best prices and execution, the Investment Manager may take into consideration research and other brokerage services furnished to the Investment Manager or its Affiliates by brokers and dealers which are not Affiliates of the Investment Manager. Such services may be used by the Investment Manager or its Affiliates in connection with its other advisory activities or investment operations. The Investment Manager may aggregate sales and purchase orders of securities placed with respect to the Debt Obligations, and other assets of the Company, with similar orders being made simultaneously for other accounts managed by the Investment Manager or with accounts of the Affiliates of the Investment Manager, if in the Investment 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 Investment Manager is subjective and represents the Investment 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 Investment 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 Investment Manager's execution obligations described herein, the Investment Manager is hereby authorized to effect client cross-transactions where the Investment 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, such authorization is terminable at the Company's option without penalty, effective upon receipt by the Investment Manager of written notice from the Company. In addition, the Company hereby consents to, and authorizes the Investment 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; provided that the Company shall have the right to revoke such consent at any time by written notice to the Investment Manager.

3. The Representations and Warranties of the Company.

The Company represents and warrants to the Investment Manager 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 Loan Agreement 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 Loan Agreement and all obligations required hereunder and under the Loan Agreement, 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, operating 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 Investment Company Act;

(h) the Company is not required to register as an "investment company" under the Investment Company 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 Loan Agreement applicable to the Company thereunder.

4. Representations and Warranties of the Investment Manager.

The Investment Manager represents and warrants to the Company that:

(a) the Investment 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 Loan Agreement applicable to the Investment 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 Investment Manager, or on the ability of the Investment Manager to perform its obligations under, or on the validity or enforceability of, this Agreement and the applicable provisions of the Loan Agreement;

(b) the Investment Manager has full power and authority to execute and deliver this Agreement and to perform all of its obligations hereunder and under the Loan Agreement;

(c) this Agreement has been duly authorized, executed and delivered by the Investment Manager and constitutes a valid and binding agreement of the Investment 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 Investment Manager nor any of its Affiliates is in violation of any federal or state securities law or regulation promulgated thereunder 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 Investment Manager, threatened, that in either case would have a material adverse effect upon the performance by the Investment 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 Loan Agreement applicable to the Investment Manager, 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) its articles of organization, operating 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 Investment Manager is a party or is bound, (iii) any statute applicable to the Investment Manager or (iv) any law, decree, order, rule or regulation applicable to the Investment Manager of any court or regulatory, administrative or governmental agency, body or authority or arbitrator having or asserting jurisdiction over the Investment Manager or its properties, and which would have, in the case of any of clauses (ii) through (iv) of this paragraph (e), a material adverse effect upon the performance by the Investment Manager of its duties under this Agreement or the provisions of the Loan Agreement applicable to the Investment Manager; and

(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.

5. Expenses.

The Investment 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 Investment Manager shall not be liable for and the Company shall be responsible for the payment of (i) expenses and costs of legal advisers (including reasonable expenses and costs

associated with the use of internal legal counsel of the Investment Manager), consultants and other professionals retained by the Company or by the Investment Manager, on behalf of the Company, in connection with the services provided by the Investment Manager pursuant to this Agreement and the Loan Agreement, (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 Investment Manager under this Agreement, (iii) travel expenses (airfare, meals, lodging and other transportation) incurred by the Investment Manager as is reasonably necessary in connection with the selection of Debt Obligations and the negotiation, documentation, default or restructuring of any Debt Obligation, and (iv) any extraordinary costs and expenses incurred by the Investment Manager in the performance of its obligations under this Agreement and the Loan Agreement. To the extent that such expenses are incurred in connection with obligations that are also held by the Investment Manager, the Investment Manager shall allocate the expenses among the accounts in a fair and equitable manner. Any amounts payable pursuant to this Section 5 shall be reimbursed by the Company to the extent funds are available therefor.

6. Fees.

(a) The Company shall pay to the Investment Manager, for services rendered and performance of its obligations under this Agreement fees which are payable in arrears on each Payment Date (subject to availability of funds and the conditions set forth in Section 3.8(b)(i)(A) of the Loan Agreement) in an amount equal to 0.35% per annum of the aggregate Par Amount of all Debt Obligations measured as of the Quarterly Date immediately preceding such Payment Date (the "Senior Management Fee"). The Senior Management Fee will be calculated on the basis of a calendar year consisting of 360 days and the actual number of days elapsed.

(b) The Company shall pay to the Investment Manager, for services rendered and performance of its obligations under this Agreement, fees which are payable in arrears on each Payment Date (subject to availability of funds and the conditions set forth in Section 3.8(b)(i)(C) of the Loan Agreement) in an amount equal to 0.15% per annum of the aggregate Par Amount of all Debt Obligations measured as of the Quarterly Date immediately preceding such Payment Date (the "Subordinate Management Fee" and together with the Senior Management Fee, the "Management Fees"). The Subordinate Management Fee will be calculated on the basis of a calendar year consisting of 360 days and the actual number of days elapsed.

(c) The Investment Manager may, in its sole discretion, (i) waive all or any portion of the Management Fees or (ii) 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.

(d) If this Agreement is terminated pursuant to Section 11 hereof or otherwise, the Management Fees calculated as provided in Section 6(a) and 6(b) 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.

(e) The Management Fees will be payable from the Company's assets in accordance with the terms of the Loan Agreement. If on any Payment Date there are insufficient funds to pay the Management Fees then due in full, the amount not so paid 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 the Loan Agreement.

7. Non-Exclusivity.

The services of the Investment Manager to the Company are not to be deemed exclusive, and the Investment 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 Investment 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 Investment 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 Investment Company Act. Subject to Section 9 hereof, it is understood and agreed that information or advice received by the Investment Manager and officers or directors of the Investment Manager hereunder shall be used by such organization or such persons to the extent permitted by applicable law.

8. Conflicts of Interest.

The Investment Manager may, subject to applicable legal requirements, direct the Company (i) to acquire (whether by purchase, contribution or otherwise) any Debt Obligations for the Company from the Investment Manager or any of its Affiliates as principal or (ii) to sell or distribute any Debt Obligations for the Company to the Investment Manager or any of its Affiliates as principal.

Notwithstanding the provisions of the preceding paragraph, various potential and actual conflicts of interest may arise from the overall investment activity of the Investment Manager and its Affiliates. The Investment 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 Investment Manager and its Affiliates may have ongoing relationships with Underlying Obligors and may own equity or debt obligations issued by Underlying Obligors. The Investment Manager and its Affiliates and the clients of the Investment Manager or its Affiliates may invest in obligations that are senior to, or have interests different from or adverse to, the Debt Obligations of the Company. The Investment Manager may serve as Investment 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 Investment Manager may at certain times be simultaneously seeking to purchase or sell investments for other entities for which it serves as Investment Manager, or for its clients and Affiliates, and selecting such investments as

Debt Obligations for the Company. Furthermore, the Investment 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 to the Company 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 Investment Manager; *provided* that nothing in this Section 8 shall be construed as altering the duties of the Investment Manager as set forth in this Agreement, the Loan Agreement or the requirements of any law, rule, or regulation applicable to the Investment Manager.

9. Records; Confidentiality.

The Investment 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 (3) Business Days' prior notice.

At no time will the Investment Manager make a public announcement concerning the Loan Agreement, the Investment Manager's role hereunder or any other aspect of the transactions contemplated by this Agreement and the Loan Agreement absent the written consent of the Company.

The Investment 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 Investment 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 Investment Manager, (vi) information related to the performance of the Investment 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 Investment Manager on a non-confidential basis; *provided* that the Investment 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 9, the Administrative Agent shall in no event be considered a "non-affiliated third party," and the Investment Manager may disclose any of the aforementioned information to the Administrative Agent insofar as such information relates to the Company's performance of its obligations under the Loan Agreement.

10. Term.

This Agreement shall become effective on the date hereof and shall continue unless terminated as hereinafter provided.

11. Termination.

(a) This Agreement may be terminated, and the Investment Manager may be removed, without payment to the Investment Manager of any penalty, for cause upon prior written notice by the Company, acting with the consent of the Administrative Agent; *provided* that such notice may be waived by the Investment Manager. For this purpose, “cause” will mean the occurrence of any of the following events or circumstances:

(i) the Investment Manager’s breach, in any respect, of any provision of this Agreement or the Loan Agreement 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 Investment 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 Investment Manager’s intentional breach of any provision of this Agreement or the Loan Agreement applicable to it relating to the Investment Manager’s or the Company’s obligation to comply with any material provision of this Agreement or the Loan Agreement applicable to it, and the Investment 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 Investment Manager in or pursuant to this Agreement or the Loan Agreement 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 Investment Manager within 30 days of its receipt of notice from the Company or the Administrative Agent of such failure, unless, if such failure is not capable of being cured in 30 days but is curable within 90 days, the Investment Manager has taken action that the Investment Manager in good faith believes will remedy, and does in fact remedy, such failure within 90 days after notice of such failure being given to the Investment Manager;

(iv) the Investment 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 Investment Manager, or appointing a receiver, liquidator, assignee, or sequestrator (or other similar official) of the Investment 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 60 consecutive days;

(v) the occurrence of an Event of Default under the Loan Agreement that results from any breach by the Investment Manager of its duties under the Loan Agreement or this Agreement; or

(vi) the occurrence of an act by the Investment Manager that constitutes fraud or criminal activity in the performance of its obligations under this Agreement, or the Investment Manager being indicted for a criminal offense materially related to its business of providing asset management services.

If any such event occurs, the Investment Manager shall give prompt written notice thereof to the Company and the Administrative Agent promptly upon the Investment Manager becoming aware of the occurrence of such event.

(b) The Investment Manager shall have the right to terminate this Agreement only upon 90 days prior written notice to the Company and the Administrative Agent, and this Agreement shall terminate automatically in the event of its assignment by the Investment Manager which is not made in accordance with Sections 13 and 17 of this Agreement.

(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 Investment Company Act.

(d) Within 30 days of the resignation or removal of the Investment Manager, the Company may appoint a successor investment manager; provided that such appointment is subject to the prior approval of the Administrative Agent.

12. Action Upon Termination.

(a) Upon the effective termination of this Agreement, the Investment 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 Investment Manager; and

(ii) deliver to the Administrative Agent an account with respect to the books and records delivered to the Administrative Agent or the successor investment manager appointed pursuant to Section 11(d).

Notwithstanding such termination, the Investment Manager shall remain liable to the extent set forth herein (but subject to Section 13 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 Investment Manager in Section 4 hereof or from any failure of the Investment Manager to comply with the provisions of this Section 12.

(b) The Investment 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 Loan Agreement or any of the Company's assets (excluding any such Proceeding in which claims are asserted against the Investment Manager or any Affiliate of the Investment Manager) so long as the Investment 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.

13. Liability of Investment Manager; Delegation.

(a) The Investment Manager assumes no responsibility under this Agreement other than to render the services called for hereunder and under the terms of the Loan Agreement made applicable to it pursuant to the terms of this Agreement. The Investment Manager shall not be responsible for any action of the Company in declining to follow any advice, recommendation or direction of the Investment Manager. The Investment Manager shall have no liability to the Administrative Agent or other creditors of the Company, for any error of judgment, mistake of law, or for any loss arising out of any investment, or for any other act or omission in the performance of its obligations to the Company except for liability to which it would be subject by reason of willful misfeasance, bad faith, gross negligence in performance, or reckless disregard of its obligations hereunder. The Investment Manager may delegate to an agent selected with reasonable care, which shall include any Person that is party to a sub-advisory agreement with the Investment Manager or any of its Affiliates as of the date hereof, any or all duties (other than its asset selection or trade execution duties) assigned to the Investment Manager hereunder; *provided* that no such delegation by the Investment Manager of any of its duties hereunder shall relieve the Investment Manager of any of its duties hereunder nor relieve the Investment 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 Investment Manager shall be permitted to assign any or all of its rights and delegate any or all of its obligations to an Affiliate reasonably acceptable to the Administrative Agent that (i) will professionally and competently perform duties similar to those imposed upon the Investment Manager under this Agreement and (ii) is legally qualified and has the capacity to act as the Investment Manager under this Agreement. The Investment Manager shall not be liable for any consequential damages hereunder.

(b) The Company shall reimburse, indemnify and hold harmless the Investment Manager, its directors, officers, agents and employees and any of its Affiliates

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 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 Investment Manager, its directors, officers, stockholders, agents and employees made in good faith and in the performance of the Investment Manager's duties under this Agreement or the Loan Agreement except to the extent resulting from such person's bad faith, willful misfeasance, gross negligence or reckless disregard of its duties hereunder or thereunder. The Investment Manager, its directors, officers, stockholders, agents and employees may consult with counsel and accountants with respect to the affairs of the Company and shall be fully protected and justified, to the extent allowed by law, in acting, or failing to act, if such action or failure to act is taken or made in good faith and is in accordance with the advice or opinion of such counsel or accountants. 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 and are subject to the availability of funds.

(c) The Investment Manager shall reimburse, indemnify and hold harmless the Company, its members, manager, officers, agents and employees 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 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, (i) any acts or omissions of the Investment Manager constituting bad faith, willful misconduct, gross negligence or reckless disregard of its duties under this Agreement or under the Loan Agreement and (ii) any breach of the representations and warranties made by the Investment Manager in Section 4 hereof.

14. Obligations of Investment Manager.

Unless otherwise required by any provision of the Loan Agreement or this Agreement or by applicable law, the Investment 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 Investment Manager to be applicable to the Company, (b) require registration of the Company or the Company's assets as an "investment company" under the Investment Company 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 Loan Agreement, (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 Loan Agreement, including, without limitation, as may result from the performance of any Debt Obligation), it being understood that in connection with the foregoing the Investment 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 Loan Agreement or the conduct of its business generally. The Investment 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 Loan

Agreement. Notwithstanding anything in this Agreement, the Investment Manager shall not take any discretionary action that would reasonably be expected to cause an Event of Default under the Loan Agreement. The Investment Manager covenants that it shall 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.

15. No Partnership or Joint Venture.

The Company and the Investment 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 Investment Manager's relation to the Company shall be deemed to be that of an independent contractor.

16. 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 in Section 8.3 of the Loan Agreement, and the address of the Investment Manager for this purpose shall be:

FS Investment Corporation
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 8.3 of the Loan Agreement.

17. 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 Investment Manager (including, without limitation, a change in control or management of the Investment Manager which would be deemed an "assignment" under the Investment Advisers Act) shall be made without the consent of the Company and the Administrative Agent.

18. Conflicts with the Loan Agreement.

Subject to the provisions of Section 1 hereof pertaining to the binding effect of certain amendments to the Loan Agreement on the Investment Manager, in the event that this Agreement requires any action to be taken with respect to any matter and the Loan Agreement requires that a different action be taken with respect of such matter, and such actions are mutually exclusive, the provisions of the Loan Agreement in respect thereof shall control.

19. 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 16 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 LEGAL 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 Loan Agreement 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 Investment Manager (i) consents to, and agrees to perform, the provisions of the Loan Agreement applicable to the Investment Manager and (ii) agrees that all of the representations, covenants and agreements made by the Investment Manager in this Agreement are also for the benefit of the Lenders.

(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 Investment Manager.

(l) The Company hereby acknowledges and accepts all actions that were taken by the Investment Manager and/or recommended to the Company by the Investment Manager prior to the Closing Date, including all actions and recommendations that were otherwise consistent with the services to be provided by the Investment 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.

20. Non-Payment.

The Investment Manager shall continue to serve as Investment Manager under this Agreement notwithstanding that the Investment 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 3.8(b) of the Loan Agreement.

21. No Recourse.

The Investment Manager hereby acknowledges and agrees that the Company's obligations hereunder will be solely the corporate obligations of the Company, and the Investment Manager will not have any recourse to any of the directors, officers, employees, 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 21 shall survive the termination of this Agreement for any reason whatsoever.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this AMENDED AND RESTATED INVESTMENT MANAGEMENT AGREEMENT to be executed by their respective authorized representatives on the day and year first above written.

ARCH STREET FUNDING LLC

By: /s/ William Goebel

Name: William Goebel

Title: Chief Financial Officer

FS INVESTMENT CORPORATION

By: /s/ William Goebel

Name: William Goebel

Title: Chief Financial Officer

TERMINATION ACKNOWLEDGMENT (TRS)

Dated: August 29, 2012

Reference is hereby made to the Master Agreement, dated as of March 18, 2011, including the Schedule thereto, the Credit Support Annex to such Schedule and the Confirmation dated March 18, 2011 (as amended and restated on June 12, 2012) exchanged thereunder (the **Master Confirmation**) and any additional Confirmations exchanged under the Master Agreement (collectively, the **Master Agreement**) between Citibank, N.A. (**Citibank**) and Arch Street Funding LLC., a limited liability company organized under the laws of the Delaware (the **Counterparty**). Capitalized terms used but not defined herein have the respective meanings given to such terms in the Master Agreement.

Termination of Transactions under Master Agreement

1. Citibank and the Counterparty each hereby acknowledge (a) the payment in full of all amounts owing under the Master Agreement that became due and payable on or prior to the date hereof (other than payments referred to in the following clause (c)), (b) the termination on the date hereof of all Transactions outstanding on the date hereof under the Master Agreement and (c) that, upon the making of all payments opposite the provisions entitled "Counterparty First Floating Amounts", "Counterparty Fourth Floating Amounts", "Citibank Fixed Amounts" and "Citibank Floating Amounts" in Clause 2 of the Master Confirmation arising by reason of the termination on the date hereof of all Transactions outstanding under the Master Agreement, the Master Agreement (including the Master Confirmation and any payment obligations arising under Clause 4(c) thereof) shall be hereby terminated and shall have no further force or effect, except for contingent obligations of the Counterparty (i) under Section 2(d)(ii) of the Master Agreement and (ii) under Clause 2 of the Master Confirmation with respect to "Counterparty Third Floating Amounts" and under Clause 8 of the Master Confirmation.
2. Citibank and the Counterparty agree that, notwithstanding anything in the Master Confirmation to the contrary, the Final Price in relation to each Transaction being terminated on the date hereof shall be as set forth in Exhibit A hereto.
3. For purposes of the Investment Management Agreement, dated as of March 18, 2011, between the Counterparty and FS Investment Corporation (**FSIC**), Citibank hereby consents to the amendment and restatement thereof pursuant to the Amended and Restated Investment Management Agreement between the Counterparty and FSIC, dated August 29, 2012.
4. For purposes of the Limited Liability Company Agreement of the Counterparty, dated as of March 15, 2011, by and among FSIC and the independent managers party thereto, Citibank hereby consents to the amendment and restatement thereof pursuant to the Amended and Restated Limited Liability Company Agreement of the Counterparty, dated August 29, 2012, by and among FSIC and the independent managers party thereto.
5. Citibank agrees that it shall not, before the date that is one year and one day (or if longer, any applicable preference period plus one day) after the payment in full of all securities issued by

Counterparty and rated by any nationally recognized rating agency at the request of Counterparty, institute against, or join any other person in instituting against, Counterparty any bankruptcy, reorganization, arrangement, insolvency, moratorium, or liquidation proceedings in any jurisdiction. Nothing in this paragraph shall preclude Citibank (i) from taking any action before the expiration of that period in (A) any case or proceeding voluntarily filed or commenced by Counterparty or (B) any involuntary insolvency proceeding filed or commenced by a person other than Citibank, or (ii) from commencing against Counterparty or any of its properties any legal action that is not a bankruptcy, reorganization, arrangement, insolvency, moratorium, or liquidation proceeding.

Miscellaneous

6. This Termination Acknowledgment may be executed in any number of counterparts and on separate counterparts, each of which is an original, but all of which together constitute one and the same instrument. Delivery of an executed counterpart of this Termination Acknowledgment by e-mail (PDF) or telecopy shall be effective as delivery of a manually executed counterpart of this Termination Acknowledgment.

7. This Termination Acknowledgment shall be construed in accordance with, and this Termination Acknowledgment and all matters arising out of or relating in any way whatsoever to this Termination Acknowledgment (whether in contract, tort or otherwise) shall be governed by, the law of the State of New York.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have caused this Termination Acknowledgment to be duly executed as of the date first written above.

CITIBANK, N.A.

By: /s/ Victoria Chant

Name: Victoria Chant

Title: Vice President

ARCH STREET FUNDING LLC

By: /s/ William Goebel

Name: William Goebel

Title: Chief Financial Officer

Arch Street Funding LLC

TERMINATION ACKNOWLEDGMENT