



**Item 1.01. Entry into a Material Definitive Agreement.**

On February 16, 2024, Lincoln Educational Services Corporation (the “Company”) entered into a secured credit agreement (the “Credit Agreement”) with Fifth Third Bank, National Association (the “Bank”), pursuant to which the Company, as borrower, has obtained a revolving credit facility in the aggregate principal amount of \$40 million including a \$10 million letter of credit sublimit and a \$20 million accordion feature (the “Facility”), the proceeds of which are to be used for working capital, general corporate and certain other permitted purposes. The Facility is guaranteed by the Company’s wholly-owned subsidiaries and is secured by a first priority lien in favor of the Bank on substantially all of the personal property owned by the Company and its subsidiaries. The term of the Facility is 36 months, maturing on February 16, 2027.

Each advance under the Facility will bear interest on the outstanding principal amount thereof from the date when made at an interest rate determined at the election of the Company at either the Tranche Rate (which is the forward-looking Secured Overnight Financing Rate (SOFR) for one or three months), or the Base Rate (which is a variable per annum rate, as of any date of determination, equal to the Bank’s Prime Rate), plus an Applicable Margin. The Applicable Margin is determined pursuant to a Pricing Grid, which for loans subject to the Tranche Rate varies from 1.75% to 2.50% and for loans subject to the Base Rate varies from 0.75% to 1.50%. The Applicable Margin may change quarterly based on the Total Leverage Ratio at such time. The Total Leverage Ratio is determined with respect to the Company and its subsidiaries on a consolidated basis for an applicable quarterly period by dividing the aggregate principal amount of various forms of borrowed indebtedness as of the last day of a determination period by EBITDA (earnings before interest expense, taxes, depreciation and amortization) for such period. Interest is paid in arrears, either quarterly or monthly depending on the Company’s interest rate election, with the principal due at maturity.

Under the terms of the Credit Agreement, the Company will pay to the Bank an unused facility fee on the average daily unused balance of the Facility at a rate per annum equal to 0.50%, which fee is payable in arrears on dates when interest is due and payable. The Company will also pay to the Bank a letter of credit fee equal to the Applicable Margin for loans subject to the Tranche Rate multiplied by the maximum amount available to be drawn under such letter of credit. The Credit Agreement contains customary representations, warranties and affirmative and negative covenants, as well as events of default customary for facilities of this type.

The foregoing description of the Credit Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Credit Agreement filed as Exhibit 10.1 to this Current Report on Form 8-K, which is incorporated herein by reference.

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

The disclosure contained in Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

**Item 8.01. Other Events.**

On February 23, 2024, the Company issued a press release reporting its entry into the Credit Agreement. A copy of the press release is filed as Exhibit 99.1 hereto and incorporated herein by reference.

The information contained under this Item 8.01 in this Current Report on Form 8-K, including Exhibit 99.1, is being furnished and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section.

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**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits:

<b>Exhibit</b>	<b>Description</b>
<a href="#">10.1</a>	Credit Agreement dated as of February 16, 2024 among Lincoln Educational Services Corporation and its subsidiaries and Fifth Third Bank, National Association
<a href="#">99.1</a>	Press Release of Lincoln Educational Services Corporation dated February 23, 2024
104	Cover Page Interactive Data File (embedded within the inline XBRL document)

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**SIGNATURES**

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

Dated: February 23, 2024

**LINCOLN EDUCATIONAL SERVICES CORPORATION**

By: /s/ Brian K. Meyers

Name: Brian K. Meyers

Title: Executive Vice President, Chief Financial  
Officer and Treasurer

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CREDIT AGREEMENT

DATED AS OF FEBRUARY 16, 2024

BETWEEN

LINCOLN EDUCATIONAL SERVICES CORPORATION

as Borrower,

AND

FIFTH THIRD BANK, NATIONAL ASSOCIATION,

as Lender

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## CREDIT AGREEMENT

CREDIT AGREEMENT dated as of February 16, 2024, between Lincoln Educational Services Corporation, a New Jersey corporation ("Borrower"), and FIFTH THIRD BANK, NATIONAL ASSOCIATION ("Lender").

### RECITALS

WHEREAS, Borrower desires that Lender extend a revolving credit facility to Borrower to provide funds necessary for the purpose of providing (a) working capital financing for Borrower, (b) funds for other general corporate purposes of Borrower, and (c) funds for other purposes permitted hereunder; and

WHEREAS, Borrower and each Loan Party desire to secure all of the Obligations by granting to Lender a first-priority perfected Lien upon substantially all of its personal property, including, without limitation, all outstanding Stock of each Subsidiary, pursuant to the terms of the Loan Documents;

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, and for other good and valuable consideration, the parties hereto agree as follows:

#### 1. DEFINITIONS

1.1. Certain Defined Terms. For purposes of the Loan Documents, capitalized terms

shall have the meanings as defined in this Agreement (including, as applicable, each Annex to this Agreement and Appendix A to this Agreement).

1.2. Accounting Terms and Determinations. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder (including determinations made pursuant to the exhibits hereto) shall be made, and all Financial Statements required to be delivered hereunder shall be prepared on a consolidated basis in accordance with GAAP applied on a basis consistent with the most recent audited consolidated Financial Statements of Borrower and its Subsidiaries delivered to Lender on or prior to the Closing Date. If at any time any change in GAAP would, in either case, affect the computation of any financial ratio or financial requirement set forth in any Loan Document, and either Borrower or Lender shall so request, Lender and Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the final approval of Lender); *provided*, that until so amended, (a) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (b) the Loan Parties shall provide to Lender Financial Statements and other documents required under this Agreement which include a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP; *provided, further*; that (i) any election under Accounting Standards Codification 825-10-25 (previously referred to as Statement of Financial Accounting Standards 159) (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of any Loan Party at "fair value", as defined therein shall be disregarded for the purposes of computing any financial ratios and requirements herein and (ii) the effect of any changes to GAAP that would require leases which are, or would have been, classified as operating leases under GAAP as it exists on the Closing Date to be classified and accounted for as capital leases under the revised GAAP (including by reason of adoption of FASB Accounting Standards Update 2016-02) shall be disregarded for the purposes of computing any financial ratios and requirements herein. Notwithstanding anything to the contrary in this Agreement or any other Loan Document, the Loan Parties shall not, without the prior written consent of Lender (which shall not be unreasonably delayed, conditioned or withheld), cause or permit any material change in application of GAAP, or any material method of GAAP utilized, by the Loan Parties in their Financial Statements after the Closing Date.

1.3. Other Definitional Provisions and References. References in this Agreement to "Sections", "Annexes", "Exhibits", "Appendices" or "Schedules" shall be to Sections, Annexes, Exhibits, Appendices or Schedules of or to this Agreement unless otherwise specifically provided. Any term defined herein may be used in the singular or plural. "Include", "includes" and "including" shall be deemed to be followed by "without limitation." Except as otherwise specified or limited herein, references to any Person include the successors and assigns of such Person. The references "from" or "through" any date mean, unless otherwise specified, "from and including" or "through and including," respectively. References in any Loan Document to the knowledge (or an analogous phrase) of any Loan Party are intended to signify that such Loan Party has actual knowledge or awareness of a particular fact or circumstance or that such Loan Party, if it had exercised reasonable diligence, would have known or been aware of such fact or circumstance. Unless otherwise specified herein, the settlement of all payments and fundings hereunder between or among parties hereto shall be made in lawful money of the United States and in immediately available funds. Time is of the essence in Borrower's and each other Loan Party's performance under this Agreement and all other Loan Documents. All amounts used for purposes of financial calculations required to be made herein shall be without duplication. Except as otherwise specified or limited herein, references to any statute or act shall include all related regulations, rules and orders and all amendments and supplements and any successor or replacement statutes, acts and regulations. References to any statute or act, without additional reference, shall be deemed to refer to federal statutes and acts of the United States. References to any agreement, instrument or document (including the Loan Documents and any Organizational Document) shall include all schedules, exhibits, annexes, appendices and other attachments thereto and shall be construed as referring to such agreement, instrument or document as from time to time amended, amended and restated, modified, extended, restated, replaced or supplemented (subject to any restrictions on such amendments, amendments and restatements, modifications, extensions, restatements, replacements and supplements set forth herein or in any other Loan Document).

1.4. Pro Forma Adjustments.

(a) Ratio Acquisition Adjustments. For purposes of calculating the Total Leverage Ratio for any period of measurement that includes the date of the consummation of any Permitted Acquisition, EBITDA shall be adjusted on an historical pro forma basis to include the financial results of such acquired Person or line of business as if such Permitted Acquisition had been consummated on the first day of such period of measurement, in each case calculated in the same manner as the applicable component is calculated pursuant to this Agreement, but including only such pro forma adjustments to such component as are acceptable to Lender, in its reasonable discretion.

(b) Ratio Disposition Adjustments. For purposes of calculating the Total Leverage Ratio for any period of measurement that includes the date of any sale or disposition of any Person or line of business, EBITDA shall be adjusted on an historical pro forma basis to exclude the financial results of such Person or line of business so sold or disposed of, in each case calculated in the same manner as the applicable component is calculated pursuant to this Agreement, but including only such pro forma adjustments to such component as are acceptable to Lender, in its reasonable discretion.

**2. ADVANCES AND LETTERS OF CREDIT**

2.1. Advances, Term Loan, and Borrowings.

(a) Subject to the terms and conditions hereof, Lender agrees to make available to Borrower from time to time until the Commitment Termination Date advances pursuant to its Revolving Loan Commitment (each, an "Advance"); *provided*, that the aggregate principal amount of such Advances will not result in the Revolving Exposure exceeding the Revolving Loan Commitment. Until the Commitment Termination Date, Borrower may from time to time borrow, repay and reborrow under this Section 2.1(a).

(i) Borrower shall deliver to Lender a Notice of Borrowing with respect to each proposed borrowing of an Advance (other than Advances made pursuant to clause (ii) of this Section 2.1(a)), such Notice of Borrowing to be delivered no later than: (A) 2:00 p.m. (Cincinnati, Ohio time) (or such later time acceptable to Lender in its sole discretion) on the day of such proposed borrowing, in the case of Advances in an aggregate principal amount equal to or less than \$1,000,000, and (B) the day that is two Business Days prior to such proposed borrowing, in the case of Advances in an aggregate principal amount greater than \$1,000,000. Once given, a Notice of Borrowing shall be irrevocable and Borrower shall be bound thereby.

(ii) Borrower hereby authorizes Lender to make Advances based on telephonic or electronic notices made by any Person which Lender, in good faith, believes to be acting on behalf of Borrower, in accordance with procedures established by or otherwise acceptable to Lender from time to time in its sole discretion (including Lender's confirmation of such notices). All Advances will be advanced to the Borrower's Account, unless Borrower otherwise instructs Lender.

(b) The making of each Advance by Lender, whether under Section 2.1(a) or Section 2.3, will be deemed to be a representation by Borrower that the Advance will not violate the terms of Section 2.1(a) or Section 2.3. Lender shall have no duty to follow, or any liability for, the application by Borrower of any proceeds of any Advance.

## 2.2. Prepayments/Commitment Termination.

### (a) Termination of Revolving Loan Commitment.

(i) Borrower may at any time on at least five Business Days' prior written notice (or such shorter time as Lender may agree in its sole discretion) to Lender terminate the Revolving Loan Commitment; *provided* that, upon such termination, all Advances and other Obligations shall be immediately due and payable in full and all Letter of Credit Obligations shall be cash collateralized or otherwise satisfied in accordance with Annex A. Any voluntary termination of the Revolving Loan Commitment must be accompanied by payment of any Tranche Rate funding breakage costs in accordance with Section 2.5(e). Upon any such termination of the Revolving Loan Commitment, Borrower's right to request Advances, or request that Letter of Credit Obligations be incurred on its behalf, shall simultaneously be permanently terminated.

(ii) All of the Obligations shall, if not sooner paid, be due and payable in full on the Commitment Termination Date.

(b) Mandatory Prepayments. Subject to Section 2.1(b), if at any time the outstanding balance of the aggregate Revolving Exposure exceeds the Revolving Loan Commitment then in effect (any and all such excess Revolving Exposure is herein referred to, collectively, as an "Overdrawn Amount"), Borrower shall promptly, and in any event within two (2) Business Days, repay the aggregate outstanding Advances to the extent required to eliminate such Overdrawn Amount. If any such Overdrawn Amount remains after repayment in full of the aggregate outstanding Advances, Borrower shall provide cash collateral for the Letter of Credit Obligations in the manner set forth in Annex A to the extent required to eliminate such Overdrawn Amount.

(c) [Reserved].

(d) Application of Prepayments to Tranche Rate Loans. Any prepayment of a Tranche Rate Loan on a day other than the last day of an Interest Period therefor shall include interest on the principal amount being repaid and shall be subject to Section 2.5(e). All prepayments of an Advance shall be applied first to that portion of such Advance comprised of Base Rate Loans and then to that portion of such Advance comprised of Tranche Rate Loans, in direct order of Interest Period maturities.

(e) No Implied Consent. Nothing in this Section 2.2 shall be construed to constitute Lender's consent to any transaction that is not expressly permitted by other provisions of this Agreement or the other Loan Documents or a waiver of any Event of Default arising therefrom.

2.3. [Reserved].

2.4. Interest and Applicable Margins; Fees.

(a) Subject to Sections 2.4(c) and 2.4(d), each Advance shall bear interest on the outstanding principal amount thereof from the date when made at a rate per annum equal to the Tranche Rate or the Base Rate, as the case may be, plus the Applicable Margin. Each determination of an interest rate by Lender shall be conclusive and binding on Borrower in the absence of manifest error. All computations of Fees and interest payable under this Agreement shall be made on the basis of a 360-day year and actual days elapsed, which results in more interest charged than if interest were calculated based on a 365-day year. Interest and Fees shall accrue during each period during which interest or such Fees are computed from (and including) the first day thereof to (and including) the last day thereof.

(b) All as determined by Lender in accordance with the Loan Documents and Lender's loan systems and procedures periodically in effect, interest shall be paid in arrears (i) on each Interest Payment Date and (ii) on the date of each payment or prepayment of Advances on and after the Commitment Termination Date. Lender may estimate the amount of interest that Borrower will owe on Borrower's periodic statements and Lender may adjust the amount of interest owed on each subsequent statement provided to Borrower to reflect any differential between the estimated amount of interest shown on Borrower's preceding statement and the actual amount of interest determined to have been due by Lender on the preceding Interest Payment Date. Borrower agrees to pay the amount shown due on the Interest Payment Date on each of Borrower's periodic statements on each Interest Payment Date.

(c) At the election of Lender while any Event of Default exists and continues (or automatically while any Event of Default under Section 9.1(a), 9.1(h) or 9.1(i) exists and continues), interest (after as well as before entry of judgment thereon to the extent permitted by Law) on the Advances and the Letter of Credit Fees shall increase, from and after the date of occurrence of such Event of Default, to a rate per annum which is determined by adding 2.0% per annum to the Applicable Margin or Letter of Credit Fee, as applicable, then in effect for such Advances (plus the Tranche Rate or the Base Rate, as the case may be) or Letter of Credit Obligations, as applicable (the "Default Rate"). All such interest shall be payable on demand of Lender.

(d) Anything herein to the contrary notwithstanding, the obligations of Borrower hereunder shall be subject to the limitation that payments of interest shall not be required, for any period for which interest is computed hereunder, to the extent (but only to the extent) that contracting for or receiving such payment by Lender would be contrary to the provisions of any Law applicable to Lender limiting the highest rate of interest that may be lawfully contracted for, charged or received by Lender, and in such event Borrower shall pay Lender interest at the highest rate permitted by applicable Law ("Maximum Lawful Rate") for such period; *provided*, that if at any time thereafter the rate of interest payable hereunder is less than the Maximum Lawful Rate, Borrower shall continue to pay interest hereunder at the Maximum Lawful Rate until such time as the total interest received by Lender is equal to the total interest that would have been received had the interest payable hereunder been (but for the operation of this paragraph) the interest rate payable since the Closing Date as otherwise provided in this Agreement.

(e) Fees.

(i) Closing Fee. Borrower shall pay to Lender on the Closing Date a closing Fee in the aggregate amount of \$200,000 (the "Closing Fee"). The Closing Fee is fully-earned and non-refundable as of the Closing Date.

(ii) Unused Line Fees. Borrower agrees to pay to Lender a commitment Fee (the "Unused Line Fee"), which shall accrue, as of each day during the period from and including the Closing Date to but excluding the date on which the Revolving Loan Commitment terminates, at 0.50% per annum on the then daily amount of the difference of the Revolving Loan Commitment minus the sum of (A) the aggregate outstanding amount of all Advances plus (B) the outstanding amount of Letter of Credit Obligations. The accrued Unused Line Fee shall be payable in arrears on each Interest Payment Date, all as determined by Lender in accordance with the Loan Documents and Lender's loan systems and procedures periodically in effect. Accruals of the Unused Line Fee shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed during the applicable period (including the first day but excluding the last day of such period).

(iii) Letter of Credit Fees. Borrower agrees to pay to Lender:

(A) With respect to each Letter of Credit, for each applicable period during which such Letter of Credit Obligation shall remain outstanding, a Fee (the "Letter of Credit Fee") in an amount equal to the Applicable Margin for Tranche Rate Loans from time to time in effect multiplied by the maximum amount available from time to time to be drawn under such Letter of Credit, which Letter of Credit Fee shall be payable (as more specifically determined pursuant to the applicable Loan Documents with respect to such Letter of Credit and otherwise as determined by Lender in accordance with the Loan Documents and Lender's loan systems and procedures periodically in effect): (x) either in arrears or in advance as determined by Lender at the time of issuance of the applicable Letter of Credit and (y) at the frequency determined by Lender at the time of issuance of the applicable Letter of Credit.

(B) On demand, such Fees (including all current issuance, opening, closing, transfer, amendment, draw, renewal, negotiation and other letter of credit administration fees) and other actual charges and expenses of Lender in respect of the issuance, negotiation, acceptance, amendment, transfer and payment of such Letter of Credit or otherwise payable pursuant to the application and related documentation under which such Letter of Credit is issued.

(C) On demand, all actual costs and expenses incurred by Lender on account of any Letter of Credit Obligations.

All such Fees are fully earned by Lender when paid and non-refundable. The Letter of Credit Fee will be calculated on the basis of the actual number of days elapsed in a 360-day year. If any Letter of Credit is cancelled for any reason before the stated expiry date thereof, the Letter of Credit Fee or any other Fee paid in advance will not be refunded and will be retained by Lender solely for its account.

(iv) NSF Fees. In addition to, and without limiting, any other provision of this Agreement or the other Loan Documents, Lender may impose a non-sufficient funds fee for any check that is presented for payment that is returned for any reason.

## 2.5. Tranche Rate Provisions.

(a) Elections. Subject to the provisions of Section 9.2, Borrower may request that Advances permitted to be made hereunder be Tranche Rate Loans and that outstanding portions of Advances made hereunder be converted to Tranche Rate Loans. Any request with respect to a new Advance will be made by submitting a Notice of Borrowing to Lender. Once given, and except as provided in clauses (b)-(f) below, a Notice of Borrowing shall be irrevocable and Borrower shall be bound thereby. In the case of any conversion of a Base Rate Loan to a Tranche Rate Loan, any conversion of an existing Tranche Rate Loan to a new Tranche Rate Loan with a different Interest Period, or any conversion of a Tranche Rate Loan to a Base Rate Loan, such election must be made pursuant to a Notice of Conversion. In addition to the other provisions of this Agreement, as a condition to any Tranche Rate election hereunder, on or before the date on which the applicable Tranche Rate Loan is to be advanced or converted hereunder, in each case in accordance with Lender's loan policies and procedures periodically in effect, Borrower shall notify Lender of each of the following: (i) the requested amount of such Tranche Rate Loan, (ii) the Interest Period that Borrower has elected to apply to such Tranche Rate Loan, and (iii) the date of the requested Advance or conversion. In the absence of a Notice of Conversion submitted to Lender not later than noon Cincinnati, Ohio time (or such later time acceptable to Lender in its sole discretion) on the Business Day on which such Interest Period expires, Borrower will be deemed to have requested that the Tranche Rate Loan then maturing be continued as a Tranche Rate Loan for the same Interest Period commencing on the date on which such expiring Interest Period ends. If Borrower requests a new Advance but fails to submit a Notice of Borrowing as required by this paragraph, and if Borrower would otherwise be entitled to elect a Tranche Rate Loan under the terms of this Agreement, Borrower will be deemed to have elected to have such principal amount bear interest as a Tranche Rate Loan with a Tranche Interest Period of one month, commencing on the date of the Advance. Unless otherwise permitted by Lender in its sole discretion: (A) in no event may the last day of any Interest Period exceed the Commitment Termination Date, (B) in no event may any new Interest Period commence with respect to any Tranche Rate Loan requested to be converted hereunder prior to the expiration of the applicable Interest Period then in effect with respect to such Tranche Rate Loan, (C) there may be no more than ten Tranche Rate Loans outstanding at any one time, and (D) if required by Lender in its sole discretion at any time and from time to time, each request for a Tranche Rate Loan, whether by original issuance or conversion, shall be in a minimum amount of \$100,000 and, if in excess of such amount, in an integral multiple of \$100,000 in excess of such amount.

(b) Temporary Replacement of the Tranche Rate and Tenor Replacement. In the event, prior to commencement of any Interest Period relating to a Tranche Rate Loan, Lender shall determine either: (i) the Tranche Rate is unavailable, unrepresentative, or unreliable, (ii) the Tranche Rate as determined by Lender will not adequately and fairly reflect the cost to Lender of funding the Tranche Rate Loans for such Interest Period, or (iii) the making or funding of Tranche Rate Loans has become impracticable; then, in any such case, Lender shall promptly provide notice of such determination to Borrower (which shall be conclusive and binding on Borrower absent manifest error), and (A) any request for a Tranche Rate Loan or for a conversion to or continuation of a Tranche Rate Loan shall be automatically withdrawn and shall be deemed a request for a Base Rate Loan, (B) each Tranche Rate Loan will automatically, on the last day of the then current Interest Period relating thereto, become a Base Rate Loan, and (C) the obligations of Lender to make Tranche Rate Loans shall be suspended until Lender determines that the circumstances giving rise to such suspension no longer exist, in which event Lender shall so notify Borrower.



At any time (including in connection with the implementation of a Successor Rate), Lender may remove any tenor of a Tranche Rate that is unavailable, non-representative, or not in compliance with or aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks, in Lender's sole discretion, for Tranche Rate settings; *provided* however that Lender may reinstate such previously removed tenor for Tranche Rate settings, if Lender determines in its sole discretion that such tenor has become available and representative again.

(c) Tranche Rate Replacement.

(i) Notwithstanding anything to the contrary herein or in any other Loan Document (and any Rate Contract shall be deemed not to be a "Loan Document" for purposes of this Section 2.5(c)), but without limiting Section 2.5(b) above, if Lender determines (which determination shall be conclusive and binding on Borrower absent manifest error) that any of the circumstances described in Section 2.5(b)(i)-(iii) has occurred and is unlikely to be temporary or the administrator of the Tranche Rate or a Governmental Authority having or purporting to have jurisdiction over Lender has made a public statement identifying a specific date (the "Scheduled Unavailability Date") after which the Tranche Rate will no longer be representative or made available or used for determining the interest rate of loans or otherwise cease or no longer be in compliance or aligned with the International Organization of Securities Commissions (IOSCO) Principles for Benchmarks, and there is no successor administrator satisfactory to Lender, then on a date and time determined by Lender, but no later than the Scheduled Unavailability Date, the Tranche Rate will be replaced hereunder and under any other Loan Document with Daily Simple SOFR (the "Successor Rate").

(ii) Notwithstanding anything to the contrary herein, if Lender determines that the Successor Rate designated in Section 2.5(c)(i) above is not available or administratively feasible, or if any of the circumstances described in Section 2.5(c)(i) with regard to the Tranche Rate has occurred with respect to a Successor Rate then in effect, Lender may replace the Tranche Rate or any then current Successor Rate in accordance with this Section 2.5(c) with another alternative benchmark rate and a Spread Adjustment, giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated credit facilities and any recommendations of a relevant Governmental Authority, and which Spread Adjustment or method for calculating such Spread Adjustment shall be published on an information service as selected by Lender from time to time in its reasonable discretion.

(iii) If the Successor Rate is based on Daily Simple SOFR, interest shall be due and payable on a quarterly basis.

(iv) Any such alternative benchmark rate and Spread Adjustment shall constitute a Successor Rate hereunder. Any Successor Rate shall become effective on the date set forth in a written notice provided by Lender to Borrower (such date to be five or more Business Days after the date of such notice), and, for the avoidance of doubt, from and after such date (i) all Tranche Rate Loans shall bear interest at the Successor Rate plus the Applicable Margin; and (ii) all references herein and in any other Loan Documents to "Tranche Rate" shall mean and refer to the Successor Rate.

(v) Notwithstanding anything to the contrary herein, if the Successor Rate would be less than the Index Floor, the Successor Rate will be deemed to be the Index Floor for the purposes of this Agreement and the other Loan Documents. Further, if the interest rate to be replaced is rounded upwards to the next 1/8th of 1% under the terms of this Agreement or any Loan Document, the Successor Rate shall also be rounded up to the next 1/8th; *provided further* that this provision governing rounding shall not apply if Borrower has a Rate Contract in effect with respect to all or part of an Advance.

(vi) Lender does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission, or any other matter related to the Tranche Rate or any Successor Rate, including the selection of such rate, any related Spread Adjustment, or any Conforming Changes, or whether the composition or characteristics of any Successor Rate and Spread Adjustment or Conforming Changes will be similar to, or produce the same value or economic equivalence of, the initial Tranche Rate.

(vii) Notwithstanding anything to the contrary contained herein, if, after the Closing Date, Borrower enters into a Rate Contract with respect to all or part of a Tranche Rate Loan and the floating interest rate under the Rate Contract is Daily Simple SOFR, Lender may replace the Tranche Rate hereunder with Daily Simple SOFR and a Spread Adjustment without the consent of any other party hereto; *provided* further that, if subsequent thereto, Lender and Borrower amend such Rate Contract to include, or terminate such Rate Contract and enter into a new Rate Contract with, a floating interest rate thereunder of the original Tranche Rate, then Lender may further replace Daily Simple SOFR hereunder with the original Tranche Rate (and a Spread Adjustment, if applicable) hereunder without the consent of any other party hereto; and, in either such event, (A) such rate shall be a Successor Rate hereunder, and (B) Lender shall provide written notice thereof to Borrower.

(d) Illegality. Notwithstanding any other provisions hereof, if any Law shall make it unlawful for Lender to make, fund or maintain Tranche Rate Loans, Lender shall promptly give notice of such circumstances to Borrower. In such an event, (i) the commitment of Lender to make Tranche Rate Loans, continue Tranche Rate Loans as Tranche rate Loans or convert Base Rate Loans to Tranche Rate Loans shall be immediately suspended and (ii) all outstanding Tranche Rate Loans shall be converted automatically to Base Rate Loans on the last day of the Interest Period thereof or at such earlier time as may be required by Law.

(e) Tranche Rate Breakage Fee. Upon (i) any default by Borrower in making any borrowing of, conversion into or conversion of any Tranche Rate Loan following Borrower's delivery to Lender of any applicable Notice of Borrowing or Notice of Conversion or (ii) any payment of a Tranche Rate Loan on any day that is not the last day of the Interest Period applicable thereto (regardless of the source of such prepayment and whether voluntary, by acceleration or otherwise), Borrower shall promptly pay Lender an amount equal to the amount of any losses, expenses and liabilities (including any loss (including interest paid) in connection with the re-employment of such funds) that Lender sustains as a result of such default or such payment.

(f) Increased Costs. If, after the Closing Date, any Change in Law: (i) shall impose, modify or deem applicable any reserve (including any reserve imposed by the Board of Governors of the Federal Reserve System, or any successor thereto, but excluding any reserve included in the determination of the Tranche Rate pursuant to the provisions of this Agreement), special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by Lender, or (ii) shall impose on Lender any other condition affecting its Tranche Rate Loans, any of its notes issued pursuant hereto (if any) or its obligation to make Tranche Rate Loans; and the result of anything described in these clauses (i) and (ii) above is to increase the cost to (or to impose a cost on) Lender of making or maintaining any Tranche Rate Loan, or to reduce the amount of any sum received or receivable by Lender under this Agreement or under any of its notes issued pursuant hereto (if any) with respect thereto, then upon demand by Lender, Borrower shall promptly pay directly to Lender such additional amount as will compensate Lender for such increased cost or such reduction.

(g) Conforming Changes. In connection with the use, implementation, or administration of the Tranche Rate, including any temporary or permanent replacement for the Tranche Rate, Lender will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document. Lender will promptly notify Borrower of the effectiveness of any Conforming Changes in connection with the use, implementation, or administration of the Tranche Rate, or any temporary or permanent replacement of the Tranche Rate.

2.6. Letters of Credit. Subject to and in accordance with the terms and conditions contained herein and in Annex A, Borrower shall have the right to request, and Lender agrees to incur, Letter of Credit Obligations in respect of Borrower and its Subsidiaries.

2.7. General Provisions Regarding Payment. Borrower shall make each payment under this Agreement to Lender at the office or account designated by Lender not later than 2:00 p.m. (Cincinnati, Ohio time) on the day when due in immediately available funds in Dollars.

2.8. Loan Account. Lender shall maintain a loan account (the "Loan Account") on its books in accordance with the Register to record all Advances, all payments made by Borrower, and all other debits and credits as provided in this Agreement with respect to the Advances or any other Obligations. All entries in the Loan Account shall be made in accordance with Lender's customary accounting practices as in effect from time to time. The balance in the Loan Account, as recorded on Lender's most recent printout or other written statement, shall, absent manifest error, be presumptive evidence of the amounts due and owing to Lender by Borrower; *provided*, that any failure to so record or any error in so recording shall not limit or otherwise affect Borrower's duty to pay the Obligations. Lender shall render to Borrower a monthly accounting of transactions with respect to the Advances setting forth the balance of the Loan Account for the immediately preceding month. Each and every such accounting shall be presumptive evidence of all matters reflected therein absent manifest error.

2.9. Taxes.

(a) Gross-up for Taxes. All payments of principal and interest on the Advances and all other amounts payable hereunder or any other Loan Document shall be made free and clear of and without deduction for any Taxes, except as required by applicable Law. If any withholding or deduction from any payment to be made by any Loan Party hereunder or under any other Loan Document is required in respect of any Taxes pursuant to any applicable Law, then the applicable Loan Party will (i) pay directly to the relevant authority the full amount required to be so withheld or deducted, (ii) promptly forward to Lender an official receipt or other documentation satisfactory to Lender evidencing such payment to such authority, and (iii) if the Tax is an Indemnified Tax, pay to Lender such additional amount or amounts as is necessary to ensure that the net amount actually received by Lender will equal the full amount Lender would have received had no such withholding or deduction been required. The Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable Law, or at the option of Lender timely reimburse it for the payment of, any Other Taxes. If any Indemnified Taxes are directly asserted against Lender (or any of its Affiliates) with respect to a payment received hereunder or any other Loan Document or with respect to, or arising from, the obligations of the Loan Parties under any Loan Document, the Loan Parties shall jointly and severally indemnify Lender, within 10 days after written demand therefor, for the full amount of any Indemnified Taxes (including Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by Lender and any reasonable, out-of-pocket expenses arising therefrom or with respect thereto (including reasonable, out-of-pocket attorneys' or tax advisor fees and expenses actually incurred), whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to Borrower by Lender shall be conclusive and binding absent manifest error.

(b) Interest and Penalties. If Borrower or any other applicable Loan Party fails to pay any Taxes when due to the appropriate taxing authority or fails to remit to Lender the required receipts or other required documentary evidence, Borrower and the other Loan Parties shall jointly and severally indemnify Lender for any incremental Taxes, interest or penalties and reasonable, out-of-pocket costs and expenses (including reasonable attorneys' and tax advisor fees and expenses actually incurred) that may become payable by Lender (or any of its Affiliates) as a result of any such failure.

(c) Withholding Documentation. At Borrower's request, Lender shall execute and deliver to Borrower a United States Internal Revenue Service Form W-9.

(d) Usage of Terms. For the purposes of this Section 2.9 and the definitions of Excluded Tax, Indemnified Tax, Taxes, and Other Taxes used therein, "Lender" means Lender and, subject to Section 11.6(b), any Participant.

2.10. Capital Adequacy. If Lender or any Person controlling Lender shall reasonably determine that any Change in Law has or would have the effect of reducing the rate of return on Lender's or such controlling Person's capital as a consequence of Lender's obligations hereunder or under any Letter of Credit to a level below that which Lender or such controlling Person could have achieved but for such Change in Law, then from time to time, upon demand by Lender, Borrower shall promptly pay to Lender such additional amount as will compensate Lender or such controlling Person for such reduction.

2.11. Notes. Lender may request that Advances made by it be evidenced by a promissory note (a "Note"). In such event, Borrower shall prepare, execute and deliver to Lender a Note payable to the order of Lender (or, if requested by Lender, to Lender and its registered assigns) and in a form approved by Lender. Thereafter, subject to Section 2.8, the Advances evidenced by such Notes and interest thereon shall at all times be represented by one or more Notes in such form payable to the order of the payee named therein (or, if any such Note is a registered note, to such payee and its registered assigns) and this Agreement.

2.12. Increase in Commitments.

(a) Request for Increase. Provided there exists no Default, Borrower may from time to time request that Lender agree to increase the aggregate Commitments by an amount (for all such requests) not exceeding \$20,000,000; provided that any such request for an increase shall be in a minimum amount of \$5,000,000. Lender shall notify Borrower promptly after any such request whether or not it agrees to increase the Commitments; provided that any failure of Lender so to respond shall be deemed to constitute a declination of such request to increase the Commitments. If the Commitments are increased in accordance with this Section, Lender and Borrower shall determine the effective date (the "Increase Effective Date").

(b) The conditions precedent to such increase on the Increase Effective Date shall be as determined by Lender, in consultation with Borrower, including (unless waived by Lender) (i) Borrower shall deliver to Lender a certificate of each Loan Party dated as of the Increase Effective Date signed by a Responsible Officer of such Loan Party (x) certifying and attaching the resolutions adopted by such Loan Party approving or consenting to such increase, and (y) in the case of Borrower, certifying that, before and after giving effect to such increase, (A) each representation or warranty by any Loan Party contained herein or in any other Loan Document is true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that are already qualified or modified by materiality or Material Adverse Effect in the text thereof), except to the extent that such representation or warranty expressly relates to an earlier date in which case such representation or warranty is true and correct in all material respects as of such earlier date (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), and (B) no Default exists or would result therefrom, (ii) (x) upon the reasonable request of Lender made at least 10 days prior to the Increase Effective Date, Borrower shall have provided to Lender, and Lender shall be reasonably satisfied with, the documentation and other information so requested in connection with applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the USA Patriot Act, in each case at least three days prior to the Increase Effective Date and (y) at least three days prior to the Increase Effective Date, any Loan Party that qualifies as a "legal entity customer" under the Beneficial Ownership Regulation shall have delivered to Lender, upon reasonable request, a Beneficial Ownership Certification in relation to such Loan Party and (iii) customary legal opinions, borrowing notices and other documents reasonably requested by Lender.

(c) Upon the satisfaction of the conditions precedent and the occurrence of the Increase Effective Date, the Commitments shall be increased by such amount, and shall be part of the revolving credit facility provided under this Agreement.

### 3. REPRESENTATIONS AND WARRANTIES

To induce Lender to make the Advances and to incur Letter of Credit Obligations, the Loan Parties, jointly and severally, make the following representations and warranties to Lender as of the Closing Date, as of the date of the making of each Advance (or other extension of credit), as of the date any Advance is accepted by Borrower, and as of any other date such representations and warranties are deemed made pursuant to the terms of the other Loan Documents, each and all of which shall survive the execution and delivery of this Agreement.

3.1. Existence and Power; Affected Financial Institution. Each Loan Party and each Subsidiary is an entity as specified on Schedule 3.1 (as of the Closing Date), is duly organized, validly existing and in good standing under the Laws of its jurisdiction of organization or incorporation, has the same legal name as it appears in the Organizational Documents of such Loan Party or any Subsidiary and an organizational identification number (if any), in each case as specified (as of the Closing Date) on Schedule 3.1, and has all powers and all governmental licenses, authorizations, registrations, permits, consents and approvals required under all applicable Laws and required in order to carry on its business as now conducted (collectively, "Permits"), except where the failure to have such Permits could not reasonably be expected to have a Material Adverse Effect. Each Loan Party and each Subsidiary is qualified to do business as a foreign entity in each jurisdiction in which it is required to be so qualified, except where the failure to so qualify could not reasonably be expected to result in a Material Adverse Effect, which jurisdictions as of the Closing Date are specified on Schedule 3.1. Except as set forth on Schedule 3.1, as of the Closing Date, no Loan Party or any Subsidiary has in the five (5) year period preceding the Closing Date, had any name other than its current name, or been incorporated or organized under the Laws of any jurisdiction other than its current jurisdiction of incorporation or organization, or been party to any merger, consolidation or other change in structure. No Loan Party nor any Subsidiary thereof is an Affected Financial Institution.

3.2. Organization and Authorization; No Contravention. The execution, delivery and performance by each Loan Party of the Loan Documents to which it is a party (a) are within its powers, (b) have been duly authorized by all necessary action pursuant to its Organizational Documents and applicable Law, (c) require no further action by or in respect of, or filing or registration with, or notice to or authorization or approval of, any Governmental Authority, and will not result in creating or imposition of any Lien on any asset of any Loan Party or any of its Subsidiaries (except Liens created pursuant to the Loan Documents), and (d) do not violate, conflict with or cause a breach or a default under (i) any Law, (ii) any of the Organizational Documents of any Loan Party or any Subsidiary or (iii) any agreement or instrument binding upon it, except for such violations, conflicts, breaches or defaults as would not, with respect to each of clauses (i) and (iii), reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

3.3. Binding Effect. Each of the Loan Documents to which any Loan Party is a party constitutes a valid and binding agreement or instrument of such Loan Party, enforceable against such Loan Party in accordance with its respective terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or other similar Laws relating to the enforcement of creditors' rights generally and by general equitable principles.

3.4. Capitalization. The issued and outstanding Stock of each Loan Party and each Subsidiary as of the Closing Date is as set forth on Schedule 3.4. All issued and outstanding Stock of each Loan Party and each Subsidiary is duly authorized and validly issued (and, in the case of each Loan Party that is a corporation, fully paid and non-assessable), free and clear of all Liens other than those in favor of Lender, and such Stock was issued in compliance, in all material respects, with all applicable Laws. The identity of the holders of the Stock of each Loan Party (other than the Borrower, for whom only the identity of holders of Stock exceeding 5% of outstanding Stock shall be disclosed) and each Subsidiary and the percentage of their actual and fully diluted ownership of the Stock of each Loan Party and each Subsidiary, in each case as of the Closing Date, is set forth on Schedule 3.4. No shares of the Stock of any Loan Party or any Subsidiary, other than those described above, are issued and outstanding as of the Closing Date. Except as set forth on Schedule 3.4, as of the Closing Date there are no preemptive or other outstanding rights, options, warrants, conversion rights or similar agreements or understandings for the purchase or acquisition from any Loan Party or any Subsidiary of any Stock of any such entity.

3.5. Financial Information.

(a) Audited Statements. The consolidated balance sheet of Borrower and its Subsidiaries and the related consolidated statements of operations, stockholders' or, as applicable, members' equity and cash flows for the most recently ended Fiscal Year then ended for which financial statements have been delivered pursuant to Annex B hereto (or, if prior to the first delivery thereof, the most recent audited financials delivered on or prior to the Closing Date), in each case reported on by an independent certified public accounting firm of regional standing reasonably acceptable to Lender, copies of which have been delivered to Lender from time to time pursuant to the terms of this Agreement, fairly present in all material respects, in conformity with GAAP, the consolidated financial position of Borrower and its Subsidiaries as of such date and their consolidated results of operations, changes in stockholders' or, as applicable, members' equity and cash flows for such period.

(b) Unaudited Statements. The unaudited consolidated balance sheet of Borrower and its Subsidiaries and the related unaudited consolidated statements of operations and cash flows for the most recently ended Fiscal Quarter then ended for which financial statements have been delivered pursuant to Annex B hereto (or, if prior to the first delivery thereof, the most recent quarterly financials delivered on or prior to the Closing Date), copies of which have been delivered to Lender from time to time pursuant to the terms of this Agreement, fairly present in all material respects, in conformity with GAAP, the consolidated financial position of Borrower and its Subsidiaries as of such date and their consolidated results of operations and cash flows for the Fiscal Quarter then ended (subject to normal year-end adjustments and the absence of footnote disclosures).

(c) [Reserved].

(d) Projections. The Projections delivered on the date hereof and from time to time pursuant to this Agreement in each case have been prepared by Borrower in light of the past operations of its businesses, but including future payments of known contingent liabilities, and reflect projections for the three-year period ending December 31, 2026, on a month-by-month basis for the first year and on a year-by-year basis thereafter. The Projections are based upon the same accounting principles as those used in the preparation of the Financial Statements described above and the estimates and assumptions stated therein, all of which Borrower believes to be reasonable and fair in light of current conditions and current facts known to any Loan Party and, as of the Closing Date or such later date of delivery thereof, reflect Borrower's good faith and reasonable estimates of the future financial performance of Borrower and its Subsidiaries for the period set forth therein. The Projections are not a guaranty of future performance, and actual results may differ materially from the Projections.

(e) No Material Adverse Effect. Since December 31, 2022, there has been no Material Adverse Effect.

3.6. Litigation. Except as set forth on Schedule 3.6, there are no actions, suits, proceedings, claims or disputes pending, or to the best knowledge of each Loan Party, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, against any Loan Party, any Subsidiary or any of their respective properties which individually or in the aggregate:

(a) purport to affect or pertain to this Agreement, any other Loan Document, or any of the transactions contemplated hereby or thereby;

(b) would reasonably be expected to result, either individually or in the aggregate as to all Loan Parties, monetary judgment(s) in an amount that would reasonably be expected to result in a Material Adverse Effect; or

(c) seek an injunction or other equitable or non-monetary relief which could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

No injunction, writ, temporary restraining order or any order of any nature has been issued by any court or other Governmental Authority purporting to enjoin or restrain the execution, delivery or performance of this Agreement or any other Loan Document, or directing that the transactions provided for herein or therein not be consummated as herein or therein provided. Except as set forth on Schedule 3.6, as of the Closing Date, no Loan Party or any Subsidiary is the subject of an audit or, to each Loan Party's knowledge, any review or investigation by any Governmental Authority (excluding the IRS and other taxing authorities) concerning the violation or possible violation of any requirement of Law. Borrower shall promptly disclose to Lender any changed circumstance or event, which causes any of the representations herein to be inaccurate or untrue.

3.7. Ownership of Property. Each Loan Party and each Subsidiary is the lawful owner of, has good and marketable title to and is in lawful possession of, or has valid leasehold interests in, all properties and other assets (real or personal, tangible, intangible or mixed) of material value and purported or reported to be owned or leased (as the case may be) by such Person, except as may have been disposed of in the Ordinary Course of Business or otherwise in compliance with the terms hereof.

3.8. No Default. No Default or Event of Default has occurred and is continuing. No Loan Party or any Subsidiary is in breach or default, nor has any Loan Party received any written notice stating a breach or default may exist, under or with respect to any contract, agreement, lease or other instrument to which it is a party or by which its property is bound or affected, except where the consequences, direct or indirect, of such breach or default, if any, could not reasonably be expected to cause a Material Adverse Effect.

3.9. Labor Matters. There are no strikes or other labor disputes pending or, to any Loan Party's knowledge, threatened against any Loan Party or any Subsidiary. Hours worked and payments made to the employees of the Loan Parties and the Subsidiaries have not been in material violation of the Fair Labor Standards Act or any other applicable Law dealing with such matters. All payments due from the Loan Parties and the Subsidiaries, or for which any material claim may be made against any of them, on account of wages and employee and retiree health and welfare insurance and other benefits have been paid or accrued as a liability on their books, as the case may be. The consummation of the transactions contemplated by the Loan Documents will not give rise to a right of termination or right of renegotiation on the part of any union under any collective bargaining agreement to which it is a party or by which it is bound.

3.10. Regulated Entities. No Loan Party or any Subsidiary is an "investment company" or a company "controlled" by an "investment company" or a "subsidiary" of an "investment company," all within the meaning of the Investment Company Act of 1940.

3.11. Margin Regulations. None of the proceeds from the Advances have been or will be used, directly or indirectly, for the purpose of purchasing or carrying any Margin Stock, for the purpose of reducing or retiring any indebtedness which was originally incurred to purchase or carry any Margin Stock or for any other purpose which could reasonably be expected to cause any of the Advances to be considered a "purpose credit" within the meaning of Regulation T, U or X of the Federal Reserve Board.

3.12. Compliance With Laws; Anti-Terrorism Laws.

(a) Laws Generally. Each Loan Party and each Subsidiary is in compliance in all respects with the requirements of all applicable Laws, except where noncompliance would not reasonably be expected to have a Material Adverse Effect.

(b) Foreign Assets Control Regulations and Anti-Money Laundering. Each Loan Party and each Subsidiary and their respective directors, officers and employees and, to the best knowledge of each of them, their agents, is in compliance in all material respects with all applicable sanctions administered or enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), the U.S. Department of State, or other relevant sanctions authority, and all applicable anti-money laundering and counter-terrorism financing provisions of the Bank Secrecy Act and all regulations issued pursuant to it (collectively, "Sanctions"). No Loan Party and no Subsidiary or Affiliate of a Loan Party, including, to their knowledge, any director, officer, employee or agent, is an individual or an entity that is (i) a Person designated by the U.S. government on the list of the Specially Designated Nationals and Blocked Persons (the "SDN List") with which a U.S. Person cannot deal or otherwise engage in business transactions, (ii) a Person who is otherwise the target of Sanctions such that a Person cannot deal or otherwise engage in business transactions with such Person, or (iii) is controlled by (including by virtue of such person being a director (or manager) or owning voting shares or interests), or acts, directly or indirectly, for or on behalf of, any person or entity on the SDN List or a foreign government that is the target of Sanctions such that the entry into, or performance under, this Agreement or any other Loan Document would be prohibited under Law.



(c) USA Patriot Act. The Loan Parties, each Subsidiary and each of their Affiliates are in compliance with the Trading with the Enemy Act, and each of the foreign assets control regulations of the U.S. Treasury Department and any other enabling legislation or executive order relating thereto, the USA Patriot Act, and any other federal or state Laws relating to "know your customer" and anti-money\_laundering rules and regulations. No part of the proceeds of any Advance will be used directly or indirectly for any payments to any government official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977.

(d) None of the funds of any Loan Party that are used to repay any obligation under this Agreement shall constitute property of, or shall be beneficially owned directly or indirectly by, any Person that is the subject of Sanctions.

3.13. Taxes. All federal, state and all other material Tax returns, reports and statements required to be filed by or on behalf of each Loan Party and Subsidiary have been filed with the appropriate Governmental Authorities in all jurisdictions in which such returns, reports and statements are required to be filed and, except to the extent subject to a Permitted Contest, all Taxes (including real property Taxes) and other charges shown to be due and payable in respect thereof owing by a Loan Party or a Subsidiary have been timely paid prior to the date on which any fine, penalty, interest, late charge or loss may be added thereto for nonpayment thereof. Each of the Loan Parties is solely a resident for tax purposes of the United States and has no office, branch or permanent establishment outside of the United States.

3.14. Compliance with ERISA.

(a) ERISA Plans. Each ERISA Plan (and the related trusts and funding agreements) complies in form and in operation with, has been administered in compliance with, and the terms of each ERISA Plan satisfy the requirements of, applicable Law including ERISA and the IRC in all material respects. Each ERISA Plan which is intended to be qualified under Section 401(a) of the IRC is so qualified, and the IRS has issued a favorable determination or opinion letter with respect to each such ERISA Plan which may be relied on currently. No Loan Party or any Subsidiary has incurred liability for any material excise tax under any of Sections 4971 through 5000A of the IRC.

(b) Pension Plans and Multiemployer Plans. During the thirty-six (36) month period prior to the Closing Date or the making of any Advance or the issuance of any Letter of Credit, (i) no steps have been taken to terminate any Pension Plan that could reasonably be expected to result in a material payment liability to any Loan Party or any Subsidiary and (ii) no contribution failure has occurred with respect to any Pension Plan sufficient to give rise to a Lien under ERISA or the IRC. No condition exists or event or transaction has occurred with respect to any ERISA Plan or Multiemployer Plan which could result in the incurrence by any Loan Party or any Subsidiary of any material liability, fine, Tax or penalty. No Loan Party or any Subsidiary has incurred liability to the PBGC (other than for current premiums) with respect to any Pension Plan or Multiemployer Plan. Except as could not reasonably be expected to result in a material payment liability to any Loan Party or any Subsidiary, all contributions (if any) have been made on a timely basis to any Multiemployer Plan that are required to be made by any Loan Party, any Subsidiary or any ERISA Affiliate under the terms of the plan or of any collective bargaining agreement or by applicable Law. No Loan Party, Subsidiary or any ERISA Affiliate has withdrawn or partially withdrawn from any Multiemployer Plan, incurred any withdrawal liability with respect to any such plan or received notice of any claim or demand for withdrawal liability or partial withdrawal liability from any such plan, and no condition has occurred which, if continued, could result in a withdrawal or partial withdrawal from any such plan. No Loan Party, Subsidiary or any ERISA Affiliate has received any notice with respect to any Multiemployer Plan, that increased contributions may be required to avoid a reduction in plan benefits or the imposition of any excise Tax, that any such plan is or has been funded at a rate less than that required under Section 412 of the IRC, that any such plan is or may be terminated, or that any such plan is or may become insolvent.

(c) ERISA Compliance. No Loan Party is as of the Closing Date, or will become on or after the Closing Date, (a) an employee benefit plan subject to Part 4 of Subtitle B of Title I of ERISA, (b) a plan or account subject to Section 4975 of the IRC, (c) an entity deemed to hold "plan assets" of any such plans or accounts for purposes of ERISA or the IRC, as determined pursuant to Section 3(42) of ERISA, or (d) a "governmental plan" within the meaning of Section 3(32) of ERISA.

3.15. Brokers. Except for fees contractually incurred by a Loan Party or Affiliate of a Loan Party and payable in full on or prior to the Closing Date, no Loan Party or Affiliate of a Loan Party has any obligation to any broker, finder or other intermediary in respect of any finder's or brokerage fees in connection with any Loan Document.

3.16. [Reserved].

3.17. Environmental Compliance.

(a) Hazardous Materials. With respect to Borrower and each Subsidiary, (i) no Hazardous Materials are located on any properties now or previously owned, leased or operated by Borrower or any Subsidiary or have been released into the environment, or deposited, discharged, placed or disposed of at, on, under or near any of such properties in a manner that would require the taking of any action under any Environmental Law and that have given rise to, or could reasonably be expected to give rise to, remediation costs and expenses on the part of the Loan Parties in excess of \$500,000; (ii) no portion of any such property is being used or to the knowledge of any Loan Party has been used at any previous time, for the disposal, storage, treatment, processing or other handling of Hazardous Materials in violation of any Environmental Law; (iii) no such property is affected by any Hazardous Materials Contamination that could reasonably be expected to result, individually or in the aggregate, in liability (including for remediation costs and expenses) to the Borrower and its Subsidiaries in excess of \$500,000; and (iv) all oral or written notifications of a release of Hazardous Materials known to a Loan Party and required to be filed by or on behalf of any Loan Party or any Subsidiary under any applicable Environmental Law have been filed or are in the process of being timely filed by or on behalf of the applicable Loan Party or Subsidiary.

(b) Notices Regarding Environmental Compliance. Except in each case as set forth on Schedule 3.17, no notice, notification, demand, request for information, citation, summons, complaint or order has been issued, no complaint has been filed, and no penalty has been assessed and no investigation or review is pending, or to any Loan Party's knowledge, threatened in writing by any Governmental Authority or other Person with respect to, in any such case, any (i) alleged violation by any Loan Party or any Subsidiary of any Environmental Law, (ii) alleged failure by any Loan Party or any Subsidiary to have any Environmental Permits required in connection with the conduct of its business or to comply with the terms and conditions thereof, (iii) any generation, treatment, storage, recycling, transportation or disposal of any Hazardous Materials, or (iv) release of Hazardous Materials.

(c) Properties Requiring Remediation. Except in each case as set forth on Schedule 3.17, no property now owned or leased by any Loan Party or any Subsidiary and, to the knowledge of each Loan Party, no such property previously owned or leased by any Loan Party, to or any Subsidiary which any Loan Party or any Subsidiary has, directly or indirectly, transported or arranged for the transportation of any Hazardous Materials, is listed or, to any Loan Party's knowledge, proposed for listing, on the National Priorities List promulgated pursuant to CERCLA, or CERCLIS (as defined in CERCLA) or any similar state list or is the subject of federal, state or local enforcement actions or, to the knowledge of any Loan Party, other investigations which may lead to claims against any Loan Party or any Subsidiary for clean-up costs, remedial work, damage to natural resources or personal injury claims, including claims under CERCLA.

(d) Underground Storage Tanks. Except in each case as set forth on Schedule 3.17, to the knowledge of the Loan Parties there are no underground storage tanks located on any property owned or leased by any Loan Party or any Subsidiary that are not properly registered or permitted under applicable Environmental Laws, or to Borrower's knowledge, that are leaking or disposing of Hazardous Materials.

(e) Environmental Liens. Except in each case as set forth on Schedule 3.17, there are no Liens under or pursuant to any applicable Environmental Laws on any real property or other assets owned or leased by any Loan Party or any Subsidiary, and no actions by any Governmental Authority have been taken or, to the knowledge of any Loan Party, are in process which could subject any of such properties or assets to such Liens.

For purposes of this Section 3.17, each Loan Party and each Subsidiary shall be deemed to include any business or business entity (including a corporation) which is, in whole or in part, an Affiliated predecessor or predecessor entity of such Loan Party (and not, for the avoidance of doubt, an unaffiliated third-party predecessor).

3.18. Intellectual Property. Except as set forth on Schedule 3.18 or as would not reasonably be expected to have a Material Adverse Effect, Borrower and each Subsidiary owns, is licensed to use or otherwise has the right to use, all Intellectual Property that is material to the condition (financial or other), business or operations of such Person. All Intellectual Property of Borrower and each Subsidiary existing as of the Closing Date and registered with any Governmental Authority is set forth on Schedule 3.18. Except as would not reasonably be expected to have a Material Adverse Effect, all Intellectual Property of Borrower and each Subsidiary is fully protected and/or duly and properly registered, filed or issued in the appropriate office and jurisdictions for such registrations, filings or issuances. To any Loan Party's knowledge, Borrower and each Subsidiary conducts its business without infringement or claim of infringement of any Intellectual Property rights of others and there is no infringement or claim of infringement by others of any material Intellectual Property rights of Borrower or any Subsidiary.

3.19. Real Property Interests. Except as set forth on Schedule 3.19, neither Borrower nor any Subsidiary has, as of the Closing Date, any ownership, leasehold or other interest in real property.

3.20. Full Disclosure. None of the information (financial or otherwise) furnished by or on behalf of any Loan Party or any Subsidiary to Lender pursuant to the Loan Documents or in connection with the consummation of the transactions contemplated by the Loan Documents, when taken as a whole and at the time of disclosure, does not contain any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading in light of the circumstances under which such statements were made. All Projections delivered to Lender have been prepared on the basis of the assumptions stated therein. Such Projections represent the Loan Parties' estimate of the future financial performance of the Loan Parties and their Subsidiaries and such assumptions were believed by the Loan Parties to be fair and reasonable in light of current business conditions at the time made; provided, that the Loan Parties can give no assurance that such Projections will be attained. As of the Closing Date, the information included in the Beneficial Ownership Certification, if applicable, is true and correct in all respects.

3.21. [Reserved].

3.22. Use of Proceeds. Borrower shall use the proceeds of the Advances solely as follows: (a) to pay costs and expenses required to be paid pursuant to Section 10.1, (b) for working capital, capital expenditures and other general corporate purposes not in contravention of any requirement of Law and not in violation of this Agreement or the other Loan Documents, and (c) from time to time, for Stock Buybacks permitted hereunder.

3.23. Insurance. Borrower and each Subsidiary thereof currently maintains all insurance that is required to be maintained pursuant to Section 4.4 hereof.

3.24. Deposit Accounts. Schedule 3.24 lists all banks and other financial institutions other than Lender at which any Loan Party maintains deposit or other accounts as of the Closing Date and Schedule 3.24 correctly identifies the name, address and telephone number of each depository, the name in which the account is held, a description of the purpose of the account, and the complete account number therefor.

3.25. Government Contracts. Except as set forth in Schedule 3.25, as of the Closing Date, no Loan Party is a party to any contract or agreement with any Governmental Authority and no Loan Party's accounts receivable are subject to the Federal Assignment of Claims Act (31 U.S.C. Section 3727) or any similar state or local Law.

3.26. [Reserved].

3.27. Bonding; Licenses. Except as set forth on Schedule 3.27, as of the Closing Date, no Loan Party or any Subsidiary is a party to or bound by any surety bond agreement or bonding requirement with respect to products or services sold by it or any trademark or patent license agreement with respect to products sold by it.

3.28. Solvency. Both before and after giving effect to, as applicable with respect to any date of determination pursuant to the terms of this Agreement: (a) the Advances and Letter of Credit Obligations to be made or incurred on the Closing Date or such other date as Advances and Letter of Credit Obligations requested hereunder are made or incurred, (b) the disbursement of the proceeds of such Advances pursuant to the instructions of Borrower, and (c) the payment and accrual of all transaction costs in connection with the foregoing, each Loan Party is and will be Solvent.

3.29. Affiliate Transactions. Except as set forth on Schedule 5.4, as of the date of this Agreement there are no existing or proposed agreements, arrangements, understandings, or transactions between any Loan Party and any of the officers, members, managers, directors, stockholders, parents, other interest holders, employees, or Affiliates (other than Subsidiaries) of any Loan Party or any members of their respective immediate families, and none of the foregoing Persons is directly or indirectly indebted to or has any direct or indirect ownership, partnership, or voting interest in any Affiliate of any Loan Party or any Person with which any Loan Party has a business relationship or which competes with any Loan Party (except that any such Persons may own stock in (but not exceeding 2.0% of the outstanding Stock of) any publicly traded company that may compete with a Loan Party).

3.30. Representations and Warranties in Loan Documents. All representations and warranties made by each Loan Party in the Loan Documents are true and correct in all material respects as of the date of this Agreement, the Closing Date, the date of making of each Loan (or other extension of credit) and as of any date that any Loan Party is expressly obligated to confirm the same under this Agreement or any other Loan Document.

3.31. Educational Approvals; Compliance with Educational Laws.

(a) Since the Compliance Date:

(i) Borrower, including its Subsidiaries and Schools, has received the material licenses, permits, and approvals of all Governmental Authorities and Educational Agencies necessary to conduct their businesses, including all material Educational Approvals necessary for each School to conduct its operations and offer its educational programs;

(ii) Borrower, including its Subsidiaries and Schools, has been in material compliance with all applicable Educational Laws and with the terms and conditions of all Educational Approvals;

(iii) no material application made by any School to any Governmental Authority or Educational Agency has been denied;

(iv) except as disclosed on Schedule 3.31, neither Borrower nor any of its Subsidiaries or Schools has received written notice from any Governmental Authority or Educational Agency that it has been placed on probation or ordered to show cause why any Educational Approval for any School or any of its educational programs should not be revoked;

(v) neither Borrower nor any of its Subsidiaries or Schools has received written notice that any current Educational Approval will not be renewed;

(vi) Borrower, including its Subsidiaries and Schools, has been in material compliance with any and all applicable Educational Laws relating to Financial Assistance Programs, including the program participation and administrative capability requirements, as defined by the DOE at 34 C.F.R. 668 subpart B, including 668.14 and 668.15-16, as well as the student eligibility requirements and satisfactory progress requirements, as defined by DOE at 34 C.F.R. § 668.31-39;

(vii) no School has received greater than ninety percent (90%) of its revenues from Title IV Programs, as such percentage is required to be calculated under 34 C.F.R. §§ 668.14 and 668.28;

(viii) each School has complied with the Cohort Default Rate regulations set forth in 34 C.F.R. Part 668, Subpart N;

(ix) each School has been in compliance, in all material respects, with the applicable limitations set forth in 34 C.F.R. § 600.7;

(x) Borrower, including its Subsidiaries and Schools, has obtained or maintained all material Educational Approvals required to operate each additional campus, location, or facility of the Schools opened or acquired after the date of this Agreement and required in order to disburse Title IV Program funds to students at such additional campus, location, or facility, as applicable;

(xi) Borrower, including its Subsidiaries and Schools, has timely reported, in compliance in all material respects with the applicable provisions of 34 C.F.R. Part 600: (x) the addition of any new educational programs or locations; and (y) any shifts in ownership or control, including any changes in reported ownership levels or percentages;

(xii) Borrower, including its Subsidiaries and Schools, has complied, in all material respects, with all Educational Laws related to the closure or cessation of instruction at any location or facility, including requirements for teaching out students from such location or facility;

(xiii) Borrower, including its Subsidiaries and Schools, has complied, in all material respects, with the DOE requirements that no student receive a disbursement of Title IV Program funds prior to the date for which such student was eligible for such disbursement;

(xiv) Borrower, including its Subsidiaries and Schools, have not violated in any material respect any of the Title IV Program requirements, as set forth at 20 U.S.C. § 1094(a)(20) and implemented at 34 C.F.R. § 668.14(b)(22), regarding the payment of a commission, bonus, or other incentive payment based directly or indirectly on success in securing enrollments or financial aid to any Person engaged in any student recruiting or admission activities or in making decisions regarding the awarding of Title IV Program funds;

(xv) Borrower, including its Subsidiaries and Schools, has complied, in all material respects, with 20 U.S.C. § 1085(d)(5) and 34 C.F.R. § 682.212 regarding prohibited inducements in the Federal Family Education Loan Program;

(xvi) each School has complied, in all material respects, with the Educational Laws prohibiting any School, employee, agent or official thereof from accepting any gift, payment, inducement, benefit, staffing assistance, advisory board position, or other thing of value in exchange for directing Educational Loan or Private Educational Loan applications to any lender;

(xvii) neither Borrower nor any of its Subsidiaries or Schools has received any written notice of any investigation by any Educational Agency or other Governmental Authority regarding Borrower's, any Subsidiary's or any School's student lending practices;

(xviii) neither Borrower, nor any of its Subsidiaries or Schools, has provided any educational instruction on behalf of any other institution or organization of any sort, and no other institution or organization of any sort has provided any educational instruction on behalf of any School;

(xix) Borrower, including its Subsidiaries and Schools, has materially complied with the DOE's financial responsibility requirements in accordance with 34 C.F.R. § 668.171-175 not including any compliance based on the posting of an irrevocable letter of credit in favor of the DOE or the placement by the DOE in the "zone alternative" as set forth at 34 C.F.R. § 668.175(d);

(xx) except as disclosed on Schedule 3.27 and for state surety bonds required for the purposes of licensure or authorization by any Governmental Authority or Educational Agency, neither Borrower, nor any of its Subsidiaries or Schools have received written notice of a request by any Governmental Authority or Educational Agency requiring Borrower, any Subsidiary or any School to post a letter of credit or other form of surety for any reason, including any request for a letter of credit based on late refunds pursuant to 34 C.F.R. § 668.173, or received any request or requirement that the School process its Title IV Program funding under the reimbursement or heightened cash monitoring procedures, other than Heightened Cash Monitoring Level 1 procedures, as those procedures are set forth at 34 C.F.R. § 668.162, and other than as disclosed on Schedule 3.31;

(xxi) Borrower, including its Subsidiaries and Schools, has complied in all material respects with Educational Laws regarding misrepresentation, including 34 C.F.R. Part 668 Subpart F;

(xxii) Borrower, including its Subsidiaries and Schools, has complied, in all material respects, with the consumer disclosure requirements in 34 C.F.R. Part 668 Subpart D;

(xxiii) each School has complied, in all material respects, with any applicable Educational Laws regarding that School's completion, placement, withdrawal and retention rates, and, to Borrower's knowledge, has accurately calculated and reported all such rates;

(xxiv) neither Borrower nor its Subsidiaries, nor any Person that exercises Substantial Control (as that term is defined at 34 C.F.R. § 668.174(c)(3)) over Borrower or any Subsidiary of Borrower or any School, or member of such person's family (as the term "family" is defined in 34 C.F.R. § 668.174(c)(4)), alone or together, (i) exercises or exercised Substantial Control over another institution or third-party servicer (as that term is defined in 34 C.F.R. § 668.2) that owes a liability for a violation of a Title IV Program requirement or (ii) owes a liability for a Title IV Program violation;

(xxv) to the knowledge of Borrower, neither Borrower nor any of its Subsidiaries or Schools have employed in a capacity involving administration of Title IV Program funds, any individual who has been convicted of, or has pled nolo contendere or guilty to, a crime involving the acquisition, use or expenditure of funds of a Governmental Authority or Educational Agency, or has been administratively or judicially determined to have committed fraud or any other material violation of law involving funds of any Governmental Authority or Educational Agency;

(xxvi) to the knowledge of Borrower, neither Borrower nor any of its Subsidiaries or Schools have contracted with an institution or third-party servicer that has been terminated under § 487 of the HEA for a reason involving the acquisition, use, or expenditure of funds of a Governmental Authority or Educational Agency, or has been administratively or judicially determined to have committed fraud or any other material violation of law involving funds of any Governmental Authority or Educational Agency;

(xxvii) neither Borrower nor any of its Subsidiaries, nor any owner that has the power, by contract or ownership interest, to direct or cause the direction or management of policies of any School has filed for relief in bankruptcy or had entered against it an order for relief in bankruptcy;

(xxviii) neither Borrower nor any of its Subsidiaries, or any officer of Borrower or a Subsidiary or a School has pled guilty to, pled nolo contendere, or been found guilty of, a crime involving the acquisition, use or expenditure of funds under the Title IV Programs or been judicially determined to have committed fraud involving funds under the Title IV Programs;

(xxix) to the knowledge of Borrower, neither Borrower nor any of its Subsidiaries or Schools has contracted with any Person that has been, or whose officers or employees have been, convicted of, or pled nolo contendere or guilty to, a crime involving the acquisition, use or expenditure of funds of any Governmental Authority or Educational Agency, or administratively or judicially determined to have committed fraud or any other material violation of law involving funds of any Governmental Authority or Educational Agency; and

(xxx) Borrower, its Subsidiaries and each School has complied, in all material respects, with all applicable requirements regarding the safeguarding of student records, including the Family Educational Rights and Privacy Act (20 U.S.C. § 1232g; 34 C.F.R. Part 99).

(b) Each current Educational Approval is in full force and effect, and no proceeding for the suspension, material limitation, revocation, termination or cancellation of any Educational Approval is pending or, to the knowledge of Borrower, threatened.

(c) Each School (i) is an "eligible institution," as defined in 34 C.F.R. § 600.2 (and the other applicable sections incorporated therein by reference) and each School is a "proprietary institution of higher education" as defined at 34 C.F.R. § 600.5; (ii) is in material compliance with the applicable "state authorization" requirements set forth at 34 C.F.R. § 600.9 and meets the qualifications to be licensed by the applicable Governmental Authorities and Educational Agencies; and (iii) is accredited by the applicable Accrediting Bodies, and has been certified by the DOE as an eligible institution of higher education and is a party to a program participation agreement with the DOE.

(d) To the knowledge of Borrower, no fact or circumstance exists or is reasonably likely to occur that would reasonably be expected to result in the delay, termination, revocation, suspension, restriction or failure to obtain renewal of any Educational Approval or the imposition of any material fine, penalty or other sanctions for violation of any legal or regulatory requirements relating to any Educational Approval;

(e) Borrower, including its Subsidiaries and Schools, is in material compliance with all Educational Agency, DOE, and other Governmental Authority requirements and regulations, including requirements set forth at 34 C.F.R. § 668.22, relating to (i) fair and equitable refunds policy and (ii) the calculation and timely repayment of federal and nonfederal funds.

(f) To the knowledge of Borrower, there exist no facts or circumstances attributable to Borrower, its Subsidiaries or Schools or any other Person that exercises Substantial Control (as that term is defined at 34 C.F.R. § 668.174(c)(3)) with respect to Borrower, its Subsidiaries or Schools, that would, individually or in the aggregate, reasonably be expected to materially and adversely affect Borrower's, any Subsidiary's or any School's ability to obtain any required notices or consents under Educational Laws, Educational Approval or other consent or approval that must be obtained in connection with the transactions under the Loan Documents.

#### 4. AFFIRMATIVE COVENANTS

Borrower agrees that from and after the date hereof and until the Termination Date:

4.1. Maintenance of Existence and Conduct of Business. Borrower shall and shall cause its Subsidiaries to (a) do or cause to be done all things necessary to preserve and keep in full force and effect its corporate and, as applicable, limited liability company or other organizational existence and its material rights and franchises, (b) continue to conduct its business substantially as now conducted or as otherwise permitted hereunder, (c) at all times maintain, preserve and protect all of its assets and properties used or useful in the conduct of its business, and keep the same in good repair, working order and condition in all material respects (ordinary wear and tear and damage by casualty to the extent covered by insurance complying with the terms of this Agreement and any applicable provision of any other Loan Document excepted) and from time to time make, or cause to be made, all necessary or appropriate repairs, replacements and improvements thereto consistent with industry practices, except as could not reasonably be expected to have a Material Adverse Effect, and (d) transact its material business operations only in such corporate (or, as applicable, limited liability company or other organizational) and trade names as are set forth in Schedule 4.1 (or otherwise set forth in any relevant joinder documentation or otherwise notified to Lender in writing).



4.2. Payment of Charges.

(a) Subject to Section 4.2(b), Borrower shall, and shall cause each of its Subsidiaries to, pay and discharge or cause to be paid and discharged promptly all Charges payable by it, including (i) Charges imposed upon it, its income and profits, or any of its property (real, personal or mixed) and all Charges with respect to Tax, social security and unemployment withholding with respect to its employees, (ii) lawful claims for labor, materials, supplies and services or otherwise, and (iii) all storage or rental charges payable to warehousemen, processors and bailees, in each case, before any thereof shall become past due, except in the case of clauses (ii) and (iii) where the failure to pay or discharge such Charges would not result reasonably be expected to have a Material Adverse Effect.

(b) Borrower (on behalf of itself or any Subsidiary) may in good faith contest, by appropriate proceedings, the validity or amount of any Charges, Taxes or claims described in Section 4.2(a); *provided*, that (i) adequate reserves with respect to such contest are maintained on the books of Borrower or such Subsidiary, in accordance with GAAP; (ii) no Lien (other than a Permitted Encumbrance) shall be imposed to secure payment of such Charges that is superior to any of the Liens securing payment of the Obligations and such contest is maintained and prosecuted continuously and with diligence and operates to suspend collection or enforcement of such Charges, (iii) none of the Collateral becomes subject to forfeiture or loss as a result of such contest, and (iv) Borrower shall (or cause such Subsidiary to) promptly pay or discharge such contested Charges, Taxes or claims and all additional charges, interest, penalties and expenses, if any, and shall deliver to Lender evidence reasonably acceptable to Lender of such compliance, payment or discharge, if such contest is terminated or discontinued adversely to such Loan Party or the conditions set forth in this Section 4.2(b) are no longer met.

4.3. Books and Records. Borrower shall, and shall cause each of its Subsidiaries to, keep adequate books and records with respect to its business activities in which proper entries, reflecting all financial transactions, are made in accordance with GAAP and on a basis consistent with the Financial Statements delivered to Lender on or prior to the Closing Date.

4.4. Insurance. Borrower shall, and shall cause each of its Subsidiaries to, maintain with financially sound and reputable insurance companies, (a) adequate insurance for its insurable properties, all to such extent and against such risks, including fire, casualty, business interruption and other risks insured against by extended coverage, as is customary with companies in the same or similar businesses operating in the same or similar locations, and (b) such other insurance as is required pursuant to the terms of any Collateral Document.

4.5. Compliance with Laws. Borrower shall, and shall cause each of its Subsidiaries to, comply with all federal, state, local and foreign Laws and regulations applicable to it, including ERISA, labor Laws, and Environmental Laws and Environmental Permits, except to the extent that the failure to comply, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. Each Loan Party and each Subsidiary will maintain in effect policies and procedures reasonably designed to ensure compliance by them and their respective directors, officers, employees and agents with applicable Sanctions. Each Loan Party and each Subsidiary will comply with commercially reasonable requests by Lender for information or documentation necessary to ensure that each Loan Party and Subsidiary is compliant with any applicable federal or state laws and not engaged in any act or omission that would cause Lender to be in breach of any applicable Law. Without limiting the generality of the foregoing and notwithstanding any limitation contained therein, Borrower shall maintain all Educational Approvals and specialized accrediting agency approvals necessary to conduct its operations and offer its educational programs, except where the failure to maintain such Educational Approvals or specialized accrediting agency approvals could not reasonably be expected to result in a Material Adverse Effect.

4.6. [Reserved].

4.7. Intellectual Property. Borrower shall, and shall cause each of its Subsidiaries to, (a) conduct its business and affairs without infringement of or interference with any Intellectual Property of any other Person in any material respect and shall comply in all material respects with the terms of its Licenses and (b) maintain and preserve at all times all Intellectual Property which is material to the business or operations of Borrower or any of its Subsidiaries.

4.8. Environmental Matters. Borrower shall and shall cause each of its Subsidiaries to (a) conduct its operations and keep and maintain its Real Estate in compliance with all Environmental Laws and Environmental Permits other than noncompliance that could not reasonably be expected to have a Material Adverse Effect and (b) promptly notify Lender of any notice, claim, event or occurrence that could reasonably be expected to give rise to a material liability under Environmental Laws or Environmental Permits.

4.9 [Reserved].

4.10 [Reserved].

4.11. Cash Management. On or prior to the date that is ninety (90) days after the Closing Date (or such later time as Lender may agree), Borrower and each Subsidiary will establish, and will maintain until the Termination Date, its primary banking relationship, depository and operating accounts and cash management services with Lender; provided that, the Loan Parties may maintain depository and operating accounts permitted under Section 5.2(c)(ii). Borrower authorizes Lender to automatically and without further notice to charge Borrower's account specified on Schedule 4.11 (or such other account held with Lender as is specified by Borrower and approved by Lender from time to time after the Closing Date) for all Obligations then owing under any Loan Document.

4.12. Maintenance of Property; Material Contracts. Without limitation of Section 4.7(b), Borrower shall (a) maintain and preserve, and shall cause each of its Subsidiaries to maintain and preserve, all its property which is used or useful in its business in good working order and condition, ordinary wear and tear excepted and shall make all necessary repairs thereto and renewals and replacements thereof, except where the failure to do so would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect and (b) perform and observe all the terms and provisions of each Material Contract to be performed or observed by it, maintain each such Material Contract in full force and effect, enforce each such Material Contract in accordance with its terms, take all such action to such end as may be from time to time requested by Lender and, upon request of Lender, make to each other party to each such Material Contract such demands and requests for information and reports or for action as any Loan Party or any of its Subsidiaries is entitled to make under such Material Contract, and cause each of its Subsidiaries to do so. Borrower will notify Lender in writing, within ten Business Days after the earlier of the date on which Borrower or any of its Subsidiaries learns of, or is notified of the occurrence of, any breach by Borrower or any Subsidiary of, a notice of termination or acceleration of, or any demand for adequate assurances under, any Material Contract.

4.13. Inspection of Property and Books and Records. Borrower shall, and shall cause each of its Subsidiaries to, during normal business hours and upon reasonable advance written notice (unless an Event of Default shall have occurred and be continuing, in which event no notice shall be required and Lender shall have access at any and all times during the continuance thereof): (i) provide access to any of its properties to Lender and any of its Related Persons, as frequently as Lender determines to be appropriate; and (ii) permit Lender and any of its Related Persons to inspect and make extracts and copies from all of such Person's books and records, in each instance, at the Loan Parties' sole cost and expense; *provided* that the Loan Parties shall only be obligated to reimburse Lender for the expenses for (x) two such inspections per year when no Event of Default has occurred and is continuing and (y) each such inspection initiated when an Event of Default has occurred and is continuing.

4.14. Use of Proceeds. Borrower shall use the proceeds of the Advances solely as follows: (a) to pay costs and expenses required to be paid pursuant to Section 10.1, and (b) for working capital, capital expenditures and other general corporate (and, as applicable, limited liability company or other organizational) purposes not in contravention of any requirement of Law and not in violation of this Agreement or the other Loan Documents.

4.15. Further Assurances.

(a) Borrower shall, and shall cause each of its Subsidiaries to, ensure that all written information, exhibits and reports furnished to Lender, when taken as a whole and at the time furnished, do not and will not contain any untrue statement of a material fact and do not and will not omit to state any material fact or any fact necessary to make the statements contained therein not misleading in light of the circumstances in which made, and will promptly disclose to Lender and correct any defect or error that may be discovered therein or in any Loan Document or in the execution, acknowledgement or recordation thereof.

(b) Promptly upon request by Lender, the Loan Parties shall and, subject to the limitations set forth herein and in the Collateral Documents, shall cause each of their Subsidiaries to take such additional actions and execute such documents as Lender may reasonably require from time to time in order (i) to carry out more effectively the purposes of this Agreement or any other Loan Document, (ii) to subject to the Liens created by any of the Collateral Documents any of the properties, rights or interests covered by any of the Collateral Documents, (iii) to perfect and maintain the validity, effectiveness and priority of any of the Collateral Documents and the Liens intended to be created thereby, and (iv) to better assure, convey, grant, assign, transfer, preserve, protect and confirm to Lender the rights granted or now or hereafter intended to be granted to Lender under any Loan Document. Without limiting the generality of the foregoing and except as otherwise approved in writing by Lender, the Loan Parties shall cause each of their Domestic Subsidiaries and any Person formed or created as a result of a statutory division of a Loan Party, within thirty (30) days (or such longer period to which Lender consents in its sole discretion) after formation, creation or acquisition thereof, to guaranty the Obligations and grant to Lender a security interest in such Person's personal property, subject to the limitations set forth herein and in the applicable Collateral Documents, to secure such guaranty.

(c) Furthermore and except as otherwise approved in writing by Lender, each Loan Party shall pledge all of the Stock of each of the Subsidiaries directly owned by it to Lender to secure the Obligations, concurrently with such Loan Party becoming a Loan Party; provided that such percentage of the outstanding voting Stock of any Foreign Subsidiary shall be reduced to 65% if a greater percentage shall result in material U.S. adverse tax consequences. In connection with each pledge of Stock, the Loan Parties shall deliver, or cause to be delivered, to Lender, irrevocable proxies and stock powers and/or assignments, as applicable, duly executed in blank.

(d) The Loan Parties shall deliver, or cause to be delivered, to Lender appropriate resolutions, secretary certificates, certified Organizational Documents and, if requested by Lender, legal opinions relating to the matters described in this Section 4.15 (which opinions shall be in form and substance reasonably acceptable to Lender and, to the extent applicable, substantially similar to the opinions delivered on the Closing Date), in each instance with respect to each Loan Party formed or acquired after the Closing Date. In addition to, and without limiting, any of the foregoing, promptly following any request therefor, the Loan Parties shall deliver, or cause to be delivered, to Lender: (i) such other information regarding the operations, material changes in ownership of Stock, business affairs and financial condition of any Loan Party or any Subsidiary, or compliance with the terms of this Agreement, as Lender may reasonably request and (ii) information and documentation reasonably requested by Lender for purposes of compliance with applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act.

(e) Unless otherwise agreed by Lender, each Subsidiary, whether existing on the Closing Date or acquired thereafter, shall be a Wholly-Owned direct or indirect Domestic Subsidiary of Borrower.

## 5. NEGATIVE COVENANTS

Borrower agrees that from and after the date hereof and until the Termination Date:

5.1. Asset Dispositions, Etc. Except as expressly permitted under Sections 5.8, 5.11 or 5.13, Borrower shall not, nor shall it permit any of its Subsidiaries to, directly or indirectly, sell, assign, lease, convey, transfer, undergo a statutory division or otherwise dispose of (whether in one or a series of transactions) any property (including the Stock of any Subsidiary, whether in a public or a private offering or otherwise, and accounts and notes receivable, with or without recourse) or enter into any agreement to do any of the foregoing, except:

(a) dispositions to any Person other than Borrower or an Affiliate of Borrower (i) in the Ordinary Course of Business to any Person other than an Affiliate of Borrower of inventory or (ii) of worn-out, obsolete or surplus equipment, Intellectual Property, tangible personal property or Investments;

(b) so long as no Default has occurred and is continuing or would arise therefrom, sales of delinquent notes or accounts receivable in the ordinary course of business for purposes of collection only (and not for the purpose of any bulk sale, securitization or similar transaction);

(c) licenses, sublicenses or subleases granted to others not interfering in any material respect with the business of Borrower and its Subsidiaries;

(d) Investments permitted by Section 5.2(e);

(e) dispositions (other than of the Stock of any Subsidiary of any Loan Party) not otherwise permitted hereunder which are made for fair market value; *provided*, that (i) at the time of any disposition, no Event of Default shall exist or shall result from such disposition, (ii) not less than 75% of the aggregate consideration for such disposition shall be paid in cash, and (iii) the aggregate fair market value of all assets so sold by Borrower and its Subsidiaries, together, shall not exceed \$2,000,000 in any Fiscal Year;

(f) (i) dispositions of Cash Equivalents in the Ordinary Course of Business made to a Person that is not an Affiliate of any Loan Party and (ii) conversions of Cash Equivalents into cash or other Cash Equivalents; and

(g) sale of Euphoria Acquisition, LLC and/or the School and related assets in Las Vegas, Nevada known as Euphoria Institute of Beauty Arts & Sciences.

5.2. Investments; Loans and Advances. Borrower shall not, nor shall it permit any of its Subsidiaries to, make or permit to exist any Investment in, or make, accrue or permit to exist loans or advances of money to, any Person, through the direct or indirect lending of money, holding of securities or otherwise, except that Borrower and each of its Subsidiaries may:

(a) hold investments comprised of notes payable, or stock or other securities issued by account debtors to such Person pursuant to negotiated agreements with respect to settlement of such account debtor's accounts receivable in the Ordinary Course of Business, consistent with past practices;

(b) maintain its existing Investments (including in its Subsidiaries) outstanding on the Closing Date (with respect to Investments other than Stock of Subsidiaries, as set forth on Schedule 5.2);

(c) maintain deposit and other accounts with (i) Lender and (ii) without limiting Section 4.11, other financial institutions so long as the aggregate amount thereof does not exceed \$5,000,000, provided that such amount may be exceeded with the consent of Lender (which consent may be withheld in its sole discretion, and may be conditioned on the obtaining of a deposit account control agreement from such other financial institution in form and substance satisfactory to Lender);

(d) make Investments in cash and Cash Equivalents;

(e) make Investments by a Loan Party in a Loan Party;

(f) make Permitted Acquisitions;

(g) consummate Stock Buybacks from time to time as permitted under Section 5.12; and

(h) make other Investments not exceeding \$1,000,000 in the aggregate at any time outstanding.

### 5.3. Indebtedness.

Borrower shall not, nor shall it permit any of its Subsidiaries to, create, incur, assume or permit to exist any Indebtedness, except (without duplication):

(a) Indebtedness secured by purchase money security interests and Capital Leases permitted in Section 5.7(c);

(b) the Advances and the other Obligations;

(c) unfunded employee benefit plan obligations and liabilities to the extent they are permitted to remain unfunded under applicable Law;

(d) existing Indebtedness described on Schedule 5.3 and refinancings thereof or amendments or modifications thereof that do not have the effect of increasing the principal amount thereof (except for increases by any amount necessary to cover reasonable fees and expenses incurred in connection therewith) or changing the amortization thereof (other than to extend the same) and that are otherwise on terms and conditions no less favorable (except for any increase in interest or fee rates to then-market rates) to any Loan Party or Lender, as determined by Lender, than the terms of the Indebtedness being refinanced, amended or modified;

(e) to the extent constituting Indebtedness, Contingent Obligations permitted pursuant to Section 5.6;

(f) intercompany Indebtedness owing by Borrower or a Subsidiary to Borrower or a Subsidiary as a result of an Investment permitted by Section 5.2(e);

(g) Indebtedness owed to any Person providing workers' compensation, health, disability or other employee benefits or property, casualty or liability insurance, pursuant to reimbursement or indemnification obligations to such Person, in each case incurred in the ordinary course of business;

(h) Indebtedness of any Loan Party in respect of performance bonds, bid bonds, appeal bonds, surety bonds and similar obligations, in each case provided in the Ordinary Course of Business; and

(i) other unsecured Indebtedness not to exceed \$1,500,000 in the aggregate outstanding at any time.

5.4. Employee Loans and Affiliate Transactions.

Borrower shall not, nor shall it permit any of its Subsidiaries to, enter into any transaction with any Affiliate of Borrower or of any such Subsidiary, except:

(a) as expressly permitted by this Agreement;

(b) in the Ordinary Course of Business and pursuant to the reasonable requirements of the business of such Loan Party or Subsidiary upon fair and reasonable terms no less favorable to such Loan Party or Subsidiary than would be obtained in a comparable arm's length transaction with a Person not an Affiliate of Borrower or such Subsidiary, in each case, exclusive of any loans or advances except to the extent expressly permitted by Sections 5.3(i), 5.4(e) and 5.4(d);

(c) loans or advances to employees of Borrower or a Subsidiary for travel, entertainment and relocation expenses and other purposes in the Ordinary Course of Business not to exceed \$100,000 in the aggregate outstanding at any time as to all such loans and advances;

(d) issuance of Stock, other equity interests or cash awards, and Stock Buybacks with any Person, in each case as permitted under Section 5.5;

(e) transactions with Affiliates existing as of the Closing Date and described in Schedule 5.4; and

(f) non-cash loans or advances made by Borrower to employees of Borrower or its Subsidiaries that are simultaneously used by such Persons to purchase Stock of Borrower.

5.5. Capital Structure and Business. Except as expressly permitted under Section 5.8 or Section 5.13, Borrower shall not, nor shall it permit any of its Subsidiaries to, make any changes in its equity structure, issue any Stock or amend any of its Organizational Document in any respect, in each case, which would be materially adverse to Lender; provided that, for the avoidance of doubt, Borrower may issue Stock, other equity interests or cash awards (if permitted under the Lincoln Educational Services Corporation 2020 Long-Term Incentive Plan (the "LTIP")) pursuant to an equity option or incentive plan approved by Borrower's board of directors, including the LTIP or as otherwise permitted under Section 5.12 so long as such issuance, award or other change would not be materially adverse to Lender. Borrower shall not, nor shall it permit any of its Subsidiaries to, engage in any line of business substantially different from those lines of business carried on by it on the Closing Date or any reasonable extensions or expansions thereof.

5.6. Contingent Obligations. Borrower shall not, nor shall it permit any of its Subsidiaries to, create, incur, assume or permit to exist any Contingent Obligations except in respect of the Obligations and except:

- (a) endorsements for collection or deposit in the Ordinary Course of Business;
- (b) Rate Contract Obligations to Lender or its Affiliates;
- (c) Contingent Obligations of the Loan Parties and their Subsidiaries existing as of the Closing Date and listed on Schedule 5.6, including extensions and renewals thereof which do not increase the amount of such Contingent Obligations or impose materially more restrictive or adverse terms on the Loan Parties and their Subsidiaries as compared to the terms of the Contingent Obligation being renewed or extended;
- (d) Contingent Obligations arising under requirements by the U.S. Department of Education to post letters of credit in favor of the Department of Education;
- (e) Contingent Obligations arising under indemnity agreements to title insurers to cause such title insurers to issue to Lender title insurance policies;
- (f) Contingent Obligations arising with respect to customary indemnification obligations in favor of purchasers in connection with dispositions permitted under Section 5.1(e);
- (g) Contingent Obligations under the Loan Documents, including arising under Letters of Credit; and
- (h) Contingent Obligations arising under guaranties of obligations of Borrower or any Subsidiary, which obligations are otherwise permitted hereunder, including without limitation in respect of real property leases of Schools and other operating facilities; *provided*, that if such obligation is subordinated to the Obligations, such guaranty shall be subordinated to the same extent.

5.7. Liens. Borrower shall not, nor shall it permit any of its Subsidiaries to, create, incur, assume or permit to exist any Lien on or with respect to any of its properties or assets (whether now owned or hereafter acquired) except for the following:

- (a) Permitted Encumbrances;
- (b) Liens in existence on the date hereof and summarized on Schedule 5.7 securing Indebtedness described on Schedule 5.3 and permitted refinancings, extensions and renewals thereof, including extensions or renewals of any such Liens; *provided*, that the principal amount so secured is not increased and the Lien does not attach to any other property; and
- (c) Liens created after the date hereof by conditional sale or other title retention agreements (including Capital Leases) or in connection with purchase money Indebtedness with respect to equipment and fixtures acquired in the Ordinary Course of Business, involving the incurrence of an aggregate amount of purchase money Indebtedness and Capital Lease Obligations of not more than \$10,000,000 outstanding at any one time for all such Liens (*provided* that such Liens attach only to the assets subject to such purchase money debt and such Indebtedness is incurred within 20 days following such purchase and does not exceed 100% of the purchase price of the subject assets).

In addition, no Loan Party shall, nor shall it permit any of its Subsidiaries to, become a party to any agreement, note, indenture or instrument, or take any other action, that would prohibit the creation of a Lien on any of its properties or other assets in favor of Lender as additional collateral for the Obligations, except operating leases, Capital Leases or Licenses permitted hereunder which prohibit Liens solely upon the assets that are subject thereto.

5.8. Consolidations and Mergers. Borrower shall not, nor shall it permit any of its Subsidiaries to, merge, consolidate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person or undergo any statutory division, except (a) as expressly permitted by Section 5.1 and (b) upon not less than 15 Business Days prior written notice to Lender, (i) any Subsidiary of Borrower may merge with, dissolve or liquidate into (in each case in accordance with applicable Law) Borrower or a Domestic Subsidiary; *provided*, that (A) Borrower or such Domestic Subsidiary shall be the continuing or surviving entity (and Borrower shall be the continuing or surviving entity if Borrower is a party to such transaction) and such surviving Domestic Subsidiary shall be a Guarantor and comply with Section 4.15, (B) Borrower or applicable Subsidiary shall provide Lender with copies of all applicable documentation relating thereto, and (C) all actions required to maintain perfected Liens on the Stock of the surviving entity and other Collateral in favor of Lender shall have been completed and (ii) any Foreign Subsidiary may merge with or dissolve or liquidate into another Foreign Subsidiary; *provided* that Borrower or applicable Subsidiary provide Lender with copies of all applicable documentation relating thereto and comply with Section 4.15 in connection therewith to the extent the Stock of any such Foreign Subsidiary is pledged under the Loan Documents.

5.9. ERISA. Borrower shall not, nor shall Borrower cause or permit any of its Subsidiaries or ERISA Affiliates to, cause or permit to occur (a) an event that could result in the imposition of a Lien under Section 430 or 6321 of the IRC or Section 303 or 4068 of ERISA or (b) an ERISA Event to the extent such ERISA Event would reasonably be expected to result in Taxes, penalties and other liability in excess of \$100,000 in the aggregate.

5.10. Hazardous Materials. Borrower shall not, nor shall it permit any of its Subsidiaries to, cause or permit a Release of any Hazardous Material on, at, in, under, above, to, from or about any of the Real Estate where such Release would (a) violate in any respect, or form the basis for any Environmental Liabilities under, any Environmental Laws or Environmental Permits or (b) otherwise adversely impact the value or marketability of any of the Real Estate or any of the Collateral, other than such violations or Environmental Liabilities that could not reasonably be expected to have a Material Adverse Effect.

5.11. Sale Leasebacks. Borrower shall not, nor shall it permit any of its Subsidiaries to, engage in any sale leaseback, synthetic lease or similar transaction involving any of its assets.

5.12. Restricted Payments. Borrower shall not, nor shall it permit any of its Subsidiaries to, declare or make any Restricted Payments except that:

(a) any Subsidiary of Borrower may declare and pay dividends to Borrower or any Subsidiary of Borrower owning Stock of such Subsidiary, in accordance with their respective ownership shares;

(b) Borrower may engage in Stock Buybacks from time to time with any holder of its Stock to facilitate cash coverage of such Person's tax liabilities in connection with a Stock issuance;

(c) Borrower may (i) declare and pay dividends from time to time, and (ii) engage in Stock Buybacks from time to time with any holder of its Stock from time to time as authorized by its board of directors, including in open-market transactions at prevailing market prices, in privately negotiated transactions or by other means as determined by the Company's management, provided that in each case all of the following conditions are satisfied:

(i) no Default or Event of Default has occurred and is continuing or would arise as a result of such Restricted Payment;



(ii) after giving effect to such Restricted Payment and all other transactions occurring on such date, the Loan Parties are in compliance on a pro forma basis with the Total Liquidity covenant set forth in Section 6.2; and

(iii) no Advances are outstanding hereunder at the time of such Stock Buyback, in which case there shall be no cap on the aggregate amount of such Stock Buyback transactions;

(d) Borrower may redeem from officers, directors and employees (or, upon resignation, retirement or death, former officers, directors and employees) Stock provided all of the following conditions are satisfied:

(i) no Default or Event of Default has occurred and is continuing or would arise as a result of such Restricted Payment;

(ii) after giving effect to such Restricted Payment and all other transactions occurring on such date, the Loan Parties are in compliance on a pro forma basis with (A) the Total Leverage Ratio required under Section 6.1, computed for the most recent Fiscal Quarter for which financial statements have been delivered and (B) the Total Liquidity covenant set forth in Section 6.2; and

(iii) no Advances are outstanding hereunder at the time of such redemption.

5.13. Change of Corporate Name or Location; Change of Fiscal Year. Borrower shall not, nor shall it permit any of its Subsidiaries to, (a) change its name as it appears in official filings in the state of its incorporation or other organization, (b) change its chief executive office, principal place of business, business offices or warehouses or locations at which Collateral is held or stored, or the location of its records concerning the Collateral, (c) change the type of entity that it is, (d) change its organization identification number, if any, issued by its state of incorporation or other organization, or (e) change its state of incorporation or organization, unless in each case (i) at least 15 Business Days prior written notice (or such later notice as is acceptable to Lender in its sole discretion) thereof is given to Lender and Lender has provided written acknowledgment that any reasonable action requested by Lender in connection therewith, including to continue the perfection of any Liens in favor of Lender in any Collateral, has been completed or taken, (ii) the priority of all Liens in favor of Lender is not adversely affected, and (iii) any such new location shall be in the continental United States. No Loan Party shall change its Fiscal Year without Lender's prior written consent.

5.14. No Restriction on Distributions; No Negative Pledges. Except pursuant to the Loan Documents, Borrower shall not, nor shall it permit any of its Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual restriction or encumbrance of any kind on the ability of any Subsidiary to pay dividends or make any other distribution on any of the Stock of such Subsidiary or to pay fees, including management fees, or make other payments and distributions to Borrower or any other Subsidiary. Borrower shall not, nor shall it permit any of its Subsidiaries to, directly or indirectly, enter into, assume or become subject to any contractual obligation prohibiting or otherwise restricting the existence of any Lien upon any of its assets in favor of Lender, whether now owned or hereafter acquired except in connection with any document or instrument governing Liens permitted pursuant to Section 5.7(c) provided that any such restriction contained therein relates only to the asset or assets subject to such permitted Liens.

5.15. [Reserved]

5.16. [Reserved]

5.17. [Reserved]

5.18. Margin Stock; Use of Proceeds. Borrower shall not, nor shall it permit any of its Subsidiaries to, use any portion of the Advance proceeds, directly or indirectly, to purchase or carry Margin Stock or repay or otherwise refinance Indebtedness of any Loan Party or Subsidiary or others incurred to purchase or carry Margin Stock, or otherwise in any manner which is in contravention of any requirement of applicable Law or in violation of this Agreement.

5.19. Sanctions; Use of Proceeds. Borrower shall not, nor shall it permit any of its Subsidiaries to, fail to comply with the Laws, regulations and executive orders referred to in Section 3.12. No Loan Party will, directly or indirectly, use the proceeds of the Advances or Letters of Credit, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person, (i) to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is the subject of Sanctions, or (ii) in any other manner that would result in a violation of Sanctions by any Person (including any Person participating in the Advances or Letters of Credit, whether as Lender, underwriter, advisor, investor, or otherwise).

5.20. Prepayments of Other Indebtedness. Borrower shall not, nor shall it permit any of its Subsidiaries to, directly or indirectly, voluntarily purchase, redeem, defease or prepay any principal of, premium, if any, interest or other amount payable in respect of any Indebtedness prior to its scheduled maturity, other than (a) the Obligations, (b) Indebtedness secured by a Permitted Encumbrance if the asset securing such Indebtedness has been sold or otherwise disposed of in a transaction permitted hereunder, (c) a refinancing of Indebtedness permitted under Section 5.3(d), (d) prepayments of other Indebtedness so long as (i) no Default or Event of Default would occur and be continuing after giving effect to any such proposed prepayment and (ii) after giving effect to each such proposed prepayment (and all other transactions occurring on such date), the Loan Parties are in pro forma compliance with (A) the Total Leverage Ratio required under Section 6.1, computed for the most recent Fiscal Quarter for which financial statements have been delivered and (B) the Total Liquidity covenant set forth in Section 6.2, and (e) prepayment of intercompany Indebtedness permitted by this Agreement so long as in compliance with any subordination provisions applicable to such intercompany Indebtedness.

5.21. Capital Expenditures. Borrower shall not, nor shall it permit any of its Subsidiaries to, make Capital Expenditures in excess of \$10,000,000 in the aggregate in any Fiscal Year, provided that any Capital Expenditure made when Total Liquidity is greater than \$35,000,000 both before and after giving effect to such Capital Expenditure shall be permitted without regard to such \$10,000,000 limitation set forth above.

## 6. FINANCIAL COVENANTS

6.1. Leverage Ratio. Borrower shall not permit the Total Leverage Ratio, as of the end of any Fiscal Quarter, to be greater than 2.00 to 1.00.

6.2. Liquidity. Borrower shall not permit Total Liquidity at any time to be less than \$30,000,000.

## 7. FINANCIAL STATEMENTS AND INFORMATION

7.1. Reports and Notices. Borrower hereby agrees that from and after the Closing Date and until the Termination Date, it shall deliver to Lender the Financial Statements, notices, Projections and other information at the times, to the Persons and in the manner set forth in Annex B.

7.2. Communication with Accountants. Borrower authorizes Lender, on behalf of itself and each of its Subsidiaries, to communicate directly with its independent certified public accountants, including Deloitte & Touche LLP, and authorizes and shall instruct those accountants and advisors to communicate to Lender information relating to Borrower or any of its Subsidiaries with respect to the business, results of operations and financial condition thereof; provided, that unless an Event of Default exists and is continuing the Lender shall request advance written approval (such approval not to be unreasonably withheld or delayed) from the Borrower, prior to communications with any such accountants or advisors.

## 8. CONDITIONS PRECEDENT.

8.1. Conditions to the Initial Advances. Lender shall not be obligated to make any Advance or incur any Letter of Credit Obligations on the Closing Date, or to take, fulfill, or perform any other action hereunder, until the following conditions have been satisfied or provided for in a manner reasonably satisfactory to Lender, or waived in writing by Lender:

(a) Credit Agreement; Loan Documents. This Agreement and the other Loan Documents or counterparts hereof and thereof shall have been duly executed by, and delivered to, Borrower, each other Loan Party, and Lender; and Lender shall have received such documents, instruments, agreements and legal opinions as Lender shall reasonably request in connection with the transactions contemplated by this Agreement and the other Loan Documents, each in form and substance reasonably satisfactory to Lender.

(b) Approvals. Lender shall have received (i) satisfactory evidence that the Loan Parties have obtained all required consents and approvals of all Persons including all requisite Governmental Authorities, to the execution, delivery and performance of this Agreement and the other Loan Documents or (ii) an officer's certificate in form and substance reasonably satisfactory to Lender affirming that no such consents or approvals are required.

(c) Payment of Fees. Borrower shall have paid the Fees required to be paid on the Closing Date in the respective amounts specified in Section 2.4(e), and shall have reimbursed Lender for all Fees, costs and expenses of closing presented as of the Closing Date.

(d) Capital Structure; Other Indebtedness. The capital structure of each Loan Party and Subsidiary and the terms and conditions of all Indebtedness of each Loan Party and Subsidiary shall be acceptable to Lender in its sole reasonable discretion.

(e) KYC Information; Beneficial Ownership. Lender shall have received (i) documentation and other information reasonably requested by Lender in order to comply with applicable law, including the USA PATRIOT Act, and (ii) to the extent Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, a Beneficial Ownership Certification.

8.2. Further Conditions to Each Advance. Lender shall not be obligated to fund any Advance, convert or continue any Advance as a Tranche Rate Loan or incur any Letter of Credit Obligation, if, as of the date thereof:

(a) any representation or warranty by any Loan Party contained herein or in any other Loan Document, or which are contained in any certificate or other document furnished at any time under or in connection herewith or therewith, is untrue or incorrect in any material respect (except that such materiality qualifier shall not be applicable to any representations and warranties that are already qualified or modified by materiality or Material Adverse Effect in the text thereof), except to the extent that such representation or warranty expressly relates to an earlier date in which case such representation or warranty is untrue or incorrect in any material respect as of such earlier date (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) and, in each case, except for changes therein expressly permitted or expressly contemplated by this Agreement;

(b) any Default or Event of Default has occurred and is continuing or would result after giving effect to any Advance (or the incurrence of any Letter of Credit Obligation); or

(c) after giving effect to any Advance (or the incurrence of any Letter of Credit Obligations), the outstanding aggregate amount of the Revolving Exposure would exceed the Revolving Credit Commitment.

The request and acceptance by Borrower of the proceeds of any Advance (including the incurrence of any Letter of Credit Obligations or the conversion or continuation of any Advance into, or as, a Tranche Rate Loan) shall be deemed to constitute, as of the date thereof, (i) a representation and warranty by each Loan Party that the conditions in this Section 8.2 have been satisfied and (ii) a reaffirmation by each Loan Party of the granting and continuance of Lender's Liens on the Collateral pursuant to the Collateral Documents.

## 9. EVENTS OF DEFAULT; RIGHTS AND REMEDIES

9.1. Events of Default. The occurrence of any one or more of the following events (regardless of the reason therefor and whether or not caused by or within the control of Borrower or any Subsidiary) shall constitute an "Event of Default" hereunder:

(a) Borrower (i) fails to make any payment of principal of, or interest on, or Fees owing in respect of, the Advances or any of the other Obligations when due and payable, including any failure to cure any Overdrawn Amount in accordance with Section 2.2(b), or (ii) fails to pay or reimburse Lender for any cost or expense reimbursable hereunder or under any other Loan Document within 5 days following Lender's demand for such reimbursement or payment of expenses; or

(b) Any Loan Party fails or neglects to perform, keep or observe any of the provisions of Sections 3.12, 4.1, 4.11, 4.13, 4.15, 5, 6, or 7.2; or

(c) Any Loan Party fails or neglects to perform, keep or observe any of the provisions of Section 7.1 and the same shall remain unremedied for 3 Business Days or more; *provided, however*, that the Loan Parties shall not have the right to cure any default under Section 7.1 if any default under Section 7.1 has occurred more than three times in any 12 month period;

(d) Any Loan Party fails or neglects to perform, keep or observe any other provision of this Agreement or of any of the other Loan Documents (other than any provision embodied in or covered by any other clause of this Section 9.1) and the same shall remain unremedied for 30 days or more; *provided, however*, that such 30-day cure period shall not apply to: (i) a breach of any provision that cannot be cured or (ii) a breach or default of any other Loan Document if a period of cure is expressly provided for in such other Loan Document with respect to a breach or default under such other Loan Document; or

(e) A default or breach occurs under any agreement, document or instrument to which any Loan Party is a party (determined exclusive of the Loan Documents) that is not cured within any applicable grace period therefor, and such default or breach (i) involves the failure to make any payment when due in respect of any Indebtedness or Contingent Obligations (determined exclusive of the Obligations) of any Loan Party and the aggregate principal amount of such Indebtedness or Contingent Obligation is in excess of \$1,000,000 in the aggregate (including (x) drawn committed or available amounts and (y) amounts owing to all creditors under any combined or syndicated credit arrangements), or (ii) causes, or permits any holder of such Indebtedness or Contingent Obligations or a trustee to cause, Indebtedness or Contingent Obligations or a portion thereof in excess of \$1,000,000 in the aggregate to become due prior to its stated maturity or prior to its regularly scheduled dates of payment, or cash collateral to be demanded in respect thereof, in each case, regardless of whether such default is waived, or such right is exercised, by such holder or trustee; or

(f) any representation or warranty herein or in any Loan Document or in any written statement, report, Financial Statement or certificate made or delivered to Lender by any Loan Party is untrue or incorrect in any material respect as of the date when made or deemed made; or

(g) Assets of Borrower and its Subsidiaries (on a consolidated basis) with a fair market value of \$500,000 or more are attached, seized, levied upon or subjected to a writ or distress warrant, or come within the possession of any receiver, trustee, custodian or assignee for the benefit of creditors of any Loan Party and such condition continues for 45 days or more; or

(h) A case or proceeding is commenced against any Loan Party seeking a decree or order in respect of such Loan Party (i) under the Bankruptcy Code or any other applicable federal, state or foreign bankruptcy or other similar Law, (ii) appointing a custodian, receiver, liquidator, assignee, trustee or sequestrator (or similar official) for such Loan Party or for any substantial part of any such Loan Party's assets, or (iii) ordering the winding up or liquidation of the affairs of such Loan Party, and such case or proceeding shall remain dismissed or unstayed for 60 days or more or a decree or order granting the relief sought in such case or proceeding is granted by a court of competent jurisdiction; or

(i) Any Loan Party (i) files a petition seeking relief under the Bankruptcy Code or any other applicable federal, state or foreign bankruptcy or other similar Law, (ii) consents to or fails to contest in a timely and appropriate manner to the institution of proceedings thereunder or to the filing of any such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee or sequestrator (or similar official) for such Loan Party or for any substantial part of any such Loan Party's assets, (iii) makes an assignment for the benefit of creditors, or (iv) takes any action in furtherance of any of the foregoing, or (v) admits in writing its inability to, or is generally unable to, pay its debts as such debts become due; or

(j) (i) A final judgment or judgments for the payment of money in excess of \$1,500,000 in the aggregate at any time are outstanding against one or more of the Loan Parties (which judgments are not covered by insurance policies as to which liability has been accepted by the insurance carrier), and the same are not, within 30 days after the entry thereof, discharged or execution thereof stayed or bonded pending appeal, or such judgments are not discharged prior to the expiration of any such stay, (ii) any action shall be taken by a judgment creditor to attach or levy upon any property of any Loan Party to enforce any such judgment under clause (i) above obtained against a Loan Party, or (iii) any Loan Party shall fail within 30 days after the entry thereof to discharge or stay pending appeal one or more non-monetary judgments or orders which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect; or

(k) Any material provision of any Loan Document for any reason ceases to be valid, binding and enforceable in accordance with its terms (or any Loan Party shall challenge the enforceability of any Loan Document or shall assert in writing, or engage in any action or inaction based on any such assertion, that any provision of any of the Loan Documents has ceased to be or otherwise is not valid, binding and enforceable in accordance with its terms), or any Lien created under any Loan Document ceases to be a valid and perfected first-priority Lien (except as otherwise expressly permitted herein or therein) in any of the Collateral purported to be covered thereby; or

(l) Any Change of Control occurs; or

(m) The dissolution or liquidation of Borrower or of any endorser or guarantor of the Obligations, or the merger or consolidation of any of the foregoing with a third party, or statutory division of the foregoing, or the lease, sale or other conveyance of a material part of the assets or business of any of the foregoing to a third party outside the ordinary course of its business, or the lease, purchase or other acquisition of a material part of the assets or business of a third party by any of the foregoing; or

(n) Borrower fails to have or maintain a Financial Responsibility Composite Ratio of at least 1.50 to 1.00. In the event that the DOE (or any successor thereto) ceases to compute the Financial Responsibility Composite Ratio for educational institutions generally, Borrower and Lender shall enter into negotiations to replace this clause (n) with a successor that provides similar comfort of financial stability with respect to Borrower and its Subsidiaries and Schools; or

(o) without limitation of clause (n) above, Borrower shall fail to maintain all Educational Approvals and specialized accrediting agency approvals necessary to conduct its operations and offer its educational programs, or in order to maintain such approvals, Borrower has to post a letter of credit, or fails to comply with any Educational Agency requirements, any of which occurrence either results in, or could reasonably be expected to have a, Material Adverse Effect, and such failure remains uncured or such letter of credit remains outstanding for a period of thirty (30) days thereafter.

## 9.2. Remedies.

(a) If any Event of Default has occurred and is continuing, Lender may, without notice, suspend the Revolving Loan Commitment with respect to additional Advances and/or the incurrence of additional Letter of Credit Obligations. If any Event of Default has occurred and is continuing, Lender may, without notice except as otherwise expressly provided herein, increase the rate of interest applicable to the Advances and the Letter of Credit Fees to the Default Rate.

(b) If any Event of Default has occurred and is continuing, Lender may, without notice: (i) terminate the Revolving Loan Commitment with respect to further Advances or the incurrence of further Letter of Credit Obligations; (ii) reduce the Revolving Loan Commitment from time to time; (iii) declare all or any portion of the Obligations, including all or any portion of any Advance, to be forthwith due and payable, and require that the Letter of Credit Obligations be cash collateralized in the manner set forth in Annex A, all without presentment, demand, protest or further notice of any kind, all of which are expressly waived by Borrower and each other Loan Party; or (iv) exercise any rights and remedies provided to Lender under the Loan Documents or at law or equity, including all remedies provided under the Code; *provided*, that upon the occurrence of an Event of Default specified in Sections 9.1(h) or (i), the Revolving Loan Commitment shall be immediately terminated and all of the Obligations, including the Advances and Letter of Credit Obligations, shall become immediately due and payable without declaration, notice or demand by any Person.

(c) At the election of Lender, after the occurrence of an Event of Default and for so long as it continues, the Tranche Rate election will not be available to Borrower and as the Interest Periods for Tranche Rate Loans then in effect expire, such Advances shall be converted into Base Rate Loans.

(d) During the continuance of any Event of Default, Lender is hereby authorized by each Loan Party at any time or from time to time, with reasonably prompt subsequent written notice to Borrower (any prior or contemporaneous notice being hereby expressly waived) to set off and to appropriate and to apply any and all (i) balances held by Lender or any of Lender's Affiliates at any of its offices for the account of any Loan Party or any of its Subsidiaries (regardless of whether such balances are then due to such Loan Party or Subsidiary), and (ii) other property at any time held or owing by Lender or any of Lender's Affiliates to or for the credit or for the account of any Loan Party or any of its Subsidiaries, against and on account of any of the Obligations. Each Loan Party agrees, to the fullest extent permitted by Law, that Lender and any of Lender's Affiliates may exercise its right to set off with respect to the Obligations as provided in this Section 9.2.

### 9.3. Application of Proceeds.

(a) After Event of Default. Notwithstanding anything to the contrary contained in this Agreement, upon the occurrence and during the continuance of an Event of Default, each Loan Party irrevocably waives the right to direct the application of any and all payments at any time or times thereafter received by Lender from or on behalf of Borrower or any Guarantor of all or any part of the Obligations and any and all proceeds of Collateral received by Lender, and, as between the Loan Parties on the one hand and Lender on the other, Lender shall have the continuing and exclusive right to apply and to reapply any and all payments received against the Obligations and any and all proceeds of Collateral received by Lender in such manner as Lender may deem advisable notwithstanding any previous application by Lender.

(b) Residuary. Any balance remaining after giving effect to the applications set forth in this Section 9.3 shall be delivered to Borrower or to whoever may be lawfully entitled to receive such balance or as a court of competent jurisdiction may direct. In carrying out any of the applications set forth in this Section 9.3, (i) amounts received shall be applied in the numerical order provided until paid in full prior to the application to the next succeeding category and (ii) each of the Persons entitled to receive a payment or cash collateral in any particular category shall receive an amount equal to its pro rata share of amounts available to be applied pursuant thereto for such category.

9.4. Waivers by Loan Parties. Except as otherwise provided for in this Agreement or by applicable Law, each Loan Party waives: (a) presentment, demand and protest and notice of presentment, dishonor, notice of intent to accelerate, notice of acceleration, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any or all commercial paper, accounts, contract rights, documents, instruments, chattel paper and guaranties at any time held by Lender on which any Loan Party may in any way be liable, and hereby ratifies and confirms whatever Lender may do in this regard, (b) all rights to notice and a hearing prior to Lender's taking possession or control of, or to Lender's replevy, attachment or levy upon, the Collateral or any bond or security that might be required by any court prior to allowing Lender to exercise any of its remedies, and (c) the benefit of all valuation, appraisal, marshaling and exemption Laws.

## 10. EXPENSES AND INDEMNITY

10.1. Expenses. Borrower hereby agrees to promptly pay (i) all reasonable, documented actual costs and out of pocket expenses of Lender (including the reasonable fees, costs and expenses of any counsel to, and independent appraisers and consultants retained by, Lender) in connection with the examination, review, due diligence investigation, documentation, negotiation and closing of the transactions contemplated by the Loan Documents, in connection with the performance by Lender of its rights and remedies under the Loan Documents and in connection with the continued administration of the Loan Documents including (A) any amendments, modifications, consents and waivers to and/or under any and all Loan Documents and (B) any periodic public record searches conducted by or at the request of Lender (including title investigations, Uniform Commercial Code searches, fixture filing searches, judgment, pending Litigation and tax lien searches and searches of applicable corporate, limited liability company, partnership and related records concerning the continued existence, organization and good standing of certain Persons), (ii) without limitation of the preceding clause (i), all reasonable, documented actual costs and out of pocket expenses of Lender (including the reasonable fees, costs and expenses of any counsel to, and independent appraisers and consultants retained by, Lender) in connection with (A) the creation, perfection and maintenance of Liens pursuant to the Loan Documents and (B) protecting, storing, insuring, handling, maintaining or selling any Collateral and (iii) without limitation of the preceding clause (i), all actual costs and out of pocket expenses incurred by Lender (including the reasonable fees, costs and expenses of any counsel to, and independent appraisers and consultants retained by, Lender) in connection with any Litigation, dispute, suit or proceeding relating to any Loan Document and in connection with any workout, collection, bankruptcy, insolvency, post-judgment or other enforcement proceedings under any and all Loan Documents.

10.2. Indemnity. Borrower hereby agrees, on behalf of itself and each other Loan Party, to indemnify, pay and hold harmless Lender and the Affiliates, officers, directors, employees, trustees, agents, investment advisors, collateral managers, servicers, and counsel of Lender (collectively called the "Indemnitees") from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including the reasonable fees and disbursements of counsel for such Indemnitee) actually incurred in connection with any investigative, response, remedial, administrative or judicial matter or proceeding, whether or not such Indemnitee shall be designated a party thereto and including any such proceeding initiated by or on behalf of a Loan Party or any Affiliate thereof, and the reasonable expenses of investigation by engineers, environmental consultants and similar technical personnel and any commission, fee or compensation claimed by any broker (other than any broker retained by Lender) asserting any right to payment for the transactions contemplated hereby, which may be imposed on, incurred by or asserted against such Indemnitee as a result of or in connection with the transactions contemplated hereby or by the other Loan Documents (including (i) (A) as a direct or indirect result of the presence on or under, or escape, seepage, leakage, spillage, discharge, emission or release from, any property now or previously owned, leased or operated by a Loan Party or any other Person of any Hazardous Materials or any Hazardous Materials Contamination, (B) arising out of or relating to the offsite disposal of any materials generated or present on any such property, or (C) arising out of or resulting from the environmental condition of any such property or the applicability of any governmental requirements relating to Hazardous Materials, whether or not occasioned wholly or in part by any condition, accident or event caused by any act or omission of any Loan Party, and (ii) proposed and actual extensions of credit under this Agreement) and the use or intended use of the proceeds of the Advances and Letters of Credit, except that the Loan Parties shall not have any obligation under this Section to an Indemnitee with respect to any liability resulting solely from the gross negligence or willful misconduct of such Indemnitee, as determined by a final non-appealable judgment of a court of competent jurisdiction. To the extent that the undertaking set forth in the immediately preceding sentence may be unenforceable, Borrower agrees, and agrees to cause the other Loan Parties, to contribute the maximum portion which it is permitted to pay and satisfy under applicable Law to the payment and satisfaction of all such indemnified liabilities incurred by the Indemnitees or any of them. NOTICE IS HEREBY GIVEN THAT THIS AGREEMENT CONTAINS INDEMNIFICATION PROVISIONS IN THIS SECTION 10.2 THAT APPLY TO, AND BORROWER AND EACH OTHER LOAN PARTY HEREBY ACKNOWLEDGES AND AGREES THAT THE FOREGOING INDEMNITY SHALL BE APPLICABLE TO, ANY LOSSES, DAMAGES AND LIABILITIES THAT HAVE RESULTED FROM OR ARE ALLEGED TO HAVE RESULTED FROM THE ACTIVE OR PASSIVE OR THE SOLE, JOINT OR CONCURRENT ORDINARY NEGLIGENCE OF LENDER OR ANY OTHER INDEMNITEE UNDER THIS SECTION 10.2.



## 11. MISCELLANEOUS

11.1. Survival. All agreements, representations and warranties made herein and in every other Loan Document shall survive the execution and delivery of this Agreement and the other Loan Documents. The provisions of Sections 2.5(f), 2.9, 2.10, 10, and 11 shall survive the payment of the Obligations and any termination of this Agreement.

11.2. No Waivers. No failure or delay by Lender in exercising any right, power or privilege under any Loan Document shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein and therein provided shall be cumulative and not exclusive of any rights or remedies provided by Law. Any reference in any Loan Document to the "continuing" nature of any Event of Default shall not be construed as establishing or otherwise indicating that Borrower or any other Loan Party has the independent right to cure any such Event of Default, but is rather presented merely for convenience should such Event of Default be waived in accordance with the terms of the applicable Loan Documents.

### 11.3. Notices.

(a) All notices, requests and other communications to any party hereunder shall be in writing (including prepaid overnight courier, e-mail, electronic submissions or similar writing, but not facsimile transmission) and shall be given to such party at its address or e-mail address set forth on the signature pages hereof or at such other address or e-mail address as such party may hereafter specify for the purpose by notice to Lender and Borrower; *provided*, that notices, requests or other communications shall be permitted by e-mail or other electronic submissions only in accordance with the provisions of Section 11.3(b). Each such notice, request or other communication shall be effective (i) if given by e-mail or other electronic submissions, as set forth in Section 11.3(c) or (ii) if given by mail, prepaid overnight courier or any other means, when received at the applicable address specified by this Section. Notwithstanding anything to the contrary herein, and for the avoidance of any doubt, notices, requests and other communications delivered by facsimile transmission do not satisfy the requirements of this Section 11.3.

(b) Notices and other communications to the parties hereto may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites); *provided*, that (i) the foregoing shall not apply to notices sent directly to any party hereto if such party has notified Lender that it has elected not to receive notices by electronic communication (which election may be limited to particular notices) and (ii) any Notice of Borrowing, Notice of Conversion or any notices regarding request for advances hereunder shall be delivered or furnished by Borrower by electronic communication in accordance with all procedures established by or otherwise acceptable to Lender from time to time in its sole discretion.

(c) Unless Lender otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgment), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; *provided*, that if any such notice or other communication is not sent or posted during normal business hours, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day.

11.4. Severability. In case any provision of or obligation under this Agreement or any other Loan Document shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

11.5. Amendments and Waivers. No provision of this Agreement or any other Loan Document may be amended, waived or otherwise modified unless such amendment, waiver or other modification is in writing and is signed or otherwise approved by Borrower, any other Loan Parties party to such Loan Document, and Lender. Notwithstanding the foregoing, Borrower, on behalf of itself and each of the other Loan Parties, hereby authorize Lender to (i) correct any patent (or scrivener's) errors or other erroneous content in the Loan Documents, (ii) date any dates and fill in any blanks or other missing content in any of the Loan Documents, and (iii) replace or substitute pages, as applicable, in each Loan Document that were changed to correct such errors or fill in such dates, missing content or blanks (each a "Corrected Document"), in each case, without the need for a written amendment signed by the parties; *provided* that Lender shall send a copy of any such Corrected Document to Borrower (which copy may be given by electronic mail). Without limiting the generality of any of the foregoing, Borrower further covenants that it shall, and shall cause each of the other Loan Parties to, execute, acknowledge and deliver, or cause to be executed, acknowledged or delivered (or, as applicable, re-execute, re-acknowledge and re-deliver), (A) each agreement, instrument or other document that was incorrectly drafted and signed at the Closing Date and (B) all such further assurances and other agreements, instruments or documents, and take or cause to be taken all such other actions, as Lender shall request from time to time to permit Lender to evidence or give effect to the express terms and conditions of this Agreement and the other Loan Documents and any of the transactions contemplated hereby, including to perfect (or continue the perfection of) and protect Lender's Liens upon the Collateral, and shall take such other action as may be requested by Lender to give effect to or carry out the intent and purposes of this Agreement.

11.6. Assignments; Participations.

(a) Assignments. Without obtaining any consent of any Loan Party, Lender (and any subsequent assignee of Lender) may (i) transfer and assign all or any of its rights or delegate any or all of its duties under this Agreement and/or the other Loan Documents, or (ii) grant participations in the Advances to Participants in accordance with Section 11.6(b). Subject to the confidentiality provisions of Section 11.8, Lender may, without obtaining any consent of any Loan Party, disclose to all prospective and actual assignees and Participants all financial, business and other information about the Loan Parties which Lender may possess at any time. For the avoidance of doubt, Lender may, without obtaining any consent of any Loan Party, at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; *provided*, that no such pledge or assignment shall release Lender from any of its obligations hereunder or substitute any such pledgee or assignee for Lender as a party hereto.

(b) Participations. Lender may at any time, without the consent of, or notice to, Borrower, sell to one or more Persons participating interests in its Advances, commitments or other interests hereunder (any such Person, a "Participant"). In the event of a sale by Lender of a participating interest to a Participant, (i) Lender's obligations hereunder shall remain unchanged for all purposes, (ii) Borrower shall continue to deal solely and directly with Lender in connection with Lender's rights and obligations hereunder, and (iii) all amounts payable by Borrower shall be determined as if Lender had not sold such participation and shall be paid directly to Lender, *provided, however*, notwithstanding the foregoing, Borrower hereby agrees that each Participant shall be entitled to the benefits of Section 2.10 and the requirements under Section 2.9(c) (it being understood that the documentation required under Section 2.9(c) shall be delivered to Lender) to the same extent as if it were Lender; *provided, further*, a Participant shall not be entitled to receive any greater payment under Section 2.10, with respect to any participation, than Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a change in Law, regulation ruling, treaty or other action or doctrine of a Governmental Authority that occurs after the date the Participant acquired the applicable participation. Borrower acknowledges that Participants have and will have certain rights under their respective participation agreements with Lender that may, subject to the terms of the participation agreements, require Lender to obtain the consent (collectively, "Participant Consents") of some or all of the Participants before Lender takes or refrains from taking certain actions (other than as expressly required by the Loan Documents) or grants waivers, consents or approvals in respect of the Advances, the Loan Documents or the Collateral. None of the Participants, however, will have Participant Consent rights which are greater than those rights and remedies Lender has under the Loan Documents. In addition, from time to time, Lender may request instructions from the Participants in respect of the actions, waivers, consents or approvals which by the terms of any of the Loan Documents Lender is permitted or required to take or to grant or to not take or grant ("Participant Instructions"). If the Participant Consents are, pursuant to the terms of the respective participation agreements, required or Participant Instructions are requested, Lender will, notwithstanding anything to the contrary in this Section 11.6(b), (A) be absolutely empowered to take or refrain from taking any action (other than as expressly required by the Loan Documents) or withhold any waiver, consent or approval, and (B) not be under any liability whatsoever to any Person, including Borrower and any Participant, from taking or refraining from taking any action or withholding any waiver, consent or approval under any of the Loan Documents until it has received the requisite Participant Consents or, as applicable, the Participant Instructions. Borrower agrees that if amounts outstanding under this Agreement are due and payable (as a result of acceleration or otherwise), each Participant shall be deemed to have the right of set-off in respect of its participating interest in amounts owing under this Agreement and with respect to any Letter of Credit to the same extent as if the amount of its participating interest were owing directly to it as Lender under this Agreement. If Lender sells a participation to a Participant as provided under this Section 11.6(b), it shall, acting solely for this purpose as a non-fiduciary agent of 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 Advances or other obligations under the Loan Documents (the "Participant Register"); *provided*, that Lender shall not have any obligation to disclose all or any portion of the Participant Register (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) to any Person 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 and binding absent manifest error, and Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, Lender shall have no responsibility for maintaining a Participant Register.

(c) Loan Party Assignments. No Loan Party may assign, delegate or otherwise transfer any of its rights or other obligations hereunder or under any other Loan Document without the prior written consent of Lender.

11.7. Headings. Headings and captions used in the Loan Documents (including the Exhibits, Schedules and Annexes hereto and thereto) are included for convenience of reference only and shall not be given any substantive effect.

11.8. Confidentiality. Lender shall hold all non-public information regarding the Loan Parties and their respective businesses identified as such by Borrower and obtained by Lender by a Loan Party pursuant to the requirements hereof in accordance with Lender's customary procedures for handling information of such nature, except that disclosure of such information may be made (i) to Lender's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, auditors, professional consultants, advisors and representatives of Lender and of Lender's Affiliates (collectively, the "Related Parties" of Lender) (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such information and instructed to keep such information confidential), (ii) to rating agencies, insurance industry associations and portfolio management services, (iii) to prospective transferees or purchasers of or participants in any interest in the Advances and, as applicable, the Loan Documents, to prospective contractual counterparties (or the professional advisors thereto) in Rate Contracts permitted hereby and to prospective providers of Bank Products, *provided*, that any such Persons shall have agreed to be bound by the provisions of this Section 11.8, (iv) to the extent requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties, including any self-regulatory authority, (v) to any other Party hereto, (vi) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (vii) as required by Law, subpoena, judicial order or similar order and in connection with any Litigation, (viii) as may be required in connection with the examination, audit or similar investigation of such Person, (ix) with the consent of Borrower, (x) to the extent such information (A) becomes publicly available other than as a result of a breach of this Section, or (B) becomes available to Lender or any of its Related Parties on a nonconfidential basis from a source other than the Loan Parties, and (xi) to a Person that is a trustee, investment advisor, collateral manager, servicer, noteholder or secured party in a Securitization (as hereinafter defined) in connection with the administration, servicing and reporting on the assets serving as collateral for such Securitization. For the purposes of this Section, "Securitization" shall mean a public or private offering by Lender or any of its Affiliates or their respective successors and assigns, of Stock or debt securities which represent an interest in, or which are collateralized, in whole or in part, by the Advances. Confidential information shall include only such information identified as such at the time provided to Lender and shall not include information that either (A) is in the public domain, or becomes part of the public domain after disclosure to such Person through no fault of such Person, or (B) is disclosed to such Person by a Person other than a Loan Party, *provided*, Lender does not have actual knowledge that such Person is prohibited from disclosing such information. The obligations of Lender under this Section 11.8 shall supersede and replace the obligations of Lender under any confidentiality agreement in respect of this financing executed and delivered by Lender prior to the date hereof.

11.9. Waiver of Consequential and Other Damages. To the fullest extent permitted by applicable Law, no Loan Party shall assert, and each Loan Party hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the transactions contemplated hereby or thereby, any Advance or Letter of Credit or the use of the proceeds thereof. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

11.10. Reinstatement. Notwithstanding any prior revocation, termination, surrender, or discharge of this Agreement in whole or in part, the effectiveness of this Agreement shall automatically continue or be reinstated in the event that any payment, proceeds received or credit given by Bank in respect of the Obligations is returned, disgorged, or rescinded under any applicable state or federal law, including, without limitation, laws pertaining to bankruptcy or insolvency, in which case, this Agreement shall be enforceable against Borrower as if the returned, disgorged, or rescinded payment, proceeds or credit had not been received or given by Bank, and whether or not Bank relied upon this payment, proceeds or credit or changed its position as a consequence of it. In the event of continuation or reinstatement of this Agreement, Borrower agrees upon demand by Bank to execute and deliver to Bank those documents which Bank determines are appropriate to further evidence (in the public records or otherwise) this continuation or reinstatement, although the failure of Borrower to do so shall not affect in any way such continuation or reinstatement.

11.11. Marshaling; Payments Set Aside. Lender shall not be under any obligation to marshal any assets in payment of any or all of the Obligations. To the extent that any Loan Party makes any payment or Lender enforces its Liens or Lender exercises its right of set-off, and such payment or the proceeds of such enforcement or set-off is subsequently invalidated, declared to be fraudulent or preferential, set aside, or required to be repaid by anyone, then to the extent of such recovery, the Obligations or part thereof originally intended to be satisfied, and all Liens, rights and remedies therefore, shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or set-off had not occurred.

11.12. GOVERNING LAW; SUBMISSION TO JURISDICTION. THIS AGREEMENT, EACH NOTE AND EACH OTHER LOAN DOCUMENT, AND ALL MATTERS RELATING HERETO OR THERETO OR ARISING THEREFROM (WHETHER SOUNDING IN CONTRACT LAW, TORT LAW OR OTHERWISE), SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES. EACH LOAN PARTY HEREBY CONSENTS TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY, AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF AND IRREVOCABLY AGREES THAT, SUBJECT TO LENDER'S ELECTION, ALL ACTIONS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS SHALL BE LITIGATED IN SUCH COURTS. EACH LOAN PARTY EXPRESSLY SUBMITS AND CONSENTS TO THE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS. EACH LOAN PARTY HEREBY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE UPON EACH SUCH LOAN PARTY BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, ADDRESSED TO SUCH LOAN PARTY AT THE ADDRESS SET FORTH IN THIS AGREEMENT AND SERVICE SO MADE SHALL BE COMPLETE 10 DAYS AFTER THE SAME HAS BEEN POSTED.

11.13. WAIVER OF JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH LOAN PARTY AND LENDER HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. EACH LOAN PARTY AND LENDER ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS RELIED ON THE WAIVER IN ENTERING INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN THEIR RELATED FUTURE DEALINGS. EACH LOAN PARTY AND LENDER WARRANT AND REPRESENT THAT EACH HAS HAD THE OPPORTUNITY OF REVIEWING THIS JURY WAIVER WITH LEGAL COUNSEL, AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS.

11.14. Publication; Advertisement.

(a) Publication. No Loan Party will directly or indirectly publish, disclose or otherwise use in any public disclosure, advertising material, promotional material, press release or interview, any reference to the name, logo or any trademark of Fifth Third or any of its Affiliates or any reference to this Agreement or the financing evidenced hereby, in any case except (i) as required by Law, (including in any Form 8-K or other public SEC filings of Borrower), subpoena or judicial or similar order, in which case the applicable Loan Party shall give Lender prior written notice of such publication or other disclosure or (ii) with Fifth Third's prior written consent.

(b) Advertisement. Each Loan Party hereby authorizes Lender to publish the name of such Loan Party, the existence of the financing arrangements referenced under this Agreement, the primary purpose and/or structure of those arrangements, the amount of credit extended under each facility, the title and role of each party to this Agreement, and the total amount of the financing evidenced hereby in any "tombstone", comparable advertisement or press release which Lender elects to submit for publication. In addition, each Loan Party agrees that Lender may provide lending industry trade organizations with information necessary and customary for inclusion in league table measurements after the Closing Date. With respect to any of the foregoing, Lender shall provide Borrower with an opportunity to review and confer with Lender regarding the contents of any such tombstone, advertisement or information, as applicable, prior to its submission for publication and, following such review period, Lender may, from time to time, publish such information in any media form desired by Lender, until such time that Borrower shall have requested Lender cease any such further publication.

11.15. Counterparts; Integration. This Agreement and the other Loan Documents may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Signatures by facsimile or other electronic transmission (including "pdf" or "tif" format) shall bind the parties hereto. This Agreement and the other Loan Documents constitute the entire agreement and understanding among the parties hereto and supersede any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

11.16. No Strict Construction. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

11.17. USA PATRIOT Act Notification. Lender hereby notifies each Loan Party that pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record certain information and documentation that identifies such Loan Party, which information includes the name and address of each Loan Party and such other information that will allow Lender to identify such Loan Party in accordance with the USA PATRIOT Act. The Loan Parties agree to, promptly following a request by Lender, provide all such other documentation and information that Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act, and the Beneficial Ownership Regulation.

11.18. Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any applicable Resolution Authority.

11.19. Termination. This Agreement shall remain in effect from the Closing Date through and including the Termination Date. At the request of the Borrower, upon the Termination Date the Lender shall, at the sole cost and expense of the Borrower release any Lien granted to or held by the Lender under any Loan Document, without recourse upon or warranty by the Lender. No termination of this Agreement shall affect the rights and obligations of the parties hereto arising prior to such termination or in respect of any provision of this Agreement which survives such termination.

[Signature pages follow]

IN WITNESS WHEREOF, this Agreement has been duly executed as of the date first written above.

BORROWER:

**LINCOLN EDUCATIONAL SERVICES CORPORATION**

By: /s/ Scott M. Shaw

Name: Scott M. Shaw

Title: Chief Executive Officer and President

**Borrower's Account:**

**Bank Name:** Fifth Third Bank, National Association

**ABA No.:** 042000314

**Account No.:** XXXXXX3733

**Account Name:** Lincoln Educational Services Corporation

**Borrower's Address for Notices:**

14 Sylvan Way, Suite A

Parsippany, NJ 07054

Attn: Brian K. Meyers

Chief Financial Officer

Tel: 973-766-9086

Fax: 973-766-9890

Email: [BMeyers@lincolntech.edu](mailto:BMeyers@lincolntech.edu)

With a copy to (which shall not constitute notice):

Michele Vaillant

McCarter & English, LLP

Four Gateway Center

100 Mulberry St.

Newark, NJ 07102

Tel.: 973-639-2011

Fax: 973-297-3826

Email: [MVaillant@McCarter.com](mailto:MVaillant@McCarter.com)

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LENDER:

FIFTH THIRD BANK, NATIONAL ASSOCIATION

By: /s/ Taylor Beringer

Name: Taylor Beringer

Title: Senior Vice President

**Lender's Address for Notices:**

201 North Tryon Street

16<sup>th</sup> Floor

Charlotte, NC 28202

Attn: Taylor Beringer

Email: [Taylor.Beringer@53.com](mailto:Taylor.Beringer@53.com)

Lincoln Educational Services Corporation

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**Lincoln Educational Services Announces New \$40 Million  
Revolving Credit Facility Increasing Capital Resource Flexibility**

**PARSIPPANY, N.J., February 23, 2024** – Lincoln Educational Services Corporation (Nasdaq: LINC) today announced that it has entered into a \$40 million revolving credit facility with Fifth Third Bank. The credit agreement, which has a term of 36 months and matures on February 16, 2027, is for an aggregate principal amount of \$40 million, including a \$10 million sublimit for letters of credit and an additional accordion option to upsize the credit facility by an additional \$20 million upon satisfaction of certain terms and conditions. The proceeds may be used for working capital, general corporate purposes and to support the Company’s strategic growth initiatives, including program and campus expansions.

“This new revolving credit facility, complemented with an already robust balance sheet, enhances additional financial resources to execute our near- and longer-term growth initiatives,” commented Scott Shaw, Lincoln’s President & CEO. “We remain committed to our students and the proceeds from this credit facility will allow Lincoln greater financial flexibility to continue delivering positive student experiences. With \$80 million in cash, no debt and a new credit facility providing up to \$60 million of additional liquidity with the potential accordion option, Lincoln’s financial position is very strong allowing us to create long lasting benefits to our students, our graduates, our instructors, our corporate partners, and increasing returns to our shareholders”.

Additional information regarding the terms of the new credit facility are contained in a Form 8-K filed with the SEC.

**ABOUT LINCOLN EDUCATIONAL SERVICES CORPORATION**

Lincoln Educational Services Corporation is a leading provider of diversified career-oriented post-secondary education helping to provide solutions to America’s skills gap. Lincoln offers career-oriented programs to recent high school graduates and working adults in five principal areas of study: automotive technology, health sciences, skilled trades, business and information technology, and hospitality services. Lincoln has provided the workforce with skilled technicians since its inception in 1946 and currently operates 22 campuses in 13 states under 4 brands: Lincoln College of Technology, Lincoln Technical Institute, Lincoln Culinary Institute, and Euphoria Institute of Beauty Arts and Sciences. For more information, please go to [www.lincolntech.edu](http://www.lincolntech.edu).

## **FORWARD-LOOKING STATEMENTS**

*Statements in this press release and in oral statements made from time to time by representatives of Lincoln Educational Services Corporation regarding Lincoln's business that are not historical facts, including those made in a conference call, may be "forward-looking statements" as that term is defined in the federal securities law. The words "may," "will," "expect," "believe," "anticipate," "project," "plan," "intend," "estimate," and "continue," and their opposites and similar expressions are intended to identify forward-looking statements. Forward-looking statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved, if at all. Generally, these statements relate to business plans or strategies and projections involving anticipated revenues, earnings, or other aspects of the Company's operating results. Such forward-looking statements include the Company's current belief that it is taking appropriate steps regarding the pandemic and that student growth will continue. The Company cautions you that these statements concern current expectations about the Company's future performance or events and are subject to a number of uncertainties, risks, and other influences, many of which are beyond the Company's control, that may influence the accuracy of the statements and the projects upon which the statements are based including, without limitation, impacts related to the COVID-19 pandemic or other epidemics or pandemics; our failure to comply with the extensive regulatory framework applicable to our industry or our failure to obtain timely regulatory approvals in connection with acquisitions or a change of control of our Company; our success in updating and expanding the content of existing programs and developing new programs for our students in a cost-effective manner or on a timely basis; risks associated with changes in applicable federal laws and regulations; uncertainties regarding our ability to comply with federal laws and regulations, such as the 90/10 rule and prescribed cohort default rates; risks associated with the opening of new campuses; risks associated with integration of acquired schools; industry competition; our ability to execute our growth strategies; conditions and trends in our industry; general economic conditions; and other factors discussed in the "Risk Factors" section of our Annual Reports and Quarterly Reports filed with the Securities and Exchange Commission. All forward-looking statements are qualified in their entirety by this cautionary statement, and Lincoln undertakes no obligation to publicly revise or update any forward-looking statements, whether as a result of new information, future events or otherwise after the date hereof.*