VedderPrice

Main Street Lending Program Chart

	Main Street New Loan Facility ("NLF")	Main Street Priority Loan Facility ("PLF")	Main Street Expanded Loan Facility ("ELF")
Availability Period:	Until September 30, 2020 (unless extended).		
Eligible Borrowers:	(i) "Businesses" that have no more than either (a) 15,000 employees (see below for calculations) **or** (b) $5 billion in 2019 annual revenues (see below for calculations) (must only meet one of these requirements); (ii) established prior to March 13, 2020; (iii) not an "Ineligible Borrower" (see below); (iv) created or organized in the U.S. with "significant operations" in and a majority of employees based in the U.S.; (v) cannot participate in more than one of the NLF, ELF and PLF programs (also, cannot participate in the Primary Market Corporate Credit Facility), but may receive more than one loan under the same program subject to caps; (vi) has not received specific support pursuant to the CARES Act, but recipients of PPP loans are eligible to participate; and (vii) the borrower must be able to certify that it is unable to secure "adequate credit accommodations" from other banks. "Business" is defined to include, among other things, for profit entities, partnerships, limited liability companies, associations and trusts. Unlike the PPP program, not-for-profit entities are ineligible. "Adequate Credit Accommodations". The borrower must certify that it is unable to secure adequate credit accommodations from other banks. This doesn't necessarily mean that no other credit is available to the borrower, but can mean that the amount, price or terms of credit available from other sources are inadequate for the borrower's needs during the current unusual and exigent circumstances. Borrowers are not required to demonstrate that applications for credit had been denied by other lenders or otherwise document that the amount, price or terms of credit available elsewhere are inadequate. "Significant Operations" in the U.S. To determine if an Eligible Borrower has "significant operations" in the U.S., the business's operations should be evaluated on a consolidated basis together with its subsidiaries, but not its parent companies or sister affiliates. For example, an Eligible Borrower has significant operations in the U.S. if, when consolidated with its subsidiaries, greater than 50% of the Eligible Borrower's: (i) assets are located in the U.S.; (ii) annual net income is generated in the U.S.; (iii) annual net operating revenues are generated in the U.S.; or (iv) annual consolidated operating expenses (excluding interest expense and any other expenses associated with debt service) are generated in the U.S. This is a non-exhaustive list. Subsidiaries of Foreign Entities. A subsidiary of a foreign company can be eligible for a Main Street loan as long as the borrower itself has the required U.S. nexus. Loan proceeds may not be used for the benefit of foreign parents, affiliates or subsidiaries. Holding Companies. For holding companies, loan sizing calculations can be based on one or more operating subsidiaries selected by the borrower to provide a guarantee so long as each selected subsidiary is itself eligible under the Main Street Lending Program.		

This chart is current as of June 3, 2020. Updated items are reflected in green.

	Main Street New Loan Facility ("NLF")	Main Street Priority Loan Facility ("PLF")	Main Street Expanded Loan Facility ("ELF")
(i) Calculating Employees:	For the purposes of meeting the employee headcount requirement above, Eligible Borrowers should count all full-time, part-time, seasonal, or otherwise employed persons, excluding volunteers and independent contractors. For determining eligibility, the Eligible Borrower should use the average of the total number of employees of the Eligible Borrower and its affiliates for each pay period over the 12 months prior to the origination or upsizing of a loan.		
(ii) Revenues	Eligible Borrowers may use either of the following methods to calculate 2019 revenues: (1) Eligible Borrower may use its (and its affiliates') annual "revenue" per its 2019 GAAP-based audited financials; or (2) Eligible Borrower may use its (and its affiliates') annual receipts for the fiscal year 2019, as reported to the IRS. If a borrower (or its affiliate) does not yet have 2019 audited financial statements or annual receipts for 2019, the borrower (or its affiliate) should use its most recent audited financial statements or annual receipts. ***VEDDER OBSERVATION**: This suggests that pre-2019 numbers can be used if 2019 numbers are not yet available by audit or IRS reporting.*		
(iii) Affiliation:	Both the employee headcount and annual revenue requirements must be calculated using the numbers for the Eligible Borrower's business, as well as those of any affiliated businesses. The affiliation rules (as adjusted for the employee size and revenue amounts noted above) are similar to those used under PPP, but do not include exceptions for restaurant or hospitality businesses, franchises or SBIC backed businesses.		
Ineligible Borrowers:	Ineligible Borrowers include businesses listed in 13 CFR 120.110(b)-(j), (m)-(s), as modified and clarified by SBA regulations for pur-poses of the PPP on or before April 24, 2020. These include businesses like not-for-profits, passive business like real estate owners and landlords, life insurance companies, private clubs, sexual-related enterprises and religious schools. **Private Equity;** While portfolio companies of private equity funds may be eligible for Main Street loans, private equity funds themselves are ineligible.		
Financial Condition:	Eligible Lenders are expected to conduct an assessment of each potential borrower's financial condition at the time of application. Eligible Lenders will apply their own underwriting standards in evaluating financial condition and creditworthiness of a borrower. Eligible Borrowers may be denied loans for failing to meet an Eligible Lender's underwriting standards. ***VEDDER OBSERVATION:** Unlike PPP, lenders will conduct an underwriting process which will likely result in denials or loan amounts that are less than the maximum cap sizes*		

	Main Street New Loan Facility (“NLF”)	Main Street Priority Loan Facility (“PLF”)	Main Street Expanded Loan Facility (“ELF”)
Loan Classification:	If the Eligible Borrower had other loans outstanding with the Eligible Lender as of December 31, 2019, such loans must have had an internal risk rating equivalent to a “pass” in the Federal Financial Institutions Examination Council’s supervisory rating system on that date.		Eligible Loan must have had an internal risk rating equivalent to a “pass” in the Federal Financial Institutions Examination Council’s supervisory rating system as of December 31, 2019. Also, if an existing loan was originated after December 31, 2019, the Eligible Lender should use the internal risk rating given to that loan at origination to determine whether the loan is eligible for upsizing under ELF.
Eligible Lenders:	(i) U.S. federally insured depository institution (including bank, savings association, or credit union); (ii) U.S. branch or agency of a foreign bank; (iii) U.S. bank holding company; (iv) U.S. savings and loan holding company; (v) U.S. intermediate holding company of a foreign banking association; and (vi) U.S. subsidiary of any of the foregoing. ***Syndicated Facilities:*** *If the loan underlying an ELF upsized tranche is part of a multi-lender facility, then the Eligible Lender must be one of the lenders that holds an interest in the underlying loan at the time of upsizing. Only the Eligible Lender for the upsized tranche is required to meet the Eligible Lender criteria; other lenders in the syndicate are not required to be Eligible Lenders.* ***Alternative Lenders:*** *Alternative lenders are still not eligible.*		

	Main Street New Loan Facility ("NLF")	Main Street Priority Loan Facility ("PLF")	Main Street Expanded Loan Facility ("ELF")

Borrower Requirements:	• Will not repay the principal balance of, or pay any interest on, any debt until the Eligible Loan (or, in the case of ELF, solely the upsized tranche) is repaid in full, unless the debt or interest payment is "mandatory and due" (meaning (a) on the future date upon which they were scheduled to be paid as of April 24, 2020 or (b) upon the occurrence of an event that automatically triggers mandatory prepayments under a contract for indebtedness that the Eligible Borrower executed prior to April 24, 2020, except that any such prepayments triggered by the incurrence of new debt can only be paid if they are de minimis or under PLF at the time of origination of PLF).
	    • Eligible Borrowers may continue to pay, and Eligible Lenders may request that Eligible Borrowers pay, interest or principal payments on outstanding debt on (or after) the payment due date, provided that the payment due date was scheduled prior to April 24, 2020. Eligible Borrowers may not pay, and Eligible Lenders may not request that Eligible Borrowers pay, interest or principal payments on such debt ahead of schedule during the life of the Main Street loan, unless required by a mandatory prepayment clause as specifically permitted above.
	    • For future debt incurred by the Borrower in compliance with the terms and conditions of the Main Street loan, principal and interest payments are "mandatory and due" on their scheduled dates or upon the occurrence of an event that automatically triggers mandatory prepayments.
	    • If an Eligible Borrower has an existing debt arrangement that requires prepayment of more than a de minimis amount upon the incurrence of new debt, the Eligible Borrower cannot participate in NLF or ELF unless such requirement is waived or reduced to a de minimis amount by the relevant creditor.
	    • However, for PLF only, the Eligible Borrower may, at the time of origination of the Eligible Loan, refinance existing debt owed by the Eligible Borrower to a lender that is not the Eligible Lender.
	    • Eligible Borrowers may still (i) repay a line of credit (including a credit card) in the normal course of business usage of such line of credit, (ii) take on and pay additional debt obligations required in the normal course of business on standard terms, including inventory and equipment financing, provided that such debt is secured only by the newly acquired property (e.g., inventory or equipment), and, apart from such security, is of equal or lower priority than the loan or upsized tranche, and (iii) refinance maturing debt.
	• Will not seek to cancel or reduce any of its committed lines of credit with the Eligible Lender or any other lender.
	• Eligible Borrower should make commercially reasonable efforts to maintain its payroll and retain its employees while the Eligible Loan (or, in the case of ELF, solely the upsized tranche) is outstanding. Specifically, Eligible Borrower should undertake good-faith efforts to maintain payroll and retain employees, in light of its capacities, the economic environment, its available resources, and the business need for labor. Eligible Borrowers who have already laid off or furloughed employees as a result of COVID disruptions are eligible to apply.
	• Eligible Borrower cannot be owned, controlled or held by certain governmental officials or certain of their relatives.
	• Eligible Borrower must have a reasonable basis to believe that, as of the date of the loan or upsize, and after giving effect to the loan or upsize, it has the ability to meet its financial obligations for at least the next 90 days and does not expect to file bankruptcy during that time period.
	• Eligible Borrower must certify that it is not "insolvent".		

<table>
<tr><th></th><th>Main Street New Loan Facility (“NLF”)</th><th>Main Street Priority Loan Facility (“PLF”)</th><th>Main Street Expanded Loan Facility (“ELF”)</th></tr>
<tr><td>Lender Requirements on Repayment:</td><td colspan="3">• Eligible Lender will not request that Eligible Borrower repay debt extended by Eligible Lender to Eligible Borrower, or pay interest on such outstanding obligations, until Eligible Loan (or, in the case of ELF, solely the upsized tranche) is repaid in full, unless the debt or interest payment is mandatory and due, or in the case of default and acceleration.

• Eligible Lender will not cancel or reduce any existing committed lines of credit to Eligible Borrower, except in an event of default.

• This does not prohibit the reduction or termination of uncommitted lines of credit, the expiration of existing lines of credit in accordance with their terms, or the reduction of availability under existing lines of credit in accordance with their terms or due to changes in borrowing bases or reserves in ABL or similar structures.

• Eligible Lender would not be prevented from accepting repayments on a line of credit from an Eligible Borrower in accordance with the Eligible Borrower’s normal course of business usage for such line of credit.</td></tr>
<tr><td>Additional ELF Lender Requirement:</td><td colspan="2"></td><td>The Eligible Lender is not required to have been the same Eligible Lender that originally extended the loan underlying an upsized tranche. However, the Eligible Lender must have purchased the interest in the underlying loan as of December 31, 2019, and the Eligible Lender must have assigned an internal risk rating to the underlying loan equivalent to a “pass” in the FFIEC’s supervisory rating system as of that date.</td></tr>
<tr><td>Eligible Loans:</td><td colspan="2">Secured or unsecured term loan made by an Eligible Lender to an Eligible Borrower that was originated after April 24, 2020, provided that the loan has the features described below.</td><td>• Existing tranche:
• Secured or unsecured term loan or revolving credit facility made by an Eligible Lender to an Eligible Borrower that was originated on or before April 24, 2020; and
• Must have a remaining maturity of at least 18 months (taking into account any adjustments made to maturity after April 24, 2020, including at the time of upsizing).
• Upsize tranche must be a term loan that has the features described below.</td></tr>
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	Main Street New Loan Facility ("NLF")	Main Street Priority Loan Facility ("PLF")	Main Street Expanded Loan Facility ("ELF")
New/Upsized Loan Features:			
Loan Size:	**Minimum:** $500,000		**Minimum:** $10 million
	Maximum: Lesser of: • $25 million **(less any amount extended to an affiliate of the Eligible Borrower under NLF)**; • 4x adjusted 2019 EBITDA of the Eligible Borrower minus existing outstanding and undrawn available debt of the Eligible Borrower; or • 4x 2019 adjusted EBITDA of the Eligible Borrower **and its affiliates on a consolidated basis** minus existing outstanding and undrawn available debt of the Eligible Borrower **and its affiliates on a consolidated basis**.	**Maximum:** Lesser of: • $25 million **(less any amount extended to an affiliate of the Eligible Borrower under PLF)**; • 6x adjusted 2019 EBITDA of the Eligible Borrower minus existing outstanding and undrawn available debt of the Eligible Borrower; or • 6x 2019 adjusted EBITDA of the Eligible Borrower **and its affiliates on a consolidated basis** minus existing outstanding and undrawn available debt of the Eligible Borrower **and its affiliates on a consolidated basis**.	**Maximum:** Lesser of: • $200 million **(less any amount extended to an affiliate of the Eligible Borrower under ELF)**; • 35% of existing outstanding and undrawn available debt that is *pari passu* in priority with the Eligible Loan and equivalent in secured status (i.e., secured or unsecured) (If the upsized tranche is part of a secured loan, then all secured debt for borrowed money that has not been made junior in priority through contractual subordination should be included in the 35% calculation regardless of value or type of collateral. If the upsized tranche is part of an unsecured loan, then all unsecured debt for borrowed money that has not been made junior in priority through contractual subordination should be included in the 35% calculation); • 6x adjusted 2019 EBITDA of the Eligible Borrower minus existing outstanding and undrawn available debt of the Eligible Borrower; or • 6x 2019 adjusted EBITDA of the Eligible Borrower **and its affiliates on a consolidated basis** minus existing outstanding and undrawn available debt of the Eligible Borrower **and its affiliates on a consolidated basis**.

	Main Street New Loan Facility (“NLF”)	Main Street Priority Loan Facility (“PLF”)	Main Street Expanded Loan Facility (“ELF”)
Affiliation for maximum loan sizing:	• An Eligible Borrower’s maximum loan size is limited by its own leverage level, the leverage level of the affiliated group on a consolidated basis, and the size of any loan extended to other affiliates in the group. • The affiliation test for maximum loan sizing purposes is the same one used for the maximum employee and revenue eligibility calculations. The affiliation test applies to private equity-owned businesses in the same manner as any other business subject to outside ownership or control. It is noted that the SBA affiliation exceptions in 13 CFR 121.103(b) apply to the Main Street Lending Program, including the exception for business concerns owned in whole or substantial part by investment companies licensed under the Small Business Investment Act of 1958, as amended. • An affiliated group of businesses can participate in only one Main Street facility, and cannot participate in both a Main Street facility and the PMCCF. For example, if an Eligible Borrower’s affiliate has participated in NLF or has a pending application to participate in NLF, then the Eligible Borrower would only be able to participate in NLF and would be prohibited from participating in PLF and ELF. ***VEDDER OBSERVATION:*** Although portfolio companies of private equity funds are not excluded from the Main Street Lending Program, this expansion of the affiliation rules could impact the amount of Main Street loans that portfolio companies of private equity funds are able to receive. However, we note that the Forms of Lender Transaction Specific Certifications and Covenants state that affiliates are included in loan sizing calculations “…if one or more of the Borrower’s affiliates previously participated, or has applied to participate, in the Facility….” While the FAQs are not clear on this point, if a potential borrower’s affiliates have not applied for or participated in the Main Street Lending Program, then it is possible that affiliates need not be included in loan sizing calculations. Another open question is whether only those affiliates that apply for or participate in the Main Street Lending Program should be included in the loan sizing calculations (rather than all affiliates).		
“existing outstanding and undrawn available debt”:	• Includes all amounts borrowed under any loan facility, including unsecured or secured loans from any bank, non-bank financial institution or private lender, as well as any publicly issued bonds or private placement facilities. • Includes all unused commitments under any loan facility, excluding any undrawn commitment: serving as a backup line for commercial paper issuance; used to finance AR (including seasonal financing of inventory); that cannot be drawn without additional collateral; and no longer available due to change in circumstance. • Calculated as of the date of the loan application and not the date of closing.		

	Main Street New Loan Facility ("NLF")	Main Street Priority Loan Facility ("PLF")	Main Street Expanded Loan Facility ("ELF")
"adjusted EBITDA":	Methodology used for calculating adjusted 2019 EBITDA must be the methodology Eligible Lender has previously required to be used for adjusting EBITDA when extending credit to the Eligible Borrower or similarly situated borrowers (or, solely in the case of ELF, when originating or amending the Eligible Loan) on or before April 24, 2020. If an Eligible Lender has used multiple EBITDA adjustment methods with respect to the Eligible Borrower or similarly situated borrowers (e.g., one for use within a credit agreement and one for internal risk management purposes), the Eligible Lender should choose the most conservative method it has employed, and must select a single method used at a point in time in the recent past and before April 24, 2020. The Eligible Lender may not "cherry pick" or apply adjustments used at different points in time or for a range of purposes. The Eligible Lender should document the rationale for its selection of an adjusted EBITDA methodology. In the case of ELF, if EBITDA was not calculated or used when originating the loan underlying the upsized tranche, the Eligible Borrower's adjusted EBITDA must be calculated using a methodology that the Eligible Lender has required to be used in other contexts for the Eligible Borrower or, if there is no such calculation, for similarly situated borrowers. ***VEDDER OBSERVATION:*** *Eligible Lender must certify as to methodology for EBITDA, which will lead to Eligible Lender's careful consideration of EBITDA.*		
"similarly situated borrowers":	"Similarly situated borrowers" are borrowers in similar industries with comparable risk and size characteristics. Eligible Lenders should document their process for identifying similarly situated borrowers when they originate an NLF or a PLF.		
Interest Rate:	*Adjustable rate of LIBOR (1- or 3-month) + 3%*		
Maturity:	4 years. ***VEDDER OBSERVATION:*** *If a borrower has existing debtholders whose consent is needed to incur a loan under Main Street, then those debtholders may be uncomfortable if such loan matures prior to their existing debt.*		
Payment Deferrals	1-year deferral for principal amortization and interest payments (unpaid interest will be capitalized).		
Prepayment:	Yes, with no prepayment premium.		
Amortization:	Year 1: Deferred Year 2: 1/3 at end of 2nd year Year 3: 1/3 at end of 3rd year Year 4: 1/3 at end of 4th year	Year 1: Deferred Year 2: 15% at end of 2nd year Year 3: 15% at end of 3rd year Year 4: 70% at end of 4th year	
Forgiveness:	Not forgivable.		

	Main Street New Loan Facility (“NLF”)	Main Street Priority Loan Facility (“PLF”)	Main Street Expanded Loan Facility (“ELF”)
Priority:	Cannot be contractually subordinated in terms of priority to any of the Eligible Borrower’s other Loans or Debt instruments (other than, in the case of PLF and ELF, Mortgage Debt). This does not prevent: • Issuance of Eligible Loan that is secured (including in a second lien or other capacity) to an Eligible Borrower, whether or not there is any outstanding secured loan of any lien position or maturity; • Issuance of an unsecured Eligible Loan, regardless of the term or secured or unsecured status of an Eligible Borrower’s existing debt; or • Eligible Borrower from taking on new secured or unsecured debt after receiving an Eligible Loan, provided that the new debt would not have a higher contractual priority in bankruptcy than the Eligible Loan. Prohibitions on contractual subordination with respect to Main Street loans do not prevent the incurrence of obligations that have mandatory priority under the bankruptcy code or other insolvency laws that apply to entities generally. “Loans or Debt Instruments” means debt for borrowed money and all obligations evidenced by bonds, debentures, notes, loan agreements or other similar instruments, and all guarantees of the foregoing. “Mortgage Debt” means debt secured by real property at the time of origination of PLF or ELF.		

	Main Street New Loan Facility (“NLF”)	Main Street Priority Loan Facility (“PLF”)	Main Street Expanded Loan Facility (“ELF”)
Collateral:	Secured or unsecured.	Secured or unsecured. If the Priority Loan is secured, then the Collateral Coverage Ratio for the Priority Loan at the time of its origination must be either (i) at least 200% or (ii) not less than the aggregate Collateral Coverage Ratio for all of the Borrower’s other secured Loans or Debt Instruments (other than Mortgage Debt). “Collateral Coverage Ratio” means the aggregate value of any relevant collateral, including the pro rata value of any Shared Collateral, divided by the outstanding aggregate principal amount of the relevant debt. The Priority Loan need not share in all of the collateral that secures the Eligible Borrower’s other Loans or Debt Instruments. “Shared Collateral” means any collateral security for the eligible loan that is also collateral security for any of the borrower’s or guarantors’ other Loans or Debt Instruments (other than Mortgage Debt).	Secured or unsecured. However, any collateral securing an Eligible Loan (at the time of upsizing or a subsequent date) must secure the upsized tranche on a *pari passu* basis. If the underlying credit facility includes both term loan tranche(s) and revolver tranche(s), the upsized tranche needs to share collateral on a *pari passu* basis with the term loan tranche(s) only. Eligible Lenders and Eligible Borrowers may add new collateral to secure the loan (including ELF on a *pari passu* basis) at the time of upsizing.

	Main Street New Loan Facility (“NLF”)	Main Street Priority Loan Facility (“PLF”)	Main Street Expanded Loan Facility (“ELF”)
Additional PLF and ELF Priority and Collateral Requirements:		PLF or upsized tranche of ELF must be senior to or *pari passu* with, in terms of priority and security, the Eligible Borrower’s other Loans or Debt instruments, other than Mortgage Debt. Must be secured if, at the time of origination, the Eligible Borrower has any other secured Loans or Debt Instruments, other than Mortgage Debt. The lien of the Eligible Lender in any Shared Collateral must be senior to or *pari passu* with the lien on Shared Collateral that secures any of the borrower’s other Loans or Debt Instruments (other than Mortgage Debt), including any other tranches in respect of the underlying loan in the case of ELF. The loan documents must contain a lien covenant or negative pledge that is of the type – and contains exceptions, limitations, carve-outs, baskets, materiality thresholds, and qualifiers – that are consistent with those used by the Eligible Lender in its ordinary course lending to similarly situated borrowers. In the case of ELF, any lien covenant that was negotiated in good faith prior to April 24, 2020, as part of any underlying loan, is sufficient to satisfy this requirement.	
Loan Participation:	SPV will purchase a 95% *pari passu* participation in the Eligible Loan, at par value.	SPV will purchase a 85% *pari passu* participation in the Eligible Loan, at par value.	SPV will purchase a 95% *pari passu* participation in the upsized tranche of the Eligible Loan upsized on or after April 24, 2020, at par value.
Lender Hold Period:	Eligible Lender must retain its portion of the Eligible Loan until (i) it matures or (ii) neither the SPV nor a Governmental Assignee holds an interest in NLF or PLF in any capacity, whichever comes first.		• Eligible Lender must retain its portion of the upsized tranche until (i) the upsized tranche matures, or (ii) neither the SPV nor a Governmental Assignee holds an interest in the upsized tranche in any capacity, whichever comes first. • Eligible Lender must also retain its interest in the underlying Eligible Loan until (i) it matures, (ii) the upsized tranche matures, or (iii) neither the SPV nor a Governmental Assignee holds an interest in the upsized tranche in any capacity, whichever comes first.

	Main Street New Loan Facility ("NLF")	Main Street Priority Loan Facility ("PLF")	Main Street Expanded Loan Facility ("ELF")
Fees:	Eligible Lenders are not permitted to charge Eligible Borrowers any additional fees beyond the fees described below, except de minimis fees for services that are customary and necessary, such as appraisal and legal fees. Eligible Lenders should not charge servicing fees to Eligible Borrowers.		
(i) Transaction Fee:	Eligible Lender will pay SPV a transaction fee of 1% of the principal amount of the Eligible Loan at the time of origination. Eligible Lender can require Eligible Borrower to pay this fee.		Eligible Lender will pay SPV a transaction fee of 0.75% of the principal amount of the up-sized tranche at the time of upsizing. Eligible Lender can require Eligible Borrower to pay this fee.
(ii) Origination Fees:	In addition, Eligible Borrower will pay Eligible Lender an origination fee of up to 1% of the principal amount of the Eligible Loan at the time of origination.		In addition, Eligible Borrower will pay Eligible Lender an origination fee of up to 0.75% of the principal amount of the upsized tranche at the time of upsizing.
(iii) Servicing Fee:	SPV will pay Eligible Lender 0.25% per annum of the principal amount of its participation in the new loan or upsized tranche.		
Restrictions:			
(i) No Buybacks:	No buybacks of equity securities listed on a national exchange until 12 months after the loan is no longer outstanding, <u>except</u> to the extent required under a contractual obligation in effect as of March 27, 2020.		
(ii) No Dividends:	No dividends or other capital distributions with respect to the common stock of the borrower until 12 months after the loan is no longer outstanding (except that an S corporation or other tax pass-through entity (e.g., limited liability company) that is an Eligible Borrower may make distributions to the extent reasonably required to cover its owners' tax obligations in respect of the entity's earnings).		

	Main Street New Loan Facility ("NLF")	Main Street Priority Loan Facility ("PLF")	Main Street Expanded Loan Facility ("ELF")
(iii) Compensation Limitations:	Until 1 year after the loan is no longer outstanding: (a) No officer or employee whose total compensation in calendar year 2019 from the borrower exceeded $425,000 (unless covered by a collective bargaining agreement entered into prior to March 1, 2020): (1) can receive total compensation from the borrower which exceeds, during any 12 consecutive months of such period, total compensation received from the borrower in calendar year 2019; and (2) can receive severance pay or other benefits upon termination of employment which exceeds twice the maximum total compensation received in calendar year 2019. (b) If the officer or employee had total compensation in calendar year 2019 in excess of $3 million, the total compensation limit during any 12 consecutive months of such period is the sum of $3 million plus 50% of calendar year 2019 total compensation in excess of $3 million. Total compensation includes salary, bonuses, awards of stock and other financial benefits provided by the borrower to the officer or employee.		
Loan Documentation:	Eligible Lenders should use their own standard loan documents which should be substantially similar (except for necessary changes to accommodate the requirements of the Main Street Lending Program), including with respect to covenants, to the loan documents used in its ordinary course lending to similarly situated borrowers (in terms of industry and risk and size characteristics). Appendices have been provided by the Federal Reserve Bank of Boston which (i) contain a checklist of items that must be reflected in the loan documentation, (ii) include certain model covenants that Eligible Lenders can elect to reference when drafting their loan documentation, and (iii) include a list of the financial information that Eligible Lenders must require Eligible Borrowers to provide on an ongoing basis until the loans mature. There are certain specific covenants that are required to be included in the loan documents: • detailed financial reporting; • mandatory prepayment relating to a borrower's material breach of certain certifications and covenants (after Fed notification); and • cross-acceleration based on other debt owed to the Eligible Lender or an affiliate. ELF may rely upon existing provisions in credit facilities in certain circumstances.		

	Main Street New Loan Facility ("NLF")	Main Street Priority Loan Facility ("PLF")	Main Street Expanded Loan Facility ("ELF")
SPV Participation:	• Voting. The SPV will have voting rights with respect to items that are customary "sacred rights" and certain other items that are specific to the Main Street Lending Program, such as waivers of conditions precedent to closing, amendments to certain borrower eligibility certifications and covenants, amendments to certain periodic financial reporting, greater restrictions on lender assignability, adverse effect on participated loans that would be disproportionate, and certain actions relating to the required cross-acceleration provisions. The SPV will make commercially reasonable decisions to protect taxpayers from losses on Main Street loans and will not be influenced by noneconomic factors when exercising its voting rights, including with respect to a borrower that is the subject of a workout or restructuring. • Elevation of SPV Participation. The SPV can generally elevate its participation in the loan into an assignment without the consent of the Eligible Lender and Eligible Borrower in the following circumstances: (i) if the Eligible Borrower fails to make a payment and the applicable grace period expires; (ii) if the Eligible Borrower or Eligible Lender is subject to bankruptcy or insolvency proceedings; (iii) automatically, if the Eligible Lender would allow any portion of the underlying loan to be forgiven; and (iv) if required by law. • Sale of SPV Participation. The SPV is generally permitted to sell its participation (without elevating) only with the contemporaneous consent of the Eligible Lender. In addition, it is generally permitted to elevate its participation into an assignment only with the contemporaneous consent of the Eligible Borrower, the Eligible Lender and other necessary parties (i.e., the administrative agent in a multi-lender facility). However, the SPV may make certain transfers without such contemporaneous consent, including in the circumstances described above for elevation. • Workouts. The SPV will rely on the Eligible Lender to service the loan prior to any workout situations. The SPV would be expected to rely on the Eligible Lender to follow market-standard workout processes and to exercise its standard of care. In general, the Fed expects that the SPV generally would not expect to elevate and assign except in situations where (i) the economic interests of the Eligible Lender and the SPV are misaligned, or (ii) the loan amount is relatively large in comparison to other loans in the SPV's portfolio of participations. While Main Street loans are not forgivable, in the event of a workout the SPV may agree to extended amortization schedules, reductions in interest (including capitalized interest) and higher priority "priming" loans. • Pre-Funding vs. Conditional Funding. Eligible Lenders have the option to either (a) fund a Main Street loan first and then seek to sell the participation to the SPV subsequently (which would still require SPV approval), or (b) extend a Main Street loan contingent on a binding purchase commitment from the SPV. • Bankruptcy Priority. The SPV (and any other entity that steps into its shoes) has waived and disclaimed its right to assert special administrative priority under Section 507(a)(2) of the Bankruptcy Code.		

If you would like to discuss the matters addressed in this bulletin, please contact **Michael A. Nemeroff** at (312) 609-7858, **Venu V. Talanki** at (312) 609-7749, **Daniel J. Robot** at (312) 609-7644 or your Vedder Price attorney.