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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the

Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 26, 2020

HORIZON TECHNOLOGY FINANCE CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	814-00802	27-2114934
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

312 Farmington Avenue
Farmington, CT 06032
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: **(860) 676-8654**

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

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Emerging growth company ☐

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

Title of each class	Ticker symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.001 per share	HRZN	The Nasdaq Stock Market LLC
6.25% Notes due 2022	HTFA	The New York Stock Exchange

Section 1 Registrant's Business and Operations
Item 1.01 Entry into a Material Definitive Agreement

On June 26, 2020, Horizon Technology Finance Corporation (the "Company"), a leading specialty finance company that provides capital in the form of secured loans to venture capital backed companies in the technology, life science, healthcare information and services, and sustainability industries, issued a press release today announcing an amendment and extension its $100 million senior secured credit facility with a large U.S. based insurance company. A copy of the press release is furnished herewith as Exhibit 99.1.

The amendments became effective upon DBRS, Inc.'s assigning a rating to those certain notes (the "Notes") previously issued pursuant to that certain indenture by and between Horizon Funding I, LLC, a Delaware limited liability company and indirect wholly owned subsidiary of the Company (the "Issuer"), and U.S. Bank National Association, dated as of June 1, 2018 (the "Indenture"). Pursuant to that certain Sale and Servicing Agreement by and among the Issuer, the Company as servicer, Horizon Secured Loan Fund I LLC, as originator and as seller ("HSLFI"), and U.S. Bank National Association, dated June 1, 2018 (the "Sale and Servicing Agreement"), as amended by that certain Amendment No. 1 to the Sale and Servicing Agreement, dated June 19, 2019 (the "Amendment No. 1"), the Issuer can obtain Advances (as defined therein) according to the required terms.

On June 5, 2020, the Issuer executed a supplemental indenture (the "Supplemental Indenture") to extend the Legal Final Payment Date to June 2027. Concurrently, the Issuer entered into the Amended and Restated Note Funding Agreement with the Initial Purchasers, as defined therein, (the "Note Funding Agreement"). In addition, the Company entered into that certain Amendment No. 2 to the Sale and Servicing Agreement by and among the Issuer, the Company, HSLFI, and U.S. Bank National Association (the "Amendment No. 2"). The Amendment No. 2, among other things, (1) amended the interest rate to adjust based on the rating assigned by DBRS, Inc. at the time of an Advance, (2) amended the excess concentration amounts, (3) extended the term of the Investment Period Termination Date from June 1, 2020, or June 1, 2021 upon the mutual agreement of the Fund and the Noteholders (as defined therein) to June 5, 2022, or June 5, 2023 upon the mutual agreement of the Fund and the Noteholders, (4) extended the Ramp-Up Period to end on the earlier of (i) nine months from the amendment date and (ii) the date upon which $50,000,000 loans are subject to the facility, (4) extended the Portfolio Profile Milestone Test Date from June 2019 and June 2020 to June 2021 and June 2022, and (5) extended the Legal Final Payment Date from June 2025, or if the Investment Period Termination Date was extended June 2026, to June 2027, or if the Investment Period Termination Date is extended June 2028. Any obligation to make additional Advances was conditioned on the occurrence of certain actions (the "Commencement Event"). The Commencement Event has now occurred.

The description of the documentation related to the Amendment No. 2, the Supplemental Indenture and the Amended and Restated Note Funding Agreement contained in this Current Report on Form 8-K is only a summary of the material terms of the Amendment No. 2, the Supplemental Indenture and the Amended and Restated Note Funding Agreement and are qualified in their entirety by the terms of the Amendment No. 2, the Supplemental Indenture and the Amended and Restated Note Funding Agreement filed as exhibits hereto, which is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

Exhibit No.	Description
10.1	Sale and Servicing Agreement, dated as of June 1, 2018, by and among Horizon Funding I, LLC, the issuer, Horizon Secured Lending Fund I LLC, as originator and seller, Horizon Technology Finance Corporation, the servicer, and U.S. Bank National Association.
10.2	Amendment No. 1 to Sale and Servicing Agreement, dated as of June 19, 2019, by and among Horizon Funding I, LLC, the issuer, Horizon Secured Lending Fund I LLC, as originator and seller, Horizon Technology Finance Corporation, the servicer, and U.S. Bank National Association.
10.3	Amendment No. 2 to Sale and Servicing Agreement, dated as of June 5, 2020, by and among Horizon Funding I, LLC, the issuer, Horizon Secured Lending Fund I LLC, as originator and seller, Horizon Technology Finance Corporation, the servicer, and U.S. Bank National Association.
10.4	Amended and Restated Note Funding Agreement, dated as of June 5, 2020, between Horizon Funding I, LLC, the issuer, and the Initial Purchasers (as defined therein).
10.5	Indenture, dated as of June 1, 2018, by and between Horizon Funding I, LLC, the issuer, and U.S. Bank National Association.
10.6	Supplemental Indenture, dated as of June 5, 2020, by and between Horizon Funding I, LLC, the issuer, and U.S. Bank National Association.
99.1	Press release date June 26, 2020 (furnished herewith)

SIGNATURE

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

Date: June 26, 2020

HORIZON TECHNOLOGY FINANCE CORPORATION

By: /s/ Robert D. Pomeroy, Jr.
Robert D. Pomeroy, Jr.
Chief Executive Officer

Exhibit 10.1

EXECUTION VERSION

SALE AND SERVICING AGREEMENT

by and among

HORIZON FUNDING I, LLC,
as the Issuer,

HORIZON SECURED LOAN FUND I LLC,
as the Originator and as the Seller,

HORIZON TECHNOLOGY FINANCE CORPORATION,
as the Servicer,

and

U.S. BANK NATIONAL ASSOCIATION,
as the Trustee, Backup Servicer, Lockbox Bank, Custodian and Securities Intermediary

Dated as of June 1, 2018

HORIZON FUNDING I, LLC
Asset-Backed Notes

TABLE OF CONTENTS

		Page
ARTICLE I DEFINITIONS		2
Section 1.01	Definitions	2
Section 1.02	Usage of Terms	33
Section 1.03	Section References	33
Section 1.04	Calculations	33
Section 1.05	Accounting Terms	33
ARTICLE II ESTABLISHMENT OF ISSUER; TRANSFER OF LOAN ASSETS		34
Section 2.01	Creation and Funding of Issuer; Transfer of Loan Assets	34
Section 2.02	Conditions to Transfer of Initial Loan Assets to Issuer	35
Section 2.03	Acceptance by Issuer	36
Section 2.04	Conveyance of Substitute Loans	36
Section 2.05	Conveyance of Subsequent Loans	38
Section 2.06	Optional Sales of Loans	40
Section 2.07	Optional Substitution of Loans	41
Section 2.08	Release of Excluded Property	41
Section 2.09	Delivery of Documents in the Loan File	41
Section 2.10	Limitations on Optional Sale and Substitution	42
Section 2.11	Certification by Trustee and Custodian; Possession of Loan Files	43
ARTICLE III REPRESENTATIONS AND WARRANTIES		45
Section 3.01	Representations and Warranties Regarding the Originator	45
Section 3.02	Representations and Warranties Regarding Each Loan and as to Certain Loans in the Aggregate	49
Section 3.03	[Reserved]	49
Section 3.04	Representations and Warranties Regarding the Required Loan Documents	49
Section 3.05	[Reserved]	49
Section 3.06	Representations and Warranties Regarding the Servicer	50
Section 3.07	Representations of the Backup Servicer	51

TABLE OF CONTENTS
(continued)

	Page
ARTICLE IV PERFECTION OF TRANSFER AND PROTECTION OF SECURITY INTERESTS	52
Section 4.01 Custody of Loans	52
Section 4.02 Filing	52
Section 4.03 Changes in Name, Organizational Structure or Location	53
Section 4.04 Costs and Expenses	53
Section 4.05 Sale Treatment	53
Section 4.06 Separateness from Issuer	53
ARTICLE V SERVICING OF LOANS	54
Section 5.01 Appointment and Acceptance	54
Section 5.02 Duties of the Servicer and the Backup Servicer.	54
Section 5.03 Liquidation of Loans	60
Section 5.04 [Reserved]	61
Section 5.05 [Reserved]	61
Section 5.06 Collection of Certain Loan Payments	61
Section 5.07 Access to Certain Documentation and Information Regarding the Loans	61
Section 5.08 Satisfaction of Liens and Collateral and Release of Loan Files	62
Section 5.09 Scheduled Payment Advances; Servicing Advances and Nonrecoverable Advances	63
Section 5.10 Title, Management and Disposition of Foreclosed Property	63
Section 5.11 Servicing Compensation	64
Section 5.12 Assignment; Resignation	65
Section 5.13 Merger or Consolidation of Servicer	65
Section 5.14 Limitation on Liability of the Servicer and Others	66
Section 5.15 Determination of General Reserve Account Required Balance	66
Section 5.16 Determination of Principal Reinvestment Account Allocation Amount during Investment Period	66
ARTICLE VI COVENANTS OF THE ORIGINATOR	67
Section 6.01 Legal Existence	67
Section 6.02 [Reserved]	67
Section 6.03 Security Interests	67
Section 6.04 Delivery of Collections	67

TABLE OF CONTENTS
(continued)

	Page
Section 6.05 Regulatory Filings	67
Section 6.06 Compliance with Law	68
Section 6.07 Limitation on Liability of Originator and Others	68
Section 6.08 Payments from Obligors	68
ARTICLE VII ESTABLISHMENT OF ACCOUNTS; DISTRIBUTIONS;	68
Section 7.01 Distribution Account; Lockbox Account and Other Accounts	68
Section 7.02 General Reserve Account	70
Section 7.03 Collection Account	71
Section 7.04 Noteholder Distributions	74
Section 7.05 Allocations and Distributions	74
ARTICLE VIII SERVICER DEFAULT; SERVICER TRANSFER	79
Section 8.01 Servicer Default	79
Section 8.02 Servicer Transfer	80
Section 8.03 Acceptance by Successor Servicer; Reconveyance; Successor Servicer to Act	82
Section 8.04 Notification to Noteholders	83
Section 8.05 Effect of Transfer	84
Section 8.06 Database File	84
Section 8.07 Waiver of Defaults	84
ARTICLE IX REPORTS	84
Section 9.01 Monthly Reports	84
Section 9.02 [Reserved]	85
Section 9.03 Preparation of Reports; Officer’s Certificate	85
Section 9.04 Other Data; Obligor Financial Information	86
Section 9.05 Annual Report of Accountants	87
Section 9.06 Statements of Compliance from Servicer	87
Section 9.07 Notices of Event of Default, Servicer Default or Rapid Amortization Event	88
Section 9.08 Trustee’s Right to Examine Servicer Records, Audit Operations and Deliver Information to Noteholders	88

TABLE OF CONTENTS
(continued)

	Page
ARTICLE X TERMINATION	88
Section 10.01 [Reserved]	88
Section 10.02 Termination	88
ARTICLE XI REMEDIES UPON MISREPRESENTATION; REPURCHASE OPTION	89
Section 11.01 Repurchases of, or Substitution for, Loans for Breach of Representations and Warranties	89
Section 11.02 Reassignment of Repurchased or Substituted Loans	89
ARTICLE XII INDEMNITIES	90
Section 12.01 Indemnification by Servicer	90
Section 12.02 Indemnification by Originator	91
Section 12.03 Survival	91
ARTICLE XIII MISCELLANEOUS	91
Section 13.01 Amendment	91
Section 13.02 Acts of God	92
Section 13.03 Governing Law	92
Section 13.04 Notices	93
Section 13.05 Severability of Provisions	95
Section 13.06 Third Party Beneficiaries	95
Section 13.07 Counterparts	95
Section 13.08 Headings	95
Section 13.09 No Bankruptcy Petition; Disclaimer	95
Section 13.10 Jurisdiction	96
Section 13.11 No Partnership	96
Section 13.12 Successors and Assigns	96
Section 13.13 Acts of Holders	96
Section 13.14 Duration of Agreement	96
Section 13.15 Limited Recourse	96
Section 13.16 Confidentiality	97
Section 13.17 Non-Confidentiality of Tax Treatment	97

TABLE OF CONTENTS

EXHIBITS, SCHEDULES AND APPENDIX

		Page
Exhibit A	Form of Assignment	A-1
Exhibit B	Form of Borrowing Base Certificate	B-1
Exhibit C	Form of Closing Certificate of Servicer/Originator	C-1
Exhibit D	Form of Liquidation Report	D-1
Exhibit E	Servicer Officer’s Certificate	E-1
Exhibit F	List of Loans	F-1
Exhibit G	Form of Monthly Report	G-1
Exhibit H-1	Form of Initial Certification	H-1
Exhibit H-2	Form of Final Certification	H-2
Exhibit I	Form of Request for Release of Documents	I-1
Exhibit J	Initial Loans Criteria	J-1
Exhibit K	Portfolio Profile Milestone Criteria	K-1

SALE AND SERVICING AGREEMENT

THIS SALE AND SERVICING AGREEMENT, dated as of June 1, 2018, is by and among:

(1) HORIZON FUNDING I, LLC, a limited liability company created and existing under the laws of the State of Delaware (together with its successors and assigns, the "Issuer");

(2) HORIZON SECURED LOAN FUND I LLC, a limited liability company created and existing under the laws of the State of Delaware (together with its successors and assigns, the "Fund"), as the seller (together with its successors and assigns, in such capacity, the "Seller"), and as the originator (together with its successors and assigns, in such capacity, the "Originator");

(3) HORIZON TECHNOLOGY FINANCE CORPORATION, a corporation created and existing under the laws of the State of Delaware (together with its successors and assigns, the "BDC"), as the servicer (together with its successors and assigns, in such capacity, the "Servicer"); and

(4) U.S. BANK NATIONAL ASSOCIATION (together with its successors and assigns, "U.S. Bank"), not in its individual capacity but as the indenture trustee (together with its successors and assigns, in such capacity, the "Trustee"), not in its individual capacity but as the backup servicer (together with its successors and assigns, in such capacity, the "Backup Servicer"), not in its individual capacity but as the custodian (together with its successors and assigns in such capacity, the "Custodian"), not in its individual capacity but as the lockbox bank (together with its successors and assigns in such capacity, the "Lockbox Bank") and not in its individual capacity but solely as securities intermediary (together with its successors and assigns, in such capacity, the "Securities Intermediary").

R E C I T A L S

WHEREAS, in the regular course of its business, the Originator originates and/or otherwise acquires Loans (as defined herein);

WHEREAS, on the Closing Date, the Originator will sell, convey and assign all its right, title and interest in the Initial Loan Assets and certain other assets to the Issuer as provided herein;

WHEREAS, on each Transfer Date, the Originator may sell, convey and assign all its right, title and interest in Subsequent Loan Assets and/or Substitute Loan Assets, as applicable, and certain other assets to the Issuer as provided herein;

WHEREAS, it is a condition to the Issuer's acquisition of the Initial Loan Assets and any Subsequent Loan Assets and Substitute Loan Assets from the Originator that the Originator make certain representations and warranties regarding the Loan Assets for the benefit of the Issuer;

WHEREAS, the Issuer is willing to purchase and accept assignment of the Loan Assets from the Originator pursuant to the terms hereof;

WHEREAS, the Servicer is willing to service the Loan Assets for the benefit and account of the Issuer pursuant to the terms hereof; and

WHEREAS, the Backup Servicer is willing to provide backup servicing for all such Loan Assets.

NOW, **THEREFORE**, based upon the above recitals, the mutual premises and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions.

Whenever used in this Agreement, the following words and phrases, unless the context otherwise requires, shall have the following meanings:

"1940 Act" means the Investment Company Act of 1940, as amended.

"Adjusted Pool Balance" means, as of any date of determination, the Aggregate Outstanding Loan Balance minus (a) the Excess Concentration Amounts and (b) the aggregate Outstanding Loan Balance of all Delinquent Loans (other than such Delinquent Loans that are Defaulted Loans), Defaulted Loans and Ineligible Loans required to be repurchased by the Originator pursuant to Section 11.01, in each case, as of such date of determination and only to the extent not included in the Excess Concentration Amounts determined in clause (a).

"Administrative Expenses" means fees and expenses (excluding amounts related to indemnification) due or accrued with respect to any Payment Date and payable by the Issuer in the following order of priority:

(a) to any Person in respect of any governmental fee, charge or tax in relation to the Issuer;

(b) to the Trustee, the Custodian and the Lockbox Bank, (i) the Trustee Fee, (ii) any fees of the Custodian and the Lockbox Bank and any additional fees, expenses or other amounts not to exceed $280,000 for any 12-month period and (iii) if a Successor Servicer is being appointed, any Servicing Transfer Costs incurred by the Trustee;

(c) to the Backup Servicer, (i) the Backup Servicer Fee and (ii) any additional fees, expenses or other amounts not to exceed $20,000 for any 12-month period;

(d) to the Independent Accountants, agents and counsel of the Issuer for fees and expenses including, but not limited to, audit fees and expenses, and to the Servicer for expenses and other amounts (excluding the Servicing Fee, any Scheduled Payment Advances and any Servicing Advances) payable under this Agreement;

(e) to the Trustee, for unpaid fees and expenses (including reasonable and documented fees and expenses of its agents and counsel) incurred in the exercise of its rights and remedies on behalf of the Noteholders pursuant to Article V of the Indenture; and

(f) to Morningstar for its surveillance fees in relation to the Notes;

provided that Administrative Expenses will not include (I) any amounts due or accrued with respect to the actions taken on or in connection with the Closing Date, (II) any principal of or interest on any Notes or (III) amounts payable to the Trustee in respect of indemnification.

"Advance" means an advance made by the Noteholders in accordance with the terms hereof and in the Note Funding Agreement.

"Advance Date" means the date on which the Noteholders make an Advance to the Issuer in accordance with the terms hereof and in the Note Funding Agreement.

"Advance Rate" means at any time:

(i) if the Collateral consists of Loans to less than five Distinct Obligors, 40%;

(ii) if the Collateral consists of Loans to five or more Distinct Obligors but less than ten Distinct Obligors, 50%;

(iii) if the Collateral consists of Loans to ten or more Distinct Obligors but less than 15 Distinct Obligors, 60%;

(iv) if the Collateral consists of Loans to 15 or more Distinct Obligors, 67%;

provided, that notwithstanding the foregoing, the maximum Advance Rate for Second Lien Loans shall be 60%; provided further that if an Overcollateralization Adjustment Event occurs, for the next Advance Date (or, if no Advance Date shall occur before the next Payment Date, for such Payment Date), the applicable Advance Rate shall be reduced by 10 percentage points.

"Advance Request" means a written notice in the form of Exhibit A to the Note Funding Agreement, to be used by the Issuer to request the funding of an Advance.

"Affiliate" of any specified Person means any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person, or is a director or officer of such Person; *provided* that for purposes of determining whether an Obligor is an Affiliate of another Obligor for purposes of determining the Advance Rate, Excess Concentration Amounts or whether the Initial Loans Criteria or Portfolio Profile Milestone Criteria is satisfied, the term Affiliate shall not include any Affiliate relationship which may exist solely as a result of direct or indirect ownership of, or control by, a common owner which is a financial institution, fund or other investment vehicle which is in the business of making diversified investments including investments independent from the Loans. For the purposes of this definition, "control" (including the terms "controlling," "controlled by" and "under common control with"), when used with respect to any specified Person means the possession, direct or indirect, of the power to vote 25% or more of the voting securities of such Person or to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise. The Trustee may conclusively presume that a Person is not an Affiliate of another Person unless a Responsible Officer of the Trustee has actual knowledge to the contrary.

"Agented Loan" means, with respect to any Loan, (a) the Loan is originated or purchased by the Originator in accordance with the Operating Guidelines as a part of a syndicated loan transaction that has been fully consummated prior to such Loan becoming part of the Collateral, (b) the Issuer, as assignee of the Loan, has all of the rights (including without limitation voting rights) of the Originator with respect to such Loan and the Originator's right, title and interest in and to the Related Property, (c) the Loan is secured by an undivided interest in the Related Property that also secures and is shared by, on a pro rata basis, all other holders of such Obligor's notes of equal priority issued in such syndicated loan transaction and (d) the Originator (or a wholly owned subsidiary of the Originator) is the lead agent or collateral agent for all lenders in such syndicated loan transaction and receives payment directly from the Obligor and may collect such payments on behalf of such lenders.

"Aggregate Outstanding Loan Balance" means, as of any date, the sum of the Outstanding Loan Balance for each Loan owned by the Issuer.

"Aggregate Outstanding Note Balance" means, as of any date of determination, the sum of the Outstanding Note Balances of the Notes on such date.

"Agreement" means this Sale and Servicing Agreement, as amended, modified, waived, supplemented or restated from time to time in accordance with the terms hereof.

"Amortization Period" means the period commencing on the earlier of (i) the Investment Period Termination Date and (ii) the date of an Investment Period Termination Event, and ending on the date the Aggregate Outstanding Note Balance and all related obligations have been reduced to zero.

"Applicable Law" means, for any Person or property of such Person, all existing and future applicable laws, rules, regulations (including proposed, temporary and final income tax regulations), statutes, treaties, codes, ordinances, permits, certificates, orders and licenses of and interpretations by any Governmental Authority (including, without limitation, usury laws, the Federal Truth in Lending Act, and Regulation Z and Regulation B of the Board of Governors of the Federal Reserve System), and applicable judgments, decrees, injunctions, writs, awards or orders of any court, arbitrator or other administrative, judicial, or quasi-judicial tribunal or agency of competent jurisdiction.

"Assignment" means each Assignment, substantially in the form of Exhibit A hereto, relating to an assignment, transfer and conveyance of Loans and the Related Property by the Originator to the Issuer.

"Available Funds" means, with respect to any Payment Date, an amount equal to the sum of, without duplication, (a) Collections received during the related Collection Period; (b) interest earned on and any other investment earnings with respect to funds on deposit in the Collection Account during the related Interest Period; and (c) any Scheduled Payment Advances deposited into the Collection Account on the related Reference Date.

"Backup Servicer" has the meaning provided in the Preamble.

"Backup Servicer Fee" shall be equal to the product of: (i) one-twelfth of 0.0475% (or, with respect to the first Collection Period, a fraction equal to the number of days from and including the Closing Date through and including June 30, 2018 over 360) and (ii) the Aggregate Outstanding Loan Balance as of the beginning of the related Collection Period; *provided*, however, that the Backup Servicer Fee shall be no less than $3,500 per month, commencing when the Aggregate Outstanding Loan Balance is greater than zero at the beginning of the related Collection Period.

"Bankruptcy Code" means the United States Bankruptcy Reform Act of 1978 (11 U.S.C. § 101, et seq.), as amended from time to time.

"BDC" has the meaning provided in the Preamble.

"Borrowing Base" means (A) with respect to the Closing Date, (i) the product of the Advance Rate and the Adjusted Pool Balance as of the Closing Date, (B) with respect to a Payment Date, the sum of (i) the product of the Advance Rate and the Adjusted Pool Balance as of the last day of the related Collection Period and (ii) the amounts on deposit in the Principal Reinvestment Account as of the last day of the related Collection Period and (C) with respect to an Advance Date, the sum of (i) the product of the Advance Rate and the Adjusted Pool Balance as of the Business Day before the Issuer's delivery of an Advance Request (assuming the inclusion of any Subsequent Loans being conveyed on such Advance Date), and (ii) amounts constituting Principal Collections on deposit in the Principal Reinvestment Account and the Collection Account as of the Business Day before the Issuer's delivery of an Advance Request.

"Borrowing Base Certificate" means a certificate prepared and signed by a Responsible Officer of the Servicer in the form of Exhibit B hereto, including a calculation of the Borrowing Base as of the relevant date of determination.

"Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in New York, New York are authorized or obligated by law or executive order to be closed.

"Cash Yield Rate" means, with respect to a Loan, the stated interest rate on such Loan plus all Finance Charges and other earned fees.

"Cleantech Loan" means, any Loan made to an Obligor that is a company that provides products and services, including, but not limited to, alternative energy, energy efficiency technologies, green building materials, water purification and waste recycling.

"Cleantech Obligor" means an Obligor of a Cleantech Loan.

"Closing Date" means June 1, 2018.

"Co-Agented Loan" means, with respect to any Loan, (a) the Loan is originated or purchased by the Originator in accordance with the Operating Guidelines as a part of a syndicated loan transaction that has been fully consummated prior to such Loan becoming part of the Collateral, (b) the Issuer, as assignee of the Loan, has all of the rights (including without limitation voting rights) of the Originator with respect to such Loan and the Originator's right, title and interest in and to the Related Property, (c) the Loan is secured by an undivided interest in the Related Property that also secures and is shared by, on a pro rata basis, all other holders of such Obligor's notes of equal priority issued in such syndicated loan transaction and (d) either (i) the Originator (or a wholly owned subsidiary of the Originator) is a co-agent, collateral agent or paying agent in such syndicated loan transaction, (ii) neither the Originator nor any other lender is deemed to be the collateral agent in such syndicate loan transaction, or (iii) the Originator receives payment directly from the Obligor thereof on behalf of itself (but not on behalf of any other holders of such Obligor's notes) and no other holder of such Obligor's notes (nor any affiliate thereof) is identified as the lead agent, collateral agent or paying agent in such syndicated loan transaction.

"Code" means the Internal Revenue Code of 1986, as amended, or any successor legislation thereto.

"Collateral" means, as of any date, the "Indenture Collateral," as such term is defined in the Indenture.

"Collection Account" means the segregated account so designated and established and maintained pursuant to Section 7.03(a).

"Collection Period" means (i) a period commencing on the first day of a calendar month and ending on the last day of such calendar month; provided that, the initial Collection Period shall be the period commencing on the Closing Date and ending on the last day of the calendar month in which the Closing Date occurs, and (ii) with respect to the Legal Final Payment Date, or any other date on which the full principal amount of the Notes are paid in full, including any redemption date, the period commencing on the first day of the calendar month and ending on such Legal Final Payment Date or such other date on which the full principal amount of the Notes are paid in full, including any redemption.

"Collections" means the aggregate of Interest Collections and Principal Collections.

"Commission" means the United States Securities and Exchange Commission.

"Computer Records" means the computer records generated by the Servicer that provide information relating to the Loans and that were used by the Originator in selecting the Loans conveyed to the Issuer pursuant to Section 2.01 (and any Subsequent Loans or Substitute Loans conveyed to the Issuer pursuant to Section 2.04 and Section 2.05, respectively).

"Continued Errors" shall have the meaning provided in Section 8.03(e).

"Contractual Obligation" means, with respect to any Person, any provision of any securities issued by such Person or any indenture, contract, undertaking, agreement, instrument or other document to which such Person is a party or by which it or any of its property is bound or is subject.

"Corporate Trust Office" means, (i) for the purposes of Section 3.02 hereof, 111 E. Fillmore Ave, EP-MN-WS2N, St. Paul, MN 51007, Attention: Bondholder Services – Horizon Funding I, LLC; and (ii) for all other purposes, 190 S. LaSalle St., 7th Floor, Chicago, IL 60603, Attention: Global Corporate Trust – Horizon Funding I, LLC, or, in each case, at such other address as the Trustee may designate from time to time by notice to the Issuer, or the principal corporate trust officer of any successor Trustee at the address designated by such successor by notice to the Issuer.

"Curtailment" means, with respect to a Loan, any payment of principal received by the Issuer during a Collection Period as part of a payment allocable to a Loan that is in excess of the principal portion of the Scheduled Payment due for such Collection Period and which is not intended to satisfy the Loan in full, nor is intended to cure a delinquency including any accelerated amortization due to structural features of the related Loan.

"Custodian" has the meaning provided in the Preamble.

"Cutoff Date" means June 1, 2018.

"Defaulted Loan" means a Loan as to which the earliest of the following has occurred: (i) any payment, or any part of payment, due under such Loan (taking into account any waivers or modifications granted by the Servicer on such Loans) has become 120 days or more delinquent; (ii) the Servicer has foreclosed upon and sold the related collateral; (iii) the Servicer has determined in accordance with its customary practices that the Loan is uncollectible or the final recoverable amounts have been received; or (iv) an Insolvency Event has occurred with respect to such Obligor; *provided*, however, that any Loan which the Originator has repurchased pursuant to Section 11.01 will not be deemed to be a Defaulted Loan.

"Delinquent Loan" means a Loan as to which any payment, or any part of payment, due under such Loan (taking into account any waivers or modifications granted by the Servicer on such Loans) has become 60 days or more delinquent.

"Distribution Account" means the segregated account so designated and established and maintained pursuant to Section 7.01.

"Distinct Obligor" means any Obligor or, to the extent any two or more Obligors are Affiliates (subject to the proviso in the definition thereof), collectively, such Obligors.

"Dollar" and "$" means the lawful currency of the United States.

"Eligible Deposit Account" means either (a) a segregated account with a Qualified Institution, or (b) a segregated account with the corporate trust department of a depository institution organized under the laws of the United States or any state of the United States or the District of Columbia, or any domestic branch of a foreign bank, having corporate trust powers and acting as trustee for funds deposited in the related account, so long as any of the securities of that depository institution has a credit rating from Morningstar (if rated by Morningstar), Moody's or S&P, in one of its generic rating categories that signifies investment grade.

"Eligible Loan" means (i) on and as of the Cutoff Date, in the case of the Initial Loans, (ii) on and as of the related Subsequent Loan Cutoff Date, in the case of any Subsequent Loan and (ii) on and as of the related Substitute Loan Cutoff Date, in the case of any Substitute Loans, a Loan as to which each of the following is true:

(a) such Loan is current and is not a Restructured Loan;

(b) such Loan has been originated or purchased by the Originator in the ordinary course of the Originator's business and has been fully and properly executed by the parties thereto;

(c) such Loan provides for periodic payments of interest and/or principal in cash, which are due and payable on a monthly or quarterly basis;

(d) such Loan provides for, in the event that such Loan is prepaid in whole or in part, a prepayment that fully pays the principal amount of such prepayment together with interest at the related Cash Yield Rate through the date of payment;

(e) the information provided to the Issuer and its assigns in respect of such Loan pursuant to the transaction documents is true and correct in all material respects;

(f) such Loan satisfies in all material respects the requirements under the Operating Guidelines and was originated in accordance therewith;

(g) such Loan represents the legal, valid and binding payment obligation in writing of the related Obligor, enforceable by the holder thereof in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity;

(h) the related Obligor of such Loan is not the United States or any state thereof or from any agency, department or instrumentality of the United States or any state thereof;

(i) other than any Second Lien Loans, immediately prior to its conveyance, transfer, contribution and assignment by the Originator to the Issuer, such Loan is secured by a valid, binding and enforceable first priority perfected security interest (subject to Permitted Liens) in favor of the Originator, in all of the assets of the Obligor pledged as collateral under the Underlying Loan Agreement, which security interest has been assigned by the Originator to the Issuer, and by the Issuer to the Trustee;

(j) such Loan is not subject to any right of rescission, setoff, counterclaim or defense, including the defense of usury, and the operation of any of the terms of any contract, or the exercise of any right thereunder, will not render such contract unenforceable in whole or in part or subject to any right of rescission, setoff, counterclaim or defense, including the defense of usury, and the Originator has not received written notice of the assertion of any such right of rescission, setoff, counterclaim or defense asserted with respect thereto;

(k) such Loan does not have liens or claims (other than Permitted Liens) that exist or have been filed for unpaid state or federal taxes relating to collateral that are prior to, or equal or coordinate with, the security interest in such collateral created by the related Loan contract, except for such liens or claims that have been waived or modified as permitted hereunder;

(l) such Loan is not a Delinquent Loan or a Defaulted Loan, and no default, breach, violation or event permitting acceleration under the terms of any Loan contract has occurred with respect to such Loan, nor is there a continuing condition with respect to such Loan that, with notice or the lapse of time or both, would constitute a default, breach, violation or event permitting acceleration under the terms of any contract, except for such defaults, breaches, violations or events which have been waived or modified as permitted under the Servicing Standard and the Operating Guidelines;

(m) such Loan does not relate to property that has been foreclosed upon;

(n) such Loan has not been sold, transferred, assigned or pledged to any person other than the Issuer and has not been discharged;

(o) (x) immediately prior to the transfer of such Loan to the Issuer, the Originator had good and marketable title to such Loan and, immediately upon such transfer, the Issuer shall have good and marketable title to such Loan and (y) except with respect to any Second Lien Loan, immediately prior to the transfer of such Loan to the Issuer, such Loan was free and clear of all liens, encumbrances, security interests and rights of others (other than Permitted Liens) and, immediately upon such transfer, such Loan shall be free and clear of all liens, encumbrances, security interests and rights of others;

(p) such Loan has been perfected against the related Obligor by all necessary action under the relevant UCC, Personal Property Security Act, or other applicable statutes existing in jurisdictions in Canada that do not use the Personal Property Security Act, or other applicable law;

(q) such Loan has not been originated in, and is not subject to the laws of, any jurisdiction under which the sale, transfer, assignment and conveyance of such contract under this Agreement or the pledge of such Loan under the Indenture is unlawful, void or voidable;

(r) other than with respect to Noteless Loans and Participated Loans, such Loan has only one original executed promissory note for each note relating to such Loan;

(s) such Loan was not due from an Obligor that was the subject of a proceeding under the Bankruptcy Code or was bankrupt;

(t) such Loan had a Cash Yield Rate of at least 9% per annum;

(u) the Required Loan Documents relating to such Loan have been delivered to the Custodian prior to the Closing Date or Transfer Date, as applicable; *provided* that, to the extent any originals of documents contained in the Required Loan Documents are required by Section 2.09(b) to be delivered following the related Transfer Date, such originals have been delivered on or prior to the date set forth in Section 2.09(b);

(v) such Loan is due from an Obligor with its headquarters, principal place of business and primary operations in the United States or Canada (but not Quebec);

(w) such Loan is payable in U.S. Dollars;

(x) such Loan has a Risk Rating as set forth in the Operating Guidelines;

(y) such Loan has an original LTV of no more than 40%;

(z) if the Loan is an Agented Loan, Co-Agented Loan or a Third Party Agented Loan:

(i) if the entity serving as the collateral agent of the security for all notes of the Obligor issued under the applicable Underlying Loan Agreement has changed from the time of the origination of the Loan, all appropriate assignments of the collateral agent's rights in and to the collateral on behalf of the holders of the indebtedness of the Obligor under such facility have been executed and filed or recorded as appropriate prior to such Loan becoming a part of the Collateral;

(ii) all required notifications, if any, have been given to the collateral agent, the paying agent and any other parties required by the Underlying Loan Agreement of, and all required consents, if any, have been obtained with respect to, the Originator's assignment of such Loan and the Originator's right, title and interest in the Related Property to the Issuer and the Trustee's security interest therein on behalf of the Noteholders;

(iii) except as otherwise provided in the related intercreditor agreement, the right to control certain actions of and replace the collateral agent and/or the paying agent of the Obligor's indebtedness under the facility is to be exercised by at least a majority in interest of all holders of such indebtedness; and

(iv) all indebtedness of the Obligor of the same priority within each facility is cross-defaulted, the Related Property securing such indebtedness is held by the collateral agent for the benefit of all holders of such indebtedness and all holders of such indebtedness (A) have an undivided *pari passu* interest in the collateral securing such indebtedness, (B) share in the proceeds of the sale or other disposition of such collateral on a *pro rata* basis and (C) may transfer or assign their right, title and interest in the Related Property;

(aa) such Loan has an original term to maturity of no more than 60 months;

(bb) the stated maturity of such Loan is not later than the Legal Final Payment Date; and

(cc) the Loan is characterized under the Originator's Operating Guidelines as Technology Loan, a Healthcare Loan, a Life Sciences Loan or a Cleantech Loan.

"Error" shall have the meaning provided in Section 8.03(e).

"Event of Default" shall have the meaning specified in Section 5.01 of the Indenture.

"Excess Concentration Amounts" means, as of any date of determination, the sum of (without duplication):

(a) The pro rata portion of the aggregate Outstanding Loan Balance of all Loans made to Technology Obligors that exceeds 70% of the Aggregate Outstanding Loan Balance;

(b) The pro rata portion of the aggregate Outstanding Loan Balance of all Loans made to Life Sciences Obligors that exceeds 70% of the Aggregate Outstanding Loan Balance;

(c) The pro rata portion of the aggregate Outstanding Loan Balance of all Loans made to Healthcare Obligors that exceeds 50% of the Aggregate Outstanding Loan Balance;

(d) The pro rata portion of the aggregate Outstanding Loan Balance of all Loans made to Life Sciences Obligors and Healthcare Obligors that exceeds 70% of the Aggregate Outstanding Loan Balance;

(e) The pro rata portion of the aggregate Outstanding Loan Balance of all Loans made to a Cleantech Obligor that exceeds 10% of the Aggregate Outstanding Loan Balance;

(f) The pro rata portion of the aggregate Outstanding Loan Balance of all Loans made to a Distinct Obligor during the Ramp-Up Period that exceeds 14% of the Aggregate Outstanding Loan Balance;

(g) The pro rata portion of the aggregate Outstanding Loan Balance of all Loans made to the five largest Distinct Obligors during the Ramp-Up Period that exceeds 60% of the Aggregate Outstanding Loan Balance;

(h) The pro rata portion of the aggregate Outstanding Loan Balance of all Loans made to a Distinct Obligor after the Ramp-Up Period that exceeds 10% of the Aggregate Outstanding Loan Balance;

(i) The pro rata portion of the aggregate Outstanding Loan Balance of all Loans made to the five largest Distinct Obligors after the Ramp-Up Period that exceeds 35% of the Aggregate Outstanding Loan Balance;

(j) The pro rata portion of the aggregate Outstanding Loan Balance of all Loans made to the ten largest Distinct Obligors following a Ramp-Up Period that exceeds 60% of the Aggregate Outstanding Loan Balance;

(k) The pro rata portion of the aggregate Outstanding Loan Balance of all Loans for which the related Underlying Loan Agreements require the related Obligor to make payments of interest or principal less frequently than monthly that exceeds 15% of the Aggregate Outstanding Loan Balance;

(l) The pro rata portion of the aggregate Outstanding Loan Balance of all Loans that have more than 25% of their original Outstanding Loan Balance due at maturity that exceeds 20% of the Aggregate Outstanding Loan Balance;

(m) The pro rata portion of the aggregate Outstanding Loan Balance of all Loans that have an interest only period greater than 24 months that exceeds 15% of the Aggregate Outstanding Loan Balance;

(n) The pro rata portion of the aggregate Outstanding Loan Balance of all Loans that have a weighted average LTV that is greater than 25%;

(o) The pro rata portion of the aggregate Outstanding Loan Balance of all Loans that are Second Lien Loans that exceeds 65% of the Aggregate Outstanding Loan Balance; and

(p) The pro rata portion of the aggregate Outstanding Loan Balance of all Loans that are Restructured Loans and, without duplication, Loans that have been subject to a Material Modification, that exceeds 15% of the Aggregate Outstanding Loan Balance.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Excluded Property" means (a) any amount received by, on or with respect to any Loan in the Collateral, which amount is attributable to the payment of any tax, fee or other charge imposed by any Governmental Authority on such Loan, (b) any amount representing escrows relating to taxes, insurance and other amounts in connection with any Loan for the benefit of the related Obligor and the secured party, (c) any origination fee retained by the Originator in connection with the origination of any Loan or (d) any amendment fee retained by the Originator in connection with the amendment of any Loan.

"FDIC" means the Federal Deposit Insurance Corporation and any successor thereto.

"Finance Charges" means, with respect to any Loan, any interest or finance charges owing by an Obligor pursuant to or with respect to such Loan.

"Foreclosed Property" means Related Property acquired by the Issuer or a subsidiary thereof for the benefit of the Noteholders in foreclosure or by deed in lieu of foreclosure or by other legal process.

"Foreclosed Property Disposition" means the final sale of a Foreclosed Property or of Repossessed Property. The proceeds of any "Foreclosed Property Disposition" constitute part of the definition of Liquidation Proceeds.

"Fund" has the meaning provided in the Preamble.

"General Reserve Account" means the segregated account so designated and established and maintained pursuant to Section 7.02(a).

"General Reserve Account Required Balance" means, as of any Payment Date, an amount equal to 0.75% of the Aggregate Outstanding Note Balance on such date after taking into account all amounts applied to the Aggregate Outstanding Note Balance on such date.

"General Reserve Available Funds" means all amounts deposited into the Collection Account from the General Reserve Account pursuant to Section 7.02.

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

"Healthcare Loan" means a Loan made to an Obligor that provides products and services including, but not limited to new diagnostics, medical records, and service and patient management software.

"Healthcare Obligor" means an Obligor of a Healthcare Loan.

"Indenture" means the Indenture, dated as of the date hereof, among the Issuer, the Securities Intermediary and the Trustee, as such agreement may be amended, modified, waived, supplemented or restated from time to time.

"Independent" means, when used with respect to any specified Person, the Person (a) is in fact independent of the Issuer, any other obligor on the Notes and any Affiliate of any of the foregoing Persons, (b) does not have any direct financial interest or any material indirect financial interest in the Issuer, any such other obligor or any Affiliate of any of the foregoing Persons and (c) is not connected with the Issuer, any such other obligor or any Affiliate of any of the foregoing Persons as an officer, employee, trustee, partner, director or person performing similar functions.

"Independent Accountants" shall have the meaning provided in Section 9.05.

"Industry Group" means either (i) Biotechnology and Pharmaceuticals or (ii) Healthcare Services and Medical Devices, each as defined and determined in accordance with the Operating Guidelines.

"Ineligible Loan" shall have the meaning provided in Section 11.01.

"Initial Advance" means the initial Advance made by the Noteholders on the Closing Date pursuant to the Note Funding Agreement to the Issuer in respect of the Initial Loans.

"Initial Loan Assets" means any assets acquired by the Issuer from the Originator on the Closing Date pursuant to Section 2.01, which assets shall include the Originator's right, title and interest in the following:

(i) the Initial Loans listed in the initial List of Loans, all payments paid in respect thereof and all monies due, to become due or paid in respect thereof accruing on and after the Cutoff Date and all Insurance Proceeds, Liquidation Proceeds and other recoveries thereon, in each case as they arise after the Cutoff Date;

(ii) all security interests and Liens and Related Property subject thereto from time to time purporting to secure payment by Obligors under such Loans;

(iii) all guaranties, indemnities and warranties, and other agreements or arrangements of whatever character from time to time supporting or securing payment of such Loans;

(iv) all collections and records (including Computer Records) with respect to the foregoing;

(v) all documents relating to the applicable Loan Files; and

(vi) all income, payments, proceeds and other benefits of any and all of the foregoing, including but not limited to, all accounts, cash and currency, chattel paper, electronic chattel paper, tangible chattel paper, copyrights, copyright licenses, equipment, fixtures, general intangibles, instruments, commercial tort claims, deposit accounts, inventory, investment property, letter of credit rights, software, supporting obligations, accessions, and other property consisting of, arising out of, or related to the foregoing.

"Initial Loans" means those Loans conveyed to the Issuer on the Closing Date and identified for inclusion in the Collateral on the initial List of Loans required to be delivered pursuant to Section 2.02(d).

"Initial Loans Criteria" means the criteria set forth in Exhibit J hereto.

"Initial Purchasers" shall have the meaning set forth in the Note Funding Agreement.

"Insolvency Event" means, with respect to a specified Person, (i) the filing of a decree or order for relief by a court having jurisdiction in the premises in respect of such Person or any substantial part of its property in an involuntary case under any applicable Insolvency Law now or hereafter in effect, or the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or the ordering of the winding-up or liquidation of such Person's affairs, which decree or order shall remain unstayed or undismissed and in effect for a period of 45 consecutive days; or (ii) the commencement by such Person of a voluntary case under any applicable Insolvency Law now or hereafter in effect, or the consent by such Person to the entry of an order for relief in an involuntary case under any such law, or the consent by such Person to the appointment of or the taking of possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or the making by such Person of any general assignment for the benefit of creditors, or the failure by such Person generally to pay its debts as such debts become due, or the taking of action by such Person in furtherance of any of the foregoing.

"Insolvency Laws" means the Bankruptcy Code and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, suspension of payments, or similar debtor relief laws from time to time in effect affecting the rights of creditors generally.

"Insolvency Proceeding" means any case, action or proceeding before any court or other Governmental Authority relating to any Insolvency Event.

"Insurance Policy" means, with respect to any Loan, an insurance policy covering liability and physical damage to or loss of the applicable Related Property, including, but not limited to, title, hazard, life, accident and/or flood insurance policies.

"Insurance Proceeds" means any amounts payable or any payments made on or with respect to a Loan or the Related Property under any Insurance Policy which are not applied or paid by the Obligor, the Servicer or, in the case of Co-Agented Loans or Third Party Agented Loans, the party primarily responsible for servicing such Loans, as applicable, to the restoration or repair of the Related Property or released to the Obligor, another creditor or any other Person in accordance with the Applicable Law, the Required Loan Documents, the Operating Guidelines, the Servicing Standard and this Agreement, net of costs of collection.

"Interest Amount" means, for each Interest Period, the sum of (A) product of (i) the Interest Rate for each day during such Interest Period, (ii) the Aggregate Outstanding Note Balance on such day (giving effect to Advances funded and Investment Period Principal Distribution Amounts applied), and (iii) 1/365, and (B) all unpaid Interest Shortfalls from any prior Payment Dates (and interest accrued thereon at the Interest Rate).

"Interest Collections" means the aggregate of:

(a) amounts deposited into the Collection Account in respect of:

(i) all payments received on or after the Cutoff Date on account of interest on the Initial Loans (including Finance Charges and fees) and all late payment, default and waiver charges;

(ii) all payments received on or after the Subsequent Loan Cutoff Date in the case of any Subsequent Loans and the applicable Substitute Loan Cutoff Date in the case of any Substitute Loans on account of interest of such Loans (including Finance Charges and fees) and all late payment, default and waiver charges; and

(iii) the interest portion of any amounts received (x) in connection with the purchase or repurchase of any Loan and (y) as Scheduled Payment Advances (if any); plus

(b) investment earnings on funds invested in Permitted Investments in the Collection Account; minus

(c) the amount of any losses incurred in connection with investments in Permitted Investments in the Collection Account.

"Interest Period" means, with respect to (i) the first Payment Date, the period from and including the Closing Date to but excluding July 10, 2018, (ii) any Payment Date thereafter other than the Legal Final Payment Date, the period from and including the 10th day of the calendar month in which the prior Payment Date occurred to but excluding the 10th day of the calendar month in which such Payment Date occurs and (iii) the Legal Final Payment Date or any other date on which the full principal amount of the Notes are paid in full, including any redemption date, the period from and including the 10th day of the calendar month in which the prior Payment Date occurred to but excluding the Legal Final Payment Date or such other date on which the full principal amount of the Notes are paid in full, including any redemption.

"Interest Rate" means the Pricing Benchmark plus (i) 2.75% at the time of any Advance when the Notes have a rating of no lower than "A" from the Rating Agency, (ii) 2.92% at the time of any Advance when the Notes have a rating of "A-" from the Rating Agency, (iii) 3.08% at the time of any Advance when the Notes have a rating of "BBB+" from the Rating Agency and (iv) 3.25% at the time of any Advance when the Notes have a rating of no lower than "BBB" but lower than "BBB+" from the Rating Agency; *provided* that on any Advance Date, the Interest Rate will be reset as (A) the sum of (1) the Interest Rate multiplied by the Aggregate Outstanding Note Balance, in each case, in effect immediately prior to such Advance Date and (2) the Interest Rate calculated on such Advance Date multiplied by the principal amount of the Advance made on such Advance Date, divided by (B) the Aggregate Outstanding Note Balance taking into account the Advance made on such Advance Date; *provided* that the Interest Rate on the Notes will increase by 1.25% at any time the rating of the Notes is below investment grade.

"Interest Shortfall" means, with respect to the Notes and any Payment Date, as applicable, an amount equal to the excess, if any, of (a) the related Interest Amount over (b) the amount of interest actually paid to the Notes on such Payment Date.

"Investment Period" means the period commencing on the Closing Date and ending on the Investment Period Termination Date.

"Investment Period Principal Distribution Amount" means the amount determined by the Servicer pursuant to Section 5.16 that will be paid to the Noteholders during the Investment Period as a payment of principal.

"Investment Period Termination Date" means the earliest to occur of (i) June 1, 2020, (ii) June 1, 2021 upon the mutual agreement of the Noteholders and the Fund, or such later date as may be mutually agreed by the Noteholders and the Fund with Rating Agency Confirmation, (iii) the date on which an Investment Period Termination Event has occurred or (iv) the Portfolio Profile Milestone Test Date, if the Loans do not satisfy the Portfolio Profile Milestone Criteria as of such date, unless waived by the Majority Noteholders.

"Investment Period Termination Event" means (i) the Aggregate Outstanding Loan Balance of all Defaulted Loans minus the Liquidation Proceeds divided by the original Aggregate Outstanding Loan Balance of all Loans exceeds 8% from the Closing Date, or (ii) the occurrence of a Rapid Amortization Event.

"Issuer" has the meaning provided in the Preamble.

"Issuer LLC Agreement" means that certain amended and restated limited liability company agreement dated June 1, 2018 as may be amended from time to time.

"Legal Final Payment Date" means (i) the Payment Date occurring in June 2025 or (ii) if the Investment Period is extended pursuant to clause (ii) the definition of "Investment Period Termination Date", the Payment Date occurring in June 2026.

"Lien" means any pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever, including, without limitation, any conditional sale or other title retention agreement, and any financing lease having substantially the same economic effect as any of the foregoing (including any UCC financing statement or any similar instrument filed against a Person's assets or properties).

"Life Sciences Loan" means a Loan made to an Obligor that provides products and services including, but not limited to, medical devices, biopharmaceuticals, drug discovery and drug delivery.

"Life Sciences Obligor" means an Obligor of a Life Sciences Loan.

"Liquidation Expenses" means, with respect to any Loan, the aggregate amount of all out-of-pocket expenses reasonably incurred by the Servicer and any reasonably allocated costs of counsel (if any), in each case in accordance with the Servicer's customary procedures in connection with the repossession, refurbishing and disposition of any Related Property securing such Loan upon or after the expiration or earlier termination of such Loan and other out-of-pocket costs related to the liquidation of any such Related Property, including the attempted collection of any amount owing pursuant to such Loan if it is a Defaulted Loan, and, if requested by the Trustee, the Servicer must provide to the Trustee a breakdown of the Liquidation Expenses for any Loan along with any supporting documentation therefor.

"Liquidation Proceeds" means, with respect to any Defaulted Loan, whatever is receivable or received when such Loan or the Related Property is sold, liquidated, foreclosed, exchanged, or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes all amounts representing late fees and penalties relating thereto net of, without duplication, (a) Liquidation Expenses relating to such Loan or Related Property reimbursed to the Servicer therefrom pursuant to the terms of this Agreement and (b) amounts required to be released to other creditors, including any other costs, expenses and taxes, or the related Obligor or grantor pursuant to applicable law or the governing Required Loan Documents.

"Liquidation Report" shall have the meaning provided in Section 5.03(d).

"List of Loans" means the list identifying each Loan constituting part of the Loan Assets, which list shall consist of the initial List of Loans reflecting the Initial Loans transferred to the Issuer on the Closing Date, together with any Subsequent List of Loans amending the most current List of Loans reflecting any Subsequent Loans or Substitute Loans transferred to the Issuer on a Transfer Date (together with, if applicable, a deletion from such list of the related Loan or Loans with respect to which a Substitution Event has occurred), and which list in each case (a) identifies by account number each Loan included in the Collateral, and (b) sets forth as to each such Loan (i) the Outstanding Loan Balance as of the Cutoff Date in the case of the Initial Loans and the related Transfer Date in the case of Subsequent Loans or Substitute Loans, as applicable, (ii) the maturity date, (iii) the Loan Type, (iv) whether such Loan is a Co-Agented Loan or Third-Party Agented Loan (and the name of the agent thereunder), (v) whether such Loan is a Noteless Loan or a Participated Loan, and (vi) whether evidence of filing of UCC-1 financing statements naming the Originator as secured party with respect to such Loan are available, and which list (as in effect on the Closing Date) is attached to this Agreement as Exhibit F.

"Loan" means, to the extent transferred by the Originator to the Issuer, an individual loan to an Obligor, or portion thereof made by the Originator including, but not limited to, Agented Loans, Co-Agented Loans, Third Party Agented Loans and Participated Loans; *provided* that no Loan shall include any Excluded Property.

"Loan Assets" means, collectively and as applicable, the Initial Loan Assets, the Subsequent Loan Assets and the Substitute Loan Assets.

"Loan File" means, with respect to any Loan and Related Property, each of the Required Loan Documents and duly executed originals (to the extent indicated on the List of Loans) and copies (including electronic copies) of any other Records relating to such Loan and Related Property.

"Loan Rate" means, for each Loan and Collection Period, the current cash pay interest rate for such Loan in such period, as specified in the related Underlying Note or related Required Loan Documents.

"Loan Type" with respect to any Loan, means the characterization of such Loan as a Technology Loan, a Life Sciences Loan, a Healthcare Loan or a Cleantech Loan.

"Lockbox Account" means the segregated account so designated and established and maintained pursuant to Section 7.01(a).

"Lockbox Bank" shall have the meaning provided in Section 7.01(a).

"LTV" shall means with respect to any Loan, the Outstanding Loan Balance of the Loan divided by the market value of such Loan or the underlying assets securing such Loan, expressed as a percentage.

"Majority Noteholders" means, as of any date of determination, the Noteholders evidencing at least 51% of the Aggregate Outstanding Note Balance of all Notes (voting as a single class).

"Material Modification" means any amendment or waiver of, or modification or supplement to, the Underlying Loan Agreement governing such Loan as a result of the related Obligor financial under-performance or the related Obligor credit-related concerns which:

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

(b) (i) waives one or more interest payments (other than any incremental interest accrued due to a default or event of default with respect to such Loan), (ii) permits any interest due in cash to be deferred or capitalized and added to the principal amount of such Loan or (iii) reduces the spread or coupon payable on such Loan unless such reduction (when taken together with all other reductions with respect to such Loan) is by less than 10% of the spread or coupon payable at the time of the initial funding;

(c) either (i) extends the maturity date of such Loan by more than 120 days past the maturity date as of the initial funding or (ii) extends the amortization schedule with respect thereto;

(d) substitutes, alters or releases the Underlying Notes related to such Loan, and such substitution, alteration or release, individually or in the aggregate and as determined with reasonable discretion, materially and adversely affects the value of such Loan; or

(e) waives any other material requirement under such Underlying Loan Agreement; provided that no Material Modification may extend the maturity of any Loan beyond the Legal Final Payment Date.

"Monthly Report" shall have the meaning provided in Section 9.01.

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

"Morningstar" means Morningstar Credit Ratings, LLC and any successor thereto.

"Nonrecoverable Advance" means any Scheduled Payment Advance or Servicing Advance, as applicable, previously made in respect of a Loan or any Related Property that, as determined by the Servicer in its reasonable, good faith judgment, will not be ultimately recoverable from subsequent payments or collections with respect to the applicable Loan including, without limitation, payments or reimbursements from the related Obligor, Insurance Proceeds or Liquidation Proceeds on or in respect of such Loan or Related Property.

“Note” means any one of the notes of the Issuer, executed and authenticated in accordance with the Indenture.

“Note Funding Agreement” means that certain Note Funding Agreement, dated as of the date hereof, between the Issuer and the Initial Purchasers, as such agreement may be amended, modified, waived, supplemented or restated from time to time.

“Note Register” shall have the meaning provided in Section 4.02(a) of the Indenture.

“Noteholder” or “Holder” means each Person in whose name a Note is registered in the Note Register; *provided* that an Owner of a Note shall be deemed a Holder of such Note as provided in Section 13.13.

“Noteless Loan” means any Loan that, pursuant to the terms of the related credit agreement (or equivalent document), is not evidenced by a promissory note.

“Notice of Substitution” shall have the meaning provided in Section 2.07.

“Obligor” means, with respect to any Loan, any Person or Persons obligated to make payments pursuant to or with respect to such Loan, including any guarantor thereof, but excluding, in each case, any such Person that is an obligor or guarantor that is in addition to the primary obligors or guarantors with respect to the assets, cash flows or credit of which the related Loan is principally underwritten.

“Officer’s Certificate” means a certificate delivered to the Trustee signed by a Responsible Officer of (i) the Originator, or (ii) the Servicer, or (iii) any other Person acting on behalf of the Issuer, as required by this Agreement or any other Transaction Document.

“Operating Guidelines” means the written operating guidelines (which covers credit, collection and servicing policies and procedures) of the Originator and the initial Servicer in effect on the Cutoff Date, as amended or supplemented from time to time in accordance with Section 5.02(l), a copy of which has been provided to the Issuer and the Trustee; and, with respect to any Successor Servicer, the written collection policies and procedures of such Person at the time such Person becomes a Successor Servicer.

“Opinion of Counsel” means a written opinion of counsel, who may be outside counsel, or internal counsel (except with respect to federal securities law, tax law, bankruptcy law or UCC matters), for the Issuer, the Originator or the Servicer, including Dechert LLP or other counsel reasonably acceptable to the Trustee.

“Optional Redemption” means a redemption of the Notes pursuant to Section 10.01 of the Indenture.

“Originator” shall have the meaning provided in the Preamble.

“Outstanding” shall have the meaning provided in Section 1.01 of the Indenture.

"Outstanding Loan Balance" means, as of any date of determination with respect to a Loan, the outstanding principal amount of such Loan.

"Outstanding Note Balance" means, as of any date of determination with respect to any Notes, (i) the original principal amount of such Notes on the Closing Date, plus (ii) any Advances made by the Noteholders after the Closing Date minus (iii) all amounts paid by the Issuer with respect to such principal amount up to such date.

"Overcollateralization Adjustment Event" will be deemed to have occurred if (i) the aggregate Outstanding Loan Balance of all Delinquent Loans exceeds 15% of the Aggregate Outstanding Loan Balance as of the last day of the most recent Collection Period (if related to a Payment Date) or the Business Day prior to an Advance Date (if related to an Advance Date), or, without duplication, (ii) the aggregate Outstanding Loan Balance of Defaulted Loans exceeds 10% of the Aggregate Outstanding Loan Balance as of the last day of the most recent Collection Period (if related to a Payment Date) or the third (3rd) Business Day prior to an Advance Date (if related to an Advance Date).

"Owner" shall have the meaning provided in the Indenture.

"Participated Loans" means the Loans in which the Originator holds a participation interest as of the Closing Date or the related Transfer Date (if after the Closing Date), as the case may be, which interest has been assigned to the Issuer pursuant to this Agreement.

"Payment Date" means the tenth (10th) day of each month, commencing July 10, 2018, or if such day is not a Business Day, on the next succeeding Business Day.

"Percentage Interest" means, for the Holder of any Note of any class, the fraction, expressed as a percentage, the numerator of which is the then current Outstanding Note Balance represented by such Note and the denominator of which is the then current Aggregate Outstanding Note Balance.

"Permitted Distributions" means with respect to each taxable year, distributions to the Servicer in an amount equal (in the aggregate) to (a) the sum of (i) the Servicer's "investment company taxable income" (within the meaning of Section 852(b)(2) of the IRC), determined without regard to Section 852(b)(2)(D) of the IRC, and (ii) the excess of the Servicer's interest income excludable from gross income under Section 103(a) of the IRC over its deductions disallowed under Sections 265 or 171(a)(2) of the IRC, in each case recognized by the Servicer in respect of its ownership of the Borrower for U.S. federal income tax purposes, as certified by the Servicer and the Borrower to the Noteholders in a written notice setting forth the calculation thereof, minus (b) the sum of any distributions previously made to the Servicer under this Agreement in respect of taxes each such taxable year.

"Permitted Investments" means on any date of determination, book-entry securities, negotiable instruments or securities represented by instruments in bearer or registered form with maturities not exceeding the next Payment Date that evidence:

(i) direct obligations of, and obligations fully guaranteed by, the United States or any agency or instrumentality of the United States;

(ii) demand deposits, time deposits or certificates of deposit of any depository institution (including any affiliate of the Servicer or the Trustee) or trust company incorporated under the laws of the United States or any state thereof or the District of Columbia (or any domestic branch of a foreign bank) and subject to supervision and examination by Federal or state banking or depository institution authorities (including depository receipts issued by any such institution or trust company as custodian with respect to any obligation referred to in clause (i) above or a portion of such obligation for the benefit of the holders of such depository receipts); *provided* that at the time of the investment or contractual commitment to invest therein (which shall be deemed to be made again each time funds are reinvested following each Payment Date), the commercial paper or other short-term senior unsecured debt obligations (other than such obligations the rating of which is based on the credit of a person other than such depository institution or trust company) of such depository institution or trust company shall have a credit rating from Moody's of "P-1" or the equivalent by Morningstar;

(iii) commercial paper (including commercial paper of any affiliate of the Servicer or the Trustee) having, at the time of the investment or contractual commitment to invest therein, a rating from Moody's of "P-1" or the equivalent by Morningstar;

(iv) investments in money market funds (including funds for which the Servicer or the Trustee or any of their respective affiliates is investment manager or advisor) having a rating from Moody's of "Aaa (mf)" or the equivalent by Morningstar;

(v) banker's acceptances issued by any depository institution or trust company referred to in clause (ii) above; and

(vi) repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States or any agency or instrumentality thereof the obligations of which are backed by the full faith and credit of the United States, in either case entered into with a depository institution or trust company (acting as principal) referred to in clause (ii) above.

The Trustee may purchase from or sell to itself or an Affiliate, as principal or agent, the Permitted Investments described above.

"Permitted Liens" means:

(i) with respect to the interest of the Originator and the Issuer in the Loans included in the Collateral: (a) Liens in favor of the Issuer created pursuant to this Agreement, and (b) Liens in favor of the Trustee created pursuant to the Indenture and/or this Agreement, (c) Second Lien Loans; and

(ii) with respect to the interest of the Originator and the Issuer in the Related Property: (a) materialmen's, warehousemen's, mechanics' and other Liens arising by operation of law in the ordinary course of business for sums not due or sums that are being contested in good faith, (b) purchase money security interests in certain items of equipment, (c) Liens for state, municipal and other local taxes if such taxes shall not at the time be due and payable or the validity or amount thereof is currently being contested by an appropriate Person in good faith by appropriate proceedings, (d) other customary Liens permitted with respect thereto consistent with the Operating Guidelines or the Servicing Standard, (e) Liens in favor of the Issuer created by the Originator pursuant to this Agreement, (f) Liens in favor of the Trustee created pursuant to the Indenture and/or this Agreement, and (g) with respect to Agented Loans, Co-Agented Loans and Third Party Agented Loans, Liens in favor of the lead agent, the collateral agent or the paying agent on behalf of all holders of indebtedness of such Obligor under the related facility.

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

"Portfolio Profile Milestone Test Date" means, each of (i) the last day of the Collection Period for the Payment Date occurring in June 2019 and (ii) the last day of the Collection Period for the Payment Date occurring in June 2020.

"Portfolio Profile Milestone Criteria" means the criteria set forth in Exhibit K hereto.

"Predecessor Servicer Work Product" shall have the meaning provided in Section 8.03(e).

"Prepayments" means any and all (a) prepayments, including prepayment premiums, on or with respect to a Loan (including, with respect to any Loan and any Collection Period, any Scheduled Payment, Finance Charge or portion thereof that is due in a subsequent Collection Period that the Servicer has received and expressly permitted the related Obligor to make in advance of its scheduled due date, and that will be applied to such Scheduled Payment on such due date), (b) Liquidation Proceeds, and (c) Insurance Proceeds.

"Pricing Benchmark" means with respect to any Advance Date, the Three Year USD mid-market swap rate as mutually agreed by the Servicer and the Noteholders at 11:00 A.M. New York City time on the Business Day immediately preceding such Advance Date.

"Principal Collections" means amounts deposited into the Collection Account in respect of payments received on or after the Cutoff Date in the case of the Initial Loans and the applicable Subsequent Loan Cutoff Date in the case of any Subsequent Loans and the applicable Substitute Loan Cutoff Date in the case of any Substitute Loans on account of principal of the Loans, including (without duplication):

(a) the principal portion of:

(i) any Scheduled Payments and Prepayments; and

(ii) any amounts received (1) in connection with the purchase or repurchase of any Loan (other than interest on Loans accrued to the date of purchase) and (2) as Scheduled Payment Advances (if any);

(b) all Curtailments;

(c) all Liquidation Proceeds;

(c) Insurance Proceeds (other than amounts to be applied to the restoration or repair of the Related Property, or released or to be released to the Obligor or others);

(d) all Sale Proceeds;

(e) all other amounts not specifically included in Interest Collections; and

(f) all payments received related to the exercise of any warrant under the Underlying Loan Agreement;

provided that with respect to a Defaulted Loan, all payments made by an Obligor shall be deemed to be in respect of Principal Proceeds until the Outstanding Loan Balance of such Defaulted Loan has been paid in full.

"Principal Distribution Amount" means, for any Payment Date, an amount equal to the excess, if any, of the Aggregate Outstanding Note Balance over the Borrowing Base for such Payment Date.

"Principal Reinvestment Account" means the segregated account so designated and established and maintained pursuant to Section 7.01(b).

"Principal Reinvestment Account Allocation Amount" means the amount determined by the Servicer pursuant to Section 5.16 that is to be deposited into the Principal Reinvestment Account during the Investment Period.

"Priority of Payments" means, collectively, the payments made on each Payment Date in accordance with Section 7.05(a), Section 7.05(b) and Section 7.05(c), as applicable.

"Proceeds" means, with respect to any Collateral, whatever is receivable or received when such Collateral is sold, liquidated, foreclosed, exchanged, or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes all rights to payment with respect to any insurance relating to such Collateral and all "proceeds" as defined in the New York UCC.

“<u>Qualified Institution</u>” means (a) the corporate trust department of the Trustee, or (b) a depository institution organized under the laws of the United States or any one of the states thereof or the District of Columbia (or any domestic branch of a foreign bank), that has a long term unsecured debt rating of at least “A3” from Moody’s, “A-” from S&P or the equivalent rating from Morningstar (if rated by Morningstar), and whose deposits are insured by the FDIC.

“<u>Ramp-Up Period</u>” means the period beginning on the Closing Date and ending at the earlier of (i) nine months from the Closing Date or (ii) the time at which Eligible Loans equal or exceed $50,000,000; *provided* that the Ramp-Up Period may be extended for up to two three month periods, as mutually agreed by the Issuer and the Noteholders.

“<u>Rapid Amortization Event</u>” shall mean the occurrence of any of the following:

(a) the aggregate Outstanding Loan Balance of all Delinquent Loans (other than such Delinquent Loans that are Defaulted Loans) exceeds 20% of the Aggregate Outstanding Loan Balance as of the last day of the most recent Collection Period;

(b) the aggregate Outstanding Loan Balance of all Defaulted Loans exceeds 15% of the Aggregate Outstanding Loan Balance as of the last day of the most recent Collection Period;

(c) the Aggregate Outstanding Note Balance exceeds the Borrowing Base for 60 consecutive days (after giving effect to all distributions on such Payment Dates);

(d) the Loan Assets consist of Loans to nine or fewer Obligors during the Amortization Period;

(e) an Event of Default that has not been cured within the time allotted in the definition thereof;

(f) a downgrade of the rating of the Notes by the Rating Agency to below “BB”; or

(g) a downgrade of the rating of the Notes by the Rating Agency to below investment-grade and a failure to cure such downgrade within 180 days of such downgrade, unless otherwise mutually agreed upon by the Issuer and the Noteholders.

“<u>Rapid Amortization Period</u>” shall commence on the date on which a Rapid Amortization Event occurs.

“<u>Rating Agency</u>” means Morningstar and if Morningstar no longer maintains a rating on any of the Notes, such other nationally recognized statistical rating organization, if any, selected by the Originator, with the consent of the Majority Noteholders.

“<u>Rating Agency Confirmation</u>” means with respect to any proposed or actual course of action, a written confirmation from the Rating Agency to the Issuer, the Trustee and the Servicer, to the effect that the then current rating on the Notes will not be reduced, withdrawn or downgraded as a result of such action.

"Record Date" means the close of business on the last business day of the month immediately preceding the month in which such Payment Date occurs.

"Records" means all documents, books, records and other information (including without limitation, computer programs, tapes, disks, data processing software and related property and rights) executed in connection with the origination or acquisition of the Loans or maintained with respect to the Loans and the related Obligors that the Originator or the Servicer have generated, in which the Originator, the Issuer, the Trustee or the Servicer have acquired an interest pursuant to this Agreement or in which the Originator, the Issuer, the Trustee or the Servicer have otherwise obtained an interest to the extent transferable, and subject to any confidentiality and/or transferability restrictions.

"Redemption Date" means any Payment Date designated as such by the Issuer in connection with an Optional Redemption.

"Redemption Price" means, in connection with an Optional Redemption, pursuant to Section 10.01 of the Indenture, an amount equal to the sum (without duplication) of: (i) the then Aggregate Outstanding Note Balance to be redeemed plus accrued and unpaid interest thereon to but excluding the Redemption Date and all other amounts accrued and unpaid with respect thereto; plus (ii) all administrative and other fees, expenses, advances and other amounts accrued and payable or reimbursable in accordance with the Priority of Payments (including fees and expenses, if any, incurred by the Trustee and the Servicer in connection with any sale of Loans in connection with an Optional Redemption).

"Reference Date" means the third (3rd) Business Day of each month in which a Payment Date occurs.

"Registered" means, with respect to any debt obligation, that such debt obligation was issued after July 18, 1984 and that is in registered form for purposes of the Code.

"Related Property" means, with respect to any Loan and as applicable in the context used, the interest of the Obligor, or the interest of the Originator or Issuer under the Loan, in any property or other assets designated and pledged as collateral to secure repayment of such Loan, including all Proceeds from any sale or other disposition of such property or other assets.

"Repossessed Property" means items of Related Property taken in the name of the Issuer or a subsidiary thereof as a result of legal action enforcing the Lien on the Related Property resulting from a default on the related Loan.

"Required Loan Documents" means, with respect to:

(a) all Loans in the aggregate:

(i) a blanket assignment of all of the Originator's right, title and interest in and to all Related Property securing the Loans at any time transferred to the Issuer including, without limitation, all rights under applicable guarantees and Insurance Policies;

(ii) blanket UCC-1 financing statements in respect of the Loans to be transferred to the Issuer as Collateral and naming the Issuer and the Trustee, as assignee of the Issuer, as "Secured Party" and the Originator as the "Debtor";

(b) for each Loan (*provided*, however, that in the case of each Participated Loan, in each case, as indicated on the List of Loans, to the extent in the possession of the Originator or reasonably available to the Originator, copies of all documents and instruments described in clauses (b)(ii), with respect to such Participated Loan):

(i) (x) other than in the case of a Noteless Loan or Participated Loan, a copy of the Underlying Note, (y) in the case of a Participated Loan, a copy of each transfer document or instrument relating to such Participated Loan evidencing the assignment of such Participated Loan to the Originator, from the Originator to the Issuer or in blank and (z) in the case of a Noteless Loan, a copy of each transfer document or instrument relating to such Noteless Loan evidencing the assignment of such Noteless Loan from the Originator to the Issuer or in blank;

"Required Payments" shall mean each of the items described in clauses 1 through 4 of Section 7.05(a)(i).

"Responsible Officer" means, when used with respect to (a) the Trustee or the Backup Servicer, any officer assigned to the Corporate Trust Office with responsibility for administration of the transactions contemplated by the Transaction Documents, including any Chief Executive Officer, President, Executive Vice President, Vice President, Assistant Vice President, Secretary, any Assistant Secretary, trust officer or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject and (b) the Issuer, the Originator or the Servicer, the President, Chief Executive Officer, Executive Vice President, any Vice President or Treasurer thereof who is also a Servicing Officer of such Person or of the sole member of such Person, as applicable.

"Restructured Loan" means any Loan that has been, or in accordance with the Operating Guidelines is required to be, modified or restructured to extend the maturity thereof or reduce the amount (other than by reason of the repayment thereof) or extend the time for payment of principal thereof, in each case as a result of the Obligor's material financial underperformance, distress or default. Such Loan shall cease to be a Restructured Loan when such Loan has been performing for at least six (6) consecutive calendar months since the date the most recent modification was made and is no longer required to be so modified or restructured in accordance with the Operating Guidelines.

"Risk Rating" has the meaning set forth in the Operating Guidelines.

"S&P" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business and any successor thereto.

"Sale Proceeds" means all proceeds received as a result of sales of Loans (other than Defaulted Loans) pursuant to this Agreement, net of any sales, brokerage and related administrative or sales expenses of the Servicer or the Trustee in connection with any such sale.

"Scheduled Payment" means, with respect to any Loan, each payment of principal and/or interest scheduled to be made by the related Obligor under the terms of such Loan after (a) in the case of the Initial Loans, the Cutoff Date, (b) in the case of Subsequent Loans, the related Subsequent Loan Cutoff Date or (c) in the case of Substitute Loans, the related Substitute Loan Cutoff Date, as adjusted pursuant to the terms of the related Underlying Note and/or Required Loan Documents.

"Scheduled Payment Advance" means, with respect to any Payment Date, the amounts, if any, deposited by the Servicer in the Collection Account on the related Reference Date for such Payment Date in respect of Scheduled Payments (or portions thereof) pursuant to Section 5.09.

"Second Lien Loans" means a Loan that is not a first lien loan because a revolving loan that, by its terms, may require one or more future advances to be made is senior to such Loan and such Loan (a) is not (and cannot by its terms become) subordinate in right of payment to any other obligation of the obligor of the Loan (other than with respect to such revolving loans, trade claims, capitalized leases or similar obligations); (b) is secured by a valid second-priority perfected security interest or lien in, to or on specified collateral securing the obligor's obligations under the second lien loan; (c) the combined amount of such Loan and the senior revolving credit facility would not create a combined loan to value ratio (determined in accordance with the Operating Guidelines) greater than thirty percent (30%); and (d) is not secured solely or primarily by common stock or other equity interests.

"Secured Parties" means, collectively, the Noteholders, the Trustee and the Servicer.

"Securities Act" means the Securities Act of 1933, as amended.

"Securities Intermediary" has the meaning provided in the Preamble.

"Seller" has the meaning provided in the Preamble.

"Servicer" means initially Horizon Technology Finance Corporation, or its successors in interest, until any Servicer Transfer hereunder or the resignation or permitted assignment by the Servicer and, thereafter, means the Backup Servicer or other Successor Servicer appointed pursuant to Article VIII with respect to the duties and obligations required of the Servicer under this Agreement.

"Servicer Default" shall have the meaning provided in Section 8.01.

"Servicer Transfer" shall have the meaning provided in Section 8.02(c).

“Servicing Advances” means all reasonable and customary “out-of-pocket” costs and expenses incurred in the performance by the Servicer of its servicing obligations, including, but not limited to, the cost of (a) the preservation, restoration and protection of any Related Property, (b) any enforcement or judicial proceedings, including foreclosures, (c) the management and liquidation of any Foreclosed Property or Repossessed Property, (d) compliance with its obligations under this Agreement and other Transaction Documents and (e) services rendered in connection with the liquidation of a Loan (other than Liquidation Expenses).

“Servicing Fee” shall have the meaning provided in Section 5.11.

“Servicing File” means, for each Loan, the following documents or instruments:

(a) copies of each of the Required Loan Documents; and

(b) any other portion of the Loan File which is not part of the Required Loan Documents.

“Servicing Officer” means any officer of the Servicer involved in, or responsible for, the administration and servicing of Loans whose name appears on a list of servicing officers appearing in an Officer’s Certificate furnished to the Trustee by the Servicer, as the same may be amended from time to time.

“Servicing Standard” means, with respect to any Loans and all other assets included in the Collateral, to service and administer such Loans and other assets in the Collateral in accordance with the Operating Guidelines and the Underlying Loan Agreements (as applicable) and all customary and usual servicing practices, in a manner consistent with the Servicer’s servicing of comparable senior loan agreements that it owns or services for itself or others, without regard to: (i) the Servicer’s right to receive compensation for its services hereunder or with respect to any particular transaction, or (ii) the ownership, servicing or management for others by the Servicer of any other loans, debt securities or property by the Servicer.

“Servicing Transfer Costs” means costs and expenses, if any, incurred by the Trustee or by the Successor Servicer in connection with the transfer of servicing to the Successor Servicer, which shall not exceed $100,000 in the aggregate for any given servicing transfer; *provided* however, that the Servicing Transfer Costs will not include the Successor Servicer Engagement Fee.

“Solvent” means, as to any Person at any time, that (a) the fair value of the property of such Person is greater than the amount of such Person’s liabilities (including disputed, contingent and unliquidated liabilities) as such value is established and liabilities evaluated for purposes of Section 101(32) of the Bankruptcy Code; (b) such Person is able to realize upon its property and pay its debts and other liabilities (including disputed, contingent and unliquidated liabilities) as they mature in the normal course of business; (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person’s ability to pay as such debts and liabilities mature; and (d) such Person is not engaged in business or a transaction, and is not about to engage in a business or a transaction, for which such Person’s property would constitute unreasonably small capital.

“Subsequent List of Loans” means a list, in the form of the initial List of Loans delivered on the Closing Date, but listing each Subsequent Loan and Substitute Loan, as the case may be, transferred to the Issuer from time to time.

“Subsequent Loan” means one or more Loans transferred by the Originator to the Issuer under and in accordance with Section 2.05.

“Subsequent Loan Assets” means any assets acquired by the Issuer from the Originator following the Closing Date in connection with one or more Subsequent Loans pursuant to Section 2.05, which assets shall include the Originator’s right, title and interest in the following:

(i) the Subsequent Loans listed in the related Subsequent List of Loans, all payments paid in respect thereof and all monies due, to become due or paid in respect thereof accruing on and after the Subsequent Loan Cutoff Date and all Insurance Proceeds, Liquidation Proceeds and other recoveries thereon, in each case as they arise after the Subsequent Loan Cutoff Date;

(ii) all security interests and Liens and Related Property subject thereto from time to time purporting to secure payment by Obligors under such Loans;

(iii) all guaranties, indemnities and warranties, and other agreements or arrangement of whatever character from time to time supporting or securing payment of such Loans;

(iv) all collections and records (including Computer Records) with respect to the foregoing;

(v) all documents relating to the applicable Loan Files; and

(vi) all income, payments, proceeds and other benefits of any and all of the foregoing, including but not limited to, all accounts, cash and currency, chattel paper, electronic chattel paper, tangible chattel paper, copyrights, copyright licenses, equipment, fixtures, general intangibles, instruments, commercial tort claims, deposit accounts, inventory, investment property, letter of credit rights, software, supporting obligations, accessions, and other property consisting of, arising out of, or related to the foregoing.

“Subsequent Loan Cash Purchase Price” means the lesser of (i) amounts on deposit in the Principal Reinvestment Account and (ii) the aggregate Outstanding Loan Balance of Subsequent Loans being conveyed on such Transfer Date.

“Subsequent Loan Cutoff Date” means each date on or after the Closing Date on which a Subsequent Loan is transferred to the Issuer.

“Substitute Loan” means one or more Loans transferred by the Originator to the Issuer under and in accordance with Section 2.07.

“Substitute Loan Assets” means any assets acquired by the Issuer from the Originator following the Closing Date in connection with substitution of one or more Substitute Loans pursuant to Section 2.04 or Section 2.07, which assets shall include the Originator’s right, title and interest in the following:

(i) the Substitute Loans listed in the related Subsequent List of Loans, all payments paid in respect thereof and all monies due, to become due or paid in respect thereof accruing on and after the Substitute Loan Cutoff Date and all Insurance Proceeds, Liquidation Proceeds and other recoveries thereon, in each case as they arise after the Substitute Loan Cutoff Date;

(ii) all security interests and Liens and Related Property subject thereto from time to time purporting to secure payment by Obligors under such Loans;

(iii) all guaranties, indemnities and warranties, and other agreements or arrangements of whatever character from time to time supporting or securing payment of such Loans;

(iv) all collections and records (including Computer Records) with respect to the foregoing;

(v) all documents relating to the applicable Loan Files; and

(vi) all income, payments, proceeds and other benefits of any and all of the foregoing, including but not limited to, all accounts, cash and currency, chattel paper, electronic chattel paper, tangible chattel paper, copyrights, copyright licenses, equipment, fixtures, general intangibles, instruments, commercial tort claims, deposit accounts, inventory, investment property, letter of credit rights, software, supporting obligations, accessions, and other property consisting of, arising out of, or related to the foregoing.

"Substitute Loan Cutoff Date" means each date on or after the Closing Date on which a Substitute Loan is transferred to the Issuer.

"Substitution Event" shall have the meaning provided in Section 2.07.

"Successor Servicer" shall have the meaning provided in Section 8.02(b).

"Successor Servicer Engagement Fee" shall mean $125,000.

"Tape" shall have the meaning provided in Section 9.04(a).

"Technology Loan" shall mean a Loan made to an Obligor that provides products or services that require advanced technologies, including, but not limited to, computer software and hardware, networking systems, semiconductors, semiconductor capital equipment, information technology infrastructure or services, Internet consumer and business services, telecommunications, and telecommunications equipment.

"Technology Obligor" means an Obligor of a Technology Loan.

"Termination Notice" shall have the meaning provided in Section 8.02(a).

"Third Party Agented Loan" means, with respect to any Loan, (a) the Loan is originated by a Person other than or in addition to the Originator as part of a syndicated loan transaction which has been fully consummated prior to such Loan becoming part of the Collateral, (b) upon the sale of the Loan under this Agreement to the Issuer, the Required Loan Documents shall have been delivered to the Custodian, (c) the Issuer, as assignee of the Loan, has all of the rights (including without limitation voting rights) of the Originator which have been transferred by the Originator with respect to the Loan and the Originator's right, title and interest in and to the Related Property, (d) the Loan is secured by an undivided interest in the Related Property that also secures and is shared by, on a pro rata basis, all other holders of such Obligor's indebtedness of equal priority issued in such syndicated loan transaction, and (e) the third party Loan originator (or an affiliate thereof) is the lead agent, collateral agent or paying agent for all lenders in such syndicated loan transaction.

"Transaction Accounts" means, collectively, the Collection Account, the Principal Reinvestment Account, the General Reserve Account, the Distribution Account and the Lockbox Account.

"Transaction Documents" means this Agreement, the Indenture, the Note Funding Agreement, the Notes, any fee letters (including the fee letter dated April 16, 2018 from U.S. Bank in respect of trustee fees, backup servicing fees, custodian fees and lockbox agent fees), any UCC financing statements filed pursuant to the terms of the Transaction Documents, and any additional document the execution of which is necessary or incidental to carrying out the terms of, or which is identified as a "Transaction Document" in, the foregoing documents, all as such documents are amended, modified, restated, replaced, waived, substituted, supplemented or extended from time to time

"Transfer Date" means the Subsequent Loan Cutoff Date or the Substitute Loan Cutoff Date, as applicable.

"Transfer Deposit Amount" means, on any date of determination with respect to any Loan, an amount equal to the sum of (a) the Outstanding Loan Balance of such Loan, (b) accrued interest thereon through such date of determination at the Loan Rate provided for thereunder, and (c) any outstanding Scheduled Payment Advances and Servicing Advances thereon that have not been waived by the Servicer entitled thereto.

"Trustee" means the Person acting as Trustee under the Indenture, its successors in interest and any successor trustee under the Indenture.

"Trustee Fee" means $1,500 per month commencing when the Aggregate Outstanding Loan Balance is greater than zero at the beginning of the related Collection Period.

"UCC" means the Uniform Commercial Code, as amended from time to time, as in effect in any specified jurisdiction.

"Underlying Loan Agreement" means each single lender or multi-lender commercial loan or credit agreements or other debt agreements or instruments customary for the applicable type of Loan originated or acquired by the Originator or one of its Affiliates.

"Underlying Note" means the one or more promissory notes executed by the applicable Obligor evidencing a Loan.

"United States" means the United States of America.

"Unused Fee" means a fee payable by the Issuer to the Trustee for distribution to the Noteholders, quarterly in arrears, in an amount equal to the difference between the Commitment Amount and the actual average daily Outstanding Note Balance during such quarterly period *multiplied* by the Unused Fee Rate.

"Unused Fee Rate" means (i) 0% from the Closing Date to six months after the Closing Date, (ii) on and after six months after the Closing Date to one year after the Closing Date 0.25% per annum, and (ii) thereafter, 0.5% per annum.

Section 1.02 Usage of Terms.

With respect to all terms in this Agreement, the singular includes the plural and the plural the singular; words importing any gender include the other genders; references to "writing" include printing, typing, lithography and other means of reproducing words in a visible form; references to agreements and other contractual instruments include all amendments, modifications and supplements thereto or any changes therein entered into in accordance with their respective terms and not prohibited by this Agreement; references to Persons include their permitted successors and assigns; and the term "including" means "including without limitation."

Section 1.03 Section References.

All Section references (including references to the Preamble), unless otherwise indicated, shall be to Sections (and the Preamble) in this Agreement.

Section 1.04 Calculations.

Except as otherwise provided herein, all interest rate and basis point calculations hereunder will be made on the basis of a 360 day year consisting of twelve 30-day months and will be carried out to at least three decimal places.

Section 1.05 Accounting Terms.

All accounting terms used but not specifically defined herein shall be construed in accordance with generally accepted accounting principles in the United States.

ARTICLE II

ESTABLISHMENT OF ISSUER; TRANSFER OF LOAN ASSETS

Section 2.01 Creation and Funding of Issuer; Transfer of Loan Assets.

(a) The Issuer has been organized by the Originator pursuant to the terms and conditions of the Issuer LLC Agreement and the Originator shall convey assets to the Issuer pursuant to the terms and provisions hereof. The Servicer is hereby specifically recognized by the parties hereto as empowered to act on behalf of the Issuer in accordance with Section 5.02(g) and Section 5.02(h), and to perform any other duties and obligations required to be performed by the Servicer under the Transaction Documents.

(b) Subject to and upon the terms and conditions set forth herein, and in consideration of the Issuer's delivery to or upon the order of the Originator of the Initial Advance on the Closing Date, the Originator hereby sells, transfers, assigns, sets over and otherwise conveys to the Issuer all the right, title and interest of the Originator in and to the Initial Loan Assets.

To the extent the purchase price paid to the Originator for any Loan Assets is less than the fair market value of such Loan Assets, the difference between such fair market value and such purchase price shall constitute a capital contribution made by the Originator to the Issuer on the Closing Date in the case of the Initial Loans and as of the related Transfer Date in the case of any Subsequent Loans or Substitute Loans. For all purposes of this Agreement, any contributed Loan Assets shall be treated the same as Loan Assets sold for cash, including without limitation for purposes of Section 11.01.

(c) The Originator acknowledges that the representations and warranties of the Originator in Section 3.01 through Section 3.04 will run to and be for the benefit of the Issuer and the Trustee, and the Issuer and the Trustee may enforce directly the repurchase obligations of the Originator, with respect to breaches of such representations and warranties that materially and adversely affect the interests of any Noteholder as set forth in this Agreement. Other than with respect to Section 12.02, the repurchase obligation or substitution obligation of the Originator set forth in Section 11.01 constitutes the sole remedy available for a breach of representation or warranty of the Originator in connection with the purchase of any Loan Asset.

(d) The sale, transfer, assignment, set-over and conveyance of the Loan Assets by the Originator to the Issuer pursuant to this Agreement does not constitute and is not intended to result in a creation or an assumption by the Issuer of any obligation of the Originator in connection with the Loan Assets, or any agreement or instrument relating thereto, including, without limitation, (i) any obligation to any Obligor relating to any unfunded commitment from the Originator, (ii) any taxes, fees, or other charges imposed by any Governmental Authority and (iii) any insurance premiums that remain owing with respect to any Loan Asset at the time such Loan Asset is sold hereunder. Without limiting the foregoing, (x) the Issuer does not assume any obligation to purchase any additional notes or loans under agreements governing the Loan Assets and (y) the sale, transfer, assignment, set-over and conveyance of the Loan Assets by the Originator to the Issuer pursuant to this Agreement does not constitute and is not intended to result in a creation or an assumption by the Issuer of any obligation of the Originator as lead agent or collateral agent under any Agented Loan or Co-Agented Loan.

(e) The Originator and the Issuer intend and agree that (i) each transfer of the Loan Assets by the Originator to the Issuer hereunder is intended to be a sale, conveyance and transfer of ownership of the Loan Assets, as the case may be, rather than the mere granting of a security interest to secure a borrowing and (ii) such Loan Assets shall not be part of the Originator's estate in the event of a filing of a bankruptcy petition or other action by or against the Originator under any Insolvency Law. In the event, however, that notwithstanding such intent and agreement, such transfers are deemed to be a mere granting of a security interest to secure indebtedness, the Originator shall be deemed to have granted (and as of the Closing Date hereby grants to) to the Issuer a perfected first priority security interest in all right, title and interest of the Originator in all Loan Assets and the proceeds thereof and this Agreement shall constitute a security agreement under Applicable Law, securing the repayment of the purchase price paid hereunder, the obligations and/or interests represented by the Notes, in the order and priorities, and subject to the other terms and conditions of, this Agreement and the Indenture, together with such other obligations or interests as may arise hereunder and thereunder in favor of the parties hereto and thereto.

Section 2.02 Conditions to Transfer of Initial Loan Assets to Issuer.

On or before the Closing Date, the Originator shall deliver or cause to be delivered to the Trustee (or with respect to (d) below, to the Custodian, on behalf of the Trustee) each of the documents, certificates and other items as follows:

(a) a certificate of an officer of the Originator substantially in the form of Exhibit C hereto;

(b) copies of resolutions of (i) the Fund, as Originator and Seller, and (ii) the sole member of the Issuer, approving the execution, delivery and performance of this Agreement, the Transaction Documents to which it is a party and the transactions contemplated hereunder and thereunder, certified in each case by the Secretary or an Assistant Secretary of the Fund and the sole member of the Issuer, as applicable;

(c) officially certified evidence dated within 30 days of the Closing Date of due formation and good standing of the Originator and the Issuer under the laws of the State of [Delaware];

(d) the initial List of Loans, certified by an officer of the Originator, together with an Assignment with respect to the Initial Loan Assets substantially in the form of Exhibit A hereto (along with the delivery of any instruments and Loan Files as required under Section 2.09);

(e) within ten days of the Closing Date, evidence of the proper filing of a UCC-1 financing statement, naming the Originator as seller or debtor, naming the Issuer as assignor secured party, naming the Trustee as the total assignee of the purchaser or secured party and describing the Loan Assets as collateral, with the office of the Secretary of State of the State of Delaware and in such other locations as the Initial Purchasers shall have required; and evidence of proper filing of a UCC-1 financing statement, naming the Issuer as debtor, naming the Trustee as secured party and describing the Collateral as collateral with the office of the Secretary of State of the State of Delaware and in such other locations as the Initial Purchasers shall have required;

(f) an Officer's Certificate listing the Servicer's Servicing Officers;

(g) a fully executed copy of each of the Transaction Documents;

(h) except with respect to (i) Agented Loans, Co-Agented Loans and Third Party Agented Loans where the Originator (or a wholly-owned subsidiary of the Originator) receives payments on behalf of or as agent for the other lenders thereunder or where payments thereunder are made directly to such other lenders on behalf of or as agent for the Originator (or a wholly-owned subsidiary of the Originator) and (ii) Loans described in Section 7.01(d), the Servicer shall have notified and directed the Obligor with respect to each Loan to make all payments on the Loans, whether by wire transfer, ACH or otherwise, directly to the Lockbox Account;

(i) the Servicer shall have notified and directed each of the Fund's co-lenders under Co-Agented Loans and Third-Party Loans that receive payments on behalf of the Originator, to transfer such payments received from the Obligors with respect to such Loans to the Lockbox Account within two Business Days of receipt of such payments by such co-lender;

(j) the Initial Loans satisfy the Initial Loans Criteria;

(k) the Issuer and the Noteholders shall have received a Borrowing Base Certificate for the Closing Date;

(l) an Opinion of Counsel with respect to (A) the due authorization, valid execution and delivery of each Transaction Document to which the Issuer, the Servicer and the Originator are a party and its binding effect on such party, (B) certain "true sale" and "non-consolidation" issues relating to Originator and Issuer; and (C) certain "perfection" issues; and

(m) a rating letter from Morningstar to the effect that Morningstar has assigned at least a "BBB" rating to the Notes.

Section 2.03 Acceptance by Issuer.

On the Closing Date, if the conditions set forth in Section 2.02 have been satisfied, the Issuer shall issue and the Trustee shall authenticate, the Notes secured by the Collateral.

Section 2.04 Conveyance of Substitute Loans.

(a) With respect to any Substitute Loans to be conveyed to the Issuer by the Originator as described in Section 2.07, the Originator hereby sells, transfers, assigns, sets over and otherwise conveys to the Issuer, without recourse other than as expressly provided herein (and the Issuer shall purchase through cash payment and/or by exchange of one or more related Loans released by the Issuer to the Originator on the related Transfer Date), all the right, title and interest of the Originator in and to the Substitute Loan Assets, such property, upon such transfer, becoming part of the Collateral.

The purchase price may equal, exceed or be less than the fair market value of such Substitute Loan as of the related Substitute Loan Cutoff Date, plus in each case accrued interest thereon. To the extent the purchase price of any Loan is less than the fair market value thereof, the Originator shall have made a capital contribution to the Issuer in an amount equal to the difference between the purchase price and the fair market value of such Substitute Loan.

(a) [Reserved].

(b) The Originator shall transfer to the Issuer hereunder the applicable Substitute Loans and Related Property only upon the satisfaction of each of the following conditions on or prior to the related Substitute Loan Cutoff Date (in addition to the conditions set forth in Section 2.10):

(i) the Originator shall have provided the Issuer, the Custodian and the Trustee with timely notice of such substitution, which shall be delivered no later than 11:00 a.m. New York City time on the related Substitute Loan Cutoff Date;

(ii) there shall have occurred, with respect to each such Substitute Loan, a corresponding Substitution Event with respect to one or more Loans then in the Collateral;

(iii) the Originator shall have delivered to the Issuer, the Custodian and the Trustee a Subsequent List of Loans listing the applicable Substitute Loans and an assignment agreement as required by the related Underlying Loan Agreement indicating that the Issuer is the holder of the related Substitute Loan;

(iv) the Originator shall have deposited or caused to be deposited in the Collection Account all Collections received by it with respect to the applicable Substitute Loans on and after the related Substitute Loan Cutoff Date;

(v) each of the representations and warranties made by Originator pursuant to Sections 3.02 and 3.04 applicable to the Substitute Loans shall be true and correct as of the related Substitute Loan Cutoff Date;

(vi) except with respect to (i) Agented Loans, Co-Agented Loans and Third Party Agented Loans where the Originator (or a wholly-owned subsidiary of the Originator) receives payments on behalf of or as agent for the other lenders thereunder or where payments thereunder are made directly to such other lenders on behalf of or as agent for the Originator (or a wholly-owned subsidiary of the Originator) and (ii) Loans described in Section 7.01(d), the Servicer shall have notified and directed the Obligor with respect to each Substitute Loan to make all payments on the Loans, whether by wire transfer, ACH or otherwise, directly to the Lockbox Account;

(vii) the Servicer shall have notified and directed each of the Fund’s co-lenders under Co-Agented Loans and Third-Party Loans that receive payments on behalf of the Originator, to transfer such payments received from the Obligors with respect to such Substitute Loans to the Lockbox Account within two Business Days of receipt of such payments by such co-lender; and

(viii) the Originator shall bear all incidental transactions costs incurred in connection with a substitution effected pursuant to this Agreement and shall, at its own expense, on or prior to the related Substitute Loan Cutoff Date, indicate in its Computer Records that ownership of each Substitute Loan identified on the Subsequent List of Loans has been sold by the Originator to the Issuer pursuant to this Agreement.

(c) The Servicer, the Issuer and the Trustee (at the written request of the Servicer) shall execute and deliver such instruments, consents or other documents and perform all acts reasonably requested by the Servicer in order to effect the transfer and release of any of the Issuer’s interests in the Loans that are being substituted.

Section 2.05 Conveyance of Subsequent Loans.

(a) With respect to any Subsequent Loans to be conveyed to the Issuer by the Originator during the Investment Period, the Originator on any Transfer Date may sell, transfer, assign, set over and otherwise convey to the Issuer, without recourse other than as expressly provided herein (and the Issuer may purchase (i) through cash payment from amounts on deposit in the Principal Reinvestment Account, (ii) at the direction of the Issuer, through direct payment of Advances by the Noteholders or (iii) through a combination of the foregoing), all the right, title and interest of the Originator in and to the Subsequent Loan Assets, such property, upon such transfer, becoming part of the Collateral.

The cash to be paid by the Issuer for any Subsequent Loan shall be equal to [the Subsequent Loan Cash Purchase Price which may equal, exceed or be less than] the fair market value of such Subsequent Loan as of the related Subsequent Loan Cutoff Date, plus in each case accrued interest thereon. To the extent the Subsequent Loan Cash Purchase Price of any Subsequent Loan is less than the fair market value thereof, the Originator shall have made a capital contribution to the Issuer in an amount equal to the difference between the purchase price and the fair market value of such Subsequent Loan.

The Originator shall transfer to the Issuer hereunder the applicable Subsequent Loans and Related Property only upon the satisfaction of each of the following conditions on or prior to the related Subsequent Loan Cutoff Date:

(i) the Originator shall have provided the Issuer, the Custodian and the Trustee with timely notice of such proposed acquisition of Subsequent Loans, which shall be delivered no later than 11:00 a.m. New York City time on the related Subsequent Loan Cutoff Date;

(ii) the Originator shall have delivered to the Issuer, the Custodian and the Trustee a Subsequent List of Loans listing the applicable Subsequent Loans and an assignment agreement as required by the related Underlying Loan Agreement indicating that the Issuer is the holder of the related Subsequent Loan;

(iii) the Originator shall have deposited or caused to be deposited in the Collection Account all Collections received by it with respect to the applicable Subsequent Loans on and after the related Subsequent Loan Cutoff Date;

(iv) each of the representations and warranties made by Originator pursuant to Sections 3.02 and 3.04 applicable to the Subsequent Loans shall be true and correct as of the related Subsequent Loan Cutoff Date; and

(v) the Originator shall bear all incidental transactions costs incurred in connection with the acquisition of a Subsequent Loan effected pursuant to this Agreement and shall, at its own expense, on or prior to the related Subsequent Loan Cutoff Date, indicate in its Computer Records that ownership of each Subsequent Loan identified on the Subsequent List of Loans has been sold by the Originator to the Issuer pursuant to this Agreement.

(vi) except with respect to (i) Agented Loans, Co-Agented Loans and Third Party Agented Loans where the Originator (or a wholly-owned subsidiary of the Originator) receives payments on behalf of or as agent for the other lenders thereunder or where payments thereunder are made directly to such other lenders on behalf of or as agent for the Originator (or a wholly-owned subsidiary of the Originator) and (ii) Loans described in Section 7.01(d), the Servicer shall have notified and directed the Obligor with respect to each Subsequent Loan to make all payments on the Loans, whether by wire transfer, ACH or otherwise, directly to the Lockbox Account;

(vii) the Servicer shall have notified and directed each of the Fund’s co-lenders under Co-Agented Loans and Third-Party Loans that receive payments on behalf of the Originator, to transfer such payments received from the Obligors with respect to such Subsequent Loans to the Lockbox Account within two Business Days of receipt of such payments by such co-lender; and

(viii) to the extent that the Issuer requests an Advance from the Noteholders to make such acquisition of a Subsequent Loan, all conditions precedent to the making of such Advance under the Note Funding Agreement have been satisfied and the Noteholders shall have made such Advance to the Principal Reinvestment Account or, at the direction of the Issuer, to the Originator.

Section 2.06 Optional Sales of Loans.

(a) At the Servicer's option, any Loan may be sold by the Servicer on the Issuer's behalf to the Fund (or any of its Affiliates) or a third party if:

(i) such Loan becomes a Defaulted Loan;

(ii) such Loan becomes a Delinquent Loan;

(iii) such Loan becomes a Restructured Loan; or

(iv) the Servicer, in its discretion, elects to sell the Loan.

(b) No optional sale of any Loan (to the Fund, any of its Affiliates or to third parties) pursuant to this Section 2.06 may be executed for a price less than the Transfer Deposit Amount of such Loan calculated as of the date of such sale; *provided* that the price of a Defaulted Loan, Delinquent Loan or a Restructured Loan may be less than the Transfer Deposit Amount so long as the price is for the fair market value thereof and the cumulative Outstanding Loan Balance of all Defaulted Loans, Delinquent Loans and Restructured Loans sold in accordance with this proviso does not exceed 15% of the then Aggregate Outstanding Loan Balance. No optional sale of a Loan to a third party pursuant to this Section 2.06 may be executed for a price less than the fair market value thereof. Any such sale shall be subject to the further limitations described in Section 2.10 below.

The Issuer or the Servicer shall cause the Sale Proceeds from any sale pursuant to this Section 2.06(b) to be delivered to the Trustee for deposit into the Collection Account and allocated as provided in Section 7.05. Upon receipt by the Servicer for deposit in the Collection Account of the Sale Proceeds or Liquidation Proceeds received in connection with any such sale, the Issuer and the Trustee shall assign to the purchaser of such Loan designated by the Servicer (or to the Servicer itself) all of the Issuer's and Trustee's right, title and interest in the repurchased Loan and related Loan Assets without recourse, representation or warranty. Thereafter, such reassigned Loan shall no longer be included in the Collateral.

(c) The Issuer and the Trustee hereby agree that the Fund has the option, but not the obligation, to purchase any Loan presented by the Issuer pursuant to this Section 2.06.

Section 2.07 Optional Substitution of Loans. At the Issuer's option, any Loan may be substituted by the Issuer and replaced with a Substitute Loan (each such Loan, a "Substitute Loan") if any of the following occur (each, a "Substitution Event"):

(i) such Loan becomes a Defaulted Loan;

(ii) such Loan becomes a Delinquent Loan;

(iii) such Loan becomes a Restructured Loan; or

(iv) the Issuer, in its discretion, elects to substitute the Loan.

Any such substitution shall be initiated by delivery of written notice (a "Notice of Substitution") to the Custodian and the Trustee from the Issuer that the Issuer intends to substitute a Loan pursuant to this Section 2.07 and shall be completed prior to 60 days after delivery of such notice. Each Notice of Substitution shall specify the Loan to be substituted, the reason for such substitution (as described in this Section 2.07(a)) and the Transfer Deposit Amount with respect to the Loan.

(b) No substitution of a Substitute Loan will be permitted unless such Substitute Loan is an Eligible Loan as of the date each such Substitute Loan is transferred to the Issuer and following such substitution, the Aggregate Outstanding Note Balance shall not be greater than the Borrowing Base. If the Outstanding Loan Balance of the Substitute Loan is less than the Outstanding Loan Balance of the Loan that is being replaced, the Issuer shall cause to be deposited into the Collection Account as Principal Proceeds, the lesser of (i) the difference between the Outstanding Loan Balances and (ii) the amount required such that the Aggregate Outstanding Note Balance shall not be greater than the Borrowing Base.

(c) Any such substitution shall be subject to the further limitations described in Section 2.10.

(d) Following the Investment Period, no substitution of a Substitute Loan will be permitted if such Substitute Loan has a maturity date later than the maturity date of the Loan that is being replaced.

Section 2.08 Release of Excluded Property.

The parties hereto acknowledge and agree that the Loans acquired by the Issuer from the Originator do not include an interest in any Excluded Property. To the extent any proceeds of Excluded Property are received by the Issuer or the Trustee, the Trustee hereby agrees to release to the Originator, any amounts in respect of Excluded Property immediately upon identification thereof and upon receipt of an Officer's Certificate of the Servicer, which release shall be automatic and shall require no further act by the Trustee or the Issuer; *provided* that the Trustee and Issuer shall execute and deliver such instruments of release and assignment or other documents, or otherwise confirm the foregoing release, as may reasonably be requested by the Originator in writing.

Section 2.09 Delivery of Documents in the Loan File.

(a) Subject to the delivery requirements set forth in Section 2.09(b), the Issuer hereby authorizes and directs the Originator to deliver possession of all the Loan Files to the Trustee or the Custodian on its behalf (with copies to be held by the Servicer), on behalf of and for the account of the Noteholders. The Originator shall also identify on the List of Loans (including any deemed amendment thereof associated with any Subsequent Loans or Substitute Loans), whether by attached schedule or marking or other effective identifying designation, all Loans that are evidenced by such instruments.

(b) With respect to each Loan in the Collateral, at least three Business Days before the Closing Date in the case of the Initial Loans (or such lesser time as shall be acceptable to the Custodian) and on or before the related Transfer Date in the case of any Subsequent Loans or Substitute Loans, the Originator shall deliver or cause to be delivered to the Custodian, to the extent not previously delivered, each of the documents in the Loan File with respect to such Loan, *provided*, however, that in those instances where a copy of the Underlying Note was delivered to the Custodian as a Required Loan Document pursuant to clause (b)(i)(x) of the definition of Required Loan Document, either the original or if accompanied by a "lost note" affidavit and indemnity, a copy of the Underlying Note, in each case, endorsed by the prior holder of record either in blank or to the Issuer (and evidencing an unbroken chain of endorsements from the prior holder thereof evidenced in the chain of endorsements to the Trustee), with any endorsement to the Issuer to be in the following form: "Horizon Funding I, LLC," will be delivered or caused to be delivered within ten Business Days of the related Transfer Date.

Section 2.10 Limitations on Optional Sale and Substitution. The parties hereto hereby agree that:

(a) In no event may (a) the aggregate Outstanding Loan Balance of Delinquent Loans and Restructured Loans optionally sold or substituted by the Issuer hereunder exceed 7.5% of the then Aggregate Outstanding Loan Balance, subject to the limitation in clause (c) below on aggregate optional sales and substitutions with respect to all of the Loans, (b) the aggregate Outstanding Loan Balance of Defaulted Loans sold or substituted by the Issuer exceed 7.5% of the then Aggregate Outstanding Loan Balance, subject to the limitation in clause (c) below on aggregate optional sales and substitutions with respect to all of the Loans, or (c) the aggregate Outstanding Loan Balance of all Loans (including any Delinquent Loans, Restructured Loans or Defaulted Loans optionally sold or substituted as described above) optionally sold or substituted by the Issuer for any reason exceed 15% of the then Aggregate Outstanding Loan Balance. For the purpose of calculating the amount of the Aggregate Outstanding Loan Balance comprising Loans that are optionally sold or substituted as described above, any Substitute Loans that have been placed into the Collateral in satisfaction of the Originator's obligations to repurchase or substitute loans pursuant to Section 11.01 shall be disregarded. Further, any Loan that is sold to Persons other than the Originator or its Affiliates for the following reasons shall not be subject to any of the foregoing limitations: (x) a Delinquent Loan, Restructured Loan (or a Loan determined by the Servicer in accordance with the Servicing Standard should be restructured) or a Defaulted Loan where the Issuer has certified to the Trustee that it has determined in good faith that the best recovery for such Loan is the sale of such Loan to a third party, (y) a Loan for which the Issuer has certified to the Trustee that the terms of such Loan are subject to contractual purchase rights of third parties and such third party has exercised such right, or (z) a Loan which is being refinanced and the Issuer has certified to the Trustee that the related Obligor or new lender has requested that such Loan be sold to a third party for the purpose of refinancing such Loan.

(b) The parties hereto agree that (i) if an Event of Default shall have occurred and the Notes have been accelerated, the Issuer may not exercise its option to sell or substitute Loans pursuant to Section 2.06 or Section 2.07 without the prior written consent of the Majority Noteholders and (ii) if a Servicer Default shall have occurred, until such time as such Servicer Default is no longer continuing, the Issuer (A) may not exercise its option to substitute Loans pursuant to Section 2.07 without the prior written consent of the Majority Noteholders and (B) may only sell a Loan pursuant to Section 2.06 if the price therefor is at least equal to the Transfer Deposit Amount of such Loan.

Section 2.11 Certification by Trustee and Custodian; Possession of Loan Files.

(a) Review; Certification. On or prior to the Closing Date (in the case of the Initial Loans) or the related Transfer Date (in the case of any Subsequent Loans or Substitute Loans), the Custodian shall review the Required Loan Documents in the Loan File that are required to be delivered pursuant to Section 2.09(b) on the Closing Date (in the case of the Initial Loans) or the related Transfer Date (in the case of any Subsequent Loans or Substitute Loans), and shall deliver to the Issuer, the Originator, the Trustee and the Servicer a certification and the Trustee shall deliver or make available electronically to any Noteholder who requests a copy from the Trustee such certification, with respect to the Required Loan Documents delivered to it at such time in the form attached hereto as Exhibit H-1 on or prior to the Closing Date (in the case of the Initial Loans) or the related Transfer Date (in the case of any Subsequent Loans or Substitute Loans). Within two Business Days after the Custodian receives the Required Loan Documents in the Loan File that are permitted, pursuant to Section 2.09(b), to be delivered after the Closing Date (in the case of the Initial Loans) or the related Transfer Date (in the case of any Subsequent Loans or Substitute Loans), the Custodian shall deliver to the Originator, the Trustee and the Servicer a certification, and the Trustee shall deliver or make available electronically to any Noteholder who requests a copy from the Trustee such certification, with respect to the Required Loan Documents delivered to it at such time in the form attached hereto as Exhibit H-1, which updated certification shall supplement any previous certification given. Within 90 days of the end of the calendar year immediately following the end of the Investment Period, the Custodian shall deliver to the Originator, the Issuer, the Servicer and the Trustee, and the Trustee shall deliver or make available electronically to any Noteholder who requests a copy from the Trustee a final certification in the form attached hereto as Exhibit H-2 evidencing the completeness of the Loan Files with respect to the Required Loan Documents with respect to all Loans. The Servicer shall provide notice of the end of the Investment Period to the Trustee and to the Custodian if the Investment Period Termination Date will occur on any date other than June 1, 2020. Neither the Trustee nor the Custodian makes representations as to (i) the validity, legality, sufficiency, enforceability or genuineness of any of the documents, or (ii) the collectability, insurability, effectiveness or suitability of any asset; and neither the Trustee nor the Custodian has made any independent examination of any documents contained in each Loan File beyond the review specifically required under the Transaction Documents.

(b) Non-Conforming Loan Files. If the Custodian during the process of reviewing the Loan Files finds any document constituting a part of a Loan File which is not properly executed (if applicable), has not been received, is unrelated to a Loan identified in the List of Loans, or does not conform on its face in any respect to the requirements of the definition of Loan File, or the description thereof as set forth in the List of Loans, the Custodian shall promptly so notify the Originator and the Servicer via delivery of the exception report attached to the related certification. In performing any such review, the Custodian may conclusively rely on the Originator as to the purported genuineness of any such document and any signature thereon. It is understood that the scope of the Custodian's review of the Loan Files is limited solely to confirming that the documents listed in the definition of Required Loan Documents have been executed and received and relate to the Loans identified in the List of Loans. The Originator agrees to use reasonable efforts to remedy any defect in a document constituting part of a Loan File of which it is so notified by the Custodian via delivery of the exception report attached to the related certification. If, however, within 30 days after the Custodian's notice to it respecting such defect, the Originator has not remedied the defect and such defect materially and adversely affects the value of the related Loan, such Loan will be treated as an Ineligible Loan and the Originator shall (i) substitute in lieu of such Loan a Substitute Loan in the manner and subject to the conditions set forth in Section 11.01 or (ii) repurchase such Loan at a purchase price equal to the Transfer Deposit Amount, which purchase price shall be deposited in the Collection Account within such 30-day period.

(c) Release of Entire Loan File upon Sale, Substitution or Repurchase. Subject to Section 5.08(a), upon receipt by the Custodian of a certification of a Servicing Officer of the Servicer of such substitution or of such purchase and the deposit of the amounts then required to be deposited as described in Section 2.05, Section 2.07, Section 2.11(b) or Section 11.01, as applicable, in the Collection Account (which certification shall be in the form of Exhibit I hereto), the Custodian shall release to the Servicer for release to the Originator or third party, as applicable, the related Loan File and the Trustee and the Issuer shall execute, without recourse, and deliver such instruments of transfer necessary to transfer all right, title and interest in such Loan to the Originator or third party, as applicable, free and clear of any Liens created by the Transaction Documents. All costs of any such transfer shall be borne by the Originator.

(d) Partial Release of Loan File and/or Related Property. Subject to Section 5.08(b), if in connection with taking any action in connection with a Loan (including, without limitation, the amendment to documents in the Loan File and/or a revision to Related Property) the Servicer requires any item constituting part of the Loan File, or the release from the Lien of the related Loan of all or part of any Related Property, the Servicer shall deliver to the Trustee and the Custodian a certificate to such effect in the form attached as Exhibit I hereto. Subject to Section 5.08(d), upon receipt of such certification, the Custodian shall deliver to the Servicer within two Business Days of such request (if such request was received by 2:00 p.m., New York City time), the requested documentation, and the Trustee, upon a request made by the Servicer, shall execute, without recourse, and deliver such instruments of transfer necessary to release all or the requested part of the Related Property from the Lien of the related Loan and/or the Lien under the Transaction Documents.

(e) Annual Certification. Within 90 days of the beginning of each calendar year, commencing in 2019, the Custodian shall deliver to the Originator, the Trustee and the Servicer a certification, and the Trustee shall deliver to any Noteholder who requests a copy from the Trustee such certification, detailing all transactions with respect to the Loans for which the Custodian (on behalf of the Trustee) holds the Loan Files pursuant to this Agreement during the prior calendar year. Such certification shall list all Loan Files which were released by or returned to the Custodian during the prior calendar year, the date of such release or return and the reason for such release or return (as identified on Exhibit I hereto relating to such release).

ARTICLE III

REPRESENTATIONS AND WARRANTIES

The Originator makes, and upon each conveyance of Subsequent Loans or Substitute Loans, is deemed to make, the representations and warranties in Section 3.01 through Section 3.04, on which the Issuer will rely in purchasing the Initial Loan Assets on the Closing Date (and, any Subsequent Loan Assets or Substitute Loan Assets on the relevant Transfer Date), and on which the Noteholders will rely.

Such representations and warranties are given as of the execution and delivery of this Agreement and as of the Closing Date (or Transfer Date, as applicable), but shall survive the sale, transfer and assignment of the Loan Assets to the Issuer. Other than with respect to Section 12.02, the repurchase obligation or substitution obligation of the Originator set forth in Section 11.01 constitutes the sole remedy available for a breach of a representation or warranty of the Originator set forth in Section 3.01 through Section 3.04.

Section 3.01 Representations and Warranties Regarding the Originator. The Originator represents and warrants to the Issuer and the Trustee that:

(a) Organization and Good Standing. The Originator is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and has the power to own its assets and to transact the business in which it is currently engaged. The Originator is duly qualified to do business and is in good standing in each jurisdiction in which the character of the business transacted by it or properties owned or leased by it requires such qualification and in which the failure so to qualify would have a material adverse effect on the business, properties, assets, or condition (financial or otherwise) of the Originator.

(b) Authorization; Valid Sale; Binding Obligations. The Originator has the power and authority to make, execute, deliver and perform this Agreement and the other Transaction Documents to which it is a party and all of the transactions contemplated under this Agreement and the other Transaction Documents to which it is a party, and to create the Issuer and cause it to make, execute, deliver and perform its obligations under this Agreement and the other Transaction Documents to which the Issuer is a party, and the Originator has taken all necessary limited liability company action to authorize the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party and to cause the Issuer to be created. This Agreement shall effect a valid sale of the Loan Assets from the Originator to the Issuer and upon consummation of such sale, the Issuer will have a perfected interest in such Loan Assets of first priority. This Agreement and the other Transaction Documents to which the Originator is a party constitute the legal, valid and binding obligation of the Originator enforceable in accordance with their respective terms, except as enforcement of such terms may be limited by applicable Insolvency Laws and general principles of equity, whether considered in a suit at law or in equity.

(c) No Consent Required. The Originator is not required to obtain the consent of any other party (other than those that it has already obtained) or any consent, license, approval or authorization from, or registration or declaration with, any Governmental Authority (other than those that it has already obtained) in connection with the execution, delivery, performance, validity or enforceability of this Agreement or the other Transaction Documents to which it is a party.

(d) No Violations. The execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party by the Originator, and the consummation of the transactions contemplated hereby and thereby, will not violate in any material respect any Applicable Law applicable to the Originator, or conflict with, result in a default under or constitute a breach of the Originator's organizational documents or Contractual Obligations to which the Originator is a party or by which the Originator or any of the Originator's properties may be bound, or result in the creation or imposition of any Lien of any kind upon any of its properties pursuant to the terms of any such Contractual Obligations, other than as contemplated by the Transaction Documents.

(e) Litigation. No litigation or administrative proceeding of or before any court, tribunal or governmental body is currently pending, or to the knowledge of the Originator threatened, against the Originator or any of its properties or with respect to this Agreement, the other Transaction Documents to which it is a party or the Notes (i) that, if adversely determined, would in the reasonable judgment of the Originator be expected to have a material adverse effect on the business, properties, assets or condition (financial or otherwise) of the Originator or the Issuer or the transactions contemplated by this Agreement or the other Transaction Documents to which the Originator is a party or (ii) seeking to adversely affect the federal income tax or other federal, state or local tax attributes of the Notes.

(f) Solvency. The Originator at the time of and after giving effect to each conveyance of Loan Assets hereunder, is Solvent on and as of the date thereof.

(g) Taxes. The Originator has filed or caused to be filed all tax returns which, to its knowledge, are required to be filed and has paid all taxes shown to be due and payable on such returns or on any assessments made against it or any of its property and all other taxes, fees or other charges imposed on it or any of its property by any Governmental Authority (other than any amount of tax due, the validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserves in accordance with generally accepted accounting principles have been provided on the books of the Originator); no tax Lien has been filed and, to the Originator's knowledge, no claim is being asserted, with respect to any such tax, fee or other charge.

(h) Place of Business; No Changes. The Originator's location (within the meaning of Article 9 of the UCC) is the State of Delaware. The Originator has not changed its name, whether by amendment of its certificate of formation, by reorganization or otherwise, within the four months preceding the Closing Date. The Originator has not changed its location within the four months preceding the Closing Date.

(i) Not an Investment Company. The Originator is not and, after giving effect to the transactions contemplated by the Transaction Documents, will not be required to be registered as an "investment company" under the 1940 Act.

(j) Sale Treatment. Other than for accounting and tax purposes, the Originator has treated and will treat the transfer of Loan Assets to the Issuer for all purposes as a sale and purchase on all of its relevant books and records and other applicable documents.

(k) Security Interest.

(i) This Agreement creates a valid and continuing security interest (as defined in the applicable UCC) in favor of the Issuer in all right, title and interest of Originator in the Loan Assets, which security interest is prior to all other Liens (except for Permitted Liens), and is enforceable as such against creditors of and purchasers from the Originator;

(ii) the Loans, along with the related Loan Files, constitute "general intangibles," "instruments," "accounts," "investment property," or "chattel paper," within the meaning of the applicable UCC;

(iii) the Originator owns and has, and upon the sale and transfer thereof by the Originator to the Issuer, the Issuer will have, good and marketable title to the Loan Assets free and clear of any Lien (other than Permitted Liens), claim or encumbrance of any Person;

(iv) the Originator has received all consents and approvals required by the terms of the Loan Assets to the sale of the Loan Assets hereunder to the Issuer;

(v) the Originator has caused the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under Applicable Law in order to perfect the security interest in the Loan Assets granted to the Issuer under this Agreement to the extent perfection can be achieved by filing a financing statement;

(vi) other than the security interest granted to the Issuer pursuant to this Agreement, the Originator has not pledged, assigned, sold, granted a security interest in or otherwise conveyed any of the Loan Assets. The Originator has not authorized the filing of and is not aware of any financing statements naming the Originator as debtor that include a description of collateral covering the Loan Assets other than any financing statement (A) relating to the security interest granted by the Originator under this Agreement, or (B) that has been terminated or for which a release or partial release has been filed. The Originator is not aware of the filing of any judgment or tax Lien filings against the Originator;

(vii) each Underlying Note or Underlying Notes that constitute or evidence the Loan Assets has been or will be delivered to the Trustee in accordance with Section 2.09;

(viii) the Originator has received a written acknowledgment from the Trustee that the Trustee or its bailee is holding, in accordance with Section 2.09, any Underlying Notes that constitute or evidence any Loan Assets solely on behalf of and for the benefit of the Noteholders; and

(ix) none of the Underlying Notes that constitute or evidence any Loan Assets has any marks or notations indicating that they have been pledged, assigned or otherwise conveyed to any Person other than the Issuer and the Trustee.

(l) Value Given. The cash payments and the corresponding increase in the Originator's equity interest in the Issuer received by the Originator in respect of the purchase price of the Loan Assets sold hereunder constitute reasonably equivalent value in consideration for the transfer to the Issuer of such Loan Assets under this Agreement, such transfer was not made for or on account of an antecedent debt owed by the Originator to the Issuer, and such transfer was not and is not voidable or subject to avoidance under any Insolvency Law.

(m) Investment Company. The Issuer is not and, after giving effect to the transactions contemplated by the Transaction Documents, will not be required to be registered as an "investment company" within the meaning of the 1940 Act.

(n) No Defaults. The Originator is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or governmental agency, which default might have consequences that would materially and adversely affect the condition (financial or otherwise) or operations of the Originator or its respective properties or might have consequences that would materially and adversely affect its performance hereunder.

(o) Bulk Transfer Laws. The transfer, assignment and conveyance of the Loans by the Originator pursuant to this Agreement are not subject to the bulk transfer laws or any similar statutory provisions in effect in any applicable jurisdiction.

(p) Origination and Collection Practices. The origination and collection practices used by the Originator and any of its Affiliates with respect to each Loan have been consistent with the Servicing Standard and comply in all material respects with the Operating Guidelines.

(q) No Adverse Selection. No selection procedures adverse to the interests of the Issuer or the Noteholders were utilized in selecting Loans from the available loans in the Originator's portfolio that meet the definition of Eligible Loans.

(r) Lack of Intent to Hinder, Delay or Defraud. Neither the Originator nor any of its Affiliates sold, or will sell, any interest in any Loan Asset with any intent to hinder, delay or defraud any of their respective creditors.

(s) Nonconsolidation. The Originator conducts its affairs such that the Issuer would not be substantively consolidated in the estate of the Originator and their respective separate existences would not be disregarded in the event of the Originator's bankruptcy.

(t) Accuracy of Information. All written factual information heretofore furnished by the Originator for purposes of or in connection with this Agreement or the other Transaction Documents to which Originator is a party, or any transaction contemplated hereby or thereby is, and all such written factual information hereafter furnished by the Originator to any party to the Transaction Documents will be, true and accurate in all material respects, on the date such information is stated or certified; *provided* that the Originator shall not be responsible for any factual information furnished to it by any third party not affiliated with it, or the Originator or the Servicer, except to the extent that a Responsible Officer of the Originator has actual knowledge that such factual information is inaccurate in any material respect.

The representations and warranties set forth in Section 3.01(k) may not be waived by any Person and shall survive the termination of this Agreement. The Originator and Issuer shall provide the Trustee and the Rating Agency with prompt written notice upon obtaining knowledge of any breach of the representations and warranties set out in Section 3.01.

Section 3.02 Representations and Warranties Regarding Each Loan and as to Certain Loans in the Aggregate.

The Originator represents and warrants as to each Initial Loan as of the Closing Date, and as of each Transfer Date with respect to each Subsequent Loan or Substitute Loan, that:

(a) List of Loans. The information set forth in the List of Loans attached hereto as Exhibit F (as the same may be amended or deemed amended in respect of a conveyance of Subsequent Loans or Substitute Loans on a Transfer Date) is true, complete and correct as of the Closing Date and each Transfer Date, as applicable.

(b) Eligible Loan. Such Loan satisfies the criteria for the definition of Eligible Loan set forth in this Agreement as of the date of its conveyance hereunder.

Section 3.03 [Reserved].

Section 3.04 Representations and Warranties Regarding the Required Loan Documents.

The Originator represents and warrants on the Closing Date with respect to the Initial Loans (or as of the related Transfer Date, with respect to Subsequent Loans or Substitute Loans), that except as otherwise provided in Section 2.09, the Required Loan Documents and each other item included in the Loan File for each Loan are in the possession of the Trustee (or the Custodian, on behalf of the Trustee).

Section 3.05 [Reserved].

Section 3.06 Representations and Warranties Regarding the Servicer. The initial Servicer represents and warrants to the Trustee that:

(a) Organization and Good Standing. The Servicer is a limited liability company duly organized, validly existing and in good standing under the laws of the jurisdiction of formation and has the power to own its assets and to transact the business in which it is currently engaged. The Servicer is duly qualified to do business and is in good standing in each jurisdiction in which the character of the business transacted by it or properties owned or leased by it requires such qualification and in which the failure so to qualify would have a material adverse effect on the business, properties, assets, or condition (financial or otherwise) of the Servicer or the Issuer. The Servicer is properly licensed in each jurisdiction to the extent required by the laws of such jurisdiction to service the Loans in accordance with the terms hereof and in which the failure to so qualify would have a material adverse effect on the business, properties, assets, or condition (financial or otherwise) of the Servicer or Issuer.

(b) Authorization; Binding Obligations. The Servicer has the power and authority to make, execute, deliver and perform this Agreement and the other Transaction Documents to which the Servicer is a party and all of the transactions contemplated under this Agreement and the other Transaction Documents to which the Servicer is a party, and has taken all necessary limited liability company action to authorize the execution, delivery and performance of this Agreement and the other Transaction Documents to which the Servicer is a party. This Agreement and the other Transaction Documents to which the Servicer is a party constitute the legal, valid and binding obligations of the Servicer enforceable in accordance with their respective terms, except as enforcement of such terms may be limited by Insolvency Laws and general principles of equity, whether considered in a suit at law or in equity.

(c) No Consent Required. The Servicer is not required to obtain the consent of any other party (other than those that it has already obtained) or any consent, license, approval or authorization from, or registration or declaration with, any Governmental Authority (other than those that it has already obtained) in connection with the execution, delivery, performance, validity or enforceability of this Agreement and the other Transaction Documents to which the Servicer is a party.

(d) No Violations. The execution, delivery and performance by the Servicer of this Agreement and the other Transaction Documents to which the Servicer is a party will not violate any Applicable Law applicable to the Servicer, or conflict with, result in a default under or constitute a breach of the Servicer's organizational documents or any Contractual Obligations to which the Servicer is a party or by which the Servicer or any of the Servicer's properties may be bound, or result in the creation of or imposition of any Lien of any kind upon any of its properties pursuant to the terms of any such Contractual Obligations, other than as contemplated by the Transaction Documents.

(e) Litigation. No litigation or administrative proceeding of or before any court, tribunal or governmental body is currently pending, or to the knowledge of the Servicer threatened, against the Servicer or any of its properties or with respect to this Agreement, or any other Transaction Document to which the Servicer is a party that, if adversely determined, would in the reasonable judgment of the Servicer be expected to have a material adverse effect on the business, properties, assets or condition (financial or otherwise) of the Servicer or the Issuer or the transactions contemplated by this Agreement or any other Transaction Document to which the Servicer is a party.

(f) Reports. All reports, certificates and other written information furnished by the Servicer on behalf of the Issuer with respect to the Loans are correct in all material respects; *provided* that the Servicer shall not be responsible for any information furnished to it by any third party not affiliated with the Servicer contained in any such reports, certificates or other written information, except to the extent that a Responsible Officer of the Servicer has actual knowledge that such factual information is inaccurate in any material respect.

Section 3.07 Representations of the Backup Servicer. The Backup Servicer represents and warrants to the Trustee that:

(a) Organization and Good Standing. The Backup Servicer has been duly organized and is validly existing under the laws of its jurisdiction of organization, with power, authority and legal right to own its properties and to conduct its business as such properties are currently owned and such business is currently conducted, and had at all relevant times, and now has, power, authority and legal right to enter into and perform its obligations under this Agreement;

(b) Due Qualification. The Backup Servicer is duly qualified to do business as a national banking association and has obtained all necessary licenses and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business (including the servicing of the Loans as required by this Agreement) requires or shall require such qualification;

(c) Power and Authority. The Backup Servicer has the power and authority to execute and deliver this Agreement and the other Transaction Documents to which the Backup Servicer is a party and to carry out its terms and their terms, respectively, and the execution, delivery and performance of this Agreement and the other Transaction Documents to which the Backup Servicer is a party have been duly authorized by the Backup Servicer by all necessary corporate action;

(d) Binding Obligation. This Agreement and the other Transaction Documents to which the Backup Servicer is a party shall constitute the legal, valid and binding obligations of the Backup Servicer enforceable in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights generally and by equitable limitations on the availability of specific remedies, regardless of whether such enforceability is considered in a proceeding in equity or at law;

(e) No Violation. The consummation of the transactions contemplated by this Agreement and the other Transaction Documents to which the Backup Servicer is a party, and the fulfillment of the terms of this Agreement and the other Transaction Documents to which the Backup Servicer is a party, shall not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time) a default under, the articles of association or bylaws of the Backup Servicer, or any indenture, agreement or other instrument to which the Backup Servicer is a party or by which it is bound, or result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, agreement or other instrument, other than this Agreement, or violate any law, order, rule or regulation applicable to the Backup Servicer of any court or of any federal or state regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Backup Servicer or any of its properties;

(f) No Proceedings. There are no proceedings or investigations pending or, to the Backup Servicer's knowledge, threatened against the Backup Servicer, before any court, regulatory body, administrative agency or other tribunal or governmental instrumentality having jurisdiction over the Backup Servicer or its properties (i) asserting the invalidity of this Agreement or any of the Transaction Documents to which the Backup Servicer is a party, (ii) seeking to prevent the issuance of the Notes or the consummation of any of the transactions contemplated by this Agreement or any of the Transaction Documents to which the Backup Servicer is a party, (iii) seeking any determination or ruling that might materially and adversely affect the performance by the Backup Servicer of its obligations under, or the validity or enforceability of, this Agreement or any of the Transaction Documents to which the Backup Servicer is a party or (iv) seeking to adversely affect the federal income tax or other federal, state or local tax attributes of the Notes;

(g) No Consents. The Backup Servicer is not required to obtain the consent of any other party or any consent, license, approval or authorization, or registration or declaration with, any governmental authority, bureau or agency in connection with the execution, delivery, performance, validity or enforceability of this Agreement which has not already been obtained.

ARTICLE IV

PERFECTION OF TRANSFER AND PROTECTION OF SECURITY INTERESTS

Section 4.01 Custody of Loans.

The contents of each Loan File shall be held in the custody of the Custodian (on behalf of the Trustee) under the Indenture for the benefit of, and as agent for, the Noteholders.

Section 4.02 Filing.

On or prior to the Closing Date, the Originator and Servicer shall cause the UCC financing statement(s) referred to in Section 2.02(e) to be filed, and from time to time the Servicer, on behalf of the Issuer, shall take and cause to be taken such actions and execute such documents as are necessary or desirable, or as the Trustee (acting at the written direction of the Majority Noteholders) may reasonably request, to perfect and protect the Trustee's first priority perfected security interest in the Loan Assets against all other Persons, including, without limitation, the filing of financing statements, amendments thereto and continuation statements, the execution of transfer instruments and the making of notations on or taking possession of all records or documents of title. Notwithstanding the obligations of the Originator and Servicer set forth in the preceding sentence, the Issuer hereby authorizes the Servicer to prepare and file, at the expense of the initial Servicer, such UCC financing statements (including but not limited to renewal, continuation or in lieu statements) and amendments or supplements thereto or other instruments as the Servicer may from time to time deem necessary or appropriate in order to perfect and maintain the security interest granted hereunder in accordance with the UCC.

Section 4.03 Changes in Name, Organizational Structure or Location.

(a) During the term of this Agreement, none of the Originator, the Servicer or the Issuer shall change its name, form of organization, existence, state of formation or location without first giving at least 15 days' prior written notice to the other parties hereto.

(b) If any change in either the Servicer's or the Originator's name, form of organization, existence, state of formation, location or other action would make any financing or continuation statement or notice of ownership interest or Lien relating to any Loan Asset seriously misleading within the meaning of applicable provisions of the UCC or any title statute, the Servicer, no later than five Business Days after the effective date of such change, shall file such amendments or financing statements as may be required (including, but not limited to, any filings and other acts necessary or advisable under the UCC of each relevant jurisdiction) to preserve, perfect, and protect the Trustee's security interest in the Loan Assets and the proceeds thereof and the priority thereof.

Section 4.04 Costs and Expenses.

The initial Servicer agrees to pay all reasonable and documented out-of-pocket costs and disbursements in connection with the perfection and the maintenance of perfection and priority, as against all third parties, of the Trustee's and Issuer's right, title and interest in and to the Loan Assets (including, without limitation, the security interest in the Related Property related thereto and the security interests provided for in the Indenture); *provided* that to the extent permitted by the Required Loan Documents, the Servicer may seek reimbursement for such costs and disbursements from the related Obligors.

Section 4.05 Sale Treatment.

Other than for accounting and tax purposes, the Originator shall treat the transfer of Loan Assets made hereunder for all purposes as a sale and purchase on all of its relevant books and records.

Section 4.06 Separateness from Issuer.

The Originator agrees to take or refrain from taking or engaging in with respect to the Issuer each of the actions or activities specified in the Issuer LLC Agreement, in Section 3.04 of the Indenture or in the "substantive non-consolidation" opinion of Dechert LLP (including any certificates of the Originator delivered in connection therewith) delivered on the Closing Date, upon which the conclusions therein are based.

Section 4.07 Powers of Attorney.

Each of the Originator and the Issuer shall deliver irrevocable powers of attorney to the Trustee to execute, deliver, file or record and otherwise deal with the Related Property for the Loans at any time transferred to the Issuer. The powers of attorney will be delegable by the Trustee to the Servicer and any Successor Servicer and will permit the Trustee or its delegate to prepare, execute and file or record UCC financing statements and notices to insurers.

ARTICLE V

SERVICING OF LOANS

Section 5.01 Appointment and Acceptance.

(a) Horizon Technology Finance Corporation is hereby appointed as Servicer pursuant to this Agreement and pursuant to the other Transaction Documents under which the Servicer has any rights, duties or obligations. Horizon Technology Finance Corporation hereby accepts such appointment and agrees to act as the Servicer pursuant to this Agreement and pursuant to the other Transaction Documents under which the Servicer, has any rights, duties or obligations.

(b) U.S. Bank National Association is hereby appointed as Backup Servicer pursuant to this Agreement and pursuant to the other Transaction Documents under which the Backup Servicer has any rights, duties or obligations. U.S. Bank National Association hereby accepts such appointment and agrees to act as the Backup Servicer pursuant to this Agreement and pursuant to the other Transaction Documents under which U.S. Bank National Association, as Backup Servicer, has any rights, duties or obligations.

Section 5.02 Duties of the Servicer and the Backup Servicer.

The Servicer, as an independent contract servicer, shall service and administer the Loans (including, with respect to Agented Loans, Co-Agented Loans and Third Party Agented Loans, the Issuer's interest as a lender thereunder) and shall have full power and authority, acting alone, to do any and all things in connection with such servicing and administration which the Servicer may deem necessary or desirable and consistent with the terms of this Agreement, the Operating Guidelines and the Servicing Standard and the Issuer's rights under the applicable Underlying Loan Agreements. The parties hereto each acknowledge, and the Noteholders are hereby deemed to acknowledge, that the Servicer, as Servicer under this Agreement, possesses only such rights with respect to the enforcement of rights and remedies with respect to the Loans and the Related Property and under the Required Loan Documents as those which have been transferred to the Issuer with respect to the related Loan. Therefore, the provisions of this Article V shall not apply to Third Party Agented Loans or Participated Loans except to the extent the Servicer, on behalf of the Issuer, has the right to vote, consent, give directions, make advances or receive payments with respect thereto, and these provisions shall only apply to Agented Loans and Co-Agented Loans with respect to which the Servicer is the lead agent and to the extent not inconsistent with the related Required Loan Documents.

(a) Subject to the limitations set forth herein, the Servicer may perform its duties directly or, consistent with the Servicing Standard, through agents, accountants, experts, attorneys, brokers, consultants or nominees selected with reasonable care by the Servicer. The Servicer will remain fully responsible and fully liable for its duties and obligations hereunder and under any other Transaction Document notwithstanding any such delegation to a third party. Performance by any such third party of any of the duties of the Servicer hereunder or under any other Transaction Document shall be deemed to be performance thereof by the Servicer.

(b) Reserved.

(c) In the event the initial Servicer shall for any reason no longer be the Servicer, the initial Servicer at its expense and without right of reimbursement therefor, shall deliver to the Backup Servicer or the Successor Servicer, as applicable, all documents and records (including computer tapes and diskettes) in its possession relating to the Loans then being serviced hereunder and an accounting of amounts collected and held by it hereunder and otherwise use its best efforts to effect the orderly and efficient transfer of any arrangements with third parties pursuant to clause (a) of this Section 5.02 to the Backup Servicer or the Successor Servicer, as applicable, to the extent permitted thereby.

(d) Modifications and Waivers Relating to Loans.

(i) So long as it is consistent with the Operating Guidelines and the Servicing Standard, the Servicer may agree to waive, modify or vary any term of any Loan, if in the Servicer's determination such waiver, modification or variance will not be materially adverse to the interests of the Noteholders; *provided* that the Servicer may not agree to any Material Modification that would extend the stated maturity date of such Loan beyond the Legal Final Payment Date.

(ii) Except as expressly set forth in Section 5.02(d)(i), the Servicer may execute any amendments, waivers, modifications or variances related to such Loan and any documents related thereto on behalf of the Issuer.

(iii) Reserved.

(iv) Although costs incurred by the Servicer in respect of Servicing Advances, including any interest owed with respect thereto, may be added to the amount owing by the Obligor under the related Loan, such amounts shall not be so added for the purposes of calculating distributions to Noteholders. Any fees and costs imposed in connection therewith on the Obligor of the related Loan, and any reimbursement of Servicing Advances by any Obligor or out of Sale Proceeds, Liquidation Proceeds or Insurance Proceeds, in each case, received with respect to the related Loan or its Related Property shall be withdrawn and payable to the Servicer from the Collection Account as a Servicing Advance. Without limiting the generality of the foregoing, so long as it is consistent with the Operating Guidelines and the Servicing Standard, the Servicer shall continue, and is hereby authorized and empowered to execute and deliver on behalf of the Issuer, the Trustee and each Noteholder, all instruments of amendment, waiver, satisfaction or cancellation, or of partial or full release, discharge and all other comparable instruments, with respect to the Loans and with respect to any Related Property. Such authority shall include, but not be limited to, the authority to substitute or release items of Related Property consistent with the Operating Guidelines and this Agreement and sell Loans previously transferred to the Issuer. The Issuer and the Trustee have granted a power of attorney to the Servicer with respect thereto, pursuant to Section 5.02(s). In connection with any such sale, the Servicer shall deposit in the Collection Account, pursuant to Section 7.03(b), all proceeds received upon such sale. If reasonably required by the Servicer, the Issuer and the Trustee shall furnish the Servicer, within five Business Days of receipt of the Servicer's request, with any powers of attorney and other documents necessary or appropriate to enable the Servicer to carry out its servicing and administrative duties under this Agreement or under any of the other Transaction Documents. Any such request by the Servicer to the Issuer or the Trustee shall be accompanied by a certification in the form of Exhibit E attached hereto signed by a Servicing Officer. In connection with any substitution of Related Property, the Servicer shall deliver to the Trustee the items required by, and within the time frame set forth in, Section 2.09, assuming that the date of substitution is the relevant Substitute Loan Cutoff Date.

(v) The Servicer will not be in breach of its obligations under this Agreement by reason of any waiver, modification or variance taken by the administrative agent, syndicate agent or other Person acting in a similar capacity in respect of a Third Party Agented Loan or Participated Loan pursuant to its own authority or in respect of an Agented Loan, Co-Agented Loan or Third Party Agented Loan at the direction of the requisite percentage of the lenders in violation of this Agreement if the Servicer, acting on behalf of the Issuer, did not consent to such waiver, modification or variance on behalf of the Issuer.

(e) The Servicer shall service and administer the Loans (including collection, foreclosure, foreclosed property and repossessed collateral management procedures other than for Third Party Agented Loans and Participated Loans, and with respect to Third Party Agented Loans and Participated Loans, the Issuer's interest as a lender or purchaser thereunder) in accordance with the Required Loan Documents, the Operating Guidelines and the Servicing Standard.

(f) In accordance with the power set forth in Section 2.01(a), the initial Servicer shall perform the duties of the Issuer under the Transaction Documents. In furtherance of the foregoing, the initial Servicer shall consult with the Originator as the Servicer deems appropriate regarding the duties of the Issuer under the Transaction Documents. The initial Servicer shall monitor the performance of the Issuer of its duties under the Transaction Documents and shall advise the Issuer when action is necessary to comply with the Issuer's duties under the Transaction Documents. The initial Servicer shall prepare for execution by the Issuer or shall cause the preparation by other appropriate Persons of all such documents, reports, filings, instruments, certificates and opinions as it shall be the duty of the Issuer to prepare, file or deliver pursuant to the Transaction Documents.

(g) In addition to the duties of the Servicer set forth in this Agreement or any of the Transaction Documents, the initial Servicer shall perform or shall cause to be performed such calculations and shall prepare for execution by the Issuer or shall cause the preparation by other appropriate Persons of all such documents, reports, filings, instruments, certificates and opinions as it shall be the duty of the Issuer to prepare, file or deliver pursuant to state and federal tax and securities laws. In accordance with the directions of the Issuer, the initial Servicer shall administer, perform or supervise the performance of such other activities in connection with the Issuer as are not covered by any of the foregoing provisions and as are expressly requested by the Issuer and are reasonably within the capability of the Servicer. The Servicer is hereby authorized to execute documents, instruments and certificates on behalf of the Issuer.

(h) Notwithstanding anything in this Agreement or any of the Transaction Documents to the contrary, the Servicer shall be responsible for promptly (upon a Responsible Officer of the Servicer having actual knowledge thereof) notifying the Trustee in the event that any withholding tax is imposed on the Issuer's payments (or allocations of income) to a Noteholder. Any such notice shall be in writing and specify the amount of any withholding tax required to be withheld by the Trustee pursuant to such provision.

(i) All tax returns required to be signed by the Issuer, if any, will be signed by the Servicer (so long as the Servicer is the Originator) on behalf of the Issuer if permitted under applicable law.

(j) The Servicer shall maintain appropriate books of account and records relating to services performed under this Agreement, which books of account and records shall be reasonably accessible for inspection by the Trustee or the Noteholders at any time during the Servicer's normal business hours upon not less than three Business Days' prior written notice.

(k) Without the prior written consent of the Majority Noteholders and Rating Agency Confirmation, the Servicer shall not agree or consent to, or otherwise permit to occur, any amendment, modification, change, supplement or rescission of or to the Operating Guidelines, in whole or in part, in any manner that could have a material adverse effect on the Loans. The Servicer shall provide written notice of any change to the Servicing Standard to the Noteholders, the Rating Agency and the Trustee.

(l) For so long as any of the Notes are outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act, (i) the initial Servicer will provide or cause to be provided to any Holder of such Notes and any prospective purchaser thereof designated by such Holder, upon the request of such a Holder or prospective purchaser, the information required to be provided to such Holder or prospective purchaser by Rule 144A(d)(4) under the Securities Act; and (ii) the initial Servicer shall update such information from time to time in order to prevent such information from becoming false and misleading and will take such other actions as are necessary to ensure that the safe harbor exemption from the registration requirements of the Securities Act under Rule 144A is and will be available for resales of such Notes conducted in accordance with Rule 144A.

(m) The initial Servicer will keep in full force and effect its existence, rights and franchise as a Delaware limited liability company, and the Servicer shall obtain and preserve its qualification to do business as a foreign limited liability company in each jurisdiction in which such qualification is or shall be necessary to protect the validity and enforceability of this Agreement and of any of the Loans and to perform its duties under this Agreement.

(n) The Servicer shall be entitled to reimbursement for any Servicing Advances or Scheduled Payment Advances from Collections. Notwithstanding anything contained herein to the contrary, in no event shall the application of Scheduled Payment Advances prevent a Loan from being or becoming a Delinquent Loan or a Defaulted Loan.

(o) The Servicer shall not be responsible for any taxes payable by the Issuer or any Servicing Fees payable to any Successor Servicer.

(p) All payments received on Loans by the Servicer will be applied by the Servicer to amounts due by each Obligor in accordance with the provisions of the related Required Loan Documents or, if to be applied at the discretion of the Servicer, then consistent with the Operating Guidelines and the Servicing Standard.

(q) To the extent permitted by applicable law, the initial Servicer shall be responsible for any tax reporting, disclosure, record keeping or list maintenance requirements of the Issuer under Code Sections 6011(a), 6111(d) or 6112, including, but not limited to, the preparation of IRS Form 8886 pursuant to Federal Income Tax Regulations Section 1.6011-4(d) or any successor provision and any required list maintenance under Federal Income Tax Regulations Section 301.6112-1 or any successor provision.

(r) The Servicer will maintain the Servicing Files at the principal place of business of the Servicer at the address set forth in Section 13.04 in accordance with the Servicing Standard.

(s) The Issuer and the Trustee each hereby irrevocably (except as provided below) appoint the Servicer its respective true and lawful agent and attorney-in-fact (with full power of substitution) in its name, place and stead and at the Issuer's expense, in connection with the performance of the Servicer's duties provided for in this Agreement and in the other Transaction Documents, including the following powers: (i) to give any necessary receipts or acquittance for amounts collected or received on or with respect to the Loans and the Related Property, (ii) to make all necessary transfers of the Loans, and/or of the Related Property, as applicable, in accordance herewith and therewith, (iii) to execute (under hand, under seal or as a deed) and deliver all necessary or appropriate bills of sale, assignments, agreements and other instruments and endorsements in connection with any such transfer, and (iv) to execute (under hand, under seal or as a deed) any votes, consents, directions, releases, amendments, waivers, satisfactions and cancellations, agreements, instruments, orders or other documents or certificates in connection with or pursuant to this Agreement or the other Transaction Documents relating thereto or to the duties of the Servicer hereunder or thereunder, the Issuer and the Trustee hereby ratifying and confirming all that such attorney-in-fact (or any substitute) shall lawfully do under this power of attorney and in accordance with this Agreement and the other Transaction Documents as applicable thereto. Nevertheless, if so requested by the Servicer, the Issuer and the Trustee or any thereof, as requested, shall ratify and confirm any such act by executing and delivering to the Servicer or as directed by the Servicer all proper bills of sale, assignments, releases, endorsements and other certificates, instruments and documents of whatever nature as may reasonably be designated in any such request. This power of attorney shall, however, expire, and the Servicer and any substitute agent or attorney-in-fact appointed by the Servicer pursuant hereto shall cease to have any power to act as the agent or attorney-in-fact of the Issuer or of the Trustee upon termination of this Agreement or upon a Servicer Transfer from and after which the Successor Servicer shall be deemed to have the rights of the Servicer pursuant to this clause (t).

(t) The Servicer shall execute and file such financing statements and cause to be executed and filed such continuation statements, all in such manner and in such places as may be required by law fully to preserve, perfect, maintain and protect the interest of the Issuer, the Noteholders and the Trustee in the Loans and in the proceeds thereof and the priority thereof. The Servicer shall deliver (or cause to be delivered) to the Trustee file-stamped copies of, or filing receipts for, any document filed as provided above, as soon as available following such filing.

(u) The Servicer shall provide the Backup Servicer with a list of attorneys used in servicing or collecting on the Loans and shall provide an updated list to the Backup Servicer promptly upon the occurrence of a Rapid Amortization Event or an Event of Default and on an annual basis.

(v) Notwithstanding any other provision of this Agreement, if any material conflict or material inconsistency exists among the Required Loan Documents, the Operating Guidelines and the Servicing Standard, the provisions of the Required Loan Documents shall control.

(w) As set forth in Article VIII, in the event the Servicer fails to perform its obligations hereunder, the Backup Servicer shall be responsible for the Servicer’s duties in this Agreement as if it were the Servicer, provided that the Backup Servicer shall not be liable for the Servicer’s breach of its obligations.

(x) The Backup Servicer shall receive a one-time Successor Servicer Engagement Fee if it assumes the obligations of the Servicer hereunder.

(y) The Backup Servicer shall have the following duties: (i) the Backup Servicer may conduct periodic on site visits not more than once every 12 months to meet with appropriate operations personnel to discuss any changes in processes and procedures that have occurred since the last visit; *provided* that after the occurrence of a Rapid Amortization Event or an Event of Default, the Backup Servicer shall conduct such site visits at least once every 12 months or as frequently as requested by the Backup Servicer, (ii) within 90 days of the first acquisition of Loans hereunder, the Backup Servicer shall have completed all data-mapping, and (iii) not more than once per year, the Backup Servicer shall update or amend the data-mapping by effecting a data-map refresh upon receipt of written notice from the Servicer specifying updated or amended fields, if any, in (A) fields in the Tape or (B) fields confirmed in the original data-mapping referred to in clause (ii) above.

(z) The Servicer shall provide prompt notice to the Rating Agency in the event the Majority Noteholders waive the requirement that the Loans satisfy the Portfolio Profile Milestone Criteria on the Portfolio Profile Milestone Test Date.

Section 5.03 Liquidation of Loans.

(a) In the event that any payment due under any Loan and not postponed pursuant to Section 5.02 is not paid when the same becomes due and payable, or in the event the Obligor fails to perform any other covenant or obligation under the Loan which results in an event of default thereunder, the Servicer in accordance with the Required Loan Documents, the Operating Guidelines and the Servicing Standard shall take such action as shall maximize the amount of recovery thereon and as the Servicer shall deem, in its sole discretion, to be in the best interests of the Issuer; *provided* that if such Loan is an Agented Loan, Co-Agented Loan or a Third Party Agented Loan, the Servicer's obligations shall be limited to exercising the Issuer's rights thereunder; *provided*, further, that in lieu of taking such action, the Servicer, consistent with its Operating Guidelines and the Servicing Standard, may amend or modify such Loan.

(b) The Servicer will not be in breach of its obligations under this Section 5.03 by reason of any action taken by the administrative agent, syndicate agent or other Person acting in a similar capacity in respect of a Third Party Agented Loan or a Participated Loan pursuant to its own authority or in respect of an Agented Loan, Co-Agented Loan, Third Party Agented Loan or Participated Loan at the direction of the requisite percentage of the lenders in violation of this Agreement if the Servicer, acting on behalf of the Issuer, did not consent to such action on behalf of the Issuer. The Servicer, consistent with its Operating Guidelines and the Servicing Standard, may accelerate all payments due under any Loan to the extent permitted by the Required Loan Documents and foreclose upon at a public or private sale or otherwise comparably effect the ownership of Related Property relating to defaulted loans for which the related Loan is still outstanding and as to which no satisfactory arrangements can be made for collection of delinquent payments in accordance with the provisions of Section 5.10 nor satisfactory amendment or modification is made in accordance with Section 5.03(a). Subject to applicable law, the Servicer shall act, or shall engage an experienced Person qualified to act, as sales and processing agent for the Related Property that is foreclosed upon. In connection with such foreclosure or other conversion and any other liquidation action or enforcement of remedies, the Servicer shall exercise collection and foreclosure procedures in accordance with the Operating Guidelines and the Servicing Standard. Any sale of the Related Property is to be evidenced by a certificate of a Responsible Officer of the Servicer delivered to the Trustee setting forth the Loan, the Related Property, the sale price of the Related Property and certifying that such sale price is the fair market value of such Related Property. In any case in which any such Related Property has suffered damage, the Servicer will not expend funds in connection with any repair or toward the repossession of such Related Property unless it reasonably determines that such repair and/or repossession will increase the Liquidation Proceeds by an amount greater than the amount of such expenses.

(c) No later than two Business Days following its receipt thereof, the Servicer will remit to the Lockbox Account, for subsequent deposit in the Collection Account, the Liquidation Proceeds and any Insurance Proceeds received in connection with the sale or disposition of Related Property relating to a Defaulted Loan.

(d) After a Loan has been liquidated, the Servicer shall promptly prepare and forward to the Trustee and upon request, any Noteholder, a report (the "Liquidation Report"), in the form attached hereto as Exhibit D, detailing the Liquidation Proceeds received from such Loan, the Liquidation Expenses incurred and reimbursed to the Servicer with respect thereto, any Scheduled Payment Advances and Servicing Advances reimbursed to the Servicer therefrom, any loss incurred in connection therewith, and any Nonrecoverable Advances to be reimbursed to the Servicer with respect thereto in accordance with the Priority of Payments in Section 7.05.

Section 5.04 [Reserved].

Section 5.05 [Reserved].

Section 5.06 Collection of Certain Loan Payments.

(a) The Servicer shall make reasonable efforts, consistent with the Operating Guidelines and the Servicing Standard, to collect all payments required under the terms and provisions of the Loans. Consistent with the foregoing and the Operating Guidelines and the Servicing Standard, the Servicer may in its discretion waive or permit to be waived any fee or charge which the Servicer would be entitled to retain hereunder as servicing compensation and extend the due date for payments due on a Loan as provided in Section 5.02(d).

(b) Except as otherwise permitted under this Agreement, the Servicer agrees not to make, or consent to, any change, in the direction of, or instructions with respect to, any payments to be made by an Obligor or, in connection with an Agented Loan, Co-Agented Loan or a Third Party Agented Loan, the paying agent with respect thereto, in any manner that would diminish, impair, delay or otherwise adversely affect the timing or receipt of such payments without the prior written consent of the Trustee and with the consent of the Majority Noteholders.

Section 5.07 Access to Certain Documentation and Information Regarding the Loans.

The Servicer shall provide to the Trustee, any Noteholder, any bank, thrift or insurance company regulatory authority and the supervisory agents and examiners of any regulated Noteholder, access to the documentation regarding the Loans required by applicable local, state and federal regulations, such access being afforded without charge but only upon not less than three Business Days prior written request by the Trustee or any such regulated Noteholder and during normal business hours at the offices of the Servicer designated by it and in a manner that does not unreasonably interfere with the Servicer's normal operations or customer or employee relations. The Trustee, such Noteholder and the representative of any such regulatory authority designated by the related Noteholder to view such information shall and shall cause their representatives to hold in confidence all such information except to the extent disclosure may be required by law (and all reasonable applications for confidential treatment are unavailing) and except to the extent that the Trustee may reasonably determine that such disclosure is consistent with its obligations hereunder. The Servicer may request that any such Person not a party hereto enter into a confidentiality agreement reasonably acceptable to the Servicer prior to permitting such Person to view such information.

Section 5.08 Satisfaction of Liens and Collateral and Release of Loan Files.

(a) Upon the payment in full of any Loan, the receipt by the Servicer of a notification that payment in full will be escrowed in a manner customary for such purposes or the deposit into the Collection Account of the purchase price of any Loan acquired by the Originator, the Servicer or another Person pursuant to this Agreement, or any other Transaction Document, the Servicer will promptly notify the Custodian and the Trustee by a certification in the form of Exhibit I attached hereto (which certification shall include a statement to the effect that all amounts received or to be received in connection with such payment which are required to be deposited in the Collection Account pursuant to Section 7.03(b) have been or will be so deposited) of a Servicing Officer and shall request delivery to it of the Loan File. Upon receipt of such certification and request, the Custodian in accordance with Section 2.11(c), shall release, within two Business Days (if such request was received by 2:00 p.m. New York City time), the related Loan File to the Servicer. Expenses incurred in connection with any instrument of satisfaction or deed of reconveyance shall be payable by the Servicer and shall not be chargeable to the Collection Account or the Distribution Account; *provided* that the Servicer may collect and retain such expenses from the underlying Obligor.

(b) From time to time and as appropriate for the servicing or foreclosure of any Loan, the Custodian shall, upon request of the Servicer and delivery to the Custodian of a certification in the form of Exhibit I attached hereto signed by a Servicing Officer, release the related Loan File to the Servicer within two Business Days (if such request was received by 2:00 p.m. New York City time). The Servicer shall return the Loan File to the Custodian when the need therefor by the Servicer no longer exists, unless the Loan has been liquidated and the Liquidation Proceeds relating to the Loan have been deposited in the Lockbox Account, for further credit to the Collection Account, and remitted to the Trustee for deposit in the Distribution Account or the Loan File or such document has been delivered to an attorney, or to a public trustee or other public official as required by law, for purposes of initiating or pursuing legal action or other proceedings for the foreclosure or repossession of Related Property either judicially or non-judicially, and the Servicer has delivered to the Custodian a certificate of a Servicing Officer certifying as to the name and address of the Person to whom such Loan File or such document was delivered and the purpose or purposes of such delivery. Upon receipt of a certificate of a Servicing Officer stating that such Loan was liquidated, the servicing receipt relating to such Loan shall be released by the Custodian to the Servicer.

(c) The Trustee shall execute and deliver to the Servicer any court pleadings, requests for trustee's sale or other documents provided to it necessary to the servicing or foreclosure or trustee's sale in respect of Related Property or to any legal action brought to obtain judgment against any Obligor on the related loan agreement (including any Underlying Note or other agreement securing Related Property) or to obtain a deficiency judgment, or to enforce any other remedies or rights provided by the related loan agreement (including any Underlying Note or other agreement securing Related Property) or otherwise available at law or in equity. Together with such documents or pleadings, the Servicer shall deliver to the Trustee a certificate of a Servicing Officer requesting that such pleadings or documents be executed by the Trustee and certifying as to the reason such documents or pleadings are required and that the execution and delivery thereof by the Trustee will not invalidate or otherwise adversely affect the Lien of the agreement securing Related Property, except for the termination of such a Lien upon completion of the foreclosure or trustee's sale. The Trustee shall, upon receipt of a written request from a Servicing Officer, execute any document provided to the Trustee by the Servicer or take any other action requested in such request, that is, in the opinion of the Servicer as evidenced by such request, required by any state or other jurisdiction or appropriate to discharge the Lien securing Related Property upon the satisfaction thereof and the Trustee will sign and post, but will not guarantee receipt of, any such documents to the Servicer, or such other party as the Servicer may direct, within five Business Days of the Trustee's receipt of such certificate or documents. Such certificate or documents shall state that the related Loan has been paid in full by or on behalf of the Obligor (or subject to a deficiency claim against such Obligor) and that such payment has been deposited in the Collection Account.

(d) Notwithstanding anything contained in this Section 5.08 to the contrary, in no event may the Servicer possess in excess of ten Loan Files (excluding Loan Files for Loans which have been paid in full, sold or repurchased) at any given time. Neither the Trustee nor the Custodian shall be required to monitor the Servicer's compliance with the requirements of this Section 5.08(d).

Section 5.09 Scheduled Payment Advances; Servicing Advances and Nonrecoverable Advances.

(a) With respect to each Collection Period, the Servicer will determine: (i) on or before the related Reference Date, the amount of Available Funds described in clauses (a) and (b) of the definition thereof for the following Payment Date, and (ii) the amount required to be paid on the related Payment Date pursuant to clauses (1) through (4) of Section 7.05(a)(i) or Section 7.05(a)(ii), as applicable (the amounts described in this clause (ii), the "Scheduled Amount"). If the Servicer determines that any Scheduled Payments (or portion thereof) that were due and payable pursuant to one or more Loans in the Collateral during the related Collection Period were not received prior to the end of such Collection Period and determines that, as a result of this, the Scheduled Amount for the related Payment Date exceeds the sum of the amount of Available Funds described in clauses (a) and (b) of the definition thereof for such Payment Date, then, subject to Section 5.09(b) below, the Servicer has the right to elect, at its option, but is not obligated, to make a Scheduled Payment Advance in an amount up to the lesser of (1) the amount of such excess and (2) the amount of such delinquent Scheduled Payments (or portion thereof). The Servicer will deposit any Scheduled Payment Advances into the Collection Account on or prior to 11:00 a.m. (New York City time) on the related Reference Date, in immediately available funds. The Servicer will be entitled to be reimbursed for Scheduled Payment Advances pursuant to Section 5.09(c), Section 7.03 or the Priority of Payments, as applicable. In addition, the Servicer may, at its option, make Servicing Advances in the performance of its servicing duties, unless it believes in good faith that the advance will be a Nonrecoverable Advance. The Servicer will be entitled to reimbursement for Servicing Advances from the Collections received from the Loan to which the Servicing Advance relates as well as pursuant to Section 5.09(c), Section 7.03 or the Priority of Payments, as applicable.

(b) The Servicer will not make a Scheduled Payment Advance or a Servicing Advance if the Servicer has determined in its sole discretion, exercised in good faith and consistent with the Servicing Standard, that the amount of such Scheduled Payment Advance or Servicing Advance proposed to be advanced will be a Nonrecoverable Advance. Absent bad faith, the Servicer's determination as to whether any Scheduled Payment Advance or Servicing Advance is expected to be a Nonrecoverable Advance or whether, once advanced, it is a Nonrecoverable Advance shall be conclusive and binding on the Issuer and on the Noteholders. Any such determination shall be made by the Servicer and shall be evidenced by an Officer's Certificate delivered promptly to the Trustee, setting forth the basis for such determination. For the avoidance of doubt, the Servicer has the right to elect, at its option, but is not obligated, to make a Scheduled Payment Advance.

(c) The Servicer will be entitled to recover any Scheduled Payment Advance made by it from Collections; *provided* that if at any time any Scheduled Payment Advance made by the Servicer is subsequently determined to be a Nonrecoverable Advance, the Servicer will be entitled to recover the amount of such Nonrecoverable Advance on a Payment Date to the extent then permitted in accordance with the Priority of Payments. The Servicer will be entitled to recover the amount of any Servicing Advance in accordance with the Priority of Payments.

(d) Notwithstanding anything to contrary in this Agreement or any Transaction Document, the Servicer shall not be entitled to the payment of interest on any Scheduled Payment Advance or any Servicing Advance.

Section 5.10 Title, Management and Disposition of Foreclosed Property.

(a) Except for Agented Loans, Co-Agented Loans and Third Party Agented Loans (in which case, the provisions of the Underlying Loan Agreement relating to taking title to collateral shall apply) in the event that title to Related Property is acquired by the Servicer hereunder in foreclosure or by deed in lieu of foreclosure or by other legal process, the deed, certificate of sale, or Repossessed Property may be taken in the name of the Issuer or in the name of a subsidiary of the Issuer, the equity securities of which will be pledged as Collateral by the Issuer to the Trustee pursuant to the Indenture. Any such Issuer subsidiary shall be serviced by the Servicer, which may perform such services through a nominee or agent as set forth in Section 5.02(b).

(b) [Reserved].

(c) The Servicer, subject to the provisions of this Article V, shall manage, conserve, protect and operate each such Foreclosed Property or other Repossessed Property for the Issuer or such Issuer subsidiary, as applicable, solely for the purpose of its prudent and prompt disposition and sale. The Servicer shall, either itself or through an agent selected by the Servicer, manage, conserve, protect and operate the Foreclosed Property or other Repossessed Property in a manner consistent with the Operating Guidelines and the Servicing Standard. The Servicer shall attempt to sell the same (and may temporarily rent the same) on such terms and conditions as the Servicer deems to be in the best interest of the Issuer.

(d) Subject to Section 5.10(e), the Servicer shall cause to be deposited in the Collection Account, no later than two Business Days after the receipt thereof, all revenues received by the Issuer with respect to the conservation and disposition of the related Foreclosed Property or other Repossessed Property net of Liquidation Expenses or received by the Issuer as distributions from any Issuer subsidiary. Any Issuer subsidiary formed pursuant to Section 5.10(a) may utilize and set aside revenues received in respect of such real estate Related Property to pay for the normal operations of the business of such Issuer subsidiary and of such real estate Related Property, and for such other fees, costs and expenses relating thereto as are deemed appropriate to maximize value or reduce or prevent loss with respect thereto by the Servicer, consistent with the Operating Guidelines and the Servicing Standard, and establish and maintain such cash reserves as the Servicer (or its agent) deem reasonably necessary with respect thereto; *provided* that no other funds of the Issuer shall be expended in connection with such Issuer subsidiary.

(e) The Servicer shall, pursuant to the Priority of Payments, receive reimbursement for any related unreimbursed Scheduled Payment Advances and Servicing Advances relating to the related Loan or such Foreclosed Property or Repossessed Property, and the Servicer shall deposit in the Lockbox Account the net cash proceeds of the sale of any Foreclosed Property or other Repossessed Property to be distributed in accordance with Section 7.05.

Section 5.11 Servicing Compensation.

(a) As compensation for its servicing activities hereunder and reimbursement for its expenses, the Servicer shall be entitled to receive a servicing fee (the "Servicing Fee") calculated and payable monthly in arrears on each Payment Date prior to the termination of the Issuer. The Servicing Fee shall be equal to the product of: (i) one-twelfth of 2.00% (or, with respect to the first Collection Period, a fraction equal to the number of days from and including the Closing Date through and including June 30, 2018 over 360) and (ii) the Aggregate Outstanding Loan Balance as of the beginning of the related Collection Period; *provided* that if the Backup Servicer becomes the Servicer, the Servicing Fee payable to the Backup Servicer for each Collection Period thereafter shall be equal to the greater of (A) $8,500 and (B) the product of: (i) one-twelfth of 2.00% and (ii) the Aggregate Outstanding Loan Balance as of the beginning of the related Collection Period. If any entity other than the Servicer or the Backup Servicer becomes the Servicer, the Servicing Fee may be adjusted as agreed upon by the Majority Noteholders and such Successor Servicer. The Servicing Fee is payable out of Collections pursuant to the Priority of Payments.

(b) In addition to the Servicing Fee, the Servicer shall be entitled to retain for itself as additional servicing compensation: (i) reimbursement for Scheduled Payment Advances on the Loans (ii) reimbursement for Servicing Advances on the Loans and (iii) any mistaken deposits or other related amounts due on Loans that the Servicer is entitled to retain, including without limitation any amounts payable as additional servicing compensation pursuant to Section 5.02(d)(iv).

Notwithstanding the foregoing or anything to the contrary contained herein, the Servicer hereby waives all compensation due under this Section 5.11 until such time as the Servicer provides 5 Business Days' prior written notice to the Noteholders prior to any Payment Date of its intent to receive such compensation as described herein. In such case, the Servicer shall be entitled to receive all current Servicing Fees for the related period pursuant to this Section 5.11 on the next succeeding Payment Date after delivery of such notice. Any waiver of the Servicing Fee pursuant to this paragraph shall be irrevocable and no cumulative Servicing Fees that would have accrued to the Servicer but for such waiver shall be due and payable to the Servicer at any time.

Section 5.12 Assignment; Resignation.

The Servicer shall not assign its rights and duties under this Agreement (other than in connection with a subservicing arrangement or other arrangement permitted under this Agreement) or resign from the obligations and duties imposed on it pursuant to this Agreement except (a) upon a determination that its performance of its duties as Servicer is no longer permissible under Applicable Law or administrative determination and such incapacity cannot be cured by the Servicer, (b) an assignment or resignation by mutual consent of the Servicer, the Issuer and the Majority Noteholders, or (c) an assignment in connection with a merger, conversion, consolidation or sale of substantially all of the Servicer's business or substantially all of the Servicer's asset-management business permitted pursuant to Section 5.13 (in which case the Person resulting from the merger, conversion or consolidation shall be the successor of the Servicer). Any such determination pursuant to clause (a) permitting the resignation of the Servicer shall be evidenced by a written Opinion of Counsel (who may be counsel for the Servicer) to such effect delivered to the Trustee, which Opinion of Counsel shall be in form and substance reasonably acceptable to the Trustee. No such resignation shall become effective until a successor has been appointed pursuant to Section 8.02(b) and has assumed the Servicer's responsibilities and obligations in accordance with Section 8.03. No such assignment shall become effective unless the Holders of 100% of the Notes shall have consented thereto in writing. Notwithstanding anything to the contrary herein, the Backup Servicer, in such role or as Successor Servicer, may use agents to perform its duties hereunder without the consent of any party hereto, but the Backup Servicer shall remain liable for the performance of such agents as if it were performing such duties. The Issuer shall provide notice to the Rating Agency of any assignment or resignation pursuant to this Section 5.12.

Section 5.13 Merger or Consolidation of Servicer.

Any Person into which the Servicer may be merged or consolidated, or any Person resulting from such merger, conversion or consolidation to which the Servicer is a party, or any Person succeeding to substantially all of the business or substantially all of the asset-management business of the Servicer, which Person assumes the obligations of the Servicer, shall be the successor to the Servicer hereunder, notwithstanding any provision in Section 8.02 or Section 8.03 and without execution or filing of any paper or any further act on the part of any of the parties hereto, notwithstanding anything herein to the contrary; *provided* that no such entity resulting from the merger, conversion or consolidation of the Servicer or the sale of all or substantially all of the Servicer's assets or business or substantially all of the Servicer's asset-management business shall be the successor Servicer hereunder unless either (i) such Person has assets of at least $50,000,000 and such Person's regular business includes the servicing of assets similar to the Loan Assets or (ii) the Holders of 100% of the Notes shall have consented thereto in writing. Such Successor Servicer shall be a permitted assignee of the Servicer. The provisions of Section 8.03(c) and (e) shall apply to any such servicing transfer. The Issuer shall provide notice to the Rating Agency of any merger or consolidation pursuant to this Section 5.13.

Section 5.14 Limitation on Liability of the Servicer and Others.

The Servicer and any stockholder, partner, member, manager, director, officer, employee or agent of the Servicer may rely on any document of any kind which it in good faith reasonably believes to be genuine and to have been adopted or signed by the proper authorities or persons respecting any matters arising hereunder. Except as otherwise provided in Section 5.02(b), the Servicer shall not be liable for any errors, inaccuracies or omissions of any Person not affiliated with the Servicer contained in any information, report, certificate, data or other document delivered to the Servicer or on which the Servicer must rely in order to perform its obligations hereunder and under the other Transaction Documents except to the extent that a Responsible Officer of the Servicer has actual knowledge of any such material error, inaccuracy or omission. The Servicer shall not be in default hereunder or incur any liability, except as provided in the proviso in the last sentence of this Section 5.14, for any failure, error or delay in carrying out its duties hereunder or under any other Transaction Document if such failure, error or delay results from the Servicer acting in accordance with information prepared or supplied by a Person other than the Servicer or any of its Affiliates or the failure or delay of any such Person to prepare or provide such information. The Servicer shall not be in default and shall incur no liability for any act or failure to act by any servicer primarily responsible for servicing Third Party Agented Loans. Subject to the terms of Section 12.01, the Servicer shall have no obligation to appear with respect to, prosecute or defend any legal action which is not incidental to the Servicer's duty to service the Loans in accordance with this Agreement, and that, in its opinion, may cause the Servicer to incur any expense or liability. The Servicer shall not be responsible for the payment of any taxes imposed on or with respect to the Issuer or for the fees of any Successor Servicer. Except as provided herein, neither the Servicer nor any of its directors, officers, employees or agents shall be under any liability to any other party to this Agreement, any Noteholder or any other Person for any action taken or for refraining from taking any action pursuant to this Agreement, whether arising from express or implied duties under this Agreement or any other Transaction Document, or for errors in judgment; *provided* that, notwithstanding anything to the contrary contained herein, neither the Servicer nor any of its directors, officers, employees or agents shall be protected against any liability that would otherwise be imposed by reason of willful misconduct or gross negligence in the performance of the Servicer's duties or by reason of its reckless disregard of its obligations and duties hereunder.

Section 5.15 Determination of General Reserve Account Required Balance. The Servicer shall deposit funds into and withdraw funds from the General Reserve Account in accordance with Sections 7.02 and 7.05. The Servicer shall maintain at all times a complete and accurate record of the amount of funds on deposit in the General Reserve Account. Prior to each Payment Date, the Servicer shall determine the General Reserve Account Required Balance applicable to such Payment Date

Section 5.16 Determination of Principal Reinvestment Account Allocation Amount during Investment Period. During the Investment Period, prior to or on each Reference Date, the Servicer will determine and set forth in the Monthly Report, the amount to be deposited into the Principal Reinvestment Account on the related Payment Date from Principal Collections (after payment of clauses (1) through (3) of Section 7.05(b)(i)) (such amount, the "Principal Reinvestment Account Allocation Amount"). To the extent that any Principal Collections are remaining after application of the Principal Reinvestment Account Allocation Amount, the Servicer shall direct that such remaining funds be distributed to or at the written direction of the Issuer, and, if paid to the Noteholders, shall be considered an Investment Period Principal Distribution Amount.

ARTICLE VI

COVENANTS OF THE ORIGINATOR

Section 6.01 Legal Existence.

During the term of this Agreement, the Originator shall keep in full force and effect its existence, rights and franchises as a limited liability company under the laws of the jurisdiction of its formation and will obtain and preserve its qualification to do business in each jurisdiction in which such qualification is or shall be necessary to protect the validity and enforceability of this Agreement, the other Transaction Documents and each other instrument or agreement necessary or appropriate for the proper administration of this Agreement and the transactions contemplated hereby. In addition, all transactions and dealings between the Originator and the Issuer will be conducted on an arm's-length basis.

Section 6.02 [Reserved].

Section 6.03 Security Interests.

The Originator shall not sell, pledge, assign or transfer to any Person other than the Issuer, or grant, create, incur, assume or suffer to exist any Lien on any Loan in the Collateral or its interest in any Related Property, other than the Lien granted to the Issuer, whether now existing or hereafter transferred to the Issuer, or any interest therein. The Originator shall promptly notify the Issuer and the Trustee upon obtaining knowledge of the existence of any Lien on any Loan in the Collateral or its interest in any Related Property; and the Originator shall defend the right, title and interest of the Issuer in, to and under the Loans in the Collateral and the Issuer's interest in any Related Property, against all claims of third parties; *provided* that nothing in this Section 6.03 shall prevent or be deemed to prohibit the Originator from suffering to exist Permitted Liens upon any of the Loans in the Collateral or its interest in any Related Property.

Section 6.04 Delivery of Collections.

The Originator agrees to pay to the Servicer promptly (but in no event later than two Business Days after receipt) all Collections received by the Originator in respect of the Loans and Related Property, for application in accordance with this Agreement.

Section 6.05 Regulatory Filings.

The Originator shall make any filings, reports, notices, applications and registrations with, and seek any consents or authorizations from, the Commission and any state securities authority on behalf of the Issuer as may be necessary or that the Originator deems advisable to comply with any federal or state securities or reporting requirements laws.

Section 6.06 Compliance with Law.

The Originator hereby agrees to comply in all material respects with all Applicable Law applicable to the Originator except where the failure to do so would not reasonably be expected to have a material adverse effect on the Issuer.

Section 6.07 Limitation on Liability of Originator and Others.

The Originator and any stockholder, partner, member, manager, director, officer, employee or agent of the Originator may rely on any document of any kind which it in good faith reasonably believes to be genuine and to have been adopted or signed by the proper authorities or persons respecting any matters arising hereunder.

Section 6.08 Payments from Obligors.

The Originator agrees not to make, or consent to, any change in the direction of, or instructions with respect to, any payments to be made by an Obligor in any manner that would diminish, impair, delay or otherwise adversely affect the timing or receipt of such payments into the Lockbox Account or otherwise without (a) the prior written consent of the Trustee and the consent of the Majority Noteholders and (b) delivery of prior written notice of such change to the Rating Agency.

ARTICLE VII

ESTABLISHMENT OF ACCOUNTS;
DISTRIBUTIONS;

Section 7.01 Distribution Account; Lockbox Account and Other Accounts.

(a) Distribution Account and Lockbox Account. On or before the Closing Date, the Securities Intermediary shall establish and maintain the Distribution Account as a segregated account in its corporate trust department in the name of the Trustee, for the benefit of the Noteholders. On or before the Closing Date, the Issuer shall establish the Lockbox Account as a non-interest bearing, segregated deposit account with U.S. Bank National Association (the "Lockbox Bank") and in the name of the Trustee for the benefit of the Noteholders. The Servicer is hereby required to ensure that each of the Distribution Account and the Lockbox Account is established and maintained as an Eligible Deposit Account with a Qualified Institution. The Servicer will monitor the Lockbox Account on a daily basis and review the previous day's Lockbox Account activity. If any institution with which any of the accounts established pursuant to this Section 7.01(a) and pursuant to Section 7.03 ceases to be a Qualified Institution, the Servicer, within ten Business Days of actual knowledge of such failure by a Responsible Officer, establish a replacement account at a Qualified Institution after notice of such event. In no event shall the Securities Intermediary or the Lockbox Bank, as appropriate, be responsible for monitoring whether such institution shall remain a Qualified Institution. Each Qualified Institution maintaining an Eligible Deposit Account shall agree in writing to comply with all instructions originated by the Securities Intermediary or Lockbox Bank, as applicable. U.S. Bank National Association, in its capacity as Lockbox Bank, shall be afforded the rights, protections and immunities that are provided by general bank rules and regulations as well as any standard terms with respect to lockboxes established with U.S. Bank National Association.

(b) Principal Reinvestment Account. On or before the Closing Date, the Securities Intermediary shall establish and maintain as a segregated account, the Principal Reinvestment Account in the name of the Trustee for the benefit of the Noteholders. Amounts on deposit in the Principal Reinvestment Account will be invested by the Securities Intermediary, at the written direction of the Servicer, in Permitted Investments. Absent written direction, amounts in the Principal Reinvestment Account shall remain uninvested. The Servicer is hereby required to ensure that the Principal Reinvestment Account is established and maintained as an Eligible Deposit Account with a Qualified Institution. The Servicer will monitor the Principal Reinvestment Account in accordance with its customary policies and procedures.

(i) On each Advance Date, the Issuer will cause any Advances made by the Noteholders to be deposited into the Principal Reinvestment Account or as directed in the related Advance Request.

(ii) On each Transfer Date during the Investment Period, subject to satisfaction of the conditions set forth in Section 2.05 and in the Note Funding Agreement, the Servicer will direct the Trustee in writing to withdraw the lesser of amounts on deposit in the Principal Reinvestment Account and the Subsequent Loan Cash Purchase Price for Subsequent Loans being conveyed by the Originator to the Issuer on such Transfer Date and remit such amount to the Originator against delivery of such Subsequent Loans.

(iii) With respect to a Payment Date, so long as the Aggregate Outstanding Note Balance will not exceed the Borrowing Base after giving effect to the distributions on such Payment Date, the Issuer (or the Servicer on behalf of the Issuer) may, on the related Reference Date, direct the Trustee in writing to withdraw amounts from the Principal Reinvestment Account and deposit such amounts to the Distribution Account for application under Section 7.05(b)(i).

(iv) On the Investment Period Termination Date, once a Responsible Officer of the Trustee has written notice or actual knowledge of the Investment Period Termination Date occurring, the Trustee shall withdraw all amounts on deposit in the Principal Reinvestment Account and deposit such amounts into the Collection Account as Principal Collections.

(c) [Reserved].

(d) Alternative Collection Practices. With respect to certain Loans, the Originator may make Collections thereon by debiting the appropriate amounts from designated accounts of the related Obligor. Within two Business Days of receipt by the Originator of the amounts so debited, the Originator shall cause the amounts so received belonging to the Issuer to be deposited into the Lockbox Account, and thereupon credited to the Collection Account.

(e) Other Accounts. Amounts representing payments sent by Obligors and by paying agents under Agented Loans, Co-Agented Loans and Third Party Agented Loans with respect to Loans pledged to the Trustee as well as with respect to Loans not pledged to the Trustee may be deposited into accounts other than the Lockbox Account. Within two Business Days of receipt by the Originator or the Issuer of any amounts representing payments sent by Obligors and/or by paying agents under Agented Loans, Co-Agented Loans and Third Party Agented Loans with respect to Loans pledged to the Trustee, the Servicer, as agent for the Issuer, and the Originator shall cause the amounts so received belonging to the Issuer to be deposited into the Lockbox Account, and thereupon credited to the Collection Account.

(f) Except as otherwise agreed in writing between the Issuer, the Originator and the Trustee, the Issuer shall retain the authority to institute, participate and join in any plan of reorganization, readjustment, merger or consolidation with respect to the Issuer of any Permitted Investments held hereunder, and, in general, to exercise each and every other power or right with respect to each such asset or investment as individuals generally have and enjoy with respect to their own assets and investment, including power to vote upon any securities.

Section 7.02 General Reserve Account.

(a) The Securities Intermediary shall establish and maintain as a segregated account, the General Reserve Account in the name of the Trustee for the benefit of the Noteholders. Amounts deposited to the General Reserve Account will be invested by the Securities Intermediary at the written direction of the Servicer in Permitted Investments. Absent such written directions, such amounts will remain uninvested. The General Reserve Account shall be held in one Eligible Deposit Account with a Qualified Institution in the form of a segregated account in a corporate trust department wherein the moneys therein may be invested in Permitted Investments. The Servicer shall monitor the General Reserve Account in accordance with its customary policies and procedures.

(b) Deposits to the General Reserve Account shall be made in accordance with Section 7.05(a)(i)(6).

(c) Subject to Sections 7.02(d) and (e) below, if on any Payment Date, Interest Collections, Principal Collections and any other amounts on deposit in the Collection Account on the last day of the related Collection Period (without giving effect to any deposit from the General Reserve Account) would be insufficient to pay any portion of the Required Payments on such Payment Date, the Servicer shall direct the Securities Intermediary in writing (via the related Monthly Report) to withdraw from the General Reserve Account an amount equal to the lesser of such insufficiency and the amount on deposit in the General Reserve Account and deposit such amount in the Distribution Account as Principal Proceeds on the Business Day immediately preceding such Payment Date.

(d) Upon the occurrence of a Rapid Amortization Event or an Event of Default, the Servicer shall direct the Securities Intermediary in writing (via the related Monthly Report) to withdraw all amounts on deposit in the General Reserve Account and deposit such amounts to the Distribution Account for distribution in accordance with Section 7.05(b)(iii) or Section 7.05(c).

(e) On the earlier to occur of the Legal Final Payment Date and the Payment Date on which the Aggregate Outstanding Note Balance is reduced to zero, the Servicer shall direct the Securities Intermediary in writing (via the related Monthly Report) to withdraw all amounts on deposit in the General Reserve Account and deposit such amounts to the Distribution Account.

(f) Except if a Rapid Amortization Event or an Event of Default shall have occurred and is continuing, on any Payment Date, if amounts on deposit in the General Reserve Account are greater than the General Reserve Account Required Balance (after giving effect to all other distributions and disbursements on such Payment Date), the Servicer shall direct the Securities Intermediary in writing (via the related Monthly Report) to withdraw funds in excess of the General Reserve Account Required Balance from the General Reserve Account and disburse such amounts to (i) the Principal Reinvestment Account as Principal Collections during the Investment Period or (ii) the Collection Account as Interest Collections after the Investment Period.

Section 7.03 Collection Account.

(a) The Securities Intermediary shall establish and maintain as a segregated account the Collection Account in the name of the Trustee for the benefit of the Noteholders. The Collection Account shall be held in one Eligible Deposit Account with a Qualified Institution in the form of a segregated account in a corporate trust department. Amounts in the Collection Account shall be invested in Permitted Investments at the written direction of the Servicer. Absent such written direction, such amounts shall remain uninvested. The Servicer will monitor the Collection Account in accordance with its customary policies and procedures.

(b) The Servicer shall deposit or cause to be deposited into the Collection Account within two Business Days of the deposit thereof into the Lockbox Account all Collections (including, for the avoidance of doubt, amounts received from co-lenders, collateral agents or paying agents under Agented Loans, Co-Agented Loans and Third Party Agented Loans and amounts debited from Obligor accounts as described in Section 7.01(d)) so deposited into the Lockbox Account. The Servicer will retain in the Collection Account, subject to withdrawal as permitted by this Section 7.03, the following amounts received by the Servicer, without duplication:

(i) all Collections accruing and received on or after the Cutoff Date, Subsequent Loan Cutoff Date or Substitute Loan Cutoff Date, as applicable;

(ii) any other proceeds from any other Related Property securing the Loans (other than amounts released to the Obligor, other creditors or any other Person in accordance with Applicable Law, the Required Loan Documents, the Operating Guidelines and the Servicing Standard) and any disbursements, payments or proceeds from any other Collateral;

(iii) any amounts paid in connection with the purchase or repurchase of any Loan;

(iv) any amount required to be deposited in the Collection Account pursuant to Section 5.10 or this Section 7.03; and

(v) the amount of any gains and interest earned in connection with investments in Permitted Investments from any account.

(c) The Servicer shall have no obligation to deposit into the Collection Account any amounts in respect of Excluded Property or any amounts mistakenly deposited in the Lockbox Account or other amounts due on Loans that the Servicer is entitled to retain.

(d) Not later than the close of business on each Reference Date immediately preceding a Payment Date, the Servicer will remit to the Lockbox Account any Scheduled Payment Advance that the Servicer determines to make at its option. The application of Scheduled Payment Advances will not prevent a Loan from being or becoming a Delinquent Loan or a Defaulted Loan.

(e) Notwithstanding Section 7.03(b), if (i) the Servicer makes a deposit into the Lockbox Account in respect of a Collection of a Loan in the Collateral and such Collection was received by the Servicer in the form of a check that is not honored for any reason or (ii) the Servicer makes a mistake with respect to the amount of any Collection and deposits an amount that is less than or more than the actual amount of such Collection, the Servicer shall appropriately adjust the amount subsequently deposited into the Lockbox Account to reflect such dishonored check or mistake. Any Scheduled Payment in respect of which a dishonored check is received shall be deemed not to have been paid.

(f) The foregoing requirements for deposit in the Collection Account and the Lockbox Accounts shall be exclusive, it being understood and agreed that, without limiting the generality of the foregoing, payments with respect to Liquidation Expenses and Excluded Property may not be deposited by the Servicer in the Collection Account.

(g) Prior to the occurrence of a Servicer Default or an Event of Default and acceleration of the Notes, to the extent there are uninvested available amounts deposited in the Collection Account on or before 3:00 p.m. (New York, New York time), all such amounts shall be invested by the Securities Intermediary in Permitted Investments selected by the Servicer in written instructions (which may be in the form of standing instructions) delivered to the Qualified Institution holding such Transaction Account, that mature no later than the Business Day immediately preceding the next Payment Date; to the extent that there are uninvested available funds deposited after 3:00 p.m. (New York, New York time), such funds shall be swept into the overnight funds investment which shall be a Permitted Investment selected by the Servicer in written instructions (which may be in the form of standing instructions) delivered to the Qualified Institution holding such Transaction Account. From and after the occurrence of a Servicer Default or an Event of Default and acceleration of the Notes, to the extent there are uninvested amounts in the Collection Account (net of losses and investment expenses), all amounts shall remain uninvested. Subject to the restrictions herein, the Servicer or Trustee may purchase a Permitted Investment from itself or an Affiliate with respect to investment of funds in the Transaction Accounts. Any investment earnings (net of losses and investment expenses) on funds held in the Collection Account shall be treated as Interest Collections and shall be deposited therein pursuant to this Section 7.03 and distributed on the next Payment Date pursuant to Section 7.05. The Originator and the Issuer agree and acknowledge that the Trustee is to have “control” (within the meaning of the UCC) of collateral composed of “investment property” or deposit accounts (within the meaning of the UCC) for all purposes of this Agreement.

(h) The Servicer may (and, for the purposes of clause (i) below, shall), at any time upon one Business Day written notice to the Trustee or, if different, the depository institution then holding the Collection Account, request withdrawals from the Collection Account for the following purposes:

(i) to remit to the Trustee on the Business Day immediately preceding any Payment Date, for deposit in the Distribution Account, Collections received during the immediately preceding Collection Period (other than any Transfer Deposit Amounts or other amounts still available to invest in Substitute Loans pursuant to Section 11.01) and all amounts deposited into the Collection Account from the General Reserve Account pursuant to Section 7.02;

(ii) [Reserved];

(iii) to withdraw any amount received from an Obligor that is recoverable and sought to be recovered as a voidable preference by a trustee in bankruptcy pursuant to the Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction;

(iv) to make investments in Permitted Investments;

(v) to withdraw any funds deposited in the Collection Account that were not required or permitted to be deposited therein or were deposited therein in error (including without limitation amounts in respect of Loans that were purchased or replaced pursuant to Section 2.06, Section 2.07 or Section 11.01 to the extent such amount is attributable to a time after the effective date of such purchase or replacement);

(vi) to withdraw Principal Collections in accordance with an Advance Request delivered by the Issuer for deposit to the Principal Reinvestment Account;

(vii) to acquire Substitute Loans as contemplated by Section 2.05(a) to the extent funds have been deposited by the Originator for such purpose pursuant to Section 11.01);

(viii) to clear and terminate the Collection Account upon the termination of this Agreement.

Section 7.04 Noteholder Distributions.

(a) Each Noteholder as of the related Record Date shall be paid on the next succeeding Payment Date by check mailed to such Noteholder at the address for such Noteholder appearing on the Note Register or by wire transfer to the account directed by such Noteholder if such Noteholder provides written instructions to the Trustee at least five Business Days prior to such Payment Date, which instructions may be in the form of a standing order.

(b) The Trustee shall serve as the paying agent hereunder and shall make the payments to the Noteholders required hereunder. The Trustee hereby agrees that all amounts held by it for payment hereunder will be held in a segregated account for the benefit of the Noteholders.

(c) All amounts distributed pursuant to the terms of this Agreement shall be deemed free and clear of the Lien of the Indenture.

Section 7.05 Allocations and Distributions.

(a) Allocations of Interest Collections. On the Business Day immediately preceding each Payment Date, the Trustee, upon written instructions from the Servicer, will transfer all Interest Collections constituting Available Funds to the Distribution Account. Such amounts will remain uninvested while deposited in the Distribution Account. On each Payment Date (other than a Payment Date following an Event of Default and acceleration of the Notes), the Trustee, upon written instructions from the Servicer (in the form of the Monthly Report), will distribute the Interest Collections on deposit in the Distribution Account to the following parties in the order of priority set forth below. With respect to the Notes then Outstanding, payments shall be made pro rata to the Holders of Notes based on their respective Percentage Interests.

(i) During the Investment Period or Amortization Period.

(1) pro rata, based on the amounts owed under this clause (1), to the payment of (i) Administrative Expenses owed to the respective parties, subject to the limitations set forth in the definition thereof and in the priority stated in the definition thereof and (ii) indemnities then due to any such Persons; *provided* that (a) the cumulative amount of Administrative Expenses (other than the Trustee Fee and the Backup Servicer Fee) and indemnities paid to the Trustee, the Custodian, the Backup Servicer and the Lockbox Bank under this clause (1) in any rolling twelve month period shall not exceed $300,000 as of the first day of the related Collection Period and (b) the cumulative amount of Administrative Expenses (other than the Trustee Fee and the Backup Servicer Fee) and indemnities paid to parties other than the Trustee, the Custodian, the Backup Servicer and the Lockbox Bank under this clause (1) in any rolling twelve month period shall not exceed $200,000 as of the first day of the related Collection Period;

(2) pro rata, based on the amounts owed to such Persons under this clause (2), (i) to the Servicer, to the extent not previously reimbursed, the sum of (x) Scheduled Payment Advances on such Loans and (y) Servicing Advances on such Loans;

(3) accrued and unpaid Servicing Fees;

(4) (i) to any Successor Servicer, the Successor Servicer Engagement Fee and (ii) to any Successor Servicer, any Servicing Transfer Costs, *provided* that the cumulative amount of such Servicing Transfer Costs shall not exceed $150,000;

(5) to the Noteholders, the Interest Amount for the related Interest Period, if any, and any Unused Fee;

(6) if the amount on deposit in the General Reserve Account is less than the General Reserve Account Required Balance, to the General Reserve Account, fifty percent (50%) of any remaining amounts until amounts on deposit in the General Reserve Account shall equal the General Reserve Account Required Balance;

(7) to the payment of the amounts referred to in clause (2) of Section 7.05(b)(i) or clauses (2) and (3) of Section 7.05(b)(ii) (as applicable and in the priority stated therein), but only to the extent not paid in full thereunder and subject to the limitations set forth therein;

(8) pro rata, based on the amounts owed to such Persons under this clause (8), to the payment of amounts referred to in clauses (1) and (2), without giving effect to any caps, but only to the extent not paid in full thereunder;

(9) to the Servicer in connection with any Permitted Distribution; and

(10) any remaining amounts to or at the written direction of the Issuer.

To the extent that any fees, expenses and indemnities of the Trustee are not paid on a Payment Date due to insufficiency of funds, such unpaid fees shall be paid on the next Payment Date on which funds are available to pay such fees in accordance with the priority of payments set forth above in this Section 7.05(a)(i).

(ii) During the Rapid Amortization Period

(1) pro rata, based on the amounts owed to the Trustee, the Custodian, the Backup Servicer, and the Lockbox Bank under this clause (1), to the payment of (i) Administrative Expenses owed to such parties, subject to the limitations set forth in the definition thereof and (ii) indemnities then due to any such Persons; *provided* that the cumulative amount of Administrative Expenses and indemnities paid under this clause (1) or clause (1) of 7.05(a)(i) in any rolling twelve month period shall not exceed $500,000 as of the first day of the related Collection Period;

(2) pro rata, based on the amounts owed to such Persons under this clause (2), (i) to the Servicer, to the extent not previously reimbursed, the sum of (x) Scheduled Payment Advances on such Loans and (y) Servicing Advances on such Loans;

(3) accrued and unpaid Servicing Fees;

(4) (i) to the Backup Servicer, accrued and unpaid backup servicing fees; (ii) to the Custodian, any accrued and unpaid custodial fees; (iii) to any Successor Servicer, the Successor Servicer Engagement Fee and (iv) to any Successor Servicer, any Servicing Transfer Costs, provided that the cumulative amount of such Servicing Transfer Costs shall not exceed $150,000;

(5) to the Noteholders, the Interest Amount for the related Interest Period, if any, and any Unused Fee;

(6) reserved;

(7) to the Noteholders, all remaining amounts in payment of principal of the Notes until the Aggregate Outstanding Note Balance is reduced to zero;

(8) pro rata, based on the amounts owed to such Persons under this clause (8), to the payment of amounts referred to in clauses (1) and (2), without giving effect to any caps but only to the extent not paid in full thereunder; and

(9) any remaining amounts to or at the written direction of the Issuer.

To the extent that any fees, expenses and indemnities of the Trustee are not paid on a Payment Date due to insufficiency of funds, such unpaid fees shall be paid on the next Payment Date on which funds are available to pay such fees in accordance with the priority of payments set forth above in this Section 7.05(a)(ii).

(b) Allocations of Principal Collections and General Reserve Available Funds. On the Business Day immediately preceding each Payment Date, the Trustee, upon written instructions from the Servicer (in the form of the Monthly Report), will transfer all (A) Principal Collections on deposit in the Collection Account constituting Available Funds, (B) amounts deposited into the Distribution Account pursuant to Section 7.01(b)(iii), and (C) all amounts, if any, required to be transferred pursuant to Section 7.02 to the Distribution Account. Such amounts will remain uninvested while deposited in the Distribution Account. On each Payment Date (other than a Payment Date following an Event of Default and acceleration of the Notes), the Trustee, upon written instructions from the Servicer (in the form of the Monthly Report), will distribute the Principal Collections and any General Reserve Available Funds on deposit in the Distribution Account to the following parties in the order of priority set forth below. With respect to the Notes then Outstanding, payments shall be made pro rata to the Holders of Notes based on their respective Percentage Interests.

(i) During the Investment Period

(1) to the payment of the amounts referred to in clauses (1) through (5) of Section 7.05(a)(i) (in the priority stated therein), but only to the extent not paid in full thereunder and subject to the limitations set forth therein;

(2) to the Noteholders, the Principal Distribution Amount in payment of principal on the Notes;

(3) to the payment of the amounts referred to in clause (8) of Section 7.05(a)(i), but only to the extent not paid in full thereunder and subject to the limitations set forth therein;

(4) to the Principal Reinvestment Account, the Principal Reinvestment Account Allocation Amount determined by the Servicer; and

(5) any remaining amounts to or at the written direction of the Issuer.

To the extent that any fees, expenses and indemnities of the Trustee are not paid on a Payment Date due to insufficiency of funds, such unpaid fees shall be paid on the next Payment Date on which funds are available to pay such fees in accordance with the priority of payments set forth above in this Section 7.05(b)(i).

(ii) During the Amortization Period

(1) to the payment of the amounts referred to in clauses (1) through (5) of Section 7.05(a)(i) (in the priority stated therein), but only to the extent not paid in full thereunder and subject to the limitations set forth therein;

(2) to the Noteholders, the Principal Distribution Amount in payment of principal on the Notes;

(3) to the Noteholders, all remaining amounts in payment of the Aggregate Outstanding Note Balance on the Legal Final Payment Date;

(4) to the payment of the amounts referred to in clause (8) of Section 7.05(a)(i), but only to the extent not paid in full thereunder and subject to the limitations set forth therein; and

(5) any remaining amounts to or at the written direction of the Issuer.

To the extent that any fees, expenses and indemnities of the Trustee are not paid on a Payment Date due to insufficiency of funds, such unpaid fees shall be paid on the next Payment Date on which funds are available to pay such fees in accordance with the priority of payments set forth above in this Section 7.05(b)(ii).

(iii) During the Rapid Amortization Period

(1) to the payment of the amounts referred to in clauses (1) through (5) of Section 7.05(a)(ii) (in the priority stated therein), but only to the extent not paid in full thereunder and subject to the limitations set forth therein;

(2) to the Noteholders, all remaining amounts in payment of principal on the Notes until the Aggregate Outstanding Note Balance is reduced to zero;

(3) to the payment of the amounts referred to in clause (5) of Section 7.05(a)(ii), but only to the extent not paid in full thereunder and subject to the limitations set forth therein;

(4) any remaining amounts to or at the written direction of the Issuer.

To the extent that any fees, expenses and indemnities of the Trustee are not paid on a Payment Date due to insufficiency of funds, such unpaid fees shall be paid on the next Payment Date on which funds are available to pay such fees in accordance with the priority of payments set forth above in this Section 7.05(b)(iii).

(c) Default Allocations. On each Payment Date (or such other date as selected by the Trustee pursuant to the Indenture) (i) following an acceleration of the Notes pursuant to Section 5.02 of the Indenture that has not been rescinded and annulled in accordance with the terms of the Indenture, or (ii) following the institution of proceedings for the foreclosure of the Indenture and the liquidation of the Collateral pursuant to Section 5.04(a)(ii) of the Indenture, the Trustee will transfer all Collections on deposit in the Collection Account, including Proceeds from the liquidation of the Collateral, to the Distribution Account. On each Payment Date (or such other date as selected by the Trustee pursuant to the Indenture), the Trustee will distribute such amounts together with Available Funds and all other funds available for distributions on the Notes, to the extent there are sufficient funds, to the following parties in the order of priority set forth below (in the form of the Monthly Report). With respect to the Notes then Outstanding, payments shall be made pro rata to the Holders of Notes based on their respective Percentage Interests.

(1) to the Trustee, the Servicer, the Backup Servicer, the Custodian and the Lockbox Bank, certain amounts due and owing to such entities, pursuant to the priorities in clauses (1) and (2) of Sections 7.05(a)(i) and 7.05(a)(ii), and without regard to the caps set forth in such clauses;

(2) to the Noteholders, any unpaid Interest Amounts;

(3) to the Noteholders, in payment of principal on the Notes until the Aggregate Outstanding Note Balance is reduced to zero; and

(4) any remaining amounts to or at the written direction of the Issuer.

ARTICLE VIII

SERVICER DEFAULT; SERVICER TRANSFER

Section 8.01 Servicer Default.

"Servicer Default" means the occurrence of any of the following:

(a) any failure by the Servicer to remit or cause to be remitted when due any payment, transfer or deposit required to be remitted by the Servicer to the Trustee under the terms of this Agreement or the other Transaction Documents which continues unremedied for a period of 5 days, it being understood that the Servicer shall not be responsible for the failure of either the Issuer or the Trustee to remit funds that were received by the Issuer or the Trustee from or on behalf of the Servicer in accordance with this Agreement or the other Transaction Documents; or

(b) failure by the Servicer to duly observe or perform any covenants or agreements of the Servicer set forth in this Agreement or the other Transaction Documents (other than as otherwise identified in this definition of Servicer Default), which failure materially and adversely affects the rights of the Issuer or the Noteholders and continues unremedied for a period of 30 days (if such failure or breach can be cured) after the first to occur of (i) the date on which a Responsible Officer of the Servicer has actual knowledge of such failure, (ii) the date on which written notice of such failure requiring the same to be remedied shall have been given to a Responsible Officer of the Servicer by the Trustee or to a Responsible Officer of the Servicer and the Trustee by any Noteholder or (iii) the date the Servicer shall assign any of its duties hereunder other than as expressly permitted hereby;

(c) any representation or warranty of the Servicer in this Agreement or any other Transaction Document or in any certificate delivered under this Agreement or any other Transaction Document (other than any representation or warranty relating to a Loan that has been purchased by the Servicer) shall prove to have been incorrect when made, which has a material adverse effect on the Noteholders and which continues unremedied for 30 days after discovery thereof by a Responsible Officer of the Servicer or after the date on which written notice of such failure, requiring the same to be remedied, shall have been delivered to the Servicer by the Trustee or any Noteholder;

(d) a decree or order of a court or agency or supervisory authority having jurisdiction for the appointment of a conservator or receiver or liquidator in any Insolvency Proceedings, or for the winding-up or liquidation of its affairs, shall have been entered against the Servicer and such decree or order shall have remained in force, undischarged or unstayed for a period of 60 consecutive days;

(e) the Servicer, the Issuer or the Fund shall consent to the appointment of a conservator or receiver or liquidator in any Insolvency Proceedings of or relating to the Servicer or of or relating to all or substantially all of the Servicer's property;

(f) the Servicer shall cease to be eligible to continue as Servicer under this Agreement;

(g) the Servicer, the Issuer or the Fund shall file a petition to take advantage of any applicable Insolvency Laws, make an assignment for the benefit of its creditors or generally fail to pay its debts as they become due;

(h) the willful breach of any provision of this Agreement applicable to the Servicer;

(i) the conviction or indictment of a senior officer of the Servicer for a criminal offense related to the Issuer's, Originator's or Servicer's business activities;

(j) a Change of Control (as defined in the Indenture); or

(k) an Event of Default.

Notwithstanding the foregoing, a delay in or failure of performance referred to under Section 8.01(a) for a period of five Business Days or referred to under Section 8.01(b) for a period of 60 days (in addition to the 30-day period provided therein) shall not constitute a Servicer Default until the expiration of such additional five Business Days or 60 days, respectively, if such delay or failure could not be prevented by the exercise of reasonable diligence by the Servicer and such delay or failure was caused by an act of God or other events beyond the Servicer's control.

Section 8.02 Servicer Transfer.

(a) If a Servicer Default has occurred and is continuing (subject to any applicable cure period), the Trustee or the Issuer, at the direction of the Majority Noteholders, shall terminate all of the rights and obligations of the Servicer hereunder by notice to the Servicer (a "Termination Notice"), whereupon the Backup Servicer will succeed to all of the Servicer's management, administrative, servicing, custodial and collection functions as Servicer hereunder within 30 days of receiving a Termination Notice.

(b) If the Backup Servicer is unable to assume the role of the Servicer after a Termination Notice is delivered pursuant to Section 8.02(a), the Trustee (i) will provide the Originator with written notice of such circumstances (and the Originator shall promptly forward a copy of such notice to the Rating Agency) and (ii) may appoint a successor servicer with assets of at least $50,000,000 and whose regular business includes the servicing of assets similar to the Loan Assets (either the Backup Servicer or such other Person appointed successor servicer, the "Successor Servicer"). Such proposed Successor Servicer shall become the Successor Servicer once it assumes the Servicer's responsibilities and obligations in accordance with Section 8.03. If such proposed Successor Servicer is unable to assume the responsibilities and obligations of the Servicer, the Trustee shall propose an alternative established servicing institution to serve as the Successor Servicer. Such other proposed Successor Servicer shall become the Successor Servicer once it assumes the Servicer's responsibilities and obligations in accordance with this Agreement. The appointment of any Successor Servicer (other than the Backup Servicer) is subject to the prior written approval of the Majority Noteholders. If no Successor Servicer has been appointed and approved following the above procedures within 120 days of the delivery of a Termination Notice or notice of resignation by the Servicer, then any of the Issuer, Trustee, removed or resigning Servicer or any Noteholder may petition any court of competent jurisdiction for the appointment of a Successor Servicer, which appointment will not require the consent of, nor be subject to the approval of the Issuer, the Trustee or any Noteholder.

(c) On the date that a Successor Servicer shall have been appointed and accepted such appointment pursuant to Section 8.03 (such appointment being herein called a "Servicer Transfer"), all rights, benefits, fees, indemnities, authority and power of the Servicer under this Agreement, whether with respect to the Loans, the Loan Files or otherwise, shall pass to and be vested in such Successor Servicer pursuant to and under this Section 8.02; and, without limitation, the Successor Servicer is authorized and empowered to execute and deliver on behalf of the Servicer, as attorney-in-fact or otherwise, any and all documents and other instruments, and to do any and all acts or things necessary or appropriate to effect the purposes of such notice of termination. The Servicer agrees to cooperate with the Successor Servicer in effecting the termination of the responsibilities and rights of the Servicer hereunder, including, without limitation, the transfer to the Successor Servicer for administration by it of all cash amounts which shall at the time be held by the Servicer for deposit, or have been deposited by the Servicer, in a Transaction Account or thereafter received with respect to the Loans and Related Property. The Servicer shall transfer to the Successor Servicer (i) all records held by the Servicer relating to the Loans and Related Property in such electronic form as the Successor Servicer may reasonably request and (ii) any Loan Files in the Servicer's possession. In addition, the Servicer shall permit access to its premises (including all computer records and programs) to the Successor Servicer or its designee, shall pay the reasonable transition expenses of the Successor Servicer, and assign or sub-license to the Successor Servicer for the remainder of the term of this Agreement all intellectual property owned or licensed by or assigned to the Servicer that is necessary to perform the duties of Successor Servicer hereunder (to the extent that the Servicer has the right that the Servicer has the right to assign or sub-license such intellectual property). Upon a Servicer Transfer, the Successor Servicer shall also be entitled to receive the Servicing Fee thereafter payable for performing the obligations of the Servicer and any additional amounts payable to the Servicer hereunder. Any indemnities provided in this Agreement or the other Transaction Documents in favor of the Servicer, any Servicing Fee (together with accrued interest thereon), any other fees, costs and expenses and any Scheduled Payment Advances, Servicing Advances and Nonrecoverable Advances, in any case, that have accrued and/or are due and unpaid or unreimbursed to the Servicer shall survive the termination of the Servicer and its replacement with a Successor Servicer and the Servicer being replaced shall remain entitled thereto until paid hereunder in accordance with the Priority of Payments.

(d) The Backup Servicer may resign, either as Backup Servicer or as Successor Servicer, upon ninety (90) days prior written notice to the Trustee, the Issuer, and the Servicer (in the case of a resignation as the Backup Servicer); *provided*, however, such resignation shall not become effective until there is a replacement Successor Servicer or Backup Servicer in place that is acceptable to the Majority Noteholders. Upon the resignation of the Backup Servicer, the Servicer shall appoint a successor Backup Servicer (subject to the previous sentence) and if it does not do so within 120 days of the Backup Servicer's resignation, the Backup Servicer may petition a court of competent jurisdiction for the appointment of a successor. Upon the resignation of the Successor Servicer, the Majority Noteholders shall appoint a Successor Servicer and if they does not do so within 120 days of the Successor Servicer's resignation, the Successor Servicer may petition a court of competent jurisdiction for the appointment of a successor.

Section 8.03 Acceptance by Successor Servicer; Reconveyance; Successor Servicer to Act.

(a) Subject to Section 8.04, no appointment of a Successor Servicer (other than the Backup Servicer) shall be effective until the Successor Servicer shall have executed and delivered to the Issuer and the Trustee a written acceptance of such appointment and of the duties of Servicer hereunder, subject to Section 8.03(d). The Servicer shall continue to perform all servicing functions under this Agreement until the date the Successor Servicer shall have so executed and delivered such written acceptance.

(b) [Reserved].

(c) As compensation, a Successor Servicer so appointed shall be entitled to receive the Servicing Fee, together with any other servicing compensation in the form of assumption fees, late payment charges or otherwise as provided in the Transaction Documents that thereafter are payable under this Agreement, including, without limitation, all reasonable costs (including reasonable attorneys' fees) incurred in connection with transferring the servicing obligations under this Agreement and amending this Agreement (if necessary) to reflect such transfer. Neither the Trustee nor any Successor Servicer shall be held liable by reason of any failure to make, or any delay in making, any distribution hereunder or any portion thereof caused by (i) the failure of the Servicer to deliver, or any delay in delivering, cash, documents or records to it, or (ii) restrictions imposed by any regulatory authority having jurisdiction over the Servicer. To the extent that either the Trustee or the Backup Servicer incurs any extraordinary expenses in connection with a servicing transfer, it shall be entitled to reimbursement therefor as an Administrative Expense pursuant to the Priority of Payments.

(d) On or after a Servicer Transfer, the Successor Servicer shall be the successor in all respects to the Servicer in its capacity as servicer under this Agreement and the transactions set forth or provided for herein with respect to servicing of the Collateral and shall be subject to all the responsibilities, duties and liabilities relating thereto placed on the Servicer by the terms and provisions hereof, and the terminated Servicer shall be relieved of such responsibilities, duties and liabilities arising after such Servicer Transfer; *provided* that (i) the Successor Servicer will not assume any obligations of the Servicer described in Section 8.02(c), (ii) the Successor Servicer shall not be liable for any acts or omissions of the Servicer occurring prior to such Servicer Transfer or for any breach by the Servicer of any of its representations and warranties contained herein or in any other Transaction Document, (iii) the Successor Servicer shall have no obligation to pay any taxes required to be paid by the Servicer (provided, that the Successor Servicer shall pay any income taxes for which it is liable), (iv) the Successor Servicer shall have no obligation to pay any of the fees and expenses of any other party to the transactions contemplated hereby, (v) the Successor Servicer shall have no liability or obligation with respect to any Servicer indemnification obligations of any prior Servicer, including the initial Servicer, (vi) the Successor Servicer shall have no obligation to perform any repurchase obligations of the Servicer and (vii) the Successor Servicer shall have no obligation to make any Servicing Advances or Scheduled Payment Advances. Notwithstanding anything else herein to the contrary, in no event shall the Trustee be liable for any Servicing Fee or for any differential in the amount of the servicing fee paid hereunder and the amount necessary to induce any Successor Servicer to act as Successor Servicer under this Agreement and the transactions set forth or provided for herein, including any Servicing Transfer Costs. The Trustee and such successor shall take such action, consistent with this Agreement, as shall be necessary to effectuate any such succession. The terminated Servicer shall remain entitled to payment and reimbursement of the amounts set forth in the last sentence of Section 8.02(b) notwithstanding its termination hereunder, to the same extent as if it had continued to service the Loans hereunder.

(e) Notwithstanding anything contained in this Agreement or the Indenture to the contrary, no Successor Servicer, shall be responsible for the accounting, records (including computer records) and work of the Servicer or any other predecessor Servicer relating to the Loans (collectively, the "Predecessor Servicer Work Product"). If any error, inaccuracy, omission or incorrect or non-standard practice or procedure (collectively, "Errors") exists in any Predecessor Servicer Work Product and such Errors make it materially more difficult to service or should cause or materially contribute to such Successor Servicer making or continuing any Errors (collectively, "Continued Errors"), such Successor Servicer shall have no liability for such Continued Errors; *provided*, however, that each Successor Servicer agrees to use commercially reasonable efforts to prevent Continued Errors. In the event that a Successor Servicer becomes aware of Errors or Continued Errors, such Successor Servicer shall, with the prior consent of the Trustee, use commercially reasonable efforts to reconstruct and reconcile such data to correct such Errors and Continued Errors and to prevent future Continued Errors. A Successor Servicer shall be entitled to recover its costs thereby expended in accordance with the Priority of Payments.

(f) The Successor Servicer is authorized to accept and rely on all accounting records (including computer records) and work product of the prior Servicer hereunder relating to the Collateral without any audit or other examination.

Section 8.04 Notification to Noteholders.

(a) Promptly following the occurrence of any Servicer Default, the Servicer shall give written notice thereof to the Trustee, the Backup Servicer, the Originator and the Rating Agency at the addresses described in Section 13.04, and the Trustee shall promptly forward such notice to the Noteholders at their respective addresses appearing on the Note Register.

(b) Within ten days following receipt of a Termination Notice or notice of appointment of a Successor Servicer pursuant to this Article VIII, the Trustee shall give written notice thereof to the Originator (and the Originator shall promptly forward a copy of such notice to the Rating Agency) at the addresses described in Section 13.04 and to the Noteholders at their respective addresses appearing on the Note Register.

Section 8.05 Effect of Transfer.

(a) After a Servicer Transfer, the terminated Servicer shall have no further obligations with respect to the management, administration, servicing, custody or collection of the Loans as Servicer hereunder and, subject to Section 8.03(d), the Successor Servicer appointed pursuant to Section 8.03 shall have all of such obligations, except that the terminated Servicer will transmit or cause to be transmitted directly to the Successor Servicer promptly on receipt and in the same form in which received, any amounts (properly endorsed where required for the Successor Servicer to collect them) received as Collections upon or otherwise in connection with the Collateral.

(b) A Servicer Transfer shall not affect the rights and duties of the parties hereunder (including but not limited to the obligations and indemnities of the Servicer) other than those relating to the management, administration, servicing, custody or collection of the Loans.

Section 8.06 Database File.

Upon reasonable request by the Trustee or the Successor Servicer, the Servicer will provide the Successor Servicer with a magnetic tape or Microsoft Excel or similar spreadsheet file containing the database file for each Loan on and as of the Business Day before the actual commencement of servicing functions by the Successor Servicer following the occurrence of a Servicer Default.

Section 8.07 Waiver of Defaults.

The Majority Noteholders may, on behalf of all the Noteholders, waive any default by the Servicer of its obligations hereunder and all consequences of such default, except a default in making any required deposits to the Collection Account or the Distribution Account. No such waiver or cure shall extend to any subsequent or other default or impair any right consequent thereto except to the extent expressly so waived.

ARTICLE IX

REPORTS

Section 9.01 Monthly Reports.

(a) With respect to each Payment Date and the related Collection Period, the Servicer shall prepare a statement (a "Monthly Report") containing the information set forth in Exhibit G hereto with respect to the preceding Collection Period and will deliver a copy of such Monthly Report to the Trustee no later than the related Reference Date.

(b) [Reserved].

(c) On or before each Payment Date, the Trustee will provide or make available electronically the Monthly Report received by it on the related Reference Date to the Rating Agency and the Noteholders in accordance with Section 3.29 of the Indenture.

Section 9.02 [Reserved].

Section 9.03 Preparation of Reports; Officer's Certificate.

(a) The Servicer shall cooperate with the Trustee in connection with the delivery of the Monthly Reports. Without limiting the generality of the foregoing and the obligation of the Servicer to deliver Monthly Reports to the Trustee, the Servicer shall supply in a timely fashion any information as to any determinations required to be made by the Servicer hereunder or under the Indenture and such other information as is maintained by the Servicer that the Trustee may from time to time request with respect to the Collateral. Nothing herein shall obligate the Trustee to determine independently any characteristic of a Loan, including without limitation whether any item of Indenture Collateral is an Agented Loan, Co-Agented Loan, Third Party Agented Loan or Participated Loan, any such determination being based exclusively upon notification the Trustee receives from the Servicer, and except as otherwise specifically set forth in any of the Transaction Documents, nothing in this Article IX shall obligate the Trustee to review or examine any underlying instrument or contract evidencing, governing or guaranteeing or securing any Loan in order to verify, confirm, audit or otherwise determine any characteristic thereof.

(b) In performing its duties hereunder to deliver the Monthly Reports, the Trustee shall in no event have any liability for the actions or omissions of the Servicer or any other Person, and shall have no liability for any inaccuracy or error in any Monthly Report it distributes pursuant to Sections 9.01 and 9.02, except to the extent that such inaccuracies or errors are caused by the Trustee's own fraud, bad faith, willful misfeasance, gross negligence or reckless disregard of its duties hereunder. The Trustee shall not be liable for failing to perform or delay in performance of its specified duties hereunder that results from or is caused by a failure or delay on the part of the Servicer or another Person in furnishing necessary, timely and accurate information to the Trustee or the Servicer or a review by the Independent Accountants of a Monthly Report.

Section 9.04 Other Data; Obligor Financial Information.

(a) Not later than 4:00 p.m. (New York City time) on the Reference Date, the Servicer shall provide to the Trustee (in a format agreed to by the Trustee and the Servicer) and the Backup Servicer such information (the "Tape") the Servicer relied upon to prepare the Monthly Report for such month. Each Tape shall include, but not be limited to, the information set forth in Exhibit G hereto. The Backup Servicer shall use such tape or diskette (or other electronic transmission acceptable to the Trustee and the Backup Servicer) to (i) confirm that such tape, diskette or other electronic transmission is in readable form, and (ii) calculate and confirm (A) the aggregate amount distributable as principal on the related Payment Date to the Notes, (B) the aggregate amount distributable as interest on the related Payment Date to the Notes, (C) the outstanding principal amount of the Notes after giving effect to all distributions made pursuant to clause (A), above, and (D) the aggregate amount of principal and interest to be carried over on such Payment Date after giving effect to all distributions made pursuant to clauses (A) and (B), above, respectively. The Backup Servicer shall certify to the Trustee that it has verified the Monthly Report in accordance with this Section 9.04(a) and shall notify the Servicer and the Trustee of any discrepancies, in each case, on or before the fifth Business Day following the related Payment Date. In the event that the Backup Servicer reports any discrepancies, the Servicer and the Backup Servicer shall attempt to reconcile such discrepancies prior to the next succeeding Payment Date, but in the absence of reconciliation, the Monthly Report shall control for the purpose of calculations and distributions with respect to the next succeeding Payment Date. In the event that the Backup Servicer and the Servicer are unable to reconcile discrepancies with respect to a Monthly Report by the next succeeding Payment Date, the Servicer shall cause the Independent Accountants, at the Servicer's expense, to audit the Monthly Report and, prior to the last day of the month after the month in which such Monthly Report was delivered, reconcile the discrepancies. The effect, if any, of such reconciliation shall be reflected in the Monthly Report for such next succeeding Payment Date following the last date of the Collection Period. In addition, upon the occurrence of a Servicer Default the Servicer shall deliver to the Backup Servicer or any successor Servicer its files within 15 days after demand therefor and a computer tape containing as of the close of business on the date of demand all of the data maintained by the Servicer in computer format in connection with servicing the Loans. Other than the duties specifically set forth in this Agreement, the Backup Servicer shall have no obligations hereunder, including, without limitation, to supervise, verify, monitor or administer the performance of the Servicer. The Backup Servicer shall have no liability for any actions taken or omitted by the Servicer.

(b) In addition, the initial Servicer shall, upon the request of the Trustee or any Rating Agency, furnish the Trustee or Rating Agency, as the case may be, such underlying data in the possession of the initial Servicer used to generate a Monthly Report as may be reasonably requested. The initial Servicer will also forward to the Trustee, the Backup Servicer and the Rating Agency (i) within 75 days after each calendar quarter (except the fourth calendar quarter), commencing with the quarter ending September 30, 2018, the unaudited quarterly financial statements of the initial Servicer, the Issuer, the Fund and the BDC and (ii) within 120 days after each fiscal year of the initial Servicer, commencing with the fiscal year ending December 31, 2018, the audited annual financial statements of the initial Servicer, the Issuer and the Fund, together with the related report of the independent accountants to the initial Servicer, the Issuer and the Fund. To the extent the initial Servicer is required or asked to furnish any of the data described in this Section 9.04(b), the initial Servicer may furnish such data through an online investor information website.

(c) The Servicer shall provide promptly to the Backup Servicer any data relating to the servicing of the Loans that the Backup Servicer reasonably requests.

(d) [Reserved].

(e) The Servicer will forward to the Rating Agency promptly upon request any additional financial information in the Servicer's possession or reasonably obtainable by the Servicer as the Rating Agency shall reasonably request with respect to an Obligor as to which any Scheduled Payment is past due for at least ten days.

Section 9.05 Annual Report of Accountants.

(a) The initial Servicer shall cause a firm of nationally recognized independent certified public accountants (the "Independent Accountants"), who may also render other services to the initial Servicer or its Affiliates, to deliver to the Trustee and the Rating Agency, on or before January 31st of each year, beginning on January 31, 2019, a report indicating that the Independent Accountants have performed certain procedures as agreed by the initial Servicer. As a part of such review, the Independent Accountants will obtain the Monthly Report with respect to two Collection Periods during the 12 months ended the immediately preceding December 31 and, for each such Monthly Report, the Independent Accountants will reconcile certain amounts in the Monthly Report to the initial Servicer's computer, accounting and other reports. In the event the Independent Accountants require the Trustee to agree to the procedures performed by the Independent Accountants, the initial Servicer shall direct the Trustee in writing to so agree; it being understood and agreed that the Trustee will deliver such letter of agreement in conclusive reliance upon the direction of the initial Servicer, and the Trustee will not make any independent inquiry or investigation as to, and shall have no obligation or liability in respect of, the sufficiency, validity or correctness of such procedures. The Trustee shall not have any responsibility to any party to make any inquiry or investigation as to, and shall have no obligation in respect of, the terms of any engagement of independent public accountants by the Servicer, and the Trustee shall be authorized, upon receipt of written direction from the Issuer or initial Servicer directing the Trustee in writing to execute any acknowledgment or other agreement with the independent public accountants required for the Trustee to receive any of the reports or instructions provided for herein, which acknowledgment or agreement may include, among other things, (i) acknowledgement that the Servicer has agreed that the procedures to be performed by the independent public accountants are sufficient for the Issuer's purposes, (ii) acknowledgment that the Trustee has agreed that the procedures to be performed by the independent public accountants are sufficient for the Trustee's purposes and that the Trustee's purposes are limited solely to receipt of the report, (iii) releases by the Trustee (on behalf of itself and the Noteholders) of claims against the independent public accountants and acknowledgement of other limitations of liability in favor of the independent public accountants, and (iv) restrictions or prohibitions on the disclosure of information or documents provided to it by such firm of independent public accountants to other parties (including to the Noteholders).

Section 9.06 Statements of Compliance from Servicer. The Servicer will deliver to the Trustee and the Backup Servicer within 90 days of the end of each fiscal year commencing with the year ending December 31, 2018, an Officer's Certificate stating that (a) the Servicer has fully complied in all material respects with certain provisions of the Agreement relating to servicing of the Loans and payments on the Notes, (b) a review of the activities of the Servicer during the prior calendar year and of its performance under this Agreement was made under the supervision of the officer signing such certificate and (c) to the best of such officer's knowledge, based on such review, the Servicer has fully performed or caused to be performed in all material respects all its obligations under this Agreement for such year, or, if there has been a Servicer Default or default in any of its obligations which, with notice or passage of time, could become a Servicer Default, specifying each such default known to such officer and the nature and status thereof including the steps being taken by the Servicer to remedy such event.

Section 9.07 Notices of Event of Default, Servicer Default or Rapid Amortization Event.

Promptly upon a Responsible Officer of the Servicer becoming aware thereof, the Servicer shall furnish to the Trustee, the Backup Servicer and the Rating Agency notice of the occurrence of any Event of Default or Servicer Default or of any situation which the Servicer reasonably expects to develop into an Event of Default or Servicer Default. Promptly upon a Responsible Officer of the Servicer becoming aware thereof, the Servicer shall furnish to the Trustee, the Backup Servicer and the Rating Agency notice of the occurrence of any Rapid Amortization Event.

Section 9.08 Trustee's Right to Examine Servicer Records, Audit Operations and Deliver Information to Noteholders.

The Trustee shall have the right upon reasonable prior notice, during normal business hours, in a manner that does not unreasonably interfere with the Servicer's normal operations or customer or employee relations, no more often than once a year unless an Event of Default or Servicer Default shall have occurred and be continuing in which case as often as reasonably required, to examine and audit any and all of the books, records or other information of the Servicer, whether held by the Servicer or by another on behalf of the Servicer, which may be relevant to the performance or observance by the Servicer of the terms, covenants or conditions of this Agreement. No amounts payable in respect of the foregoing shall be paid from the Loan Assets.

The Trustee shall have the right, in accordance with the Indenture, to deliver information provided by the Servicer to any Noteholder requesting the same; *provided* that the Servicer may request that any such Noteholder not a party hereto enter into a confidentiality agreement reasonably acceptable to the Servicer prior to permitting such Noteholder to view such information.

ARTICLE X

TERMINATION

Section 10.01 [Reserved].

Section 10.02 Termination.

(a) This Agreement shall terminate upon notice to the Trustee of the earlier of the following events: (i) the final payment on or the disposition or other liquidation by the Issuer of the last Loan (including, without limitation, in connection with a Redemption by the Issuer of all outstanding Notes pursuant to Section 10.01 of the Indenture) or the disposition of all other Collateral, including property acquired upon foreclosure or deed in lieu of foreclosure of any Loan and the remittance of all funds due thereunder with respect thereto, (ii) mutual written consent of the Servicer, the Trustee, the Originator and all Outstanding Noteholders or (iii) the payment in full of all amounts owing in respect of the Notes.

(b) Notice of any termination, specifying the Payment Date upon which the Issuer will terminate and that the Noteholders shall surrender their Notes to the Trustee for payment of the final distribution and cancellation shall be given promptly by the Servicer to the Trustee, the Custodian and the Backup Servicer and by the Trustee to all Noteholders and the Rating Agency during the month of such final distribution before the Reference Date in such month, specifying (i) the Payment Date upon which final payment of the Notes (or Redemption Price) will be made upon presentation and surrender of Notes at the office of the Trustee therein designated, (ii) the amount of any such final payment and (iii) that the Record Date otherwise applicable to such Payment Date is not applicable, payments being made only upon presentation and surrender of the Notes at the office of the Trustee therein specified.

ARTICLE XI

REMEDIES UPON MISREPRESENTATION; REPURCHASE OPTION

Section 11.01 Repurchases of, or Substitution for, Loans for Breach of Representations and Warranties.

Upon a discovery by the Originator, a Responsible Officer of the Servicer or any subservicer, a Responsible Officer of the Backup Servicer or a Responsible Officer of the Trustee of (i) a breach of a representation or warranty as set forth in Section 3.01, Section 3.02, or Section 3.04 or as made or deemed made in any notice relating to Subsequent Loans and Substitute Loans, as applicable, that materially and adversely affects the interests of the Noteholders (each such Loan, an "Ineligible Loan"), the party discovering such breach or failure shall give prompt written notice to the other parties to this Agreement; *provided* that neither the Trustee nor the Backup Server not have a duty or obligation to inquire or to investigate the breach of any of such representations or warranties. Within 60 days of the earlier of (x) its discovery or (y) its receipt of notice of any breach of a representation or warranty, the Originator shall, (a) promptly cure such breach in all material respects, (b) repurchase each such Ineligible Loan by depositing in the Lockbox Account, for further credit to the Collection Account, within such 60 day period, an amount equal to the Transfer Deposit Amount for such Ineligible Loan, or (c) remove such Loan from the Collateral, deposit the Transfer Deposit Amount with respect to such Loan into the Lockbox Account, for further credit to the Collection Account, and, not later than the date a repurchase of such affected Loan would be required hereunder, effect a substitution for such affected Loan with a Substitute Loan in accordance with the substitution requirements set forth in Sections 2.04 and 2.07.

Section 11.02 Reassignment of Repurchased or Substituted Loans.

Upon receipt by the Trustee for deposit in the Collection Account of the amounts described in Section 11.01 (or upon the Substitute Loan Cutoff Date related to a Substitute Loan described in Section 11.01), and upon receipt of an Officer's Certificate of the Servicer in the form attached hereto as Exhibit E hereto, the Trustee and the Issuer shall release and assign, as the case may be, to the Originator all of the Trustee's and the Issuer's right, title and interest in the Loans being repurchased or substituted for the related Loan Assets without recourse, representation or warranty. Such reassigned Loan shall no longer thereafter be included in any calculations of Outstanding Loan Balances required to be made hereunder or otherwise be deemed a part of the Collateral.

ARTICLE XII

INDEMNITIES

Section 12.01 Indemnification by Servicer.

The Servicer agrees to indemnify, defend and hold harmless the Trustee (as such and in its individual capacity), the Lockbox Bank, the Backup Servicer, Securities Intermediary, the Custodian, any Successor Servicer (as such and in its individual capacity) and each Noteholder, and each officer, director, employee, representative and agent of such Persons, from and against any and all claims, losses, penalties, fines, forfeitures, judgments (provided that any indemnification for damages is limited to actual damages, not consequential, special or punitive damages), reasonable legal fees and related costs and any other reasonable costs, fees and expenses (including the fees and expenses of enforcing the Servicer's indemnification and contractual obligation hereunder) that such Person actually sustains as a result of the Servicer's fraud or the failure of the Servicer to perform its duties and service the Loans in compliance in all material respects with the terms of this Agreement, except to the extent arising from gross negligence, willful misconduct or fraud by the Person claiming indemnification. Any Person seeking indemnification hereunder shall promptly notify the Servicer if such Person receives a complaint, claim, compulsory process or other notice of any loss, claim, damage or liability giving rise to a claim of indemnification hereunder but failure to provide such notice shall not relieve the Servicer of its indemnification obligations hereunder unless the Servicer is deprived of material substantive or procedural rights or defenses as a result thereof. The Servicer shall assume (with the consent of the indemnified party, such consent not to be unreasonably withheld) the defense and any settlement of any such claim and pay all expenses in connection therewith, including reasonable counsel fees, and promptly pay, discharge and satisfy any judgment or decree which may be entered against the indemnified party in respect of such claim. If the consent of the indemnified party required in the immediately preceding sentence is unreasonably withheld, the Servicer shall be relieved of its indemnification obligations hereunder with respect to such Person. The parties agree that the provisions of this Section 12.01 shall not be interpreted to provide recourse to the Servicer against loss by reason of the bankruptcy, insolvency or lack of creditworthiness of an Obligor with respect to a Loan. The Servicer shall have no liability for making indemnification hereunder to the extent any such indemnification constitutes recourse for uncollectible or uncollected Loans.

Section 12.02 Indemnification by Originator.

The Originator agrees to indemnify, defend and hold harmless the Trustee (as such and in its individual capacity), the Lockbox Bank, the Backup Servicer, Securities Intermediary, the Custodian, any Successor Servicer (as such and in its individual capacity) and each Noteholder from and against any and all claims, losses, penalties, fines, forfeitures, judgments (provided that any indemnification for damages is limited to actual damages, not consequential, special or punitive damages), reasonable legal fees and related costs and any other reasonable costs, fees and expenses (including the fees and expenses of enforcing the Originator's indemnification and contractual obligations hereunder) that such Person actually sustains as a result of the Originator's fraud or material breach of a representation or warranty made in this Agreement which would reasonably be expected to have a material adverse effect on the transactions contemplated by the Transaction Documents, including but not limited to, the eligibility of any Loan, except to the extent arising from gross negligence, willful misconduct or fraud by the Person claiming indemnification. Any Person seeking indemnification hereunder shall promptly notify the Originator if such Person receives a complaint, claim, compulsory process or other notice of any loss, claim, damage or liability giving rise to a claim of indemnification hereunder but failure to provide such notice shall not relieve the Originator of its indemnification obligations hereunder unless the Originator is deprived of material substantive or procedural rights or defenses as a result thereof. The Originator shall assume (with the consent of the indemnified party, such consent not to be unreasonably withheld) the defense and any settlement of any such claim and pay all expenses in connection therewith, including reasonable counsel fees, and promptly pay, discharge and satisfy any judgment or decree which may be entered against the indemnified party in respect of such claim. If the consent of the indemnified party required in the immediately preceding sentence is unreasonably withheld, the Originator shall be relieved of its indemnification obligations hereunder with respect to such Person. The parties agree that the provisions of this Section 12.02 shall not be interpreted to provide recourse to the Originator against loss by reason of the bankruptcy, insolvency or lack of creditworthiness of an Obligor with respect to a Loan. The Originator shall have no liability for making indemnification hereunder to the extent any such indemnification constitutes recourse for uncollectible or uncollected Loans.

Section 12.03 Survival.

The indemnities in Section 12.01 and Section 12.02 shall survive the termination of this Agreement and the resignation or removal of any party hereto.

ARTICLE XIII

MISCELLANEOUS

Section 13.01 Amendment.

(a) This Agreement may be amended from time to time by the Issuer, the Originator, the Servicer, the Backup Servicer, the Custodian, the Lockbox Bank, the Securities Intermediary and the Trustee by written agreement, but without the consent of any Noteholder, to (i) cure any ambiguity or to correct or supplement any provisions herein that may be inconsistent with any other provisions in this Agreement, (ii) comply with any changes in the Code, USA PATRIOT Act, or U.S. securities laws (including the regulations implementing such laws), (iii) evidence the succession of another Person to the Issuer, a Successor Servicer or a successor Trustee, and the assumption by any such successor of the applicable covenants therein, (iv) add to the covenants of any party hereto for the benefit of the Noteholders, (v) amend any provision to this Agreement to reflect any written change to the guidelines, methodology or standards established by any Rating Agency that are applicable to this Agreement, (vi) modify Exhibit F hereto, or (vii) add any new provisions with respect to matters or questions arising under this Agreement which shall not be inconsistent with the provisions of this Agreement; *provided* that no such amendment shall materially and adversely affect the interests of any Noteholder. Notice of any proposed amendment must be sent to all Noteholders at least ten Business Days prior to the execution of such amendment. Any amendment shall not be deemed to materially and adversely affect the interests of any Noteholder if the Person requesting such amendment obtains an Opinion of Counsel addressed to the Trustee to that effect.

(b) Except as provided in Section 13.01(a), this Agreement may be amended from time to time by the Issuer, the Originator, the Servicer, the Backup Servicer, the Custodian, the Securities Intermediary and the Trustee, with the consent of the Majority Noteholders and satisfaction of the Rating Agency Condition, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement or of modifying in any manner the rights of the Noteholders; *provided* that (i) no such amendment shall, without the consent of each Noteholder that may be adversely affected, reduce the percentage of the principal balance of the Notes that is required to consent to any amendment to this Agreement and (ii) no such amendment shall increase or reduce in any manner the amount of, or accelerate or delay the timing of, or change the allocation or priority of, collections of payments on or in respect of the Loans or distributions that are required to be made for the benefit of the Noteholders or change the interest rate applicable to the Notes, without the consent of all adversely affected Noteholders.

(c) Promptly after the execution of any such amendment or consent, written notification of the substance of such amendment or consent shall be furnished by the Trustee to the Noteholders and by the Issuer to the Rating Agency. It shall not be necessary for the consent of any Noteholders required pursuant to Section 13.01(b) to approve the particular form of any proposed amendment or consent, but it shall be sufficient if such consent shall approve the substance thereof. The manner of obtaining such consents and of evidencing the authorization by the Noteholders of the execution thereof shall be subject to such reasonable requirements as the Trustee may prescribe for the Noteholders.

(d) Notwithstanding, the foregoing clauses (a) and (b) of this Section 13.01, the Originator's consent or approval shall not be required for any amendments to Sections 2.06, 2.07 or 2.10.

Section 13.02 Acts of God. In no event shall any party hereto be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes, acts of God, unavailability of the Federal Reserve Bank wire or telex facility or interruptions, loss or malfunctions of computer services, communications or utilities; it being understood that each party hereto shall use reasonable efforts to resume performance of its obligations as soon as practicable under the circumstances.

Section 13.03 Governing Law.

(a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW), AND THE OBLIGATIONS, RIGHTS, AND REMEDIES OF THE PARTIES UNDER THE AGREEMENT SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

(b) EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT. EACH PARTY HERETO (I) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 13.03(b).

Section 13.04 Notices.

All notices, demands, certificates, requests and communications hereunder ("notices") shall be in writing and shall be effective (a) upon receipt when sent through the U.S. mails, registered or certified mail, return receipt requested, postage prepaid, with such receipt to be effective the date of delivery indicated on the return receipt, or (b) one Business Day after delivery to an overnight courier, or (c) on the date personally delivered to a Responsible Officer of the party to which sent, or (d) on the date of confirmation or receipt by the addressee thereof if transmitted by legible telecopier or electronic mail transmission, in all cases addressed to the recipient as follows:

(i) if to the Seller or the Originator:

Horizon Secured Loan Fund I LLC
312 Farmington Avenue
Farmington, CT 06032
Telephone: 860-674-9977
Facsimile No.: 860-674-8655
Email: dtrolio@horizontechfinance.com

(ii) if to the Issuer:

Horizon Funding I, LLC
312 Farmington Avenue
Farmington, CT 06032
Telephone: 860-674-9977
Facsimile No.: 860-674-8655
Email: dtrolio@horizontechfinance.com

(iii) if to the Servicer:

Horizon Technology Finance Corporation
312 Farmington Avenue
Farmington, CT 06032
Telephone: 860-674-9977
Facsimile No.: 860-674-8655
Email: dtrolio@horizontechfinance.com

(iv) if to the Trustee, the Lockbox Bank or the Securities Intermediary:

U.S. Bank National Association
U.S. Bank National Association
190 LaSalle St., 7th Floor
Chicago, IL 60603
Attention: Global Corporate Trust – Horizon Funding I, LLC
Facsimile No.: (312) 332-7996
Email: melissa.rosal@usbank.com

(v) if to the Backup Servicer:

U.S. Bank National Association
60 Livingston Avenue
EP-MN-WS3D
St. Paul, MN 55107
Attention: Global Corporate Trust – Horizon Funding I, LLC
Facsimile No.: (615) 446-7362
Email: deborah.franco@usbank.com

(vi) if to the Custodian

U.S. Bank National Association
60 Livingston Avenue
EP-MN-WS3D
St. Paul, MN 55107
Attention: Global Corporate Trust – Horizon Funding I, LLC
Facsimile No.: (615) 446-7362
Email: deborah.franco@usbank.com

(vii) if to the Rating Agency:

Morningstar Credit Ratings, LLC
4 World Trade Center, 48th Floor
150 Greenwich Street
New York, New York 10007
Attention: ABS Monitoring
Email: absmonitoring@morningstar.com

Each party hereto may, by notice given in accordance herewith to each of the other parties hereto, designate any further or different address to which subsequent notices shall be sent.

Section 13.05 Severability of Provisions.

If one or more of the covenants, agreements, provisions or terms of this Agreement shall be for any reason whatsoever prohibited or held invalid or unenforceable, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement, the Notes or the rights of the Noteholders, and any such prohibition, invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such covenants, agreements, provisions or terms in any other jurisdiction.

Section 13.06 Third Party Beneficiaries.

The parties hereto hereby manifest their intent that no third party shall be deemed a third party beneficiary of this Agreement, and specifically that the Obligors are not third party beneficiaries of this Agreement.

Section 13.07 Counterparts.

This Agreement may be executed by facsimile signature and in several counterparts, each of which shall be an original and all of which shall together constitute but one and the same instrument.

Section 13.08 Headings.

The headings of the various Articles and Sections herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

Section 13.09 No Bankruptcy Petition; Disclaimer.

(a) Each of the Originator, the Trustee, the Lockbox Bank, the Securities Intermediary, the Backup Servicer, the Servicer, the Issuer and each Holder (by acceptance of the Notes) covenants and agrees that, prior to the date that is one year and one day (or, if longer, the then applicable preference period and one day) after the payment in full of all amounts owing in respect of all outstanding Notes, it will not institute against the Issuer, or join any other Person in instituting against the Issuer, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceedings under the laws of the United States or any state of the United States; *provided* that nothing herein shall prohibit the Trustee from filing proofs of claim or otherwise participating in any such proceedings instituted by any other Person.

(b) The Issuer acknowledges and agrees that Notes do not represent an interest in any assets (other than the Loan Assets) of the Originator (including by virtue of any deficiency claim in respect of obligations not paid or otherwise satisfied from the Loan Assets, other Collateral and proceeds thereof).

(c) The provisions of this Section 13.09 shall be for the third party benefit of those entitled to rely thereon, including the Noteholders, and shall survive the termination of this Agreement.

Section 13.10 Jurisdiction.

Any legal action or proceeding with respect to this Agreement may be brought in the courts of the United States for the Southern District of New York, and by execution and delivery of this Agreement, each party hereto consents, for itself and in respect of its property, to the nonexclusive jurisdiction of those courts. Each such party irrevocably waives any objection, including any objection to the laying of venue or based on the grounds of forum non conveniens, which it may now or hereafter have to the bringing of any action or proceeding in such jurisdiction in respect of this Agreement or any document related hereto.

Section 13.11 No Partnership.

Nothing herein contained shall be deemed or construed to create a co-partnership or joint venture between the parties hereto, and the services of the Servicer shall be rendered as an independent contractor and not as agent or as a fiduciary for any party hereto or for the Noteholders.

Section 13.12 Successors and Assigns.

This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

Section 13.13 Acts of Holders.

Except as otherwise specifically provided herein, whenever Holder action, consent or approval is required under this Agreement or any other Transaction Document, such action, consent or approval shall be deemed to have been taken or given on behalf of, and shall be binding upon, all Holders if the Majority Noteholders agree to take such action or give such consent or approval. In all cases except where otherwise required by law or regulation, any act by a Holder of a Note may be taken by the Owner of such Note.

Section 13.14 Duration of Agreement.

This Agreement shall continue in existence and effect until terminated as herein provided.

Section 13.15 Limited Recourse.

Notwithstanding any other provisions of the Notes, this Agreement or any other Transaction Document, the obligations of the Issuer under the Notes, this Agreement and any other Transaction Document are limited recourse obligations of the Issuer payable solely from the Collateral in accordance with the Priority of Payments and, following realization of the Collateral and distribution in accordance with the Priority of Payments, any claims of the Noteholders and the other Secured Parties, and any other parties to any Transaction Document shall be extinguished. The obligations of the Originator, the Issuer and the Servicer under this Agreement and the other Transaction Documents are solely the obligations of the Originator, the Issuer and the Servicer, respectively. No recourse shall be had for the payment of any amount owing by the Originator, the Issuer or the Servicer or otherwise under this Agreement or under the other Transaction Documents or for the payment by the Originator, the Issuer or the Servicer of any fee in respect hereof or thereof or any other obligation or claim of or against the Originator, the Issuer or the Servicer arising out of or based upon this Agreement or on any other Transaction Document, against any Affiliate, shareholder, partner, manager, member, director, officer, employee, representative or agent of the Originator, the Issuer or the Servicer or of any Affiliate of such Person. The provisions of this Section 13.15 shall survive termination of this Agreement.

Section 13.16 Confidentiality.

Each of the Issuer, the Servicer and the Trustee shall maintain and shall cause each of its employees, officers, agents and Affiliates to maintain the confidentiality of material non-public information concerning the Fund and its Affiliates or about the Obligors obtained by it or them in connection with the structuring, negotiating, execution and performance of the transactions contemplated by the Transaction Documents, except that each such party and its employees, officers, agents and Affiliates may disclose such information to other parties to the Transaction Documents and to its external accountants, attorneys, any potential subservicers and the agents of such Persons provided such Persons expressly agree to maintain the confidentiality of such information, and as required by an applicable law or order of any judicial or administrative proceeding. This Section 13.16 shall constitute a confidentiality agreement for purposes of Regulation FD under the Exchange Act. Notwithstanding any other provision of this Agreement, the Servicer shall not be required to disclose any confidential information it is restricted from disclosing by law or contract; *provided* that the Servicer will use its commercially reasonable efforts to enter into, or cause the Issuer to enter into, a confidentiality agreement permitting such disclosure satisfactory to the Servicer with any Person to whom such information is required to be delivered. Notwithstanding the foregoing, the parties hereto may disclose material non-public information to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) in connection with the exercise of any remedies hereunder or any action or proceeding relating to this Agreement or the enforcement of rights hereunder or thereunder, (e) to the extent such information becomes publicly available other than as a result of a breach of this Section 13.16.

Section 13.17 Non-Confidentiality of Tax Treatment.

All parties hereto agree that each of them and each of their managers, officers, employees, representatives, and other agents may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transaction and all materials of any kind (including opinions or other tax analyses) that are provided to any of them relating to such tax treatment and tax structure. “Tax treatment” and “tax structure” shall have the same meaning as such terms have for purposes of Treasury Regulation Section 1.6011-4.

[***Remainder of Page Intentionally Left Blank***]

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

HORIZON FUNDING I, LLC, as the Issuer

By: /s/ Daniel R. Trolio
Name:
Title:

HORIZON SECURED LOAN FUND I LLC, as the Originator and as the Seller

By: /s/ Daniel R. Trolio
Name:
Title:

HORIZON TECHNOLOGY FINANCE CORPORATION, as the Servicer

By: /s/ Robert D. Pomeroy, Jr.
Name: Robert D. Pomeroy, Jr.
Title: Chief Executive Officer

U.S. BANK NATIONAL ASSOCIATION, not in its individual capacity but as the Trustee

By: /s/ Julian Linian
Name: Julian Linian
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION, not in its individual capacity but as Securities Intermediary

By: /s/ Julian Linian
Name: Julian Linian
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION, not in its individual capacity but as Custodian

By: /s/ Julian Linian
Name: Julian Linian
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION, not in its individual capacity but as Backup Servicer

By: /s/ Samantha Howe
Name: Samantha Howe
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION, not in its individual capacity but as Lockbox Bank

By: /s/ Deborah J. Franco
Name: Deborah J. Franco
Title: Vice President

Acknowledged and agreed:

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION, as Initial Purchaser

By: NYL Investors LLC, its Investment Manager

By: /s/ Scott R. Seewald
Name: Scott R. Seewald
Title: Managing Director

NEW YORK LIFE INSURANCE COMPANY, as Initial Purchaser

By: /s/ Scott R. Seewald
Name: Scott R. Seewald
Title: Vice President

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION INSTITUTIONALLY OWNED LIFE INSURANCE SEPARATE ACCOUNT (BOLI 30C), as Initial Purchaser

By: NYL Investors LLC, its Investment Manager

By: /s/ Scott R. Seewald
Name: Scott R. Seewald
Title: Managing Director

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION INSTITUTIONALLY OWNED LIFE INSURANCE SEPARATE ACCOUNT (BOLI 30E), as Initial Purchaser

By: NYL Investors LLC, its Investment Manager

By: /s/ Scott R. Seewald
Name: Scott R. Seewald
Title: Managing Director

THE BANK OF NEW YORK MELLON, A BANKING CORPORATION ORGANIZED UNDER THE LAWS OF NEW YORK, NOT IN ITS INDIVIDUAL CAPACITY BUT SOLELY AS TRUSTEE UNDER THAT CERTAIN TRUST AGREEMENT DATED AS OF JULY 1ST, 2015 BETWEEN NEW YORK LIFE INSURANCE COMPANY, AS GRANTOR, JOHN HANCOCK LIFE INSURANCE COMPANY (U.S.A.), AS BENEFICIARY, JOHN HANCOCK LIFE INSURANCE COMPANY OF NEW YORK, AS BENEFICIARY, AND THE BANK OF NEW YORK MELLON, AS TRUSTEE, as Initial Purchaser

By: New York Life Insurance Company, its attorney-in-fact

By: /s/ Scott R. Seewald
Name: Scott R. Seewald
Title: Vice President

EXHIBITS AND SCHEDULES TO
SALE AND SERVICING AGREEMENT

EXHIBIT A	Form of Assignment
EXHIBIT B	Form of Borrowing Base Certificate
EXHIBIT C	Form of Closing Certificate of Originator
EXHIBIT D	Form of Liquidation Report
EXHIBIT E	Form of Servicer’s Officer Certificate
EXHIBIT F	List of Loans
EXHIBIT G	Form of Monthly Report
EXHIBIT H-1	Form of Initial Certification
EXHIBIT H-2	Form of Final Certification
EXHIBIT I	Form of Request for Release of Documents
EXHIBIT J	Initial Loans Criteria
EXHIBIT K	Portfolio Profile Milestone Criteria

[Horizon — Sale and Servicing Agreement]

Exhibit A
to Sale and
Servicing Agreement

FORM OF ASSIGNMENT

[__]

Pursuant to and in accordance with the Sale and Servicing Agreement (such agreement as amended, modified, waived, supplemented or restated from time to time, the "Agreement"), dated as of June 1, 2018, made by and among Horizon Funding I, LLC, as the issuer (the "Issuer"), Horizon Secured Loan Fund I LLC, as the originator (the "Originator") and as the seller, Horizon Technology Finance Corporation, as the servicer ("Servicer") and U.S. Bank National Association, as the trustee, backup servicer, custodian, lockbox bank and securities intermediary, the undersigned does hereby sell, transfer, assign, set over and otherwise convey to the [ ][1] all right, title and interest of the [ ][2] in and to the following: (i) the Loans [listed in the List of Loans (as may be updated from time to time to reflect Substitute Loans and Subsequent Loans and Loans removed in accordance with the Agreement)] [on the attached schedule], all payments paid in respect thereof and all monies due, to become due or paid in respect thereof accruing on and after the [Cutoff Date] [Transfer Date] and all Insurance Proceeds, Liquidation Proceeds, Released Mortgaged Property Proceeds and other recoveries thereon, in each case as they arise after the [Cutoff Date] [Transfer Date]; (ii) all security interests and Liens and Related Property subject thereto from time to time purporting to secure payment by Obligors under such Loans; (iii) all guaranties, indemnities and warranties, and other agreements or arrangements of whatever character from time to time supporting or securing payment of such Loans; (iv) all collections and records (including Computer Records) with respect to the foregoing; (v) all documents relating to the applicable Loan Files; and (vi) all income, payments, proceeds and other benefits of any and all of the foregoing, including but not limited to, all accounts, cash and currency, chattel paper, electronic chattel paper, tangible chattel paper, copyrights, copyright licenses, equipment, fixtures, general intangibles, instruments, commercial tort claims, deposit accounts, inventory, investment property, letter of credit rights, software, supporting obligations, accessions, and other property consisting of, arising out of, or related to the foregoing.

This Assignment shall be governed by the laws of the State of New York applicable to agreements made and to be performed therein. Capitalized terms used herein have the meaning given such terms in the Agreement.

[Remainder of Page Intentionally Left Blank]

---

[1] Assignee
[2] Assignor

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

[ ], as Assignor

By: ______________________________
Name: ____________________________
Title: Authorized Representative

[Horizon — Sale and Servicing Agreement]

[Horizon — Sale and Servicing Agreement]

Exhibit B
to Sale and
Servicing Agreement

FORM OF BORROWING BASE CERTIFICATE

[●], 201_

[Horizon — Sale and Servicing Agreement]

HORIZON FUNDING I, LLC
Borrowing Base Certificate

Pursuant to the Sale and Servicing Agreement dated as of June 1, 2018, as amended from time to time (the "Agreement") among the undersigned, the Servicer, and the Trustee, the undersigned certifies that as of the close of business on the date set forth below, the Borrowing Base is computed as set forth below:

Date of Advance:
Date of Determination:

COLLATERAL ROLLFORWARD

	Date		TOTAL
Beginning Aggregate Outstanding Loan Balance:	N / A		-
New Loans Purchased (+):			
Existing Loans Sold/Paid-off (-):			
Existing Loans Changes (+/-):			
Write-offs (-):			
Ending Aggregate Outstanding Loan Balance:			

COMPUTATION OF AVAILABILITY

Aggregate Outstanding Loan Balance:		
Excess Concentration Amounts (-):		
Aggregate Outstanding Loan Balance of Delinquent Loans (-):		
Aggregate Outstanding Loan Balance of Defaulted Loans (-):		
Aggregate Outstanding Loan Balance of Ineligible Loans (-):		
Adjusted Pool Balance:		
Multiplied by Advance Rate:		
Borrowing Base Subtotal:		
Amounts on deposit in Principal Reinvestment Account (+):		
Amounts on deposit in Collection Account related to Principal Collections (+):		
Amounts directed to Principal Reinvestment Account (+):		
Amounts directed from Principal Reinvestment Account (-):		
Amounts directed from Collection Account related to Principal Collections (-):		
Borrowing Base:		
Commitment Amount:		
Lesser of Borrowing Base and Commitment Amount:		
Current Aggregate Outstanding Note Balance:	-	
Current Advance Availability:		
Draw Request Amount:	-	
Principal Distribution Amount:	-	
Aggregate Outstanding Note Balance after Activity:		-
Advance Availability after Activity:		

The undersigned represents and warrants that this Borrowing Base Certificate and all attached Schedules are true and correct statements of, and that the information contained herein is true and correct in all material respects regarding the status of Eligible Loans and the respective amounts reflected herein are in compliance with the provisions of the Agreement and the Exhibits and Schedules thereto. The undersigned further represents and warrants that there is no Event of Default and all representations and warranties contained in the Agreement and other Documents are true and correct in all material respects and that all required procedures have been completed in calculating the information set forth above. If requesting an Advance, the undersigned further represents that the Investment Period Termination Date has not occurred. Capitalized terms are used herein and not otherwise defined herein shall have the meanings specified in the Agreement.

By: Horizon Funding I LLC

Signature

Print Name

Title

Date

<u>**Exhibit C**</u>
<u>to Sale and</u>
<u>Servicing Agreement</u>

<u>**FORM OF CLOSING CERTIFICATE OF ORIGINATOR**</u>

June 1, 2018

THIS OFFICER'S CERTIFICATE is executed and delivered as of this 1st day of June, 2018, pursuant to the Sale and Servicing Agreement (such agreement as amended, modified, waived, supplemented or restated from time to time, the "<u>Agreement</u>"), dated as of June 1, 2018, by and among Horizon Secured Loan Fund I LLC, as the Originator (the "<u>Company</u>"), Horizon Technology Finance Corporation, as the servicer, U.S. Bank National Association, as the Trustee, as the Securities Intermediary, as the Custodian, as the Lockbox Bank and as the Backup Servicer, and Horizon Funding I, LLC, as the Issuer. All capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

I, [___________], do herby certify that I am the Chief Operating Officer and Executive Vice President of the Company and that, as such, I am authorized to execute this certificate on behalf of the Company and do further certify that:

Attached hereto as <u>Annex I</u> is a true, correct and complete copy of the Certificate of Formation of the Company, as amended, together with all amendments thereto, and as in effect on the date hereof, which documents were in full force and effect in such form on the date hereof, and at all times subsequent thereto, without modification or amendment in any respect.

Attached hereto as <u>Annex II</u> is a Certificate of the Secretary of State of the State of Delaware, dated [Ÿ], stating that the Company is duly formed under the laws of the State of Delaware.

Attached hereto as <u>Annex III</u> is a true, correct and complete copy of the Limited Liability Company Agreement of the Company, together with all amendments thereto in effect on the date hereof, which documents are in full force and effect on the date hereof.

Attached hereto as <u>Annex IV</u> is a true, correct and complete copy of the written resolutions duly adopted by [the sole member] of the Company relating to the authorization, execution, delivery and performance of (among other things) the Agreement and the other Transaction Documents. Said resolutions have not been amended, modified, annulled or revoked, are in full force and effect on the date hereof and at all times subsequent thereto, and are the only resolutions relating to these matters which have been adopted by the sole member.

Each person named on <u>Annex V</u> attached hereto is a duly elected, qualified and incumbent officer of the Company and the signature set forth opposite his or her name on such <u>Annex V</u> is that person's genuine signature.

I have carefully examined the Transaction Documents.

No event with respect to the Company has occurred and is continuing that would constitute an Event of Default or Servicer Default or an event that, with notice or the passage of time, would constitute an Event of Default or Servicer Default as defined in the Transaction Documents.

All federal, state and local taxes of the Company due and owing as of the date hereof have been paid or adequate provisions for the payment thereof have been made.

All representations and warranties of the Company contained in the Transaction Documents or in any document, certificate or financial or other statement delivered in connection therewith are true and correct in all material respects as of the date hereof.

There is no action, investigation or proceeding pending or, to my knowledge, threatened against the Company before any court, administrative agency or other tribunal (a) asserting the invalidity of any Transaction Document to which the Company is a party; (b) seeking to prevent the consummation of any of the transactions contemplated by the Transaction Documents; or (c) that is likely to materially and adversely affect the Company’s performance of its obligations under, or the validity or enforceability of, the Transaction Documents.

No consent, approval, authorization or order of, and no notice to or filing with, any governmental agency or body or state or federal court is required to be obtained by the Company for its consummation of the transactions contemplated by the Transaction Documents, except such as have been obtained or made and such as may be required under the blue sky laws of any jurisdiction in connection with the issuance and sale of the Notes.

The Company’s (a) transfer and assignment of the Initial Loan Assets to the Issuer; (b) entering into of the Transaction Documents; and (c) consummation of any of the transactions contemplated in the Transaction Documents, in each case will not violate or conflict with any agreement or instrument to which the Company is a party or by which it or its property is otherwise bound.

In connection with the transfers of the Initial Loan Assets contemplated in the Transaction Documents, the Company (a) has not made such transfer with actual intent to hinder, delay or defraud any creditor of the Company; (b) has not received less than a reasonably equivalent value in exchange for such transfer; (c) is not on the date hereof insolvent (nor will the Company become insolvent as a result thereof); (d) is not engaged (or about to engage) in a business or transaction for which it has unreasonably small capital; and (e) does not intend to incur or believe it will incur debts beyond its ability to pay when matured.

Each of the agreements and conditions of the Company to be performed or satisfied on or before the Closing Date under the Transaction Documents has been performed or satisfied in all material respects.

The Company has not authorized for filing any UCC financing statements listing the Initial Loan Assets as collateral other than financing statements relating to the transactions contemplated in the Agreement or for which have been released or terminated.

Attached hereto as Annex VI is the complete and accurate List of Loans for the Initial Loans.

The Servicer has notified and directed the Obligor with respect to each such Loan to make all payments on the Loans, whether by wire transfer, ACH or otherwise, directly to the Lockbox Account

The Servicer has notified and directed each of the Company's co-lenders under Co-Agented Loans and Third-Party Loans that receive payments on behalf of the Originator, to transfer such payments received from the Obligors with respect to such Loans to the Lockbox Account within two Business Days of receipt of such payments by such co-lender.

The Initial Loans satisfy the Initial Loans Criteria.

******

IN WITNESS WHEREOF, I have affixed my signature hereto as of the date written above.

By: ______________________________

Name:

Title:

[Horizon — Sale and Servicing Agreement]

[Horizon — Sale and Servicing Agreement]

ANNEX I
to Closing Certificate of
Servicer/Originator

CERTIFICATE OF FORMATION

[Horizon — Sale and Servicing Agreement]

[Horizon — Sale and Servicing Agreement]

ANNEX II
to Closing Certificate of
Servicer/Originator

CERTIFICATES OF GOOD STANDING

[Horizon — Sale and Servicing Agreement]

[Horizon — Sale and Servicing Agreement]

ANNEX III
to Closing Certificate of
Servicer/Originator

LIMITED LIABILITY COMPANY AGREEMENT

[Horizon — Sale and Servicing Agreement]

ANNEX IV
to Closing Certificate of
Servicer/Originator

WRITTEN RESOLUTIONS

[Horizon — Sale and Servicing Agreement]

[Horizon — Sale and Servicing Agreement]

ANNEX V
to Closing Certificate of
Servicer/Originator

INCUMBENCY OF SIGNING OFFICERS

	Name of Officer	Title	Signature
1.			______________________
2.			______________________

[Horizon — Sale and Servicing Agreement]

ANNEX VI
to Closing Certificate of
Servicer/Originator

List of Loans

See below

[Horizon — Sale and Servicing Agreement]

Account Name	Loan Name	Funding Name	Accounting System/ Collateral ID	Outstanding Loan Balance at Cutoff Date	Actual Funding Date	Loan Type	Collateral Agent	Promissory Note Status	Mortgage Security	UCC Filing in Originator's Name	Availability of Original Required Documents

[Horizon — Sale and Servicing Agreement]

Exhibit D to Sale
and Servicing
Agreement

FORM OF LIQUIDATION REPORT

Obligor Name:
Account number:
Original Outstanding Loan Balance:

1. Amounts received or receivable___________________ $
   Principal Prepayment $
   Property Sale Proceeds $
   Insurance Proceeds $
   Other (Itemize) $

2. Liquidation Expenses ($__________)

3. Scheduled Payment Advances, ($_____________)
   Servicing Advances and interest
   thereon reimbursed

4. Outstanding Loan Balance of the_________________ ($
   ____)
   Loan on date of liquidation

5. Realized (Loss) or Gain $

[Horizon — Sale and Servicing Agreement]

HORIZON TECHNOLOGY FINANCE CORPORATION
SERVICER OFFICER'S CERTIFICATE

__________ , 2018

Reference is made to the Sale and Servicing Agreement, dated as of June 1, 2018 (the "Servicing Agreement"), by and among Horizon Funding I, LLC, as the Issuer, Horizon Secured Loan Fund I LLC, as the Originator, Horizon Technology Finance Corporation, as the Servicer (in such capacity, the "Servicer") and U.S. Bank National Association as the Trustee (in such capacity, the "Trustee"), Custodian, Backup Servicer, Lockbox Bank and Securities Intermediary, relating to the Notes. Terms defined by the Servicing Agreement, wherever used herein, unless otherwise defined herein, shall have the same meanings as are prescribed by the Servicing Agreement.

OPTION 1:

Pursuant to Section 5.02(d)(iv), the undersigned, in its capacity as Servicer, hereby requests the documents described on Schedule A hereto in connection with its servicing activities.

OPTION 2:

The undersigned, in its capacity as Servicer, hereby certifies that the Loan described on Schedule A hereto is required to be repurchased or substituted pursuant to and in accordance with Section 11.01 of the Servicing Agreement.

Executed as of the date set forth above.

HORIZON TECHNOLOGY FINANCE CORPORATION, as Servicer

By: ______________________________
Name:
Title:

Schedule A

[Horizon — Sale and Servicing Agreement]

Exhibit F
to Sale and
Servicing Agreement

List of Loans

[To be attached]

Exhibit G
to Sale and
Servicing Agreement

FORM OF MONTHLY REPORT

[To be attached]

[Horizon — Sale and Servicing Agreement]

Exhibit H-1
to Sale and
Servicing Agreement

FORM OF INITIAL CERTIFICATION

[Ÿ], 2018

Horizon Funding I, LLC
312 Farmington Avenue
Farmington, CT 06032
Telephone: 860-674-9977
Facsimile No.: 860-674-8655
Email: dtrolio@horizontechfinance.com

Horizon Technology Finance Corporation
312 Farmington Avenue
Farmington, CT 06032
Telephone: 860-674-9977
Facsimile No.: 860-674-8655
Email: dtrolio@horizontechfinance.com

Horizon Secured Loan Fund I LLC
312 Farmington Avenue
Farmington, CT 06032
Telephone: 860-674-9977
Facsimile No.: 860-674-8655
Email: dtrolio@horizontechfinance.com

U.S. Bank National Association, as Trustee
190 S. LaSalle St., 7th Floor
Chicago, IL 60603
Telephone: (312) 332-7496
Facsimile No.: (312) 332-7996
Email: Melissa.rosal@usbank.com
ATTN: Horizon Funding I, LLC

Re: Sale and Servicing Agreement dated as of June 1, 2018 – Horizon Funding I, LLC Ladies and Gentlemen:

In accordance with Section 2.11(a) of the above–captioned Sale and Servicing Agreement (such agreement as amended, modified, waived, supplemented or restated from time to time, the "Agreement"), the undersigned, as the Custodian, hereby certifies that, except as noted on the attachment hereto, if any (the "Loan Exception Report"), it has received each of the Required Loan Documents required to be delivered to it pursuant to Section 2.09(b) of the Agreement with respect to each Loan listed in the List of Loans and the documents contained therein appear to bear original signatures to the extent required under the definition of Required Loan Documents. Capitalized terms used but not defined herein have the meanings set forth in the Agreement.

The Custodian has made no independent examination of any such documents beyond the review specifically required in the Agreement.

[Horizon — Sale and Servicing Agreement]

The Custodian makes no representations as to: (i) the validity, legality, sufficiency, enforceability or genuineness of any such documents or any of the Loans identified on the List of Loans, or (ii) the collectibility, insurability, effectiveness or suitability of any such Loan.

U.S. BANK NATIONAL ASSOCIATION, as the Custodian

By: ______________________________
Name:
Title:

[Horizon — Sale and Servicing Agreement]

LOAN EXCEPTION REPORT

[_________]

[Horizon — Sale and Servicing Agreement]

Exhibit H-2
to Sale and
Servicing Agreement

FORM OF FINAL CERTIFICATION

[___], 2018

Horizon Funding I, LLC
312 Farmington Avenue
Farmington, CT 06032
Telephone: 860-674-9977
Facsimile No.: 860-674-8655
Email: dtrolio@horizontechfinance.com

Horizon Technology Finance Corporation
312 Farmington Avenue
Farmington, CT 06032
Telephone: 860-674-9977
Facsimile No.: 860-674-8655
Email: dtrolio@horizontechfinance.com

Horizon Secured Loan Fund I LLC
312 Farmington Avenue
Farmington, CT 06032
Telephone: 860-674-9977
Facsimile No.: 860-674-8655
Email: dtrolio@horizontechfinance.com

U.S. Bank National Association, as Trustee
190 S. LaSalle St., 7th Floor
Chicago, IL 60603
Telephone: (312) 332-7496
Facsimile No.: (312) 332-7996
Email: Melissa.rosal@usbank.com
ATTN: Horizon Funding I, LLC

Re: Sale and Servicing Agreement dated as of June 1, 2018 – Horizon Funding I, LLC Ladies and Gentlemen:

In accordance with Section 2.11(a) of the above-captioned Sale and Servicing Agreement (such agreement as amended, modified, waived, supplemented or restated from time to time, the "Agreement"), the undersigned, as the Custodian, hereby certifies that, except as noted on the attachment hereto, as to each Loan listed on the List of Loans (other than any Loan paid in full or listed on the attachment hereto), it has reviewed the documents identified on the related List of Loans and required to be delivered to it pursuant to Section 2.09(b) of the Agreement and has determined that (i) all such documents are in its possession, (ii) such documents have been reviewed by it and have not been mutilated, damaged, torn or otherwise physically altered and relate to such Loan and (iii) based on its examination, and only as to the foregoing documents, the account number and maturity date set forth in the List of Loans respecting such Loan has been provided. Capitalized terms used but not defined herein have the same meanings set forth in the Agreement.

The Custodian has made no independent examination or inquiry of such documents beyond the review specifically required in the Agreement.

[Horizon — Sale and Servicing Agreement]

The Custodian makes no representations as to: (i) the validity, legality, enforceability or genuineness of any such documents contained in each or any of the Loans identified on the List of Loans, (ii) the collectibility, insurability, effectiveness or suitability of any such Loan, or (iii) the compliance by such documents with statutory or regulatory guidelines.

U.S. BANK NATIONAL ASSOCIATION, as the Custodian

By: ____________________
Name: ____________________
Title: ____________________

Exhibit I
to Sale and
Servicing Agreement

REQUEST FOR RELEASE OF DOCUMENTS

To: U.S. Bank National Association, as Trustee
190 S. LaSalle St., 7th Floor
Chicago, IL 60603
Telephone: (312) 332-7496
Facsimile: (312) 332-7996
Attention: Global Corporate Trust - Horizon Funding I, LLC

U.S. Bank National Association,
as the Custodian
West Side Flats, 60 Livingston Avenue
EP-MN-WS3D
St. Paul, MN 55107
Facsimile: (615) 446-7362
Attention: Global Corporate Trust – Horizon Funding I, LLC

Re: Sale and Servicing Agreement dated as of June 1, 2018 – Horizon Funding I, LLC

In connection with the administration of the pool of Loans held by you, we request the release, and acknowledge receipt, of the (Trustee's Document File/[specify document]) for the Loan described below, for the reason indicated.

Obligor's Name, Address & Zip Code:

Loan Number:

Reason for Requesting Documents (check one)

_______ 1. Loan paid in full
(Servicer hereby certifies that all amounts received in connection therewith have been credited to the Principal and Interest Account.)

_______ 2. Loan liquidated
(Servicer hereby certifies that all proceeds of foreclosure, insurance or other liquidation have been finally received and credited to the Principal and Interest Account.)

_______ 3. Loan in foreclosure

_______ 4. Loan sold, repurchased or substituted pursuant to Article II or XI of the Sale and Servicing Agreement(Servicer hereby certifies that the repurchase price to the extent required has been credited to the Principal and Interest Account and/or remitted to the Trustee for deposit into the Note Distribution Account pursuant to the Sale and Servicing Agreement.)

[Horizon — Sale and Servicing Agreement]

________ 5. Collateral being released pursuant to Sections 2.11 or 5.08 of the Sale and Servicing Agreement.

________ 6. Loan Collateral or associated loan document being substituted, released, revised or subordinated.

________ 7. Other [Specify.]

If box 1, 2 or 4 above is checked, and if all or part of the Trustee’s document file was previously released to us, please release to us our previous receipt on file with you, as well as any additional documents in your possession relating to the above specified Loan.

If box 3, 5 or 6 above is checked, upon our return of all of the above documents (or the appropriate substitutes therefor, if applicable) to you, please acknowledge your receipt by signing in the space indicated below, and returning this form.

HORIZON TECHNOLOGY FINANCE CORPORATION, as the Servicer

By: ______________________________
Name: ______________________________
Title: ______________________________
Date: ______________________________

Documents returned to Trustee:

U.S. BANK NATIONAL ASSOCIATION, as the Trustee

By: ______________________________
Name: ______________________________
Title: ______________________________
Date: ______________________________

[Horizon — Sale and Servicing Agreement]

Exhibit J
to Sale and
Servicing Agreement

INITIAL LOAN CRITERIA

Minimum Number of Distinct Obligors		4
Maximum Aggregate Outstanding Loan Balance	$	25,000,000

Exhibit K
to Sale and
Servicing Agreement

PORTFOLIO PROFILE MILESTONE CRITERIA

Minimum Number of Obligors at 12 Months: 10

Minimum Number of Obligors at 24 Months: 20

Maximum Outstanding Loan Balance per Distinct Obligor: $15,000,000

Maximum Weighted Average Loan-To-Value Ratio (determined in accordance with the Operating Guidelines) for Loans: 25%

Minimum Weighted Average Cash Yield Rate: 9%

Minimum Weighted Average Risk Rating: 2.5

[Horizon — Sale and Servicing Agreement]

Exhibit 10.2

AMENDMENT NO. 1 TO SALE AND SERVICING AGREEMENT

This Amendment No. 1 to Sale and Servicing Agreement, dated as of June 19, 2019 (this "***Amendment***") is by and among Horizon Funding I, LLC, a Delaware limited liability company, as issuer (the "***Issuer***"), Horizon Secured Loan Fund I LLC, a Delaware limited liability company, as the seller (the "***Seller***") and as the originator (the "***Originator***"), Horizon Technology Finance Corporation, a Delaware corporation, as the servicer (the "***Servicer***") and U.S. Bank National Association ("***U.S. Bank***"), not in its individual capacity but as the indenture trustee (the "***Trustee***"), not in its individual capacity but as the backup servicer (the "***Backup Servicer***"), not in its individual capacity but as the custodian (the "***Custodian***"), not in its individual capacity but as the lockbox bank (the "***Lockbox Bank***") and not in its individual capacity but solely as securities intermediary (the "***Securities Intermediary***"). Each of the Issuer, the Originator, the Servicer, the Trustee, the Backup Servicer, the Lockbox Bank and the Securities Intermediary may be referred to herein as a "***Party***" or collectively as the "***Parties***."

PRELIMINARY STATEMENTS

WHEREAS, each of the Parties is a party to that certain Sale and Servicing Agreement, dated as of June 1, 2018, among the Issuer, the Seller, the Originator, the Servicer, the Trustee, the Backup Servicer, the Custodian, the Securities Intermediary and the Lockbox bank (as previously amended, the ***"Agreement"***); and

WHEREAS, the Parties desire to amend the Agreement in the manner set forth in this Amendment and in accordance with Section 13.01(b) of the Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein set forth, the Parties hereby agree as follows:

ARTICLE I.
AMENDMENT

Section 1.1 Amendment.

(a) Section 1.01 of the Agreement is hereby amended by deleting the definition of "Ramp-Up Period" in its entirety and replacing it with the following:

"Ramp-Up Period" means the period beginning on the Closing Date and ending at the earlier of (i) September 1, 2019 or (ii) the time at which Eligible Loans equal or exceed $75,000,000.

(b) Section 1.01 of the Agreement is hereby amended by deleting "Aggregate Outstanding Loan Balance" wherever the term appears in clauses (f) through (j) of the definition of "Excess Concentration Amounts" and replacing it with "Reference Amount".

(c) Section 1.01 of the Agreement is hereby amended by inserting the following definition in its proper alphabetical order:

"Reference Amount" means $50,000,000.

(d) Exhibit K of the Agreement is hereby amended by deleting "Minimum Number of Obligors at 12 Months" and replacing it with "Minimum Number of Obligors as of October 1, 2019".

Section 1.2 Representations and Warranties. Each of the Issuer, Originator, the Servicer and the Backup Servicer with respect to itself, represents and warrants as of the date of this Amendment as follows:

(a) This Amendment has been duly and validly executed and delivered by such party and constitutes its valid and binding obligation, legally enforceable against such party in accordance with its terms, except as enforceability may be limited by applicable Insolvency Laws and general principles of equity, whether considered in a proceeding at law or in equity;

(b) no Rapid Amortization Event or Event of Default exists as of the date hereof (the "**Amendment Effective Date**") and will result from this Amendment, both immediately before and after giving effect to this Amendment; and

(c) all representations and warranties of the Originator, the Servicer and the Backup Servicer contained in this Amendment, Article III of the Agreement or any other Transaction Document shall be true and correct in all material respects (or in all respects if any such representation or warranty is already qualified by materiality), except that any representation or warranty which by its terms is made as of a specified date shall be true and correct in all material respects (or in all respects if any such representation or warranty is already qualified by materiality) as of such specified date.

Each of the Seller, the Trustee, the Custodian, the Lockbox Bank, and the Securities Intermediary with respect to itself, represents and warrants as of the date of this Amendment that this Amendment has been duly and validly executed and delivered by such party and constitutes its valid and binding obligation, legally enforceable against such party in accordance with its terms, except as enforceability may be limited by applicable Insolvency Laws and general principles of equity, whether considered in a proceeding at law or in equity.

ARTICLE II.
MISCELLANEOUS

Section 2.1 Definitions; Interpretation. All capitalized terms used but not otherwise defined herein shall have the meanings assigned thereto in the Agreement.

Section 2.2 Headings. The section headings contained in this Amendment are for reference purposes only and shall not affect the meaning or interpretation of this Amendment.

Section 2.3 Amendment. No provision of this Amendment may be amended, modified or supplemented except by the written agreement of all of the Parties.

Section 2.4 Counterparts. This Amendment may be executed in any number of counterparts and by different Parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same Agreement.

Section 2.5 Transaction Document. This Amendment shall constitute a Transaction Document.

Section 2.6 Conditions to Effectiveness. This Amendment shall become effective on the date on which (i) each party hereto shall have delivered an executed signature page hereto to the Trustee, (ii) the Trustee has received the consent of the Majority Noteholders and (iii) the Rating Agency Condition has been satisfied.

Section 2.7 GOVERNING LAW. (a) THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW), AND THE OBLIGATIONS, RIGHTS, AND REMEDIES OF THE PARTIES UNDER THE AGREEMENT AS AMENDED BY THIS AMENDMENT SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

(b) EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THE AGREEMENT AS AMENDED BY THIS AMENDMENT. EACH PARTY HERETO (I) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 2.7(b).

Section 2.8 Jurisdiction. Any legal action or proceeding with respect to this Amendment may be brought in the courts of the United States for the Southern District of New York, and by execution and delivery of this Amendment, each party hereto consents, for itself and in respect of its property, to the nonexclusive jurisdiction of those courts. Each such party irrevocably waives any objection, including any objection to the laying of venue or based on the grounds of forum non conveniens, which it may now or hereafter have to the bringing of any action or proceeding in such jurisdiction in respect of this Amendment or any document related hereto.

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

HORIZON FUNDING I, LLC, as the Issuer

By: /s/ Daniel R. Trolio
Name:
Title:

HORIZON SECURED LOAN FUND I LLC, as the Originator and as the Seller

By: /s/ Daniel R. Trolio
Name:
Title:

HORIZON TECHNOLOGY FINANCE CORPORATION, as the Servicer

By: /s/ Robert D. Pomeroy, Jr.
Name: Robert D. Pomeroy, Jr.
Title: Chief Executive Officer

[Horizon — Sale and Servicing Agreement]

U.S. BANK NATIONAL ASSOCIATION, not in its individual capacity but as the Trustee

By: /s/ Julian Linian
Name: Julian Linian
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION, not in its individual capacity but as Securities Intermediary

By: /s/ Julian Linian
Name: Julian Linian
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION, not in its individual capacity but as Custodian

By: /s/ Julian Linian
Name: Julian Linian
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION, not in its individual capacity but as Backup Servicer

By: /s/ Samantha Howe
Name: Samantha Howe
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION, not in its individual capacity but as Lockbox Bank

By: /s/ Deborah J. Franco
Name: Deborah J. Franco
Title: Vice President

Acknowledged and agreed:

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION, as Initial Purchaser

By: NYL Investors LLC, its Investment Manager

By: /s/ Scott R. Seewald
Name: Scott R. Seewald
Title: Managing Director

NEW YORK LIFE INSURANCE COMPANY, as Initial Purchaser

By: /s/ Scott R. Seewald
Name: Scott R. Seewald
Title: Vice President

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION INSTITUTIONALLY OWNED LIFE INSURANCE SEPARATE ACCOUNT (BOLI 30C), as Initial Purchaser

By: NYL Investors LLC, its Investment Manager

By: /s/ Scott R. Seewald
Name: Scott R. Seewald
Title: Managing Director

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION INSTITUTIONALLY OWNED LIFE INSURANCE SEPARATE ACCOUNT (BOLI 30E), as Initial Purchaser

By: NYL Investors LLC, its Investment Manager

By: /s/ Scott R. Seewald
Name: Scott R. Seewald
Title: Managing Director

THE BANK OF NEW YORK MELLON, A BANKING CORPORATION ORGANIZED UNDER THE LAWS OF NEW YORK, NOT IN ITS INDIVIDUAL CAPACITY BUT SOLELY AS TRUSTEE UNDER THAT CERTAIN TRUST AGREEMENT DATED AS OF JULY 1ST, 2015 BETWEEN NEW YORK LIFE INSURANCE COMPANY, AS GRANTOR, JOHN HANCOCK LIFE INSURANCE COMPANY (U.S.A.), AS BENEFICIARY, JOHN HANCOCK LIFE INSURANCE COMPANY OF NEW YORK, AS BENEFICIARY, AND THE BANK OF NEW YORK MELLON, AS TRUSTEE, as Initial Purchaser

By: New York Life Insurance Company, its attorney-in-fact

By: /s/ Scott R. Seewald
Name: Scott R. Seewald
Title: Vice President

AMENDMENT NO. 2 TO SALE AND SERVICING AGREEMENT

This Amendment No. 2 to Sale and Servicing Agreement, dated as of June 5, 2020 (this "***Amendment***") is by and among Horizon Funding I, LLC, a Delaware limited liability company, as issuer (the "***Issuer***"), Horizon Secured Loan Fund I LLC, a Delaware limited liability company, as the seller (the "***Seller***") and as the originator (the "***Originator***"), Horizon Technology Finance Corporation, a Delaware corporation, as the servicer (the "***Servicer***") and U.S. Bank National Association ("***U.S. Bank***"), not in its individual capacity but as the indenture trustee (the "***Trustee***"), not in its individual capacity but as the backup servicer (the "***Backup Servicer***"), not in its individual capacity but as the custodian (the "***Custodian***"), not in its individual capacity but as the lockbox bank (the "***Lockbox Bank***") and not in its individual capacity but solely as securities intermediary (the "***Securities Intermediary***"). Each of the Issuer, the Originator, the Servicer, the Trustee, the Backup Servicer, the Lockbox Bank and the Securities Intermediary may be referred to herein as a "***Party***" or collectively as the "***Parties***."

PRELIMINARY STATEMENTS

WHEREAS, each of the Parties is a party to that certain Sale and Servicing Agreement, dated as of June 1, 2018, among the Issuer, the Seller, the Originator, the Servicer, the Trustee, the Backup Servicer, the Custodian, the Securities Intermediary and the Lockbox bank (the ***"Agreement"***) as amended on June 19, 2019 (the "***Amendment No. 1***"); and

WHEREAS, the Parties desire to amend the Agreement in the manner set forth in this Amendment and in accordance with Section 13.01(b) of the Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein set forth, the Parties hereby agree as follows:

ARTICLE I.
AMENDMENT

Section 1.1 Amendment.

The Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the bold and double-underlined text (indicated textually in the same manner as the following example: **bold and double-underlined text**) as set forth on the pages of the Agreement attached as Exhibit A hereto.

Section 1.2 Representations and Warranties.

Each of the Issuer, Originator, the Servicer and the Backup Servicer with respect to itself, represents and warrants as of the date of this Amendment as follows:

(a) This Amendment has been duly and validly executed and delivered by such party and constitutes its valid and binding obligation, legally enforceable against such party in accordance with its terms, except as enforceability may be limited by applicable Insolvency Laws and general principles of equity, whether considered in a proceeding at law or in equity;

(b) no Rapid Amortization Event or Event of Default exists as of the date hereof (the "***Amendment Effective Date***") and will result from this Amendment, both immediately before and after giving effect to this Amendment; and

(c) all representations and warranties of the Originator, the Servicer and the Backup Servicer contained in this Amendment, Article III of the Agreement or any other Transaction Document shall be true and correct in all material respects (or in all respects if any such representation or warranty is already qualified by materiality), except that any representation or warranty which by its terms is made as of a specified date shall be true and correct in all material respects (or in all respects if any such representation or warranty is already qualified by materiality) as of such specified date.

Each of the Seller, the Trustee, the Custodian, the Lockbox Bank, and the Securities Intermediary with respect to itself, represents and warrants as of the date of this Amendment that this Amendment has been duly and validly executed and delivered by such party and constitutes its valid and binding obligation, legally enforceable against such party in accordance with its terms, except as enforceability may be limited by applicable Insolvency Laws and general principles of equity, whether considered in a proceeding at law or in equity.

ARTICLE II.
MISCELLANEOUS

Section 2.1 Definitions; Interpretation. All capitalized terms used but not otherwise defined herein shall have the meanings assigned thereto in the Agreement.

Section 2.2 Headings. The section headings contained in this Amendment are for reference purposes only and shall not affect the meaning or interpretation of this Amendment.

Section 2.3 Amendment. No provision of this Amendment may be amended, modified or supplemented except by the written agreement of all of the Parties.

Section 2.4 Counterparts. This Amendment may be executed in any number of counterparts and by different Parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same Agreement.

Section 2.5 Transaction Document. This Amendment shall constitute a Transaction Document.

Section 2.6 Conditions to Effectiveness. This Amendment shall become effective on the date on which (i) each party hereto shall have delivered an executed signature page hereto to the Trustee, (ii) the Trustee has received the consent of the Majority Noteholders and (iii) the Rating Agency Condition has been satisfied.

Section 2.7 GOVERNING LAW. (a) THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW), AND THE OBLIGATIONS, RIGHTS, AND REMEDIES OF THE PARTIES UNDER THE AGREEMENT AS AMENDED BY THIS AMENDMENT SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

(b) EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THE AGREEMENT AS AMENDED BY THIS AMENDMENT. EACH PARTY HERETO (I) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 2.7(b).

Section 2.8 Jurisdiction. Any legal action or proceeding with respect to this Amendment may be brought in the courts of the United States for the Southern District of New York, and by execution and delivery of this Amendment, each party hereto consents, for itself and in respect of its property, to the nonexclusive jurisdiction of those courts. Each such party irrevocably waives any objection, including any objection to the laying of venue or based on the grounds of forum non conveniens, which it may now or hereafter have to the bringing of any action or proceeding in such jurisdiction in respect of this Amendment or any document related hereto.

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

HORIZON FUNDING I, LLC, as the Issuer

By:/s/ Daniel R. Trolio
Name:
Title:

HORIZON SECURED LOAN FUND I LLC, as the Originator and as the Seller

By:/s/ Daniel R. Trolio
Name:
Title:

HORIZON TECHNOLOGY FINANCE CORPORATION, as the Servicer

By:/s/ Robert D. Pomeroy, Jr.
Name: Robert D. Pomeroy, Jr.
Title: Chief Executive Officer

U.S. BANK NATIONAL ASSOCIATION, not in its individual capacity but as the Trustee

By:/s/ Julian Linian
Name: Julian Linian
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION, not in its individual capacity but as Securities Intermediary

By:/s/ Julian Linian
Name: Julian Linian
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION, not in its individual capacity but as Custodian

By:/s/ Julian Linian
Name: Julian Linian
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION, not in its individual capacity but as Backup Servicer

By:/s/ Samantha Howe
Name: Samantha Howe
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION, not in its individual capacity but as Lockbox Bank

By:/s/ Deborah J. Franco
Name: Deborah J. Franco
Title: Vice President

Acknowledged and agreed:

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION, as Initial Purchaser

By: NYL Investors LLC, its Investment Manager

By: /s/ Scott R. Seewald
Name: Scott R. Seewald
Title: Managing Director

NEW YORK LIFE INSURANCE COMPANY, as Initial Purchaser

By: /s/ Scott R. Seewald
Name: Scott R. Seewald
Title: Vice President

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION INSTITUTIONALLY OWNED LIFE INSURANCE SEPARATE ACCOUNT (BOLI 30C), as Initial Purchaser

By: NYL Investors LLC, its Investment Manager

By: /s/ Scott R. Seewald
Name: Scott R. Seewald
Title: Managing Director

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION INSTITUTIONALLY OWNED LIFE INSURANCE SEPARATE ACCOUNT (BOLI 30E), as Initial Purchaser

By: NYL Investors LLC, its Investment Manager

By: /s/ Scott R. Seewald
Name: Scott R. Seewald
Title: Managing Director

THE BANK OF NEW YORK MELLON, A BANKING CORPORATION ORGANIZED UNDER THE LAWS OF NEW YORK, NOT IN ITS INDIVIDUAL CAPACITY BUT SOLELY AS TRUSTEE UNDER THAT CERTAIN TRUST AGREEMENT DATED AS OF JULY 1ST, 2015 BETWEEN NEW YORK LIFE INSURANCE COMPANY, AS GRANTOR, JOHN HANCOCK LIFE INSURANCE COMPANY (U.S.A.), AS BENEFICIARY, JOHN HANCOCK LIFE INSURANCE COMPANY OF NEW YORK, AS BENEFICIARY, AND THE BANK OF NEW YORK MELLON, AS TRUSTEE, as Initial Purchaser

By: New York Life Insurance Company, its attorney-in-fact

By:/s/ Scott R. Seewald
Name: Scott R. Seewald
Title: Vice President

Exhibit 10.4

AMENDED AND RESTATED
NOTE FUNDING AGREEMENT
Between

HORIZON FUNDING I, LLC,

as Issuer,

and

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION, NEW YORK LIFE INSURANCE COMPANY, NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION INSTITUTIONALLY OWNED LIFE INSURANCE SEPARATE ACCOUNT (BOLI 30C) AND NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION INSTITUTIONALLY OWNED LIFE INSURANCE SEPARATE ACCOUNT (BOLI 30E) AND THE BANK OF NEW YORK MELLON, A BANKING CORPORATION ORGANIZED UNDER THE LAWS OF NEW YORK, NOT IN ITS INDIVIDUAL CAPACITY BUT SOLELY AS TRUSTEE UNDER THAT CERTAIN TRUST AGREEMENT DATED AS OF JULY 1ST, 2015 BETWEEN NEW YORK LIFE INSURANCE COMPANY, AS GRANTOR, JOHN HANCOCK LIFE INSURANCE COMPANY (U.S.A.), AS BENEFICIARY, JOHN HANCOCK LIFE INSURANCE COMPANY OF NEW YORK, AS BENEFICIARY, AND THE BANK OF NEW YORK MELLON, AS TRUSTEE

as the Initial Purchasers

dated as of June 5, 2020

TABLE OF CONTENTS

	Page
ARTICLE I. DEFINITIONS	1
SECTION 1.1 Certain Defined Terms	1
SECTION 1.2 Other Definitional Provisions	3
ARTICLE II. PURCHASE OF NOTES; ADVANCES	3
SECTION 2.1 Purchase of Notes; Initial Advance; Commitment	3
SECTION 2.2 Procedures for Advances	4
ARTICLE III. CONDITIONS TO ADVANCES	5
SECTION 3.1 Conditions Precedent to Advances	5
ARTICLE IV. CLOSING AND AMENDMENT	5
SECTION 4.1 Amendment	5
SECTION 4.2 Transactions to be Effected at the Amendment Date	6
ARTICLE V. REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE INITIAL PURCHASERS	6
SECTION 5.1 Securities Laws; Transfer Restrictions	6
ARTICLE VI. COVENANTS	6
SECTION 6.1 Reports and Notices under the Transaction Documents	6
SECTION 6.2 Amendments to Indenture and Sale and Servicing Agreement	7
ARTICLE VII. MISCELLANEOUS	7
SECTION 7.1 Amendments	7
SECTION 7.2 Notices	7
SECTION 7.3 No Waiver; Remedies	8
SECTION 7.4 Binding Effect; Assignability	8
SECTION 7.5 Confidentiality	8
SECTION 7.6 GOVERNING LAW; JURISDICTION	8
SECTION 7.7 Wavier of Trial by Jury	9
SECTION 7.8 Execution in Counterparts	9
SECTION 7.9 No Recourse	9
SECTION 7.10 No Petition	9
SECTION 7.11 Survival	9
SECTION 7.12 Waiver of Special Damages	10

TABLE OF CONTENTS

		Page
EXHIBITS		
Exhibit A	Form of Advance Request	A-1

This AMENDED AND RESTATED NOTE FUNDING AGREEMENT (this "Agreement"), dated as of June 5, 2020, is by and among HORIZON FUNDING I, LLC, as Issuer (the "Issuer"), NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION, NEW YORK LIFE INSURANCE COMPANY, NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION INSTITUTIONALLY OWNED LIFE INSURANCE SEPARATE ACCOUNT (BOLI 30C), NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION INSTITUTIONALLY OWNED LIFE INSURANCE SEPARATE ACCOUNT (BOLI 30E), and THE BANK OF NEW YORK MELLON, A BANKING CORPORATION ORGANIZED UNDER THE LAWS OF NEW YORK, NOT IN ITS INDIVIDUAL CAPACITY BUT SOLELY AS TRUSTEE UNDER THAT CERTAIN TRUST AGREEMENT DATED AS OF JULY 1ST, 2015 BETWEEN NEW YORK LIFE INSURANCE COMPANY, AS GRANTOR, JOHN HANCOCK LIFE INSURANCE COMPANY (U.S.A.), AS BENEFICIARY, JOHN HANCOCK LIFE INSURANCE COMPANY OF NEW YORK, AS BENEFICIARY, AND THE BANK OF NEW YORK MELLON, AS TRUSTEE, as initial purchasers (the "Initial Purchasers").

RECITALS

WHEREAS, the Issuer issued the Notes (the "Notes") pursuant to an Indenture, dated as of June 1, 2018 (as amended, supplemented or otherwise modified from time to time, the "Indenture"), between the Issuer and U.S. Bank National Association, as Trustee (the "Trustee");

WHEREAS, the Initial Purchasers previously acquired such Notes and have committed to fund Advances (as defined below) in an amount not to exceed the Commitment Amount (as defined below);

WHEREAS, reference is made to the Note Funding Agreement, dated as June 1, 2018 (the "Original Agreement"), by and among the Issuer and the Initial Purchasers;

WHEREAS, the parties hereto desire to amend and restate the Original Agreement in its entirety, pursuant to and in accordance with Section 7.1 of the Original Agreement;

NOW, THEREFORE, based upon the above Recitals, the mutual premises and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I.

DEFINITIONS

SECTION 1.1 Certain Defined Terms. Capitalized terms used herein without definition shall have the meanings set forth in the Indenture and the Sale and Servicing Agreement. Additionally, the following terms shall have the following meanings:

"Advance" means an advance made by the Initial Purchasers to the Issuer under and in accordance with the terms of this Agreement.

"Advance Account" shall mean, unless another account is specified by the Issuer in the Advance Request, the Principal Reinvestment Account.

"Advance Date" means the day on which the Initial Purchasers make an Advance in accordance with and subject to the terms and conditions of this Agreement.

"Advance Availability" means, for any Advance Date, the lesser of (i) the Commitment Amount minus the Aggregate Outstanding Note Balance and (ii) the Borrowing Base minus the Aggregate Outstanding Note Balance, in each case measured as of the Business Day before the Issuer's delivery of an Advance Request (giving pro forma effect to the Advance requested and any Loans to be acquired on the proposed Advance Date). Following the occurrence of the Investment Period Termination Date, the Advance Availability shall be zero.

"Advance Request" means a written notice in the form of Exhibit A, to be used by the Issuer to request the funding of an Advance from the Initial Purchasers.

"Amendment Date" has the meaning specified in Section 4.3.

"Commitment Amount" means, collectively, the commitment of the Initial Purchasers to fund Advances during the Investment Period in an amount not to exceed $100,000,000 in the aggregate outstanding at any given time; provided that the amount may be increased to $200,000,000 at the mutual discretion and agreement of the Issuer and the Noteholders.

"Indenture" has the meaning specified in the recitals.

"Initial Advance" has the meaning specified in Section 2.1(a).

"Initial Purchasers" is defined in the Preamble.

"Original Agreement" is defined in the recitals.

"Percentage Interest" means, for New York Life Insurance and Annuity Corporation, 27%, New York Life Insurance Company, 68%, New York Life Insurance and Annuity Corporation Institutionally Owned Life Insurance Separate Account (BOLI 30C), 2%, New York Life Insurance and Annuity Corporation Institutionally Owned Life Insurance Separate Account (BOLI 30E), 1%, and The Bank of New York Mellon, a banking corporation organized under the laws of New York, not in its individual capacity but solely as Trustee under that certain Trust Agreement dated as of July 1st, 2015 between New York Life Insurance Company, as Grantor, John Hancock Life Insurance Company (U.S.A.), as Beneficiary, John Hancock Life Insurance Company of New York, as Beneficiary, and The Bank of New York Mellon, as Trustee, 2%.

"Sale and Servicing Agreement" means that certain sale and servicing agreement, as amended, by and among the Issuer, Horizon Secured Loan Fund I LLC, as Originator and Seller, Horizon Technology Finance Corporation, as Servicer and U.S. Bank, National Association, as Trustee, Backup Servicer, Custodian, Lockbox Bank and Securities Intermediary.

SECTION 1.2 Other Definitional Provisions. (a) All terms defined in this Agreement shall have the meanings defined herein when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein.

(b) As used herein and in any certificate or other document made or delivered pursuant hereto or thereto, accounting terms not defined in Section 1.1 hereof, and accounting terms partially defined in Section 1.1 hereof to the extent not defined, shall have the respective meanings given to them under GAAP. To the extent that the definitions of accounting terms herein are inconsistent with the meanings of such terms under generally accepted accounting principles, the definitions contained herein shall control.

(c) The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement; and Section, subsection, and Exhibit references contained in this Agreement are references to Sections, subsections and the Exhibits in or to this Agreement unless otherwise specified.

ARTICLE II.

PURCHASE OF NOTES; ADVANCES

SECTION 2.1 Purchase of Notes; Initial Advance; Commitment. (a) On the terms and subject to the conditions set forth in the Original Agreement, New York Life Insurance and Annuity Corporation, New York Life Insurance Company, New York Life Insurance and Annuity Corporation Institutionally Owned Life Insurance Separate Account (BOLI 30C), New York Life Insurance and Annuity Corporation Institutionally Owned Life Insurance Separate Account (BOLI 30E) and The Bank of New York Mellon, a banking corporation organized under the laws of New York, not in its individual capacity but solely as Trustee under that certain Trust Agreement dated as of July 1st, 2015 between New York Life Insurance Company, as Grantor, John Hancock Life Insurance Company (U.S.A.), as Beneficiary, John Hancock Life Insurance Company of New York, as Beneficiary, and The Bank of New York Mellon, as Trustee acquired Notes with initial Outstanding Note Balances of up to $27,000,000, up to $68,000,000, up to $2,000,000, up to $1,000,000 and up to $2,000,000, respectively (the “Initial Advance”). Subject to the terms and conditions of this Agreement, each of the Initial Purchasers, severally, but not jointly, reaffirm their obligation to make Advances to the Issuer in an amount up to the Initial Advance as of the Amendment date.

(b) Subject to the terms and conditions of this Agreement, during the Investment Period, each Initial Purchaser agrees to make Advances to the Issuer in an amount not to exceed its Percentage Interest of the Advance Availability in effect for each Advance Date. The Initial Purchasers shall have no obligation to make Advances hereunder to the extent any additional Advances would cause the Aggregate Outstanding Note Balance to exceed the Commitment Amount. Amounts advanced pursuant to this Agreement may be repaid in accordance with Section 7.05(b)(i)(2) of the Sale and Servicing Agreement and, subject to the terms and conditions of this Agreement, re-borrowed at any time during the Investment Period.

SECTION 2.2 Procedures for Advances. (a) On the terms and conditions hereinafter set forth, the Issuer may, by delivery of an Advance Request to the Initial Purchasers and the Trustee, from time to time, on any Business Day during the Investment Period, request that each Initial Purchaser make Advances to it in an amount which, at any time, shall not exceed its Percentage Interest of the Advance Availability in effect for the proposed Advance Date.

(b) Each Advance Request shall be delivered not later than 12:00 P.M. (New York time) on the date which is two (2) Business Days prior to the requested Advance Date; *provided*, *however*, that the Issuer may revoke an Advance Request upon written notice to the Initial Purchasers delivered not later than 12:00 P.M. (New York time) on the Business Day prior to the requested Advance Date.

(c) Each Advance Request shall contain the following information:

(i) the proposed Advance Date;

(ii) the amount of the requested Advance;

(iii) the Advance Availability for such Advance Date;

(iv) the amount of Principal Proceeds to be withdrawn from the Collection Account and deposited to the Principal Reinvestment Account on such Advance Date;

(v) the Advance Account to which the Advance should be funded; and

(vi) a certification that, as of the related Advance Date, the conditions set forth in Section 3.1 hereof have been satisfied.

(d) Each Advance Request must be accompanied by (i) a Borrowing Base Certificate as of the Business Day before the Issuer's delivery of such Advance Request (giving pro forma effect to the Advance requested and any Loans to be acquired on the proposed Advance Date) and (ii) an updated List of Loans (including any Loans to be acquired on such Advance Date).

(e) On each Advance Date, upon the satisfaction of the applicable conditions set forth in this Section 2.2 and Article III hereof, the Initial Purchasers shall transfer to the Advance Account, an amount equal to the requested Advance. Each wire transfer of an Advance to the Issuer shall be initiated by the Initial Purchasers at the later of (i) 12:00 P.M. (New York time) on the applicable Advance Date and (ii) satisfaction of the conditions set forth in Section 3.1 hereof.

ARTICLE III.

CONDITIONS TO ADVANCES

SECTION 3.1 Conditions Precedent to Advances. (a) The Initial Purchasers shall not be obligated to make an Advance on any Advance Date unless the following conditions have been satisfied or waived by the Initial Purchasers:

(i) The representations and warranties of the Issuer in Section 3.25 of the Indenture and of the Servicer and the Originator, as applicable, set forth in Sections 3.01, 3.02, 3.04 and 3.06 of the Sale and Servicing Agreement are true and correct on and as of such Advance Date, before and after giving effect to such Advance;

(ii) The Investment Period Termination Date shall not have occurred and as of the date of the Advance Request, (A) the aggregate Outstanding Loan Balance of Loans that became Defaulted Loans since the Amendment Date is less than $25,000,000 and (B) no Rapid Amortization Event has occurred since the Amendment Date;

(iii) No Event of Default or Servicer Default has occurred since the Amendment Date or will occur, after giving effect to such Advance;

(iv) After giving effect to such Advance and to the application of proceeds therefrom, the Aggregate Outstanding Note Balance will not exceed the Borrowing Base;

(v) After giving effect to such Advance and to the application of proceeds therefrom, the Aggregate Outstanding Note Balance shall not exceed the Commitment Amount;

(vi) The Issuer shall have caused the Required Loan Documents for any Loans being acquired on such Advance Date to be delivered to the Custodian in accordance with the Sale and Servicing Agreement;

(vii) To the extent the Issuer is directing that Principal Proceeds be withdrawn from the Collection Account and deposited to the Principal Reinvestment Account on such Advance Date, the Issuer reasonably believes that funds on deposit in the Collection Account will be sufficient to pay Required Payments on the next Payment Date; and

(viii) The Commencement Event shall have occured.

(b) To the extent the Initial Purchasers shall fund an Advance on an Advance Date, it shall be deemed to have agreed that each of the foregoing conditions have been satisfied or waived as to such Advance and Advance Date.

ARTICLE IV.

AMENDMENT

SECTION 4.1 Amendment. The amendment and restatement of the Original Agreement shall occur on at 5:00 P.M. (New York time), on June 5, 2020 (the “Amendment Date”).

SECTION 4.2. Transactions to be Effected at the Amendment Date. On the Amendment Date, simultaneously (i) the Originator will sell, convey and assign all its right, title and interest in the Initial Loan Assets to the Issuer in accordance with Section 2.02 of the Sale and Servicing Agreement, and (ii) the Initial Purchasers shall transfer to the Advance Account, for deposit in same day funds, an amount equal to the Initial Advance.

ARTICLE V.

REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE INITIAL PURCHASERS

SECTION 5.1 Securities Laws; Transfer Restrictions. Each Initial Purchaser represents and warrants that:

(a) it has (i) reviewed the Indenture, the Sale and Servicing Agreement and all other documents which have been provided by the Issuer to it with respect to the transactions contemplated thereby, (ii) participated in due diligence sessions with the Originator and (iii) had an opportunity to discuss the Issuer's, the Servicer's and the Originator's businesses, management and financial affairs, and the terms and conditions of the proposed purchase with the Issuer, the Originator and the Servicer and their respective representatives;

(b) it is an "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act and has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of investing in, and it is able and prepared to bear the economic risk of investing in, the Notes;

(c) it is a "qualified purchaser" within the meaning of Section 2(A)(51) of the Investment Company Act of 1940 pursuant to an exemption under the Securities Act; and

(d) it understands and acknowledges and agrees that the Notes are subject to the transfer restrictions set forth in the Indenture.

ARTICLE VI.

COVENANTS

SECTION 6.1 Reports and Notices under the Transaction Documents. So long as the Initial Purchasers own 100% of the Notes:

(a) Monthly Report and Liquidation Report. The Issuer will cause each Monthly Report and Liquidation Report under the Sale and Servicing Agreement to be delivered to the Initial Purchasers, contemporaneously with the delivery thereof to the Trustee.

(b) Notices. The Issuer will cause a copy of all notices required to be delivered by it or the Servicer under the Sale and Servicing Agreement or the Indenture to be promptly delivered to the Initial Purchasers.

(c) Annual Report. Provided that the Initial Purchasers execute such specified user forms as required by the Independent Accountants, if any, the Issuer will cause to be delivered to the Initial Purchasers the annual reports prepared by the Independent Accountants pursuant to Article IX of the Sale and Servicing Agreement.

SECTION 6.2 Amendments to Indenture and Sale and Servicing Agreement. Notwithstanding that Section 9.01 of the Indenture permits the Issuer and the Trustee to enter into a supplemental indenture without the consent of the Noteholders and Section 13.01(a) of the Sale and Servicing Agreement permits the parties thereto to enter into certain amendments without the consent of the Noteholders, so long as the Initial Purchasers own 100% of the Notes, the Issuer agrees that it will not enter into any such supplemental indenture or amendment to the Indenture or the Sale and Servicing Agreement without the prior written consent of the Initial Purchasers.

ARTICLE VII.

MISCELLANEOUS

SECTION 7.1 Amendments. No amendment or waiver of any provision of this Agreement shall in any event be effective without the written agreement of the Issuer and the Initial Purchasers.

SECTION 7.2 Notices. All notices and other communications hereunder, except as herein otherwise specifically provided, shall be in writing and, if to the Initial Purchasers, shall be mailed, delivered or telegraphed and confirmed to the Initial Purchasers at the following address:

New York Life Insurance and Annuity Corporation, New York Life Insurance Company, New York Life Insurance and Annuity Corporation Institutionally Owned Life Insurance Separate Account (BOLI 30C), New York Life Insurance and Annuity Corporation Institutionally Owned Life Insurance Separate Account (BOLI 30E) or The Bank of New York Mellon, a banking corporation organized under the laws of New York, not in its individual capacity but solely as Trustee under that certain Trust Agreement dated as of July 1st, 2015 between New York Life Insurance Company, as Grantor, John Hancock Life Insurance Company (U.S.A.), as Beneficiary, John Hancock Life Insurance Company of New York, as Beneficiary, and The Bank of New York Mellon, as Trustee
c/o NYL Investors LLC
51 Madison Avenue
2nd Floor, Room 208
New York, New York 10010

Attention: Fixed Income Investors Group
Private Finance
2nd Floor
Facsimile: (212) 447-4122

with an electronic copies to:

FIIGLibrary@nylim.com
TraditionalPVtOps@nylim.com

if to the Issuer, shall be mailed, delivered or telegraphed and confirmed to the Issuer at the following address:

Horizon Funding I, LLC
312 Farmington Avenue
Farmington, CT 06032
Telephone: 860-674-9977
Fax: 860-676-8655
Email: dtrolio@horizontechfinance.com

SECTION 7.3 No Waiver; Remedies. No failure on the part of any party hereto to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 7.4 Binding Effect; Assignability. (a) This Agreement shall be binding on the parties hereto and their respective successors and assigns; provided, however, that the Issuer may not assign any of its rights or delegate any of its duties hereunder without the prior written consent of the Initial Purchasers; provided, further that each Initial Purchaser acknowledges and agrees that it is subject to the transfer restrictions related to the Notes that are set forth in the Indenture.

(b) This Agreement shall create and constitute the continuing obligation of the parties hereto in accordance with its terms, and shall remain in full force and effect until such time as all amounts payable with respect to the Notes shall have been paid in full.

SECTION 7.5 Confidentiality. Unless otherwise consented to by each of the Initial Purchasers or the Issuer, as applicable, each of the Initial Purchasers and the Issuer hereby agree that it will not disclose the contents of any Transaction Document, or any other confidential or proprietary information furnished by the Initial Purchasers or the Issuer, to any Person other than its Affiliates (which Affiliates shall have executed an agreement satisfactory in form and in substance to the Purchaser to be bound by this Section 7.5), auditors and attorneys or as required by applicable law.

SECTION 7.6 GOVERNING LAW; JURISDICTION. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW). EACH OF THE PARTIES TO THIS AGREEMENT HEREBY AGREES TO THE NON-EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND ANY APPELLATE COURT HAVING JURISDICTION TO REVIEW THE JUDGMENTS THEREOF. EACH OF THE PARTIES HEREBY WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER IN ANY OF THE AFOREMENTIONED COURTS AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT.

SECTION 7.7 Wavier of Trial by Jury. To the extent permitted by applicable law, each of the parties hereto irrevocably waives all right of trial by jury in any action, proceeding or counterclaim arising out of or in connection with this Agreement or any matter arising hereunder.

SECTION 7.8 Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

SECTION 7.9 No Recourse. Notwithstanding anything to the contrary contained herein, the obligations of the Initial Purchasers under this Agreement are solely the corporate obligations of the Initial Purchasers.

No recourse under any obligation, covenant or agreement of any Initial Purchaser contained in this Agreement shall be had against any incorporator, stockholder, officer, director, member, manager, employee or agent of such Initial Purchaser (solely by virtue of such capacity) by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that this Agreement is solely a corporate obligation of the Initial Purchasers, and that no personal liability whatever shall attach to or be incurred by any incorporator, stockholder, officer, director, member, manager, employee or agent of any Initial Purchaser (solely by virtue of such capacity) or any of them under or by reason of any of the obligations, covenants or agreements of the Initial Purchasers contained in this Agreement, or implied therefrom, and that any and all personal liability for breaches by any Initial Purchaser of any of such obligations, covenants or agreements, either at common law or at equity, or by statute, rule or regulation, of every such incorporator, stockholder, officer, director, member, manager, employee or agent is hereby expressly waived as a condition of and in consideration for the execution of this Agreement; provided that the foregoing shall not relieve any such Person from any liability it might otherwise have as a result of fraudulent actions taken or fraudulent omissions made by them.

SECTION 7.10 No Petition. Each Initial Purchaser hereby covenants and agrees that it will not prior to the date which is one year and one day or, if longer, the preference period then in effect after payment in full of the Notes rated by the Rating Agency, institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any United States federal or state bankruptcy or similar law in connection with any obligations relating to the Notes, this Agreement or any of the other Transaction Documents.

SECTION 7.11 Survival. All representations, warranties, covenants and guaranties contained in this Agreement and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the sale, transfer or repayment of the Notes.

SECTION 7.12 Waiver of Special Damages. In no event shall the Purchaser be liable under or in connection with this Agreement or any other Transaction Document to any Person for indirect, special, or consequential losses or damages of any kind, including lost profits, even if advised of the possibility thereof and regardless of the form of action by which such losses or damages may be claimed.

[SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

HORIZON FUNDING I, LLC,
as Issuer

By: /s/ Daniel R. Trolio
Name: Daniel R. Trolio
Title: Treasurer and Secretary

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION, as Initial Purchaser

By: NYL Investors LLC, its Investment Manager

By: /s/ Scott R. Seewald
Name: Scott R. Seewald
Title: Managing Director

NEW YORK LIFE INSURANCE COMPANY, as Initial Purchaser

By: /s/ Scott R. Seewald
Name: Scott R. Seewald
Title: Vice President

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION INSTITUTIONALLY OWNED LIFE INSURANCE SEPARATE ACCOUNT (BOLI 30C), as Initial Purchaser

By: NYL Investors LLC, its Investment Manager

By: /s/ Scott R. Seewald
Name: Scott R. Seewald
Title: Managing Director

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION INSTITUTIONALLY OWNED LIFE INSURANCE SEPARATE ACCOUNT (BOLI 30E), as Initial Purchaser

By: NYL Investors LLC, its Investment Manager

By: /s/ Scott R. Seewald
Name: Scott R. Seewald
Title: Managing Director

THE BANK OF NEW YORK MELLON, A BANKING CORPORATION ORGANIZED UNDER THE LAWS OF NEW YORK, NOT IN ITS INDIVIDUAL CAPACITY BUT SOLELY AS TRUSTEE UNDER THAT CERTAIN TRUST AGREEMENT DATED AS OF JULY 1ST, 2015 BETWEEN NEW YORK LIFE INSURANCE COMPANY, AS GRANTOR, JOHN HANCOCK LIFE INSURANCE COMPANY (U.S.A.), AS BENEFICIARY, JOHN HANCOCK LIFE INSURANCE COMPANY OF NEW YORK, AS BENEFICIARY, AND THE BANK OF NEW YORK MELLON, AS TRUSTEE, as Initial Purchaser

By: New York Life Insurance Company, its attorney-in-fact

By: /s/ Scott R. Seewald
Name: Scott R. Seewald
Title: Vice President

[Horizon Funding I, LLC – Amended and Restated Note Funding Agreement]

Exhibit A

Form of Advance Request

Date: [_________], 201 _

New York Life Insurance and Annuity Corporation, New York Life Insurance Company, New York Life Insurance and Annuity Corporation Institutionally Owned Life Insurance Separate Account (BOLI 30C) New York Life Insurance and Annuity Corporation Institutionally Owned Life Insurance Separate Account (BOLI 30E) or The Bank of New York Mellon, a banking corporation organized under the laws of New York, not in its individual capacity but solely as Trustee under that certain Trust Agreement dated as of July 1st, 2015 between New York Life Insurance Company, as Grantor, John Hancock Life Insurance Company (U.S.A.), as Beneficiary, John Hancock Life Insurance Company of New York, as Beneficiary, and The Bank of New York Mellon, as Trustee
c/o NYL Investors LLC
51 Madison Avenue
2nd Floor, Room 208
New York, New York 10010
Attention: Fixed Income Investors Group
Facsimile: (212) 447-4122

Reference is made to that certain Amended and Restated Note Funding Agreement, dated as of June 5, 2020, by and among Horizon Funding I, LLC, as Issuer (the "Issuer"), New York Life Insurance and Annuity Corporation, New York Life Insurance Company, New York Life Insurance and Annuity Corporation Institutionally Owned Life Insurance Separate Account (BOLI 30C), New York Life Insurance and Annuity Corporation Institutionally Owned Life Insurance Separate Account (BOLI 30E) or The Bank of New York Mellon, a banking corporation organized under the laws of New York, not in its individual capacity but solely as Trustee under that certain Trust Agreement dated as of July 1st, 2015 between New York Life Insurance Company, as Grantor, John Hancock Life Insurance Company (U.S.A.), as Beneficiary, John Hancock Life Insurance Company of New York, as Beneficiary, and The Bank of New York Mellon, as Trustee, as Initial Purchasers (as the same may be amended, supplemented, restated or otherwise modified from time to time, the "Amended and Restated Note Funding Agreement". Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Amended and Restated Note Funding Agreement. The Issuer hereby gives you notice, pursuant to Section 2.1 of the Amended and Restated Note Funding Agreement, that it requests an Advance under the Amended and Restated Note Funding Agreement.

The Issuer hereby certifies as follows:

1. The Issuer hereby requests that such Advance be made on _____________.

2. The Issuer hereby requests an Advance of $ _____________.

3. The Advance Availability for the requested Advance Date is $ _____________.

4. [The Issuer hereby requests that the Advance be funded to the Principal Reinvestment Account set forth in the Amended and Restated Note Funding Agreement.] [The Issuer hereby requests that the Advance be funded to the following account: [__].]

5. The Issuer has directed the Servicer to withdraw Principal Proceeds in the amount of $_____ from the Collection Account and to deposit such amount to the Principal Reinvestment Account on such Advance Date;

6. The Issuer hereby certifies that the conditions set forth in Section 3.1 of the Amended and Restated Note Funding Agreement have been satisfied.

7. The Issuer hereby certifies that the Borrowing Base Certificate attached hereto as Schedule A is a true, accurate and complete calculation of the Borrowing Base.

8. The Issuer hereby certifies that the attached List of Loans attached hereto as Schedule B is a true, accurate and complete list of Loans that are owned by the Issuer and subject to the lien of the Indenture.

[The Remainder Of This Page Is Intentionally Left Blank]

IN WITNESS WHEREOF, each of the undersigned has executed the Advance Request this day of _____ day of __________, 201_.

Horizon Funding I, LLC,
as Issuer

By: ______________________
Name: ______________________
Title: ______________________

Schedule A to Advance Request
[Attach Borrowing Base Calculation]

SCHEDULE B TO ADVANCE REQUEST
[ATTACH LIST OF LOANS]

Exhibit 10.5

EXECUTION VERSION

INDENTURE

by and between

HORIZON FUNDING I, LLC,
as the Issuer,

and

U.S. BANK NATIONAL ASSOCIATION,
as the Trustee and Securities Intermediary

Dated as of June 1, 2018

HORIZON FUNDING I, LLC
Asset Backed Notes

TABLE OF CONTENTS

		Page
ARTICLE I	DEFINITIONS	2
Section 1.01	Definitions	2
Section 1.02	Rules of Construction	8
ARTICLE II	THE NOTES	9
Section 2.01	Form	9
Section 2.02	Execution, Authentication and Delivery	9
ARTICLE III	COVENANTS	10
Section 3.01	Transaction Accounts	10
Section 3.02	Maintenance of Office or Agency	10
Section 3.03	Money for Payments To Be Held in Trust; Paying Agent	11
Section 3.04	Existence; Separate Legal Existence	12
Section 3.05	Payment of Principal and Interest	13
Section 3.06	Protection of Indenture Collateral	14
Section 3.07	Opinions as to Indenture Collateral	16
Section 3.08	Furnishing of Rule 144A Information	17
Section 3.09	Performance of Obligations; Sale and Servicing Agreement	17
Section 3.10	Negative Covenants	18
Section 3.11	Annual Statement as to Compliance	19
Section 3.12	[Reserved]	19
Section 3.13	Representations and Warranties Concerning the Loans	19
Section 3.14	Trustee’s Review of Loan Files	19
Section 3.15	Sale and Servicing Agreement	19
Section 3.16	Amendments to Sale and Servicing Agreement	19
Section 3.17	Servicer as Agent and Bailee of Trustee	20
Section 3.18	Investment Company Act of 1940	20
Section 3.19	Issuer May Consolidate, etc., Only on Certain Terms	20
Section 3.20	Successor or Transferee	22
Section 3.21	No Other Business	22
Section 3.22	No Borrowing; Use of Proceeds	22
Section 3.23	Guarantees, Loans, Advances and Other Liabilities	22

TABLE OF CONTENTS
(continued)

		Page
Section 3.24	Capital Expenditures	22
Section 3.25	Representations and Warranties of the Issuer	23
Section 3.26	Restricted Payments	25
Section 3.27	Notice of Events of Default, Amendments and Waivers	25
Section 3.28	Further Instruments and Acts	26
Section 3.29	Statements to Noteholders	26
Section 3.30	Grant of Subsequent Loans and Substitute Loans	26
Section 3.31	FATCA Information	26
ARTICLE IV	THE NOTES; SATISFACTION AND DISCHARGE OF INDENTURE	27
Section 4.01	The Notes	27
Section 4.02	Registration of Transfer and Exchange of Notes	27
Section 4.03	Mutilated, Destroyed, Lost or Stolen Notes	30
Section 4.04	Payment of Principal and Interest; Defaulted Interest	31
Section 4.05	Tax Treatment	32
Section 4.06	Satisfaction and Discharge of Indenture	33
Section 4.07	Application of Trust Money	34
Section 4.08	Repayment of Moneys Held by Paying Agent	34
ARTICLE V	REMEDIES	34
Section 5.01	Events of Default	34
Section 5.02	Acceleration of Maturity; Rescission and Annulment	36
Section 5.03	Collection of Indebtedness and Suits for Enforcement by Trustee	37
Section 5.04	Remedies; Priorities	39
Section 5.05	[Reserved]	40
Section 5.06	Limitation of Suits	40
Section 5.07	Unconditional Rights of Noteholders to Receive Principal and Interest	41
Section 5.08	Restoration of Rights and Remedies	41
Section 5.09	Rights and Remedies Cumulative	41
Section 5.10	Delay or Omission Not a Waiver	41
Section 5.11	Control by Noteholders	41
Section 5.12	Waiver of Past Defaults	42

TABLE OF CONTENTS
(continued)

		Page
Section 5.13	Undertaking for Costs	42
Section 5.14	Waiver of Stay or Extension Laws	42
Section 5.15	Sale of Indenture Collateral	43
Section 5.16	Action on Notes	44
Section 5.17	Performance and Enforcement of Certain Obligations	44
ARTICLE VI	THE TRUSTEE	45
Section 6.01	Duties of Trustee	45
Section 6.02	Rights of Trustee	46
Section 6.03	Individual Rights of Trustee	47
Section 6.04	Trustee’s Disclaimer	47
Section 6.05	Notice of Event of Default	47
Section 6.06	Reports by Trustee to Holders	48
Section 6.07	Compensation and Indemnity	48
Section 6.08	Replacement of Trustee	50
Section 6.09	Successor Trustee by Merger	50
Section 6.10	Appointment of Co-Trustee or Separate Trustee	51
Section 6.11	Eligibility; Disqualification	52
Section 6.12	Representations, Warranties and Covenants of the Trustee	52
Section 6.13	Directions to Trustee	53
Section 6.14	Conflicts	53
ARTICLE VII	NOTEHOLDERS’ LISTS AND REPORTS	54
Section 7.01	Issuer to Furnish Trustee Names and Addresses of Noteholders	54
Section 7.02	Preservation of Information; Communications to Noteholders	54
Section 7.03	Fiscal Year	54
ARTICLE VIII	TRANSACTION ACCOUNTS, DISBURSEMENTS AND RELEASES	54
Section 8.01	Collection of Money	54
Section 8.02	Transaction Accounts	55
Section 8.03	Officer’s Certificate	56
Section 8.04	Termination Upon Distribution to Noteholders	56
Section 8.05	Release of Indenture Collateral	56
Section 8.06	The Securities Intermediary	57

TABLE OF CONTENTS
(continued)

		Page
ARTICLE IX	SUPPLEMENTAL INDENTURES	58
Section 9.01	Supplemental Indentures Without Consent of Noteholders	58
Section 9.02	Supplemental Indentures With Consent of Noteholders	60
Section 9.03	Execution of Supplemental Indentures	61
Section 9.04	Effect of Supplemental Indenture	62
Section 9.05	Reference in Notes to Supplemental Indentures	62
Section 9.06	Consent of the Servicer	62
ARTICLE X	OPTIONAL REDEMPTION	62
Section 10.01	Optional Redemption	62
Section 10.02	Form of Redemption Notice by Trustee	63
ARTICLE XI	MISCELLANEOUS	64
Section 11.01	Confidentiality	64
Section 11.02	Form of Documents Delivered to Trustee	65
Section 11.03	Acts of Noteholders	65
Section 11.04	Notices, etc., to Trustee and Others	66
Section 11.05	Notices to Noteholders; Waiver	67
Section 11.06	Alternate Payment and Notice Provisions	68
Section 11.07	Effect of Headings	68
Section 11.08	Successors and Assigns	68
Section 11.09	Severability	68
Section 11.10	Benefits of Indenture	68
Section 11.11	Legal Holidays	68
Section 11.12	GOVERNING LAW	69
Section 11.13	Counterparts	69
Section 11.14	Issuer Obligation	69
Section 11.15	No Petition; Limited Recourse	69
Section 11.16	Inspection; Confidentiality	70
Section 11.17	Reserved	70
Section 11.18	Disclaimer	70

INDENTURE

THIS INDENTURE, dated as of June 1, 2018 (as amended, modified, restated, supplemented and/or waived from time to time, this "Indenture"), is by and between HORIZON FUNDING I, LLC, a Delaware limited liability company, as the issuer (together with its successors and assigns, the "Issuer"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association ("U.S. Bank") not in its individual capacity, but solely in its capacity as the trustee (together with its successors and assigns, in such capacity, the "Trustee") and as the securities intermediary (together with its successors and assigns, in such capacity, the "Securities Intermediary").

Each party hereto agrees as follows for the benefit of the other party and for the equal and ratable benefit of the Holders of the Notes.

GRANTING CLAUSE

The Issuer hereby Grants to the Trustee, on behalf of and for the benefit of the Holders of the Notes, all of the rights, title and interest of the Issuer, whether now owned or hereafter acquired in and to (A)(i) the Loans and all Related Property included or to be included from time to time in the Loan Assets; (ii) Collections on the Loans received after the Cutoff Date or Transfer Date, as applicable; (iii) the security interests in Related Property securing the Loans; (iv) the Loan Files relating to the Loans; (v) an assignment of all rights to Proceeds from liquidating the Loans; (vi) the Collection Account, the General Reserve Account, the Lockbox Account, the Distribution Account, and the Principal Reinvestment Account, all amounts deposited therein or credited thereto, the Permitted Investments purchased with funds therefrom or deposited therein and all income from the investment of funds therein; (vii) other rights under the Transaction Documents; (B) all proceeds from the items described above; (C) all accounts, chattel paper, deposit accounts, documents, general intangibles, goods, instruments, investment property, letter-of-credit rights, letters of credit, money, oil, gas and other minerals; and (D) all present and future claims, demands, causes and choses in action in respect of any or all of the foregoing and all payments on or under and all proceeds of every kind and nature whatsoever in respect of any or all of the foregoing, including all proceeds of the conversion, voluntary or involuntary, into cash or other liquid property, all cash proceeds, accounts, accounts receivable, notes, drafts, acceptances, chattel paper, checks, deposit accounts, insurance proceeds, condemnation awards, rights to payment of any and every kind and other forms of obligations and receivables, instruments and other property which at any time constitute all or part of or are included in the proceeds of any of the foregoing (collectively, the "Indenture Collateral").

The foregoing Grant is made in trust to secure (x) the payment of principal of and interest on, and any other amounts owing in respect of, the Notes and all other sums owing by the Issuer hereunder or under any other Transaction Document, and (y) to secure compliance with the covenants and agreement in this Indenture and the other Transaction Documents.

The Trustee, on behalf of the Noteholders (1) acknowledges such Grant, and (2) accepts the trusts under this Indenture in accordance with this Indenture and agrees to perform its duties required in this Indenture in accordance with the terms herein.

DEFINITIONS

Section 1.01 **Definitions**.

Certain defined terms used throughout this Indenture are defined above or in this Section 1.01. In addition, except as otherwise expressly provided herein or unless the context otherwise requires, capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in the Sale and Servicing Agreement (as defined below), which are incorporated by reference herein.

"Accredited Investors" has the meaning specified in Rule 501(a)(1)-(3) or (7) of Regulation D under the Securities Act.

"Authorized Newspaper" means a newspaper of general circulation in the Borough of Manhattan, The City of New York, printed in the English language and customarily published on each Business Day, whether or not published on Saturdays, Sundays or holidays.

"Board of Directors" means the board of directors (or comparable managers or managing members) of a Person or any committee thereof duly authorized to act on behalf of the board of directors (or comparable managers or managing members).

"Change of Control" means any of the following: (a) the BDC no longer holds, directly or indirectly, at least 50% of the equity interests in the Fund or the Issuer; (b) the Fund no longer holds 100% of the equity interests in the Issuer; (c) the Fund or the Issuer ceases to be advised by the BDC; (d) any two of the four of the following employees fail to be employed at the BDC: Robert D. Pomeroy, Jr., Gerald A. Michaud, Daniel Devorsetz and Daniel R. Trolio; or (e) change of current corporate structure.

"Commitment Amount" means the commitment of the Noteholders to fund Advances during the Investment Period in an amount not to exceed $100,000,000 outstanding at any given time; provided that the Commitment Amount may be increased to $200,000,000 upon mutual agreement of the Issuer and the Noteholders.

"Confidential Information" means any and all information concerning any Disclosing Party disclosed by, or at the request or on behalf of, any Disclosing Party to any Receiving Party or its representatives pursuant to this Indenture, excluding, however, any information that at the time of disclosure: (a) was generally available to the public, other than as a result of a disclosure by any Receiving Party or its representatives in violation of this Indenture; (b) was available to any Receiving Party on a non-confidential basis from a source other than the Disclosing Party or its representatives; (c) was already known to the Receiving Party and not subject to restrictions on use or disclosure; or (d) was independently developed by or on behalf of the Receiving Party (other than at the request of or for the benefit of the Disclosing Party) by individuals who did not directly or indirectly receive Confidential Information.

"Corporate Trust Office" means, (i) for the purposes of Section 3.02 hereof, 111 E. Fillmore Ave, EP-MN-WS2N, St. Paul, MN 51007, Attention: Bondholder Services—Horizon Funding I, LLC; and (ii) for all other purposes, 190 S. LaSalle St., 7th Floor, Chicago, IL 60603, Attention: Global Corporate Trust—Horizon Funding I, LLC, or, in each case, at such other address as the Trustee may designate from time to time by notice to the Issuer, or the principal corporate trust officer of any successor Trustee at the address designated by such successor by notice to the Issuer.

"Default" means any occurrence that is, or with notice or the lapse of time or both would become, an Event of Default.

"Disclosing Party" means each of the Issuer, the Servicer and the Originator, and "Disclosing Parties" means collectively all such parties.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, or any successor legislation thereto and the regulations promulgated and the rulings issued thereunder.

"Event of Default" has the meaning provided in Section 5.01 hereof.

"FATCA" means Sections 1471 through 1474 of the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations promulgated thereunder, or any amended or successor version, any current or future Treasury Regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code, any applicable intergovernmental agreements entered into in connection with the implementation of such Sections of the Code and any applicable fiscal or regulatory legislation, rules or practices adopted pursuant to any such intergovernmental agreements.

"FATCA Withholding Tax" has the meaning provided in Section 3.31 hereof.

"Grant" means to mortgage, pledge, sell, bargain, warrant, alienate, remise, release, convey, assign, transfer, create, and grant a lien upon and a security interest in and right of set-off against, deposit, set over and confirm pursuant to this Indenture. A Grant of Indenture Collateral or of any other agreement or instrument shall include all rights, powers and options (but none of the obligations) of the granting party thereunder, including the immediate and continuing right to claim for, collect, receive and give receipt for principal and interest payments in respect of such collateral or other agreement or instrument and all other moneys payable thereunder, to give and receive notices and other communications, to make waivers or other agreements, to exercise all rights and options, to bring proceedings in the name of the granting party or otherwise, and generally to do and receive anything that the granting party is or may be entitled to do or receive thereunder or with respect thereto.

"Indenture Collateral" has the meaning provided in the Granting Clause herein.

"Initial Purchasers" has the meaning provided in the Note Funding Agreement.

"Institutional Accredited Investor" means any Person meeting the requirements of Rule 501 (a) (1), (2), (3) or (7) of Regulation D under the Securities Act.

"Issuer Documents" has the meaning provided in Section 3.25(a) hereof.

"Issuer LLC Agreement" means that certain limited liability company agreement of the Issuer dated as of June 1, 2018.

"Issuer Order" means a written order or request signed in the name of the Issuer by any one of its Responsible Officers or by the Servicer on behalf of the Issuer and delivered to the Trustee.

"Legal Final Payment Date" means (i) the Payment Date occurring in June, 2025 or (ii) if the Investment Period is extended pursuant to clause (ii) the definition of "Investment Period Termination Date", the Payment Date occurring in June 2026.

"Make-Whole Amount" means an amount equal to the greater of (a) zero and (b) the difference between (i) the present value of the projected principal and interest payments remaining on the Notes, using a discount rate of the sum of the Prepayment Benchmark Rate and 0.5% and (ii) the Aggregate Outstanding Note Balance as of the Redemption Date. The projected principal and interest payments remaining on the Notes will be calculated as of the Redemption Date using a model prepared by the Issuer and delivered to the Trustee (for distribution to the Noteholders) concurrently with the related notice required in Section 10.01 hereto.

"Minimum Denomination" of any Note means, (a) in respect of Notes purchased by an Initial Purchaser and subsequently retransferred to the first transferee thereof (provided that such initial transferee provides to such Initial Purchaser and the Issuer a written certification that such transferee is both a Qualified Purchaser and a Qualified Institutional Buyer), a minimum denomination of $250,000 initial principal amount and integral multiples of $1,000 in excess thereof and (b) with respect to all subsequent transfers of Notes, a minimum denomination of $250,000 initial principal amount and integral multiples of $1,000 in excess thereof; *provided* that one Note may be in a smaller multiple in excess of the minimum denomination.

"Non-Permitted Holder" has the meaning provided in Section 4.02(j)(ii) hereof.

"Note Register" has the meaning provided in Section 4.02(a) hereof.

"Note Registrar" has the meaning provided in Section 4.02(a) hereof.

"Noteholder FATCA Information" means, with respect to any Noteholder or the owner of a beneficial interest in any Note, information sufficient to eliminate the imposition of, or determine the amount of, U.S. withholding tax under FATCA with respect to such Person.

"Noteholder Tax Identification Information" means properly completed and signed tax certifications (generally, in the case of U.S. Federal Income Tax, IRS Form W-9 (or applicable successor form) in the case of a person that is a "United States Person" within the meaning of Section 7701(a)(30) of the Code or the appropriate IRS Form W-8 (or applicable successor form) in the case of a person that is not a "United States Person" within the meaning of Section 7701(a)(30) of the Code).

"Outstanding" means, as of any date of determination, all Notes theretofore executed, authenticated and delivered under this Indenture except: (a) Notes in exchange for or in lieu of which other Notes have been executed, authenticated and delivered pursuant to this Indenture; (b) Notes to be redeemed in connection with an Optional Redemption and in respect of which money in the necessary amount to pay the Redemption Price, has been theretofore deposited with the Trustee in trust for the Noteholders; and (c) Notes otherwise cancelled by the Note Registrar in accordance with the express terms of this Indenture; *provided* that, in determining whether the Holders of the requisite amount of any Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder or under the Sale and Servicing Agreement, (i) Notes beneficially owned by the Issuer shall be disregarded and deemed not to be Outstanding and (ii) Notes beneficially owned by the Servicer, Originator, any Affiliate of the Originator or the Servicer or any account managed on a discretionary basis by the Servicer or an Affiliate of the Servicer shall be disregarded and deemed not to be Outstanding with respect to any assignment by the Servicer or termination of the Servicer under the Sale and Servicing Agreement or this Indenture (including the exercise of any rights to remove the Servicer or approve or object to a Successor Servicer); *except* that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes that the Trustee knows to be beneficially owned in the manner indicated above shall be so disregarded; *provided* that the Trustee shall be entitled to rely on a certificate of the Servicer attesting to the ownership of Notes by the Originator, the Servicer, any of their respective Affiliates or any account managed on a discretionary basis by the Servicer or an Affiliate of the Servicer, if any.

"Owner" means each owner of a beneficial interest in a Note.

"Physical Note" means any Note in certificated form registered in the name of a holder.

"Plan" has the meaning provided in Section 4.02(k) hereof.

"Prepayment Benchmark Rate" means the Three Year USD mid-market swap rate as mutually agreed by the Noteholders at 11:00 A.M. New York City time on the Business Day immediately preceding the related Redemption Date.

"Proceeding" means any suit in equity, action at law or other judicial or administrative proceeding.

"PTCE" has the meaning provided in Section 4.02(k) hereof.

"Qualified Institutional Buyer" has the meaning provided in Rule 144A under the Securities Act.

"Qualified Purchaser" has the meaning provided in Section 2(a)(51) under the 1940 Act.

"Receiving Party" means each Holder of a Note (other than the Originator or any Affiliate thereof) and the Trustee.

"Regulation S" means Regulation S under the Securities Act.

"Rule 144A Certification" means a letter substantially in the form attached to this Indenture as Exhibit D-2.

"Sale" has the meaning provided in Section 5.15 hereof.

"Sale and Servicing Agreement" means the Sale and Servicing Agreement, dated as of the date hereof, by and among Horizon Funding I, LLC, as the Issuer, Horizon Secured Loan Fund, as the Originator and as the Seller, Horizon Technology Financing Corporation, as the Manager and as the Servicer and U.S. Bank National Association, as the Trustee, Backup Servicer, Custodian, Lockbox Bank and Securities Intermediary.

"Securities Legend" means a legend that reads as follows: "THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE APPLICABLE SECURITIES LAWS OF ANY STATE. ACCORDINGLY, TRANSFER OF THIS NOTE IS SUBJECT TO CERTAIN RESTRICTIONS SET FORTH IN SECTION 4.02 OF THE INDENTURE. BY ITS ACCEPTANCE OF THIS NOTE, THE HOLDER OF THIS NOTE IS DEEMED TO, OR WITH RESPECT TO INVESTORS IN PHYSICAL NOTES SHALL, REPRESENT TO THE ISSUER AND THE TRUSTEE THAT IT IS (I) IF LOCATED IN THE UNITED STATES (A) A "QUALIFIED INSTITUTIONAL BUYER", AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT IS A "QUALIFIED PURCHASER" AS DEFINED IN SECTION 2(A)(51) OF THE INVESTMENT COMPANY ACT OF 1940 (EACH SUCH PERSON, A "QUALIFIED PURCHASER") OR (B) AN INSTITUTION THAT QUALIFIES AS AN "ACCREDITED INVESTOR" MEETING THE REQUIREMENTS OF RULE 501(A)(1), (2), (3) OR (7) OF REGULATION D UNDER THE SECURITIES ACT (AN "INSTITUTIONAL ACCREDITED INVESTOR") THAT IS A QUALIFIED PURCHASER AS DEFINED IN SECTION 2(A)(51) OF THE INVESTMENT COMPANY ACT OF 1940 PURSUANT TO AN EXEMPTION UNDER THE SECURITIES ACT AND, IN EITHER CASE, IS ACQUIRING SUCH NOTE FOR ITS OWN ACCOUNT (AND NOT FOR THE ACCOUNT OF OTHERS) OR AS A FIDUCIARY OR AGENT FOR OTHERS (WHICH OTHERS ALSO ARE INSTITUTIONAL ACCREDITED INVESTORS), PURSUANT TO AN EXEMPTION FROM REGISTRATION REQUIREMENTS UNDER THE SECURITIES ACT; OR (II) A NON-U.S. PERSON ACQUIRING INTEREST IN THIS NOTE OUTSIDE THE UNITED STATES IN ACCORDANCE WITH REGULATION S OF THE SECURITIES ACT ("REGULATION S") THAT IS A QUALIFIED PURCHASER.

NO SALE, PLEDGE OR OTHER TRANSFER OF THIS NOTE SHALL BE MADE UNLESS SUCH SALE, PLEDGE OR OTHER TRANSFER IS (A) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, (B) FOR SO LONG AS THE NOTES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT, TO A PERSON THE TRANSFEROR REASONABLY BELIEVES AFTER DUE INQUIRY IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A WHO IS A QUALIFIED PURCHASER (AS DEFINED ABOVE) AND THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A "QUALIFIED INSTITUTIONAL BUYER" TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (C) TO AN INSTITUTIONAL ACCREDITED INVESTOR WHO IS A QUALIFIED PURCHASER AND IS ACQUIRING SUCH NOTE FOR ITS OWN ACCOUNT (AND NOT FOR THE ACCOUNT OF OTHERS) OR AS A FIDUCIARY OR AGENT FOR OTHERS (WHICH OTHERS ALSO ARE INSTITUTIONAL ACCREDITED INVESTORS) OR (D) TO A NON-U.S. PERSON THAT IS A QUALIFIED PURCHASER ACQUIRING AN INTEREST IN THIS NOTE IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR 904 (AS APPLICABLE) OF REGULATION S UNDER THE SECURITIES ACT. THE TRUSTEE MAY REQUIRE AN OPINION OF COUNSEL TO BE DELIVERED TO IT IN CONNECTION WITH ANY SALE, PLEDGE OR OTHER TRANSFER OF THIS NOTE PURSUANT TO CLAUSES (A) OR (C) ABOVE. ALL OPINIONS OF COUNSEL REQUIRED IN CONNECTION WITH ANY TRANSFER SHALL BE IN A FORM REASONABLY ACCEPTABLE TO THE TRUSTEE. IN CONNECTION WITH A TRANSFER UNDER CLAUSES (C) OR (D) ABOVE, THE TRUSTEE SHALL REQUIRE THAT THE PROSPECTIVE TRANSFEREE CERTIFY TO THE TRUSTEE AND THE SELLER, IN WRITING THE FACTS SURROUNDING SUCH TRANSFER, WHICH CERTIFICATION SHALL BE IN FORM AND SUBSTANCE DESCRIBED IN THE INDENTURE. ANY ATTEMPTED TRANSFER IN CONTRAVENTION OF THE IMMEDIATELY PRECEDING RESTRICTION WILL BE VOID AB INITIO AND THE PURPORTED TRANSFEROR WILL CONTINUE TO BE TREATED AS THE OWNER OF THE NOTES FOR ALL PURPOSES."

In addition, the Notes will include the following:

"EACH INVESTOR IN THIS NOTE OR ANY INTEREST HEREIN WILL BE DEEMED TO, OR WITH RESPECT TO INVESTORS IN PHYSICAL NOTES SHALL, HAVE REPRESENTED AND WARRANTED THAT EITHER (I) IT IS NOT, AND IS NOT DIRECTLY OR INDIRECTLY ACQUIRING THIS NOTE FOR, ON BEHALF OF OR WITH ANY ASSETS OF, AN EMPLOYEE BENEFIT PLAN OR OTHER ARRANGEMENT SUBJECT TO PART IV, SUBTITLE B, TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), A PLAN SUBJECT TO SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), OR AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS OF ANY SUCH PLANS (COLLECTIVELY, A "BENEFIT PLAN INVESTOR") OR A PLAN OR OTHER ARRANGEMENT SUBJECT TO ANY PROVISIONS UNDER ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAWS OR REGULATIONS THAT ARE SUBSTANTIVELY SIMILAR TO THE FOREGOING PROVISIONS OF ERISA OR THE CODE ("SIMILAR LAW") OR (II) ITS ACQUISITION AND HOLDING OF SUCH NOTE OR ANY INTEREST THEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR A NON-EXEMPT VIOLATION OF SIMILAR LAW.

THE ISSUER HAS THE RIGHT, UNDER THE INDENTURE, TO COMPEL ANY OWNER OF AN INTEREST IN THIS NOTE THAT IS NOT BOTH (A) A QUALIFIED PURCHASER OR A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY (OTHER THAN A TRUST) EACH SHAREHOLDER, PARTNER, MEMBER OR OTHER EQUITY OWNER OF WHICH IS A QUALIFIED PURCHASER AND (B)(1) A QUALIFIED INSTITUTIONAL BUYER OR AN INSTITUTIONAL ACCREDITED INVESTOR OR (2) A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT, TO SELL ITS INTEREST IN THIS NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER."

"Similar Law" has the meaning provided in Section 4.02(k) hereof.

"Stock" means all shares, options, warrants, membership interests, units of membership interests, other interests, participations, or other equivalents (regardless of how designated) of or in a Person, whether voting or non-voting, including common stock, preferred stock, or any other "equity security" (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the Securities and Exchange Commission under the Exchange Act).

"Subsidiary" of a Person means a corporation, partnership, limited liability company, or other entity in which that Person directly or indirectly owns or controls the shares of Stock having ordinary voting power to elect a majority of the Board of Directors of such corporation, partnership, limited liability company, or other entity.

"Super-Majority Noteholders" means prior to the payment in full of the Notes, the Noteholders evidencing more than 66 2/3% of the Aggregate Outstanding Note Balance.

"Transferee Letter" means the letter set forth in Exhibit D-1 to this Indenture.

"Trust Indenture Act" or "TIA" means the Trust Indenture Act of 1939, as amended from time to time, as in effect on any relevant date.

"Trustee" has the meaning provided in the Preamble hereof.

"U.S. Person" means a person that is a citizen or resident of the United States, a corporation or partnership (except as provided in applicable Treasury regulations) created or organized in or under the laws of the United States, any state or the District of Columbia, including any entity treated as a corporation or partnership for federal income tax purposes, an estate whose income is subject to United States federal income tax regardless of its source, or a trust if a court within the United States is able to exercise primary supervision over the administration of such trust, and one or more such U.S. Persons have the authority to control all substantial decisions of such trust (or, to the extent provided in applicable Treasury regulations, certain trusts in existence on August 20, 1996 which are eligible to elect to be treated as a U.S. Person).

"USA PATRIOT Act" means the United States Uniting and Strengthening America By Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, signed into law on and effective as of October 26, 2001, which, among other things, requires that financial institutions, a term that includes banks, broker-dealers and investment companies, establish and maintain compliance programs to guard against money laundering activities.

Section 1.02 **Rules of Construction**.

Unless the context otherwise requires:

i. a term has the meaning given to it;

ii. an accounting term not otherwise defined has the meaning given to it in accordance with generally accepted accounting principles;

iii. "or" is not exclusive;

iv. “including” means including without limitation;

v. words in the singular include the plural and words in the plural include the singular;

vi. any pronouns shall be deemed to cover all genders;

vii. any agreement, instrument or statute defined or referred to herein or in any instrument or certificate delivered in connection herewith means such agreement, instrument or statute as from time to time amended, modified, waived or supplemented and includes (in the case of agreements or instruments) references to all attachments thereto and instruments incorporated therein; references to a Person are also to its permitted successors and assigns; and

viii. terms used herein that are defined in the New York Uniform Commercial Code and not otherwise defined herein shall have the meaning set forth in the New York Uniform Commercial Code, unless the context requires otherwise.

Article II

THE NOTES

Section 2.01 **Form**.

The Notes, together with the Trustee’s certificate of authentication, shall be in substantially the forms set forth as Exhibit A to this Indenture with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may, consistently herewith, be determined by the appropriate Responsible Officers executing such Notes, as evidenced by their execution of the Notes. Any portion of the text of any Note may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Note.

The Notes shall be typewritten, printed, lithographed or engraved or produced by any combination of these methods (with or without steel engraved borders), all as determined by the Responsible Officers executing such Notes, as evidenced by their execution of such Notes.

The terms of the Notes set forth in Exhibit A are part of the terms of this Indenture.

Section 2.02 **Execution, Authentication and Delivery**.

The Notes shall be executed on behalf of the Issuer by any of its Responsible Officers. The signature of any such Responsible Officer on the Notes may be manual or facsimile.

Notes bearing the manual or facsimile signature of individuals who were at any time Responsible Officers of the Issuer shall bind the Issuer, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Notes or did not hold such offices at the date of such Notes.

The Trustee shall upon receipt of an Issuer Order authenticate and deliver the Notes for original issue in an aggregate amount up to the Commitment Amount.

Each Note shall be dated the date of its authentication. The Notes shall be issued in fully registered form in minimum initial denominations equal to the applicable Minimum Denomination and in integral multiples of $1,000 in excess thereof; *provided* that one Note may be issued in a different denomination.

No Note shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose, unless there appears on such Note a certificate of authentication substantially in the form provided for herein executed by the Trustee by the manual signature of one of its authorized signatories, and such certificate upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly authenticated and delivered hereunder.

Article III
COVENANTS

Section 3.01 **Transaction Accounts**.

The Securities Intermediary shall establish and maintain as required therein or herein, as applicable, the Collection Account, the General Reserve Account, the Distribution Account and the Principal Reinvestment Account specified in Sections 7.01, 7.02 and 7.03 of the Sale and Servicing Agreement. The Issuer shall establish as required therein or herein, as applicable, the Lockbox Account specified in Section 7.01 of the Sale and Servicing Agreement. Subject to the Priority of Payments, the Trustee shall make all payments of principal of and interest on the Notes, subject to Section 3.03 hereof and as provided in Section 3.05 hereof, from moneys on deposit in the Distribution Account.

Section 3.02 **Maintenance of Office or Agency**.

The Issuer shall maintain with the Trustee an office or agency where, subject to satisfaction of conditions set forth herein, Notes may be surrendered for registration of transfer or exchange, and where notices and demands to or upon the Issuer in respect of the Notes and this Indenture may be served. The Issuer hereby initially appoints the Trustee to serve as its agent for the foregoing purposes. The Issuer will give prompt written notice to the Trustee of the location, and of any change in the location, of any such office or agency. If at any time the Issuer shall fail to maintain any such office or agency or shall fail to furnish the Trustee with the address thereof (if such office or agency is no longer maintained with the Trustee), such surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee, and the Issuer hereby appoints the Trustee as its agent to receive all such surrenders, notices and demands.

Section 3.03 **Money for Payments To Be Held in Trust; Paying Agent**.

The Issuer hereby appoints the Trustee to act as agent (in such capacity, the "Paying Agent") for the payment of principal and interest on the Notes and all other amounts payable pursuant to the Sale and Servicing Agreement (including without limitation the Priority of Payments) and this Indenture. As provided in Section 3.01 hereof, all payments of amounts due and payable with respect to any Notes that are to be made from amounts withdrawn from the Distribution Account shall be made on behalf of the Issuer by the Paying Agent, and no amounts so withdrawn from the Distribution Account for payments of Notes shall be paid over to the Issuer except as provided in this Section 3.03 and in Section 3.05 hereof.

The Issuer may at any time and from time to time vary or terminate the appointment of any such agent or appoint any additional agents for any or all of such purposes; *provided* that no Paying Agent shall be appointed in a jurisdiction that subjects payments on the Notes to withholding tax; *provided* that unless such agent has short-term debt rated "P-1" by Moody's or an equivalent rating by Morningstar (if rated by Morningstar) it may not hold funds pursuant to this Indenture overnight. The Issuer shall give prompt written notice to the Trustee, the Rating Agency and the Noteholders of the appointment or termination of any such agent and of the location and any change in the location of any such office or agency.

By no later than 12:00 noon (New York, New York time) on the Business Day prior to each Payment Date, and by no later than 12:00 noon (New York, New York time) on any Redemption Date, as applicable, the Paying Agent (provided that sufficient funds therefor are available) shall deposit or cause to be deposited into the Distribution Account from amounts on deposit in the Collection Account an aggregate sum sufficient to pay the amounts then becoming due, such sum to be held in trust for the benefit of the Persons entitled thereto and (unless the Trustee is the Paying Agent) shall promptly notify the Issuer in writing of its action or failure so to act.

The Issuer will cause each party other than the Trustee that it appoints as Paying Agent to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee (and if the Trustee acts as Paying Agent, it hereby so agrees), subject to the provisions of this Section 3.03, that such Paying Agent will:

i. hold all sums held by it for the payment of amounts due with respect to the Notes in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided and pay such sums to such Persons as herein provided;

ii. at any time during the continuance of any Event of Default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent;

iii. immediately resign as Paying Agent and forthwith pay to the Trustee all sums held by it in trust for the payment of Notes if at any time it ceases to meet the standards required to be met by a Paying Agent at the time of its appointment; and

iv. to the extent such Paying Agent is located in, or makes payments within, the United States, comply with all requirements of the Code with respect to the withholding from any payments made by it on any Notes of any applicable withholding taxes imposed thereon and with respect to any applicable reporting requirements in connection therewith.

The Issuer may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, by Issuer Order direct any Paying Agent to pay to the Trustee all sums held in trust by such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which the sums were held by such Paying Agent; and upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Subject to applicable laws with respect to escheat of funds, any money held by the Paying Agent in trust for the payment of any amount due with respect to any Note and remaining unclaimed for two years after such amount has become due and payable shall be discharged from such trust and be paid to the Issuer on an Issuer Order; and the Holder of such Note shall thereafter, as an unsecured general creditor, look only to the Issuer for payment thereof (but only to the extent of the amounts so paid to the Issuer), and all liability of the Paying Agent with respect to such trust money shall thereupon cease; *provided* that the Paying Agent, before being required to make any such repayment, shall at the expense and direction of the Issuer cause to be published once, in an Authorized Newspaper, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Issuer. The Trustee shall also adopt and employ, at the expense and direction of the Issuer, any other reasonable means of notification of such repayment (including, but not limited to, mailing notice of such repayment to Holders whose Notes have been called but have not been surrendered for redemption or whose right to or interest in moneys due and payable but not claimed is determinable from the records of the Trustee or of any other party acting as Paying Agent, at the last address of record for each such Holder).

Section 3.04 **Existence; Separate Legal Existence**.

(a) The Issuer will keep in full effect its existence, rights and franchises as a limited liability company under the laws of the State of Delaware (unless it becomes, or any successor Issuer hereunder is or becomes, organized under the laws of any other state or of the United States, in which case the Issuer will keep in full effect its existence, rights and franchises under the laws of such other jurisdiction) and will obtain and preserve its qualification to do business in each jurisdiction in which such qualification is or shall be necessary to protect the validity and enforceability of this Indenture, the Notes, the other Transaction Documents, the Indenture Collateral and each other instrument or agreement included in the Indenture Collateral.

(b) The Issuer shall:

(i) Maintain its own deposit account or accounts, separate from those of any Affiliate, with commercial banking institutions and in accordance with the terms of this Indenture. The funds of the Issuer will not be diverted to any other Person or for other than authorized uses of the Issuer.

(ii) Ensure that it is at all times in compliance with its organizational documents.

(iii) Ensure that, to the extent that it jointly contracts with any of its beneficial owners or Affiliates to do business with vendors or service providers or to share overhead expenses, the costs incurred in so doing shall be allocated fairly among such entities, and each such entity shall bear its fair share of such costs. To the extent that the Issuer contracts or does business with vendors or service providers when the goods and services provided are partially for the benefit of any other Person, the costs incurred in so doing shall be fairly allocated to or among such entities for whose benefit the goods and services are provided, and each such entity shall bear its fair share of such costs. All material transactions between the Issuer and any of its Affiliates shall be only at fair market value on an arm's length basis and, as applicable thereto, in accordance with the Sale and Servicing Agreement.

(iv) Conduct its affairs strictly in accordance with its organizational documents and observe all necessary, appropriate and customary limited liability company formalities, including, but not limited to, holding all regular and special board of trustees meetings, if any, as required under the terms of its organizational documents appropriate to authorize all limited liability company action, keeping separate and accurate minutes of its meetings, passing all resolutions or consents necessary to authorize actions taken or to be taken, and maintaining accurate and separate books, records and accounts, including, but not limited to, payroll and intercompany transaction accounts.

(v) Conduct its affairs in its own name, duly correct any known misunderstandings regarding its separate identity and shall not take any action or conduct its affairs in a manner that is likely to result in its separate existence being ignored or its assets and liabilities being substantively consolidated with any other Person in a bankruptcy, reorganization or other insolvency proceeding.

(vi) Conduct its affairs in accordance with the separateness provisions set forth in Section 4 of the Issuer LLC Agreement.

Section 3.05 **Payment of Principal and Interest**.

The Issuer will duly and punctually pay the principal of and interest on the Notes, in accordance with the terms of such Notes, this Indenture and the Sale and Servicing Agreement (including the Priority of Payments therein). The Issuer will cause to be distributed all amounts on deposit in the Distribution Account on a Payment Date, or such other date selected by the Trustee pursuant to Section 5.04(b) hereof, deposited therein pursuant to the Sale and Servicing Agreement for the benefit of the Notes, to the applicable Noteholders. Amounts properly withheld under the Code or any applicable state law by any Person from a payment to any Noteholder of interest and/or principal shall be considered as having been paid by the Issuer to such Noteholder for all purposes of this Indenture.

Section 3.06 **Protection of Indenture Collateral**.

(a) The Issuer shall cause each item of Indenture Collateral to be Delivered in accordance with this Section 3.06(a), and the Trustee shall hold each item of Indenture Collateral as Delivered, separate and apart from all other property held by the Trustee. To the extent that any such Indenture Collateral constitutes a deposit account that is maintained with U.S. Bank, U.S. Bank hereby makes the agreements required under the UCC in order for such deposit account to be Delivered. Notwithstanding any other provision of this Indenture, the Trustee shall not hold any part of the Indenture Collateral through an agent or nominee except as expressly permitted by this Section 3.06(a).

For purposes of this Section 3.06, "Deliver" or "Delivery" means the taking of the following steps by the Issuer:

(i) with respect to such Indenture Collateral as constitutes an instrument, causing the Trustee to take possession in the State of New York, Minnesota, Illinois or Wisconsin of such instrument, indorsed to the Trustee or in blank by an effective indorsement;

(ii) with respect to such Indenture Collateral as constitutes tangible chattel paper, goods, a negotiable document, or money, causing the Trustee to take possession in the State of New York, Minnesota, Illinois or Wisconsin of such tangible chattel paper, goods, negotiable document, or money;

(iii) with respect to such Indenture Collateral as constitutes a certificated security in bearer form, causing the Trustee to acquire possession in the State of New York, Minnesota, Illinois or Wisconsin of the related security certificate;

(iv) with respect to such Indenture Collateral as constitutes a certificated security in registered form, causing the Trustee to acquire possession in the State of New York, Minnesota, Illinois or Wisconsin of the related security certificate, indorsed to the Trustee or in blank by an effective indorsement, or registered in the name of the Trustee, upon original issue or registration of transfer by the issuer of such certificated security;

(v) with respect to such Indenture Collateral as constitutes an uncertificated security, causing the issuer of such uncertificated security to register the Trustee as the registered owner of such uncertificated security;

(vi) with respect to such of the Indenture Collateral as constitutes a security entitlement, causing the Securities Intermediary to indicate by book entry that the financial asset relating to such security entitlement has been credited to the appropriate Transaction Account;

(vii) with respect to such of the Indenture Collateral as constitutes an account or a general intangible, causing to be filed with the Delaware Secretary of State a properly completed UCC financing statement that names the Issuer as debtor and the Trustee as secured party and that covers such account or general intangible;

(viii) with respect to such Indenture Collateral as constitutes a deposit account, causing such deposit account to be maintained in the name of the Trustee and causing the bank with which such deposit account is maintained to agree in writing with the Trustee and the Issuer that (A) such bank will comply with instructions originated by the Trustee or its designee directing disposition of the funds in such deposit account without further consent of any other person or entity, (B) such bank will not agree with any person or entity other than the Trustee to comply with instructions originated by any person or entity other than the Trustee, (C) such deposit account and the property credited thereto will not be subject to any lien, security interest, encumbrance, or right of set-off in favor of such bank or anyone claiming through it (other than the Trustee), and (D) the State of New York will be the bank's jurisdiction of such bank for purposes of Article 9 of the UCC; or

(ix) in the case of each of paragraphs (i) through (viii) above, such additional or alternative procedures as may hereafter become appropriate to grant a first priority perfected security interest in such items of Indenture Collateral to the Trustee, consistent with applicable law or regulations.

In each case of Delivery contemplated herein, the Trustee or Custodian as bailee for the Trustee, as applicable, shall make appropriate notations on its records indicating that each such item of Indenture Collateral is held by the Trustee pursuant to and as provided herein. Effective upon Delivery of any item of Indenture Collateral, the Custodian as bailee for the Trustee shall be deemed to have acknowledged that it holds such item of the Indenture Collateral as Trustee hereunder for the benefit of the Noteholders. Any additional or alternative procedures for accomplishing "Delivery" for purposes of paragraph (ix) of this Section 3.06(a) shall be permitted only upon delivery to the Trustee or the Custodian, as applicable, of an Opinion of Counsel to the effect that such procedures are appropriate to grant a first priority perfected security interest in the applicable type of collateral to the Trustee or the Custodian, as applicable.

(b) The Issuer intends the security interest Granted pursuant to this Indenture in favor of the Trustee on behalf of the Noteholders to be prior to all other liens in respect of the Indenture Collateral other than Permitted Liens, and the Issuer shall take or shall cause the Servicer to take all actions necessary to obtain and maintain at all times, for the benefit of the Trustee on behalf of the Noteholders, a first lien on and a first priority, perfected security interest in the Indenture Collateral, subject to any Permitted Liens with respect thereto. In connection therewith, pursuant to Section 2.09 of the Sale and Servicing Agreement, the Issuer shall cause to be delivered into the possession of the Custodian as bailee of the Trustee as pledgee hereunder, indorsed in blank, any "instruments" (within the meaning of the UCC), not constituting part of chattel paper, evidencing any Loan which is part of the Indenture Collateral and all other portions of the Loan Files. The Trustee acknowledges and agrees that (i) it holds the Loan Assets delivered to it under the Sale and Servicing Agreement for the benefit of the Issuer, and (ii) it holds the Indenture Collateral delivered to it pursuant to this Indenture for the benefit of the Noteholders. The Trustee agrees to maintain continuous possession of such delivered instruments as pledgee hereunder and the Custodian will maintain continuous possession of the Loan Files until this Indenture shall have terminated in accordance with its terms or until, pursuant to the terms hereof or of the Sale and Servicing Agreement, the Trustee is otherwise authorized to release such instrument from the Indenture Collateral. Notwithstanding anything to the contrary in this Section 3.06(b) or the other provisions of the Indenture, the parties hereto acknowledge that the Custodian is holding the Loan Files as bailee on behalf of the Trustee. The Trustee makes no representations as to and shall not be responsible for or required to verify or hold the Loan Files. The Issuer authorizes and shall cause to be filed a financing statement that names the Issuer as debtor and the Trustee as secured party to ensure the perfection of the interest of the Trustee in the Indenture Collateral (including describing the Indenture Collateral as "all assets of the Debtor whether now existing or hereafter acquired"). The Issuer will or will cause the Servicer from time to time to prepare (or shall cause to be prepared), execute and deliver all such supplements and amendments hereto and all such financing statements, continuation statements, instruments of further assurance and other instruments, and will take such other action necessary or advisable to:

(i) maintain or preserve the lien and security interest (and the priority thereof) of this Indenture or carry out more effectively the purposes hereof;

(ii) perfect, publish notice of or protect the validity of any Grant made or to be made by this Indenture;

(iii) enforce any of the Loans transferred to the Issuer as and to the extent commercially reasonable and in accordance with the Sale and Servicing Agreement; or

(iv) preserve and defend title to the Indenture Collateral and the rights of the Trustee and the Noteholders in such Indenture Collateral against the claims of all persons and parties.

Except as otherwise provided in or permitted by the Sale and Servicing Agreement or this Indenture, the Trustee shall not remove any portion of the Indenture Collateral held by it that consists of money or is evidenced by an instrument, certificate or other writing from the jurisdiction in which it was held at the date of the most recent Opinion of Counsel delivered pursuant to Section 3.07 hereof (or from the jurisdiction in which it was held as described in the Opinion of Counsel delivered at the Closing Date pursuant to Section 3.07(a) hereof, if no Opinion of Counsel has yet been delivered pursuant to Section 3.07(b) hereof) unless the Trustee shall have first received an Opinion of Counsel to the effect that the lien and security interest created by this Indenture with respect to such property will continue to be maintained after giving effect to such action or actions.

The Issuer hereby designates the Trustee its agent and attorney-in-fact to execute any financing statement, continuation statement or other instrument required to be executed pursuant to this Section 3.06, *provided*, however, that the Trustee shall not be obligated to execute or authorize such instruments except at the written direction of the Issuer.

Section 3.07 **Opinions as to Indenture Collateral**.

(a) On or before the Closing Date, the Issuer shall furnish to the Trustee an Opinion of Counsel either stating that, in the opinion of such counsel, such action has been taken with respect to the delivery of the Underlying Notes and any other requisite documents, and with respect to the execution and filing of any financing statements and continuation statements, as is necessary to perfect and make effective the lien and security interest of this Indenture and reciting the details of such action, or stating that, in the opinion of such counsel, no such action is necessary to make such lien and security interest effective.

(b) On or before June 30 in each calendar year, beginning in 2019, the Servicer on behalf of the Issuer will furnish to the Trustee and the Rating Agency an Opinion of Counsel at the expense of the Issuer either stating that, in the opinion of such counsel, such action has been taken with respect to any other requisite documents and with respect to the execution and filing of any financing statements and continuation statements as is necessary to maintain the perfection of the lien and security interest created by this Indenture and reciting the details of such action or stating that in the opinion of such counsel no such action is necessary to maintain the perfection of such lien and security interest. Such Opinion of Counsel shall also describe any other requisite documents and the execution and filing of any financing statements and continuation statements that will, in the opinion of such counsel, be required to maintain the lien and security interest of this Indenture until June 30 in the following calendar year.

Section 3.08 **Furnishing of Rule 144A Information**.

The Issuer will furnish, upon the written request of any Noteholder or of any owner of a beneficial interest therein, such information as is specified in paragraph (d)(4) of Rule 144A under the Securities Act (i) to such Noteholder or Owner, (ii) to a prospective purchaser of such Note or interest therein who is a Qualified Institutional Buyer and a Qualified Purchaser designated by such Noteholder or Owner, or (iii) to the Trustee for delivery to such Noteholder, Owner or prospective purchaser, in order to permit compliance by such Noteholder or Owner with Rule 144A in connection with the resale of such Note or beneficial interest therein by such Noteholder or Owner in reliance on Rule 144A unless, at the time of such request, the Issuer is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, or exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act.

Section 3.09 **Performance of Obligations; Sale and Servicing Agreement**.

(a) The Issuer will punctually perform and observe all of its obligations and agreements contained in this Indenture, the other Transaction Documents and in the instruments and agreements included in the Indenture Collateral.

(b) The Issuer may contract with other Persons to assist it in performing its duties under this Indenture, the other Transaction Documents and the instruments and agreements included in the Indenture Collateral, and any performance of such duties by a Person identified to the Trustee in an Officer’s Certificate of the Issuer shall be deemed to be action taken by the Issuer. Initially, the Issuer has contracted with the Servicer to assist the Issuer in performing its duties under this Indenture, the other Transaction Documents and the instruments and agreements included in the Indenture Collateral.

(c) The Issuer will not take any action or permit any action to be taken by others which would release any Person from any of such Person’s covenants or obligations under any of the documents relating to the Loans or under any instrument included in the Indenture Collateral, or which would result in the amendment, hypothecation, subordination, termination or discharge of, or impair the validity or effectiveness of, any of the documents relating to the Loans or any such instrument, except such actions as the Servicer is expressly permitted to take in the Transaction Documents.

(d) If a Responsible Officer of the Issuer shall have knowledge of the occurrence of a Servicer Default, the Issuer shall promptly notify in writing the Trustee and the Rating Agency thereof, and shall specify in such notice the action, if any, the Issuer is taking in respect of such Servicer Default. If such Servicer Default arises from the failure of the Servicer to perform any of its duties or obligations under the Sale and Servicing Agreement with respect to the Indenture Collateral, the Issuer may remedy such failure. So long as any such Servicer Default shall be continuing, the Trustee may exercise its remedies set forth in Section 8.02 of the Sale and Servicing Agreement. Unless granted or permitted by the Holders of the Notes to the extent provided in Article VIII of the Sale and Servicing Agreement, the Issuer may not waive any such Servicer Default or terminate the rights and powers of the Servicer under the Sale and Servicing Agreement.

Section 3.10 **Negative Covenants**.

So long as any Notes are Outstanding, the Issuer shall not:

(i) except as expressly permitted by this Indenture or any other Transaction Document, sell, transfer, exchange or otherwise dispose of any portion the Indenture Collateral, unless directed to do so by the Trustee;

(ii) claim any credit on, or make any deduction from the principal or interest payable in respect of, the Notes (other than amounts properly withheld from such payments under the Code or applicable state law), or assert any claim against any present or former Noteholder by reason of the payment of the taxes levied or assessed upon the Issuer;

(iii) permit the validity or effectiveness of this Indenture to be impaired, or permit the lien of this Indenture to be amended, hypothecated, subordinated, terminated or discharged, or permit any Person to be released from any covenants or obligations with respect to the Notes under this Indenture except as may be expressly permitted hereby, permit any lien, charge, excise, claim, security interest, mortgage or other encumbrance (other than the lien of this Indenture or any other Transaction Document) to be created on or extend to or otherwise arise upon or burden the Indenture Collateral or any part thereof or any interest therein or the proceeds thereof (except for Permitted Liens) or permit the lien of this Indenture not to constitute a valid first priority security interest in the Indenture Collateral (subject to Permitted Liens);

(iv) except as contemplated in the Transaction Documents, dissolve or liquidate in whole or in part;

(v) engage in any activities other than financing, acquiring, owning, pledging and managing the Loans as contemplated by the Transaction Documents and activities incidental to those activities; or

(vi) incur, assume or guarantee any indebtedness other than indebtedness evidenced by the Notes or indebtedness otherwise permitted by the Transaction Documents.

Section 3.11 **Annual Statement as to Compliance**.

The Issuer will deliver to the Trustee and the Rating Agency, within 90 days after the end of each calendar year (commencing with the calendar year ending 2018), an Officer's Certificate stating, as to the Person signing such Officer's Certificate, that:

(i) a review of the activities of the Issuer during such year and of its performance under this Indenture has been made under such Person's supervision or direction; and

(ii) to the best of such Person's knowledge, based on such review, the Issuer has complied with all conditions and covenants under this Indenture throughout such year, or, if there has been such a default in its compliance with any such condition or covenant, specifying each such default known to such Person and the nature and status thereof.

Section 3.12 **[Reserved]**.

Section 3.13 **Representations and Warranties Concerning the Loans**.

The Issuer has pledged to the Trustee for the benefit of the Noteholders all of its rights under the Sale and Servicing Agreement (except for the Excluded Property), and the Trustee has the benefit of the representations and warranties made by the Originator in such documents concerning the Loans transferred into the Loan Assets and the right to enforce any remedy against the Originator provided in the Sale and Servicing Agreement, to the same extent as though such representations and warranties were made directly to the Trustee.

Section 3.14 **Review of Loan Files**.

The Custodian, on behalf of the Trustee, for the benefit of the Noteholders shall review the Loan Files as provided in Section 2.11 of the Sale and Servicing Agreement.

Section 3.15 **Sale and Servicing Agreement**.

In order to facilitate the servicing of the Loans, the Issuer authorizes the Servicer, in the name and on behalf of the Trustee and the Issuer, and the Trustee accepts such appointment, to perform its respective duties and obligations under the Sale and Servicing Agreement and the rights of the Trustee pursuant to the third sentence of Section 8.01 hereof. The Trustee agrees to perform its express obligations under the Sale and Servicing Agreement in accordance with the terms thereof.

Section 3.16 **Amendments to Sale and Servicing Agreement**.

The Trustee may enter into any amendment or supplement to the Sale and Servicing Agreement only in accordance with Section 13.01 of the Sale and Servicing Agreement. The Trustee may, in its reasonable discretion, decline to enter into or consent to any such supplement or amendment if its own rights, duties or immunities shall be adversely affected in any material respect.

Section 3.17 **Servicer as Agent and Bailee of Trustee**.

Solely for purposes of perfection under Section 9-313 of the UCC or other similar applicable law, rule or regulation of the state in which such property is held by the Servicer, the Trustee hereby acknowledges that the Servicer is acting as agent and bailee of the Trustee in holding any documents released to the Servicer pursuant to the Sale and Servicing Agreement as well as any other items constituting a part of the Indenture Collateral which from time to time come into the possession of the Servicer. It is intended that, by the Servicer's execution and delivery of the Sale and Servicing Agreement, the Trustee, as a secured party, will be deemed to have possession of such documents, such moneys and such other items for purposes of Section 9-313 of the UCC of the state in which such property is held by the Servicer.

Section 3.18 **Investment Company Act of 1940**.

The Issuer shall not and the Trustee shall not knowingly take any action that would cause the Issuer or the pool of Indenture Collateral to be required to register as an "investment company" under the 1940 Act (or any successor or amendatory statute).

Section 3.19 **Issuer May Consolidate, etc., Only on Certain Terms**.

(a) The Issuer shall not consolidate or merge with or into any other Person, unless:

(i) the Person (if other than the Issuer) formed by or surviving such consolidation or merger shall be a Person organized and existing under the laws of the United States or any state thereof or the District of Columbia and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee in form satisfactory to the Trustee, the due and punctual payment of the principal of and interest on all Notes, and the performance or observance of every agreement and covenant of this Indenture, the Notes and each other Transaction Document on the part of the Issuer to be performed or observed, all as provided herein and therein;

(ii) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing;

(iii) the Majority Noteholders have consented in writing to such transaction (and written notice thereof has been provided to the Rating Agency);

(iv) the Issuer shall have received an Opinion of Counsel (and shall have delivered copies thereof to the Trustee on which the Trustee may conclusively rely) to the effect that such transaction will not have any material adverse tax consequence to the Issuer, any Noteholder;

(v) all action that is necessary to maintain the lien and security interest created by this Indenture, and the perfection and priority thereof, shall have been taken and an Opinion of Counsel to such effect shall, if requested by the Trustee or the Majority Noteholders, have been delivered to the Trustee; and

(vi) the Issuer shall have delivered to the Trustee an Officer's Certificate and Opinion of Counsel (which may conclusively rely on the Officer's Certificate with respect to clauses (ii) and (iii) above and as to the taking of any action required by such Opinion of Counsel as it relates to clause (v) above) each stating that such consolidation or merger complies with this Section 3.19 and that all conditions precedent herein provided for relating to such transaction have been complied with.

(b) Except as otherwise permitted hereunder or under the Transaction Documents, the Issuer shall not convey or transfer all or substantially all of its properties or assets, including those included in the Indenture Collateral, to any Person, unless:

(i) the Person that acquires by conveyance or transfer the properties and assets of the Issuer the conveyance or transfer of which is hereby restricted shall be a United States citizen or a Person organized and existing under the laws of the United States or any state thereof or the District of Columbia, expressly assumes, by an indenture supplemental hereto, executed and delivered to the Trustee, in form and substance reasonably satisfactory to the Trustee, the due and punctual payment of the principal of and interest on all Notes, and the performance of each other Transaction Document, and the performance or observance of every agreement and covenant of this Indenture, the Notes and each other Transaction Document on the part of the Issuer to be performed or observed, all as provided herein, expressly agrees by means of such supplemental indenture that all right, title and interest so conveyed or transferred shall be subject and subordinate to the rights of the Holders of the Notes as provided in the Transaction Documents, and unless otherwise provided in such supplemental indenture, expressly agrees to indemnify, defend and hold harmless the Issuer against and from any loss, liability or expense arising under or related to this Indenture and the Notes arising from such transfer;

(ii) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing;

(iii) the Majority Noteholders have consented in writing to such transaction (and written notice thereof has been provided to Rating Agency);

(iv) the Issuer shall have received an Opinion of Counsel (and shall have delivered copies thereof to the Trustee on which the Trustee shall be entitled to rely) to the effect that such transaction will not have any material adverse tax consequence to the Issuer or any Noteholder;

(v) any action that is necessary to maintain the lien and security interest created by this Indenture shall have been taken; and

(vi) the Issuer shall have delivered to the Trustee an Officer’s Certificate and Opinion of Counsel (which may conclusively rely on a certificate of the transferee as to the transferee’s citizenship, if applicable, and on the Officer’s Certificate with respect to clauses (ii) and (iii) above and to the taking of any action required by such Opinion of Counsel as it relates to clause (v) above) each stating that such conveyance or transfer, and such supplemental indenture, comply with this Section 3.19 and that all conditions precedent herein provided for relating to such transaction have been complied with.

Section 3.20 **Successor or Transferee**.

(a) Upon any consolidation or merger of the Issuer in accordance with Section 3.19(a) hereof, the Person formed by or surviving such consolidation or merger (if other than the Issuer) shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under this Indenture with the same effect as if such Person had been named as the Issuer herein.

(b) Upon a conveyance or transfer of all or substantially all of the assets and properties of the Issuer pursuant to Section 3.19(b) hereof, the Issuer will be released from every covenant and agreement of this Indenture to be observed or performed on the part of the Issuer with respect to the Notes immediately upon the delivery of written notice to the Trustee stating that the Issuer is to be so released.

Section 3.21 **No Other Business**.

The Issuer shall not engage in any business other than financing, purchasing, owning, selling, managing and enforcing the Loans and Related Property, including through any subsidiaries permitted pursuant to Section 5.13 of the Sale and Servicing Agreement, in the manner contemplated by this Indenture and the other Transaction Documents and all activities incidental thereto, issuing the Notes and as otherwise expressly permitted in the Transaction Documents.

Section 3.22 **No Borrowing; Use of Proceeds**.

The Issuer shall not issue, incur, assume, guarantee or otherwise become liable, directly or indirectly, for any indebtedness except for the Notes and any other indebtedness permitted by the Transaction Documents. In consideration of the Originator's transfer of the Initial Loans to the Issuer, the Issuer will transfer the Initial Advance to the Originator on the Closing Date.

Section 3.23 **Guarantees, Loans, Advances and Other Liabilities**.

Except as contemplated by this Indenture or the other Transaction Documents, the Issuer shall not make any loan or advance or credit to, or guarantee (directly or indirectly or by an instrument having the effect of assuring another's payment or performance on any obligation or capability of so doing or otherwise), endorse or otherwise become contingently liable, directly or indirectly, in connection with the obligations, stocks or dividends of, or own, purchase, repurchase or acquire (or agree contingently to do so) any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other Person, other than any subsidiary established by the Issuer pursuant to Section 5.10 of the Sale and Servicing Agreement.

Section 3.24 **Capital Expenditures**.

The Issuer shall not make any expenditure (by long-term or operating lease or otherwise) for capital assets (either realty or personalty).

Section 3.25 **Representations and Warranties of the Issuer**.

The Issuer represents and warrants as of the date hereof and as of each Transfer Date, as follows:

(a) Power and Authority. It has full power, authority and legal right to execute, deliver and perform its obligations as Issuer under this Indenture and the Notes (the foregoing documents, the "Issuer Documents") and under each of the other Transaction Documents to which the Issuer is a party.

(b) Due Authorization and Binding Obligation. The execution and delivery of the Issuer Documents and the other Transaction Documents to which the Issuer is a party, and the consummation of the transactions provided for therein have been duly authorized by all necessary action on its part. Each of the Issuer Documents and the other Transaction Documents to which the Issuer is a party constitutes the legal, valid and binding obligation of the Issuer and is enforceable in accordance with its terms, except as enforcement of such terms may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and by the availability of equitable remedies.

(c) No Conflict. The execution and delivery of the Issuer Documents and the other Transaction Documents to which the Issuer is a party, the performance of the transactions contemplated thereby and the fulfillment of the terms thereof will not conflict with, result in any breach of any of the material terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, any indenture, contract, agreement, mortgage, deed of trust, or other instrument to which the Issuer is a party or by which it or any of its property is bound.

(d) No Violation. The execution and delivery of the Issuer Documents and the other Transaction Documents to which the Issuer is a party, the performance of the transactions contemplated thereby and the fulfillment of the terms thereof will not conflict with or violate, in any material respect, any Applicable Law.

(e) All Consents Required. All approvals, authorizations, consents, orders or other actions of any Person or any Governmental Authority required in connection with the execution and delivery of the Issuer Documents and the other Transaction Documents to which the Issuer is a party, the performance of the transactions contemplated thereby and the fulfillment of the terms thereof have been obtained.

(f) No Proceedings. No litigation or administrative proceeding of or before any court, tribunal or governmental body is currently pending, or to the knowledge of the Issuer, threatened, against the Issuer or any of its respective properties or with respect to the Issuer Documents or any other Transaction Document to which the Issuer is a party that, if adversely determined, would have a material adverse effect on the business, properties, assets or condition (financial or otherwise) of the Issuer or the transactions contemplated by the Issuer Documents or any of the other Transaction Documents to which the Issuer is a party.

(g) Organization and Good Standing. The Issuer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and has the requisite power to own its assets and to transact the business in which it is currently engaged, and had at all relevant times, and now has, all necessary power, authority and legal right under its organizational documents and under Applicable Law to acquire, own and pledge the Indenture Collateral.

(h) 1940 Act. The Issuer is not an “investment company” within the meaning of the 1940 Act.

(i) Location. The Issuer is located (within the meaning of Article 9 of the UCC) in the State of Delaware. The Issuer agrees that it will not change its location (within the meaning of Article 9 of the UCC) without at least 30 days prior written notice to the Originator, the Servicer, the Trustee and the Rating Agency and without taking all actions that are necessary to maintain the perfection of the lien of this Indenture and, at the request of the Majority Noteholders, delivering an Opinion of Counsel to such effect to the Trustee.

(j) Security Interest in Collateral.

This Indenture creates a valid, continuing and enforceable security interest (as defined in the applicable UCC) in the Indenture Collateral in favor of the Trustee, which security interest is prior to all other Liens (except for Permitted Liens), and is enforceable as such against creditors of and purchasers from the Issuer;

(i) the Indenture Collateral constitutes “general intangibles,” “instruments,” “accounts,” “investment property,” or “chattel paper,” within the meaning of the applicable UCC;

(ii) the Issuer owns and has good and marketable title to the Indenture Collateral free and clear of any Lien (other than Permitted Liens), claim or encumbrance of any Person;

(iii) the Issuer has received all consents and approvals required by the terms of the Indenture Collateral to the pledge of the Indenture Collateral hereunder to the Trustee;

(iv) the Issuer has caused the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under Applicable Law in order to perfect the security interest in the Indenture Collateral granted to the Trustee under this Indenture;

(v) other than the security interest granted by the Issuer pursuant to this Indenture and any Permitted Liens, the Issuer has not pledged, assigned, sold, granted a security interest in or otherwise conveyed any of the Indenture Collateral. The Issuer has not authorized the filing of and is not aware of any financing statements against the Issuer that include a description of collateral covering the Indenture Collateral other than any financing statement (A) relating to the security interest granted by the Issuer under this Indenture, or (B) that has been terminated or for which a release or partial release (that covers any Indenture Collateral) has been filed. The Issuer is not aware of the filing of any judgment or tax Lien filings against the Issuer;

(vi) each Underlying Note or Underlying Notes that constitute or evidence the Loan Assets has been or will be delivered to the Custodian in accordance with Section 2.09 of the Sale and Servicing Agreement;

(vii) the Issuer has received a written acknowledgment from the Custodian that the Custodian is holding, in accordance with Section 2.09 of the Sale and Servicing Agreement, any Underlying Notes that constitute or evidence any Loan Assets solely on behalf of and for the benefit of the Noteholders;

(viii) none of the Underlying Notes that constitute or evidence the Indenture Collateral has any marks or notations indicating that they have been pledged, assigned or otherwise conveyed to any Person other than the Issuer and the Trustee.

The representations and warranties in Section 3.25(j) hereof shall survive the termination of this Indenture.

(k) Solvency. At the time of and after giving effect to each conveyance of Loan Assets under the Sale and Servicing Agreement, the Issuer is Solvent on and as of the date thereof.

Section 3.26 **Restricted Payments**.

The Issuer shall not, directly or indirectly, (a) pay any dividend or make any distribution (by reduction of capital or otherwise), whether in cash, property, securities or a combination thereof, to any owner of a beneficial interest in the Issuer or otherwise with respect to any ownership or equity interest or security in or of the Issuer, (b) redeem, purchase, retire or otherwise acquire for value any such ownership or equity interest or security or (c) set aside or otherwise segregate any amounts for any such purpose; *provided* that the Issuer may make, or cause to be made, (i) distributions to or at the direction of the Issuer as contemplated by, and to the extent funds are available for such purpose under, the Sale and Servicing Agreement (including without limitation Sections 7.02(f), 7.05(a), 7.05(b) and 7.05(c) thereof), (ii) payments to the Servicer pursuant to the terms of the Sale and Servicing Agreement or the other Transaction Documents and (iii) payments to the Trustee pursuant to terms of the Sale and Servicing Agreement. The Issuer shall not, directly or indirectly, make payments to or distributions from the Distribution Account except in accordance with this Indenture and the other Transaction Documents. Any distributions permitted pursuant to this Indenture, the Sale and Servicing Agreement and the Transaction Documents shall be deemed to be free and clear of the Lien of this Indenture.

Section 3.27 **Notice of Events of Default, Amendments and Waivers**.

Promptly upon a Responsible Officer becoming aware thereof, the Issuer shall give the Trustee and the Rating Agency prompt written notice of each Event of Default hereunder, of each Servicer Default under the Sale and Servicing Agreement, of any material default or material breach of any other Transaction Document, and of any amendment or waiver of any Transaction Document.

Section 3.28 **Further Instruments and Acts**.

Upon request of the Trustee, the Issuer will execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture (provided nothing herein shall be deemed to impose an obligation on the Trustee to so request).

Section 3.29 **Statements to Noteholders**.

The Trustee shall make available on its internet website at https://pivot.usbank.com to each Noteholder and the Rating Agency on a password protected basis the Monthly Reports prepared by the Servicer pursuant to Article IX of the Sale and Servicing Agreement; *provided* the Trustee shall have no obligation to provide such information described in this Section 3.29 until it has received the requisite information from the Originator or the Servicer and provided, further, upon written direction from the Issuer, the Trustee may provide access to such internet website to any other party that the Issuer may designate in such direction. The Trustee will make no representation or warranties as to the accuracy or completeness of such documents and will assume no responsibility therefor.

The Trustee's internet website shall be initially located at https://pivot.usbank.com or at such other address as shall be specified by the Trustee from time to time in writing to the Noteholders, the parties to the Transaction Documents and the Issuer (who shall promptly forward the same to the Rating Agency). In connection with providing access to the Trustee's internet website, the Trustee may (other than with respect to the parties to the Transaction Documents and the Rating Agency) require registration and the acceptance of a disclaimer. The Trustee shall be permitted to change the method by which the Monthly Reports are distributed in order to make such distributions more convenient and/or more accessible to the Holders. The Trustee shall not be liable for the information that is disseminated in accordance with this Indenture.

Section 3.30 **Grant of Subsequent Loans and Substitute Loans**.

In consideration of the delivery of Loans transferred on each Transfer Date pursuant to and in accordance with the terms of the Sale and Servicing Agreement, and simultaneously with the transfer of the Subsequent Loans and/or Substitute Loans, as applicable, the Issuer will cause the related Loan File to be delivered to the Trustee or the Custodian, its bailee.

Section 3.31 **FATCA Information**.

The Issuer represents, warrants and covenants to the Trustee that, (i) to the best of the Issuer's knowledge, the Trustee is not obligated in respect of any payments to be made by it pursuant to this Indenture, to make any withholding or deduction pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code and any regulations or agreements thereunder or official interpretations thereof ("FATCA Withholding Tax"); (ii) the Issuer will require the Noteholders or the beneficial holders of Notes to collect and provide the Noteholder FATCA Information to the Issuer or the Trustee. The Issuer will provide the Noteholder FATCA Information to the Trustee promptly after receipt from any Noteholder or the beneficial holders of any Note; and (iii) to the extent the Issuer determines that FATCA Withholding Tax is applicable, it will promptly notify the Trustee of such fact.

Article IV
THE NOTES; SATISFACTION AND DISCHARGE OF INDENTURE

Section 4.01 **The Notes**.

The Notes shall be issued as Physical Notes.

The Notes shall, on original issue, be executed on behalf of the Issuer and authenticated and delivered by the Trustee upon receipt of an Issuer Order.

Section 4.02 **Registration of Transfer and Exchange of Notes**.

(a) The Trustee shall cause to be kept a Note Register (the "Note Register") in which, subject to such reasonable regulations as it may prescribe, the Issuer shall provide for the registration of Notes and the registration of transfers and exchanges of Notes as herein provided. The Trustee shall be "Note Registrar" for the purpose of registering Notes and transfers of Notes as herein provided. The Note Register shall contain the name, note numbers and remittance instructions.

(b) Each Note shall be issued in minimum denominations of not less than the Minimum Denomination, so that on the Closing Date the sum of the denominations of all outstanding Notes shall equal an amount up to the Commitment Amount. On the Closing Date and pursuant to an Issuer Order, the Trustee will execute and authenticate Physical Notes all in an aggregate principal amount that shall equal the Commitment Amount.

(c) The maximum Aggregate Outstanding Note Balance shall be the Commitment Amount.

(d) The Trustee, the Note Registrar, the Servicer, the Paying Agent and the Issuer shall recognize the Holders of the Physical Notes as Noteholders hereunder.

(e) Upon surrender for registration of transfer of any Note at the office of the Note Registrar and, upon satisfaction of the conditions set forth below, the Issuer shall execute, in the name of the designated transferee or transferees, a new Note and of the same aggregate Percentage Interest and dated the date of authentication by the Trustee. The Note Registrar shall maintain a record of any such transfer and deliver it to the Issuer, Servicer or Trustee upon request.

(f) At the option of the Noteholders, Notes may be exchanged for other Notes in authorized denominations, upon surrender of the Notes to be exchanged at the Corporate Trust Office. Whenever any Notes are so surrendered for exchange, the Issuer shall execute the Notes which the Noteholder making the exchange is entitled to receive. Every Note presented or surrendered for transfer or exchange shall be accompanied by wiring instructions, if applicable, in the form of Exhibit C hereto. The preceding provisions of this section notwithstanding, the Issuer shall not be required to make and the Note Registrar shall not register transfers or exchanges of Notes called for redemption.

(g) No service charge shall be made for any transfer or exchange of Notes, but prior to transfer the Note Registrar may require payment by the transferor of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer or exchange of Notes.

All Notes surrendered for payment, transfer and exchange or redemption shall be marked canceled by the Note Registrar and retained and destroyed in accordance with its policies and procedures.

(h) By acceptance of a Physical Note, whether upon original issuance or subsequent transfer, each Holder of such a Note acknowledges the restrictions on the transfer of such Note set forth in the Securities Legend and agrees that it will transfer such Note only as provided herein. In addition, the following restrictions shall apply with respect to the transfer and registration of transfer to a transferee that takes delivery in the form of a Physical Note:

> (i) The Note Registrar shall register the transfer of an Physical Note if the requested transfer is being made to a transferee who has provided the Note Registrar with a Rule 144A Certification or to a transferee who is an Affiliate of the Originator in a transfer which otherwise complies with Section 4.02(j) hereof; or
>
> (ii) The Note Registrar shall register the transfer of any Physical Note if (A) the transferor has advised the Note Registrar in writing that the Note is being transferred to a Person that is both an Institutional Accredited Investor and a Qualified Purchaser; (B) prior to the transfer the transferee furnishes to the Note Registrar a Transferee Letter; and (C) such transfer otherwise complies with Section 4.02(j) hereof.

(i) Subject to the restrictions on transfer and exchange set forth in this Section 4.02, the Holder of any Physical Note may transfer or exchange the same in whole or in part (in a Note balance amount or amounts not less than the applicable Minimum Denomination) by surrendering such Note at the Corporate Trust Office, or at the office of any transfer agent, together with an executed instrument of assignment and transfer satisfactory in form and substance to the Note Registrar in the case of transfer and a written request for exchange in the case of exchange.

(j) (i) No transfer of any Note shall be made unless such transfer is exempt from the registration requirements of the Securities Act and any applicable state securities laws or is made in accordance with the Securities Act and such laws. No transfer of any Note shall be made if such transfer would require the Issuer to register as an "investment company" under the 1940 Act. In the event of any such transfer, unless such transfer is made in reliance upon Rule 144A under the Securities Act or Regulation S under the Securities Act or is a transfer of an Physical Note to an Affiliate of the Originator, (A) the Trustee may require a written Opinion of Counsel acceptable to and in form and substance reasonably satisfactory to the Trustee that such transfer may be made pursuant to an exemption, describing the applicable exemption and the basis therefor, from said Act and laws or is being made pursuant to said Act and laws, which Opinion of Counsel shall not be an expense of the Trustee, the Issuer, or the Servicer and (B) the Trustee shall require the transferee to execute a Transferee Letter certifying to the Issuer and the Trustee the facts surrounding such transfer, which Transferee Letter or certification shall not be an expense of the Trustee, the Issuer or the Servicer. The Holder of a Note desiring to effect such transfer shall, and by accepting a Note and the benefits of this Indenture does hereby agree to, indemnify the Trustee, the Issuer, the Servicer and the Initial Purchasers against any liability that may result if the transfer is not so exempt or is not made in accordance with such federal and state laws. None of the Issuer, the Trustee, or the Servicer is obligated to register or qualify any Note under the Securities Act or any state or international securities laws.

(ii) If, at any time, any Holder of any Note is not both a Qualified Purchaser and either (A) a Qualified Institutional Buyer, (B) an Institutional Accredited Investor or (C) a non-U.S. Person that acquired such Note outside of the United States in compliance with Regulation S (any such person, a "Non-Permitted Holder"), the Issuer shall, promptly after obtaining actual knowledge that such person is a Non-Permitted Holder, send notice to such Non-Permitted Holder demanding that such Non-Permitted Holder transfer its interest to a Person that is not a Non-Permitted Holder within 30 days of the date of such notice. If such Non-Permitted Holder fails to transfer such Notes, the Issuer shall have the right, without further notice to the Non-Permitted Holder, to sell such Notes or interests in such Notes to a purchaser selected by the Issuer that is not a Non-Permitted Holder on such terms and by such means as the Issuer may choose in its sole discretion. The Holder of each Note, the Non-Permitted Holder and each other Person in the chain of title from the Holder to the Non-Permitted Holder, by its acceptance of an interest in the Notes, agrees to cooperate with the Issuer and the Trustee to effect such transfers. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale, shall be remitted to the Non-Permitted Holder.

(k) No Note, or any interest therein, may be acquired directly or indirectly by, for, on behalf of or with any assets of an employee benefit plan as defined in Section 3(3) of ERISA that is subject to Title I of ERISA, any plan described in and subject to Section 4975 of the Code (collectively, a "Plan") or governmental, non-U.S. or church plan or arrangement subject to any federal, state, local or non-U.S. law or regulation substantively similar or of similar effect to the foregoing provisions of ERISA or the Code ("Similar Law") unless it represents or is deemed to represent that its acquisition and holding of the Note will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code by reason of any of Section 408(b)(17) of ERISA or Section 4975(d)(20) of the Code, Prohibited Transaction Class Exemption ("PTCE") 96-23, PTCE 95-60, PTCE 91-38, PTCE 90-1, PTCE 84-14, each as amended, or an exemption similar to the foregoing exemptions or, in the case of a governmental, non-U.S. or church plan or arrangement subject to Similar Law, will not constitute or result in a non-exempt violation of Similar Law. Such representation shall be made in a certification from the transferee to the Trustee.

(l) The Trustee and Note Registrar shall not be responsible for ascertaining whether any transfer complies with, or otherwise monitoring or determining compliance with, the requirements or terms of the Securities Act, applicable state or international securities laws, ERISA, the Code or the 1940 Act; except that if a transfer certificate or opinion is specifically required by the terms of this Section to be provided to the Trustee or the Note Registrar by a prospective transferee or transferor, the Trustee or Note Registrar, as applicable, shall be under a duty to receive and examine the same to determine whether it conforms substantially on its face to the applicable requirements of this Section 4.02.

(m) Any Note may be cancelled by the Note Registrar without any notice to or approval of any Noteholder in accordance with Section 4.03 hereof or once such Note has been properly surrendered for (i) final payment, (ii) transfer and exchange or (iii) redemption. Any Note acquired by the Issuer or otherwise surrendered for cancellation or marked as abandoned by Holder thereof will be cancelled by the Note Registrar only upon receipt of written consent thereto from both the Servicer and the Majority Noteholders.

(n) Each Noteholder and each Owner of a Note shall be deemed to acknowledge that (i) none of the Issuer, the Servicer, the Trustee, the Custodian, or any of their respective affiliates is acting as a fiduciary or financial or investment adviser for such Owner; and (ii) such Owner has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary and has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Indenture) based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Issuer, the Servicer, the Trustee, the Custodian or any of their respective affiliates.

(o) Each Noteholder shall be deemed to have acknowledged and agreed that (i) it may not transfer any portion of the Notes during the Investment Period unless the Issuer shall have consented to such transfer in its sole discretion and any such transferee shall have entered into an agreement to make Advances under the same terms as the Initial Purchasers, such agreement to be in form satisfactory to the Issuer in its sole discretion and (ii) following the Investment Period, each Noteholder may not transfer any portion of the Notes unless the Issuer shall have consented to such transfer, such consent not to be unreasonably withheld.

Section 4.03 **Mutilated, Destroyed, Lost or Stolen Notes**.

If (a) any mutilated Note is surrendered to the Trustee, or the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, and (b) there is delivered to the Trustee such security or indemnity as may be required by it to hold the Issuer and the Trustee harmless, then, in the absence of notice to the Issuer, the Note Registrar or the Trustee that such Note has been acquired by a protected purchaser, the Issuer shall execute, and upon its request the Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Note, a replacement Note; *provided* that if any such destroyed, lost or stolen Note, but not a mutilated Note, shall have become or within seven days shall be due and payable, or shall have been called for redemption, instead of issuing a replacement Note, the Issuer may pay such destroyed, lost or stolen Note when so due without surrender thereof. If, after the delivery of such replacement Note or payment of a destroyed, lost or stolen Note pursuant to the proviso to the preceding sentence, a protected purchaser of the original Note in lieu of which such replacement Note was issued presents for payment such original Note, the Issuer and the Trustee shall be entitled to recover such replacement Note (or such payment) from the Person to whom it was delivered or any Person taking such replacement Note from such Person to whom such replacement Note was delivered or any assignee of such Person, except a protected purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Issuer or the Trustee in connection therewith.

Upon the issuance of any replacement Note under this Section 4.03, the Issuer may require the payment by the Holder of such Note of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other reasonable expenses (including the fees and expenses of the Trustee) connected therewith.

Every replacement Note issued pursuant to this Section 4.03 in replacement of any mutilated, destroyed, lost or stolen Note shall constitute an original additional contractual obligation of the Issuer, whether or not the mutilated, destroyed, lost or stolen Note shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Notes duly issued hereunder.

The provisions of this Section 4.03 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes.

Section 4.04 **Payment of Principal and Interest; Defaulted Interest**.

(a) The Notes shall accrue interest during each Interest Period as calculated in accordance with the Sale and Servicing Agreement. Any installment of interest or principal, if any, payable on any Note which is punctually paid or duly provided for by the Issuer on the applicable Payment Date shall be paid to the Person in whose name such Note is registered on the Record Date, in the manner set forth in Section 7.04 of the Sale and Servicing Agreement, except that the Redemption Price for any Note called for redemption pursuant to Article X hereof shall be payable as provided in Section 4.04(b) or Article X hereof, as applicable. The funds represented by any such checks returned undelivered shall be held in accordance with Section 3.03 hereof.

(b) The principal of each Note shall be payable on each Payment Date to the extent of funds available therefor in accordance with the Priority of Payments as provided in the Sale and Servicing Agreement. Notwithstanding the foregoing, the entire unpaid principal amount of the Notes shall be due and payable, if not previously paid, on the date on which an Event of Default shall have occurred and be continuing, if the Trustee with the consent or at the direction of the Super-Majority Noteholders has declared the Notes to be immediately due and payable in the manner provided in Section 5.02 hereof. All principal payments among the Notes shall be made in the order and priorities set forth herein and in the Sale and Servicing Agreement and all principal payments on the Notes shall be made *pro rata* to the Noteholders. The Trustee shall notify the Person in whose name a Note is registered at the close of business on the Record Date preceding the Payment Date on which the Issuer expects that the final installment of principal of and interest on such Note will be paid; *provided* that the Issuer or Servicer shall have provided the Trustee with timely notice of such expectation. Such notice shall be mailed or transmitted by facsimile prior to such final Payment Date and shall specify that such final installment will be payable only upon presentation and surrender of such Note and shall specify the place where such Note may be presented and surrendered for payment of such installment. Notices in connection with a redemption shall be given to Noteholders as provided in Article X.

Section 4.05 **Tax Treatment**.

(a) The Issuer has entered into this Indenture, and the Notes will be issued, with the intention that, for federal, state and local income, business and franchise tax purposes, (i) the Notes will qualify as indebtedness secured by the Indenture Collateral and (ii) the Issuer shall not be treated as an association, taxable mortgage pool or publicly traded partnership taxable as a corporation. The Issuer, by entering into this Indenture, and each Noteholder, by the acceptance of any such Note (and each Owner, by its acceptance of an interest in the applicable Note), agree to treat such Notes for federal, state and local income and franchise tax purposes as indebtedness of the Issuer. Each Holder of any such Note agrees that it will cause any Owner acquiring an interest in a Note through it to comply with this Indenture as to treatment of indebtedness under applicable tax law, as described in this Section 4.05. The parties hereto agree that they shall not cause or permit the making, as applicable, of any election under Treasury Regulation Section 301.7701-3 whereby the Issuer or any portion thereof would be treated as a corporation for federal income tax purposes and, except as required by the terms of this Indenture or applicable law, shall not file tax returns for the Issuer, but shall treat the Issuer as a disregarded entity for federal income tax purposes (unless, pursuant to Section 4.05(b)(ii) hereof, the Issuer is treated as partnership). The provisions of this Indenture shall be construed in furtherance of the foregoing intended tax treatment.

(b) All payments made by the Issuer under the Notes will be made without any deduction or withholding for or on the account of any tax unless such deduction or withholding is required by applicable law, as modified by the practice of any relevant governmental revenue authority, then in effect. If the Issuer is so required to deduct or withhold it will provide notice to the Trustee of such requirement promptly after a Responsible Officer becomes aware thereof, and the Issuer will not be obligated to pay to the holder of any such Note any additional amounts in respect of such withholding or deduction.

(c) Each Holder and each Owner, by acceptance of such Note or its interest in such Note, shall be deemed to understand and acknowledge that failure to provide the Issuer, the Trustee or any other party acting as Paying Agent with the applicable U.S. federal income tax certifications (generally, an Internal Revenue Service Form W-9 (or successor applicable form) in the case of a person that is a “United States person” within the meaning of Section 7701(a)(30) of the Code or an appropriate Internal Revenue Service Form W-8 (or successor applicable form) in the case of a person that is not a “United States person” within the meaning of Section 7701(a)(30) of the Code) may result in amounts being withheld from payments in respect of such Note.

(d) Each Holder of a Note or an interest therein, by acceptance of such Note or such interest, will be deemed to have agreed to provide the Trustee with its Noteholder Tax Identification Information and, to the extent FATCA Withholding Tax is applicable, its Noteholder FATCA Information. In addition, each holder of a Note will be deemed to understand that the Trustee has the right to withhold interest payable with respect to the Note (without any corresponding gross-up) on any Owner that fails to comply with the foregoing requirements.

Section 4.06 **Satisfaction and Discharge of Indenture**.

(a) The following shall survive the satisfaction and discharge of this Indenture: (i) rights of registration of transfer and exchange; (ii) substitution of mutilated, destroyed, lost or stolen Notes pursuant to Section 4.03 hereof; (iii) rights of Noteholders to receive payments of principal thereof and interest thereon; (iv) Sections 3.03, 3.04, 3.06, 3.10, 3.19, 3.21, 3.22, 4.05, 6.07, 11.15 hereof and the second sentence of Section 11.16 hereof; (v) the rights, obligations and immunities of the Trustee hereunder (including the rights of the Trustee under Section 6.07 hereof and the obligations of the Trustee under Section 4.07 hereof) and (vi) the rights of Noteholders as beneficiaries hereof with respect to the property so deposited with the Trustee payable to all or any of them. This Indenture shall cease to be of further effect with respect to the Notes (and the Trustee, on written demand of and at the expense of the Issuer, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture with respect to the Notes) when:

(A) either

(1) all Notes theretofore authenticated and delivered (other than (i) Notes that have been destroyed, lost or stolen and that have been replaced or paid as provided in Section 4.03 hereof and (ii) Notes for whose payment money has theretofore been deposited into trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust, as provided in Section 3.03 hereof) have been delivered to the Trustee for cancellation (two Business Days prior to the final Payment Date) pursuant to Section 4.02(v) hereof; or

(2) all Notes not theretofore delivered to the Trustee for cancellation:

(i) have become due and payable; or

(ii) mature within one year or are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer;

and the Issuer, in the case of (2)(i) or (ii) above, has irrevocably deposited or caused to be irrevocably deposited with the Trustee cash or direct obligations of or obligations guaranteed by the United States of America (which will mature prior to the date such amounts are payable), in trust for such purpose, in an amount sufficient to pay and discharge the entire indebtedness on such Notes not theretofore delivered to the Trustee for cancellation when due to the Legal Final Payment Date therefor, Redemption Date (if Notes shall have been called for redemption pursuant to Article X hereof), as the case may be; and

(B) the Issuer has delivered to the Trustee an Officer's Certificate and an opinion of counsel, which may be internal counsel to the Issuer or the Servicer and if requested by the Trustee, a certificate from a firm of acceptable public accountants, meeting the applicable requirements of Section 11.02 hereof and, subject to Section 11.02 hereof, stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture with respect to the Notes have been complied with;

(C) the Issuer has delivered to the Trustee an opinion of counsel to the effect that the satisfaction and discharge of the Indenture will not cause any Noteholder to be treated as having sold or exchanged its notes for purposes of Section 1001 of the Code; and

(D) the Issuer has made payment of all other sums due under this Indenture and the Sale and Servicing Agreement.

(b) By acceptance of any Note, the Holder thereof agrees to surrender such Note to the Trustee promptly upon such Noteholder's receipt of the final payment thereon or as otherwise provided in the Transaction Documents.

Section 4.07 **Application of Trust Money**.

All moneys deposited with the Trustee pursuant to Section 4.06 hereof shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through any Paying Agent, as the Trustee may determine, to the Holders of Notes for the payment or redemption for which such moneys have been deposited with the Trustee, of all sums due and to become due thereon for principal and interest; but such moneys need not be segregated from other funds except to the extent required herein or in the Sale and Servicing Agreement or required by law.

Section 4.08 **Repayment of Moneys Held by Paying Agent**.

In connection with the satisfaction and discharge of this Indenture with respect to the Notes, all moneys then held by any Paying Agent other than the Trustee under the provisions of this Indenture with respect to such Notes shall, upon demand of the Issuer, be paid to the Trustee to be held and applied according to Section 3.05 hereof and thereupon such Paying Agent shall be released from all further liability with respect to such moneys.

Article V
REMEDIES

Section 5.01 **Events of Default**.

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

(a) failure to pay all accrued interest on the Notes on any Payment Date and such failure continues unremedied for two Business Days;

(b) failure to pay all accrued interest and to reduce the Aggregate Outstanding Note Balance to zero by the Legal Final Payment Date;

(c) failure by the Issuer, the BDC or the Fund to make any other required payment on any Payment Date and such failure continues unremedied for two Business Days;

(d) the Aggregate Outstanding Note Balance exceeds the Borrowing Base for 3 consecutive calendar months (after giving effect to all distributions on such Payment Dates);

(e) a default in the observance or performance of any material covenant or agreement of the Issuer made in this Indenture or any other Transaction Document, and such default has a material adverse effect on the Noteholders, which default continues unremedied for a period of 30 days after the first to occur of (A) actual knowledge thereof by a Responsible Officer of the Issuer, or (B) there shall have been given, by registered or certified mail, to the Issuer by the Trustee, a written notice specifying such default and requiring it to be remedied and stating that such notice is a notice of default hereunder;

(f) any representation, warranty, certification or written statement of the Issuer in this Indenture or any other Transaction Document or in any certificate delivered under this Indenture shall prove to have been incorrect in any material respect when made, and such incorrect representation or warranty has a material adverse effect on the Noteholders, and which default continues unremedied for a period of 30 days after the first to occur of (A) actual knowledge thereof by a Responsible Officer of the Issuer, or (B) the delivery to the Issuer by the Trustee, by registered or certified mail, a written notice specifying such incorrect representation or warranty and requiring it to be remedied and stating that such notice is a notice of default hereunder;

(g) there occurs the filing of a decree or order for relief by a court having jurisdiction in the premises in respect of the Issuer or any substantial part of the Indenture Collateral in an involuntary case under any applicable federal or state bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Issuer or for any substantial part of the Indenture Collateral, or ordering the winding-up or liquidation of the Issuer's affairs, and such decree or order shall remain unstayed and in effect for a period of 30 consecutive days;

(h) there occurs the commencement by the Issuer of a voluntary case under any applicable federal or state bankruptcy, insolvency or other similar law now or hereafter in effect, or the consent by the Issuer to the entry of an order for relief in an involuntary case under any such law, or the consent by the Issuer to the appointment or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Issuer or for any substantial part of the Indenture Collateral, or the making by the Issuer of any general assignment for the benefit of creditors, or the failure by the Issuer generally to pay its debts as such debts become due, or the taking of any action by the Issuer in furtherance of any of the foregoing;

(i) the Trustee, on behalf of the Noteholders, shall fail to have a valid and perfected first priority security interest in the Indenture Collateral except as otherwise expressly permitted to be released in accordance with the applicable Transaction Document, and such failure to have a perfected first priority security interest shall have a material adverse effect on the Noteholders;

(j) failure of the Issuer to be treated as an entity that is disregarded as separate entity from its owner for U.S. federal income tax purposes and such treatment shall have a material and adverse effect on the Noteholders; or

(k) a Servicer Termination Event occurs and is continuing.

The Issuer shall deliver to the Trustee and the Rating Agency, within two Business Days after the occurrence of an Event of Default, written notice in the form of an Officer's Certificate of any event which with the giving of notice and the lapse of time would become an Event of Default under clause (f) or clause (g) above, its status and what action the Issuer is taking or proposes to take with respect thereto.

Section 5.02 **Acceleration of Maturity; Rescission and Annulment**.

If an Event of Default should occur and be continuing, (other than an Event of Default specified in Sections 5.01(g) or (h) hereof), then and in every such case the Trustee may, and shall at the direction of the Super-Majority Noteholders, declare the Notes to be immediately due and payable by a notice in writing to the Issuer (who shall promptly forward the same to the Rating Agency) (and to the Trustee if given by Noteholders), and upon any such declaration the unpaid principal amount of the Notes, together with accrued and unpaid interest thereon, through the date of acceleration, shall become immediately due and payable. If an Event of Default specified in Sections 5.01(g) or (h) hereof occurs, the unpaid principal amount of the Notes, together with accrued and unpaid interest thereon, through the date of acceleration, shall automatically, and without any notice to the Issuer, become immediately due and payable.

At any time after such declaration or automatic occurrence of acceleration of maturity and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article V provided, the Super-Majority Noteholders, by written notice to the Issuer and the Trustee, may rescind and annul such declaration and its consequences if:

(A) the Issuer has paid or deposited with the Trustee a sum sufficient to pay:

(i) all payments of principal of and interest on the Notes, and all other amounts that would then be due hereunder, upon the Notes if the Event of Default giving rise to such acceleration had not occurred; and

(ii) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, indemnities, disbursements and advances of the Trustee and its agents and counsel; and

(B) all Events of Default, other than the nonpayment of the principal of the Notes that has become due solely by such acceleration, have been cured or waived as provided in Section 5.12 hereof.

No such rescission or annulment shall affect any subsequent default or impair any right consequent thereto.

If the notes are accelerated following an Event of Default specified in Sections 5.01(iii) or (iv) hereof, then on each Payment Date on or after such Event of Default, payments will be made by the Trustee from all funds available to it in the same order of priority as that provided for in Section 7.05(a) of the Sale and Servicing Agreement.

Section 5.03 **Collection of Indebtedness and Suits for Enforcement by Trustee**.

(a) The Issuer covenants that if (i) default is made in the payment of any interest on any Note, or (ii) default is made in the payment of the principal of or any installment of the principal of any Note, when the same becomes due and payable, and in each case such default continues for a period of two Business Days, the Issuer will, upon demand of the Trustee, pay to it, for the benefit of the Noteholders, the whole amount then due and payable on the Notes for principal and interest, with interest upon the overdue principal, and in addition thereto such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee and its agents and counsel.

(b) In case the Issuer shall fail forthwith to pay such amounts upon such demand, the Trustee, in its own name and as trustee of an express trust, with the consent of the Majority Noteholders and subject to the provisions of Section 11.15 hereof may institute a Proceeding for the collection of the sums so due and unpaid, and may prosecute such Proceeding to judgment or final decree, and may enforce the same against the Issuer or other obligor upon the Notes and collect in the manner provided by law out of the Indenture Collateral, wherever situated, the moneys adjudged or decreed to be payable.

(c) If an Event of Default occurs and is continuing, and the Notes have been declared due and payable and such declaration and its consequences have not been rescinded and annulled, the Trustee subject to the provisions of Section 5.04 and Section 11.15 hereof may, as more particularly provided in Section 5.04 hereof, in its discretion, proceed to protect and enforce its rights and the rights of the Noteholders by such appropriate Proceedings as the Trustee shall deem most effective to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy or legal or equitable right vested in the Trustee by this Indenture or by law.

(d) In case there shall be pending, relative to the Issuer or any Person having or claiming an ownership interest in the Indenture Collateral, Proceedings under Title 11 of the United States Code or any other applicable federal or state bankruptcy, insolvency or other similar law, or in case a receiver, assignee or trustee in bankruptcy or reorganization, liquidator, sequestrator or similar official shall have been appointed for or taken possession of the Issuer or its property or such other Person, or in case of any other comparable judicial Proceedings relative to the Issuer, or to the creditors or property of the Issuer, the Trustee, irrespective of whether the principal of any Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand pursuant to the provisions of this Section 5.03, shall be entitled and empowered, by intervention in such Proceedings or otherwise:

(i) to file and prove a claim or claims for the whole amount of principal and interest, as applicable, owing and unpaid in respect of the Notes and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for reasonable compensation to the Trustee and each predecessor Trustee, and their respective agents, attorneys and counsel, and for reimbursement of all reasonable expenses and liabilities incurred, and all advances made, by the Trustee and each predecessor Trustee, except as a result of negligence or bad faith) and of the Noteholders allowed in such Proceedings;

(ii) unless prohibited by applicable law and regulations, to vote on behalf of the Holders of Notes in any election of a trustee, a standby trustee or Person performing similar functions in any such Proceedings;

(iii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute all amounts received with respect to the claims of the Noteholders and of the Trustee on their behalf;

(iv) to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee or the Noteholders allowed in any judicial proceedings relative to the Issuer, its creditors and its property; and

(v) to participate as a member, voting or otherwise, of any official committee of creditors appointed in such matter;

and any trustee, receiver, liquidator, custodian or other similar official in any such Proceeding is hereby authorized by each of such Noteholders to make payments to the Trustee, and, in the event that the Trustee shall consent to the making of payments directly to such Noteholders, to pay to the Trustee such amounts as shall be sufficient to cover reasonable compensation to the Trustee, each predecessor Trustee and their respective agents, attorneys and counsel, and all other expenses and liabilities incurred, and all advances made, by the Trustee and each predecessor Trustee except as a result of negligence or bad faith.

(e) Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or vote for or accept or adopt on behalf of any Noteholder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Noteholder in any such proceeding except, as aforesaid, to vote for the election of a trustee in bankruptcy or similar Person.

(f) All rights of action and of asserting claims under this Indenture, or under any of the Notes, may be enforced by the Trustee without the possession of any of the Notes or the production thereof in any trial or other Proceedings relative thereto, and any such action or proceedings instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment, subject to the payment of the expenses, disbursements and compensation of the Trustee, each predecessor Trustee and their respective agents and attorneys, shall be for the ratable benefit of the Holders of the Notes.

(g) In any Proceedings brought by the Trustee (and also any Proceedings involving the interpretation of any provision of this Indenture to which the Trustee shall be a party), the Trustee shall be held to represent all the Holders of the Notes, and it shall not be necessary to make any Noteholder a party to any such Proceedings.

Section 5.04 **Remedies; Priorities**.

(a) If an Event of Default has occurred and is continuing, and the Notes have been declared due and payable and such declaration and its consequences have not been rescinded and annulled, subject to the provisions of Section 11.15 hereof, the Trustee may do one or more of the following (subject to the provisions of this Section 5.04 and Section 5.15 hereof):

(i) institute Proceedings in its own name and as trustee of an express trust for the collection of all amounts then payable on the Notes or under this Indenture with respect thereto, whether by declaration or otherwise, enforce any judgment obtained, and collect from the Issuer and any other obligor upon such Notes moneys adjudged due;

(ii) institute Proceedings from time to time for the complete or partial foreclosure of this Indenture with respect to the Indenture Collateral;

(iii) exercise any remedies of a secured party under the UCC and take any other appropriate action to protect and enforce the rights and remedies of the Trustee and the Holders of the Notes; and

(iv) sell the Indenture Collateral or any portion thereof or rights or interest therein at one or more public or private sales called and conducted in any matter permitted by law;

provided, *however*, that the Trustee may not sell or otherwise liquidate the Indenture Collateral following and during the continuance of an Event of Default unless (A) the Notes have been declared or have otherwise become immediately due and payable in accordance with Section 5.02 hereof and such declaration or acceleration and its consequences have not been rescinded and annulled and (B) either (1) the proceeds of such Sale or liquidation are sufficient to discharge in full all amounts then due and unpaid upon the Notes for principal and interest, and all amounts due to the Trustee, Custodian, Backup Servicer and Lockbox Bank (2) the Trustee determines that the Indenture Collateral would not be sufficient on an ongoing basis to make all payments on the Notes as those payments would have become due had the Notes not been declared due and payable and the Super-Majority Noteholders (excluding Notes held by the Originator, the Servicer or any of their respective affiliates) consent to such Sale or (3) 100% of the holders of the outstanding Notes (excluding Notes held by the Originator, the Servicer or any of their respective affiliates) consent to such Sale. In determining whether the proceeds of such Sale or liquidation distributable to the Noteholders and the other parties entitled thereto are sufficient to discharge in full the amounts referenced in clause (B)(1) above, the Trustee may, but need not, obtain, at the Issuer's expense, and rely upon an opinion of an independent accountant or an investment banking firm of national reputation as to the feasibility of such proposed action and as to the sufficiency of the expected sales proceeds of the Indenture Collateral for such purpose.

(b) If the Trustee collects any money pursuant to this Article V, it shall distribute such money in accordance with Section 7.05(c) of the Sale and Servicing Agreement. The Trustee may fix a record date and distribution date (which may be a date other than a Payment Date) for any payment to Noteholders pursuant to this Section 5.04. At least five days before such record date, the Issuer shall mail to each Noteholder and the Trustee a notice that states the record date, the distribution date and the amount to be paid.

Section 5.05 **[Reserved]**.

Section 5.06 **Limitation of Suits**.

No Holder of any Note shall have any right to institute any Proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless and subject to the provisions of Section 11.15 hereof:

(i) such Holder has previously given written notice to the Trustee of a continuing Event of Default;

(ii) prior to the payment in full of Notes, the Noteholders evidencing 25% of the Aggregate Outstanding Note Balance have made written request to the Trustee to institute such Proceeding in respect of such Event of Default in its capacity as Trustee hereunder;

(iii) such Holder or Holders have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in complying with such request;

(iv) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute such Proceedings; and

(v) prior to the payment in full of the Notes, no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority of the Aggregate Outstanding Note Balance.

It is understood and intended that no one or more of the Holders of Notes shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders of Notes or to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner herein provided.

In the event the Trustee shall receive conflicting or inconsistent requests and indemnity from two or more groups of Holders of Notes, each representing less than a majority of the Aggregate Outstanding Note Balance then entitled to make such request, the Trustee shall take the action requested by the Holders of the Notes representing the greatest percentage of the Aggregate Outstanding Note Balance to determine what action, if any, shall be taken, notwithstanding any other provisions of this Indenture.

Section 5.07 **Unconditional Rights of Noteholders to Receive Principal and Interest**.

Notwithstanding any other provisions in this Indenture, but subject to Section 11.15(a) hereof, the Holder of any Note shall have the right, which is absolute and unconditional, to receive payment of the principal of and interest, if any, on such Note on or after the respective due dates thereof expressed in such Note or in this Indenture and such right shall not be impaired without the consent of such Holder.

Section 5.08 **Restoration of Rights and Remedies**.

If the Trustee or any Noteholder has instituted any Proceeding to enforce any right or remedy under this Indenture and such Proceeding has been discontinued or abandoned for any reason or has been determined adversely to the Trustee or to such Noteholder, then and in every such case the Issuer, the Trustee and the Noteholders shall, subject to any determination in such Proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee and the Noteholders shall continue as though no such Proceeding had been instituted.

Section 5.09 **Rights and Remedies Cumulative**.

No right or remedy herein conferred upon or reserved to the Trustee or to the Noteholders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 5.10 **Delay or Omission Not a Waiver**.

No delay or omission of the Trustee or any Holder of any Note in the exercise of any right or remedy accruing upon any Default or Event of Default shall impair any such right or remedy or constitute a waiver of any such Default or Event of Default or an acquiescence therein. Every right and remedy given by this Article V or by law to the Trustee or to the Noteholders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Noteholders, as the case may be.

Section 5.11 **Control by Noteholders**.

The Majority Noteholders shall have the right to direct the time, method and place of conducting any Proceeding for any remedy available to the Trustee with respect to the Notes or exercising any trust or power conferred on the Trustee; provided that:

(i) such direction shall not be in conflict with any rule of law or with this Indenture;

(ii) subject to the express terms of Section 5.04 hereof, any direction to the Trustee to sell or liquidate the Indenture Collateral shall be by Holders of the Notes representing the Majority Noteholders; and

(iii) the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction.

Notwithstanding the rights of Noteholders set forth in this Section 5.11, subject to Section 6.01, the Trustee need not take any action that it determines might involve it in liability.

Section 5.12 **Waiver of Past Defaults**.

Prior to the declaration of the acceleration of the maturity of the Notes as provided in Section 5.02 hereof, the Majority Noteholders may waive any past Event of Default and its consequences except an Event of Default with respect to payment of principal or interest, as applicable, on any of the Notes or in respect of a covenant or provision hereof which cannot be modified or amended without the waiver or consent of each of the Holders of the Outstanding Notes affected thereby. In the case of any such waiver, the Issuer, the Trustee and the Noteholders shall be restored to their former positions and rights hereunder, respectively; but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereto.

Upon any such waiver, any Event of Default arising therefrom shall be deemed to have been cured and not to have occurred, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereto.

Section 5.13 **Undertaking for Costs**.

All parties to this Indenture agree, and each Holder of any Note by such Holder's acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section 5.13 shall not apply to (a) any suit instituted by the Trustee, (b) any suit instituted by any Noteholder, or group of Noteholders, in each case holding in the aggregate more than 25% of the Aggregate Outstanding Note Balance or (c) any suit instituted by any Noteholder for the enforcement of the payment of principal or interest, as applicable, on any Note on or after the respective due dates expressed in such Note and in this Indenture.

Section 5.14 **Waiver of Stay or Extension Laws**.

The Issuer covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead or in any manner whatsoever, claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Issuer (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

Section 5.15 **Sale of Indenture Collateral**.

(a) The power to effect any sale or other disposition (a "Sale") of any portion of the Indenture Collateral pursuant to Section 5.04 hereof is expressly subject to the provisions of Section 5.11 hereof and this Section 5.15. The power to effect any such Sale shall not be exhausted by any one or more Sales as to any portion of the Indenture Collateral remaining unsold, but shall continue unimpaired until the entire Indenture Collateral shall have been sold or all amounts payable on the Notes and under this Indenture shall have been paid. The Trustee hereby expressly waives its right to any amount fixed by law as compensation for any Sale.

(b) Other than as permitted under the Sale and Servicing Agreement, the Trustee shall not in any private Sale sell the Indenture Collateral, or any portion thereof, unless the Majority Noteholders consent to or such Noteholders as required by Section 5.11 hereof direct the Trustee to make such Sale and:

(i) the proceeds of such Sale or liquidation are sufficient to discharge in full all amounts then due and unpaid upon the Notes for principal and interest, as applicable, to pay all amounts then due and payable to the Trustee, the Custodian, the Backup Servicer and Lockbox Bank and to reimburse the Servicer for any outstanding unreimbursed Servicing Advances and Scheduled Payment Advances; or

(ii) the Trustee determines, at the direction of Noteholders representing at least 25% of the Aggregate Outstanding Note Balance, that the conditions for liquidation of the Indenture Collateral set forth in Section 5.04 hereof are satisfied (in making any such determination, the Trustee may rely upon an opinion of an Independent investment banking firm obtained and delivered as provided in Section 5.04 hereof).

(c) In connection with a Sale of all or any portion of the Indenture Collateral:

(i) other than in the case of a Sale of any Loan as contemplated by the Sale and Servicing Agreement, any Holder or Holders of Notes may bid for and purchase the property offered for Sale, and upon compliance with the terms of Sale may hold, retain and possess and dispose of such property, without further accountability, and may, in paying the purchase money therefor, deliver any Notes or claims for interest thereon in lieu of cash up to the amount which shall, upon distribution of the net proceeds of such Sale, be payable thereon, and such Notes, in case the amounts so payable thereon shall be less than the amount due thereon, shall be returned to the Holders thereof after being appropriately stamped to show such partial payment;

(ii) other than in the case of a Sale of any Loan as contemplated by the Sale and Servicing Agreement, the Trustee may bid for and acquire the property offered for Sale in connection with any Sale thereof, and, subject to any requirements of, and to the extent permitted by, Requirements of Law in connection therewith, may purchase all or any portion of the Indenture Collateral in a private sale, and, in lieu of paying cash therefor, may make settlement for the purchase price by crediting the gross Sale price against the sum of (A) the amount which would be distributable to the Holders of the Notes as a result of such Sale in accordance with Section 5.04(b) hereof on the Payment Date next succeeding the date of such Sale and (B) the expenses of the Sale and of any Proceedings in connection therewith which are reimbursable to it, without being required to produce the Notes in order to complete any such Sale or in order for the net Sale price to be credited against such Notes, and any property so acquired by the Trustee shall be held and dealt with by it in accordance with the provisions of this Indenture;

(iii) the Trustee shall execute and deliver an appropriate instrument of conveyance transferring its interest in any portion of the Indenture Collateral in connection with a Sale thereof;

(iv) the Trustee is hereby irrevocably appointed the agent and attorney-in-fact of the Issuer to transfer and convey its interest in any portion of the Indenture Collateral in connection with a Sale thereof, and to take all action necessary to effect such Sale;

(v) the Trustee shall use commercially reasonable efforts to maximize the proceeds of any such Sale of the Indenture Collateral;

(vi) no purchaser or transferee at such a Sale shall be bound to ascertain the Trustee's authority, inquire into the satisfaction of any conditions precedent or see to the application of any moneys; and

(vii) all proceeds received by the Servicer in connection with the liquidation or sale of the Indenture Collateral shall be deposited into the Lockbox Account no later than two Business Days following receipt thereof.

Section 5.16 **Action on Notes**.

The Trustee's right to seek and recover judgment on the Notes or under this Indenture shall not be affected by the seeking, obtaining or application of any other relief under or with respect to this Indenture. Neither the lien of this Indenture nor any rights or remedies of the Trustee or the Noteholders shall be impaired by the recovery of any judgment by the Trustee against the Issuer or by the levy of any execution under such judgment upon any portion of the Indenture Collateral or upon any of the assets of the Issuer. Any money or property collected by the Trustee shall be applied in accordance with Section 5.04(b) hereof.

Section 5.17 **Performance and Enforcement of Certain Obligations**.

(a) Promptly following a request from the Trustee to do so, the Issuer shall take all such lawful action as the Trustee may request to compel or secure the performance and observance by the Originator and the Servicer, as applicable, of each of their obligations to the Issuer under or in connection with the Transaction Documents, and to exercise any and all rights, remedies, powers and privileges lawfully available to the Issuer under or in connection with the Transaction Documents to the extent and in the manner directed by the Trustee, including the transmission of notices of default to the Originator or the Servicer thereunder and the institution of legal or administrative actions or proceedings to compel or secure performance by the Originator or the Servicer of each of their obligations under the Transaction Documents.

(b) If a Servicer Default has occurred and is continuing, the Trustee, at the direction (which direction shall be in writing or by telephone (confirmed in writing promptly thereafter)) of the Majority Noteholders, shall exercise all rights, remedies, powers, privileges and claims of the Issuer against the Servicer under or in connection with the Sale and Servicing Agreement, including the right or power to take any action to compel or secure performance or observance by the Servicer, of its obligations to the Issuer thereunder and to give any consent, request, notice, direction, approval, extension or waiver under the Sale and Servicing Agreement, and any right of the Issuer to take such action shall not be suspended.

Article VI
THE TRUSTEE

Section 6.01 **Duties of Trustee**.

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs with respect to the Indenture Collateral.

(b) Except during the continuance of an Event of Default:

(i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; however, the Trustee shall examine the certificates and opinions to determine whether or not they conform on their face to the requirements of this Indenture.

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(i) this paragraph does not limit the effect of paragraph (b) of this Section 6.01;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 5.11 hereof.

(d) Every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b), (c) and (g) of this Section 6.01.

(e) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Issuer.

(f) Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law or the terms of this Indenture or the Sale and Servicing Agreement.

(g) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture, to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or to honor the request or direction of any of the Noteholders pursuant to this Indenture, unless such Noteholder or Noteholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses, and liabilities that might be incurred by it in compliance with the request or direction. Anything in this Indenture to the contrary notwithstanding, in no event shall the Trustee be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits).

(h) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section 6.01.

(i) The Trustee shall not be deemed to have notice of any Default, Event of Default, Servicer Default, breach of representation or warranty, or other event unless a Responsible Officer has actual knowledge thereof or has received written notice of thereof in accordance with this Indenture.

Section 6.02 **Rights of Trustee**.

(a) The Trustee may rely on any document believed by it to be genuine and to have been signed or presented by the proper person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require an Officer’s Certificate. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on an Officer’s Certificate.

(c) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys or a custodian or nominee, and the Trustee shall not be responsible for any misconduct or negligence on the part of, or for the supervision of, any such agent, attorney, custodian or nominee appointed with due care by it hereunder.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers; *provided* that the Trustee’s conduct does not constitute willful misconduct, negligence or bad faith.

(e) The Trustee may consult with counsel, and the advice of counsel or an Opinion of Counsel with respect to legal matters relating to this Indenture and the Notes shall be full and complete authorization and protection from liability in respect to any action taken, omitted or suffered by it hereunder in good faith and in accordance with such advice of counsel or such Opinion of Counsel.

(f) The Trustee shall not be bound to make any investigation into the performance of the Issuer or the Servicer under this Indenture or any other Transaction Document or into the matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note or other document, unless requested in writing to do so by Noteholder evidencing not less than 25% of the Aggregate Outstanding Note Balance.

(g) The Trustee shall not be required to give any bond or surety in respect of the performance of its powers and duties hereunder.

(h) Except as expressly provided herein or in any other Transaction Document, nothing herein shall be construed to impose an obligation on the part of the Trustee to recalculate, evaluate or verify any report, certificate or information received by it from the Issuer or Servicer or to otherwise monitor the activities of the Issuer or Servicer.

(i) In the event that the Trustee is also acting in the capacity of Custodian, Securities Intermediary, Paying Agent, Backup Servicer and/or Note Registrar hereunder or under the other Transaction Documents, the rights, protections, immunities and indemnities afforded the Trustee pursuant to this Article VI shall also be afforded to the Trustee in such capacities.

(j) The Trustee shall not be required to take any action it is directed to take under this Indenture if the Trustee reasonably determines in good faith that the action so directed would subject U.S. Bank in its individual capacity to personal liability, is contrary to law or is inconsistent with this Indenture or any other Basic Document.

(k) Any discretion, permissive right or privilege of the Trustee to take or refrain from taking actions enumerated in this Indenture shall not be construed as a duty or obligation.

Section 6.03 **Individual Rights of Trustee**.

The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Issuer or its Affiliates with the same rights it would have if it were not Trustee. Any Note Registrar, co-registrar, Paying Agent or co-paying agent may do the same with like rights. However, the Trustee must comply with Section 6.11 hereof.

Section 6.04 **Trustee's Disclaimer**.

The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture, the Sale and Servicing Agreement, the Notes or any other Transaction Document, the validity or sufficiency of any security interest intended to be created or the characterization of the Notes for tax purposes, it shall not be accountable for the Issuer's use of the proceeds from the Notes, and it shall not be responsible for any statement of the Issuer in this Indenture or in any document issued in connection with the sale of the Notes or in the Notes other than the Trustee's certificate of authentication.

Section 6.05 **Notice of Event of Default**.

The Trustee shall mail to each Noteholder and the Servicer (who shall promptly forward the same to the Rating Agency, for so long as any of the Notes are Outstanding) notice of an Event of Default within 30 days after a Responsible Officer of the Trustee has actual knowledge thereof in accordance with Section 6.01 hereof.

Section 6.06 **Reports by Trustee to Holders**.

The Trustee shall deliver to each Noteholder such information in its possession as may be required to enable such holder to prepare its federal and state income tax returns. In addition, upon the Issuer's or a Noteholder's written request, the Trustee shall promptly furnish information reasonably requested by the Issuer or such Noteholder that is reasonably available to the Trustee to enable the Issuer or such Noteholder to perform its federal and state income tax reporting obligations.

The Trustee shall not be responsible for any tax reporting, disclosure, record keeping or list maintenance requirements of the Issuer under Internal Revenue Code Sections 6011(a), 6111(d) or 6112, including, but not limited to, the preparation of IRS Form 8886 pursuant to Treasury Regulations Section 1.6011-4(d) or any successor provision and any required list maintenance under Treasury Regulations Section 301.6112-1 or any successor provision.

Section 6.07 **Compensation and Indemnity**.

The Issuer shall pay to the Trustee on each Payment Date reasonable compensation for its services under this Indenture and the other Transaction Documents pursuant to a separate agreement dated as of the date hereof between the Trustee and the Issuer. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Issuer shall reimburse the Trustee for all reasonable out-of-pocket expenses incurred or made by it, including costs of collection, in addition to the compensation for its services. Such expenses shall include the reasonable compensation and expenses, disbursements and advances of the Trustee's agents, counsel, accountants and experts. The Issuer shall indemnify the Trustee and its officers, directors, employees, representatives and agents against any and all loss, liability or expense (including attorneys' fees) incurred by it in connection with the administration of this trust and the performance of its duties hereunder, including the reasonable costs and expenses of defending themselves against any claim, loss, damage or liability in connection with the exercise or performance of any of their powers or duties under this Indenture or under any of the other Issuer Documents, including any legal fees or expenses incurred by the Trustee in connection with the enforcement of the Issuer's indemnification or other contractual obligations hereunder. The Trustee shall notify the Issuer promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Issuer shall not relieve the Issuer of its obligations. The Issuer need not reimburse any expense or indemnify against any loss, liability or expense incurred by the Trustee through the Trustee's own willful misconduct, negligence or bad faith, except that the Trustee shall not be liable (i) for any error of judgment made by it in good faith unless it is proved that the Trustee was negligent in ascertaining the pertinent facts, (ii) for any action it takes or omits to take in good faith in accordance with directions received by it from the Holders of the Notes in accordance with the terms hereunder, or (iii) for interest on any money received by it except as the Trustee and the Issuer may agree in writing. The Issuer shall assume (with the consent of the Trustee, such consent not to be unreasonably withheld) the defense of claim for indemnification hereunder and any settlement of any such claim and pay all expenses in connection therewith, including reasonable counsel fees. If the consent of the Trustee required in the immediately preceding sentence is unreasonably withheld, the Issuer is relieved of its indemnification obligations hereunder with respect thereto. The obligations of the Issuer set forth in this Section 6.07 are subject in all respects to Section 11.15(b) hereof.

The Trustee hereby agrees not to cause the filing of a petition in bankruptcy, insolvency, reorganization, moratorium, receivership, conservatorship or other similar laws now or hereafter in effect against the Issuer for the non-payment to the Trustee of any amounts provided by this Section 6.07 until at least one year and one day, or, if longer, the applicable preference period then in effect, after the payment in full of all Notes issued under this Indenture.

The amounts payable to the Trustee pursuant to this Section 6.07 shall not, except as provided by Section 7.05 of the Sale and Servicing Agreement, exceed on any Payment Date the limitation on the amount thereof described in the Priority of Payments for such Payment Date and in the definition of Administrative Expenses in the Sale and Servicing Agreement; provided that (i) the Trustee shall not institute any proceeding for payment of any amount payable hereunder except in connection with an action pursuant to Section 5.03 or 5.04 hereof for the enforcement of the lien of this Indenture for the benefit of the Noteholders and (ii) the Trustee may only seek to enforce payment of such amounts in conjunction with the enforcement of the rights of the Noteholders in the manner set forth in Section 5.04 hereof.

The Trustee shall, subject to the Priority of Payments, receive amounts pursuant to this Section 6.07 and Section 7.05 of the Sale and Servicing Agreement, and only to the extent that the payment thereof would not result in an Event of Default and the failure to pay such amounts to the Trustee will not, by itself, constitute an Event of Default. Subject to Section 6.08 hereof, the Trustee shall continue to serve as Trustee under this Indenture notwithstanding the fact that the Trustee shall not have received amounts due it hereunder and hereby agrees not to cause the filing of a petition in bankruptcy, insolvency, reorganization, moratorium, receivership, conservatorship or other similar laws now or hereafter in effect against the Issuer for the nonpayment to the Trustee of any amounts provided by this Section 6.07 until at least one year and one day, or, if longer, the applicable preference period then in effect, after the payment in full of all Notes issued under this Indenture.

The Issuer's payment obligations to the Trustee pursuant to this Section 6.07 shall survive the discharge of this Indenture and resignation or removal of the Trustee. When the Trustee incurs expenses after the occurrence of an Event of Default specified in clauses (vi) or (vii) of the definition of "Event of Default" with respect to the Issuer, the expenses are intended to constitute expenses of administration under Title 11 of the United States Code or any other applicable federal or state bankruptcy, insolvency or similar law.

Section 6.08 **Replacement of Trustee**.

No resignation or removal of the Trustee shall become effective until the appointment of a successor Trustee pursuant to this Section 6.08 and that meets the criteria set forth in Section 6.11 hereof has become effective. The Trustee may resign with 30 days prior written notice to the Issuer, the Noteholders and the Servicer. The Majority Noteholders or the Issuer, with the written consent of the Majority Noteholders, may remove the Trustee with 30 days prior written notice to the Trustee in writing (a copy of which notice shall promptly be provided by the Issuer to the Rating Agency). The Issuer shall remove the Trustee if:

(i) the Trustee fails to comply with Section 6.11 hereof;

(ii) the Trustee is adjudged bankrupt or insolvent;

(iii) a receiver or other public officer takes charge of the Trustee or its property;

(iv) the Trustee otherwise becomes incapable of acting; or

(v) the Trustee defaults in any of its obligations under the Transaction Documents and such default is not cured within 30 days after a Responsible Officer of the Trustee receives written notice of such default.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason (the Trustee in such event being referred to herein as the retiring Trustee), the Issuer shall promptly appoint a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Issuer. Upon the appointment becoming effective, the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. No successor Trustee shall accept appointment as provided in this Section 6.08 unless at the time of such appointment becoming effective such Person shall be eligible under the provisions of Section 6.11 hereof. The retiring Trustee shall promptly transfer all property (including all Indenture Collateral) held by it as Trustee to the successor Trustee and shall execute and deliver such instruments and such other documents as may reasonably be required to more fully and certainly vest and confirm in the successor Trustee all such rights, powers, duties and obligations.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Issuer or the Majority Noteholders may petition any court of competent jurisdiction for the appointment of a successor Trustee.

Notwithstanding the replacement of the Trustee pursuant to this Section 6.08, the Issuer's obligations under Section 6.07 hereof shall continue for the benefit of the retiring Trustee.

Upon the appointment of a successor Trustee as provided in this Section 6.08, the successor Trustee shall mail notice of such succession hereunder at the expense of the Issuer to all Holders of Notes at their addresses as shown in the Note Register.

Section 6.09 **Successor Trustee by Merger**.

If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation or banking association without any further act shall be the successor Trustee; *provided* that such corporation or banking association shall be otherwise qualified and eligible under Section 6.11 hereof.

In case at the time such successor or successors by merger, conversion or consolidation to the Trustee shall succeed to the trusts created by this Indenture any of the Notes shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Notes so authenticated; and in case at that time any of the Notes shall not have been authenticated, any successor to the Trustee may authenticate such Notes either in the name of any predecessor hereunder or in the name of the successor to the Trustee; and in all such cases such certificates shall have the full force which it is anywhere provided for in the Notes or in this Indenture.

Section 6.10 **Appointment of Co-Trustee or Separate Trustee**.

(a) Notwithstanding any other provisions of this Indenture, at any time, for the purpose of meeting any legal requirement of any jurisdiction in which any part of the Indenture Collateral may at the time be located, the Trustee shall have the power and may execute and deliver all instruments to appoint one or more Persons to act as a co-trustee or co-trustees, or separate trustee or separate trustees, of all or any part of the Indenture Collateral, and to vest in such Person or Persons, in such capacity and for the benefit of the Noteholders, such interest to the Indenture Collateral, or any part hereof, and, subject to the other provisions of this Section 6.10, such powers, duties, obligations, rights and trusts as the Trustee may consider necessary or desirable. No co-trustee or separate trustee hereunder shall be required to meet the terms of eligibility as a successor Trustee under Section 6.11 hereof and no notice to the Noteholders of the appointment of any co-trustee or separate trustee shall be required under Section 6.08 hereof. No appointment of a co-trustee or a separate trustee shall relieve the Trustee of its duties and obligations hereunder.

(b) Every separate trustee and co-trustee shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:

(i) all rights, powers, duties and obligations conferred or imposed upon the Trustee shall be conferred or imposed upon and exercised or performed by the Trustee and such separate trustee or co-trustee jointly (it being understood that such separate trustee or co-trustee is not authorized to act separately without the Trustee joining in such act), except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (including the holding of title to the Indenture Collateral or any portion thereof in any such jurisdiction) shall be exercised and performed singly by such separate trustee or co-trustee, but solely at the direction of the Trustee;

(ii) no trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder; and

(iii) the Trustee may at any time accept the resignation of or remove any separate trustee or co-trustee.

(c) Any notice, request or other writing given to the Trustee shall be deemed to have been given to each of the then separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee or co-trustee shall refer to this Indenture and the conditions of this Article VI. Each separate trustee and co-trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, either jointly with the Trustee or separately, as may be provided therein, subject to all the provisions of this Indenture, specifically including every provision of this Indenture relating to the conduct of, affecting the liability of, or affording protection to, the Trustee. Every such instrument shall be filed with the Trustee.

(d) Any separate trustee or co-trustee may at any time constitute the Trustee, its agent or attorney-in-fact with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect of this Indenture on its behalf and in its name. If any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies and trusts shall vest in and be exercised by the Trustee, to the extent permitted by law, without the appointment of a new or successor trustee.

Section 6.11 **Eligibility; Disqualification**.

The Trustee hereunder shall at all times (a) be a national banking association or banking corporation or trust company organized and doing business under the laws of any state or the United States, (b) be authorized under such laws to exercise corporate trust powers, (c) have a combined capital and surplus of at least $50,000,000, (d) have unsecured and unguaranteed long-term debt obligations rated at least Baa3 by Moody's or an equivalent rating by Morningstar (if rated by Morningstar), and (e) be subject to supervision or examination by federal or state authority. If such banking association publishes reports of condition at least annually, pursuant to Applicable Law or the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section 6.11 its combined capital and surplus shall be deemed to be as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 6.11, the Trustee shall give prompt notice to the Issuer (who shall promptly forward the same to the Rating Agency), the Servicer and the Noteholders that it has so ceased to be eligible to be the Trustee.

Section 6.12 **Representations, Warranties and Covenants of the Trustee**.

The Trustee hereby makes the following representations, warranties and covenants on which the Issuer, the Servicer and the Noteholders shall rely:

(a) The Trustee is a national banking association duly organized and validly existing under the laws of the United States.

(b) The Trustee satisfies the criteria specified in Section 6.11 hereof.

(c) The Trustee has full power, authority and legal right to execute, deliver and perform this Indenture and the other Transaction Documents to which it is a party and has taken all necessary action to authorize the execution, deliver and performance by it of this Indenture and the other Transaction Documents to which it is a party.

(d) The execution, delivery and performance by the Trustee of this Indenture and the other Transaction Documents to which it is a party shall not (i) violate any provision of any law or any order, writ, judgment or decree of any court, arbitrator or governmental authority applicable to it or any of its assets, (ii) violate any provision of the corporate charter or by-laws of the Trustee or (iii) violate any provision of, or constitute, with or without notice or lapse of time, a default under, or result in the creation or imposition of any lien on any properties included in the Indenture Collateral pursuant to the provisions of, any mortgage, indenture, contract, agreement or other undertaking to which it is a party, which violation, default or lien could reasonably be expected to materially and adversely affect the Trustee's performance or ability to perform its duties as Trustee under this Indenture and the other Transaction Documents to which it is a party or the transactions contemplated in this Indenture and the other Transaction Documents to which it is a party.

(e) The execution, delivery and performance by the Trustee of this Indenture and the other Transaction Documents to which it is a party shall not require the authorization, consent or approval of, the giving of notice to, the filing or registration with or the taking of any other action in respect of any governmental authority or agency regulating the banking and corporate trust activities of the Trustee.

(f) This Indenture and the other Transaction Documents to which it is a party have been duly executed and delivered by the Trustee and constitute the legal, valid and binding agreements of the Trustee enforceable in accordance with their respective terms, subject to the effect of bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally or the application of equitable principles in any proceeding, whether at law or in equity. The Trustee hereby agrees and covenants that it will not, at any time in the future, deny that this Indenture and the other Transaction Documents to which it is a party constitute its legal, valid and binding agreements.

(g) The Trustee shall not take any action, or fail to take any action, if such action or failure to take action will materially interfere with the enforcement of any rights of the Noteholders under this Indenture or the other Transaction Documents.

(h) The Trustee is not affiliated, as that term is defined in Rule 405 under the Securities Act, with the Issuer.

Section 6.13 **Directions to Trustee**.

The Trustee is hereby directed and authorized:

(i) to accept a collateral assignment of the Loans, and hold the assets of the Indenture Collateral as security for the Noteholders;

(ii) to authenticate and deliver the Notes substantially in the forms prescribed by Exhibit A hereto in accordance with the terms of this Indenture;

(iii) to execute and deliver the Transaction Documents to which it is a party;

(iv) to take all other actions as shall be required to be taken by it by the terms of this Indenture and the other Transaction Documents to which it is party.

For avoidance of doubt, in entering into and performing under the Transaction Documents to which it is a party, the Trustee shall be subject to the protections, rights, indemnities and immunities afforded it under Article VI hereof.

Section 6.14 **Conflicts**.

If a Default occurs and is continuing and the Trustee is deemed to have a "conflicting interest" (as defined in the TIA) as a result of acting as trustee for the Notes, the Issuer, at its expense, shall appoint a successor Trustee for the Notes so that there will be separate Trustees for each of the Notes. No such event shall alter the voting rights of the Noteholders under this Indenture or under any of the other Transaction Documents.

Article VII
NOTEHOLDERS' LISTS AND REPORTS

Section 7.01 **Issuer to Furnish Trustee Names and Addresses of Noteholders**.

The Issuer will furnish or cause to be furnished to the Trustee (a) within five days after each Record Date, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders of Notes as of such Record Date and (b) at such other times as the Trustee may reasonably request in writing, within 30 days after receipt by the Issuer of any such request, a list of similar form and content as of a date not more than ten days prior to the time such list is furnished; *provided* that so long as the Trustee is the Note Registrar, no such list shall be required to be furnished.

Section 7.02 **Preservation of Information; Communications to Noteholders**.

(a) The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of the Holders of Notes contained in the most recent list furnished to the Trustee as provided in Section 7.01 hereof and the names and addresses of Holders of Notes received by the Trustee in its capacity as Note Registrar. The Trustee may destroy any list furnished to it as provided in such Section 7.01 hereof upon receipt of a new list so furnished.

(b) The Trustee shall furnish to the Noteholders promptly upon receipt of a written request therefor, duplicates or copies of all reports, notices, requests, demands, certificates and financial statements of the Issuer or of the Servicer furnished to the Trustee under the Transaction Documents, subject to any confidentiality requirements or limitations of such documents.

Section 7.03 **Fiscal Year**.

Unless the Issuer otherwise determines, the fiscal year of the Issuer shall end on December 31 of each year. The Issuer shall notify the Trustee of any change in its fiscal year.

Article VIII
TRANSACTION ACCOUNTS, DISBURSEMENTS AND RELEASES

Section 8.01 **Collection of Money**.

Except as otherwise expressly provided herein or in the Sale and Servicing Agreement, the Trustee may demand payment or delivery of, and shall receive and collect, directly and without intervention or assistance of any fiscal agent or other intermediary, all money and other property payable to or receivable by the Trustee pursuant to this Indenture. The Trustee shall apply all such money received by it as provided in this Indenture. Except as otherwise expressly provided in this Indenture or in the Sale and Servicing Agreement, if any default occurs in the making of any payment or performance under any agreement or instrument that is part of the Indenture Collateral, the Trustee may take such action as may be appropriate to enforce such payment or performance, including the institution and prosecution of appropriate Proceedings. Any such action shall be without prejudice to any right to claim a Default or Event of Default under this Indenture and any right to proceed thereafter as provided in Article V hereof.

Section 8.02 **Transaction Accounts**.

(a) On or prior to the Closing Date, the Securities Intermediary on behalf of the Issuer shall establish and maintain, in the name of the Trustee, for the benefit of the Noteholders, the Distribution Account, the General Reserve Account, the Collection Account and the Principal Reinvestment Account and the Issuer shall establish the Lockbox Account as a non-interest bearing, segregated account at the Lockbox Bank and in the name of the Trustee for the benefit of the Noteholders, in each case, as provided in Sections 7.01, 7.02 and 7.03 of the Sale and Servicing Agreement.

(b) All funds required to be deposited into the Collection Account with respect to the preceding Collection Period will be deposited into the Collection Account as provided in Section 7.03 of the Sale and Servicing Agreement. On or after each Reference Date (but prior to the related Payment Date) or such other date as determined by the Trustee pursuant to Section 7.05(c) of the Sale and Servicing Agreement, all Collections with respect to the related Collection Period on deposit in the Collection Account and all other amounts then on deposit in the Collection Account constituting Available Funds (including, without limitation, any amounts deposited into the Collection Account from the General Reserve Account pursuant to Section 7.02 of the Sale and Servicing Agreement) will be transferred from the Collection Account to the Distribution Account as provided in Section 7.05 of the Sale and Servicing Agreement. Such amounts will remain uninvested while deposited into the Distribution Account. The Securities Intermediary shall invest any funds in the General Reserve Account and the Principal Reinvestment Account as provided in the Sale and Servicing Agreement. Funds will be deposited into the General Reserve Account as provided in Section 7.05 of the Sale and Servicing Agreement. Each of the Transaction Accounts shall be under the control of the Trustee for the benefit of the Trustee and the Noteholders in accordance with Section 8.06 hereof.

(c) On each Payment Date or such other date as determined by the Trustee pursuant to Section 5.04(b) hereof, the Trustee, as Paying Agent, shall distribute all amounts on deposit in the Distribution Account to Noteholders in respect of Notes and any other parties specified in the Priority of Payments.

(d) All moneys deposited from time to time in the Distribution Account, the General Reserve Account and the Principal Reinvestment Account pursuant to the Sale and Servicing Agreement and all deposits therein pursuant to this Indenture are for the benefit of the Noteholders, and all investments made with such moneys including all income or other gain from such investments are for the benefit of the Noteholders as provided by the Sale and Servicing Agreement.

(e) The Redemption Price described in Section 10.01 hereof shall be deposited into the Distribution Account.

(f) The Issuer shall not change the Lockbox Account without the consent of the Majority Noteholders.

Section 8.03 **Officer's Certificate**.

Except for releases or conveyances required or permitted by the Sale and Servicing Agreement and the other Transaction Documents, the Trustee shall receive at least two Business Days' notice when requested by the Issuer to take any action pursuant to Section 8.05(a) hereof, accompanied by copies of any instruments to be executed, and the Trustee shall also require, as a condition to such action, an Officer's Certificate, in form and substance satisfactory to the Trustee, stating the effect of any such action, outlining the steps required to complete the same, and concluding that all conditions precedent to the taking of such action have been complied with and such action will not materially and adversely impair the security for the Notes or the rights of the Noteholders in contravention of the provisions of this Indenture.

Section 8.04 **Termination Upon Distribution to Noteholders**.

Subject to Section 4.06 hereof, this Indenture and the respective obligations and responsibilities of the Issuer and the Trustee created hereby shall terminate upon the distribution to the Noteholders and the Trustee of all amounts required to be distributed to such parties pursuant to the applicable provisions of this Indenture and the Sale and Servicing Agreement.

Section 8.05 **Release of Indenture Collateral**.

(a) Subject to the payment of its fees and reasonable expenses, the Trustee may, and when required by the provisions of this Indenture shall, execute instruments to release property from the lien of this Indenture, or convey the Trustee's interest in the same, in a manner and under circumstances that are not inconsistent with the provisions of this Indenture, the Sale and Servicing Agreement and the other Transaction Documents. No party relying upon an instrument executed by the Trustee as provided in Article IV hereof shall be bound to ascertain the Trustee's authority, inquire into the satisfaction of any conditions precedent, or see to the application of any moneys. The Trustee shall not release any Loan from the lien of this Indenture in connection with a sale of such Loan to an Affiliate of the Servicer or the Issuer without first receiving an Officer's Certificate of the Servicer in the form of Exhibit F to the Sale and Servicing Agreement. The Trustee shall make copies of any such Officer's Certificate available to any Noteholder upon written request of such Noteholder, subject to Section 11.01 hereof.

(b) The Trustee shall, at such time as (i) there are no Notes Outstanding and (ii) all sums due the Trustee pursuant to this Indenture have been paid, release any remaining portion of the Indenture Collateral that secured the Notes from the lien of this Indenture. The Trustee shall release property from the lien of this Indenture pursuant to this Section 8.05(b) only upon receipt of a request from the Issuer accompanied by an Officer's Certificate and an Opinion of Counsel stating that all conditions precedent to such release have been satisfied.

Section 8.06 **The Securities Intermediary**.

(a) There shall at all times be one or more securities intermediaries appointed for purposes of this Indenture (the "Securities Intermediary"). U.S. Bank is hereby appointed as the initial Securities Intermediary hereunder, and U.S. Bank accepts such appointment.

(b) The Securities Intermediary shall be, and U.S. Bank as initial Securities Intermediary hereby represents and warrants that it is as of the date hereof and shall be, for so long as it is the Securities Intermediary hereunder, a corporation or national banking association that in the ordinary course of its business maintains securities accounts for others and is acting in that capacity hereunder. The Securities Intermediary shall, and U.S. Bank as initial Securities Intermediary does, agree with the parties hereto that each Transaction Account shall be an account to which financial assets may be credited and undertake to treat the Trustee as entitled to exercise the rights that comprise such financial assets. The Securities Intermediary shall, and U.S. Bank as initial Securities Intermediary does, agree with the parties hereto that each item of property credited to each Transaction Account shall be treated as a financial asset. The Securities Intermediary shall, and U.S. Bank as initial Securities Intermediary does, agree with the parties hereto that the securities intermediary's jurisdiction of the Securities Intermediary with respect to the Collateral shall be the State of New York. The Securities Intermediary shall, and U.S. Bank as initial Securities Intermediary does, represent and covenant that it is not and will not be (as long as it is the Securities Intermediary hereunder) a party to any agreement that is inconsistent with the provisions of this Indenture. The Securities Intermediary shall, and U.S. Bank as initial Securities Intermediary does, covenant that it will not take any action inconsistent with the provisions of this Indenture applicable to it. The Securities Intermediary shall, and U.S. Bank as initial Securities Intermediary does, agree that any item of property credited to any Transaction Account shall not be subject to any security interest, lien, encumbrance or right of setoff in favor of the Securities Intermediary or anyone claiming through the Securities Intermediary (other than the Trustee).

(c) It is the intent of the Trustee and the Issuer that each Transaction Account shall be a securities account of the Trustee and not an account of the Issuer. Nonetheless, the Securities Intermediary shall agree to comply with entitlement orders originated by the Trustee without further consent by the Issuer or any other person or entity, and U.S. Bank as initial Securities Intermediary agrees that, for so long as it is the Securities Intermediary hereunder, it will comply with entitlement orders originated by the Trustee without further consent by the Issuer or any other person or entity. The Securities Intermediary shall covenant that it will not agree with any person or entity other than the Trustee that it will comply with entitlement orders originated by any person or entity other than the Trustee, and U.S. Bank as initial Securities Intermediary hereby covenants that, for so long as it is the Securities Intermediary hereunder, it will not agree with any person or entity other than the Trustee that it will comply with entitlement orders originated by any person or entity other than the Trustee.

(d) Nothing herein shall imply or impose upon the Securities Intermediary any duties or obligations other than those expressly set forth herein and those applicable to a securities intermediary under the UCC and the United States Regulations (and the Securities Intermediary shall be entitled to all of the protections available to a securities intermediary under the UCC and the United States Regulations). Without limiting the foregoing, nothing herein shall imply or impose upon the Securities Intermediary any duties of a fiduciary nature.

(e) The Securities Intermediary may at any time resign by notice to the Trustee and may at any time be removed by notice from the Trustee; provided that it shall be the responsibility of the Servicer to appoint a successor Securities Intermediary and to cause the Transaction Accounts to be established and maintained with such successor Securities Intermediary in accordance with the terms hereof; and the responsibilities and duties of the retiring Securities Intermediary hereunder shall remain in effect until all of the Collateral credited to the Transaction Accounts held by such retiring Securities Intermediary have been transferred to such successor. Any corporation into which the Securities Intermediary may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, consolidation or conversion to which the Securities Intermediary shall be a party, shall be the successor of the Securities Intermediary hereunder, without the execution or filing of any further act on the part of the parties hereto or such Securities Intermediary or such successor corporation.

Article IX
SUPPLEMENTAL INDENTURES

Section 9.01 **Supplemental Indentures Without Consent of Noteholders**.

(a) Without the consent of the Holders of any Notes but with prior written notice to all Noteholders, the Rating Agency and the Servicer, the Issuer and the Trustee, when authorized by an Issuer Order, at any time and from time to time, may enter into a supplemental indenture, in form reasonably satisfactory to the Trustee, for any of the following purposes:

(i) to correct or amplify the description of any property at any time subject to the lien of this Indenture, or better to assure, convey and confirm unto the Trustee any property subject or required to be subjected to the lien of this Indenture, or to subject to the lien of this Indenture additional property;

(ii) to evidence the succession, in compliance with the applicable provisions hereof, of another Person to the Issuer, and the assumption by any such successor of the covenants of the Issuer herein and in the Notes;

(iii) to add to the covenants of the Issuer, for the benefit of the Holders of the Notes, or to surrender any right or power herein conferred upon the Issuer;

(iv) to convey, transfer, assign, mortgage or pledge any property to or with the Trustee;

(v) to cure any ambiguity or manifest error, to correct or supplement any provision in this Indenture or in any supplemental indenture that may be defective or inconsistent with any other provision herein or in any supplemental indenture or to make any modification that is of a formal, minor or technical nature;

(vi) to evidence and provide for the acceptance of the appointment hereunder by a successor trustee with respect to the Notes and to add to or change any of the provisions of this Indenture as shall be necessary to facilitate the administration of the trusts hereunder by more than one trustee, pursuant to the requirements of Article VI hereof;

(vii) to add to the conditions, limitations and restrictions on the authorized amount, terms and purposes of the issuance, authentication and delivery of Notes, as herein set forth, additional conditions, limitations and restrictions thereafter to be observed;

(viii) to modify the restrictions on and procedures for resales and other transfers of the Notes to reflect any changes in Applicable Law or regulations (or the interpretation thereof);

(ix) to enable the Issuer or the Trustee to rely upon any exemption from registration under the Securities Act or the 1940 Act or to remove restrictions on resale or transfer to the extent required under Applicable Law or otherwise make any changes necessary to comply with changes to U.S. securities laws or the regulations implementing such laws;

(x) to evidence or implement any change to this Indenture required by regulations or guidelines enacted to support the USA PATRIOT Act;

(xi) to comply with any changes to the Code or the regulations implementing the Code;

(xii) to reflect any written change to the guidelines, methodology or standards established by any Rating Agency that are applicable to this Indenture; and

(xiii) to add any new provisions with respect to matters or questions arising under this Indenture or in any supplemental indenture that will not be inconsistent with any existing provisions of this Indenture or such supplemental indenture; *provided* that such action shall not, as evidenced by an Officer's Certificate delivered to the Trustee, adversely affect in any material respect the interests of the Noteholders.

The Trustee is hereby authorized to join in the execution of any such supplemental indenture and to make any further appropriate agreements and stipulations that may be therein contained.

(b) The Issuer and the Trustee, when authorized by an Issuer Order, may also, without the consent of any of the Holders of the Notes but with prior notice to the Rating Agency (to be delivered by the Issuer) and the Servicer, enter into a supplemental indenture for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Indenture or of modifying in any manner the rights of the Noteholders under this Indenture (other than as included in clauses (i) through (xiv) of Section 9.01(a) hereof); *provided* that such action shall not, as evidenced by an Opinion of Counsel, (A) materially adversely affect the interest of any Noteholder or (B) cause the Issuer to be subject to an entity level tax or be classified as a taxable mortgage pool within the meaning of Section 7701(i) of the Code (which Opinion of Counsel may rely upon an Officer's Certificate of the Servicer with respect to the effect of any such amendment on the economic interests of any Noteholder).

(c) In the event that any proposed supplemental indenture pursuant to this Section 9.01, in the reasonable judgment of the Servicer (on behalf of the Issuer) does not satisfy the proviso in Section 9.01(b) hereof, such amendment may become effective with the consent of each Holder of a Note. It shall not be necessary for the Noteholders to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Section 9.02 **Supplemental Indentures With Consent of Noteholders**.

(a) Except as provided in Section 9.02(b) hereof, the Issuer and the Trustee, when authorized by an Issuer Order, also may, with prior notice to the Rating Agency and the Servicer and with the consent of the Majority Noteholders, enter into a supplemental indenture for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Indenture or of modifying in any manner the rights of the Holders of the Notes under this Indenture; *provided* that the Issuer shall only enter into a supplemental indenture in compliance with Section 9.06 hereof; *provided further* that (i) such action shall not, as evidenced by an Opinion of Counsel, (A) materially adversely affect the interest of any Noteholder or (B) cause the Issuer to be subject to an entity level tax or be classified as a taxable mortgage pool within the meaning of Section 7701(i) of the Code (which Opinion of Counsel may rely upon an Officer's Certificate of the Servicer with respect to the effect of any such amendment on the economic interests of any Noteholder).

(b) No supplemental indenture shall, without the consent of the Holder of each Note adversely affected thereby:

(i) change the Legal Final Payment Date or the due date of any payment of principal of or interest, as applicable, on any Note, reduce the principal amount of any Note or any rate of interest or the portion of the Redemption Price payable to the Holders of the Notes, change the earliest date on which any Note may be redeemed, change the provisions of this Indenture relating to the application of proceeds of any Loan Assets to the payment of principal, interest or of distributions pursuant to the Sale and Servicing Agreement, change any place where, or the coin or currency in which, any Note or the principal thereof, or interest thereon, is payable, or impair the right to institute suit for the enforcement of any provisions of the Indenture regarding payment on the Notes;

(ii) reduce the percentage of the Aggregate Outstanding Note Balance, the consent of the Holders of which is required for any such supplemental indenture, or the consent of the Holders of which is required for any waiver of compliance with any provision of this Indenture or defaults hereunder and their consequences provided for in this Indenture;

(iii) modify or alter the provisions of the proviso to the definition of the term "Outstanding" or modify or alter the provisions of the proviso to the definition of the term "Holder";

(iv) modify or alter the provisions hereunder regarding the voting of Notes held by the Issuer, the Originator, the Servicer, an affiliate of any of them or any obligor on the Notes;

(v) modify any provisions hereunder in such a manner as to affect the calculation of the amount of any payment of interest or principal due on any Note on any Payment Date or to affect the rights of the Noteholders to the benefit of any provisions for the mandatory redemption of the Notes contained in this Indenture; or

(vi) reduce the percentage of the Aggregate Outstanding Note Balance, the consent of the Holders of which is required to direct the Trustee to sell or liquidate the Indenture Collateral pursuant to Section 5.04 hereof;

(vii) modify any provision of this Section 9.02 except to increase any percentage specified herein or to provide that certain additional provisions of this Indenture or the other Transaction Documents cannot be modified or waived without the consent of the Holder of each Note affected thereby; or

(viii) permit the creation of any lien ranking prior to or on a parity with the lien of this Indenture with respect to any part of the Indenture Collateral or, except as otherwise expressly permitted herein terminate the lien of this Indenture on any property at any time subject hereto or deprive any Noteholder of the security provided by the lien of this Indenture.

(c) Prior to entering into any supplemental indenture pursuant to this Section 9.02, the Issuer and Trustee shall obtain the written consent of each Holder of a Note. It shall not be necessary for any Act of Noteholders under this Section 9.02 to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

(d) Promptly after the execution by the Issuer and the Trustee of any supplemental indenture pursuant to this Section 9.02, the Trustee shall mail to the Servicer (who shall promptly forward the same to the Rating Agency) and the Holders of the Notes to which such amendment or supplemental indenture relates a copy of such supplemental indenture or a notice setting forth in general terms the substance of such supplemental indenture. Any failure of the Trustee to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

Section 9.03 **Execution of Supplemental Indentures**.

In executing, or permitting the additional trusts created by, any supplemental indenture permitted by this Article IX or the modification thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and subject to Sections 6.01 and 6.02 hereof, shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture, and all conditions precedent have been satisfied, which Opinion of Counsel may rely upon an Officer’s Certificate of the Servicer with respect to the effect of any such supplemental indenture on the economic interests of the Holders of the Notes. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture that affects the Trustee’s own rights, duties, liabilities or immunities under this Indenture or otherwise. The Issuer shall provide copies of each supplemental indenture to the Rating Agency.

Section 9.04 **Effect of Supplemental Indenture**.

Upon the execution of any supplemental indenture pursuant to the provisions hereof, this Indenture shall be and shall be deemed to be modified and amended in accordance therewith with respect to the Notes affected thereby, and the respective rights, limitations of rights, obligations, duties, liabilities and immunities under this Indenture of the Trustee, the Issuer and the Noteholders shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 9.05 **Reference in Notes to Supplemental Indentures**.

Notes authenticated and delivered after the execution of any supplemental indenture pursuant to this Article IX may, and if required by the Trustee shall, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Issuer or the Trustee shall so determine, new Notes so modified as to conform, in the opinion of the Trustee and the Issuer, to any such supplemental indenture may be prepared and executed by the Issuer and authenticated and delivered by the Trustee in exchange for Outstanding Notes.

Section 9.06 **Consent of the Servicer**.

The Issuer agrees that it will not permit to become effective any supplemental indenture that adversely affects the obligations or rights of the Servicer or the amount or priority or payment of any fees or other amounts payable to the Servicer unless the Servicer has been given prior written notice of such supplemental indenture and has consented thereto in writing.

Article X
OPTIONAL REDEMPTION

Section 10.01 **Optional Redemption**.

(a) The Issuer may (i) on any date after the Investment Period Termination Date, where the Aggregate Outstanding Note Balance divided by the Aggregate Outstanding Loan Balance is less than or equal to 0.40, or (ii) upon the occurrence of a Change of Control, effect an Optional Redemption, in whole but not in part, on any Redemption Date (such Redemption Date shall be a Payment Date to be specified in a notice to be delivered as described in the second sentence of this Section 10.01(a)) by deposit in full of the Redemption Price in the Distribution Account for distribution to the Holders of the Notes and other persons entitled thereto by 10:00 a.m. (New York, New York time) on the business day preceding the applicable Payment Date whereupon all such Notes shall be due and payable on the applicable Payment Date, in connection with which the Issuer shall comply with the provisions of this Section 10.01 and Section 10.02 hereof. The Issuer will furnish notice of such election to the Trustee and the Rating Agency no later than ten Business Days prior to the proposed Redemption Date.

(b) The Notes to be redeemed shall, following delivery of a notice of an Optional Redemption complying with Section 10.02 hereof, on the Redemption Date become due and payable at the Redemption Price with respect thereto and (unless such Redemption Price is not paid) no interest shall accrue on such Redemption Price for any period after the date to which accrued interest is calculated for purposes of calculating the Redemption Price. On the Redemption Date, upon deposit in full by the Issuer in the Distribution Account of an amount equal to the Redemption Price, the Noteholders shall have no interest therein nor any claim to any distributions in respect of the Indenture Collateral (other than the Transaction Accounts).

(c) The portion of the Redemption Price constituting payment of principal or the Make-Whole Amount, if applicable, of the Notes shall be distributed to Noteholders in accordance with Section 7.05(b) of the Sale and Servicing Agreement and all other amounts included in the Redemption Price shall be distributed in accordance with Section 7.05(a) of the Sale and Servicing Agreement.

(d) The Issuer may withdraw any notice of Optional Redemption or specify a new Redemption Date at any time prior to the proposed Redemption Date set forth in any prior notice of Optional Redemption by providing written notice to the Trustee and the Rating Agency by no later than the second Business Day preceding such Redemption Date. A withdrawal of such notice of Optional Redemption or the inability of the Issuer to complete an Optional Redemption of the Notes will not constitute an Event of Default.

Section 10.02 **Form of Redemption Notice by Trustee**.

(a) Notice of redemption under Section 10.01 hereof shall be given by the Trustee by facsimile, electronic mail, overnight courier or by first-class mail, postage prepaid, transmitted or mailed prior to the applicable Redemption Date, to each Holder of Notes, as of the close of business on the Record Date preceding the applicable Redemption Date at such Holder's address appearing in the Note Register.

(b) All notices of redemption shall state:

(i) the Redemption Date;

(ii) the Redemption Price;

(iii) that the Record Date otherwise applicable to such Redemption Date, is not applicable and that, unless waived by the Issuer, payments shall be made only upon presentation and surrender of such Notes and the place where such Notes are to be surrendered for payment of the Redemption Price with respect thereto (which shall be the office or agency of the Issuer to be maintained as provided in Section 3.02 hereof); and

(iv) that interest on the Notes shall cease to accrue on the Redemption Date, as applicable; *provided* that the Redemption, as applicable, occurs on such date.

(c) Notice of redemption of the Notes shall be given by the Trustee in the name and at the expense of the Issuer. Failure to give notice of redemption, or any defect therein, to any Holder of any Note shall not impair or affect the validity of the redemption of any other Note.

Article XI
MISCELLANEOUS

Section 11.01 **Confidentiality**.

(a) No Receiving Party shall use any Confidential Information except to the extent necessary to evaluate and monitor the transaction represented by the Transaction Documents. Each Receiving Party agrees (and each Holder of a Note is deemed to agree) that it will make available Confidential Information only to (i) its officers, employees, directors, affiliates, advisors, agents, shareholders, members, partners and managers who have a need to know such Confidential Information for the purpose of evaluating or monitoring the transaction, (ii) its accounting firms and legal counsel (and their respective officers, employees, directors, agents, affiliates and advisors) and (iii) any prospective purchasers of a Note, in each case who have need to know such Confidential Information for the purposes of modeling, surveilling, evaluating or monitoring the transaction (collectively, "representatives"), and that all persons to whom such Confidential Information is made available will be made aware of the confidential nature of such Confidential Information and agree to be bound by the restrictions imposed by this Indenture on the use of Confidential Information. This Section 11.01 shall constitute a confidentiality agreement for purposes of Regulation FD under the Exchange Act.

(b) No Receiving Party or any of its representatives will disclose any Confidential Information to any third party, except as may be required by law or required or requested by any regulatory agency with authority over such Receiving Party or expressly permitted pursuant to this Section 11.01.

(c) Each Receiving Party acknowledges and agrees that the breach or threatened breach of this Section 11.01 by it may result in irreparable and continuing damage to the Disclosing Parties, for which there will be no adequate remedy at law. Accordingly, each Receiving Party agrees that the Disclosing Parties shall be entitled, without prejudice, to all the rights and remedies available to each of them, including an injunction or specific performance to prevent breaches or threatened breaches of any of the provisions of this Indenture by an action instituted in a court having proper jurisdiction.

(d) The confidentiality provisions of this Section 11.01 shall remain in effect for a period commencing on the date hereof and end two years after the Legal Final Payment Date.

(e) If any Receiving Party or any of its affiliates or representatives is required by legal process to disclose any of the Confidential Information, such Receiving Party shall provide the Disclosing Parties with notice of such requirement so that the Disclosing Parties may seek a protective order or other appropriate remedy or waive compliance with the provisions of this Indenture unless such notice is prohibited by statute, regulation, rule or court order. If a protective order or other remedy is not obtained, such Receiving Party, its affiliates and representatives may, without violating this Indenture, disclose that portion of the Confidential Information that such party is legally required to disclose.

(f) Notwithstanding the foregoing in this Section 11.01, all parties hereto agree that each of them and each of their managers, officers, employees, representatives, and other agents may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transaction and all materials of any kind (including opinions or other tax analyses) that are provided to any of them relating to such tax treatment and tax structure. "Tax treatment" and "tax structure" shall have the same meaning as such terms have for purposes of Treasury Regulation Section 1.6011-4.

Section 11.02 **<u>Form of Documents Delivered to Trustee</u>**.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of a Responsible Officer of the Issuer may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows that the certificate or opinion or representations with respect to the matters upon which the certificate or opinion is based are erroneous. Any such certificate of a Responsible Officer or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Servicer, the Issuer or any other appropriate Person, stating that the information with respect to such factual matters is in the possession of the Servicer, the Issuer or such other Person, unless such counsel knows that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Whenever in this Indenture, in connection with any application or certificate or report to the Trustee, it is provided that the Issuer shall deliver any document as a condition of the granting of such application, or as evidence of the Issuer's compliance with any term hereof, it is intended that the truth and accuracy in all material respects, at the time of the granting of such application or at the effective date of such certificate or report (as the case may be), of the facts and opinions stated in such document shall in such case be conditions precedent to the right of the Issuer to have such application granted or to the sufficiency of such certificate or report. The foregoing shall not, however, be construed to affect the Trustee's right to rely upon the truth and accuracy of any statement or opinion contained in any such document as provided in <u>Article VI</u> hereof.

Section 11.03 **<u>Acts of Noteholders</u>**.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Noteholders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Noteholders in person or by agents duly appointed in writing; and except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee, and, where it is hereby expressly required, to the Issuer. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Noteholders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to <u>Section 6.01</u> hereof) conclusive in favor of the Trustee and the Issuer, if made in the manner provided in this <u>Section 11.03</u>.

(b) The fact and date of the execution by any person of any such instrument or writing may be proved in any manner that the Trustee deems sufficient.

(c) The ownership of Notes shall be proved by the Note Register; *provided* that in all cases except where otherwise required by law or regulation, any act by a Holder of a Note may be taken by the Owner of such Note.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Notes shall bind the Holder of every Note issued upon the registration thereof or in exchange therefor or in lieu thereof, in respect of anything done, omitted or suffered to be done by the Trustee or the Issuer in reliance thereon, whether or not notation of such action is made upon such Note.

Section 11.04 **Notices, etc., to Trustee and Others**.

(a) Any request, demand, authorization, direction, notice, consent, waiver or Act of Noteholders or other documents provided or permitted by this Indenture shall be in writing and if such request, demand, authorization, direction, notice, consent, waiver or Act of Noteholders is to be made upon, given or furnished to or filed with:

(i) the Trustee by any Noteholder or by the Issuer, shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to and mailed, by certified mail, return receipt requested, hand delivered, sent by overnight courier service guaranteeing next day delivery or by telecopy in legible form, to the Trustee addressed to it at U.S. Bank National Association, 190 S. LaSalle St., 7th Floor, Chicago, IL 60603, Attention: Global Corporate Trust—Horizon Funding I, LLC, Telephone: (312) 332-7496; Facsimile No.: (312) 332-7996, Email: Melissa.rosal@usbank.com; Julia.linian@usbank.com or at any other address previously furnished in writing to the Issuer, the Noteholder, or the Servicer by the Trustee;

(ii) the Issuer by the Trustee or by any Noteholder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, hand delivered, sent by overnight courier service or by telecopy in legible form, to the Issuer addressed to it at Horizon Funding I, LLC, 312 Farmington Avenue, Farmington, CT 06032; Telephone: 860-674-9977; Facsimile No.: 860-674-8655; Email: dtrolio@horizontechfinance.com, or at any other address previously furnished in writing to the Trustee by the Issuer;

(iii) the Servicer by the Issuer or the Trustee shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, hand delivered, sent by overnight courier service or by telecopy in legible form, to the Servicer addressed to Horizon Technology Finance Corporation, 312 Farmington Avenue, Farmington, CT 06032; Telephone: 860-674-9977; Facsimile No.: 860-674-8655; Email: dtrolio@horizontechfinance.com, or at any other address previously furnished in writing to the Issuer or the Trustee by the Servicer;

(b) Notices required to be given to the Rating Agency shall be in writing, personally delivered or mailed by certified mail, return receipt requested, to Morningstar, at the following address: Morningstar Credit Ratings, LLC, 4 World Trade Center, 48th Floor, 150 Greenwich Street, New York, New York 10007, Attention: ABS Monitoring, Email: absmonitoring@morningstar.com; or as to each of the foregoing, at such other address as shall be designated by written notice to the other parties; provided that no notice shall be required to be given to Morningstar unless the Outstanding Notes is rated by Morningstar.

(c) Delivery of any request, demand, authorization, direction, notice, consent, waiver or Act of Noteholders or other documents made as provided above will be deemed effective: (i) if in writing and delivered in Person or by overnight courier service, on the date it is delivered; (ii) if sent by facsimile transmission, on the date that transmission is received by the recipient in legible form (it being agreed that the burden of proving receipt will be on the sender and will not be met by a transmission report generated by the sender's facsimile machine); or (iii) if sent by mail, on the date that mail is delivered or its delivery is attempted; and if sent by email, on the date of transmission; in each case, unless the date of that delivery (or attempted delivery) or that receipt, as applicable, is not a Business Day or that communication is delivered (or attempted) or received, as applicable, after the close of business on a Business Day, in which case that communication shall be deemed given and effective on the first following day that is a Business Day.

Section 11.05 **Notices to Noteholders; Waiver**.

Where this Indenture provides for notice to Noteholders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, by nationally recognized overnight courier or by first-class, postage prepaid to each Noteholder affected by such event, at his address as it appears on the Note Register, not later than the latest date, and not earlier than the earliest date, if any, prescribed for the giving of such notice. In any case where notice to Noteholders is given by mail, neither the failure to mail such notice nor any defect in any notice so mailed to any particular Noteholder shall affect the sufficiency of such notice with respect to other Noteholders, and any notice that is mailed in the manner herein provided shall conclusively be presumed to have been duly given.

Where this Indenture provides for notice in any manner, such notice may be waived in writing by any Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Noteholders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such a waiver.

In case, by reason of the suspension of regular mail service as a result of a strike, work stoppage or similar activity, it shall be impractical to mail notice of any event to Noteholders when such notice is required to be given pursuant to any provision of this Indenture, then any manner of giving such notice as shall be satisfactory to the Trustee shall be deemed to be a sufficient giving of such notice.

Where this Indenture provides for notice to the Rating Agency, failure to give such notice shall not affect any other rights or obligations created hereunder, and shall not under any circumstance constitute an Event of Default.

Section 11.06 **Alternate Payment and Notice Provisions**.

Notwithstanding any provision of this Indenture or any of the Notes to the contrary, the Issuer may enter into any agreement with any Holder of a Note providing for a method of payment, or notice by the Trustee or any other party acting as paying agent to such Holder, that is different from the methods provided for in this Indenture for such payments or notices. The Issuer will furnish to the Trustee a copy of each such agreement and the Trustee, at the expense of the Issuer, will cause payments to be made and notices to be given in accordance with such agreements.

Section 11.07 **Effect of Headings**.

The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 11.08 **Successors and Assigns**.

All covenants and agreements in this Indenture and the Notes by the Issuer shall bind its successors and assigns, whether so expressed or not. All agreements of the Trustee in this Indenture shall bind its successors, co-trustees and agents.

Section 11.09 **Severability**.

In case any provision in this Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 11.10 **Benefits of Indenture**.

Except as otherwise specifically provided herein, nothing in this Indenture or in the Notes shall give to any Person, other than the parties hereto and their successors hereunder, and the Noteholders, and any other party secured hereunder, and any other Person with an ownership interest in any part of the Indenture Collateral, any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 11.11 **Legal Holidays**.

In any case where the date on which any payment is due shall not be a Business Day, then (notwithstanding any other provision of the Notes or this Indenture) payment need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date on which nominally due, and no interest shall accrue for the period from and after any such nominal date.

Section 11.12 **GOVERNING LAW**.

(a) THIS INDENTURE, EACH SUPPLEMENT AND THE NOTES SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW), AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

(b) EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS INDENTURE. Each party hereto (i) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other parties hereto have been induced to enter into this Indenture by, among other things, the mutual waivers and certifications in this Section 11.12(b).

Section 11.13 **Counterparts**.

This Indenture may be executed in any number of counterparts (including by facsimile), each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 11.14 **Issuer Obligation**.

No recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer or the Trustee on the Notes or under this Indenture or any of the other Transaction Documents or any certificate or other writing delivered in connection herewith or therewith, against (a) the Trustee in its individual capacity, (b) any of the Originator, the Servicer and any member of the Issuer or (c) any partner, owner, beneficiary, stockholder, manager, member, officer, director, employee or agent of any of the parties identified in clauses (i) and (ii) or of any successor or assign of any such Person.

Section 11.15 **No Petition; Limited Recourse**.

(a) The Trustee, by entering into this Indenture, and each Noteholder, by accepting a Note, hereby covenant and agree that they will not prior to the date which is one year and one day or, if longer, the preference period then in effect after payment in full of the Notes rated by the Rating Agency, institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any United States federal or state bankruptcy or similar law in connection with any obligations relating to the Notes, this Indenture or any of the other Transaction Documents.

(b) No recourse shall be had against any officer, administrator, member, director, employee, security holder, holder of a beneficial interest in or incorporator of the Issuer or their respective successors or assigns for the payment of any amounts payable under the Notes, this Indenture or any other Transaction Document.

Section 11.16 **Inspection; Confidentiality**.

The Issuer agrees that, on reasonable prior notice, it will permit any representative of the Trustee, during the Issuer's normal business hours, and in a manner that does not unreasonably interfere with the Issuer's normal operations, to examine all the books of account, records, reports and other papers of the Issuer, to make copies and extracts therefrom, to cause such books to be audited by Independent certified public accountants, and to discuss the Issuer's affairs, finances and accounts with the Issuer's officers, employees, and Independent certified public accountants, all at such reasonable times, in such reasonable manner, and as often as may be reasonably requested. Subject to and in accordance with Section 11.01 hereof, the Trustee shall and shall cause its representatives, its legal counsel and its auditors to hold in confidence all such information except to the extent disclosure may be required by law (and all reasonable applications for confidential treatment are unavailing) and except to the extent that the Trustee may reasonably determine that such disclosure is consistent with its obligations hereunder and under Applicable Law.

Section 11.17 **Reserved**.

Section 11.18 **Disclaimer**.

Each Noteholder by accepting a Note and by accepting the benefits of this Indenture acknowledges and agrees that this Indenture and the Notes represent a debt obligation of the Issuer only and do not represent an interest in any assets (other than the Indenture Collateral) of the Originator or any member of the Issuer (including by virtue of any deficiency claim in respect of obligations not paid or otherwise satisfied from the Indenture Collateral and proceeds thereof).

[**signature page follows**]

IN WITNESS WHEREOF, the Issuer, the Trustee and the Securities Intermediary have caused their names to be signed hereto by their respective officers thereunto duly authorized, all as of the day and year first above written.

HORIZON FUNDING I, LLC

By:/s/ Daniel R. Trolio
Name:
Title:

IN WITNESS WHEREOF, the Issuer and the Trustee and the Securities Intermediary have caused their names to be signed hereto by their respective officers thereunto duly authorized, all as of the day and year first above written.

U.S. BANK NATIONAL ASSOCIATION,
not in its individual capacity, except as
expressly set forth herein, but solely as the
Trustee

By: /s/ Julie Linian
Name: Julia Linian
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION,
not in its individual capacity, except as
expressly set
forth herein, but solely as Securities
Intermediary

By: /s/ Julie Linian
Name: Julia Linian
Title: Vice President

[Horizon SPV LLC – Indenture]

Exhibit 10.6

SUPPLEMENTAL INDENTURE

by and between

HORIZON FUNDING I, LLC,
as the Issuer,

and

U.S. BANK NATIONAL ASSOCIATION,
as the Trustee

Dated as of June 5, 2020

HORIZON FUNDING I, LLC
Asset Backed Notes

THIS SUPPLEMENTAL INDENTURE, dated as of June 5, 2020 (as amended, modified, restated, supplemented and/or waived from time to time, this "Supplemental Indenture"), is by and between HORIZON FUNDING I, LLC, a Delaware limited liability company, as the issuer (together with its successors and assigns, the "Issuer"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association ("U.S. Bank") not in its individual capacity, but solely in its capacity as the trustee (together with its successors and assigns, in such capacity, the "Trustee").

Each party hereto agrees as follows for the benefit of the other party and for the equal and ratable benefit of the Holders of the Notes.

WHEREAS, the Issuer and the Trustee entered into an indenture (the "Indenture") dated June 1, 2018 providing for the Asset Backed Notes (the "Notes");

WHEREAS, the Issuer proposes to amend the Indenture ("Proposed Amendment") as set forth in Section 2.01 hereto;

WHEREAS, pursuant to Section 9.02(b) of the Indenture, the Issuer and Trustee may amend or supplement the Indenture pursuant to the Proposed Amendment provided that the Holders of each Note have consented;

WHEREAS, the Holders of each Note have consented to the Proposed Amendment;

WHEREAS, pursuant to Section 9.02(a) of the Indenture, the Trustee is authorized to enter into this Supplemental Indenture pursuant to an Issuer Order;

WHEREAS, pursuant to 9.02(a) of the Indenture, the Rating Agency and the Servicer have been provided prior notice of this Supplemental Indenture;

WHEREAS, the Servicer is not required to consent to this Supplemental Indenture pursuant to Section 9.06 of the Indenture;

WHEREAS, as required by Section 6.2 of that certain Note Funding Agreement, dated as of June 1, 2018, among the Issuer and the Initial Purchasers (the "Note Funding Agreement") the Initial Purchasers (as defined therein) have consented to this Amendment;

THIS INDENTURE WITNESSES THAT, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, the parties hereto covenant, agree and declare as follows:

ARTICLE I — INTERPRETATION

Section 1.01 Definitions.

Unless otherwise set out in this Supplemental Indenture, all initially capitalized terms used herein without definition shall have the respective meanings assigned in the Indenture.

Section 1.02 Applicable Law.

(a) THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW), AND THE OBLIGATIONS, RIGHTS, AND REMEDIES OF THE PARTIES UNDER THE INDENTURE AS AMENDED BY THIS SUPPLEMENTAL INDENTURE AND NOTES SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

(b) EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THE INDENTURE AS AMENDED BY THIS SUPPLEMENTAL INDENTURE. Each party hereto (i) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other parties hereto have been induced to enter into this Indenture by, among other things, the mutual waivers and certifications in this Section 1.02(b).

Article II

AMENDMENT

Section 2.01 Legal Final Payment Date.

Pursuant to Section 9.02(b) of the Indenture, Section 1.01 of the Indenture is hereby amended by deleting the definition of “Legal Final Payment Date” in its entirety and replacing it with the following:

“Legal Final Payment Date” means (i) the Payment Date occurring in June 2027 or (ii) if the Investment Period is extended pursuant to clause (ii) the definition of “Investment Period Termination Date,” the Payment Date occurring in June 2028.

Section 2.02 Full Force and Effect.

Each of the parties hereto acknowledges and agrees that all other provisions of the Indenture remain in full force and effect.

Section 2.03 Further Acts.

Each of the parties hereto agrees to do and execute all such further and other acts, deeds, things, devices, documents and assurances as may be required in order to carry out the true intent and meaning of this Supplemental Indenture.

Article III
MISCELLANEOUS

Section 3.01 Counterpart Execution. This Supplemental Indenture may be executed in any number of counterparts (including by facsimile), each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 3.02 Effect of Headings. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

[Rest of the Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Issuer and the Trustee have caused their names to be signed hereto by their respective officers thereunto duly authorized, all as of the day and year first above written.

HORIZON FUNDING I, LLC

By: /s/ Daniel R. Trolio
Name:
Title:

IN WITNESS WHEREOF, the Issuer and the Trustee have caused their names to be signed hereto by their respective officers thereunto duly authorized, all as of the day and year first above written.

U.S. BANK NATIONAL ASSOCIATION,
not in its individual capacity, except as expressly set forth herein, but solely as the Trustee

By: /s/ Eric Ott
Name: Eric Ott
Title: Vice President

[Horizon SPV LLC – Indenture]

Exhibit 99.1

Horizon Technology Finance Strengthens Capital Resources with Amendment and Extension of its $100 Million Credit Facility with U.S. Based Insurance Company

Farmington, Connecticut – June 26, 2020 – Horizon Technology Finance Corporation (NASDAQ: HRZN) (“Horizon” or the “Company”), a leading specialty finance company that provides capital in the form of secured loans to venture capital backed companies in the technology, life science, healthcare information and services, and sustainability industries, today announced that Horizon Secured Loan Fund I LLC, Horizon’s wholly-owned subsidiary (“HSLF”), has amended and extended its $100 million senior secured debt facility with a large U.S. based insurance company, pursuant to which HSLF may issue up to $100 million of secured notes.

The facility has a two-year investment period and a maximum advance rate of 67% based on the number of obligors. Initially, borrowings bear interest, payable monthly, at the greater of the fixed interest rate of 4.60% or the three-year USD mid-market swap rate plus 3.55%. The ongoing interest rate may be adjusted based on the rating assigned to the facility by DBRS, Inc. The facility is collateralized by certain of the Company’s assets and matures in June 2027.

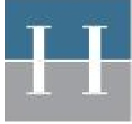
“We are pleased with the closing of the amended facility, as it will provide us with $100 million of additional lending capacity and significant flexibility to further grow our portfolio with low cost capital,” said Daniel R. Trolio, Senior Vice President and Chief Financial Officer of Horizon. “This facility also allows us to further diversify our balance sheet and sources of debt to maximize our capital efficiency and make new portfolio investments. We believe we are in a strong position to continue delivering value to our shareholders.”

About Horizon Technology Finance

Horizon Technology Finance Corporation (NASDAQ: HRZN) is a leading specialty finance company that provides capital in the form of secured loans to venture capital backed companies in the technology, life science, healthcare information and services, and sustainability industries. The investment objective of Horizon is to maximize its investment portfolio’s return by generating current income from the debt investments it makes and capital appreciation from the warrants it receives when making such debt investments. Headquartered in Farmington, Connecticut, Horizon also has regional offices in Pleasanton, California and Reston, Virginia. To learn more, please visit www.horizontechfinance.com.

Forward-Looking Statements

Statements included herein may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Statements other than statements of historical facts included in this press release may constitute forward-looking statements and are not guarantees of future performance, condition or results and involve a number of risks and uncertainties. Actual results may differ materially from those in the forward-looking statements as a result of a number of factors, including those described from time to time in the Company’s filings with the Securities and Exchange Commission. Horizon undertakes no duty to update any forward-looking statement made herein. All forward-looking statements speak only as of the date of this press release.



Horizon Technology Finance

Contacts:

Investor Relations:
ICR
Garrett Edson
ir@horizontechfinance.com
(860) 284-6450

Media Relations:
ICR
Chris Gillick
HorizonPR@icrinc.com
(646) 677-1819