Main Street New Loan Facility

Effective April ~~9~~30, 2020[1]

Program: The Main Street New Loan Facility ("Facility"), which has been authorized under section 13(3) of the Federal Reserve Act, is intended to facilitate lending to small and medium-sized ~~businesses~~Businesses by Eligible Lenders. Under the Facility, the Main Street Priority Loan Facility ("MSPLF"), and the Main Street Expanded Loan Facility ("MSELF"), ~~a~~the Federal Reserve Bank of Boston ("Reserve Bank") will commit to lend to a single common special purpose vehicle ("SPV") on a recourse basis. The SPV will purchase 95% participations in Eligible Loans from Eligible Lenders. Eligible Lenders ~~would~~will retain 5% of each Eligible Loan. The Department of the Treasury, using funds appropriated to the Exchange Stabilization Fund under section 4027 of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), will make a $75 billion equity investment in the single common SPV in connection with the Facility, the MSPLF, and the MSELF. The combined size of the Facility, the MSPLF, and the MSELF will be up to $600 billion.

Eligible Lenders: An Eligible ~~Lenders are~~Lender is a U.S. federally insured depository ~~institutions,~~institution (including a bank, savings association, or credit union), a U.S. branch or agency of a foreign bank, a U.S. bank holding ~~companies~~company, ~~and~~a U.S. savings and loan holding ~~companies~~company, a U.S. intermediate holding company of a foreign banking organization, or a U.S. subsidiary of any of the foregoing.

Eligible Borrowers: An Eligible Borrower is a Business[2] that:

1. was established prior to March 13, 2020;
2. is not an Ineligible Business;[3]
3. meets at least one of the following two conditions: (i) has 15,000 employees or fewer, or (ii) had 2019 annual revenues of $5 billion or less;
4. ~~**Eligible Borrowers**: Eligible Borrowers are businesses with up to 10,000 employees or up to $2.5 billion in 2019 annual revenues. Each Eligible Borrower must be a business that~~ is created or organized in the United States or under the laws of the United States with significant operations in and a majority of its employees based in the United States~~. Eligible Borrowers that participate in the Facility may~~;
5. does not also participate in the MSPLF, the MSELF, or the Primary Market Corporate Credit Facility~~.~~; and
6. has not received specific support pursuant to the Coronavirus Economic Stabilization Act of 2020 (Subtitle A of Title IV of the CARES Act).[4]

Eligible Loans: An Eligible Loan is ~~an~~a secured or unsecured term loan made by an Eligible Lender(s) to an Eligible Borrower that was originated ~~on or~~ after April ~~8~~24, 2020, provided that the loan has all of

[1] The Board of Governors of the Federal Reserve System ("Board") and the Secretary of the Treasury may make adjustments to the terms and conditions described in this term sheet. Any changes will be announced on the Board's website.

[2] For purposes of the Facility, a Business is an entity that is organized for profit as a partnership; a limited liability company; a corporation; an association; a trust; a cooperative; a joint venture with no more than 49 percent participation by foreign business entities; or a tribal business concern as defined in 15 U.S.C. § 657a(b)(2)(C), except that "small business concern" in that paragraph should be replaced with "Business" as defined herein. Other forms of organization may be considered for inclusion as a Business under the Facility at the discretion of the Federal Reserve.

[3] For purposes of the Facility, an Ineligible Business is a type of business listed in 13 CFR 120.110(b)-(j) and (m)-(s), as modified by regulations implementing the Paycheck Protection Program established by section 1102 of the CARES Act ("PPP") on or before April 24, 2020. The application of these restrictions to the Facility may be further modified at the discretion of the Federal Reserve.

[4] For the avoidance of doubt, Businesses that have received PPP loans are permitted to borrow under the Facility, provided that they are Eligible Borrowers.

the following features:

1. 4 year maturity;
2. ~~Amortization of~~ principal and interest payments deferred for one year (unpaid interest will be capitalized);
3. ~~Adjustable rate of SOFR + 250-400~~adjustable rate of LIBOR (1 or 3 month) + 300 basis points;
4. principal amortization of one-third at the end of the second year, one-third at the end of the third year, and one-third at maturity at the end of the fourth year;
5. ~~4. Minimum~~minimum loan size of $~~1 million~~500,000;
6. ~~5. Maximum~~maximum loan size that is the lesser of (i) $25 million or (ii) an amount that, when added to the Eligible Borrower's existing outstanding and ~~committed but~~ undrawn available debt, does not exceed four times the Eligible Borrower's adjusted 2019 earnings before interest, taxes, depreciation, and amortization ("EBITDA"); ~~and~~[5]
7. is not, at the time of origination or at any time during the term of the Eligible Loan, contractually subordinated in terms of priority to any of the Eligible Borrower's other loans or debt instruments; and
8. ~~6. Prepayment~~prepayment permitted without penalty.

Loan Classification: If the Eligible Borrower had other loans outstanding with the Eligible Lender as of December 31, 2019, such loans must have had an internal risk rating equivalent to a "pass" in the Federal Financial Institutions Examination Council's supervisory rating system on that date.

Assessment of Financial Condition: Eligible Lenders are expected to conduct an assessment of each potential borrower's financial condition at the time of the potential borrower's application.

Loan Participations: The SPV will purchase at par value a 95% participation in ~~an Eligible Loan at par value, and the Eligible Lender will retain 5% of the~~the Eligible Loan. The SPV and the Eligible Lender will share risk in the Eligible Loan on a pari passu basis. The Eligible Lender must retain its 5% of the Eligible Loan until it matures or the SPV sells all of its participation, whichever comes first. The sale of a participation in the Eligible Loan to the SPV will be structured as a "true sale" and must be completed expeditiously after the Eligible Loan's origination.

Required ~~Attestations~~Lender Certifications and Covenants: In addition to other certifications required by applicable statutes and regulations, the following ~~attestations~~certifications and covenants will be required ~~with respect to each~~from Eligible ~~Loan~~Lenders:

- The Eligible Lender must ~~attest that the proceeds of~~commit that it will not request that the Eligible ~~Loan will not be used to repay or refinance pre-existing loans or lines of credit made~~Borrower repay debt extended by the Eligible Lender to the Eligible Borrower, or pay interest on such outstanding obligations, until the Eligible Loan is repaid in full, unless the debt or interest payment is mandatory and due, or in the case of default and acceleration.
- ~~The Eligible Borrower must commit to refrain from using the proceeds of the Eligible Loan to repay other loan balances. The Eligible Borrower must commit to refrain from repaying other debt of equal or lower priority, with the exception of mandatory principal payments, unless the Eligible Borrower has first repaid the Eligible Loan in full.~~
- The Eligible Lender must ~~attest~~commit that it will not cancel or reduce any existing committed lines of credit ~~outstanding~~ to the Eligible Borrower~~. The Eligible Borrower must attest that it will not seek to cancel or reduce any of its outstanding lines of credit with the Eligible Lender or any other lender~~, except in an event of default.

[5] The methodology used by the Eligible Lender to calculate adjusted 2019 EBITDA must be the methodology it has previously used for adjusting EBITDA when extending credit to the Eligible Borrower or similarly situated borrowers on or before April 24, 2020.

- The Eligible ~~Borrower must attest that it requires financing due to the exigent circumstances presented by the coronavirus disease 2019 (“COVID-19”) pandemic, and that, using the proceeds~~Lender must certify that the methodology used for calculating the Eligible Borrower’s adjusted 2019 EBITDA for the leverage requirement in section 6(ii) of the Eligible Loan~~, it will make reasonable efforts to maintain its payroll and retain its employees during the term of the Eligible Loan.~~paragraph above is the methodology it has previously used for adjusting EBITDA when extending credit to the Eligible Borrower or similarly situated borrowers on or before April 24, 2020.
- The Eligible ~~Borrower must attest that it meets the EBITDA leverage condition stated~~ Lender must certify that it is eligible to participate in the Facility, including in light of the conflicts of interest prohibition in section ~~5~~4019(~~ii~~b) of the ~~paragraph above specifying required features of Eligible Loans~~CARES Act.

Required Borrower Certifications and Covenants: In addition to other certifications required by applicable statutes and regulations, the following certifications and covenants[6] will be required from Eligible Borrowers:

- The Eligible Borrower must commit to refrain from repaying the principal balance of, or paying any interest on, any debt until the Eligible Loan is repaid in full, unless the debt or interest payment is mandatory and due.
- The Eligible Borrower must commit that it will not seek to cancel or reduce any of its committed lines of credit with the Eligible Lender or any other lender.
- The Eligible Borrower must certify that it has a reasonable basis to believe that, as of the date of origination of the Eligible Loan and after giving effect to such loan, it has the ability to meet its financial obligations for at least the next 90 days and does not expect to file for bankruptcy during that time period.
- The Eligible Borrower must ~~attest~~commit that it will follow compensation, stock repurchase, and capital distribution restrictions that apply to direct loan programs under section 4003(c)(3)(A)(ii) of the CARES Act, except that an S corporation or other tax pass-through entity that is an Eligible Borrower may make distributions to the extent reasonably required to cover its owners’ tax obligations in respect of the entity’s earnings.
- The Eligible ~~Lenders and Eligible Borrowers will each be required to~~Borrower must certify that ~~the entity~~it is eligible to participate in the Facility, including in light of the conflicts of interest prohibition in section 4019(b) of the CARES Act.

Retaining Employees: Each Eligible Borrower that participates in the Facility should make commercially reasonable efforts to maintain its payroll and retain its employees during the time the Eligible Loan is outstanding.

~~Facility~~Transaction Fee: An Eligible Lender will pay the SPV a ~~facility~~transaction fee of 100 basis points of the principal amount of the ~~loan participation purchased by the SPV~~Eligible Loan at the time of origination. The Eligible Lender may require the Eligible Borrower to pay this fee.

Loan Origination and Servicing Fees: An Eligible Borrower will pay an Eligible Lender an origination fee of up to 100 basis points of the principal amount of the Eligible Loan at the time of origination. The SPV will pay an Eligible Lender 25 basis points of the principal amount of its participation in the Eligible Loan per annum for

[6] An Eligible Lender is expected to collect the required certifications and covenants from each Eligible Borrower at the time of origination of the Eligible Loan. Eligible Lenders may rely on an Eligible Borrower’s certifications and covenants, as well as any subsequent self-reporting by the Eligible Borrower.

loan servicing.[7]

Facility Termination: The SPV will cease purchasing participations in Eligible Loans on September 30, 2020, unless the Board and the ~~Treasury~~ Department of the Treasury extend the Facility. The Reserve Bank will continue to fund the SPV after such date until the SPV's underlying assets mature or are sold.

[7] Further information regarding credit administration and loan servicing will be made available on the Board's website.