

FUNDFINANCE^{COM}

The ABCs

OF SUBSCRIPTION FINANCE

MAYER | BROWN

AGENDA

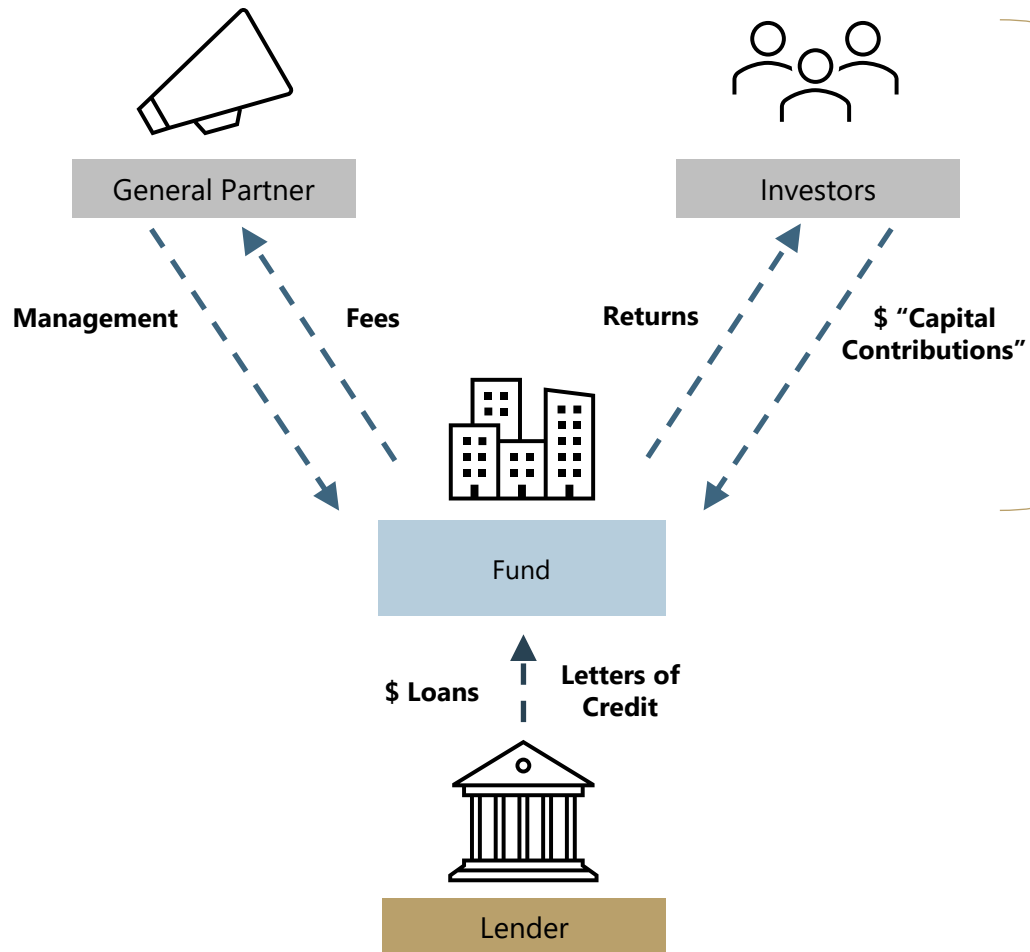
1. Collateral
2. Borrowing Bases and Exclusion Events
3. General Overview & Key Negotiated Credit Agreement Provisions
4. Enforcement and Remedies



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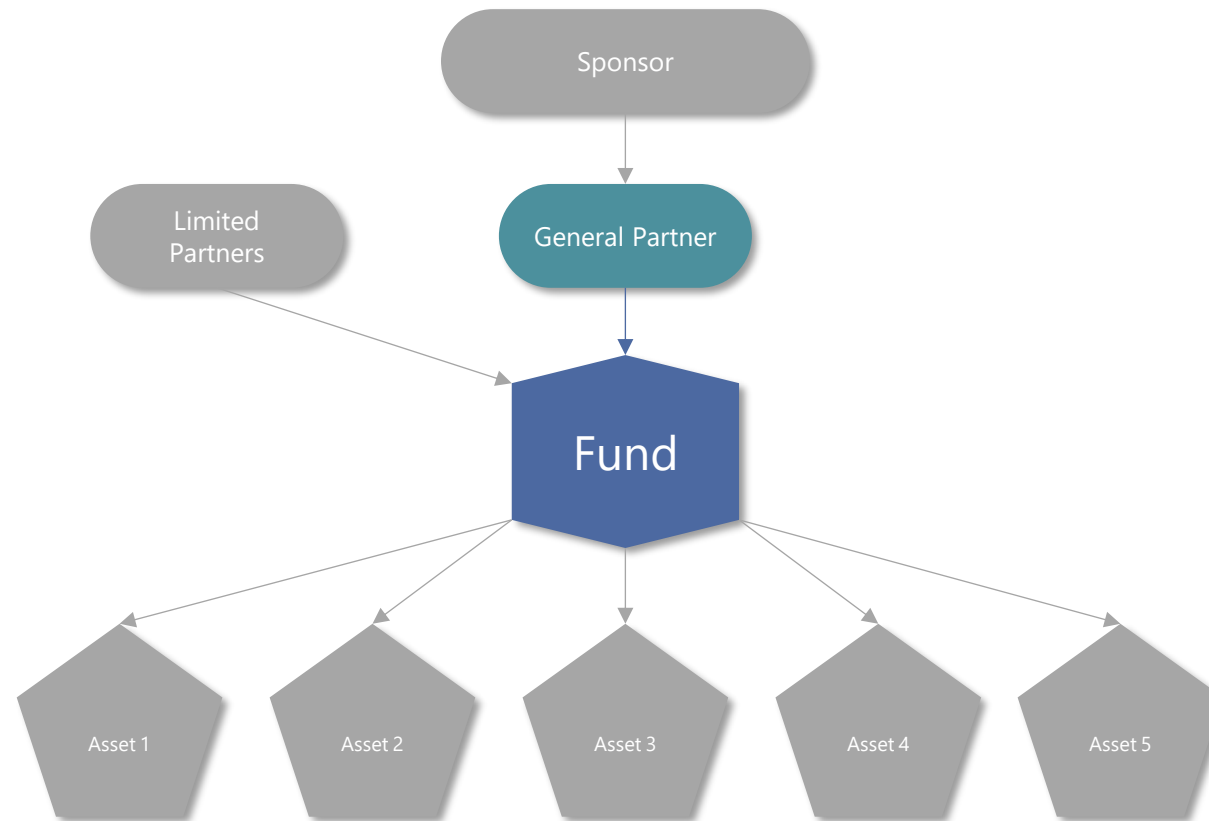
COLLATERAL

FUND STRUCTURE & COLLATERAL PACKAGE: SUBSCRIPTION CREDIT FACILITIES - OVERVIEW

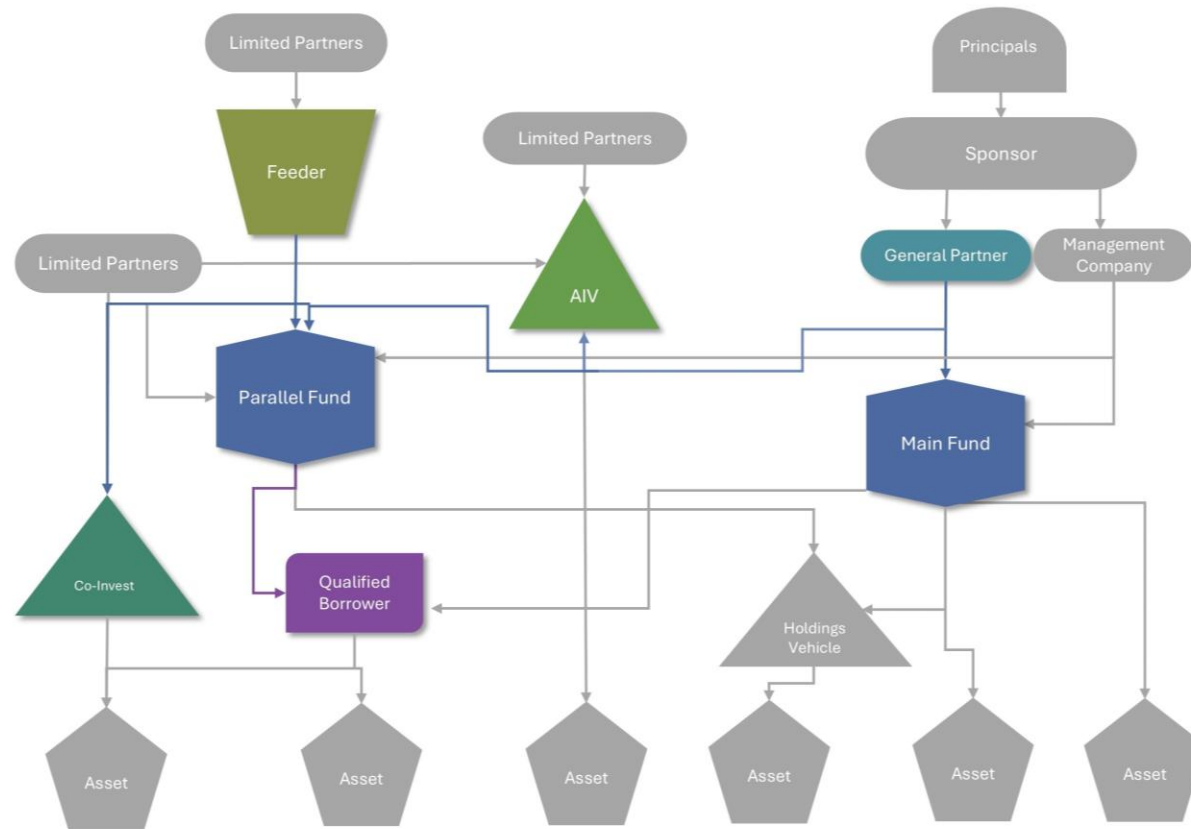


- The facility is secured not by the assets of the fund, but by capital-call collateral. Collateral package:
 - Investors' capital commitments and capital contributions and the general partner's right to make capital calls on the investors and enforce payment thereof;
 - Account into which investors wire their capital contributions (subject to control agreement in favor of Lender); and
 - Power of attorney to exercise the general partner's rights to call capital, enforce the LPA, etc.
- Typically a revolving credit facility to a closed-end private equity or real estate fund
- These facilities can be used for funds of all types (e.g., real estate, buyout, power, energy, infrastructure, mezzanine, funds of funds (primary and secondary), venture)
- The asset class for this product is neutral
- A fund will likely utilize this type of facility anytime after its first investor closing as this type of facility does not require the fund to hold any assets or have any net asset value
- Generally used to bridge the time between the fund making an investment (using proceeds under the facility towards the purchase) and the calling of capital at a later date to repay the borrowing

FUND STRUCTURE AND COLLATERAL PACKAGE: SIMPLE FUND STRUCTURE



FUND STRUCTURE AND COLLATERAL PACKAGE: COMPLEX FUND STRUCTURE

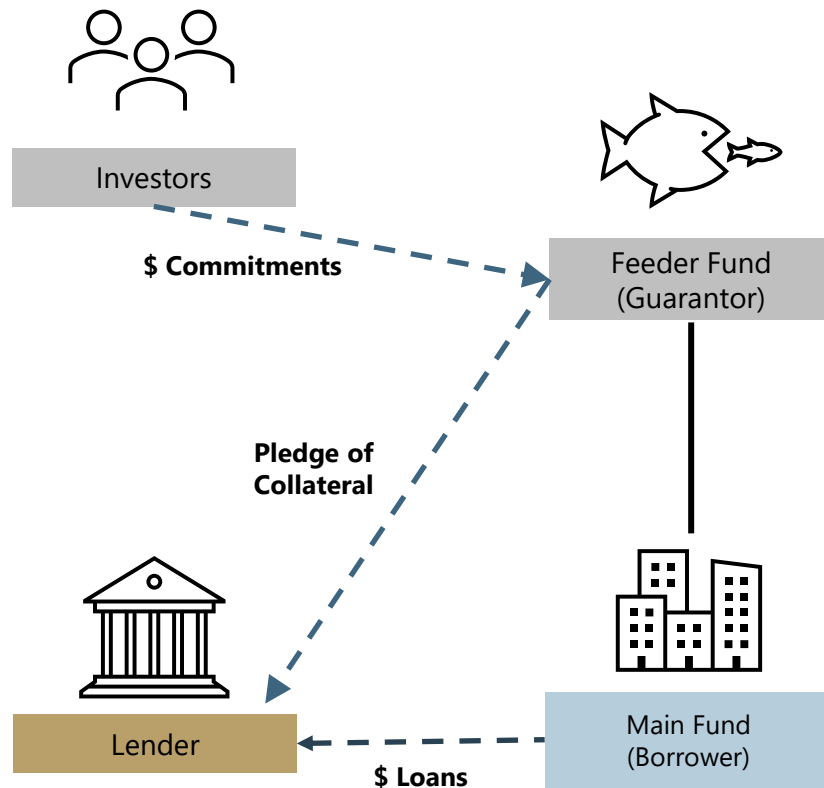


Common Vehicles: Main Fund, Parallel Fund, Alternative Investment Vehicle (“AIV”), Feeder Fund, Blocker Fund, Co-Invest Fund, Sidecar Fund, Subsidiary REIT

FUND STRUCTURE AND COLLATERAL PACKAGE: WHAT IS A FEEDER FUND?

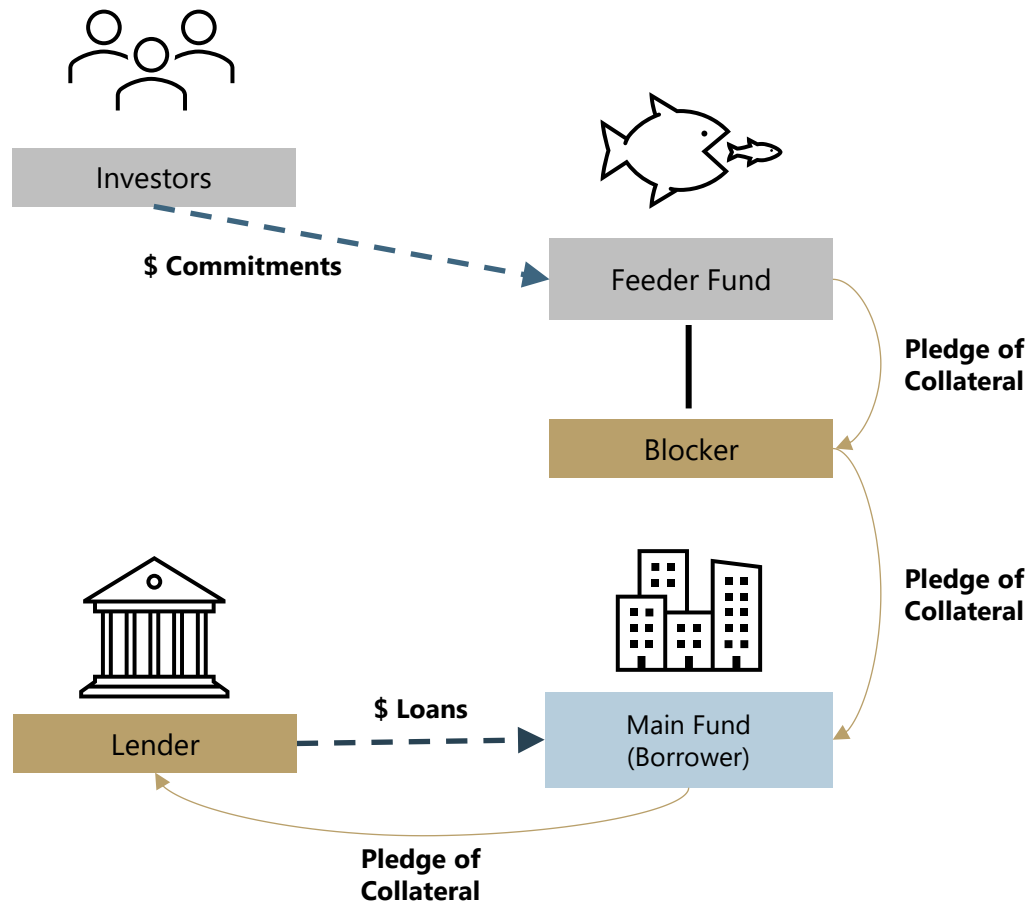
- They are an investment vehicle, often a limited partnership, that pools capital commitments of investors and invests or “feeds” such capital into a main or master fund which directs and oversees all investments held in the portfolio. They generally do not borrow under subscription facilities.
- Serves as a “shield” to allow certain investors to participate in the investment portfolio without investing directly in the main or parallel fund.
- When the main/parallel fund (i.e., the master fund) calls on the feeder fund for capital contributions, the feeder fund in turn makes a call for such amount on the feeder fund’s investors.
- If the feeder fund fails to fund, the applicable master fund looks through the feeder fund and enforces remedies against its underlying investors.
- Feeder funds are typically formed to house particular groups of investors for tax and/or ERISA reasons.

FUND STRUCTURE AND COLLATERAL PACKAGE: FEEDER FUNDS – GUARANTOR STRUCTURE



- Feeder fund provides a direct guaranty to Lender of the main fund Borrower's obligations under the credit facility and secures the guaranty with a pledge of the feeder fund's capital-call collateral.
- Both the feeder fund (the Guarantor) and its general partner pledge their respective capital-call-related rights.
- Benefits to Lender:
 - Direct pledge creates privity between Lender and feeder fund;
 - Fewer steps for Lender to take when exercising remedies if it needs to call capital from feeder fund's investors.

FUND STRUCTURE AND COLLATERAL PACKAGE: FEEDER FUNDS - CASCADING PLEDGE STRUCTURE



- Used when tax, ERISA or other regulatory concerns prevent a direct guaranty from a feeder fund/blocker of the master fund's borrowings, but the borrower needs borrowing base credit for the feeder's/blocker's investors.
- Lender must be able to make capital calls on the underlying investors, so:
 - Feeder fund grants a security interest to the blocker in the capital commitments of the feeder fund's investors;
 - Blocker grants a security interest to the borrower in all its rights as secured party under the feeder fund's security agreement; and
 - Borrower grants a security interest to the Lender, which includes all of the borrower's rights as secured party under the blocker's security agreement.

FUND STRUCTURE AND COLLATERAL PACKAGE: WHAT IS AN AIV?

- Alternative investment vehicles ("AIVs") are meant to facilitate the making of a particular type of investment or investments.
- Sometimes you see funds that create new AIVs for every investment (common for certain sponsors).
- AIVs do not have their own separate capital commitments. Rather they are able to draw down commitments from the entity to which it is an alternative investment vehicle.
- Think of AIVs as an additional user on your AMEX Card.
- AIVs can be an AIV of any type of entity - the Main Fund, a Parallel Fund or a Feeder Fund. This is TRICKY so don't be fooled.

FUND STRUCTURE AND COLLATERAL PACKAGE: BLOCKERS - OVERVIEW

- Typically used for tax structuring reasons (specifically, to avoid UBTI).
- Can sit anywhere in the fund structure.
- Blockers usually do not have the right to call on investors.
 - Instead, the applicable main, parallel or feeder fund will make the capital call and direct the investors to make their capital contributions to the blocker instead of directly to the fund. The blocker then streams any capital contributions it receives to the applicable main, parallel or feeder fund.
 - The only loan document that a blocker will typically execute is a Blocker Acknowledgment, which sets forth the agreement and acknowledgment of the blocker to stream any capital contributions it receives to the applicable main, parallel or feeder fund.

FUND STRUCTURE AND COLLATERAL PACKAGE: GENERAL LOAN DOCUMENTATION CONSIDERATIONS

- Funds are often structured in various tax-haven jurisdictions, e.g., Delaware, the Cayman Islands, Bermuda, Canada, Luxembourg and Ireland.
 - If the fund is not a Delaware entity, local counsel should confirm that they are comfortable with the security grant being under New York law.
 - Cayman and Canadian counsel are typically okay with a U.S.-law grant; Luxembourg counsel often advise a parallel grant under Lux law.
- If any changes to the fund structure are contemplated (including adding an entity from one of the above-listed jurisdictions), we recommend discussing with legal counsel to understand the implications for a credit facility.



02

BORROWING BASES & EXCLUSION EVENTS

WHAT ARE THE COMMON TYPES OF INVESTORS?



Rated Included
Investors



Non-Rated
Included Investors



Designated
Investors

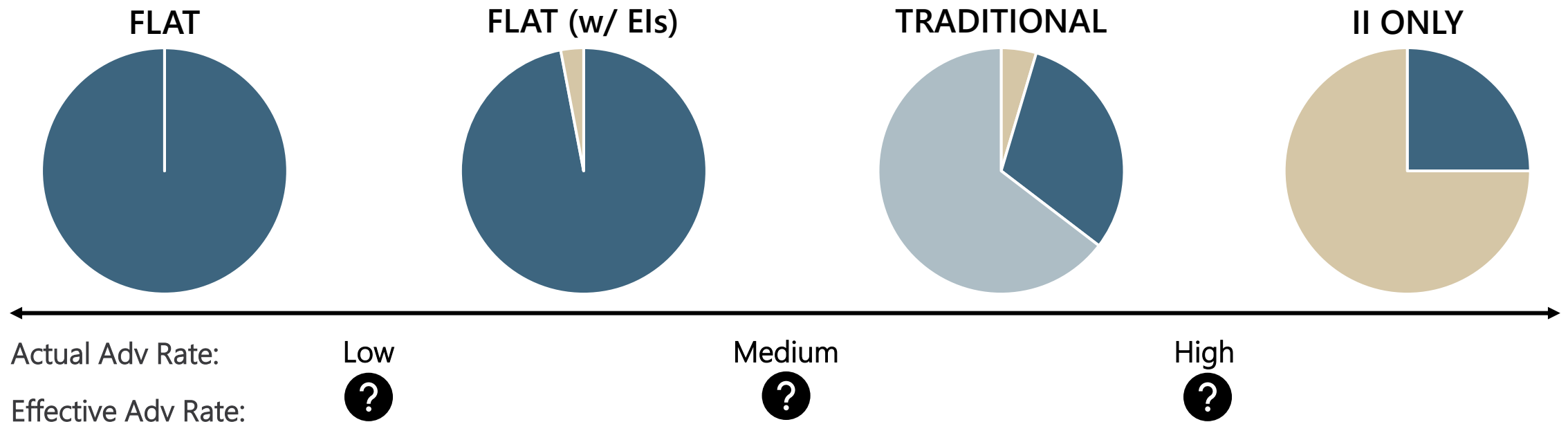


Excluded
Investors

- GP/Affiliates of the Fund are frequently treated as Excluded Investors (regardless of creditworthiness) because of the concern they may be less likely than third-party investors to fund during a dispute.

HOW IS THE BORROWING BASE CALCULATED?

1. Flat: Fixed percentage / all Investors
2. Flat (with Excluded Investors): Fixed percentage / all Included Investors
3. Traditional: Variable percentage based on Included Investors / Designated Investors
4. Included Investors Only: Fixed percentage / only Included Investors



CONCENTRATION LIMITS

- **Concentration Limit:** The percentage a Borrowing Base Investor's Capital Commitment makes up of the aggregate Capital Commitments of all Borrowing Base Investors.
 - Calculated on an individual basis for each Investor and on an aggregate basis for each category of Investor.
 - The excess portion above the concentration limit does not count for the Borrowing Base.

Concentration Limit	10% per Designated Investor	20% for all Designated Investors
Investor Capital Commitment	\$5,000,000	5 DIs w/ \$5,000,000 each
Aggregate Capital Commitments (all Investors)	\$100,000,000	\$100,000,000
Aggregate Capital Commitments (all Borrowing Base Investors)	\$25,000,000	\$25,000,000
Capital Commitment Eligible for Borrowing Base	10% x \$25,000,000 = \$2,500,000	20% x \$25,000,000 = \$5,000,000

BORROWING BASE REPORTING

Updated and delivered by the Fund at various times during the course of the transaction:

- Regularly scheduled intervals (e.g. monthly or quarterly) vs with each Borrowing
 - Typically both
- With each capital call and return of recallable capital
- Upon an Exclusion Event, Transfer or Ratings decline of a Borrowing Base Investor
- Upon any other event that impacts the Borrowing Base
- Should always be reported on a pro-forma basis giving effect to the underlying event or circumstances to give an accurate number.

RECALLABLE CAPITAL

- Called Capital can be returned to Investors from time to time pursuant to the Fund's LPA:
 - Investment Proceeds/Distributions
 - Capital that was called but ultimately never used
 - In connection with additional fundraising
- Returned vs Recallable: Check the LPA
 - Are there any limitations on:
 - amount that can be recalled?
 - time period for recall?
 - purpose for which capital can be recalled?
- Must be factored into Borrowing Base – Impacts the amount that can be borrowed so it should be tracked as close to real-time as possible.

A SPECIAL CASE: HURDLE INVESTORS

- **Hurdle Investors:** Investors that move from one type of Investor for Borrowing Base designation to another based on one or more hurdle conditions.
- May move from:
 - Excluded Investor to Designated Investor (historically most common)
 - Designated Investor to Included Investor
 - Hurdle Investor may be treated as its own type of Investor for purposes of the Borrowing Base
- **Hurdle Condition(s):** Ensure the Investor has sufficient “skin in the game”
 - Hurdle condition typically based on having [X]% of capital called
 - Must be careful to track based on recallable capital.
 - Historically also included a NAV component to ensure the Investor is not underwater
 - Can impact Advance Rate and/or Concentration Limit applicable to the Hurdle Investor

ADDITIONAL COMPLEXITIES IN BORROWING BASES

- Investor Excuse/Exclusion Events – tracking multiple Borrowing Bases based on specific uses of proceeds.
- Capital Commitments denominated in different/multiple currencies

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- Only the Uncalled Capital Commitment of Borrowing Base Investors get included in the Borrowing Base, but all Investors are included in the pool of collateral available to be called to repay the facility
 - Uncalled vs Unfunded (in transit capital is typically not in the Borrowing Base but is still part of the collateral)

WHAT IS THE IMPACT OF AN EXCLUSION EVENT?

The LP receives no borrowing base credit, potentially reducing the amount available to be borrowed and/or triggering a mandatory prepayment.

Can an exclusion event be cured?

- Re-inclusion after generally subject to Lender consent.
- Borrowing Base inclusion is highly investor-specific and the Lender's view of a particular LP may have been eroded by the events that caused the Exclusion Event, regardless of whether it has been cured.

How are exclusion events tracked?

- The Fund has an obligation to notify the Lender of Exclusion Events.
- The Fund is typically not required to track ratings/funding ratios.

WHAT ARE COMMON EXCLUSION EVENTS?

- Bankruptcy
- Judgments
- Repudiation/Disaffirmation/Cancellation of Capital Commitment
- Failure to Fund
- Breach of LPA/Subscription Agreement/Side Letter
- Defaulting LP
- Encumbrance of Investor's Interest
- Failure to Maintain Rating
- Net Worth Test
- Financial Statements
- Material Adverse Effect
- Withdrawal/Transfer
- Capital Commitment as Collateral
- Excuse Right
- Sanctions
- Credit Link Documents
- ERISA
- Allegations of Fraud

EXCLUSION EVENTS VS. EVENTS OF DEFAULT

Exclusion Events

- Occur with respect to a specific Investor in the Borrowing Base.
- The impact of an Exclusion Event is removal of that particular Investor from the Borrowing Base (and making of a resulting mandatory prepayment, if applicable).

Event of Default

- The remedies relate to the facility as a whole.

Overlap

- 10-15% Investor Failure to Fund Event of Default
- GP/Affiliates Failure to Fund Event of Default



03

GENERAL OVERVIEW & KEY NEGOTIATED CREDIT AGREEMENT PROVISIONS

GENERAL CREDIT AGREEMENT PROVISIONS: STRUCTURE OF A CREDIT AGREEMENT

- Basic Structure of a Credit Agreement includes:
 - Definitions and construction
 - Provisions relating to Borrowing Mechanics/LC Mechanics
 - Provisions relating to Payments/Voluntary and Mandatory Prepayments
 - Security
 - Conditions Precedent
 - Representations and Warranties
 - Affirmative Covenants
 - Negative Covenants
 - Events of Default
 - Agency Provisions
 - Boilerplate/Misc.

GENERAL CREDIT AGREEMENT PROVISIONS: CONDITIONS PRECEDENT TO CLOSING

- Standard conditions precedent to closing a new credit facility:
 - Execution of Credit Agreement and Loan Documents, including Collateral Documents
 - UCC Filings and Lien Searches
 - Authorizing Resolutions
 - Certificates of Good Standing
 - Certificates of Formation and Governing Documents (i.e. LPAs)
 - Incumbency Certificate
 - Legal Opinions
 - Payment of Fees

GENERAL CREDIT AGREEMENT PROVISIONS: REPRESENTATIONS & WARRANTIES

- Standard Representations and Warranties
 - Organization and Good Standing; Authorization and Power; Enforceable Obligations
 - No Conflicts or Consents
 - Priority of Liens
 - Financial Condition/Full Disclosure
 - No Default/No Litigation
 - Material Adverse Effect since Financial Statements
 - ERISA/OFAC/Sanctions/Taxes/Investment Company Act
 - All Investors and their Capital Commitments are as set forth on schedule to credit agreement; no Capital Calls delivered that have not been disclosed to Lender
 - All Subscription Documents have been delivered to Lender and they set forth the entire agreement regarding the Investors' Capital Commitments
 - No Investor Withdrawals without Borrower/General Partner Approval

GENERAL CREDIT AGREEMENT PROVISIONS: AFFIRMATIVE COVENANTS

- Standard Affirmative Covenants
 - Reporting
 - Financials; Compliance Certificates; Borrowing Base Certificates; investor reports; ERISA deliverables; notices (e.g., Capital Call, Exclusion Event, investor transfer/withdrawal/excuse, default or event of default, MAE, etc.); new subscription/transfer documents; amendments to subscription documents
 - Maintenance of Existence and Liens; Further Assurances; Compliance with Law and Constituent Documents (including leverage limitations)
 - Exercise remedies under Partnership Agreement against defaulting Investor (only if an Event of Default has occurred and is continuing)
 - Set up electronic monitoring of Collateral Account for Lender
 - Capital Contributions must be funded to Collateral Account

GENERAL CREDIT AGREEMENT PROVISIONS: AFFIRMATIVE COVENANTS (*CONT'D*)

- Standard Affirmative Covenants (cont'd)
 - During a Cash Control Event (e.g., an Event of Default; a Potential Default; or a mandatory prepayment), subordination of (i) claims with Investors, General Partner or other Loan Party and (ii) payment of management fees or other fees from Fund (and affiliates)
 - Clean-Down Requirement (e.g., mandatory repayment of loan within 180 days of borrowing)
 - A clean-down requirement is typically only included in the credit agreement based on the leverage limitation provisions in the LPA. However, some lenders have internal credit policies that require mandatory prepayments after a certain number of days.
 - Capital Call Requirement (e.g., Borrower/General Partner must deliver at least one Capital Call annually)

GENERAL CREDIT AGREEMENT PROVISIONS: NEGATIVE COVENANTS

- Standard Negative Covenants
- Existence/Fundamental Changes; Negative Pledge; Other Debt
- Restrictions on Amendments to the Partnership Agreement and Subscription Documents
- Capital Commitments
- Cannot cancel, reduce, excuse, suspend or defer any Capital Commitment
- Cannot excuse any Investor from, or permit any Investor to defer, any Capital Contribution if the proceeds from the related Capital Call Notice are to be applied to the Facility
- Limitations on Investor Transfers and Withdrawals
- Formation of AIV's/Transfer of Commitments or Capital Contributions
- During a Cash Control Event, limitations on (i) dividends/distributions to Investors and (ii) withdrawal of funds from Collateral Account

GENERAL CREDIT AGREEMENT PROVISIONS: EVENTS OF DEFAULT

- What is an Event of Default?
 - Typically events that signal the Borrower is in financial trouble or the loans made by the Lenders may not be paid back in full.
 - They may also reflect changes in circumstances or structure that were not contemplated on the closing date (such as change of control or key man provisions). Once an Event of Default occurs, the Lenders may want to take action in order to (1) stop the Borrower from using or removing any collateral, and (2) use any collateral to pay back the loans made by the Lenders to the Borrower.
- Consequences of an Event of Default – When an Event of Default occurs, the Lenders *may* (but are not required to) take action to ensure the collateral is preserved and the loans made by the Lenders are paid back in full. Examples include:
 - Accelerating the Maturity Date (i.e., all outstanding loans and any other obligations owed by the Borrower must be paid to the Lenders immediately);
 - Cancelling the Commitment of the Lenders;
 - Locking down the secured bank accounts by delivering a Notice of Exclusive Control to the Account Bank, and using the amounts in the bank accounts to pay the outstanding loans; and
 - Delivering Capital Call Notices to Investors to pay off the loans made by the Lenders.

GENERAL CREDIT AGREEMENT PROVISIONS: EVENTS OF DEFAULT

- Key Events of Default
 - Payment Default
 - Breach of Representations, Warranties and Covenants
 - Bankruptcy/Judgment
 - Cross-default to other indebtedness
 - Change of Control (General Partner and Investment Manager)
 - Limited Partner Capital Contribution (e.g., [2]+ Investors having Capital Commitments aggregating [x]% or greater of total Capital Commitments fail to timely fund Capital Contributions)
 - GP or affiliated Investor fails to fund or repudiates its Capital Commitment
 - Material Adverse Effect
 - Accusation of fraud/breach of fiduciary duty

POTENTIAL DEFAULTS

- What is a Potential Default?
 - A Potential Default is an event that would be an Event of Default except that the applicable cure period has not passed. It is important to note that the notice or “cure period” within the covenant doesn’t count – but the “cure period” within the EOD does.
- Consequences of a Potential Default
 - If a Potential Default exists, the Lenders want to give the Borrower time to remedy the situation before it ripens into an Event of Default; however, the Lenders likely do not want to subject themselves to additional exposure if a Potential Default exists. For this reason, the absence of a Potential Default is a condition to certain actions that would increase the Lenders’ exposure, including (1) making new loans, (2) extending the Maturity Date, (3) permitting the Borrower to make distributions to its Investors, and/or (4) removing cash from the collateral accounts.

KEY NEGOTIATED TERMS

Bankers spend a lot of time negotiating the following terms:

- Pricing/Fees
- Alternative Currency FX and Sublimits and LC Sublimits
- Investor and Collateral Related Provisions
 - Exclusions from Collateral (baskets for AIVs and cancellation of commitments)
 - Baskets for AIVs may be up to 5-10% of the capital commitments of the applicable fund, if offered at all
 - Process of addition of Fund Entities like AIVs and extent of Legal Opinions Required
 - Standstill Events
 - Review of Side Letters vs Exclusion Event Approach
- Management Fees and Tax Distributions during a Cash Control Event
- Affirmative Covenants and Negative Covenants – materiality and grace periods within the covenants

KEY NEGOTIATED TERMS

Lawyers spend a lot of time negotiating the following terms:

- Affirmative Covenants and Negative Covenants – materiality and grace periods within the covenants
- Material Amendments to Constituent Documents
- Events of Default/ Potential Defaults
- Voting Rights – Investor Inclusion and Re-inclusion Standards and Amendment standards
- Assignment provisions

KEY NEGOTIATED TERMS: LENDER VOTING RIGHTS

1. Investor Admission (and Re-Inclusion) in Borrowing Base

- Included Investor
 - Rated (Agent consent) vs. Non-Rated (Agent or Agent and *at least* Required Lenders)
- Designated Investor – Agent and all Lenders
- Re-inclusion (Agent and Lenders push for same standard as initial inclusion / funds sometimes push for lower threshold (Agent or Agent and Required Lenders only))

2. Required Lenders

- >50% of Commitments (or after termination, Obligations). Excludes Defaulting Lenders and *may* exclude Temporary Increase Commitments
- If syndicated, ≥ 2 unaffiliated Lenders
- Required Lenders can direct Agent to enforce remedies during EOD
- Tranche voting considerations

KEY NEGOTIATED TERMS: LENDER VOTING RIGHTS

3. Lenders (Sacred Rights)

– All Lender

- (i) Cancellation, excuse or reduction of Capital Commitments of borrowing base investors
- (ii) Changes to investor categories (e.g. Included, Designated, Hurdle)
- (iii) Changes to definition of “Required Lenders” or any voting percentage for amendments.
- (iv) Changes to the definition of “Borrowing Base” and/or “Available Commitment” (as applicable) and any other defined terms therein (including “Maximum Commitment”)

– All Affected Lenders

- (i) Changes to amount / term of Lender Commitments (unless extension/increases committed)
- (ii) Decrease any amount payable to Lenders (including interest rate), extend timing of payment or otherwise affect payment terms
- (iii) Release of Liens on Collateral (usually subject to materiality (“all or a material portion of”))

– Defaulting Lenders – may have limited or no voting rights.



04

ENFORCEMENT AND REMEDIES

PRE-EVENT OF DEFAULT TRIGGERS

- **Mandatory Prepayment**
 - Triggers requirement to prepay the facility back into compliance
 - Triggers a Cash Control Event
 - May give rise to cash collateralization requirements with respect to Letters of Credit
- **Potential Default**
 - suspends ability to request extensions, increases, new borrowings, etc.
 - suspends ability to request/convert into index rate loans (outstandings convert into Reference Rate loans)
 - Triggers a Cash Control Event

PRE-EVENT OF DEFAULT TRIGGERS (CONTINUED)

- Cash Control Event
 - Defined as the occurrence of an Event of Default, Potential Default, or Mandatory Prepayment that is triggered but has not been paid
 - Gives secured party ability to take exclusive control over the Collateral Account and suspends ability to make withdrawals from the Collateral Account
 - But does not necessarily provide Secured Party with ability to sweep cash on deposit therein
 - Suspends ability to make payments to other Credit Parties, Investors, or the Investment Manager and requires such claims for payments to be subordinated to the facility obligations
 - Suspends ability to make distributions without prior consent

EVENT OF DEFAULT TRIGGERS

- Events of Default

- Triggers a Cash Control Event
- Declare facility obligations due and payable and suspend or terminate the Commitments
- Charge interest at the Default Rate
- Require payment of interest on demand (not only on each Interest Payment Date)
- Restrict Borrower's ability to direct how payments are applied
- Borrower loses certain approval rights (e.g. replacement of lenders, approval over assignments, etc.)
- Suspends Borrower's ability to call capital directly (subject to negotiated standstill provisions)
- Ability to charge the Collateral Account for outstanding obligations
- Borrower loses discretion over exercising Defaulting LP remedies
- Exercise any rights in the Collateral (including the right to call capital, subject to negotiated standstill provisions, take exclusive control of the Collateral Account, and apply the proceeds thereof to the facility obligations)
- Exercise any rights available under the Uniform Commercial Code or other applicable law

BANKRUPTCY EVENTS OF DEFAULT – SPECIAL CASE

- Event of Default remedies typically discretionary actions
- Due to special considerations under the Bankruptcy Code, these Events of Default are treated differently in order to preserve the rights of the secured parties during a bankruptcy
- Upon a Bankruptcy Event of Default, all principal and interest on the facility obligations are automatically and concurrently due and payable without any further action required.

STANDSTILL PERIOD

- Negotiated ability for the Fund/GP to call capital during certain Events of Default prior to Secured Party making a capital call directly
- Thought is that Investors may be more likely to fund a capital call from the Fund/GP (i.e. familiarity) and permits the Fund to preserve Investor relationships
- Ineligible Events of Default – certain Events of Default are not eligible for the standstill period (e.g. payment, bankruptcy, removal of the GP, affiliated Investor failure to fund/repudiation, Change of Control, dissolution, and any EOD which resulted from fraud or the failure to timely issue a capital call)
 - The list of Ineligible Events of Default is often subject to negotiation
- Mechanics of the Standstill:
 - Fund/GP has a short window (2 BDs) to initiate a capital call to repay the facility obligations in full
 - Investors have their typical period to fund such capital call plus a short buffer (usually 2 additional BDs)
 - If Fund/GP does not call in the initial call window or proceeds of the call are not received at the end of the following compliance period, Secured Party is entitled to call capital directly

PRACTICAL CONSIDERATIONS

- Existence of an Event of Default does not necessarily mean there is a material credit issue
- Exercise of available remedies is a commercial decision and the best course of action is highly facts and circumstances dependent
- Many Events of Default can be remedied, waived after careful consideration, and the facility can continue without more drastic action being taken
- Events of Default importantly bring the parties back to the negotiating table to assess the circumstances, discuss a path forward, and agree on a mutually acceptable resolution
- More severe actions are typically only warranted in cases where such constructive discussions are not appropriate due to the severity of the risk or have been attempted without success
- Legal counsel always plays a pivotal role in subscription facilities, but in an Event of Default scenario it is critical to involve your outside counsel early in the process
- Any remedial actions should be carefully thought out and measured in comparison to the circumstances giving rise to the Event of Default

WHAT SHOULD YOU DO FIRST?

- Consult legal counsel
- Perform a collateral review
 - Investor documents and contact information
 - UCC financing statements
 - Investor notices (if required under local law)
 - DACAs/SACAs
 - Collateral documents
- Seek access to any Investor portal
- Refresh review of LPAs
- Reservation of Rights Letter
- Control communication with Fund and lender group
- Cash collateralize outstanding LCs
- Prepare capital call notices in case needed
- Negotiate for additional collateral and/or other enhanced protections
- Consider exit opportunities (e.g. assignment)
- Consider any requirements in connection with waiving the Event of Default

THEN WHAT?

- Default Interest
 - Suspend index rate loans
 - Take control of Collateral Account
 - Notify Investors
 - Instruct the Fund to call capital/call capital yourself
 - Prepare for any necessary overcalls
 - Enact Defaulting LP remedies
 - Terminate the Commitments
 - Accelerate maturity and declare facility obligations due and payable
 - Enact UCC and applicable legal remedies
- Remember to be mindful of any applicable standstill provisions that have been negotiated and may impact the timing of the foregoing remedies

The logo consists of the words "MAYER" and "BROWN" in a white, uppercase, sans-serif font, separated by a vertical bar. The background is a dark, abstract pattern of overlapping, tilted rectangular shapes in shades of blue and brown, creating a grid-like effect.

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