

- (d) The Lender shall have received an executed Note, if requested by the Lender.
- (e) The Lender shall have received such documents and certificates relating to the organization, existence and good standing of the Borrower, the authorization of the transactions contemplated hereby, the incumbency of the signatories of the Borrower, and any other legal matters relating to the Borrower, the Loan Documents or the transactions contemplated hereby, all in form and substance reasonably satisfactory to the Lender.
- (f) The Lender shall have received all fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder.
- (g) There shall not have occurred a material adverse change (x) in the business, Property, liabilities (actual and contingent), operations or financial condition, or results of operations of the Borrower and its Subsidiaries taken as a whole, since December 31, 2015.
- (h) The Borrower and its Subsidiaries shall be in compliance in all material respects with applicable environmental, health and safety statutes and regulations, except as would not be expected to result in a Material Adverse Effect;
- (i) No action, suit, investigation or proceeding shall be pending or, to the knowledge of the Borrower, threatened in any court or before any arbitrator or Governmental Authority that could reasonably be expected to materially, adversely affect the Borrower or any of its Subsidiaries, or the financings contemplated hereby or that seeks to prevent, enjoin or delay the making of any Loan.
- (j) The Lender shall have received evidence of current insurance coverage in form, scope and substance reasonably satisfactory to the Lender and otherwise in compliance with the terms of **Section 5.18** and **Section 6.6**.
- (k) The Lender shall have received the results of a recent lien search in the jurisdiction where the Borrower is organized, and such search shall reveal no Liens on any of the assets of the Borrower except for Liens permitted by **Section 7.5** or discharged on or prior to the Effective Date pursuant to a payoff letter or other documentation satisfactory to the Lender.
- (l) Lender shall have received evidence that all loans and other obligations under any other agreements with respect to any Indebtedness not constituting Permitted Indebtedness hereunder have been repaid or will be repaid with the initial Loan made hereunder on the Effective Date and the commitments thereunder have been terminated, and the Lender shall have received a customary payoff letter, to include, without limitations, a payoff letter for the U.S. Bank LOC, in form and substance reasonably satisfactory to Lender relating to the termination (or assignment to the Lender) of all mortgages, financing statements, and liens associated therewith.

- (a) It shall have received a Borrowing Notice substantially in the form of **Exhibit C**.
- (b) There exists no Default or Event of Default, nor would a Default or Event of Default result from such Loan.
- (c) The representations and warranties in **Article V** are (x) with respect to any representations or warranties that contain a materiality qualifier, true and correct in all respects as of such Borrowing Date, except to the extent any such representation or warranty is stated to relate solely to an earlier date, in which case such representation or warranty shall have been true and correct in all respects on and as of such earlier date and (y) with respect to any representations or warranties that do not contain a materiality qualifier, true and correct in all material respects as of such Borrowing Date, except to the extent any such representation or warranty is stated to relate solely to an earlier date, in which case such representation or warranty shall have been true and correct in all material respects on and as of such earlier date.

Each Borrowing Notice with respect to each Loan shall constitute a representation and warranty by the Borrower that the conditions in **Section 4.2(b)** and **Section 4.2(c)** have been satisfied.

ARTICLE V REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lender that:

5.1 Existence and Standing. Each of the Borrower and its Subsidiaries (i) is a corporation, bank or other entity duly and properly incorporated or formed, as the case may be, validly existing and (to the extent such concept applies to such entity) in good standing under the laws of its jurisdiction of incorporation or organization, and (ii) has all requisite authority to conduct its business in each jurisdiction in which its business is conducted. The Borrower is registered as a bank holding company under the Bank Holding Company Act of 1956, as amended.

5.2 Authorization and Validity. The Borrower has the power and authority and legal right to execute and deliver the Loan Documents and to perform its obligations thereunder. The execution and delivery by the Borrower of the Loan Documents and the performance of its obligations thereunder have been duly authorized by proper corporate proceedings, and the Loan Documents constitute legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their terms, except as enforceability may be limited by Debtor Relief Laws and general principles of equity, including without limitation, the remedy of specific performance.

5.3 No Conflict; Government Consent. Neither the execution and delivery by the Borrower of the Loan Documents, nor the consummation of the transactions therein contemplated, nor compliance with the provisions thereof will violate (i) any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the Borrower or any of its Subsidiaries, (ii) the Borrower's or any Subsidiary's articles or certificate of incorporation, partnership agreement, certificate of partnership, articles or certificate of organization, bylaws, or operating or other management agreement, as the case may be, or (iii) in any material respect, any indenture, instrument or agreement to which the Borrower or any of its Subsidiaries is a party or is subject, or by which it, or its Property, is bound, or conflict with or constitute a default thereunder, or result in, or require, the creation or imposition of any Lien in, of or on the Property of the Borrower or a Subsidiary pursuant to the terms of any such indenture, instrument or agreement. No order, consent, adjudication, approval, license, authorization, or validation of, or filing, recording or registration with, or exemption by, or other action

in respect of any governmental or public body or authority, or any subdivision thereof that has not been obtained by the Borrower or any of its Subsidiaries is required to be obtained by the Borrower or any of its Subsidiaries in connection with the execution and delivery of the Loan Documents, the borrowings under this Agreement, the payment and performance by the Borrower of the Obligations or the legality, validity, binding effect or enforceability of any of the Loan Documents.

5.4 Financial Statements; Pro Forma Financial Statements; Call Reports.

- (a) Each of the December 31, 2013, December 31, 2014 and December 31, 2015 audited Consolidated financial statements of the Borrower and its Subsidiaries heretofore delivered to the Lender were prepared in accordance with GAAP in effect on the date such statements were prepared and fairly present the consolidated financial condition and operations of the Borrower and its Subsidiaries at such dates and the Consolidated results of their operations for the periods then ended.
- (b) The financial statements delivered pursuant to clause (a) above contain and reflect provisions for taxes, reserves and other liabilities in accordance with GAAP and applicable banking regulations, rules and guidelines, respectively. Neither Borrower nor any Subsidiary has any material debt, liability or obligation of any nature (whether accrued, contingent, absolute or otherwise) that is not provided for in the financial statements delivered pursuant to clause (a).
- (c) The unaudited Consolidated financial statements of the Borrower and its Subsidiaries delivered to the Lender for the period ended December 31, 2015 were prepared in accordance with GAAP, with only such adjustments thereto as are permitted or would be required, in each case, in a manner consistent with GAAP, and have been prepared in good faith based upon assumptions that the Borrower believed to be reasonable at the time made and at the time such financial statements were made available to the Lender (it being understood that such financial statements are not a guarantee of financial performance) which assumptions were based on the best information available to the Borrower as of the date of the delivery of such financial statements.
- (d) Any call reports and other regulatory reports, including, without limitation, FR Y-9C, FR Y-9LP and FFIEC 041 reports, filed by the Borrower or any Subsidiary Bank with any regulatory authority and provided to the Lender either prior to the Effective Date or pursuant to **Section 6.1(d)**, are or will be true, complete and correct in all material respects.

5.5 Material Adverse Change. Since December 31, 2015, there has been no change in the business, Property, financial condition or results of operations of the Borrower and its Subsidiaries, taken as a whole, that could reasonably be expected to have a Material Adverse Effect.

5.6 Taxes. The Borrower and its Subsidiaries have filed all United States federal and state income Tax returns and all other material Tax returns that are required to be filed by them and have paid all United States federal and state income Taxes and all other material Taxes due from the Borrower and its Subsidiaries, including, without limitation, pursuant to any assessment received by the Borrower or any of its Subsidiaries, except such Taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided in accordance with GAAP and as to which no Lien exists. No Tax Liens have been filed and no claims are being asserted with respect to any such Taxes. The

charges, accruals and reserves on the books of the Borrower and its Subsidiaries in respect of any Taxes or other governmental charges are adequate. Borrower is not aware of any current audit by the Internal Revenue Service, and has not received any notice from the Internal Revenue Service of any, assessment or other proposed with respect to the United States income tax liability, of Borrower or any Subsidiary, that could reasonably be expected to be material and adverse to the Borrower and its Subsidiaries, taken as a whole.

5.7 Litigation and Contingent Obligations. There is no litigation, arbitration, governmental investigation, proceeding or inquiry pending or, to the knowledge of any Authorized Officer, threatened against or affecting the Borrower or any of its Subsidiaries that could reasonably be expected to have a Material Adverse Effect or that seeks to prevent, enjoin or delay the making of any Loan. Other than any liability incident to any litigation, arbitration or proceeding that could not reasonably be expected to have a Material Adverse Effect, the Borrower has no material Contingent Obligations not provided for or disclosed in the financial statements referred to in **Section 5.4**.

5.8 Subsidiaries. **Schedule 5.8(a)** contains an accurate list of all Subsidiaries of the Borrower as of the Effective Date, setting forth their respective jurisdictions of organization and the percentage of their respective capital stock or other ownership interests owned by the Borrower or other Subsidiaries and designating which Subsidiaries are Subsidiary Banks. **Schedule 5.8(b)** contains, as of the Effective Date, an accurate organizational chart, showing the ownership structure of Borrower and each Subsidiary as of the Effective Date. All of the issued and outstanding shares of capital stock or other ownership interests of such Subsidiaries have been (to the extent such concepts are relevant with respect to such ownership interests) duly authorized and issued and are fully paid and non-assessable. Borrower is the sole legal owner of all of the outstanding shares of common stock of Peoples Bank, and Peoples Bank is the sole legal owner of all the outstanding equity interests of its Subsidiaries. As of the Effective Date, there are no warrants or options, or any agreements to issue any warrants or options, outstanding with respect to any class of equity interests of Peoples Bank or any other Subsidiary. Each Subsidiary Bank is “well capitalized” (as defined and determined by the Governmental Authority having jurisdiction over such Subsidiary Bank), and the Subsidiary Banks on a combined basis are “well capitalized” (as defined and determined by the Governmental Authority having jurisdiction over the Subsidiary Banks). No Subsidiary Bank is subject to any Regulatory Action that has not been disclosed in the Borrower’s call reports filed before the Effective Date.

5.9 ERISA. With respect to each Plan, the Borrower and all ERISA Affiliates have paid all required minimum contributions and installments on or before the due dates provided under Section 430(j) of the Code and could not reasonably be subject to a lien under Section 430(k) of the Code or Title IV of ERISA. Neither the Borrower nor any ERISA Affiliate has filed, pursuant to Section 412(c) of the Code or Section 302(c) of ERISA, an application for a waiver of the minimum funding standard. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in material liability.

5.10 Accuracy of Information. No information, exhibit or report furnished by the Borrower or any of its Subsidiaries to the Lender in connection with the negotiation of, or compliance with, the Loan Documents contained any material misstatement of fact or omitted to state a material fact or any fact necessary to make the statements contained therein not misleading.

5.11 Federal Reserve Regulations. No part of the proceeds of any Loan will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately (a) to purchase or carry margin stock or to extend credit to others for the purpose of purchasing or carrying margin stock, or to refund or repay indebtedness originally incurred for such purposes or (b) for any purpose which entails a violation of, or which is inconsistent with, the provisions of the Regulations of The Board of Governors of the Federal Reserve System, including without limitation, Regulations G, U, T or X thereof, as amended. Borrower agrees to execute, or cause to be executed, all instruments necessary to comply with all of the requirements of Regulation U of The Board of Governors of the Federal Reserve System.

5.12 Material Agreements. Neither the Borrower nor any Subsidiary is a party to any agreement or instrument or subject to any charter or other corporate restriction that could reasonably be expected to have a Material Adverse Effect. Neither the Borrower nor any Subsidiary is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions in (i) any material agreement to which it is a party, or (ii) any agreement or instrument evidencing or governing Indebtedness (the agreements and instruments referenced in clauses (i) and (ii) collectively, the “**Material Agreements**”), which default could reasonably be expected to have a Material Adverse Effect.

5.13 Compliance With Laws.

- (a) The Borrower and its Subsidiaries are in compliance in all material respects with all applicable statutes, rules, regulations, orders and restrictions of any domestic or foreign government or any instrumentality or agency thereof having jurisdiction over the conduct of their respective businesses or the ownership of their respective Property except in such instances in which (i) such requirement of law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings or (ii) the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.
- (b) The Borrower has complied in all material respects with all federal, state and local laws pertaining to bank holding companies, including without limitation, the Bank Holding Company Act of 1956, as amended.
- (c) None of the Borrower, none of its Subsidiaries and, to the knowledge of the Borrower, none of the respective officers, directors, brokers or agents of any of the foregoing (i) has violated or is in violation of Anti-Terrorism Laws or (ii) has engaged or engages in any transaction, investment, undertaking or activity that conceals the identity, source or destination of the proceeds from any category of offenses designated in the “**Forty Recommendations**” and “**Nine Special Recommendations**” published by the Organisation for Economic Co-operation and Development’s Financial Action Task Force on Money Laundering.
- (d) None of the Borrower, none of its Subsidiaries and, to the knowledge of any Authorized Officer, none of the respective officers, directors, brokers or agents of any of the foregoing is an Embargoed Person.

- (e) None of the Borrower, none of its Subsidiaries and, to the knowledge of the Borrower, none of the respective officers, directors, brokers or agents of any of the foregoing (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Embargoed Person, (ii) deals in, or otherwise engages in any transaction related to, any property or interests in property blocked pursuant to any Anti-Terrorism Law or (iii) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.
- (f) The Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries, and their respective officers, directors, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Borrower, its Subsidiaries and their respective officers and employees, and to the knowledge of any Authorized Officer, its directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. No Loan made hereunder or use of proceeds thereof will violate Anti-Corruption Laws or applicable Sanctions.

5.14 Ownership of Properties. Except as set forth in **Schedule 5.14**, on the date of this Agreement, the Borrower and its Subsidiaries (i) will have good title, free of all Liens other than those permitted by **Section 7.5**, to all of the Property and assets reflected in the Borrower's most recent Consolidated financial statements provided to the Lender as owned by the Borrower and its Subsidiaries (other than as may have been disposed of in a manner permitted by **Section 7.3**), (ii) will have valid leases for all real property for which Borrower or any Subsidiary is a lessee, and (iii) will own or will possess the legal right to use, all of the trademarks, service marks, trade names, copyrights, patents, patent rights, franchises, licenses and other intellectual property rights that are reasonably necessary for the operation of their respective businesses without material conflict with the rights of any other Person.

5.15 Plan Assets; Prohibited Transactions. The Borrower is not an entity deemed to hold "plan assets" within the meaning of 29 C.F.R. § 2510.3-101 of an employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA or any plan (within the meaning of Section 4975 of the Code), and neither the execution of this Agreement nor the making of Loans will give rise to a prohibited transaction within the meaning of Section 406 of ERISA or Section 4975 of the Code.

5.16 Environmental Matters. In the ordinary course of its business, the Borrower considers the effect of Environmental Laws on the business of the Borrower and its Subsidiaries, in the course of which its responsible officers identify and evaluate potential risks and liabilities accruing to the Borrower and its Subsidiaries due to Environmental Laws. On the basis of this consideration, the Borrower has concluded that its Property and operations and those of its Subsidiaries are in material compliance with applicable Environmental Laws and that none of Borrower and its Subsidiaries is subject to any liability under Environmental Laws that individually or in the aggregate could reasonably be expected to have a Material Adverse Effect. No Authorized Officer has received any notice to the effect that the Property and/or operations of the Borrower and its Subsidiaries are not in material compliance with any of the requirements of applicable Environmental Laws or are the subject of any federal or state investigation evaluating whether any remedial action is needed to respond to a release of any Hazardous Material, which non-compliance or remedial action could reasonably be expected to have a Material Adverse Effect.

5.17 Investment Company Act. Neither the Borrower nor any Subsidiary is an “investment company” or a company “controlled” by an “investment company,” within the meaning of the Investment Company Act of 1940, as amended.

5.18 Insurance. The Borrower maintains, and has caused each Subsidiary to maintain, with financially sound and reputable insurance companies insurance on all their Property and liability insurance in such amounts, subject to such deductibles and self-insurance retentions and covering such Properties and risks as are consistent with sound business practice.

5.19 Solvency.

- (a) Immediately after the consummation of the transactions to occur on the Effective Date and immediately following the making of each Loan and after giving effect to the application of the proceeds of such Loans, (a) the fair value of the assets of the Borrower and its Subsidiaries on a Consolidated basis will exceed the debts and liabilities, subordinated, contingent or otherwise, of the Borrower and its Subsidiaries on a Consolidated basis; (b) the present fair saleable value of the Property of the Borrower and its Subsidiaries on a Consolidated basis will be greater than the amount that will be required to pay the probable liability of the Borrower and its Subsidiaries on a Consolidated basis on their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (c) the Borrower and its Subsidiaries on a Consolidated basis will be able to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (d) the Borrower and its Subsidiaries on a Consolidated basis will not have unreasonably small capital with which to conduct the businesses in which they are engaged as such businesses are now conducted and are proposed to be conducted after the Effective Date.
- (b) The Borrower does not intend to, or to permit any of its Subsidiaries to, and does not believe that it or any of its Subsidiaries will, incur debts beyond its ability to pay such debts as they mature, taking into account the timing of and amounts of cash to be received by it or any such Subsidiary and the timing of the amounts of cash to be payable on or in respect of its Indebtedness or the Indebtedness of any such Subsidiary.

5.20 No Default. No Default or Event of Default has occurred and is continuing.

5.21 Subordinated Indebtedness. As of the Effective Date, other than as set forth in **Schedule 5.21**, none of the Borrower or any of its Subsidiaries has (a) any Subordinated Indebtedness or (b) any Indebtedness in excess of \$5,000,000 that has been contractually subordinated to any other Indebtedness of the Borrower. At any time, the Obligations are “Senior Debt” or “Designated Senior Debt” or like term under any Subordinated Indebtedness of the Borrower or any of its Subsidiaries.

ARTICLE VI AFFIRMATIVE COVENANTS

Until payment in full, in cash, of all Obligations (other than contingent indemnification obligations to the extent no claims with respect thereto have been asserted), Borrower covenants and agrees with the Lender as follows:

6.1 Financial Reporting. The Borrower will maintain, for itself and each Subsidiary, a system of accounting established and administered in accordance with GAAP, and furnish to the Lender:

- (a) As soon as available, but in any event within 120 days after the end of each fiscal year of the Borrower, an unqualified (except for qualifications relating to changes in accounting principles or practices reflecting changes in GAAP) audit report certified by Ernst & Young LLP or any other independent certified public accountants reasonably acceptable to the Lender (such certification to (x) not contain any going concern modifier and (y) contain an opinion stating that such Consolidated financial statements present fairly, in all material respects, the Consolidated financial position of the Borrower and its Subsidiaries as of the applicable period and the Consolidated results of their operations and their cash flows for each of the two years then ended), on a Consolidated basis for itself and its Subsidiaries, including balance sheets as of the end of such period, and related statements of income, of cash flows, and of shareholders' equity and notes thereto, accompanied by any management letter prepared by such accountants.
- (b) As soon as available, but in any event within 60 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, for itself and its Subsidiaries, Consolidated unaudited balance sheets as at the close of each such period and Consolidated statements of income (including sufficient detail for independent calculation of the financial covenants set forth in **Section 7.9**), of cash flows and of shareholders' equity for the period from the beginning of such fiscal year to the end of such quarter and notes thereto with comparisons to (x) the prior year period, and (y) the year to date, all certified by its chief financial officer as being complete and correct and fairly presenting, in all material respects, the Consolidated financial position and the results of operations of the Borrower and its Subsidiaries at such dates and for such periods, subject to normal year-end adjustments.
- (c) As soon as available, but in any event within 60 days after the end of each fiscal year of the Borrower, budgeted financial projections for the next fiscal year, including, without limitation, forecasted balance sheets and statements of income.
- (d) As soon as available, but in any event within 60 days after the end of each fiscal quarter of the Borrower, copies of the quarterly (and, where appropriate, annual) call reports and other regulatory reports, including, without limitation, FR Y-9C, FR Y-9LP and FFIEC 041 reports filed by the Borrower or any Subsidiary Bank with any regulatory authority; provided that, for any period for which the Borrower is required to file such FR Y-9C, FR Y-9LP and FFIEC 041 reports semi-annually, only such semi-annual reports shall be delivered within 60 days after June 30 and December 31.
- (e) Together with the financial statements required under **Section 6.1(a)** and **Section 6.1(b)**, a compliance certificate in substantially the form of Exhibit A signed by its chief financial officer showing the calculations necessary to determine compliance with this Agreement and stating that no Default or Event of Default exists, or if any Default or Event of Default exists, stating the nature and status thereof.
- (f) Promptly upon the furnishing thereof to the shareholders of the Borrower, copies of all financial statements, reports and proxy statements so furnished.

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- (g) Promptly upon the filing thereof, copies of all registration statements and annual, quarterly, monthly or other regular reports that the Borrower or any of its Subsidiaries files with the U.S. Securities and Exchange Commission.

- (h) As soon as available, to the extent allowed by law and the terms thereof, copies of all Regulatory Actions that have not been disclosed in the Borrower's most recent call report delivered to the Lender affecting or pertaining to the Borrower or any Subsidiary Bank.
- (i) Upon any Authorized Officer becoming aware of any adverse development in any Regulatory Action, a notice from the Borrower describing the nature thereof, the nature and status of such Regulatory Action, and, within a reasonable time thereafter, what action the Borrower proposes to take with respect thereto.
- (j) Such other business or financial information as the Lender may from time to time reasonably request.

Any financial statement required to be furnished pursuant to **Sections 6.1(a), (b), (d) or (f)** shall be deemed to have been furnished on the date on which the Lender receives notice that the Borrower has filed such financial statement with (i) the U.S. Securities and Exchange Commission and is available on the EDGAR website on the Internet at www.sec.gov or any successor government website that is freely and readily available to the Lender without charge or (ii) the Federal Reserve System and is available on the Internet at www.ffiec.gov, www.ffiec.gov/nicpubweb/nicweb/nichome.aspx, or any successor government website that is freely and readily available to the Lender without charge; provided that the Borrower shall give notice of any such filing to the Lender. Notwithstanding the foregoing, the Borrower shall deliver paper or electronic copies of any such financial statement to the Lender if the Lender requests the Borrower to furnish such paper or electronic copies until written notice to cease delivering such paper or electronic copies is given by the Lender.

If any information that is required to be furnished to the Lender under this **Section 6.1** is required by law or regulation to be filed by the Borrower with a government body on an earlier date, then the information required hereunder shall be furnished to the Lender promptly after such earlier date.

6.2 Use of Proceeds. The Borrower will, and will cause each Subsidiary to, use the proceeds of Loans for the purpose of (i) paying-off the U.S. Bank LOC, (ii) making acquisitions, (iii) making stock repurchases, (iv) working capital needs, and (v) other general corporate purposes. The Borrower will not, nor will it permit any Subsidiary to, use any of the proceeds of any Loan to purchase or carry any "margin stock" (as defined in Regulation U).

6.3 Notice of Material Events. The Borrower will, and will cause each Subsidiary to, give notice in writing to the Lender, promptly upon the occurrence of any of the following:

- (a) any Default or Event of Default;
- (b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority (including pursuant to any applicable Environmental Laws) against or affecting the Borrower or any Affiliate thereof that (i) if adversely determined, could reasonably be expected to result in liability to the Borrower or any Subsidiary, in the aggregate, in excess of \$5,000,000 or (ii) seeks to prevent, enjoin or delay the making of any Loan;
- (c) with respect to a Plan, (i) any failure to pay all required minimum contributions and installments on or before the due dates provided under Section 430(j) of the Code or (ii) the filing pursuant

to Section 412(c) of the Code or Section 302(c) of ERISA, of an application for a waiver of the minimum funding standard;

- (d) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in material liability;
- (e) any material change in accounting policies of, or financial reporting practices by, the Borrower or any Subsidiary;
- (f) any material investigation of the Borrower or any Subsidiary by any Governmental Authority having regulatory authority over the Borrower or any such Subsidiary (other than routine examinations of the Borrower and/or any such Subsidiary) to the extent such Governmental Authority has consented to the giving of such notice (if the consent of such Governmental Authority is required for the Borrower to give such notice);
- (g) the issuance of any consent decree, cease and desist order (whether written or oral), written agreement, cancellation of insurance or other public or enforcement action by any Governmental Authority having regulatory authority over the Borrower or any Subsidiary;
- (h) the issuance of any material informal enforcement action, including, without limitation, a memorandum of understanding or proposed disciplinary action by or from any Governmental Authority having regulatory authority over the Borrower or any Subsidiary, to the extent that the Borrower or any such Subsidiary is permitted to disclose such information; provided, however, that, the Borrower shall take all reasonable efforts to obtain any necessary regulatory consents; and
- (i) any other development, financial or otherwise, that could reasonably be expected to have a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of an Authorized Officer setting forth the details of the event or development requiring such notice and, within a reasonable time after such notice, a statement detailing any action taken or proposed to be taken with respect thereto.

6.4 Conduct of Business. The Borrower will, and will cause each Subsidiary to, carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as such business is presently conducted and do all things necessary to remain duly incorporated or organized, validly existing and (to the extent such concept applies to such entity) in good standing as a domestic corporation, partnership or limited liability company in its jurisdiction of incorporation or organization, as the case may be, and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted, to the extent that the failure to maintain the same could result in a Material Adverse Effect.

6.5 Taxes and Other Obligations. The Borrower will, and will cause each Subsidiary to, (i) timely file complete and correct United States federal and applicable state and local tax returns required by law and pay when due all taxes, assessments and governmental charges and levies upon it or its income, profits or Property, and (ii) pay and discharge, at or before maturity, all of its obligations and liabilities (including without limitation all claims that could result in a statutory Lien) before the same shall become delinquent or in default; except those in (i) and (ii) above that are being contested in good faith by appropriate proceedings, with respect to which adequate reserves have been set aside in accordance with GAAP.