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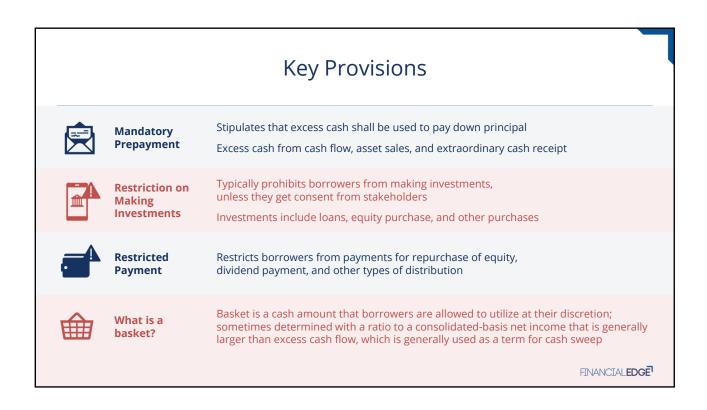


Туן	pical Documenta	ation for Leverag	ged Finance
CATEGORY	Bank Loan	Bond	Others
TYPE OF TRANSACTION	Revolving Credit Facility Term Loan	HY Bond	Mezzanine Debt Unitranche Facility Collateral / Security
TYPICAL AGREEMENTS	~	~	~
	Loan Agreement Facility Agreement Credit Agreement Promissory Notes	Offering Memorandum Indentures Notes	Facility Agreement Subordination Agreement Security Agreement Agreement Among Lenders
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	Major Contracts				
TYPE OF	CONTRACT	SHORT DESCRIPTION	KEY TERMS		
466	Loan Agreement	Agreement where terms of the loans used to finance a leveraged buyout are documented	Interest Rate, maturity, repayment, covenants, representations and warranties, guarantees, etc.		
<u>=</u>	Indenture	Agreement that specifies terms of bond issuance between bondholders and bond issuers (and guarantors and trustees)	Coupon rate, maturity, covenants, whether it is callable, and special features such as whether it is convertible, etc.		
	Security Agreement	Agreement that gives lenders/bond holders a security interest in a specified asset class such as property that is pledged as collateral	Pledged collateral, how to deliver, and control collaterals, etc.		



Different Types of Provisions Other Provisions Negative Covenants Related Provisions Affirmative Covenants Incremental Facility / Lien Mandatory Prepayment Negative Pledge Investment Restriction Maintenance Covenants Amendment Reclassification Payment Restriction Assignment Call Protection Transfer Subordination / Liens Cross Default / Cross Acceleration Protect lenders or bond holders by managing leveraged finance related risks Change of Control Borrowers benefit from lower financing costs FINANCIALEDGE





Key Provisions Requires borrowers to pay a call premium when repaying debt within a Call certain period post closing to protect lenders' yield **Protection** Hard call provision vs soft call provision Prohibits borrowers from incurring any additional liens / security to protect lenders / **Subordination** bondholders of the current claims. / Lien Restriction There are exceptions: liens securing refinanced loans, purchase money liens **Cross Default** Gives lenders equal rights for prepayment by triggering an event of default / Cross when default or prepayment acceleration occurs to a certain loan Acceleration Frequently found in a high yield bond and requires borrowers to repurchase the **Change of** current debt at a certain premium (typically 1%) of their principal in a series of Control specified Change of Control events FINANCIALEDGE

